

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

Order

53 F.T.C.

initial decision and the decision of the Commission shall be based shall consist solely of the complaint and this agreement; that the latter shall not become a part of the official record unless and until it becomes a part of the decision of the Commission; 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; and that the following order to cease and desist may be entered in this proceeding by the Commission without further notice to respondents, and, when so entered, it 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.

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

1. Respondent Community Services, Inc., is a corporation existing and doing business under the laws of the State of Missouri, with its office and principal place of business located at 401 East 22nd Street, Kansas City, Missouri. Respondents Lewis D. Northcraft, Clarence Northcraft and Alice K. Northcraft are president, vice president, and secretary-treasurer, respectively, of said corporation, with their office and principal place of business located at the same address as the corporate respondent.

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 Community Services, Inc., a corporation, and its officers, and Lewis D. Northcraft, Clarence Northcraft and Alice K. Northcraft, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with any offer to enter into contracts respecting books, publications or other articles of merchandise which are shipped in commerce or in connection with the offering for sale, sale or distribution of books, publications or other articles of merchandise, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

855

Decision

1. Failing to deliver books, publications or other articles of merchandise within the time promised or specified in any agreement or order, oral or written.

2. Representing, directly or by implication, that any salesman or representative of the respondents is a member of any sponsoring group or organization.

3. Misrepresenting the amount of money that is to be received by a sponsoring group or organization for advertising to be printed in any of respondents' books or publications.

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 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
PAGEANT PRESS, INC., ET AL.

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

Docket 6693. Complaint, Dec. 13, 1956—Decision, Apr. 13, 1957

Consent order requiring a company in New York City which, in advertisements in magazines, newspapers, etc., solicited contracts to publish books at the expense of their authors and to promote and sell such books, to cease misrepresenting the services it gave authors under such subsidy plan.

Mr. S. F. House for the Commission.

Mr. Joseph Benisch, of New York City, for respondents.

INITIAL DECISION BY JOSEPH CALLAWAY, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondents on December 13, 1956, charging them with violation of the Federal Trade Commission Act as set forth in said complaint. After issuance and service of the complaint both respondents and their attorney on February 1, 1957, entered into an agreement with counsel supporting the complaint for a consent order to cease and desist from the practices complained of which agreement purports to dispose of all the issues in this proceeding without hearing. Subsequently, on February 4, 1957, respondents, through their attorney, filed answer to the complaint, denying material allegations of the complaint. By letter to the hearing examiner dated February 15, 1957, treated as a motion, respondents' attorney requested that the answer be withdrawn, which motion was granted in separate order. The aforesaid agreement for a consent order to cease and desist has been duly approved by the Assistant Director and 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.

It is noted that in the said agreement counsel supporting the complaint states that in his opinion there is insufficient evidence available to sustain the charge set out in Paragraph Seven of the complaint and therefore requests that this charge be dismissed. This is in effect a motion to dismiss as to Paragraph Seven of the complaint, is treated as such and granted.

Respondents Pageant Press, Inc., a corporation and Simon A. Halpern, individually and as an officer of said corporation in the