

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-

ings of fact or conclusions of law and all of the rights they may have to challenge or contest the validity of the order to cease and desist entered in accordance with such agreement. It has been agreed that the order to cease and desist issued in accordance with said agreement shall have the same force and effect as if entered after a full hearing and that the complaint may be used in construing the terms of said order. It has also been agreed that the record herein shall consist solely of the complaint and said agreement, and 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.

This proceeding having now come on for final consideration on the complaint and the aforesaid agreement containing consent order, and it appearing that the order provided for in said agreement covers all the allegations of the complaint and provides for an appropriate disposition of this proceeding as to all parties, said agreement is hereby accepted and is ordered filed upon this decision's becoming the decision of the Commission pursuant to sections 3.21 and 3.25 of the Commission's rules of practice for adjudicative proceedings, and the hearing examiner, accordingly, makes the following jurisdictional findings and order:

1. Respondents Lester B. Patterson and Edith F. Patterson are copartners trading under the name of Leslie Patton with their office and principal place of business located at 335 W. Madison Street, Chicago, Ill.

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 Lester B. Patterson and Edith F. Patterson, individually or as copartners, trading as Leslie Patton, or trading under any other name, their agents, representatives, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act, of a course of instruction in buying and selling scrap gold, do forthwith cease and desist from representing, directly or by implication, that:

1. Persons completing said course of instruction and engaging in the buying and selling of scrap gold can make \$50 a day or \$12,000

to \$20,000 a year or any other amount in excess of the amount that is customarily and usually earned by such persons.

2. The United States Government pays \$35 per ounce, or any other amount for scrap gold that is in excess of the net amount actually paid after all deductions.

3. Scrap gold is readily available or that it can be obtained readily or with little effort.

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 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
TEITELBAUM FURS ET AL.

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

Docket 6850. Complaint, July 25, 1957—Decision, Dec. 13, 1957

Consent order requiring a furrier in Beverly Hills, Calif., to cease violating the Fur Products Labeling Act by attaching fictitious price tags to fur products, by advertising in newspapers which failed to disclose that certain products contained artificially colored fur and represented prices falsely as reduced from regular prices which were actually fictitious, and by failing in other respects to comply with the advertising, invoicing, and labeling requirements.

Mr. John J. McNally for the Commission:

Leland & Plattner, by *Mr. Haase Kalik*, of Los Angeles, Calif., for respondents.

INITIAL DECISION BY J. EARL COX, HEARING EXAMINER

The complaint charges respondents with violation of the Federal Trade Commission Act and of the Fur Products Labeling Act and the rules and regulations promulgated thereunder, by misbranding and by falsely and deceptively advertising and invoicing their fur products.

After the issuance of the complaint, respondents, their counsel, 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 transmitted to the hearing examiner for consideration.

The agreement identifies respondent Teitelbaum Furs as a California corporation, with its office and principal place of business located at 414 North Rodeo Drive, Beverly Hills, Calif., and individual respondents Albert Teitelbaum and Francis K. Somper as president and treasurer, and as vice president, respectively, of the corporate respondent, stating that these individual respondents formulate, direct and control the acts, practices, and policies of the corporate respondent and have the same office and principal place of business as the corporate respondent.

The agreement provides, among other things, that 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