

Complaint

IN THE MATTER OF

EDWARD ROSEMAN ET AL. TRADING AS ROSEMAN
ENTERPRISES COMPANY, ETC.CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT*Docket 6358. Complaint, June 6, 1955—Decision, Nov. 10, 1955*

Consent order requiring sellers in New York City to cease advertising falsely that the "Dunhall" and "Pennant" watches which they sold to jobbers and dealers for resale had "Jeweled Movement" and were "Guaranteed For One Year."

Before *Mr. James A. Purcell*, hearing examiner.

Mr. Frederick McManus for the Commission.

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 Edward Roseman, Arthur Roseman and Herman Roseman, as individuals and copartners trading as Roseman Enterprises Company, Dunhall Imports Company, Sorjine Continental Watch Company and Brooks Products Company, 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. Respondents Edward Roseman, Arthur Roseman and Herman Roseman are individuals and copartners trading as Roseman Enterprises Company, Dunhall Imports Company, Sorjine Continental Watch Company and Brooks Products Company, with their office and principal place of business located at 92 Liberty Street, New York 6, New York.

Respondents are now, and for more than two years last past have been, engaged in the sale and distribution of watches. Said watches, under the brand names of "Dunhall" and "Pennant," are sold and distributed to jobbers and dealers for resale to the purchasing public.

PAR. 2. In the course and conduct of their business, respondents now cause, and for more than two years last past have caused, their watches, when sold, to be transported from their place of business in the State of New York to jobbers and dealers, for resale to the gen-

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eral public, located in various other States of the United States and in the District of Columbia. Respondents maintain, and at all times mentioned herein have maintained, a substantial course of trade in said watches in commerce between and among the various States of the United States and the District of Columbia.

PAR. 3. In the course and conduct of their aforesaid business, and for the purpose of inducing the purchase of their said watches, respondents have made false, misleading and deceptive statements and representations, relative to their said watches, in circulars, pamphlets, posters, display cards and by other means, all of which are widely circulated and distributed throughout the United States, to jobbers and dealers to be exhibited to the purchasing public. Among and typical of such false, misleading and deceptive statements and representations are the following:

Jeweled Movement

Guaranteed For One Year

PAR. 4. Through the use of the foregoing statements and representations and others of similar import and meaning, not specifically set out herein, the respondents represent and have represented, directly or by implication, that the said watches, described and sold by the respondents are jeweled watches and contain movements that are jeweled movements and that said watches are guaranteed for one year in every respect.

PAR. 5. The foregoing statements and representations are false, misleading and deceptive. In truth and in fact, the said watches, described and sold by the respondents, are not "jeweled" watches nor do they contain jeweled movements. As generally understood in the industry, a jeweled watch or a jeweled movement watch is one which contains at least 7 jewels, each of which serves a mechanical purpose as a frictional bearing. Respondents do not guarantee the said watches for one year in every respect; the so-called guarantee provides for the payment of a service charge; the terms, conditions and extent to which such guarantee applies and the manner in which the guarantor will perform thereunder are not disclosed in the advertising matter.

PAR. 6. By selling and distributing to jobbers and dealers said watches, as aforesaid, and furnishing to such jobbers and dealers display cards and other sales promotional material as aforesaid, respondents furnish to such wholesalers and dealers the means and instrumentalities through and by which they may mislead and deceive the purchasing public as to the quality and construction of said watches.

PAR. 7. In the course and conduct of their business, respondents are in direct and substantial competition with other individuals, firms and corporations engaged in the sale, in commerce, of watches.

PAR. 8. The use by respondents of the foregoing false and misleading statements and representations has 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 and into the purchase of substantial quantities of said watches because of such erroneous and mistaken belief.

PAR. 9. The aforesaid acts and practices of the respondents, as herein alleged, are all to the prejudice and injury of the public and of respondents' competitors and constitute unfair and deceptive acts and practices and unfair methods of competition, in commerce, within the intent and meaning of the Federal Trade Commission Act.

INITIAL DECISION BY JAMES A. PURCELL, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondents on June 6, 1955, charging them with false, misleading and deceptive practices in the sale of watches in violation of the Federal Trade Commission Act. Thereafter, on August 22, 1955, (filed herein on September 16, 1955), respondents entered into an agreement with counsel supporting the complaint providing for the entry of a consent order disposing of all of the issues in this proceeding. Said agreement has been approved by the Director of the Bureau of Litigation and has been submitted to the hearing examiner, heretofore duly designated, for his consideration pursuant to Sections 3.21 and 3.25 of the Commission's Rules of Practice.

Respondents, in and by the aforesaid agreement, have admitted all of the jurisdictional allegations of the complaint and agreed that the record herein may be taken as though the hearing examiner and the Commission had made findings of jurisdictional facts in accordance with such allegations. Said agreement provides for the waiver of hearing before a hearing examiner; the making of findings of fact or conclusions of law by the hearing examiner or the Commission; the filing of exceptions and oral argument before the Commission and all further and other procedure before the hearing examiner and the Commission to which the respondents might otherwise, but for the execution of said agreement, be entitled under the Federal Trade Commission Act or the Rules of Practice of the Commission. Respondents have also agreed that the order to cease and desist issued in accordance with said agreement shall have the same force and effect as if made after a full hearing, presentation of evidence and findings and con-

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clusions thereon, and specifically waive any and all right, power or privilege to challenge or contest the validity of said order.

It was further agreed that the said agreement, together with the complaint, shall constitute the entire record herein; that the complaint may be used in construing the terms of the order provided for in said agreement; that said agreement is subject to approval in accordance with Sections 3.21 and 3.25 of the Commission's Rules of Practice; that said agreement and order issued in this Initial Decision shall not become a part of the official record of this proceeding unless and until they become a part of the decision of the Commission; and that the signing of said agreement is for purposes of settlement only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint.

This proceeding having now come on for final consideration by the hearing examiner on the complaint and the aforesaid agreement for consent order, and it appearing that said agreement provides for an appropriate disposition of this proceeding, the same is hereby accepted by the hearing examiner who, on the basis of the record as constituted makes the following findings for jurisdictional purposes, and order:

1. Respondents Edward Roseman, Arthur Roseman and Herman Roseman are individuals and co-partners trading as Roseman Enterprises Company and Dunhall Imports Company and Sorjine Continental Watch Company and Brooks Products Company, with their office and principal place of business located at No. 92 Liberty Street, New York, New York, and are now, and have been at all times mentioned herein, engaged in the interstate sale and distribution of watches to jobbers and dealers for resale to the purchasing public.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding, as well also of the respondents hereinabove named; that the complaint herein states a valid cause of action against said respondents under the provisions of the Federal Trade Commission Act.

3. Consonant with the express agreement of the parties, as evidenced by the agreement hereinbefore described and referred to, the following order is passed:

ORDER

It is ordered, That respondents, Edward Roseman, Arthur Roseman and Herman Roseman, individually and as copartners trading under the firm names of Roseman Enterprises Company, Dunhall Imports Company, Sorjine Continental Watch Company and Brooks Products Company, or any other trade name or names, and their agents, repre-

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sentatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of watches in commerce as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing that a watch is a "jeweled" watch, or that it contains a jeweled movement, unless said watch contains at least 7 jewels, each of which serves a mechanical purpose as a frictional bearing.

2. Representing that watches offered for sale or sold by respondents are guaranteed unless and until the nature and extent of the guarantee and the manner in which the guarantor will perform thereunder are clearly and conspicuously disclosed.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 10th day of November, 1955, become the decision of the Commission; and, accordingly:

It is ordered, That the respondents herein shall, within sixty (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 the order to cease and desist.

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IN THE MATTER OF

THE AMERICAN CREDIT BUREAU, INC. ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT*Docket 6364. Complaint, June 13, 1955—Decision, Nov. 10, 1955*

Consent order requiring a collection agency in Chicago to cease misrepresenting the cost and terms of its services to customers and with making false and misleading statements in letters in attempts to obtain by subterfuge information concerning debtors.

Before *Mr. James A. Purcell*, hearing examiner.

Mr. Michael J. Vitale for the Commission.

Loewy & Block, of Chicago, Ill., 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 The American Credit Bureau, Inc., a corporation, and Larry Lawrence, Eugene E. Stewart and D. B. Dolmyer, individually and as officers and directors of said corporation and Victor Dolmyer, individually and as director of said 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 The American Credit Bureau, Inc., is a corporation, organized and existing under and by virtue of the laws of the State of Illinois, with its office and principal place of business located at 608 South Dearborn Street, Chicago, Illinois. Respondents Larry Lawrence, Eugene E. Stewart, D. B. Dolmyer and Victor Dolmyer are President and Director, Secretary-Treasurer and Director, Vice President and Director, and Director, respectively, of this corporate respondent. These individuals formulate, direct and control the policies, acts and practices of said corporation. The address of these individuals is the same as that of the corporate respondent, The American Credit Bureau, Inc.

All of the aforesaid respondents cooperate and act together in performing the acts and engaging in the practices hereinafter set forth.