

IN THE MATTER OF
REXALL DRUG COMPANY ET AL.

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

Docket 5465. Complaint, Oct. 9, 1946—Decision, Apr. 6, 1950

Where a corporation engaged in the manufacture of drugs, medicines, and other preparations and commodities usually sold in the modern drug store, and in the interstate sale and distribution thereof through retail stores owned and operated by its two wholly owned subsidiaries in many parts of the United States, and also through independently owned drug stores which secured from it a so-called franchise to operate under its trade name; and in supplying to said stores its publication listing its products, together with their wholesale prices and a suggested "usual retail price," and also, in the case of "two-priced" items, a smaller "minimum price"—

- (a) Represented in advertising matter which it prepared and furnished to its said stores in connection with its so-called occasional "One-Cent Sales," that two units of the advertised items might be purchased during such sales for the prices customarily and usually charged at the stores concerned for one unit plus 1 cent, through use of the term "One-Cent Sale" and through setting out therein prices of single units of each of the articles included, followed by an offer of two items for 1 cent more than the single unit price, and through stating that two items might be had for the price of one, plus 1 cent;

The facts being that the prices used by it in said advertising, in the case of its "two priced" items, were in all instances the higher or so-called "usual retail prices" listed for its products, as distinguished from the "minimum prices"; and in the case of its independent stores which adhered to the suggested "minimum prices" during off-sale periods, but sold on the basis of the higher or so-called "usual retail prices" during the "one cent sales," they thereby represented to the purchasing public contrary to fact, that the said higher "size" or "value" prices were their prices; and

Where said corporation, while making its practice, in connection with said "One-Cent Sales" of its subsidiary retailers, to refer only to its one-priced items in connection with statements of regular prices, and to segregate the two-priced items in a blocked-off section under the caption "Four-Day Specials—Not Regular Once-Cent Sales Items," in conjunction with which said subsidiary retailers showed "minimum prices" as the regular sale prices, together with the prices for which two might be purchased—

- (b) Falsely represented in one instance in which its subsidiary distributor featured in an advertisement some of said "Four-Day Specials" as "One-Cent Sale" items, that two units of the articles were being offered for the price customarily charged for one unit plus 1 cent, through representing the so-called "usual retail price" thereof as the regular price, when in fact said subsidiary regularly sold such items at the so-called "minimum price" between sales;

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With capacity and tendency to mislead and deceive a substantial portion of the purchasing public into the erroneous belief that said representations were true, and with result that a substantial number of said public purchased substantial quantities of their said products:

Held, That such acts and practices, 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.

As respects charges of the complaint which pertained to certain advertising representations made by said corporation in connection with so-called "Factory-to-You" sales, formerly conducted by the subsidiary retailers and independently owned stores involved herein, it appeared that no "Factory-to-You" sales had been conducted by them since July 1944, or for more than 2 years prior to the institution of the instant proceeding, and the Commission was of the opinion, in view of their discontinuance of the advertising to which such additional charges pertained, and the further fact that they had disclaimed any intention of resuming any such advertising, that a determination of the issues thus raised was not then required in the public interest, and such charges were accordingly dismissed without prejudice.

Before *Mr. Abner E. Lipscomb*, trial examiner.

Mr. Robt. N. MacMillen and *Mr. Edward F. Downs* for the Commission.

Mr. William F. Davis, Jr., *Mr. Benjamin H. Dorman*, and *Mr. R. F. Hallett*, of Los Angeles, Calif., and *Mr. Richard A. Mahar*, of Washington, D. C., for respondents.

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 United-Rexall Drug Co., a corporation, Liggett Drug Co., Inc., a corporation, and Owl Drug Co., a corporation, hereinafter referred to as respondents, have 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. Respondent United-Rexall Drug Co. is a corporation, organized and existing under the laws of the State of Delaware, with its principal place of business at 43 Leon Street, Boston, Mass. Prior to about May 1945, this respondent bore the name of, and was known as, United Drug Co., Inc.

This respondent is now, and since about 1928 has been, engaged in the manufacture and distribution of drugs, medicines, and other preparations and commodities usually sold in the modern drug store.

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It operates factories at Boston, Mass., and St. Louis, Mo., where many of the products sold and distributed by it are made, with branches at San Francisco and Los Angeles, Calif.; Atlanta, Ga.; Portland, Oreg.; and Pittsburgh, Pa. Other products sold and distributed by it are made for it by wholly owned subsidiary manufacturing companies. A part of its retail distribution is through retail stores owned and operated by the other two respondents named in the caption hereof; the rest of its retail distribution is through independently owned drug stores which secure from this respondent a so-called franchise to operate as "Rexall Stores," and they are so designated and so known to the public.

In the course of its business as aforesaid, respondent sells the products manufactured by it and by its said wholly owned subsidiary manufacturing companies, and pursuant thereto, and as a part of such sales, ships, said products from its factories and the factories of its said subsidiaries and from its branch places of business and from other supply depots to the stores of the other two respondents named herein and to the Rexall Stores, many of them located in States of the United States other than the points of origin of such shipments.

PAR. 2. Respondent Liggett Drug Co., Inc., is a corporation organized and existing under the laws of the State of Delaware, with its principal office and place of business at 43 Leon Street, Boston, Mass.; and respondent Owl Drug Co. is a corporation organized and existing under the laws of the State of Nevada, with its principal office and place of business at 657 Mission Street, San Francisco, Calif. These two respondents are now, and since at least the year 1934 have been, wholly owned subsidiaries of respondent United-Rexall Drug Co., and respectively own and operate retail drug stores in many localities in various States of the United States.

PAR. 3. At various times during each year respondent United-Rexall Drug Co. causes its said subsidiary retailers and the Rexall Stores, to hold "Factory-to-You Sales," at which times it is advertised and represented to the public that the prices offered during the sales are substantially lower than their regular and usual prices. The advertisements set out, in juxtaposition, so-called regular or usual prices and the special sale prices.

In the case of many of the stores so advertising, including both the Liggett and Owl stores, and the Rexall stores, the prices advertised and represented as the regular or usual prices are higher than the usual or regular prices in fact, so that the difference between the regular or usual prices and the sale prices is not as great as advertised.

PAR. 4. For use in connection with the conduct of these sales, respondent United-Rexall Drug Co. prepares and furnishes to the Liggett and Owl companies, and to the Rexall stores, various forms of advertising material, such as banners announcing "Factory-to-You Sale Now on"; circulars for distribution among prospective customers, newspaper mats for display advertising in newspapers; and different forms of advertising for display in the stores. In all this advertising it is stressed that substantial savings are to be had by reason of the "Factory-to-You" element of the sale.

The two retail subsidiaries of respondent United-Rexall Drug Co. and many of the Rexall stores purchase and use the advertising material so prepared by this respondent, although some prepare their own advertising material. In the latter case, the advertising is of the same tenor and embodies the features of the advertising material suggested and prepared by respondent United-Rexall Drug Co.

Excerpts from typical advertisements, disseminated and displayed for these Factory-to-You sales, are as follows:

Factory-to-You Sale—Millions of people will take advantage of this sale to cut down their cost of living. Rexall laboratories produce this finest of quality merchandise solely for Rexall Drug Stores * * *

Naturally the savings of this plan are passed along to the consumer.

* * * * *

19¢ items 2 for 35¢ 3 for 50¢ during Factory-to-You sale.

* * * * *

Factory-to-You Sale 25¢ size Klenzo Shaving Cream 19¢

* * * * *

Factory-to-You Sale—Rexall products are shipped from the factory direct to more than 8,000 Rexall Drug Stores. Many in-between profits are eliminated. These big savings are passed along to you every day * * * Extra savings during this sale.

PAR. 5. By the use of the advertising matter hereinbefore described, by the subsidiary retailers and Rexall Stores, these respondents represent to the public that, by reason of the sale being direct from the factory to the consumer the consumer buys at the factory price without the addition of a retailer's profit.

In truth and in fact, there is a mark-up by the retail stores which adds a profit for them. Further, by reason of the fact that the price advertised as the usual or regular price is substantially higher than the price at which the store regularly sells during the periods between sales, the public is lead to believe that the reduction in price during the sales is greater than it is in fact.

PAR. 6. At various times during each year respondent United-Rexall Drug Co. causes its said subsidiary retailers and the Rexall stores to conduct a so-called "One-Cent Sale," at which times it is

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advertised and represented to the public that two units of the items advertised may be bought for the "regular" price of one unit, plus 1 cent. In the case of many of the stores so advertising, the prices advertised and represented as the regular prices are higher than the prices these stores usually and regularly charge for said items, so that the price for the two units is, in fact, more than the regular price of one unit plus 1 cent.

PAR. 7. For use in connection with the conduct of these "One-Cent Sales," respondent United-Rexall Drug Co. prepares and furnishes to its said subsidiary retail companies, and to the Rexall stores, advertising material similar in form to that furnished in connection with the Factory-to-You sales, as above alleged.

The stores of the two retail subsidiaries and many of the Rexall stores purchase and use the advertising material so prepared by this respondent, or prepare their own advertising material. In the latter case it is of the same tenor and embodies the features of the advertising material suggested and prepared by respondent United-Rexall Drug Co.

Following are specimens typical of the representations appearing in the advertisements of these 1-cent sales:

Liggett's 1¢ Sale. 2 for the price of 1 plus 1¢. Add a penny!

Get two! Save 48¢. 49¢ Puretest 5-grain aspirin (100 tablets).

One bottle for regular price. Another for only a penny. Two hundred tablets for 50¢. Ordinarily you pay ninety-eight! 4 days only at this price!

50¢ After-Shave Lotion 2 for 51¢.

PAR. 8. By use of the advertising matter hereinabove described by the subsidiary retailers and Rexall stores, respondents represent to the public that two units of the advertised items may be purchased for the regular price of one unit plus 1 cent. In truth and in fact, in the case of many of the stores the regular and usual selling price of these items is not as represented, but is lower, and the difference between the regular price and the sale price is not as great as advertised.

PAR. 9. The acts and practices of the respondents in using the foregoing false, deceptive, and misleading statements and representations have had and now have the capacity and tendency to, and do, mislead and deceive a substantial portion of the purchasing public into the erroneous and mistaken belief that said statements and representations were and are true. As a result of such erroneous and mistaken belief, so induced, a substantial number of the purchasing public have purchased substantial quantities of respondents' said products.

PAR. 10. The aforesaid acts and practices of respondents, 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 October 9, 1946, issued and subsequently served its complaint in this proceeding upon the respondents named in the caption hereof, charging them with the use of unfair and deceptive acts and practices in commerce in violation of the provisions of that act. After the filing of joint answer to the complaint by the respondents, testimony and other evidence were introduced before a trial examiner of the Commission theretofore duly designated by it, following which, on October 24, 1949, a stipulation was entered into upon the record whereby it was stipulated and agreed by and between the respondents and counsel supporting the complaint that the statement of facts entered upon the record might be taken as the facts in this proceeding in lieu of evidence in support of the charges stated in the complaint or in opposition thereto, and that the Commission might proceed upon said statement of facts to make its report stating its findings as to the facts (including inferences which it might draw from the said stipulated facts) and its conclusion based thereon and enter its order disposing of the proceeding without the presentation of argument or the filing of briefs. Respondents expressly waived the filing of a recommended decision by the trial examiner.

Thereafter, this proceeding regularly came on for final hearing before the Commission on said complaint, answer, and stipulation, said stipulation having been approved, accepted and filed; and the Commission, having duly considered the same 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

PARAGRAPH 1. Respondent Rexall Drug Co., known as United-Rexall Drug Co. at the time this proceeding was instituted, and prior thereto known as United Drug Co., is a corporation organized and existing under the laws of the State of Delaware, with its principal office and place of business located at 8480 Beverly Boulevard, Los Angeles,

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Calif. Since 1928 respondent Rexall Drug Co. has engaged in the manufacture and distribution of drugs, medicines, and other preparations and commodities usually sold in the modern drug store, some of which products are made for it by wholly owned subsidiary manufacturing companies.

Respondent Liggett Drug Co., Inc., is a corporation organized and existing under the laws of the State of Delaware, with its principal office and place of business at 71 West Twenty-third Street, New York, N. Y.

Respondent the Owl Drug Co., named in the complaint as Owl Drug Co., is a corporation organized and existing under the laws of the State of Nevada, with its principal office and place of business at 8480 Beverly Boulevard, Los Angeles, Calif.

Respondents Liggett Drug Co., Inc., and the Owl Drug Co. are now and have been since at least the year 1934 wholly owned subsidiaries of respondent Rexall Drug Co. and respectively own and operate retail drug stores in many localities in various States of the United States.

PAR. 2. A part of the retail distribution of respondent Rexall Drug Co. is through the retail stores owned and operated by respondents Liggett Drug Co., Inc., and the Owl Drug Co.; the rest of its retail distribution is through individually owned drug stores which secure from this respondent a so-called franchise to operate as "Rexall Stores" and they are so designated and so known to the public. In the course of its business as aforesaid, respondent Rexall Drug Co. sells the products manufactured by it and by its wholly owned subsidiary manufacturing companies, and in making sales thereof ships said products from its factories and from the factories of its said subsidiary manufacturers and from its branch places of business and from other supply depots to the stores of the other two respondents named herein and to the independently owned Rexall stores, many of which subsidiary retail stores and independently owned Rexall stores are located in States of the United States other than the States from which such shipments originate.

PAR. 3. To all Rexall stores respondent Rexall Drug Co. distributes a publication called "The Medicine Man," which lists various products offered for sale by this respondent, together with the wholesale prices and the suggested retail prices of such products. Some of the items so listed show two suggested retail prices, one being designated therein as the "usual retail price" and the other being designated as the "minimum price," the "usual retail price" being the larger of the two. With respect to the said items which hereinafter will be referred to as "two-priced" items, some independently owned enfran-

chised Rexall stores charge the higher of the two prices, that is, the so-called "usual retail price," at all times for all items except during sale periods. Other independently owned enfranchised Rexall stores charge the "minimum price" therefor except during sale periods; and still other independently owned enfranchised Rexall stores charge the "minimum price" for some of such items, the so-called "usual retail price" for some of such items, and a price in between these two for others thereof except during sale periods. Both the independently owned Rexall stores and said subsidiary retailers obtain the "usual retail price" for those items where the items do not contain two prices except during sale periods. Such items will hereinafter be referred to as "one-priced" items.

PAR. 4. At various times during each year respondent Rexall Drug Co. offers to its independently owned Rexall stores an opportunity to conduct, and causes its subsidiary retailers to conduct, so-called "One-Cent Sales." At such times, in advertising matter prepared and furnished by it to the independently owned Rexall stores, respondent Rexall Drug Co. causes prices pertaining to single units of each of the articles included to be shown followed immediately in each instance by a statement offering two of the items for a price calculated by adding 1 cent to the price used to designate the single unit, and in such advertising it is further stated that two units of the items offered may be purchased for the price of one unit plus 1 cent.

Other advertising prepared and furnished by respondent Rexall Drug Co. to respondents Liggett Drug Co., Inc., and the Owl Drug Co. for use in connection with such "One-Cent Sales" contain statements that the prices used to designate single units of the merchandise described as coming within the sale are "regular" prices or values for such merchandise and that two of the articles so described may be purchased for the price of one unit plus 1 cent.

The stores of the respondents Liggett Drug Co., Inc., and the Owl Drug Co. and many of the independently owned Rexall stores have purchased and used, and do purchase and use, said advertising material as prepared for them by respondent Rexall Drug Co., or have prepared their own advertising material in the same tenor and to embody the same features as appear in the advertising provided by respondent Rexall Drug Co.

PAR. 5. Through the use of the advertising representations hereinbefore described, including the expression "One-Cent Sale," as used in this connection by such subsidiary retailers and the independently owned Rexall stores, respondents represent to the public that two units of the advertised items may be purchased at retail stores to which said

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advertising relates during the so-called "One-Cent Sales" for the price customarily and usually charged at said stores for one unit plus 1 cent.

PAR. 6. During the sales conducted by the independently owned Rexall stores, the prices used in the advertising of respondent Rexall Drug Co. to designate the "one-priced" items, previously referred to, are in all instances the "usual retail prices." Inasmuch as the prices which are advertised and represented by respondent Rexall Drug Co. to be the regular prices for "one-priced" articles included in these sales are in fact the customary and usual prices at which such merchandise is sold, no challenge is directed in this proceeding to the advertising statements pertaining to this category of merchandise.

In further reference to the sales conducted by the independently owned Rexall stores, the prices used in the advertising by respondent Rexall Drug Co. to designate the "value" or "size" of the previously referred to "two-priced" items are in all instances the higher or so-called "usual retail prices" appearing in said respondent's listing to the stores of its products as distinguished from the "minimum prices" appearing therein. Those independently owned Rexall stores using the advertising prepared by said respondent or advertising similar thereto which adhere to the suggested "minimum prices" during off-sale periods sell on the basis of the higher or so-called "usual retail prices" during the "One-Cent Sales," and represent to the purchasing public, contrary to fact, that the said "size" or "value" prices are the prices at which such articles are, by those stores, customarily and usually offered for sale and sold. When furnished for use and used in such circumstances, the Commission concludes that the representations of the respondent Rexall Drug Co. that two units of the articles offered for sale may be purchased for the price customarily and usually charged by such stores for one unit plus 1 cent are false and misleading.

In connection with the sales which respondent Rexall Drug Co. causes its subsidiary retailers to conduct, the prices represented as regular prices for 1-cent sale items refer in all instances except as hereafter related to the so-called "one-priced" items and constitute the prices at which such articles are customarily offered and sold by said subsidiary retailers. The so-called "two-priced" items are not designated as "One-Cent Sale" articles, but appear in a blocked-off section of the advertisements under the caption "Four Day Specials—Not Regular One Cent Sale Items." In conjunction therewith the said subsidiary retailers show the regular sale prices which in all instances are the so-called "minimum prices" together with the price for which two of them may be purchased. In one instance, however, respondent the Owl Drug Co. featured in an advertisement some of said "Four

Day Specials" as "One-Cent Sale" items, so that the price relating to each in such advertisement which was represented to be the regular price was in fact the so-called "usual retail price," whereas, said respondent regularly sold each of these items at the so-called "minimum price" between sales. Respondents Rexall Drug Co. and the Owl Drug Co. falsely represented in such instance that two units of the articles were being offered for the price customarily and usually charged by the stores for one unit plus 1 cent.

PAR. 7. The acts and practices of the respondents Rexall Drug Co. and the Owl Drug Co., in using the foregoing false and misleading statements and representations, have had the capacity and tendency to mislead and deceive a substantial portion of the purchasing public into the erroneous and mistaken belief that said statements and representations are true. As a result of the erroneous and mistaken belief so engendered a substantial number of the purchasing public have purchased substantial quantities of said respondents' products.

CONCLUSION

The aforesaid acts and practices of the respondents Rexall Drug Co. and the Owl Drug Co., 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.

Additional charges of the complaint pertain to certain of the advertising representations made by respondents in connection with so-called "Factory-to-You" sales formerly conducted by the subsidiary retailers and independently owned Rexall stores. No "Factory-to-You" sales have been conducted by the respondents, however, since July 1944, which is more than 2 years prior to the institution of this proceeding. In view of respondents' discontinuance of the advertising to which such additional charges relate and the additional fact that they have disclaimed any intention of resuming such advertising, the Commission is of the opinion that a determination of the issues raised thereby is not at this time required in the public interest, and such charges, accordingly, are being dismissed without prejudice.

It does not appear from the record that the respondent Liggett Drug Co., Inc., has participated in the acts and practices found hereinbefore to be in violation of the act, and the Commission, therefore, is of the opinion that dismissal of the charges in respect to said respondent is warranted in the circumstances here.

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ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission, the joint answer of respondents, and upon a stipulation as to the facts entered into between respondents and counsel supporting the complaint which provides, among other things, that the Commission may proceed upon said statement of facts to make its report stating its findings as to the facts (including inferences which it may draw from said stipulated facts) and its conclusion based thereon and enter its order disposing of the proceeding without the presentation of argument or the filing of briefs, and which waives the filing of a recommended decision by the trial examiner; and the Commission having made its findings as to the facts and its conclusion that the respondents Rexall Drug Co. and the Owl Drug Co. have violated the provisions of the Federal Trade Commission Act:

It is ordered, That respondents Rexall Drug Co., a corporation, and the Owl Drug Co., a corporation, and their respective officers, agents, representatives, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale, or distribution of drug products or any other articles of merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

Representing through the use of the term "One-Cent Sale," or words of similar import, or otherwise, that two units of respondents' merchandise may be purchased for the price of one unit plus one cent, when the price of one unit of said merchandise used in said representations is in excess of the price at which one unit of said merchandise is customarily and usually sold in the respective stores to which the representations relate; or representing in any manner that the customary or usual price of respondents' merchandise at retail stores to which the representations relate is in excess of the price at which the merchandise is by the respective stores customarily offered for sale and sold in the normal course of business.

It is further ordered, That the charges of the complaint relating to the advertising representations made by the respondent Liggett Drug Co. in connection with the "One-Cent Sales" conducted by said respondent be, and the same hereby are, dismissed.

It is further ordered, That the charges of the complaint relating to certain of the representations used by respondents in the advertising of so-called "Factory-to-You" sales be, and the same hereby are dismissed without prejudice to the right of the Commission to institute a

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new proceeding against the respondents or to take such further or other action in the future as may be warranted by the then existing circumstances.

It is further ordered, That the respondents Rexall Drug Co. and the Owl Drug Co. 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
NORTHWESTERN EXTRACT COMPANY

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

Docket 5641. Complaint, Mar. 1, 1949—Decision, Apr. 21, 1950

Where a corporation engaged in the manufacture and interstate sale and distribution of extracts and concentrates, including its "Imitation Grape Sparkle Beverage Base No. 179," to bottlers for their use in the manufacture of a soft drink known as "Grape Sparkle"; in advertising said "Grape Sparkle" in trade periodicals—

Represented through the use of said trade name and through such statements as "Grape Sparkle Soda" and reference to "Grape Leaf Shaped" decalcomanias in color, available for distribution to customers, and through decalcomanias transmitted by it to its bottlers for use by them and retailers in advertising and promoting the sale of "Grape Sparkle," bearing the words, among others, "Grape Sparkle Soda" printed upon a picturization of a green leaf of the grapevine, that the product in question was prepared from the fruit or natural juice of the grape;

The facts being that while said beverage simulated the odor, appearance, and taste of a grape product, it derived said characteristics chiefly from imitation ingredients and was an imitation grape product;

With result of placing in the hands of bottlers and retailers means and instrumentalities through which they might and did represent said product as prepared by the use of the fruit or natural juice of the grape; and with tendency and capacity to mislead a substantial portion of the purchasing public into the erroneous belief that the representations and depictions involved therein were true, and thereby induce it to purchase substantial quantities of said product:

Held, That such acts and practices, 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. William L. Taggart for the Commission.

Mr. Roy R. Stauff, of Milwaukee, Wis., 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 the Northwestern Extract Co., a corporation, hereinafter referred to as respondent, has violated the provisions of said act, and it appearing to the Commis-