

IN THE MATTER OF
NATIONAL BUSINESS AND PROPERTY
EXCHANGE, INC., ET AL.

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

Docket 6537. Complaint, Mar. 23, 1956—Decision, Dec. 27, 1956

Consent order requiring Los Angeles, Calif., publishers engaged in the sale of advertising in their magazine-type catalog listing real estate for sale or exchange designated "National Buyers' Guide," to cease representing falsely through use of the name "National Business and Property Exchange" and also through representations published in magazines and newspapers and broadcast by radio, that they were engaged in the buying, selling, and exchange of business and other property; and to cease making false representations through agents as to the advantages to be obtained by prospects in listing properties with them.

Mr. J. W. Brookfield, Jr. and Mr. George E. Steinmetz for the Commission.

Mr. Ralph B. Herzog, of Beverly Hills, Calif., for respondents.

INITIAL DECISION BY WILLIAM L. PACK, HEARING EXAMINER

The complaint in this matter charges the respondents with violation of the Federal Trade Commission Act in connection with the sale of advertising in a magazine-type catalog published by them which lists real estate for sale or exchange. An agreement has now been entered into by respondents and counsel supporting the complaint which provides, among other things, that respondents admit all of the jurisdictional allegations in the complaint; that the answer filed by respondents to the complaint shall be considered as having been withdrawn, and that the record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and agreement; that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, 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 respondents that they have violated the law as alleged in the complaint.

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 National Business and Property Exchange, Inc. (now known as U.S. Buyers' Report, Inc., a corporation), is a corporation, organized and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 5400 Wilshire Blvd., in the City of Los Angeles, California. Respondents Alexander Haagen (erroneously referred to in the complaint as Alexander Hagen) and Michael M. Fodor are officers of both corporations. These individual respondents formulated, directed and controlled the acts and practices of the respondent 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 respondents National Business and Property Exchange, Inc., a corporation (now known as U.S. Buyers' Report, Inc., a corporation), and its officers, and Alexander Haagen (erroneously referred to in the complaint as Alexander Hagen) and Michael M. Fodor, individually and as officers of said corporation, and their agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, or sale of advertising in their publication or catalog designated as "National Buyers' Guide," or any other publication or catalog, to the public in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

(1) Using the words "Business and Property Exchange" or any other word or words of similar import as a part of any corporate or trade name, or representing in any manner that they are engaged in the buying, selling or exchanging of real estate or any other property.

(2) Representing directly or by implication:

(a) That the "Confidential Report of Buyers" (now known as "U.S. Buyers' Report"), published by respondents, is a list of prospective buyers for any specific property, or that the names listed in said publication are a screened or hand-picked list of prospective

buyers for a specific parcel of property, or are known to respondents or their agents or representatives as having cash ready to buy the specific property of persons who purchase respondents' advertising.

(b) That respondents will advertise the property of purchasers of their advertising in nationally distributed or well-known magazines, or over the radio, or in any other manner.

(c) That real estate brokers who subscribe to "National Buyers' Guide," published by respondents, will undertake to sell the specific parcel of property of a purchaser of advertising in "National Buyers' Guide."

(d) That brokers use respondents' "Confidential Report of Buyers" or "U.S. Buyers' Report" to sell the property of purchasers of respondents' advertising.

(e) That the property of respondents' advertisers will be sold in any event, or within a certain specified time, or before the payment for such advertising becomes due.

(f) That Governors of States, Congressmen and other notables, or any other persons, are connected with or endorse respondents' business, unless such is the fact.

(g) That a purchaser is immediately available to buy the specific parcel of property of one who purchases respondents' advertising.

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 27th day of December, 1956, become the decision of the Commission; and, accordingly:

It is ordered, That 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.

Decision

IN THE MATTER OF
JACK B. TIZER ET AL. TRADING AS
ROYAL TILE STORES, ETC.

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

Docket 6539. Complaint, Mar. 26, 1956—Decision, Dec. 27, 1956

Consent order requiring two associated respondents, individually owning a number of stores in Pennsylvania, New Jersey, and Delaware, and advertising cooperatively in offering floor covering materials for sale at all of their stores, to cease representing falsely in extensive "bait" advertising in newspapers that their "Tile Tone" asphalt tile was America's most popular floor tile, that it could not wear out or crack, and that it was available at the advertised price in many different colors; and to cease advertising and selling imperfect tile without clearly disclosing that they were seconds."

Mr. Frederick McManus for the Commission.

Mr. Samuel Kagle, of Philadelphia, Pa., for respondents.

INITIAL DECISION BY J. EARL COX, HEARING EXAMINER

The complaint charges that respondents have violated the provisions of the Federal Trade Commission Act by the use in newspaper advertising of false, misleading and deceptive statements directly or by implication representing "that they were making a bona fide offer to sell their Tile Tone floor covering at the prices advertised; that it is a plastic tile; that it is America's most popular plastic floor tile; that it can not wear out or crack and that it is available at the price advertised in many different colors"; and that respondents further violated said Act by advertising and selling imperfect tile, commonly known as "seconds," without clearly disclosing that fact.

Thereafter respondents, their counsel, and counsel supporting the complaint entered into an Agreement Containing Consent Order To Cease And Desist, which was approved by the Director and Assistant Director, Bureau of Litigation of the Commission, and subsequently transmitted to the Hearing Examiner for consideration.

The agreement recites that Jack B. Tizer and William B. Tizer are individuals doing business as Royal Tile Stores, Royal Tile Company and Royal Carpet Company; individually own stores in Pennsylvania, New Jersey and Delaware; advertise cooperatively; publish single advertisements offering merchandise for sale at all their stores; act together in connection with the acts and practices