

IN THE MATTER OF
BRADLEY BOSTON, INC. ET AL.

MODIFIED CEASE AND DESIST ORDER

Docket 3461. Order, September 12, 1944

Modified order, in proceeding in question, in which original order issued on December 22, 1936, 27 F.T.C. 1437, requiring respondents, and their officers, etc., in connection with the offer, etc., in commerce, of watches, rings, and other jewelry, to cease and desist from misrepresenting as "railroad" or "engineer," watches not properly equipped for such use as in said order specified, and from falsely representing, designating or describing watches and other articles as "free" "included free," etc., and from using the term "free," etc. as in the order specified.

MODIFIED ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission on the complaint of the Commission and a stipulation as to the facts entered into between the respondents herein and W. T. Kelley, Chief Counsel for the Commission, which provides, among other things, that without further evidence or other intervening procedure, the Commission may issue and serve upon the respondents herein findings as to the facts and conclusion based thereon and an order disposing of the proceeding; and the Commission having duly made and issued its findings as to the facts, conclusion and order to cease and desist dated December 22, 1938, 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, Bradley Boston, Inc., a corporation, also trading as Gold Standard Watch Co., and National Watch Co., a corporation, also trading as Gold Standard Watch Co., their officers, agents, representatives and employees, and Peter Turchon, his representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of watches, rings and other jewelry in interstate commerce or in the District of Columbia, do forthwith cease and desist from:

1. Representing, designating or describing watches which are not "lever set," equipped with "micrometers," and do not contain 19 or more jewels properly placed so as to insure accuracy and to eliminate friction, as "railroad" or "engineer" watches.

2. Representing, designating or describing watches and other articles regularly included in a combination offer with a ring or other article as "free," "included free," or "included free of extra charge."

3. Representing, designating or describing watches or other articles delivered only upon the condition that some other articles be purchased and paid for as "free," "included free" or "included free of extra charge" or in any other manner indicating that the watch or other article is a gift or gratuity.

4. Using the term "free" or any other term of similar import and meaning to describe, designate or refer to any merchandise which is not a gift or gratuity and delivered to the recipient thereof without cost and unconditionally.

It is further ordered, That the respondents shall, within 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
SOUTHGATE BROKERAGE COMPANY, INC.

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

Docket 4321. Complaint, Aug. 25, 1942—Decision, Sept. 12, 1944

Where a corporation, with offices and warehouses in four other cities, engaged principally in the interstate purchase for resale in its own name and for its own account, of food products and other merchandise, which became its own property, and was stored in its warehouses and dealt with as such under its absolute title; and engaged also as a broker, soliciting and obtaining orders in behalf of various sellers and receiving as compensation for such service, brokerage paid by its seller principals;

In connection with the purchase in commerce of said food products and other merchandise in its own behalf and for its own account—

Received and accepted, in many instances and for a number of years, brokerage or allowances and discounts in lieu thereof, from sellers of such merchandise, in some cases, through remittance by check, and in others through deducting the brokerage, or discount or allowance in lieu thereof, from the seller's invoice in remitting;

Held, That such receipt and acceptance by it of brokerage or allowance and discounts in lieu thereof, as above set forth, constituted a violation of subsec. (c) of sec. 2 of the Clayton Act, as amended.

Before *Mr. John L. Hornor*, trial examiner.

Mr. Edward S. Ragsdale for the Commission.

Mr. William P. Smith, of Washington, D. C., and *Mr. Charles L. Kaufman*, of Norfolk, Va., 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 violated and is now violating the provisions of subsection (c) 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, Southgate Brokerage Co., Inc., is a corporation, organized and existing under the laws of the State of Virginia with its principal office and place of business located at 249 West Tazewell Street, Norfolk, Va. The respondent also operates four branch offices and warehouses located at Winston-Salem, Charlotte, Wilmington, and Greensboro, N. C. The respondent is engaged in the purchase, sale, and distribution of food products, canned goods, and miscellaneous merchandise.

PAR. 2. Respondent is now, and for many years last past, has been engaged in business, principally, as a jobber, buying in its own name for resale various food products, canned goods and miscellaneous merchandise