

Syllabus

44 F. T. C.

IN THE MATTER OF

WILLIAM A. FREW, TRADING AS PARADISE SEED CO.,
LANCASTER COUNTY SEED CO., GARDEN SEED CO. OF
AMERICA, NATIONAL INVESTIGATORS, AND W.
ANDREW

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

Docket 5499. Complaint, June 4, 1947—Decision, Jan. 16, 1948

Where an individual engaged under various trade names in the interstate sale and distribution of garden and flower seeds, and, theretofore, in promoting the collection of unpaid accounts in connection with such sales under the names of "National Investigators" and "W. Andrew";

In soliciting selling agents under the "return or remit plan," which especially attracted children, and consisted of an offer in the form of an advertisement to award certain prizes, premiums, gifts, or money to anyone who would sell a specified number of packages of seed at a stipulated price, stating that no money need be sent until the goods had been sold, when the consignee or seller was required to remit the money due and the premium would be delivered, consignee being required to return seeds not sold within the time specified—

- (a) Represented through statements in catalogs distributed by him, entitled respectively "Premiums from Paradise" and "Gifts for You from the Garden Spot of the World," that various articles therein depicted, including a horoscope, a bird cage, a pistol, a guitar, a fountain pen, an automatic pencil, a ring, a wrist watch, a rifle, a book, and a football were gifts and given free of any charge;

The facts being the cost or value of the horoscope was included in the services required for the earning of a birthstone bracelet; cost or value of the canary bird cage was similarly included in the services required for the earning of the bird itself; and the other articles above referred to were not in fact gifts, but had to be earned by selling certain required quantities of said individual's seeds; and

Where said individual, engaged as aforesaid, in promoting the collection of claims under a scheme pursuant to which (1) a first letter, which displayed the name "National Investigators" and a mailing address at a nearby place, advised addressee that unless he made prompt remittance to the "Paradise Seed Company" an investigation would be conducted in his community of his financial standing, and family connections, and (2) a second letter, which displayed the name "W. Andrew," and purported signature of said individual as "Acting for the Creditor," and which (enclosing paper captioned "Final Notice before Suit," along with the words "State of Pennsylvania, County of Lancaster, SS" and "Paradise Seed Company, (Consignor) vs. -----, (Consignee)," addressed "To the above named consignee:" and purportedly sent by "W. Andrew, Acting for Consignor"), advised those who did not reply to the first that said company was preparing

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to institute legal proceedings against the addressee in the absence of prompt remittance, and that he would be charged with costs of suit, in addition to amount previously due—

- (b) Represented through the use of the fictitious names "National Investigators," and "W. Andrew," as displayed in said first and second letters, respectively, sent to those who had failed to make remittances to him for seeds delivered to them for sale, that "National Investigators" was an actual investigation agency doing business on a Nation-wide scale, with which he was not connected other than as employing its services, and that "W. Andrew" was an attorney employed by him to institute legal proceedings against those to whom he presented claims;

The facts being that said "National Investigators" was merely a fictitious name adopted and used by said individual, to exact payments from persons, usually, children, who had not remitted to said individual the price of seeds sent to them; no such person as "W. Andrew" was or had been employed, and the accompanying fictitious "Final Notice before Suit" constituted a deceptive plan, result of which was to intimidate and coerce recipients of letters into making remittances in the amounts demanded;

With capacity and tendency to mislead a substantial portion of the public into the mistaken belief that such representations were true, and thereby induce it to purchase his seeds, undertake the sale thereof, and make remittances of money in the amounts claimed by him:

Held, That such acts and practices of said individual, under the circumstances set forth, were all to the prejudice and injury of the public and constituted unfair and deceptive acts and practices in commerce.

Mr. R. P. Ballinger for the Commission.

Nash & Donnelly, of Washington, D. C., for respondent.

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 Trade Commission, having reason to believe that William A. Frew, an individual trading as Paradise Seed Co., Lancaster County Seed Co., Garden Seed Co. of America, National Investigators, and W. Andrew, hereinafter referred to as respondent, has 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. The respondent, William A. Frew, is an individual trading under the names Paradise Seed Co., Lancaster County Seed Co., Garden Seed Co. of America, National Investigators, and W. Andrew, with his office and principal place of business in Paradise, Pa., and maintaining a mailing address in the trade names of National Investigators and W. Andrew, in the town of Kinzers, Pa., located a few miles from his principal place of business in Paradise, Pa.

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PAR. 2. Respondent is now, and for several years last past, has been engaged in the business of selling garden seeds and flower seeds under the names Paradise Seed Co., Lancaster County Seed Co., and Garden Seed Co. of America, and of promoting the collection of money in connection with such sales, under the names of National Investigators and W. Andrew.

PAR. 3. Respondent causes seeds to be transported from his place of business in Pennsylvania to consignees at their respective locations in various other States of the United States and in the District of Columbia. Respondent maintains and, at all times mentioned herein, has maintained a course of trade in said products in commerce between and among the various States of the United States and in the District of Columbia.

PAR. 4. In the course and conduct of his business as aforesaid, and for the purpose of promoting the sale of his seeds, respondent has made various offers, statements, and representations in newspapers, magazines, and periodicals having a general circulation throughout the United States, and by means of catalogs, pamphlets, and booklets which he distributes by the United States mails throughout the United States, concerning gifts, rewards, and compensation awarded to persons who sell his seeds. Respondent's plan of soliciting selling agents, commonly called the return or remit plan, designed primarily to attract the attention of children, consists of an offer in the form of an advertisement to award certain prizes, premiums, gifts, or money to anyone who will sell for him a specified number of packages of seed at a stipulated price. Respondent's offers state that no money need be sent to him until the seeds have been sold. After the sale of the seeds, the consignee, or the seller of the seeds, is required to remit the money due the respondent under the terms of the offer and the premium or award is then allegedly delivered in accordance with the respondent's advertisement.

PAR. 5. Among and typical of the statements and representations made as above described are those disseminated in respondent's catalogs entitled respectively "Premiums from Paradise" and "Gifts for you from the Garden Spot of the World," as follows:

BIRTHSTONE BRACELET AND FREE HOROSCOPE

* * * * *

A PERSONAL MESSAGE

DEAR FRIENDS:

PARADISE, PA.

You would like to win a watch, a violin, a Basket Ball, a telescope or dozens of other lovely things absolutely FREE of any charge, wouldn't You? Of course you would. Well, here's how you can do it. Fill in the inclosed card and mail it right back to me, NOW. This card needs no stamp, just sign and put it in the mail box TODAY.

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By return mail I will send you a specially packed and prepared, quick selling assortment of only 30 big packets of "Sure-Grow" Vegetable and Flower Seeds. Go right out and sell them to your friends and neighbors at 10¢ each and before you know it you will have one of the handsome Premiums illustrated in this catalog.

Remember you do not have to send any money until you have sold the seeds I am quite willing to trust you. Its easy and its great fun too! Thousands of other boys and girls, men and women all over the United States are winning these lovely premiums. So can you—Don't wait—Send the card right back to me TODAY before you forget it. Good Luck—

* * * * *

Sincerely yours,

(S) JOHN H. ANDREWS, *Manager*.

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A LIVE CANARY

A GOLDEN BUNDLE OF

LIVELY JOY!

***** We give them the orders to ship yours with a FREE CAGE when you sell 30 pkts. of our "Sure-Grow" Seeds at 10¢ each plus \$1.50, or given at no extra cost for selling three 30 pkts. orders.

GIFTS

For

YOU

from the

GARDEN SPOT

OF THE WORLD

Underneath this representation appears a picturization of a pistol or revolver, a guitar, a fountain pen and automatic pencil, a ring, a wrist watch, a rifle, a book, a football, and other commodities. Beneath the said picturization is the following language:

This is the Old Reliable Company, in business 38 years. The Company that never fails to give beautiful, useful and—pleasurable gifts. Presents much better than you ever expected . . .

PAR. 6. Through the use of the statements and representations hereinabove set forth, and others similar thereto not specifically set out herein, respondent has represented, as follows:

(a) That the horoscope depicted in respondent's catalog is given free;

(b) That the bird cage which is described in respondent's catalog in connection with the canary bird is given free;

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(c) That various articles, including a pistol, a guitar, a fountain pen, an automatic pencil, a ring, a wrist watch, a rifle, a book, a football, and other articles, depicted in the catalog entitled "Gifts for you from the Garden Spot of the World," are in fact gifts and are in fact given.

PAR. 7. The statements and representations used and disseminated by the respondent in the manner above described are false, misleading, and deceptive. In truth and in fact:

(a) The horoscope which is depicted as free is not given free, but its cost or value is included in the services required for the earning of the Birthstone Bracelet;

(b) The canary bird cage is not given free, but its cost or value is included in the services required for the earning of the canary bird;

(c) The pistol, guitar, fountain pen, automatic pencil, ring, wrist watch, rifle, book, football, and the various other articles depicted in the catalog "Gifts for you from the Garden Spot of the World" are not in fact gifts, and are not given, but must be earned by selling certain required quantities of respondent's seeds.

PAR. 8. In the course and conduct of his business as aforesaid, and for the purpose of enforcing payments for seed delivered or allegedly delivered to children or other persons for sale, respondent has through the use of the fictitious names National Investigators, and W. Andrew, represented that National Investigators is a bona fide investigation agency doing business on a nation-wide scale with which the respondent is not connected other than as employing the services of said agency, and that W. Andrew is an attorney employed by the respondent to institute legal proceedings against those persons to whom he presents claims. In carrying out the respondent's plan of using the name National Investigators as a means of making collections, respondent has used and is using letterheads upon which appear the following:

NATIONAL INVESTIGATORS

Kinzers, Pennsylvania

"Investigations of all Kinds
In all localities

Delicate Matters Handled
In Strictest Confidence

Personal and Confidential

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NATIONAL INVESTIGATORS,

(S) WARNER, *Operator in Charge.*

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Under the above caption and with the above conclusion and signature a letter is written to persons who have allegedly failed to make proper remittances to the respondent for seeds delivered to them for sale. This letter advises such persons that unless they make prompt remittances to the Paradise Seed Co., an investigation will be conducted in their communities of their standing financially, and their family connections. The persons to whom such letters are addressed are informed that if they wish to avoid such an investigation, they must make prompt remittances to Paradise Seed Co.

If a remittance is not made in response to the above-described letter, a second letter is addressed to the alleged delinquent person under a letterhead and with a signature, as follows:

W. ANDREW
Kinzers, Pennsylvania

* * * * *

Respectfully yours,

(S) W. ANDREW, *Acting for the Creditor.*

In this second letter the addressee is advised that W. Andrew is acting for the Paradise Seed Co. and is preparing to institute legal proceedings against the addressee unless prompt remittance is made to the Paradise Seed Co.

The second letter above described is followed by a formal notice, as follows:

FINAL NOTICE BEFORE SUIT

STATE OF PENNSYLVANIA,
County of Lancaster, ss:

Paradise Seed Company (Consignor)

vs.

----- (Consignee)

To the above named consignee:

* * * *

* * * *

* * * *

(S) W. ANDREW, *Acting for Consignor.*

The above-described notice informs the addressee that unless prompt remittance is made, legal proceedings will be brought against him and that he will be charged with all the costs of such suit in addition to the amount previously due.

PAR. 9. The statements and representations used by the respondent under the methods above described are false, misleading, and deceptive. In truth and in fact the National Investigators is not a bona fide investigatory agency which operates on a Nation-wide scale; it does

not conduct any investigations whatsoever, but is merely a fictitious name adopted and used by the respondent for the purpose of exacting payments from persons, usually children, who have not remitted to the respondent the price of seeds allegedly sent to them. The name "W. Andrew" is entirely fictitious and no person by that name is employed by the respondent. The use of such name and the letter in which it is employed and the accompanying fictitious "Final Notice Before Suit" is a false and deceptive plan designed to threaten, intimidate, and coerce persons to which such letters and notices are sent into believing that unless they make prompt remittances of the amount alleged to be due, legal proceedings will be instituted against them, and by reason of such erroneous belief, causes them to make remittances in the amounts demanded.

PAR. 10. The use by the respondent of the foregoing acts and practices and the false, misleading, and deceptive statements and representations disseminated as aforesaid, has had, and now has, the capacity and tendency to mislead and deceive, and does mislead and deceive, a substantial number of the public into the mistaken belief that all such statements and representations are true and induces a substantial number of the public, because of such mistaken and erroneous belief, to purchase respondent's seeds, to undertake the sale of respondent's seeds, and to make remittances of money in the amounts claimed by the respondent.

PAR. 11. The aforesaid acts and practices of the respondent, as herein alleged, are all to the prejudice and injury of the public and constitute unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission on June 4, 1947, issued and subsequently served its complaint in this proceeding upon the respondent, William A. Frew, an individual, trading as Paradise Seed Co., Lancaster County Seed Co., Garden Seed Co. of America, National Investigators, and W. Andrew, charging him with the use of unfair and deceptive acts and practices in commerce in violation of the provisions of said act. After the issuance of said complaint and the filing of the answer of the respondent thereto, a stipulation as to the facts was entered into between Daniel J. Murphy, assistant chief trial counsel, and the respondent, subject to the approval of the Commission, whereby it was stipulated that the statement of facts set out

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in said stipulation might be taken as the facts in this proceeding and in lieu of testimony in support of the charges stated in the complaint or in opposition thereto, and that the Commission might proceed upon the complaint, answer of the respondent, and said statement of facts to make its report stating its findings as to the facts (including inferences which might be drawn from said stipulated facts) and its conclusion based thereon and enter its order disposing of the proceeding without any intervening procedure. Thereafter, this proceeding regularly came on for final hearing before the Commission upon said complaint, answer thereto, and stipulation, said stipulation having been approved, accepted, and filed by the Commission; and the Commission, having duly considered the matter and being now fully advised in the premises, makes this its findings as to the facts and its conclusion drawn therefrom:

FINDINGS AS TO THE FACTS

PARAGRAPH 1. The respondent, William A. Frew, is an individual trading under the names Paradise Seed Co., Lancaster County Seed Co., Garden Seed Co. of America, National Investigators, and W. Andrew, with his office and principal place of business in Paradise, Pa., and maintaining a mailing address in the trade names of National Investigators and W. Andrew, in the town of Kinzers, Pa., located a few miles from his principal place of business in Paradise, Pa. All of said trade names are duly registered with the Secretary of State of Pennsylvania and the Prothonotary of Lancaster County, Pa., as required by the so-called "fictitious trade name statutes" of that State.

PAR. 2. Respondent is now, and for several years last past, has been engaged in the business of selling garden seeds and flower seeds under the names Paradise Seed Co., Lancaster County Seed Co., and Garden Seed Co. of America, and has in the past promoted the collection of unpaid accounts in connection with such sales, under the names of National Investigators and W. Andrew.

PAR. 3. Respondent causes seeds to be transported from his place of business in Pennsylvania to consignees at their respective locations in various other States of the United States and in the District of Columbia. Respondent maintains, and at all times mentioned herein has maintained, a course of trade in said products in commerce between and among the various States of the United States and in the District of Columbia.

PAR. 4. In the course and conduct of his business as aforesaid, and for the purpose of promoting the sale of his seeds, respondent has made various offers, statements, and representations in newspapers, magazines, and periodicals having a general circulation throughout the United States, and by means of catalogs, pamphlets, and booklets which he distributes by the United States mails throughout the United States, concerning gifts, rewards, and compensation awarded to persons who sell his seeds. Respondent's plan of soliciting selling agents, commonly called the "return or remit plan," has the effect of especially attracting the attention of children, and consists of an offer in the form of an advertisement to award certain prizes, premiums, gifts, or money to anyone who will sell for him a specified number of packages of seed at a stipulated price. Respondent's offers state that no money need be sent to him until the seeds have been sold. After the sale of the seeds, the consignee, or the seller of the seeds, is required to remit the money due the respondent under the terms of the offer and the premium is then delivered in accordance with the respondent's advertisement. If the seeds are not sold within the time specified in the offer, the consignee is required to return same to respondent.

PAR. 5. Among and typical of the statements and representations made as above described are those disseminated in respondent's catalogs entitled, respectively, "Premiums from Paradise" and "Gifts for you from the Garden Spot of the World," as follows:

BIRTHSTONE BRACELET AND FREE HOROSCOPE

* * *

A PERSONAL MESSAGE

PARADISE, PA.

DEAR FRIENDS:

You would like to win a watch, a violin, a Basket Ball, a telescope or dozens of other lovely things absolutely **FREE** of any charge, wouldn't you? Of course you would. Well, here's how you can do it. Fill in the inclosed card and mail it right back to me, **NOW**. This card needs no stamp, just sign and put it in the mail box **TODAY**.

By return mail I will send you a specially packed and prepared, quick selling assortment of only 30 big packets of "Sure-Grow" Vegetable and Flower Seeds. Go right out and sell them to your friends and neighbors at 10¢ each and before you know it you will have one of the handsome Premiums illustrated in this catalog.

Remember You do not have to send any money until you have sold the seeds. I am quite willing to trust you. It's easy and it's great fun too! Thousands of other boys and girls, men and women all over the United States are winning these lovely premiums. So can you—Don't wait—Send the card right back to me **TODAY** before you forget it. Good Luck—

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* * *

Sincerely yours,

(S) JOHN H. ANDREWS, *Manager*.

* * *

A LIVE CANARY
A GOLDEN BUNDLE OF
LIVELY JOY!

*** We give them the orders to ship yours with a FREE CAGE when you sell 30 pkts. of our "Sure-Grow" Seeds at 10c each plus \$1.50, or given at no extra cost for selling three 30 pkts. orders.

GIFTS
for
YOU
from the
GARDEN SPOT
OF THE WORLD

Underneath this representation appears a picturization of a pistol or revolver, a guitar, a fountain pen and automatic pencil, a ring, a wrist watch, a rifle, a book, a football, and other commodities. Beneath the said picturization is the following language:

This is the Old Reliable Company, in business 38 years. The Company that never fails to give beautiful, useful and—pleasurable gifts. Presents much better than you ever expected * * *

PAR. 6. Through the use of the statements and representations hereinabove set forth, and others similar thereto not specifically set-out herein, respondent has represented, as follows:

(a) That the horoscope depicted in respondent's catalog is given free;

(b) That the bird cage which is described in respondent's catalog in connection with the canary bird is given free;

(c) That various articles, including a pistol, a guitar, a fountain pen, an automatic pencil, a ring, a wrist watch, a rifle, a book, a football, and other articles, depicted in the catalog entitled "Gifts for you from the Garden Spot of the World," are in fact gifts and are in fact given free of any charge.

PAR. 7. The statements and representations used and disseminated by the respondent in the manner above described are misleading and deceptive. In truth and in fact:

(a) The horoscope which is depicted as free is not given free, but its cost or value is included in the services required for the earning of the Birthstone Bracelet;

(b) The canary bird cage is not given free, but its cost or value is included in the service required for the earning of the canary bird;

(c) The pistol, guitar, fountain pen, automatic pencil, ring, wrist watch, rifle, book, football, and the various other articles depicted in the catalog "Gifts for you from the Garden Spot of the World" are not in fact gifts, and are not given, but must be earned by selling certain required quantities of respondent's seeds.

PAR. 8. In the course and conduct of his business, as aforesaid, and for the purpose of enforcing payments for seeds delivered to persons for sale, respondent has, through the use of the fictitious names National Investigators, and W. Andrew, represented that National Investigators is an actual investigation agency doing business on a Nation-wide scale with which the respondent is not connected other than as employing the services of said agency, and that W. Andrew is an attorney employed by the respondent to institute legal proceedings against those persons to whom he presents claims. In carrying out the respondent's plan of using the name National Investigators as a means of making collections, respondent used letterheads upon which appeared the following:

NATIONAL INVESTIGATORS

Kinzers, Pennsylvania

Investigations of all Kinds
In all localities

Delicate Matters Handled
In Strictest Confidence

Personal and Confidential

* * *

NATIONAL INVESTIGATORS

(S) WARNER, *Operator in Charge.*

Under the above caption and with the above conclusion and signature, letters are written to persons who have failed to make remittances to the respondent for seeds delivered to them for sale. This letter advises such persons that unless they make prompt remittances to the Paradise Seed Co., an investigation will be conducted in their communities of their standing financially, and their family connections. The persons to whom such letters are addressed are informed that if they wish to avoid such an investigation, they must make prompt remittances to Paradise Seed Co.

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If a remittance is not made in response to the above-described letter, a second letter is sent under a letterhead and with a signature, as follows:

W. ANDREW

Kinzers, Pennsylvania

* * *

Respectfully yours,

(S) W. ANDREW, *Acting for the Creditor.*

In this second letter the addressee is advised that W. Andrew is acting for the Paradise Seed Company and is preparing to institute legal proceedings against the addressee unless prompt remittance is made to the Paradise Seed Company.

The second letter above described is followed by a formal notice, as follows:

FINAL NOTICE BEFORE SUIT

STATE OF PENNSYLVANIA,

County of Lancaster, ss.:

Paradise Seed Company (Consignor)

vs.

----- (Consignee)

To the above named consignee:

* * *

* * *

* * *

(S) W. ANDREW, *Acting for Consignor.*

The above-described notice informs the addressee that unless prompt remittance is made, legal proceedings will be brought against him and that he will be charged with all the costs of such suit in addition to the amount previously due.

PAR. 9. The statements and representations used by the respondent under the methods above described are misleading and deceptive. In truth and in fact the National Investigators is not a bona fide investigatory agency which operates on a Nation-wide scale; it does not conduct any investigations whatsoever, but is merely a fictitious name adopted and used by the respondent for the purpose of exacting payments from persons, usually children, who have not remitted to the respondent the price of seeds to them. The name "W. Andrew" is entirely fictitious and no person by that name is, or has been, employed by the respondent. The use of such name and the letter in which it is employed and the accompanying fictitious "Final Notice Before Suit" is a deceptive plan which results in intimidating and coercing persons to which such letters and notices are sent into believing that unless they make prompt remittances of the amounts

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claimed to be due, legal proceedings will be instituted against them, and by reason of such erroneous belief, has caused them to make remittances in the amounts demanded. Use of all the said statements, representations, and practices herein described has been voluntarily discontinued and abandoned by respondent since the early part of 1947.

PAR. 10. The use by respondent of the foregoing acts and practices and the false, misleading, and deceptive statements and representations disseminated as aforesaid has had, and now has, the capacity and tendency to mislead and deceive a substantial portion of the public into the mistaken belief that all such statements and representations are true and to induce a substantial number of the public, because of such mistaken and erroneous belief, to purchase respondent's seeds, to undertake the sale of respondent's seeds, and to make remittances of money in the amounts claimed by respondent.

CONCLUSION

The acts and practices of the respondent as herein found are all to the prejudice and injury of the public and constitute unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission, the answer of the respondent, and a stipulation as to the facts, in which stipulation respondent waived all intervening procedure and further hearing as to said facts, and the Commission having made its findings as to the facts and its conclusion that said respondent has violated the provisions of the Federal Trade Commission Act:

It is ordered, That the respondent, William A. Frew, an individual, trading under the following trade names, Paradise Seed Co., Lancaster County Seed Co., Garden Seed Co. of America, National Investigators, or W. Andrew, or under any other trade name, and his representatives, agents, and employees, directly or through any corporate or other device in connection with the offering for sale, sale, and distribution of garden and flower seeds and other similar products in commerce as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using the term "free," or any other term of similar import or meaning, to designate, describe, or refer to any article of merchandise which is furnished as compensation for services rendered.

2. Representing, directly or by implication, that any article of merchandise is delivered to the recipient as a gift when, in fact, such article of merchandise is delivered to such recipient as compensation for services rendered.

3. Coercing, or attempting to coerce, recipients of respondent's products into paying for seed products through the use of fictitious trade names, such as National Investigators and W. Andrew, so as to import or imply that respondent has turned the account over to a collection agency or to an attorney for collection and further action.

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

IN THE MATTER OF

FRANK L. SINGER, TRADING AS FRANK L. SINGER FUR CO.

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

Docket 5288. Complaint, Mar. 5, 1945—Decision, Jan. 26, 1948

Where an individual engaged at Peekskill, N. Y., in the competitive interstate purchase of raw furs or skins from trappers throughout the United States, and in the resale thereof to fur manufacturers in other States, receiving about two-thirds of his shipments from reception points throughout the country, as below described, as compared with one-third shipped directly to his Peekskill office, largely from the northeastern part of the United States;

In soliciting the purchase and shipment of furs to himself under a plan whereby—having made arrangements, first with express company agents, and later with individuals at various points throughout the United States, to receive furs addressed to his concern at said points, advise the shipper that they had been received and that a check would be sent in a few days, consolidate shipments thus received over varying periods and forward them to his place of business at Peekskill—he (1) distributed to trappers and others having furs for sale, large numbers of price lists and circulars which stated "For Your Convenience we have a Receiving Depot at Sacramento, Calif. (for express and parcel post only). Use the enclosed tag and address package to the Frank L. Singer Fur Co., Sacramento, Calif.," and had printed thereon a map of the United States whereon were set forth, in addition to Peekskill, other cities as noted below, along with legend, "Ship to our Nearest Receiving Depot"; (2) distributed similar circulars and shipping tags to trappers located in and near, among other cities, Fort Madison, Iowa, Baker, Oreg., Philadelphia, Pa., Elkhart, Ind., Texarkana, Tex., and Colorado Springs, Colo.; and (3) made use of letterheads which displayed, in addition to his said trade name and words "Peekskill, New York," the names of aforesaid cities and others—

Misleadingly and deceptively represented thereby that he had or maintained branch offices or other places of business in cities so named as "receiving depots," at which fur skins were graded, priced, and paid for, whereby fur shippers were inconvenienced and their returns expedited;

The facts being that all correspondence concerned, except post card of acknowledgement, originated in and was handled from Peekskill, by him; none of his receiving agents graded furs, discussed or fixed prices, or made payment therefor; and all such matters were handled exclusively by him at and from Peekskill;

With capacity and tendency to mislead and deceive trappers and other sellers of furs into the mistaken belief that he maintained branch offices in various cities where transactions, including the purchase of raw furs and the payment therefor, were carried on, and to cause fur trappers and shippers to deliver furs to him in preference to his competitors, and with the result that, while his business in the areas adjacent to the reception and reshipment