

IN THE MATTER OF
SUTSON, INCORPORATED, ET AL.

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

Docket 6578. Complaint, June 27, 1956—Decision, Nov. 2, 1956

Consent order requiring New York City operators of a record-of-the-month club under the trade name of "Music Treasures of the World," to cease representing falsely that those who became "associate members" by purchasing a record for 10¢ might cancel their membership at any time, and to cease shipping records and attempting to collect payment after the required notification of cancellation had been given.

Mr. Michael J. Vitale for the Commission.

Bergerman & Hourwich by *Mr. Milton Bergerman*, of New York City, for respondents.

INITIAL DECISION BY WILLIAM L. PACK, HEARING EXAMINER

The complaint in this matter charges the respondents with certain violations of the Federal Trade Commission Act in connection with the sale of phonograph records. An agreement has now been entered into by counsel supporting the complaint and all of the respondents except Lester Leventhal which provides, among other things, that said respondents admit all of the jurisdictional allegations in the complaint; that the record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and agreement; that the inclusion of findings of fact and conclusions of law in the decision disposing of this matter is waived, together with any further procedural steps before the hearing examiner and the Commission; that the order hereinafter set forth may be entered in disposition of the proceeding, such order to have the same force and effect as if entered after a full hearing, said respondents specifically waiving any and all rights to challenge or contest the validity of such order; that the order may be altered, modified, or set aside in the manner provided for other orders of the Commission; and that the agreement is for settlement purposes only and does not constitute an admission by said respondents that they have violated the law as alleged in the complaint.

With respect to respondent Lester Leventhal, the agreement recites that this respondent has not participated in formulating, directing or controlling any of the policies, acts or practices referred to in the complaint, this recital being supported by an affidavit executed

by respondent Milo Sutliff which is attached to and made a part of the agreement. For these reasons the agreement provides for the dismissal of the complaint as to respondent Leventhal.

The hearing examiner having considered the agreement and proposed order and being of the opinion that they provide an adequate basis for an appropriate disposition of the proceeding, the agreement is hereby accepted, the following jurisdictional findings made, and the following order issued:

1. Respondent Sutson, Incorporated, is a corporation existing and doing business under the laws of the State of New York, with its office and principal place of business at 100 Sixth Avenue, New York, New York. The corporation trades under the name Music Treasures of the World. Respondents Milo Sutliff and John Stevenson are individuals and are respectively president and vice president of the corporation.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That respondent Sutson, Incorporated, a corporation, and its officers, and respondents Milo Sutliff and John Stevenson, individually and as officers of said corporation, 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 phonograph records or any other merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication, that persons may cancel membership in any organization set up by respondents if, in fact, cancellation is not always permitted.

2. Shipping merchandise and attempting to collect the price thereof, when the right of cancellation of membership has been granted, after the required notification of cancellation has been given to respondents.

It is further ordered, That the complaint be and it hereby is dismissed as to respondent Lester Leventhal.

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 2nd day of November, 1956, become the decision of the Commission; and, accordingly:

It is ordered, That Sutson, Incorporated, a corporation, and Milo Sutliff and John Stevenson, individually and as officers of said corporation, 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.

Decision

IN THE MATTER OF
BECKERMAN FUR CORPORATION, ET AL.

ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION AND THE FUR PRODUCTS LABELING ACTS

Docket 6574. Complaint, June 22, 1956—Decision, Nov. 6, 1956

Consent order requiring a New York furrier to cease violating the Fur Products Labeling Act by falsely labeling and invoicing fur products with respect to the name of the animal producing the fur, using fictitious and non-existent animal names, and otherwise failing to conform to statutory requirements.

Mr. John T. Walker for the Commission.

Respondents appearing for themselves.

INITIAL DECISION BY JOSEPH CALLAWAY, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondents on June 22, 1956 charging them with violation of the Federal Trade Commission Act, and the Fur Products Labeling Act and the Rules and Regulations promulgated under the last mentioned act as set forth in said complaint. After being served with the complaint, respondents on September 7, 1956, entered into an agreement for a consent order to cease and desist from the practices complained of, which agreement disposes of all the issues in this proceeding without hearing. The agreement has been duly approved by the Assistant Director and the Director of the Bureau of Litigation and has been submitted to the undersigned heretofore designated to act as hearing examiner herein, for his consideration in accordance with Rule 3.25 of the Rules of Practice of the Commission.

Respondents Beckerman Fur Corporation, a corporation and Abraham Beckerman individually and as president of the said corporation, in the aforesaid agreement have admitted all the jurisdictional allegations of the complaint and have agreed that the record may be taken as if findings of the jurisdictional facts had been duly made in accordance with such allegations. Said agreement provides further 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 the agreement. It has also been agreed that the record herein shall consist solely of the complaint and said