

Syllabus.

IN THE MATTER OF
KEELER BROS. & COMPANY, THE COLUMBIA SECURITIES COMPANY, THE NATIONAL FINANCE COMPANY, GEORGE KEELER, AND FRANK KEELER.

COMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION
OF SECTION 5 OF AN ACT OF CONGRESS APPROVED SEPTEMBER 26, 1914.

Docket 941—July 26, 1924.

SYLLABUS.

Where two individuals dealing in state, county, municipal, and other public bonds and obligations, through various corporations managed and controlled by them; in pursuance of a plan or conspiracy to stifle and suppress competition in the purchase of the aforesaid bonds or obligations through the use of deceptive, fraudulent, and oppressive practices calculated and intended to deceive and defraud political subdivisions, with which they dealt, and their fair and honest competitor bidders, and to enable them to outbid said competitors for the purchase of such bonds or obligations and prevent them from obtaining the same;

- (a) Presented histories of the issues upon which they had bid successfully, prepared by them, as required, which histories were false in important essentials, and so changed said bonds or obligations and the terms and conditions thereof as to make the same more salable, and filed said false histories in the State Auditor's office, and registered the bonds based thereon;
- (b) Secured necessary signatures of public officials by hastening their inspection of the papers, etc., through pretenses on the part of their representatives of having only a very limited time available for the transaction of the matter, through manipulating the various papers requiring such signatures, so as to prevent the reading thereof, and through misrepresentation and chicanery;
- (c) Pretended to meet requirements in the matter of necessary signatures of officials and others, by presenting signatures which purported to be those of such persons, but were actually forgeries;
- (d) Enlisted the aid of public officials and employees in effecting fraudulent changes in the terms and conditions of issues bid upon by them, and in the transaction of their business in general, as above set forth, by paying or promising sums of money to such officials or employees, or employing them, in order to secure their influence and assistance;
- (e) Used vague and ambiguous terms in their contracts; submitted checks purporting to be certified but as a fact merely drawn upon themselves, and issued pretended certificates of deposit in payment of bonds upon which they had bid successfully which were mere false recitals that there had been deposited with the particular corporation, through which they had bid upon the issue concerned, the sum mentioned, to the credit of the municipality's treasurer, which drafts and "certificates" were honored or not as suited their convenience; and sought whenever possible to secure delivery of bonds upon which they had bid successfully, without paying therefor;

Order.

8 F. T. C.

(3) Boycotting, or withdrawing, or withholding patronage or custom, or threatening to boycott, or withdraw, or withhold patronage or custom from any gasoline refining company which is not adhering to any given policy as regards price or margin of profit, or which sells to price-cutting dealers, or urging others so to boycott or withdraw or withhold patronage.

(4) Hindering, restricting or restraining any such refiner of gasoline from the free and unregulated solicitation or selection of its direct, proximate and immediate customers, or influencing or attempting to influence any such refiner not to accept as a customer any dealer whom the refiner, in the exercise of free judgment, has or may desire to have as a customer, for the reason or upon the ground that the said customer fails or declines to adhere to any given price or margin of profit or is a price cutter.

(5) Using any other methods whatsoever to persuade, urge, induce, coerce or compel buyers of gasoline, purchasing directly, immediately and proximately from gasoline refining companies bringing their product from beyond the State, to maintain any given price or margin of profit or to leave the business of retailing gasoline, or any other methods whatsoever to persuade, urge, induce, coerce or compel such refiners of gasoline to discriminate as aforesaid against such customers or prospective customers who decline to adhere to any given price or margin of profit, or employing any methods for regulating the sale or the outlets for the sale of gasoline by refining companies importing the same from without the State.

It is further ordered, That the respondent refining companies within thirty days from the notice hereof file with the Commission their respective reports in writing stating the manner in which they have complied with and conformed to this order.

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