

IN THE MATTER OF
AMERICAN PHOTOGRAPHIC SOCIETY ET AL.

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

Docket 6810. Complaint, May 29, 1957—Decision, Oct. 31, 1957

Consent order requiring a company in Pasadena, Calif.—engaged in selling photograph albums together with certificates for photographs to be taken at independent affiliated studios through salesmen calling upon mothers of newborn children whose names they obtained from newspapers, hospitals, etc.—to cease representing falsely that the persons solicited were specially selected and would receive free two albums, the larger of which alone was worth more than the total price paid; and that they had studios all over the country to take the pictures; and to cease representing falsely that it was a society or foundation or an institute engaged in research, through use of its corporate name and of the word "Foundation" in connection therewith, and of the corporate name "Advertising-Research Institute."

Edward F. Downs, Esq. and Garland S. Ferguson, Esq., for the Commission.

Respondents, pro se.

INITIAL DECISION BY ROBERT L. PIPER, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondents on May 29, 1957, charging them with having violated the Federal Trade Commission Act by making false and misleading representations concerning the selection of customers, the worth or value of their product, photographic albums, the offering of "free" albums, the availability of photographers honoring respondents' certificates, and characterizing their businesses as a society of photographers and an institute engaged in advertising research. Respondents entered into an agreement, dated August 7, 1957, containing a consent order to cease and desist, disposing of all the issues in this proceeding without hearing, which agreement has been duly approved by the Director of the Bureau of Litigation. Said agreement has been submitted to the undersigned, heretofore duly designated to act as hearing examiner herein, for his consideration in accordance with Section 3.25 of the Rules of Practice of the Commission.

Respondents, pursuant to the aforesaid agreement, have admitted all of the jurisdictional allegations of the complaint and agreed that the record may be taken as if findings of jurisdictional facts had been made duly in accordance with such allegations. Said agreement further provides that respondents waive all further proce-

dural steps before the hearing examiner or the Commission, including the making of findings of fact or conclusions of law and the right to challenge or contest the validity of the order to cease and desist entered in accordance with such agreement. It has also been agreed that the record herein shall consist solely of the complaint and said agreement, that the agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Commission, that said 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, that said order to cease and desist 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.

This proceeding having now come on for final consideration on the complaint and the aforesaid agreement containing the consent order, and it appearing that the order and agreement cover all of the allegations of the complaint and provide for appropriate disposition of this proceeding, the agreement is hereby accepted and ordered filed upon this decision and said agreement becoming part of the Commission's decision pursuant to Sections 3.21 and 3.25 of the Rules of Practice, and the hearing examiner accordingly makes the following findings, for jurisdictional purposes, and order:

1. Respondents American Photographic Society and Advertising-Research Institute are corporations existing and doing business under and by virtue of the laws of the State of California, with their principal place of business located at 77 North Raymond Avenue, Pasadena, California. Respondents Donald D. Moore and Alice S. Moore are officers of both corporate respondents. They formulate, direct and control the policies, acts and practices of said corporate respondents. Respondent John B. Isgrig is an officer of corporate respondent, Advertising-Research Institute, and he assists the other individual respondents in formulating and directing the policies, acts and practices of Advertising-Research Institute.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents hereinabove named. The complaint states a cause of action against said respondents under the Federal Trade Commission Act, and this proceeding is in the interest of the public.

ORDER

It is ordered, That respondents American Photographic Society, a corporation, and Advertising-Research Institute, a corporation, and their officers; Donald D. Moore and Alice S. Moore, individually

and as officers of said corporations, and John B. Isgrig, individually and as an officer of respondent Advertising-Research Institute, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of photograph albums or certificates for photographs, in commerce, as "commerce" is defined by the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication:

(a) That the persons to whom they sell their albums have been especially selected;

(b) That their albums are given free or without cost;

(c) That their albums are worth or are of a value in excess of the price at which said albums are usually and customarily sold at retail.

2. Misrepresenting the availability and location of photographers who will honor certificates issued by respondents or that photographers who will honor such certificates will be available in any city or locality.

3. Using the corporate name "American Photographic Society" or any other name of similar import or the word "Foundation" to designate, describe or refer to respondents' business or otherwise representing that their business is a society of photographers.

4. Using the corporate name "Advertising-Research Institute" or any other name of similar import to designate or refer to respondents' business or otherwise representing that their business is an institute or is engaged in advertising research.

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 did, on the 31st day of October, 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
OWENS, INC.CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION AND THE FUR PRODUCTS LABELING ACTS*Docket 6825. Complaint, June 25, 1957—Decision, Nov. 5, 1957*

Consent order requiring a furrier in Rockford, Ill., to cease violating the Fur Products Labeling Act by failing to label and invoice certain fur products as required; and by advertising in newspapers which failed to disclose the name of the animal producing certain furs or that the fur in certain products was artificially colored or of inferior quality, or named other animals than those producing the fur in certain products.

Mr. S. F. House for the Commission.
Respondent, *pro se*.

INITIAL DECISION BY JOHN B. POINDEXTER, HEARING EXAMINER

The complaint in this proceeding charges that Owens, Inc., a corporation, hereinafter called respondent, has violated the provisions of the Federal Trade Commission Act, the Fur Products Labeling Act, and the Rules and Regulations promulgated thereunder by misbranding and falsely and deceptively invoicing and advertising fur products.

After issuance and service of the complaint, the respondent and counsel supporting the complaint entered into an agreement for a consent order. The order disposes of the matters complained about. The agreement has been approved by the Director of the Bureau of Litigation.

The pertinent provisions of said agreement are as follows: Respondent admits all jurisdictional facts; the complaint may be used in construing the terms of the order; the order shall have the same force and effect as if entered after a full hearing and the said agreement shall not become a part of the official record of the proceeding unless and until it becomes a part of the decision of the Commission; respondent waives the requirement that the decision must contain a statement of findings of fact and conclusion of law; respondent waives further procedural steps before the hearing examiner and the Commission, and the order may be altered, modified, or set aside in the manner provided by statute for other orders; respondent waives any right to challenge or contest the validity of the order entered in accordance with the agreement; and the signing of said agreement is for settlement purposes only and does not constitute an