

IN THE MATTER OF
JEROME SAKS ET AL. TRADING AS SAKS FUR CO.

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

Docket 6573. Complaint, June 20, 1956—Decision, May 8, 1957

Consent order requiring a furrier in Washington, D.C., to cease representing prices of fur products as reduced from regular prices which were fictitious, and misrepresenting values of the products on labels and in newspaper advertising; and failing in other respects to conform to the requirements of the Fur Products Labeling Act; also dismissing without prejudice a charge of false invoicing.

Mr. Simeon F. House for the Commission.

Mr. Philip Rosenfeld, of Washington, D.C., for respondents.

INITIAL DECISION BY EARL J. KOLB, HEARING EXAMINER

The complaint in this proceeding issued June 20, 1956, charged the respondents Jerome Saks and Josephine Saks, individually and as copartners trading as Saks Fur Company, located at 610 Twelfth Street, N.W., Washington, D.C., with the use of unfair and deceptive acts and practices in interstate commerce in violation of the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act and the rules and regulations promulgated thereunder.

After the issuance of said complaint, the respondents Jerome Saks and Josephine Saks, individually and as copartners trading as Saks Fur Company, entered into an agreement for consent order with counsel in support of the complaint disposing of all the issues in this proceeding, except it appears that the preponderance of the presently available evidence does not sustain charges with regard to false and deceptive invoicing as alleged in Paragraphs Four and Five of the complaint, which agreement was duly approved by the Director and Assistant Director of the Bureau of Litigation. It was expressly provided in said agreement that the signing thereof is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint.

By the terms of said agreement, the said respondents admitted all the jurisdictional facts alleged in the complaint, except the charges with regard to false and deceptive invoicing as alleged in Paragraphs Four and Five of the complaint, and agreed that the record herein may be taken as if the Commission had made findings of jurisdictional facts in accordance with such allegations.

1016

Order

By said agreement the parties expressly waived any further procedural steps before the hearing examiner and the Commission; the making of findings of fact or conclusions of law; and all the rights they may have to challenge or contest the validity of the order to cease and desist entered in accordance with the agreement.

Respondents further agreed that the order to cease and desist, issued in accordance with said agreement, shall have the same force and effect as if made after a full hearing.

It was further provided that said agreement, together with the complaint, shall constitute the entire record herein, that the complaint herein may be used in construing the terms of the order issued pursuant to said agreement, except the charges with regard to false and deceptive invoicing as alleged in Paragraphs Four and Five of the complaint, and that said order may be altered, modified or set aside in the manner prescribed by the statute for orders of the Commission.

The hearing examiner has considered such agreement and the order therein contained, and, it appearing that said agreement and order provides for an appropriate disposition of this proceeding, the same is hereby accepted and is ordered filed upon becoming part of the Commission's decision in accordance with Sections 3.21 and 3.25 of the Rules of Practice, and, in consonance with the terms of said agreement, the hearing examiner finds that the Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents named herein, and that this proceeding is in the interest of the public, and issues the following order:

ORDER

It is ordered, That respondents Jerome Saks and Josephine Saks, individually and as copartners trading as Saks Fur Company, or trading under any other name or names, and respondents' representatives, agents, and employees, directly or through any corporate or other device, in connection with the introduction into commerce, or the sale, advertising, or offering for sale in commerce, or the transportation or distribution in commerce, of fur products, or in connection with the offering for sale, sale, advertising, transportation, or distribution of fur products which had been shipped and received in commerce, as "commerce", "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding fur products by setting forth on labels attached thereto fictitious prices or any misrepresentation as to the value of such fur product, either directly or by implication.

B. Falsely or deceptively advertising fur products through the use of any advertisement, representation, public announcement, or notice which is intended to aid, promote or assist, directly or indirectly, in the sale or offering for sale of fur products, and which represents directly or by implication that the regular or usual price of any fur products is any amount which is in excess of the price at which the respondents have usually and customarily sold such products in the recent regular course of their business.

C. Making use of comparative prices or percentage savings claims in advertising unless such compared prices or claims are based upon the current market value of the fur product or upon a bona fide compared price at a designated time.

D. Making price claims and representations of the type referred to in Paragraphs B and C above, unless there are maintained by respondents full and adequate records disclosing the facts upon which such claims or representations are based, as required by Rule 44(e) of the rules and regulations.

It is further ordered, That the charges of the complaint contained in Paragraphs Four and Five thereof, dealing with false and deceptive invoicing, be dismissed without prejudice.

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 8th day of May, 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.

Decision

IN THE MATTER OF
TRI-STATE PRINTERS, INC., ET AL.ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL
TRADE COMMISSION ACT*Docket 6678. Complaint, Nov. 16, 1956—Decision, May 9, 1957*

Order requiring publishers in Bucklin, Mo.—who invited the help of women's church, fraternal, patriotic, school, etc., organizations in obtaining advertising from local merchants in a community for a proposed "cook book", "date book", etc., in return for a free supply of the books which they could then sell to raise money for their club—to cease representing that the publication was "free" when transportation and other costs were required to be paid; delivering to the sponsoring groups publications inferior to or different from samples shown when contracts were signed; representing that delivery would be made within a stated period when actually contracts remained unperformed for several years; and using the names or references of Better Business Bureaus, banks, etc., as endorsement of their business standing and integrity when not genuine or fully authorized, among other unfair acts and practices.

Mr. Charles S. Cox for the Commission.

Mr. George A. King and *Mr. Willard C. Kienast*, respondents, *pro se* individually and as officers of respondent Tri-State Printers, Inc., a corporation, and also for said corporate respondent.

INITIAL DECISION BY LOREN H. LAUGHLIN, HEARING EXAMINER

This proceeding involves alleged violations by respondents of the Federal Trade Commission Act. It is charged in the complaint, in substance, that the respondents have induced numerous religious, fraternal, patriotic and other community groups throughout the entire country to enter into contracts with respondents whereby the members of such community groups assist the respondents in selling advertising to local merchants. This advertising is to appear in certain publications produced by the respondents, such as recipe books, calendars and the like. The consideration for such assistance is that such a community group is to be furnished a certain number of free copies of respondents' particular publication, which the group desires, and in which the advertisements are to be published. The group is then at liberty to sell such books at a price usually suggested at \$1.00 per copy, and to retain the proceeds from the sale of such books for the particular purposes and benefits of the group. It is alleged, however, either that respondents make no deliveries at all of such publications after receiving the