

IN THE MATTER OF
NATHAN E. WHITE TRADING AS QUEEN DISTRIBUTING
CO.

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

Docket 6751. Complaint, Mar. 27, 1957—Decision, Jan. 15, 1958

Consent order requiring New York City seller of vending machines and gum and nut meats dispensed thereby, to cease, in advertisements placed in local newspapers—some in the "Help Wanted" columns—and by his salesmen visiting prospects, misrepresenting the profits that could be made from the machines, and making such false representations as that the business was "perfect insurance against old age, permanent or partial disability," that satisfactory locations would be obtained for the machines, etc.

Mr. John W. Brookfield, Jr., for the Commission.

Mr. Bernard Katzen, of New York, N.Y., for respondent.

INITIAL DECISION BY JOHN B. POINDEXTER, HEARING EXAMINER

The complaint in this proceeding charges that the respondent, Nathan E. White, an individual trading and doing business as Queen Distributing Co., hereinafter called respondent, has violated the provisions of the Federal Trade Commission Act by making false and misleading representations in advertisements in connection with the sale and distribution of vending machines.

After issuance and service of the complaint, the respondent, his counsel 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 and the Assistant Director of the Bureau of Litigation.

The material 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; the record herein shall consist solely of the complaint and the agreement; 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 admission by respondent that he has violated the law as alleged in the complaint.

The hearing examiner having considered the agreement and proposed order and being of the opinion that the acceptance thereof will be in the public interest, hereby accepts such agreement, makes the following jurisdictional findings, and issues the following order:

JURISDICTIONAL FINDINGS

1. Respondent Nathan E. White is an individual trading and doing business as Queen Distributing Co. with its office and principal place of business last located at 251 W. 42d Street, New York, N.Y.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent, and the proceeding is in the public interest.

ORDER

It is ordered, That respondent Nathan E. White, an individual, trading as Queen Distributing Co., or under any other name, and his representatives, agents, and employees, directly or through any corporate or other device, in connection with the sale, offering for sale, or distribution of vending machines or vending machine supplies in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, directly or by implication, that:

1. Employment is offered by respondent when in fact, the real purpose of the advertisement is to obtain purchasers for respondent's products.

2. The earnings or profits derived from the operation of respondent's machines exceed those which are, in fact, customarily earned by operators of respondent's machines.

3. The amount of money invested in respondent's products is secured by inventory or otherwise.

4. The purchasers of respondent's products will be given an exclusive territory within which to place and operate their machines, unless such is the fact.

5. It is necessary for a person to have a car or furnish references in order to qualify for respondent's offer.

6. The purchasers of respondent's products cannot lose their investments.

7. Financial security will be realized by the person who participates in respondent's proposal.

8. The operation of respondent's machines provides the safest or surest business on earth, or misrepresenting in any other manner the safety or surety of said business.

9. The profits derived from the operation of respondent's machines provide financial assurance to old persons and those suffering from permanent or partial disability.

10. The machines sold by respondent are insured by him without charge to the purchaser.

11. Respondent or his sales representatives or agents obtain, or assist in obtaining, satisfactory or other locations for machines purchased, unless such is the fact.

12. Respondent or his sales representatives or agents will aid or assist purchasers in learning the vending machine business and furnish literature and instructions in connection therewith, unless such is the fact.

13. Respondent will purchase the vending machines if purchasers are not satisfied.

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 15th day of January 1958, become the decision of the Commission; and, accordingly:

It is ordered, That the respondent herein shall within sixty (60) days after service upon him of this order, file with the Commission a report in writing setting forth in detail the manner and form in which he has complied with the order to cease and desist.

Decision

IN THE MATTER OF
NAN DUSKIN, INC., ET AL.CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION AND THE FUR PRODUCTS LABELING ACTS*Docket 6845. Complaint, July 22, 1957—Decision, Jan. 15, 1958*

Consent order requiring furriers in Philadelphia, Pa., to cease violating the Fur Products Labeling Act by removing from fur products the original manufacturer's labels and substituting labels which failed to include all the required information; by failing to conform to the labeling and invoicing requirements; and, in newspaper advertisements, failing to disclose the names of animals producing certain furs, the fact that certain furs were artificially colored, and the name of the country of origin of imported furs, and using comparative price and savings claims not based on current market values.

Mr. Charles W. O'Connell for the Commission*Mr. Burton Caine*, of Philadelphia, Pa., for respondents.

INITIAL DECISION BY LOREN H. LAUGHLIN, HEARING EXAMINER

The Federal Trade Commission (hereinafter referred to as the Commission) issued its complaint herein, charging the respondents with having violated the Federal Trade Commission Act and the Fur Products Labeling Act as well as the rules and regulations promulgated under the latter act by the Commission. Each of the respondents was duly served with process and time of respondents to file answer was extended and the initial hearing canceled pending negotiations of counsel for a consent agreement.

On November 27, 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 counsel supporting the complaint and the respondents and Burton Caine, their counsel, under date of November 19, 1957, subject to the approval of the Bureau of Litigation of the Commission. Such agreement had been thereafter duly approved by that Bureau. It appears from said agreement that respondent Anne D. Lincoln was erroneously referred to in the complaint as Mrs. August A. Lincoln and that the respondent Milton Schneidman was erroneously referred to in the complaint as