

Order

IN THE MATTER OF

K & S SALES COMPANY AND MRS. FANNYE COHN

MODIFIED CEASE AND DESIST ORDER

Docket 3497. Order, August 16, 1944

Modified order, in proceeding in question, in which original order issued on August 12, 1939, 29 F.T.C. 600, requiring respondent individual, her representatives, etc., in connection with the offering, etc., in commerce, of any sales stimulator plan, including certificates, coupons, and cards redeemable in chinaware or other merchandise, to cease and desist from misrepresenting terms of redeeming said certificates, etc., undertakings, costs of said products to her, effect of her plan in increasing customer's business, and merchandise delivered in redemption, as "free," etc., as in said order specified.

MODIFIED ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission and upon testimony with respect to the dissolution of the corporate respondent, K & S Sales Co., and upon the answer of the individual respondent, Mrs. Fannye Cohn, in which answer said respondent admits all the material allegations of fact set forth in said complaint and states that she waives all intervening procedure and further hearing as to said facts, and the Commission having duly made and issued its findings as to the facts, conclusion and order to cease and desist dated August 12, 1939; and the Commission having further considered said order to cease and desist heretofore issued, and being of the opinion that the public interest requires that a modified order to cease and desist should be issued in said cause; and the Commission having given due notice to the respondent to show cause on July 24, 1944, why this case should not be reopened for the purpose of modifying said order to cease and desist; and the Commission having considered the matter and the record herein, and having issued its order modifying said order in certain respects, issues this its modified order to cease and desist.

It is ordered, That the respondent, Mrs. Fannye Cohn, her representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution in commerce, as commerce is defined in the Federal Trade Commission Act, of any sales stimulator plan, including certificates, coupons, and cards, redeemable in chinaware or other merchandise, do forthwith cease and desist from:

1. Representing that certificates, coupons or trading cards will be redeemed with certain articles of merchandise unless the merchandise described is delivered to the holders of such certificates, coupons or trading cards without cost or condition, except the actual cost of packing, handling, and transportation.

2. Representing that respondent supplies to her customers or to other persons circulars, pamphlets, or other advertising matter relating to said sales stimulator plan when such is not the fact.

3. Misrepresenting that any specified sum is the actual cost to respondent of said chinaware or other merchandise or is the actual cost of packing, handling and distributing said products, or misrepresenting in any other manner the actual cost to respondent of said products or the actual cost of packing, handling and distributing said products.

4. Representing that the respondent will make refunds to the purchaser of said sales stimulator plan upon presentation of a specified number of said certificates, coupons or trading cards for redemption, unless said certificates, coupons or trading cards are redeemed without cost to the holders thereof and unconditionally, and said refund is made to said purchaser upon the redemption of the specified number of certificates, coupons or trading cards.

5. Representing that the general sales of respondent's customers will be increased by reason of their use of respondent's sales stimulator plan.

6. Representing merchandise delivered in redeeming certificates, coupons or trading cards as "free" or as a gift or gratuity or as delivered without cost to the holders of said certificates, coupons or trading cards, when said merchandise is not in fact delivered to the holders of said certificates, coupons or trading cards without cost and unconditionally.

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

It is further ordered, That this case be, and the same hereby is, closed as to the corporate respondent, K & S Sales Co., without prejudice to the right of the Commission, should future facts so warrant, to reopen the same and resume prosecution thereof in accordance with the Commission's regular procedure.

Order

IN THE MATTER OF

JOSEPH SALADOFF AND SARA SALADOFF, TRADING AS
NOVELTY PREMIUM COMPANY

MODIFIED CEASE AND DESIST ORDER

Docket 3505. Order, August 16, 1944

Modified order, in proceeding in question, in which original order issued on November 18, 1940, 31 F. T. C. 1379, requiring respondents, in connection with offer, etc., in commerce, of candy, watches, and various other articles of merchandise, to cease and desist from supplying lottery devices or schemes for use in connection with the sale of their merchandise, from the use of the terms "free" or "at absolutely no cost," and from falsely representing that they pay shipping charges, as in said order specified.

MODIFIED ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission, the answer of respondents, testimony and other evidence taken before Randolph Preston, an examiner of the Commission theretofore duly designated by it, in support of the allegations of said complaint (respondents having offered no proof in opposition thereto), brief filed herein by counsel for the Commission (respondents not having filed brief and oral argument having been waived), and the Commission having duly made and issued its findings as to the facts, conclusion and order to cease and desist dated November 18, 1940; and the Commission having further considered said order to cease and desist heretofore issued, and being of the opinion that the public interest requires that a modified order to cease and desist should be issued in said cause; and the Commission having given due notice to the respondents to show cause on July 24, 1944, why this case should not be reopened for the purpose of modifying said order to cease and desist; and the Commission having considered the matter and the record herein, and having issued its order modifying said order in certain respects, issues this its modified order to cease and desist.

It is ordered, That the respondents, Joseph Saladoff and Sara Saladoff, individually, and trading as Novelty Premium Co., or trading under any other name or names, their representatives, agents, and employees, directly or through any corporate or other device in connection with the offering for sale, sale and distribution of candy, watches, clocks, guns, baby buggies, quilts, aluminum ware, or any other articles of merchandise in commerce as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Supplying to or placing in the hands of others push or pull cards, punch boards or other devices which are to be used, or may be used, in the sale and distribution of said merchandise to the public by means of a game of chance, gift enterprise, or lottery scheme.