

Decision

IN THE MATTER OF
COMFORTE, INC., ET AL.¹

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

Docket 6547. Complaint, Apr. 30, 1956—Decision, Nov. 30, 1957

Consent order requiring a Chicago manufacturer of wool products to cease enclosing in individual containers of bed comforters, inserts or streamers carrying fictitious prices greatly in excess of the usual retail prices and thus placing in the hands of retailers means of deceiving the purchasing public.

Mr. William A. Somers for the Commission.

Chapman, Anixter & Delaney, of Chicago, Ill., by *Mr. Mandel L. Anixter*, for respondents.

INITIAL DECISION BY WILLIAM L. PACK, HEARING EXAMINER

The complaint in this matter charged the respondents with certain violations of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, and the Federal Trade Commission Act, in connection with the sale of bed comforters. An agreement for a consent order with respect to all of the issues raised in the complaint, except that relating to the prices of respondents' products, has heretofore been entered into by respondents and counsel supporting the complaint, and an initial decision based upon such agreement was issued by the hearing examiner on October 11, 1956. That decision also dismissed the complaint in its entirety as to respondent Earl Chapman.

An agreement for a consent order with respect to the issue of pricing has now been entered into by the remaining respondents and counsel supporting the complaint. This agreement provides, among other things, that said respondents admit all the jurisdictional allegations in the complaint; that the record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and agreement; that the inclusion of findings of fact and conclusions of law in the decision disposing of such remaining issue is waived, together with any further procedural steps before the hearing examiner and the Commission; that the order hereinafter set forth may be entered in disposition of said issue, such order to have the same force and

¹ The other charges of the complaint were disposed of by a consent order on Nov. 24, 1956, 53 F.T.C. 486.

effect as if entered after a full hearing, said respondents specifically waiving any and all rights to challenge or contest the validity of such order; that the order may be altered, modified, or set aside in the manner provided for other orders of the Commission; that the complaint may be used in construing the terms of the 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.

The hearing examiner being of the opinion that the agreement provides an adequate basis for appropriate disposition of the remaining issue in the proceeding, the agreement is hereby accepted, the following jurisdictional findings made, and the following order issued:

1. Respondent Comforte, Inc., is a corporation existing and doing business under and by virtue of the laws of the State of Illinois. Respondents Nathan E. Chapman and Jesse Parmacek are individuals and are officers of the corporation. The office and principal place of business of all the respondents is located at 2511-51 West 18th Street, Chicago, Illinois.

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 respondents, Comforte, Inc., a corporation, and its officers, and Nathan E. Chapman and Jesse Parmacek, individually and as officers of said corporation, 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 bed comforters or similar merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from, directly or indirectly:

1. Representing, by preticketing or in any other manner, that a certain amount is the customary or usual retail price of such merchandise when said amount is in excess of the price at which such merchandise is customarily and usually sold at retail.

2. Furnishing such merchandise to others which has been preticketed with a price or amount which is in excess of the price at which such merchandise is customarily and usually sold at retail.

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 30th day of

November, 1957, become the decision of the Commission; and, accordingly:

It is ordered, That the respondents Comforte, Inc., a corporation, and Nathan E. Chapman and Jesse Parmacek, individually and as officers 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.

Complaint

54 F.T.C.

IN THE MATTER OF
GROVE LABORATORIES, INC.

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

Docket 6743. Complaint, Mar. 18, 1957—Decision, Nov. 30, 1957

Consent order requiring the manufacturer of "Fitch" hair and scalp preparations to cease discriminating in price by paying to certain favored wholesale customers, in addition to the customary 15% discount, a 10% "warehouse allowance" which was not granted to their competitors; and to cease requiring some retailers to purchase specific minimum quantities of its preparations while allowing their favored competitors to purchase in any quantity.

COMPLAINT

The Federal Trade Commission, having reason to believe that the party respondent named in the caption hereof, and hereinafter more particularly designated and described, has violated, and is now violating the provisions of subsection (a) of Section 2 of the Clayton Act (15 U.S.C., Section 13) as amended by the Robinson-Patman Act, approved June 19, 1936, and the provisions of Section 5 of the Federal Trade Commission Act (15 U.S.C. Section 45), and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges with respect thereto as follows:

COUNT I

PARAGRAPH 1. Respondent Grove Laboratories, Inc., is a corporation organized and existing under the laws of the State of Delaware with its principal office and place of business located at 8877 Ladue Road, St. Louis 24, Missouri.

PAR. 2. The respondent is now and has since 1919 been engaged directly or indirectly in the manufacture, sale, and distribution of drug preparations known as Grove products and hair and scalp preparations known as Fitch products. For the fiscal year ending April 30, 1955, the gross sales of Grove Laboratories, Inc., amounted to \$9,934,285.

Respondent classifies the customers to whom it sells and distributes its products into several categories. The principal classifications are (1) wholesale accounts such as drug-service, grocery, miscellaneous, drug merchandise, beauty and barber, and (2) retail accounts consisting of chain drugstores, chain grocery stores, chain variety stores, drug merchandisers, independent drugstores, independent de-