

Complaint

IN THE MATTER OF

JOSEPH JIMENEZ ET AL. DOING BUSINESS AS
CREDIT TV SERVICE

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT

Docket 6531. Complaint, Mar. 21, 1956—Decision, June 9, 1956

Consent order requiring two individuals in Washington, D. C., to cease misrepresenting their charges for servicing and repairing TV sets in the home, and misrepresenting shop estimates as free.

Before *Mr. Robert L. Piper*, hearing examiner.

Mr. Michael J. Vitale for the Commission.

Bradshaw, Shearin, Redding & Thomas, of Silver Spring, Md., 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 Joseph Jimenez and Catherine Jimenez, individuals, trading and doing business as Credit TV Service, 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 Joseph Jimenez and Catherine Jimenez are individuals trading and doing business as Credit TV Service. Said respondents cooperate and act together in performing the acts and practices hereinafter set forth. Their office and principal place of business is located at 1361 H Street, N.E., Washington, D. C.

PAR. 2. Respondents, for more than one year last past, have been engaged in the sale and distribution of television replacement parts. An essential and integral part of respondents' said business is the furnishing of television repair services. In connection with their television repair service respondents remove television sets from the homes of owners located in the District of Columbia and in the State of Maryland, and transport said television sets to their repair shop, which is located in the District of Columbia, for servicing and replacement of parts, said parts being furnished and sold by respondents after which the television sets are delivered to the owners at their places of residence.

Complaint

52 F. T. C.

Respondents maintain, and at all times mentioned herein have maintained, a course of trade in their said business in commerce in the District of Columbia and between the District of Columbia and the State of Maryland. Their volume of business in said commerce has been and is substantial.

PAR. 3.. At all times mentioned herein respondents have been, and are now, in direct and substantial competition in commerce with other corporations, firms and individuals engaged in a similar business.

PAR. 4. In the course and conduct of their aforesaid business, respondents have made certain statements and representations concerning said business by means of advertisements in newspapers. Among and typical of the statements and representations made in such advertising is the following:

Mr. and Mrs. TV Owner ATTENTION		
99¢	House Call	99¢
all makes serviced in your home or in our shop. Free shop estimates.		

Picture Tube Weak?		
We will rejuvenate your picture tube in your home. All makes serviced.		
Call for immediate service		
9 A.M. to 10 P.M.		
including Sunday		
Call LI 7-4925		
CREDIT TV SERVICE		
Va. and Md. Slightly Higher		

PAR. 5. By and through the use of the aforesaid statements respondents represented, directly or by implication:

1. That the service charge for servicing and repairing a television set in the home is 99¢.

2. That shop estimates are free.

PAR. 6. The aforesaid statements and representations were false, deceptive and misleading. In truth and in fact:

1. The charge for servicing or repairing a television set in the home is greatly in excess of the represented amount of 99¢.

1493

Decision

2. Respondents make a charge whenever a shop estimate is given and the set is not left for repair.

PAR. 7. The use by the respondents of the aforesaid false, deceptive, and misleading statements, representations, and practices had the tendency and capacity to mislead and deceive a substantial portion of persons owning television sets into the erroneous and mistaken belief that such statements and representations were and are true, and to induce said persons to have respondents service and repair their television sets because of such erroneous and mistaken belief. As a result thereof, substantial trade in commerce has been unfairly diverted to respondents from their competitors and substantial injury has been and is being done to competition in commerce.

PAR. 8. The aforesaid acts and practices of 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 ROBERT L. PIPER, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondents on March 21, 1956, charging them with having violated the Federal Trade Commission Act. After being served with said complaint, respondents appeared by counsel and entered into an agreement, dated April 12, 1956, containing a consent order to cease and desist, disposing of all the issues in this proceeding without hearing. Said agreement has been submitted to the undersigned, heretofore duly designated to act as hearing examiner herein, for his consideration in accordance with Section 3.25 of the Rules of Practice of the Commission.

Respondents, pursuant to the aforesaid agreement, have admitted all of the jurisdictional allegations of the complaint and agreed that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations. Said agreement further provides that respondents waive all further procedural steps before the hearing examiner or the Commission, including the making of findings of fact or conclusions of law and the right to challenge or contest the validity of the order to cease and desist entered in accordance with such agreement. It has also been agreed that the record herein shall consist solely of the complaint and said agreement, that the agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Commission, that said agreement is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged

in the complaint, that said order to cease and desist shall have the same force and effect as if entered after a full hearing and may be altered, modified or set aside in the manner provided for other orders, and that the complaint may be used in construing the terms of the order.

This proceeding having now come on for final consideration on the complaint and the aforesaid agreement containing the consent order, and it appearing that the order and agreement cover all of the allegations of the complaint and provide for appropriate disposition of this proceeding, the same are hereby accepted and ordered filed upon becoming part of the Commission's decision pursuant to Sections 3.21 and 3.25 of the Rules of Practice, and the hearing examiner accordingly makes the following findings, for jurisdictional purposes, and order:

1. Respondents Joseph Jimenez and Catherine Jimenez are individuals trading and doing business as Credit TV Service, with their office and principal place of business located at 1361 H Street, N.E., Washington, D. C.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents hereinabove named. The complaint states a cause of action against said respondents under the Federal Trade Commission Act, and this proceeding is in the interest of the public.

ORDER

It is ordered, That respondents Joseph Jimenez and Catherine Jimenez, individuals, trading and doing business as Credit TV Service, or trading and doing business under any other name or names, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of replacement parts for television sets and other merchandise, or repair services in connection therewith, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, directly or by implication:

1. That the charge for servicing or repairing is 99¢, or any other amount which is not in accordance with the facts.

2. That there is no charge for estimates made in the shop, when such is not the fact.

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 9th day of June, 1956, become the decision of the Commission; and, accordingly:

1493

Decision

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.

IN THE MATTER OF
NATIONAL FIRE SAFETY COUNSELLORS ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT

Docket 6489. Complaint, Jan. 11, 1956—Decision, June 12, 1956

Consent order requiring sellers in Irvington, N. J., through house-to-house canvassers, of a fire alarm system for homes, to cease representing falsely that their salesmen were connected with the federal government or a civic organization, were only demonstrators, and desired to make fire prevention talks or demonstrations only; that prospects and their homes were specially selected for demonstration purposes; that the total cost of the system would be little more than the credit allowed for supplying names of other prospects, and that demonstrations in the homes of referred prospects were not necessary before such credit was given; that the contract or promissory note for the purchase price would not be discounted and that carrying charges would not be added to the total cost; and to cease utilizing such scare tactics as newspaper clippings or horror pictures of fire fatalities to induce the purchase of their products, among other things.

Before *Mr. Frank Hier*, hearing examiner.
Mr. William R. Tincher for the Commission.
Mr. Jerome L. Kessler, of Newark, N. J., 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 National Fire Safety Counsellors, a corporation, and Robert L. Berko and Howard Berko, individually and as officers 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 National Fire Safety Counsellors is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey. Respondents Robert L. Berko and Howard Berko are the president and vice president respectively of said corporate respondent and formulate, control and direct the policies and practices of said corporate respondent and are responsible for the operation and management thereof. Respondent Robert L. Berko also does business under the name of the National Fire Safety Council. The office and principal place of business of all