

Complaint

78 F.T.C.

with distribute a copy of this order to each of their operating divisions.

It is further ordered, That the complaint served on American Management and Business Service Corporation and Richard B. Rosenkeimer, hereinbefore named as respondents in the caption to this proceeding, said complaint having been withdrawn from adjudication by the Commission by order dated November 10, 1970, be and the same is hereby dismissed, without prejudice to the Commission to institute such future proceedings against said named parties as the Commission in its discretion may deem warranted.

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

IN THE MATTER OF

BULOVA WATCH COMPANY, INC.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT

Docket C-1887. Complaint, Apr. 1, 1971—Decision, Apr. 1, 1971

Consent order requiring a New York City manufacturer and distributor of watch and clock products to cease fixing the resale prices of its products, refusing to extend guarantees to certain purchasers, refusing to sell to retailers who discount, refusing to sell Bulova brand watches to retailers who refuse to handle other respondent products, and requesting its customers in nonfair trade States to report discounting dealers.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act (Title 15 U.S.C. Section 41 *et seq.*) and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that the party identified in the caption hereof and more particularly described and referred to hereinafter as respondent, has violated the provisions of Section 5 of the Federal Trade Commission Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the interest of the public, hereby issues its complaint stating its charges as follows:

PARAGRAPH 1. Respondent Bulova Watch Company, Inc. (hereafter sometimes referred to as "Bulova"), is a corporation organized

under the laws of the State of New York, with its executive office at 630 Fifth Avenue, New York, New York.

PAR. 2. For the purposes of this complaint, the following definitions shall apply:

(a) The term "watch and clocks products" means any timing mechanism.

(b) The term "Bulova watch and clock products" means any timing mechanism manufactured, assembled, distributed or sold by the Bulova Watch Company, Inc., or any of its subsidiaries.

(c) The terms "Bulova brand," "Caravelle brand" and "Accutron brand" mean any Bulova watch or clock product, the face of which bears the trade name or trademark of "Bulova," "Caravelle" or "Accutron" respectively.

(d) The term "retailer" means any person who buys a watch or clock product for resale, primarily, to consumers.

(e) The term "dealer" means any person to whom respondent sells Bulova watch or clock products for resale primarily to consumers.

(f) The term "United States" means the fifty States of the United States of America, any territory or insular possession thereof, the District of Columbia and the Commonwealth of Puerto Rico.

PAR. 3. Respondent is engaged in the manufacture, assembly, distribution and sale of watch and clock products, among other merchandise, through a dealer organization located throughout the United States. The annual sales volume of Bulova watch and clock products distributed principally under the trade names or trademarks Bulova, Caravelle, or Accutron, was approximately one hundred million dollars in 1968.

PAR. 4. In the course and conduct of its business of distributing Bulova watch and clock products, respondent ships or causes to be shipped said products from the States in which they are manufactured, assembled, or warehoused to dealers located throughout the United States. There is now and has been for several years last past a constant, substantial, and increasing flow of such products in "commerce" as that term is defined in the Federal Trade Commission Act.

PAR. 5. Except to the extent that competition has been hampered and restrained by reason of the practices hereinafter alleged, respondent's dealers, in the course and conduct of their business of offering for sale watch and clock products purchased from respondent, are in substantial competition in commerce with one another and with other firms or persons engaged in the distribution and sale of similar products, and respondent is likewise in substantial competition with other firms engaged in the manufacture, assembly, and distribution of watch and clock products.

PAR. 6. In the course and conduct of its business, respondent Bulova has engaged and is continuing to engage in the following unfair methods of competition and unfair acts and practices in commerce, among others, enumerated in this Paragraph:

1. For several years, at least since 1964, respondent has pursued a plan or policy throughout the United States, the purpose of which was to fix, control, establish and maintain the retail prices at which retailers and Bulova dealers advertise, offer for sale and sell Bulova watch and clock products.

2. In furtherance of this policy, respondent has and continues to the present time to engage in one or more of the following acts and practices, but not necessarily limited thereto, in the United States:

(a) It issues suggested retail price lists to its dealers in which the retail prices for Bulova watch and clock products are set forth;

(b) It pretickets with the suggested retail prices all Bulova watch products, which it ships to its dealers;

(c) It caused advertisements to be placed in various trade journals, which stated respondent's policy of preventing its watch and clock products from being sold by discounters or at discount prices. In some of these advertisements, Bulova dealers were invited to report to Bulova the names of retailers selling Bulova watch and clock products at less than the suggested retail or pre-ticketed price;

(d) In States where it could not fair trade its products, it directed its salesmen to find a sound legal reason for discontinuing sales to price cutting dealers;

(e) It told its chain store accounts that if the chain advertises or sells Bulova watch and clock products below the suggested retail or pre-ticketed prices, it reserved the right to refuse to deal with them, even though there were no fair trade agreements with these chain stores and many of the chain stores operated in nonfair trade States or in States where nonsigners were not bound;

(f) It discontinued sales to many "upstairs accounts," who are dealers without first floor showrooms, because such dealers are frequently discounters; and

(g) It discontinued and refused further sales to dealers, which its salesmen identified as discounters.

3. In addition to the foregoing, respondent Bulova has established a policy of prohibiting its dealers from selling Bulova watch and clock products otherwise than at retail.

4. In furtherance of this policy, Bulova engaged in one or more of the following acts and practices:

(a) It informed its dealers of this policy;

(b) It discontinued and refused further sales to its dealers, who were reported to have violated this policy;

(c) It instructed its salesmen to report the names of its dealers who violated this policy; and

(d) It refused to guarantee Bulova watch and clock products sold to consumers by anyone other than an authorized Bulova dealer.

5. In addition to the foregoing, respondent Bulova has established a policy of refusing to sell or refusing to continue selling Accutron brand watches to a retailer or dealer unless the retailer, or dealer also buys and sells Bulova brand watches and in some instances has refused to sell Bulova brand and Accutron brand watches to a dealer who buys and sells the Caravelle brand of Bulova watches.

6. In addition to the foregoing; from time to time respondent Bulova has entered into agreements with one or more Bulova dealers not to sell or to discontinue sales of Bulova watch and clock products to retailers or dealers who compete with the dealer.

PAR. 7. The above acts and practices have the capacity and tendency of hindering, suppressing or eliminating competition with the following effects, among others:

a. Dealers have discontinued or de-emphasized the sale of watch and clock products manufactured, assembled, or distributed by other companies;

b. Dealers are required to resell Bulova watch and clock products at prices fixed by the respondent;

c. Price competition between Bulova dealers has been eliminated;

d. Dealers have been prevented from selling Bulova watch and clock products to customers of their own choice; and

e. Some retailers have been unlawfully prevented from buying and selling Bulova watch and clock products, thus eliminating additional competition among dealers selling Bulova products.

PAR. 8. The aforesaid acts and practices of respondent have the tendency to unduly hinder competition and have injured, hindered, suppressed, lessened or eliminated actual and potential competition, and, thus, are to the prejudice and injury of the public, constitute unfair methods of competition in commerce or unfair acts and practices in commerce, within the intent and meaning of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondent named in the caption hereof, and the respondent having been furnished thereafter with

a copy of a draft of complaint which the ~~Bureau~~ Bureau of Competition proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent with a violation of the Federal Trade Commission Act; and

The respondent and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondent has violated the said Act, and that complaint should issue stating its charges in that respect, and having thereupon provisionally accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days; and having received and duly considered comments from interested members of the public, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Bulova Watch Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its executive offices at 630 Fifth Avenue, New York, New York.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent, and the proceeding is in the public interest.

ORDER

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It is ordered, That respondent Bulova Watch Company, Inc., and its subsidiaries, successors, assigns, officers, directors, agents, representatives and employees individually or in concert with others, directly or through any corporate or other device, in connection with the distribution, offering for sale, or sale of watch or clock products in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Entering into, maintaining or enforcing any contract, agreement, combination, understanding or course of conduct

Decision and Order

which has as its purpose the fixing, maintaining, establishing or setting of the prices at which its dealers must resell Bulova watch or clock products: *Provided, however,* That nothing contained in this order shall be construed to prevent respondent from engaging in a legitimate fair trade program in those States having fair trade laws.

2. Entering into, maintaining, or enforcing any contract, agreement, combination, understanding, or course of conduct which has as its purpose restricting the persons to whom any Bulova dealer or other person may resell Bulova watch or clock products.

3. Refusing to extend the terms of the Bulova watch or clock guarantee to consumer purchasers of Bulova watch or clock products from any retailer: *Provided,* That the watch or clock product has not been tampered with or damaged by anyone in the line of sale between Bulova and the consumer.

4. Refusing to sell Bulova watch or clock products to any dealer

A. because the dealer has in the past or might in the future discount Bulova watch or clock products or advertise Bulova watch or clock products at less than the suggested retail price, in non-fair trade states, territories, the District of Columbia, or the Commonwealth of Puerto Rico;

B. because the dealer transshipped or sold Bulova watch or clock products to a retailer.

5. Refusing to sell Bulova watch or clock products to any retailer because Bulova agreed or reached an understanding with one or more retailers not to continue to sell Bulova watch or clock products to another retailer.

6. Refusing to sell Bulova watch or clock products to any retailer because the retailer or the dealer refuses to purchase the Bulova, the Accutron, or the Caravelle brand of watches, along with the retailer's or the dealer's desired brand or brands of Bulova watch or clock products.

7. Requesting its dealers to report to it the names of discounting dealers in nonfair trade states, territories, or the District of Columbia, or discounters in fair trade states where non-signers are not bound and in which the discounter is a non-signer, except that nothing contained in this order shall be interpreted so as to prohibit respondent's salesmen, agents, representatives or employees from observing and reporting pricing information to respondent.

Complaint

78 F.T.C.

8. Refusing to inform any retailer or dealer in writing of:
- A. the reason or reasons for its refusal to sell to the retailer or dealer; and
 - B. the sales standards that the retailer or dealer is expected to meet.

9. Advertising that it is Bulova's policy to maintain suggested retail prices in nonfair trade States, territories, the District of Columbia, or the Commonwealth of Puerto Rico.

It is further ordered, That the respondent corporation shall forthwith distribute a copy of this order to each of its operating divisions, to its present and future salesmen, to its present and to all future dealers for five years from the entry of this order at the time that the dealer is opened as an account.

It is further ordered, That respondent notify the Commission at least 30 days prior to any proposed change in the corporate respondent such as dissolution, assignment or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries or any other change in the corporation which may affect compliance obligations arising out of this order.

It is further ordered, That respondent file with the Commission a report in writing setting forth in detail the manner and form in which it has complied with this order.

IN THE MATTER OF

AMERICAN BOOK CLUB, ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT

Docket C-1888. Complaint, Apr. 1, 1971—Decision, Apr. 1, 1971

Consent order requiring a Philadelphia, Pa., mail-order book club to cease misrepresenting that its customers will save money on the purchase of books from respondents, listing remainder books with original prices, misrepresenting that respondents have automatic data processing connections with publishers of books, misrepresenting that certain of its printed matter is limited to certain purchases, failing to make refunds or shipments of books within a reasonable time, and failing to keep adequate records to back its savings claims.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal

Complaint

Trade Commission, having reason to believe that American Book Club, a partnership, and American Book Club, a corporation, and Cletus P. Lyman and J. Roger Williams, Esq., individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of said Act and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent American Book Club, hereinafter sometimes referred to as ABC, is a partnership organized, existing and doing business under and by virtue of the laws of the Commonwealth of Pennsylvania with its office and place of business located at 1612 Latimer Street, in the city of Philadelphia, Commonwealth of Pennsylvania. The individual partners are L Club Corp. and American Book Club, both of which are corporations organized, existing and doing business under and by virtue of the laws of the State of Delaware.

Respondent American Book Club (corporation) is the managing partner having complete authority and responsibility with respect to the conduct of the business of the said partnership. Its office and place of business is the same as that of the said partnership.

Cletus P. Lyman and J. Roger Williams, Esq., are officers of the corporate respondent American Book Club. They formulate, direct and control the acts and practices of the corporate respondent including the acts and practices hereinafter set forth. Their business addresses are the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the operation of a mail-order book club and in the advertising, offering for sale, sale and distribution of memberships, books and other printed matter to the public.

PAR. 3. In the course and conduct of their business as aforesaid, respondents now cause, and for some time last past have caused the sale of memberships in said book club to purchasers thereof, located in various other States of the United States, and have caused their books and other printed matter, when sold, to be shipped from their place of business in the Commonwealth of Pennsylvania to purchasers thereof, located in various other States of the United States, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said products in commerce as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business, and at all times mentioned herein, respondents have been and now are in sub-

stantial competition in commerce with corporations, firms and individuals engaged in the sale of books and other printed matter of the same general kind and nature as that sold by respondents.

PAR. 5. In the course and conduct of their aforesaid business, and for the purpose of inducing the purchase of their memberships, books, and other printed matter, the respondents have made, and in most cases are now making, numerous statements and representations in advertisements inserted in newspapers, magazines and other publications of general interstate circulation, and by means of such statements and representations in direct mail solicitations. Typical and illustrative of the foregoing, but not all inclusive thereof, are the following:

Order any and all books in print at discounts up to 81%. Even newest releases, NO EXCEPTIONS! Your discount always based directly on wholesale price. You never pay list price for any book, ever! . . . , the price you formerly paid for just *one* book can now get you up to *five*.

Order any book in print through club from warehouse. No exceptions. No middleman.

Never the 5- to 6-week delay that is standard with other clubs. Even ('special requests') are processed as fast as best sellers. And that means—the same day received.

We just programmed those 100 booklovers into our IBM-S/360 computer. Connected that to our new Computer Control Network. And connected *that* to just about every publisher in the continental United States. Electronically . . . we just punched a button. And got it for him straight from the publisher Direct.

You just have to have \$5. That's your Registration Fee. We don't pocket it. It goes to defray the (considerable) cost of programming your name and order number into our Computer Control Network.

Please request your complimentary Master Catalog at once. Quantities earmarked for trade houses, publishers, schools and libraries are *severely limited*.

----- Initial here. I am not a book dealer, and will not resell books purchased through this service at a higher price. All-Book/All-Publisher Discount Card. Not available to dealers, wholesalers, retail book establishments or their representatives or sales agents.

But we never give you ('club editions.') Never give you cheaper paper, smaller type, or bindings that stain your hands and fall apart. You receive only the GENUINE PUBLISHER'S EDITION, brand-new and bindery fresh.

Money-back guarantee is unconditional. If after joining you don't agree the American Book Club is all we said and more—or even if you've simply changed your mind—just let us know within 10 days after receiving your catalog and your membership will be cancelled without obligation. Your membership fee, of course, will be refunded at once.

DATED MAIL, FIRST CLASS DATED MAIL. Must be answered by addressee within twenty-one (21) days of U.S. Post Office Meter Date stamped at right.

No orders accepted at enclosed PDOL prices unless mailed and postmarked within twenty-one (21) days of U.S. Post Office Meter Date shown above.

PAR. 6. By and through the use of the above-quoted statements and representations, and others of similar import and meaning not expressly set out herein, respondents have represented and are now representing, directly or by implication, that:

1. A substantial number of books is available at the 81 percent discount rate, and that there are at least five books available at that rate.

2. A member will never pay the full price for any book.

3. ABC has warehouse facilities within which every book in print is stocked.

4. Books will be shipped to the purchaser within 24 hours from the time ABC receives the purchaser's order.

5. ABC owns an IBM-S/360 computer which in some manner is directly connected to almost every publisher in the continental United States.

6. That the \$5 membership fee is used entirely for computer programming.

7. That the available number of Master Catalogs is limited.

8. That book dealers, wholesalers, and retail book establishments cannot purchase books at the same prices or from the same sources which are available to ABC.

9. That a member will receive only the original publisher's edition of books and not a reprint edition.

10. That a member who is not satisfied with the services of the book club may immediately receive a cancellation of his membership and an automatic return of his fee providing he communicates such request to the book club within 10 days of the receipt of his membership card or other notification that his application has been accepted.

11. That a member cannot order books from the PDOL [Publisher's Discount Option List] after 21 days from the date stamped on the envelope.

PAR. 7. In truth and in fact:

1. There were only two books available at the 81 percent discount rate during the year 1969. There are not at least five books available at the 81 percent discount rate;

2. Respondents fail to initially disclose a \$.40 charge for the handling and postage of each book ordered, which charge results in a number of books costing more than the list price;

3. ABC has only limited storage space available and does not stock every book in print.

4. A large percentage of books ordered must be obtained from the

publisher, and such books cannot be shipped to the purchaser within 24 hours from the time ABC receives the purchaser's order. In fact, deliveries of books frequently take five to six weeks and even longer.

5. ABC pays for automatic data processing services and does not own an IBM-S/360 computer. There is no direct connection between ABC and any publisher other than through the usual means of communication;

6. Only a small part of the \$5 membership fee is used for computer programming of a member's name and order number;

7. The available number of Master Catalogs is not limited;

8. Book dealers, wholesalers and retail book establishments can purchase books from the same sources and at the same prices as ABC;

9. A number of books offered to ABC members are reprint editions and not the original publisher's edition;

10. In numerous instances membership fees are not refunded upon demand of the purchaser, or are refunded only after a delay of several months and after repeated requests to American Book Club and pleas for assistance to Better Business Bureaus and governmental agencies and substantial inconvenience; irritation and hardships to the purchaser;

11. A member can order books from the PDOL [Publisher's Discount Option List] at any time as long as the books are available.

Therefore, the statements and representations as set forth in Paragraphs Five and Six were and are false, misleading and deceptive.

PAR. 8. In the course and conduct of their mail-order business, as aforesaid, respondents, on numerous occasions and in a substantial number of instances either have failed altogether to deliver prepaid books or have delivered such books after a long lapse of time and after several demands therefor have been made to respondents and pleas for assistance have been made to Better Business Bureaus and to governmental agencies. Such practices have resulted in substantial inconvenience, hardship and irritation to purchasers.

Therefore, the said practice was, and is, unfair and is misleading and deceptive.

PAR. 9. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were, and are, true and into the purchase of substantial numbers of memberships and books from respondents by reason of said erroneous and mistaken belief.

PAR. 10. The aforesaid acts and practices of the respondents, as herein alleged, were and are all to the prejudice and injury of the public and of respondents' competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Washington Area Field Office proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not violate an admission by respondents that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Act, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record and having duly considered the comments filed thereafter pursuant to Section 2.34(b) of its Rules, now, in further conformity with the procedure prescribed in such Rule, the Commission hereby issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent American Book Club is a partnership organized, existing and doing business under and by virtue of the laws of the State of Pennsylvania with its office and place of business located at 1612 Latimer Street, Philadelphia, Pennsylvania.

Respondent American Book Club is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware with its office and place of business located at 1612 Latimer Street, Philadelphia, Pennsylvania.

Respondents Cletus P. Lyman and J. Roger Williams, Esq., are individuals and officers of said corporation. They formulate, direct and control the acts and practices of said partnership and corporation and their address is the same as that of the partnership and corporation.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents and the proceeding is in the public interest.

ORDER

It is ordered, That respondents American Book Club, a partnership, and American Book Club, a corporation, and its officers, and Cletus P. Lyman and J. Roger Williams, Esq., individually and as officers of said corporation, and respondents' agents and employees, directly or indirectly, by corporate or any other device, in connection with the advertising, offering for sale, sale or distribution of book club memberships, books, printed matter, or any other articles of merchandise or services in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing that customers will save money or be able to purchase books at prices below the regular price of such books without disclosing in immediate conjunction therewith, the basis for such savings representations.

2. Representing, directly or by implication, that purchasers of respondents' memberships or books will save any stated dollar or percentage amount unless in fact the amount represented applies to a substantial number of available books and accurately reflects the average savings for all books sold by respondents.

3. Failing to disclose in connection with any representations concerning discounts, reduced prices, or savings, that postage, handling, shipping and/or other charges must be paid by the purchaser.

4. Representing, directly or by implication, the list price of reprints or remainders without clearly disclosing that the list price was that of the original publisher and is not the current retail price of such reprints or remainders.

5. Representing, directly or by implication, that respondents' warehouse or otherwise stock books unless the average number of books actually stocked or warehoused by respondents is disclosed in immediate conjunction therewith.

6. Representing, directly or by implication, that books or

other printed matter will be received by purchasers within a stated period of time unless in fact the stated period is the maximum length of time within which the majority of such books are received by purchasers.

7. Representing, directly or by implication, that respondents own or employ automatic data processing equipment which provides a direct channel of communication linking them with publishers of books.

8. Representing, directly or by implication, that membership fees or other charges are used solely for computer programming, advertising, or any other specified purpose.

9. Representing, directly or by implication, that the sale or distribution of catalogs, books, or other printed matter is limited to certain purchasers or unavailable to certain classes of persons unless such represented limitation was actually imposed and in good faith adhered to.

10. Representing, directly or by implication, that book dealers, wholesalers, and retail book establishments cannot purchase books at the same price or from the same sources which are available to respondents.

11. Representing, directly or by implication, that a purchaser will receive only the original publisher's edition of books when any of such books are not the original publisher's edition.

12. Failing to insure that employees, when requested pursuant to a guarantee of satisfaction for a full refund, refund the purchase price in full of books membership fees, or other merchandise together with all charges paid by purchasers in connection with such purchase voluntarily and within the time specified in respondents' advertisements, or if no time specified, within a reasonable time not to exceed 10 working days; or failing to insure that employees make any other refunds to which a purchaser is entitled within 10 working days from the date of the receipt of the request for such refund.

13. Representing, directly or by implication, that offers of catalogs, books, or other printed matter are limited in point of time or available quantities, unless such represented limitation or restriction was actually imposed and in good faith adhered to.

14. Failing to insure that employees make shipments of advertised books, catalogs, printed matter, or other merchandise within the time specified in respondents' advertisements, or if no time specified, within a reasonable time or to return the full purchase price therefor to the purchaser.

15. Failing to maintain adequate records (a) which disclose the facts upon which any savings claims, including comparable value claims, and similar representations of the types described in Paragraphs 1, 2, 3, and 4 of this order are based, and (b) from which the validity of any savings claims and comparative value claims, and similar representations of the types described in Paragraphs 1, 2, 3, and 4 of this order can be determined.

It is further ordered, That respondents shall forthwith distribute a copy of this order to each of its operating divisions, and to any agency or individual employed by respondents for the purpose of originating or otherwise preparing advertising of any nature.

It is further ordered, That respondents notify the Commission at least thirty (30) days prior to any proposed change in the corporate respondent or partnership respondent, such as dissolution, assignment or sale resulting in the emergence of a successor partnership or corporation, the creation or dissolution of subsidiaries, changes in the corporation or partnership which may affect compliance obligation arising out of this order.

It is further ordered, That respondent maintain for at least a two (2) year period, copies of all advertisements, direct mail solicitations, and any other such written representations made to secure the sale of memberships, books, or other printed matter.

It is further ordered, That respondents shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form of their compliance with this order.

IN THE MATTER OF

HARRY STROIMAN TRADING AS EMPIRE BUILDERS
COMPANY

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION AND THE TRUTH IN LENDING ACTS

Docket C-1889. Complaint, Apr. 1, 1971—Decision, Apr. 1, 1971

Consent order requiring a Des Moines, Iowa, individual engaged in the sale and distribution of residential aluminum siding products to cease misrepresenting that any price for respondent's products is a special or reduced price, failing to maintain records supporting his savings claims, misrepresenting that a customer's home will be used as a model, failing to disclose the nature and extent of the guarantee, and failing to include on all notes a Notice that "Any holder takes this instrument subject to the terms and conditions of the contract which gave rise to the debt evidenced hereby"; and failing to make certain disclosures required by Regulation Z of the Truth in Lending Act.

