

IN THE MATTER OF
PROPPER MANUFACTURING COMPANY, INC., ET AL.

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

Docket 6665. Complaint, Oct. 26, 1956—Decision, Apr. 13, 1957

Consent order requiring an importer of unmarked parts of hypodermic syringes in Long Island City, New York, to cease offering the completed hypodermic syringes assembled therefrom for sale to the purchasing public without disclosing that the barrels and plungers were imported from Japan.

Mr. Kent P. Kratz for the Commission.

Mr. Milton Friedman, of New York, N.Y., for respondents.

INITIAL DECISION BY ABNER E. LIPSCOMB, HEARING EXAMINER

The complaint herein was issued on October 26, 1956, charging Respondents with violation of the provisions of the Federal Trade Commission Act by failure to disclose that essential and material parts of the hypodermic syringes which they assemble and thereafter offer for sale and sell in commerce are of foreign origin, being imported from Japan.

On February 11, 1957, Respondent Seymour Schuman, individually and as President of Respondent Propper Manufacturing Company, Inc., his counsel, and counsel supporting the complaint entered into an Agreement Containing Consent Order To Cease And Desist, which was approved by the Director and the Assistant Director of the Commission's Bureau of Litigation, and thereafter submitted to the Hearing Examiner for consideration.

Respondent Propper Manufacturing Company, Inc., is identified in the agreement as a New York corporation, with its office and principal place of business located at 10-34 44th Drive, Long Island City, New York, and individual Respondent Seymour Schuman as President-Treasurer and sole stockholder of said corporate Respondent, with his office and principal place of business at the same address. Respondent Beatrice Schuman is identified as the wife of Respondent Seymour Schuman, merely a nominal, figurehead Vice-President of the corporate Respondent, and not a stockholder thereof. The agreement, and an affidavit executed by Respondent Seymour Schuman, which is expressly made a part thereof, state that Respondent Beatrice Schuman neither formulates, directs nor controls the policies, acts and practices of the corporate Respondent, and all parties agree that the complaint should be dismissed as to her.

Respondent Seymour Schuman, individually and as President of the corporate Respondent, admits all the jurisdictional facts alleged in the complaint; agrees that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations; and waives any further procedure before the Hearing Examiner and the Commission, the making of findings of fact or conclusions of law, and all the rights he or the corporate Respondent may have to challenge or contest the validity of the order to cease and desist entered in accordance with the agreement.

All parties agree that the record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and the agreement; that the order to cease and desist as contained in the agreement 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; that the complaint herein may be used in construing the terms of said order; 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.

After consideration of the allegations of the complaint and the provisions of the agreement and the proposed order, the Hearing Examiner is of the opinion that such order constitutes a satisfactory disposition of this proceeding. Accordingly, in consonance with the terms of the aforesaid agreement, the Hearing Examiner accepts the Agreement Containing Consent Order To Cease And Desist; finds that the Commission has jurisdiction over the Respondents and over their acts and practices as alleged in the complaint; and finds that this proceeding is in the public interest. Therefore,

It is ordered, That the Respondents Propper Manufacturing Company, Inc., a corporation, and its officers, and Seymour Schuman, individually and as an officer of said corporation, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of hypodermic syringes, or similar products, which are composed in substantial part of imported materials, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Offering for sale, selling or distributing said products made in whole or in substantial, material and essential part in Japan without clearly disclosing such Japanese origin on said products in such manner that it cannot readily be hidden or obliterated.

Decision

53 F.T.C.

It is further ordered, That the complaint herein, insofar as it relates to Beatrice Schuman, individually or as an officer of Propper Manufacturing Company, Inc., be, and the same hereby is, dismissed.

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 13th day of April, 1957, become the decision of the Commission; and, accordingly:

It is ordered, that respondents Propper Manufacturing Company, Inc., a corporation, and its officers, and Seymour Schuman, individually and as an officer 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
COMMUNITY SERVICES, INC., ET AL.

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

Docket 6684. Complaint, Dec. 3, 1956—Decision, Apr. 13, 1957

Consent order requiring a printer in Kansas City, Mo., of a variety of publications—including yearbooks, calendars, community digests, and cook-books mainly for small-town civic organizations—to cease failing to deliver high school annuals promised for graduation until many months after that date and to supply other books within the time contracted for; and to cease representing falsely, through its salesmen soliciting advertising, that all the money received therefor became the property of the sponsoring group, and that the salesmen were members of the group.

Mr. William A. Somers for the Commission.

INITIAL DECISION BY FRANK HIER, HEARING EXAMINER

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission on December 3, 1956, issued and subsequently served its complaint in this proceeding against respondents Community Services, Inc., a corporation existing and doing business under and by virtue of the laws of the State of Missouri, Lewis D. Northcraft, Clarence Northcraft and Alice K. Northcraft, individually and as president, vice president, and secretary-treasurer, respectively, of the corporate respondent. The office and principal place of business of said respondents is at 401 East 22nd Street, Kansas City, Missouri.

One hearing was held after which there was, on February 20, 1957, submitted to the undersigned hearing examiner an agreement between respondents and counsel supporting the complaint providing for the entry of a consent order. By the terms of said agreement, respondents admit all the jurisdictional facts alleged in the complaint and agree that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations. By such agreement, respondents waive any further procedural steps before the hearing examiner and the Commission; waive the making of findings of fact and conclusions of law; and waive all of the rights they may have to challenge or contest the validity of the order to cease and desist entered in accordance with this agreement. Such agreement further provides that it disposes of all of this proceeding as to all parties; that the record on which this