

Decision

IN THE MATTER OF
CENTURY PRODUCTS WORKS, INC., ET AL.CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION ACT*Docket 6840. Complaint, July 15, 1957—Decision, Dec. 10, 1957*

Consent order requiring two associated corporations in Bronx, N.Y.—the manufacturer and sole distributor, respectively, of irons, cooker-fryers, and skillet-casseroles—to cease representing fictitious and exaggerated prices as the usual retail prices and representing falsely that certain of their products had been approved by Good Housekeeping magazine and advertised therein, in advertising material prepared for their purchasers for use in the resale of their products, in newspapers, on attached tags and labels, and on the cartons in which the products were displayed and sold.

Mr. Terral A. Jordan for the Commission.

Mr. Benjamin H. Fried. of Fried & Fried, of New York, N.Y., for respondents.

INITIAL DECISION BY LOREN H. LAUGHLIN, HEARING EXAMINER

The Federal Trade Commission (sometimes also hereinafter referred to as the Commission) issued its complaint herein charging the above-named respondents, Century Products Works, Inc., a corporation, Century Enterprises, Inc., a corporation, and Ned M. Grossberg, Morris Brandler, and Sam Klein, individually and as officers of said corporations, with having violated the provisions of the Federal Trade Commission Act in certain particulars. The respondents were duly served with process and in due course filed their answer. The initial hearing was canceled pending negotiations of counsel for a consent agreement.

On October 21, 1957, there was submitted to the undersigned hearing examiner of the Commission for his consideration and approval an "Agreement Containing Consent Order to Cease and Desist," which had been entered into by and between said respondents and by their attorney and Terral A. Jordan, counsel supporting the complaint, under date of October 9, 1957, and subject to the approval of the Bureau of Litigation of the Commission. Such agreement had been thereafter duly approved by that Bureau.

On due consideration of the said "Agreement Containing Consent Order to Cease and Desist," the hearing examiner finds that said agreement, both in form and in content, is in accord with section 3.25 of the Commission's rules of practice for adjudicative proceedings and that by said agreement the parties have specifically agreed that:

1. Respondents Century Products Works, Inc., and Century Enterprises, Inc., are corporations existing and doing business under and by virtue of the laws of the State of New York. Respondent Ned M. Grossberg is an individual and is vice president of Century Products Works, Inc., and president of said Century Enterprises, Inc. Respondent Morris Brandler is an individual and is secretary and treasurer of said Century Products Works, Inc., and vice president of said Century Enterprises, Inc. Respondent Sam Klein is an individual and is president of Century Products Works, Inc., and secretary and treasurer of said Century Enterprises, Inc. The office and principal place of business of the respondents is located at 2911 White Plains Road, in the City of Bronx, State of New York.

2. Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission on July 15, 1957, issued its complaint in this proceeding against respondents, and a true copy was thereafter duly served on each respondent.

3. 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.

4. This agreement disposes of all of this proceeding as to all parties.

5. Respondents waive:

a. Any further procedural steps before the hearing examiner and the Commission;

b. The making of findings of fact or conclusions of law; and

c. 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.

6. The record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and this agreement.

7. This agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Commission.

8. This 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.

Upon due consideration of the complaint filed herein, and the said "Agreement Containing Consent Order to Cease and Desist," the latter is hereby approved, accepted and ordered filed, the same not to become a part of the record herein, unless and until it becomes part of the decision of the Commission. The hearing examiner finds from the complaint and the said "Agreement Containing Consent Order to

Cease and Desist," that the Commission has jurisdiction of the subject matter of this proceeding and of the person of the respondents herein; that the complaint states a legal cause for complaint under the Federal Trade Commission Act both generally and in each of the particular charges alleged therein; that this proceeding is in the interest of the public; that the following order as proposed in said agreement is appropriate for the full disposition of all the issues in this proceeding, such order to become final only if and when it becomes the order of the Commission; and that said order, therefore, should be, and hereby is, entered as follows:

ORDER

It is ordered, That respondents Century Products Works, Inc., and Century Enterprises, Inc., corporations, and their officers, and Ned M. Grossberg, Morris Brandler, and Sam Klein, individually and as officers of each of said corporations, and respondents' agents, representatives, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale, and distribution of electrical appliances, including irons, cooker-fryers, and skillet-casseroles, or other articles of merchandise, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing directly or indirectly:

a. That any stated price, which is in excess of the price at which such products are regularly and usually sold at retail, is the retail price of such products.

b. That respondents' said products have been advertised in Good Housekeeping magazine or any other publication or approved or guaranteed by Good Housekeeping magazine or any other person, firm, or corporation, when such is not the fact.

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 10th day of December 1957, become the decision of the Commission; and, accordingly:

It is ordered, That respondents Century Products Works, Inc., and Century Enterprises, Inc., corporations, and their officers, and Ned M. Grossberg, Morris Brandler, and Sam Klein, individually and as officers of each of said corporations, 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
LESTER B. PATTERSON ET AL. DOING BUSINESS AS
LESLIE PATTON

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

Docket 6876. Complaint, Aug. 23, 1957—Decision, Dec. 10, 1957

Consent order requiring sellers in Chicago to cease advertising falsely in magazines and otherwise that persons completing their correspondence course could make \$50 a day or \$15,000 to \$20,000 a year buying and selling scrap gold; that it was "to be found wherever you go," "waiting for you to pick it up"; and that the U.S. Government paid \$35 an ounce for the gold contained in "old junk jewelry."

Mr. Kent P. Kratz supporting the complaint.

Mr. John A. Nash, of Chicago, Ill., for respondents.

INITIAL DECISION OF JOHN LEWIS, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondents on August 23, 1957, charging them with the use of unfair and deceptive acts and practices in commerce, in violation of the Federal Trade Commission Act, by falsely representing the advantages to be derived from taking respondents' correspondence course on the subject of buying and selling scrap gold, including the earnings which may be expected by persons taking such course, and the availability and price of such scrap. After being served with said complaint, respondents appeared by counsel and entered into an agreement dated October 16, 1957, containing a consent order to cease and desist purporting to dispose of all this proceeding as to all parties. Said agreement, which has been signed by all respondents, by counsel for said respondents, and by counsel supporting the complaint, and approved by the director and assistant director of the Commission's Bureau of Litigation, has been submitted to the above-named hearing examiner for his consideration, in accordance with section 3.25 of the Commission's rules of practice for adjudicative proceedings.

Respondents, pursuant to the aforesaid agreement, have admitted all the jurisdictional facts alleged in the complaint and agreed that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations. Said agreement further provides that respondents waive any further procedural steps before the hearing examiner and the Commission, the making of find-