

Decision

IN THE MATTER OF

AMERICAN BUSINESS EXCHANGE, INC., ET AL.

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

Docket 6793. Complaint, May 13, 1957—Decision, Jan. 22, 1958

Consent order requiring a Chicago real estate firm to cease representing falsely in advertising and statements made by its solicitors to persons who had property for sale that it had available prospective buyers interested in their specific properties; that the property was underpriced and the asking price should be increased; that the property would be nationally advertised in periodicals and widely read newspapers and by radio and television, and listed in bulletins distributed nationally to brokers, banks, and investment groups; that through its financial department it would finance the purchase of the property; that it would bring prospective purchasers for examination of the listed property; and that the listing fee was an advance on the selling commission and would be refunded if the property was not sold in 6 months.

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

Mr. Howard R. Slater, of Chicago, Ill., for respondents.

INITIAL DECISION BY ABNER E. LIPSCOMB, HEARING EXAMINER

The complaint herein was issued on May 13, 1957, charging respondents with the dissemination of false, misleading, and deceptive representations in connection with the solicitation of the listing for sale and advertising of real estate and other property, in violation of the Federal Trade Commission Act.

On November 27, 1957, counsel supporting the complaint submitted to the hearing examiner a motion to dismiss complaint without prejudice as to Respondent Max Berman, individually and as an officer of American Business Exchange, Inc., and Respondent Phil Packard, individually, because service upon these two respondents, either by mail or personally, has been impossible to secure. In view of this fact, the hearing examiner is of the opinion that said motion should be granted.

Also on November 27, 1957, Respondent American Business Exchange, Inc., by its president; individual Respondents Louis Michael Parrelli, George B. Bry, and Ruth Parrelli; their counsel, and counsel supporting the complaint herein 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

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of Litigation, and thereafter submitted to the hearing examiner for consideration.

The agreement identifies Respondent American Business Exchange, Inc., as an Illinois corporation, with its office and place of business located at 30 W. Washington Street, Chicago, Ill.; and Respondents Louis Michael Parrelli, also known as Louis Parrell; Ruth Parrelli, also known as Ruth Drummond; and George B. Bry as officers of the said corporate respondent, the address of the two respondents Parrelli being 1446 Elmdale Avenue, Chicago, Ill., and of Respondent George B. Bry, 509 East End Avenue, Hillside, Ill.

Respondents signatory to the agreement 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.

Respondents signatory to the agreement waive any further procedure before the hearing examiner and the Commission; the making of findings of fact and conclusions of law; and all the rights they may have to challenge or contest the validity of the order to cease and desist entered in accordance with the agreement. All parties signatory to the agreement agree that the record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and the agreement; that the order to cease and desist, as contained in the agreement, 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; that the complaint herein may be used in construing the terms of said order; and that the agreement is for settlement purposes only and does not constitute an admission by the respondents signatory thereto that they have violated the law as alleged in the complaint.

After consideration of the allegations of the complaint and the provisions of the agreement and the proposed order, the hearing examiner is of the opinion that such order constitutes a satisfactory disposition of this proceeding as to the respondents signatory to the agreement. Accordingly, in consonance with the terms of the aforesaid agreement, the hearing examiner accepts the agreement containing consent order to cease and desist; finds that the Commission has jurisdiction over the respondents signatory to the agreement, and over their acts and practices as alleged in the complaint; and finds that this proceeding is in the public interest. Therefore,

It is ordered. That respondents American Business Exchange, Inc., a corporation, and its officers, and Louis Michael Parrelli, also known as Louis Parrell; George B. Bry; Ruth Parrelli, also known as Ruth

Drummond, individually, and as officers of said corporation, and Respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the soliciting of business or other property of others for sale, or the selling of advertising of said property or other services or facilities in connection with the offering for sale, selling, buying or exchanging of said property in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, directly or indirectly:

1. That they have available prospective buyers who are interested in the purchase of specific property;

2. That a prospective seller's property is underpriced and that the asking price should be increased;

3. That respondents will advertise the property of a prospective seller in periodicals of national circulation or widely-read newspapers, or will be advertised by means of radio and TV, or by any other means, that is not in accordance with the facts;

4. That the property of a prospective seller will be listed for sale and published in bulletins distributed to brokers, banks or investment groups;

5. That respondents maintain a financial department, or that they possess the finances and ability to finance the purchase of the listed property when sold;

6. That respondents will bring or present prospective purchasers for examination of the seller's listed property;

7. That the listing fee is an advance on the selling commission or will be refunded to the property owner.

It is further ordered, That the complaint herein be, and the same hereby is, dismissed as to Respondents Max Berman, individually and as an officer of the corporate respondent, and Phil Packard, individually, without prejudice to the right of the Commission to take such further action as circumstances may warrant.

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 22d day of January 1958, become the decision of the Commission; and, accordingly:

It is ordered, That respondents American Business Exchange, Inc., a corporation, and Louis Michael Parrelli, also known as Louis Parrell; George B. Bry; and Ruth Parrelli, also known as Ruth

Drummond, 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
THE McALPIN CO.

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

Docket 6834. Complaint, July 8, 1957—Decision, Jan. 22, 1958

Consent order requiring a furrier in Cincinnati, Ohio, to cease violating the Fur Products Labeling Act by making deceptive comparative price and percentage saving claims in its advertising and failing to keep the required records on which the pricing claims were based; and by failing in other respects to comply with the advertising, labeling, and invoicing requirements of the act.

Mr. John T. Walker for the Commission.
The McAlpin Co., pro se.

INITIAL DECISION BY WILLIAM L. PACK, HEARING EXAMINER

The complaint in this matter charges the respondent with violation of the Fur Products Labeling Act and the rules and regulations promulgated thereunder, and the Federal Trade Commission Act, in connection with the advertising and sale of its fur products. An agreement has now been entered into by respondent and counsel supporting the complaint which provides, among other things, that respondent admits all of 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 this matter 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 the proceeding, such order to have the same force and effect as if entered after a full hearing, respondent 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 respondent that it 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 they provide an ade-