

IN THE MATTER OF

SAMUEL H. MOSS, INC.

COMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION OF SEC. 2(A) OF AN ACT OF CONGRESS APPROVED OCT. 15, 1914, AS AMENDED BY ACT OF JUNE 19, 1936

Docket 4405. Complaint, Dec. 6, 1940—Decision, May 1, 1943

Where a corporation, engaged in competitive interstate sale and distribution of made-to-order straight-line rubber stamps, sold by it to a large extent directly to the consuming public—

- (a) Discriminated in price through selling some customers rubber stamps 3 inches or less in length and $\frac{3}{8}$ -inch or less in height at 4 cents per line, while charging other customers for the same type of products 5 cents, 7 cents, 8 cents, 15 cents, 20 cents, or 30 cents per line, plus in each instance an additional sum for each additional line or fraction thereof; and
- (b) Discriminated in price through selling at approximately the same time rubber stamps of like grade and quality at price of 4 cents, 5 cents, and 15 cents per line 2 inches or less in length and $\frac{3}{8}$ -inch or less in height, plus an additional sum for each added line or fraction;

With result that said lower prices had a substantially injurious effect upon competition in products in question; competitors in some instances could not meet such unjustified lower prices and one competitor was forced out of business; and with tendency and capacity to induce purchase of its said products and to divert trade to it from its competitors:

Held, That effect of price differences concerned might be substantially to lessen, destroy, or prevent competition in sale and distribution of rubber stamps; and that said acts and practices constituted discriminations in price between different purchasers of said products of like grade and quality, resulted in substantial injury to its competitors, hindered and obstructed competition with it and created a monopoly in it in sale and distribution of said products in commerce, and constituted violation of subsection (a) of section 2 of the Clayton Act as amended.

Before *Mr. Lewis C. Russell* and *Mr. Andrew Duvall*, trial examiners.

Mr. John T. Haslett for the Commission.

Brookhart & Sawyer, of Washington, D. C., and *Lewis, Marks & Kanter*, of Brooklyn, N. Y., for respondent.

COMPLAINT

The Federal Trade Commission, having reason to believe that the party respondent named in the caption hereof, and hereinafter more particularly designated and described, since June 19, 1936, has been and is now violating the provisions of subsection (a) of section 2 of the Clayton Act (U. S. C. title 15, sec. 13) as amended by the Robinson-Patman Act, approved June 19, 1936, hereby issues its complaint stating its charges with respect thereto as follows:

PARAGRAPH 1. Respondent, Samuel H. Moss, Inc., is a corporation, organized and existing under and by virtue of the laws of the State of New York, with its principal office and place of business located at 36 East Twenty-third Street, New York, N. Y.

PAR. 2. Respondent corporation is now and has been since June 19, 1936, engaged in the business of processing, manufacturing, offering for sale, selling, and distributing made to order straight-line stamps, hereinafter referred to as rubber stamps. Such commodities processed and manufactured by the respondent are sold direct to the consuming public. Some customers of the respondent purchasing such products are located in States other than the State in which respondent's business is located and some customers, although located within the State in which the respondent's business is located, direct the shipment of their purchases be made by the respondent to their branch offices located in States other than the State in which the respondent's business is located, and in such cases respondent causes such products to be shipped and transported across State lines from respondent's place of business to such customers or to such branch offices of such customers. There is and has been at all times mentioned a continuous course of trade and commerce in said products between respondent's factory and the purchasers of said products, some of which are located in States other than the State in which respondent's business is located, as aforesaid. Said products are sold and distributed for use within the various States of the United States.

PAR. 3. In the course and conduct of its business in commerce as aforesaid, respondent is now and during the time herein mentioned has been in substantial competition with other corporations and with individuals, partnerships, and firms engaged in the business of processing, manufacturing, offering for sale, selling, and distributing rubber stamps.

PAR. 4. In the course and conduct of its business as aforesaid, respondent, since June 19, 1936, has been and is now discriminating in price between different purchasers buying such products of like grade and quality by selling its products to some of its customers at lower prices than it sells its products of like grade and quality to other of its customers.

Among the general practices pursued by the respondent in discriminating in price it is alleged that:

1. To some customers the respondent has sold rubber stamps 3 inches or less in length and $\frac{3}{8}$ -inch or less in height at 4 cents per line, plus 4 cents for each additional line or any fraction thereof, while to other customers purchasing the same type of rubber stamp of like grade and quality, the respondent has charged for each product varying prices

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of 5 cents, 7 cents, 8 cents, 15 cents, 20 cents, or 30 cents per line 3 inches or less in length and $\frac{3}{8}$ -inch or less in height plus in each instance an additional sum for each additional line or any fraction thereof.

2. The respondent has sold at approximately the same time rubber stamps of like grade and quality at varying prices of 4 cents, 5 cents, and 15 cents per line 2 inches or less in length and $\frac{3}{8}$ -inch or less in height plus in each instance an additional sum for each additional line or any fraction thereof.

PAR. 5. The effect of the discriminations in price set forth in paragraph 4 hereof has been and may be substantially to lessen competition and to injure, destroy, and prevent competition between respondent and its competitors in the sale and distribution of rubber stamps in interstate commerce and has been and may be to tend to create a monopoly in respondent in said line of commerce.

PAR. 6. The foregoing acts and practices of said respondent are in violation of the provisions of subsection (a) of section 2 of the Clayton Act (U. S. C. title 15, sec. 13) as amended by the Robinson-Patman Act approved June 19, 1936.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER

Pursuant to the provisions of an act of Congress approved October 15, 1914, entitled, "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914 (Clayton Act), as amended by an act of Congress approved June 19, 1936 (Robinson-Patman Act), and by virtue of the authority vested in the Federal Trade Commission by the aforesaid act, the Federal Trade Commission on December 6, 1940, issued and subsequently served its complaint upon the respondent, Samuel H. Moss, Inc., a corporation, charging it with violating the provisions of subsection (a) of section 2 of the Clayton Act as amended by the Robinson-Patman Act. After the issuance of said complaint and the filing of respondent's answer thereto, testimony and other evidence in support of and in opposition to the allegations of said complaint were introduced before trial examiners of the Commission theretofore duly designated by it, including a stipulation entered into between W. T. Kelley, chief counsel for the Federal Trade Commission, and the respondent, whereby it was stipulated and agreed that a statement of facts set out therein may be made a part of the record, subject to the approval of the Federal Trade Commission. Said testimony and other evidence were duly recorded and filed in the office of the Commission. Thereafter, this proceeding regularly came on for final hearing before the Commission upon said complaint; answer thereto; testimony and other evidence, including stipulation entered into be-

tween W. T. Kelley, chief counsel, and the respondent herein, said stipulation having been approved, accepted, and filed; report of the trial examiners upon the evidence; and briefs filed in support of the complaint and in opposition thereto (oral argument having been requested by the respondent and subsequently canceled), and the Commission, having duly considered the matter and being now fully advised in the premises, finds that this proceeding is in the interest of the public and makes this its findings as to the facts and its conclusion drawn therefrom:

FINDINGS AS TO THE FACTS

PARAGRAPHS 1. The respondent, Samuel H. Moss, Inc., is a corporation, organized and existing under and by virtue of the laws of the State of New York, with its principal office and place of business located at 36 East Twenty-third Street, New York, N. Y.

PAR. 2. Respondent is now, and since June 19, 1936, has been, engaged in the business of processing, manufacturing, offering for sale, selling, and distributing made-to-order straight-line rubber stamps, hereinafter referred to as "rubber stamps." The rubber stamps manufactured and processed by the respondent are, to a large extent, sold direct to the consuming public. Some of the customers of the respondent who purchase rubber stamps from the respondent are located in the State of New York, and other customers are located in States other than the State of New York, in which respondent's business is located; and some of said customers, although located within the State within which respondent's business is located, direct that shipments of their purchases be made by respondent to their branch offices located in States other than the State in which respondent's business is located, and, in such cases, respondent causes and has caused such rubber stamps to be shipped and transported across State lines from respondent's place of business to customers or to such branch offices of such customers. Respondent maintains, and at all times mentioned herein has maintained, a course of trade in said rubber stamps in commerce between respondent's factory and the purchasers of said products, some of which are located in States other than the State in which respondent's business is located. Said products are sold and distributed for use within the various States of the United States.

PAR. 3. In the course and conduct of its business in commerce as aforesaid, respondent is now, and since June 19, 1936, has been, in substantial competition with other corporations and with individuals, partnerships, and firms engaged in the sale and distribution of rubber stamps in commerce among and between the various States of the United States.

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PAR. 4. Since June 19, 1936, while engaged in commerce as aforesaid, the respondent in the course of such commerce has discriminated in price, and is now discriminating in price, between different purchasers buying such products of like grade and quality for use within the United States by selling its products of the same grade and quality to some of its customers at lower prices than it sells its products of like grade and quality to other of its customers. Among the general practices pursued by the respondent in discriminating in price are the following:

1. Respondent has sold to some of its customers rubber stamps 3 inches or less in length and $\frac{3}{8}$ -inch or less in height at 4 cents per line, plus 4 cents for each additional line or any fraction thereof, while at the same time respondent has charged other customers purchasing the same type of rubber stamps of like grade and quality varying prices of 5 cents, 7 cents, 8 cents, 15 cents, 20 cents, or 30 cents per line of 3 inches or less in length and $\frac{3}{8}$ -inch or less in height, plus, in each instance, an additional sum for each additional line or fraction thereof.

2. Respondent has sold at approximately the same time rubber stamps of like grade and quality at varying prices of 4 cents, 5 cents, and 15 cents per line 2 inches or less in length and $\frac{3}{8}$ inch or less in height, plus, in each instance, an additional sum for each additional line or fraction thereof.

PAR. 5. Among and typical of the sales at different prices made by the respondent since June 19, 1936, are the following:

1. From October 1939 and subsequent thereto the respondent sold its made-to-order stamps to the American Airlines, Inc., of New York, N. Y., and Chicago, Ill., at 8 cents for a one-line rubber stamp 2 inches in length and $\frac{3}{8}$ of an inch in height, and 8 cents for each additional line thereafter; and 13 cents for a one-line rubber stamp 3 inches in length and $\frac{3}{8}$ of an inch in height, and 13 cents for each additional line thereafter; and 18 cents for a one-line rubber stamp 4 inches in length and $\frac{3}{8}$ of an inch in height, and 18 cents for each additional line thereafter; and 25 cents for a one-line rubber stamp 5 inches in length and $\frac{3}{8}$ of an inch in height, and 25 cents for a one-line rubber stamp 6 inches in length and $\frac{3}{8}$ of an inch in height, and 28 cents for each additional line thereafter; and 33 cents for a one-line rubber stamp 7 inches in length and $\frac{3}{8}$ of an inch in height, and 33 cents for each additional line thereafter. At the same time, respondent was selling made-to-order stamps of the same grade, quality, and size to other of its customers at higher prices than those charged by the respondent to American Airlines, Inc. The main office, including the

purchasing department, of the American Airlines, Inc., in October 1939 and prior thereto was located in Chicago, Ill. Prior to purchasing the above-described rubber stamps from the respondent, the American Airlines, Inc., purchased its supplies of rubber stamps from Martin & Company, 227 West Madison Street, Chicago, Ill., a competitor of the respondent. The prices at which respondent offered for sale and sold its rubber stamps to the American Airlines, Inc., were substantially lower than the prices previously charged and quoted by Martin & Co., and constituted the inducement to the American Airlines, Inc., to purchase its supply of rubber stamps from the respondent.

2. From about March 1938 and subsequent thereto, the respondent sold made-to-order rubber stamps to the Linde Air Products Co. of Chicago, Ill., at 10 cents for one-line rubber stamps 3 inches in length and $\frac{3}{8}$ of an inch in height, and 7 cents for each additional line thereafter. At the same time, the respondent was selling made-to-order rubber stamps of like grade, quality, and size to other of its customers at higher prices than those charged by respondent to the Linde Air Products Co. of Chicago, Ill. Prior to purchasing the above-described rubber stamps from the respondent, the Linde Air Products Co. of Chicago, Ill., purchased its supply of rubber stamps from Martin & Co., 227 West Madison Street, Chicago, Ill., a competitor of the respondent. The prices at which respondent offered for sale and sold its rubber stamps to Linde Air Products Co. of Chicago were substantially lower than the prices previously charged and quoted by Martin & Co. to Linde Air Products Co. of Chicago and constituted the inducement to the Linde Air Products Co. of Chicago to purchase its supply of rubber stamps from the respondent.

3. From January 1938 and subsequent thereto respondent sold its made-to-order rubber stamps to Linde Air Products Co. of San Francisco, Calif., at 10 cents for a one-line rubber stamp 3 inches in length and $\frac{3}{8}$ of an inch in height and 7 cents for each additional line thereafter. At the same time, the respondent was selling made-to-order rubber stamps of the same grade, quality, and size to other of its customers at higher prices than those charged by the respondent to the Linde Air Products Co. of San Francisco. Prior to purchasing the above-described rubber stamps from the respondent, the Linde Air Products Co. of San Francisco, Calif., purchased its supply of rubber stamps from A. F. Cordray Co., 343 Kearney Street, San Francisco, Calif., a competitor of respondent. The prices at which the respondent offered for sale and sold its rubber stamps to Linde Air Products

Co. of San Francisco were substantially lower than the prices previously quoted and charged by A. F. Cordray Co. to Linde Air Products Co. of San Francisco and constituted the inducement to Linde Air Products Co. of San Francisco to purchase its supply of rubber stamps from the respondent.

4. From April 1937 and subsequent thereto respondent sold made-to-order rubber stamps to Oxweld Acetylene Co. of Newark, N. J., at 10 cents for a one-line rubber stamp 3 inches in length and $\frac{3}{8}$ of an inch in height, and 7 cents for each additional line thereafter; and 12 cents for a one-line rubber stamp 4 inches in length and $\frac{3}{8}$ of an inch in height, and 9 cents for a one-line rubber stamp 5 inches in length and $\frac{3}{8}$ of an inch in height, and 11 cents for each additional line thereafter; and 16 cents for a one-line rubber stamp 6 inches in length and $\frac{3}{8}$ of an inch in height, and 13 cents for each additional line thereafter; and 18 cents for a one-line rubber stamp 7 inches in length and $\frac{3}{8}$ of an inch in height, and 15 cents for each additional line thereafter. At the same time, respondent was selling made-to-order rubber stamps of the same grade, quality, and size to other of its customers at higher prices than those charged by the respondent to the Oxweld Acetylene Co. of Newark, N. J. Prior to purchasing the above-described rubber stamps from the respondent, the Oxweld Acetylene Co. purchased its supplies of rubber stamps from Universal Stamp & Stationery Co., Inc., of 285 Market Street, Newark, N. J., a competitor of the respondent. The prices quoted by the respondent were substantially lower than the prices quoted by the Universal Stamp & Stationery Co., Inc., to the Oxweld Acetylene Co.

5. From December 21, 1939, and subsequent thereto, the respondent sold its made-to-order rubber stamps to the Prudential Insurance Co. of America located at Newark, N. J., at 6 cents for a one-line rubber stamp 3 inches in length and $\frac{3}{8}$ of an inch in height, and 2 cents for each additional line thereafter. At the same time, respondent was selling made-to-order rubber stamps of the same grade, quality, and size to other of its customers at higher prices than those charged by the respondent to the Prudential Insurance Co. of America of Newark, N. J.

6. During the year 1939 respondent sold its made-to-order rubber stamps to the New York, New Haven & Hartford Railroad Co. of New Haven, Conn., at 4 cents for a one-line rubber stamp 3 inches in length and $\frac{3}{8}$ of an inch in height, and 4 cents for each additional line thereafter. At the same time, the respondent was selling made-to-order rubber stamps of the same grade, quality, and size to others of

its customers at higher prices than those charged by the respondent to the New York, New Haven & Hartford Railroad Co. For several years prior to 1939, the New York, New Haven & Hartford Railroad Co. purchased its supply of rubber stamps from Spencer Stamp Works of Springfield, Mass. The substantially lower prices quoted by the respondent for stamps of similar grade, quality, and size constituted the inducement which caused the New York, New Haven & Hartford Railroad Co. to purchase its supplies of rubber stamps from the respondent during the year 1939 instead of from the Spencer Stamp Works.

7. From June 19, 1936, until the end of the year 1938 or the early part of 1939, respondent sold its made-to-order rubber stamps to the New Britain National Bank of New Britain, Conn., at 15 cents for a one-line rubber stamp 3 inches in length and $\frac{3}{8}$ of an inch in height, and 10 cents for each additional line thereafter. At the same time, it was selling made-to-order rubber stamps of the same grade, quality, and size to other of its customers at higher prices than those charged by the respondent to the New Britain National Bank of New Britain, Conn. From 1933 until June 19, 1936, the National Bank of New Britain purchased its supplies of rubber stamps from the Hartford Rubber Stamp Works of Hartford, Conn., a competitor of the respondent. The prices at which respondent sold its rubber stamps to the New Britain National Bank were substantially lower than the prices previously quoted and charged by Hartford Rubber Stamp Works to the New Britain National Bank, and constituted the inducement to the New Britain National Bank to purchase its supply of rubber stamps from the respondent.

8. From May 1938 and subsequent thereto the respondent sold its made-to-order rubber stamps to the General Electric Co. of Schenectady, N. Y., at 4 cents for a one-line rubber stamp 3 inches in length and $\frac{3}{8}$ of an inch in height and one cent for each additional line thereafter. At the same time, the respondent was selling made-to-order rubber stamps of the same grade, quality, and size to other of its customers at higher prices than those charged by the respondent to the General Electric Co. of Schenectady. From February 19, 1928, until May 1938 the General Electric Co. purchased supplies of rubber stamps from P. E. Massey & Co. at prices substantially higher than those quoted and charged to the General Electric Co. by the respondent. The sales of rubber stamps to the General Electric Co. constituted approximately 90 percent of the business of P. E. Massey & Co. In September 1940, P. E. Massey & Co. attempted to meet respondent's

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price of 4 cents a line for 3-inch rubber stamps and continued to sell rubber stamps to the General Electric Co. until about March 1941, but sales at this price were below cost of manufacture and P. E. Massey & Co. was forced to discontinue the rubber-stamp business.

PAR. 6. Typical of the varying prices charged by the respondent for its rubber stamps of like grade and quality were the varying prices charged by the respondent for its 3-inch rubber stamps $\frac{3}{4}$ of an inch or less in height. During the times that respondent was selling such 3-inch rubber stamps to the General Electric Co. of Schenectady, N. Y., at the price of 4 cents per line and 1 cent for each additional line, it was concurrently selling such 3-inch rubber stamps of like grade and quality to the New York, New Haven & Hartford Railroad Co. at 4 cents per line and 4 cents for each additional line; to Prudential Insurance Co. of America at 6 cents per line and 2 cents for each additional line; to Oxweld Acetylene Co. of Newark, N. J., at 10 cents per line and 7 cents for each additional line; to Linde Air Products Co. of New York and San Francisco at 10 cents per line and 7 cents for each additional line; and to American Airlines, Inc., at 13 cents per line and 13 cents for each additional line. During the same period, the respondent has concurrently sold to other purchasers 3-inch rubber stamps of like grade and quality at varying prices of 5 cents, 7 cents, 8 cents, 15 cents, 20 cents, and 30 cents and in each instance an additional sum for each additional line. The Commission concludes and finds as a fact that the price differences, such as those herein described, are, in the circumstances of this case, material in that the effect thereof upon competition with the respondent was and may be substantially to lessen competition with the respondent in the sale and distribution of rubber stamps and to otherwise, injure, destroy, or prevent such competition.

PAR. 7. The acts and practices of the respondent as hereinabove described constituted discriminations in price between different purchasers of rubber stamps of like grade and quality, and the lower prices so charged by the respondent were not made in good faith to meet an equally low price of a competitor. There is no evidence that such differences in price were based upon differences in cost of manufacture, sale, or delivery resulting from the differing methods or quantities in which such rubber stamps were sold or delivered to various purchasers thereof.

Such acts and practices of the respondent have the capacity and tendency to induce the purchase of respondent's rubber stamps by various users thereof and have tended to, and do, divert trade to the respondent from its competitors. The lower prices at which respondent offered for sale and sold its rubber stamps to users thereof to induce the purchase of respondent's rubber stamps in preference to

those of its competitors had a substantially injurious effect upon competition in the sale and distribution of rubber stamps in commerce between and among the various States of the United States, and in some instances respondent's prices were such that competitors could not meet such prices without suffering a loss on such business and in one instance a competitor was forced out of business as the result of such acts and practices of the respondent.

CONCLUSION

The Commission concludes that the discriminations in price as hereinabove set forth have resulted, and do result, in substantial injury to respondent's competitors, hinder, obstruct, and tend to suppress competition with respondent and tend to create a monopoly in the respondent in the sale and distribution of rubber stamps in commerce as "commerce" is defined in the Clayton Act, and violate subsection (a) of section 2 of an act of Congress entitled, "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914 (Clayton Act), as amended by the act of June 19, 1936 (Robinson-Patman Act).

ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission, answer of the respondent, testimony and other evidence in support of the allegations of said complaint and in opposition thereto taken before a trial examiner of the Commission theretofore duly designated by it, including stipulation as to certain facts entered into between W. T. Kelley, chief counsel for the Federal Trade Commission, and the respondent, which provides, among other things, that the facts set out therein may be made part of the record, report of the trial examiner upon the evidence, and briefs filed in support of the complaint and in opposition thereto; and the Commission having made its findings as to the facts and its conclusion that respondent has violated subsection (a) of section 2 of "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914 (Clayton Act), as amended by act of June 19, 1936 (Robinson-Patman Act).

It is ordered, That respondent Samuel H. Moss, Inc., a corporation, its officers, directors, representatives, agents, and employees, directly or through any corporate or other device in the sale of rubber stamps in commerce as "commerce" is defined in the aforesaid Clayton Act, do forthwith cease and desist from:

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1. Discriminating directly or indirectly in the price of rubber stamps of comparable size and like grade and quality by selling such rubber stamps to any purchaser at a price or prices materially different from those at which sales are made to any other purchaser: *Provided, however,* That this prohibition shall not be construed as prohibiting differentials permitted by section 2 of the Clayton Act.

2. Otherwise discriminating in price, either directly or indirectly, among different purchasers of rubber stamps of like grade and quality in any manner prohibited by section 2 (a) of the said Clayton Act as amended.

It is further ordered, That the respondent shall, within 60 days after service upon it of this order, file with the Commission a report in writing, setting forth in detail the manner and form in which it has complied with this order.

Syllabus

IN THE MATTER OF

MEYER DORFMAN AND ARTHUR COHLER, TRADING
UNDER THE NAME OF STETSON FELT MILLSCOMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION
OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914*Docket 4234. Complaint, Aug. 14, 1940—Decision, May 5, 1943*

Where two individuals, engaged in the manufacture and interstate sale of felt rugs; in carrying on said business under a sales plan consisting of false representations and fraudulent schemes—

- (a) Represented, directly and through their salesmen, that they were connected with John B. Stetson Co. of Philadelphia, and that the felt used in their rugs was obtained from trimmings of felt hats made by said company;

The facts being they had no connection with said company, had never purchased any material directly from it, and made no use of any such material except incidentally where some of it might possibly have come into the hands of dealers who bought hat remnants and resold to them, possibility of which did not warrant any such representation as aforesaid; and

- (b) Made use directly and through their salesmen of practice of padding orders, by placing upon order blanks quantities of goods greatly in excess of those actually contracted for by the particular purchaser, and shipping to such purchaser merchandise greatly in excess of that actually ordered by him; and in carrying out such practice—

- (1) Made use directly and through their salesmen of confusing order blanks and, in addition, neglected to extend the totals of the various purchases thereon so that purchaser could immediately determine the amount which he was buying;

- (2) Placed notations, in some instances, upon orders indicating additional purchases or the purchase of more expensive merchandise, which were confusing and not readily recognizable as such upon preliminary examination of the order by the customer upon signing;

- (3) Through such means induced customers on numerous occasions to sign orders without realizing that the items thus enumerated were greatly in excess of those desired by the purchaser and greatly in excess of the amount which he had instructed the salesman to place thereon;

- (4) Invariably refused, if purchaser upon later examination of the order blank or after receipt of shipment attempted to cancel order, to accept such cancellation or return of merchandise unless purchaser would pay their designated cost of handling, usually specified by them as 19 percent of the total amount of the order; and

- (5) Attempted to and did collect from such purchasers larger sums than they originally agreed or expected to pay, and in many instances collected damages for cancellation of such orders by threats to sue and other forms of intimidation;

With effect, through such deceptive and misleading acts and practices, of causing a substantial portion of the purchasing public erroneously to believe that said representations were true, and to purchase said rugs because of such belief, and to pay larger sums of money to said individuals than they originally agreed or expected to pay: