

IN THE MATTER OF
ROTO-BROIL CORP. OF AMERICA ET AL.

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

Docket 6672. Complaint, Oct. 31, 1956—Decision, May 22, 1957

Consent order requiring manufacturers in Long Island City, N.Y., to cease representing falsely in advertisements in newspapers and magazines, in price lists, and in television and radio commercials that their "Roto-Broil" electric broiler-rotisseries were being offered at substantial reductions from regular retail prices and were of a value in excess of such purported reductions, and that a free gift would be given to purchasers of their products.

Edward F. Downs, Esq. in support of the complaint;
Samuel A. Spiegel and *Rudolph Sommer, Esqs.*, of New York City, for respondents.

INITIAL DECISION BY JAMES A. PURCELL, HEARING EXAMINER

The complaint in this proceeding, issued October 31, 1956, charges the respondents Roto-Broil Corp. of America, a corporation existing and doing business by virtue of the laws of the State of New York, and Albert Klinghoffer and Leon Klinghoffer, individually and as officers of the corporate respondent, with violation of the Federal Trade Commission Act in connection with the sale, offering for sale and distribution of electric broiler-rotisseries, and accessory parts thereto, under the brand name "Roto-Broil," in commerce, as "commerce" is defined in the Federal Trade Commission Act.

After the issuance of said complaint respondents entered into an agreement for consent order with counsel in support of the complaint, disposing of all the issues in this proceeding, which agreement was duly approved by the Director and Assistant Director of the Bureau of Litigation of the Federal Trade Commission. 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 respondents admitted all the jurisdictional allegations of the complaint and agreed that the record herein may be taken as though the Commission had made findings of jurisdictional facts in accordance with such allegations. By said agreement the parties expressly waived a hearing before

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the Hearing Examiner or the Commission, the making of findings of fact or conclusions of law by the Hearing Examiner or the Commission, the filing of exceptions and oral argument before the Commission, and all further and other procedural before the Hearing Examiner and the Commission to which the respondents may be entitled under the Federal Trade Commission Act or the Rules of Practice of the Commission.

By said 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 though made after a full hearing, presentation of evidence and findings and conclusions thereon, and specifically waived any and all right, power or privilege to challenge or contest the validity of such order.

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; and that the said order may be altered, modified or set aside in the manner provided by statute for other orders of the Commission.

Said agreement recites that respondent Roto-Broil Corp. of America, is a corporation existing under and by virtue of the laws of the State of New York; that respondents Albert Klinghoffer and Leon Klinghoffer are individuals and are respectively President and Secretary-Treasurer of the corporate respondent; that as such they formulate, direct, and control the policies, acts and practices of the corporate respondent. The office and principal place of business of all respondents is located at 33-00 Northern Boulevard, Long Island City, New York, New York.

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 all respondents named herein, and that this proceeding is in the interest of the public, wherefore he issues the following order:

ORDER

It is ordered, That respondents, Roto-Broil Corp. of America, a corporation, and its officers, and Albert Klinghoffer and Leon Klinghoffer, individually and as officers of said corporate respondent, and

said respondents' agents, representatives and employees, directly or through any corporate or other device in connection with the offering for sale, sale or distribution of electric broiler-rotisseries and accessory parts thereto in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication:

a. That any price is the retail price of their products which is in excess of the price at which said products are regularly and customarily sold at retail.

b. That the prices at which such products are being offered for sale constitute reductions from the prices at which they are regularly or customarily sold and that the amount of such reductions constitute savings to purchasers of such products.

c. That the value of such products is greater than the prices at which such products are sold in the regular course of business.

d. That any item for which a charge is included in the purchase price, is a free gift or bonus item.

2. Providing retailers and distributors of their products with price lists and advertising and promotional material through and by which they are enabled to mislead and deceive the purchasing public as to the regular or customary retail prices of their products, the amount of savings to be realized by purchasing such products at purportedly reduced prices, the value of such products, or as to any free gifts or bonus items to be received with certain purchases.

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 22nd 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

GOLDEN CITY HOSIERY MILLS, INC., ET AL.

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

Docket 6728. Complaint, Feb. 19, 1957—Decision, May 22, 1957

Consent order requiring a manufacturer in Villa Rica, Ga., to cease violating the Wool Products Labeling Act by labeling certain hose or socks falsely as to wool content and by failing in other respects to comply with the requirements of the Act.

Mr. Ross D. Young, Jr. and *Mr. Robert E. Vaughan* for the Commission.

Mr. C. M. Griffin, of Villa Rica, Ga., for respondents.

INITIAL DECISION BY ABNER E. LIPSCOMB, HEARING EXAMINER

The complaint herein was issued on February 19, 1957, charging Respondents with misbranding their wool products, consisting of hose or socks, by falsely and deceptively representing the character and amount of the constituent fibers contained therein, and by failing to stamp, tag or label such products, in violation of §4(a) (1) and §4(a) (2) of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, and of the Federal Trade Commission Act.

On March 15, 1957, Respondents 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 Golden City Hosiery Mills, Inc. is identified in the agreement as a Georgia corporation, with its office and principal place of business located at Villa Rica, Georgia, and Respondent Charles M. Griffin as the president thereof, having the same address. The agreement sets forth that Respondent Griffin formulates, directs and controls the acts, policies and practices of the corporate Respondent.

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.

Respondents, in the agreement, waive any further procedure before the Hearing Examiner and the Commission; the making