

IN THE MATTER OF
LINCOLN OIL CO. ET AL.

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

Docket 6669. Complaint, Oct. 30, 1956—Decision, Feb. 14, 1958

Consent order requiring sellers in Boston, Mass., to dealers for resale to the purchasing public of oil consisting in whole or in substantial part of reclaimed oil obtained from drainings of motor crankcases, to cease advertising and selling such oil without disclosing to the purchaser that it was previously used, and without a clear statement to that effect on the containers.

Mr. William R. MaHanna for the Commission.

Mintz, Levin & Cohn, by *Mr. William H. Wolf*, of Boston, Mass., for respondents.

INITIAL DECISION BY WILLIAM L. PACK, HEARING EXAMINER

The complaint in this matter charges the respondents with violation of the Federal Trade Commission Act in connection with the sale of their reclaimed or reprocessed lubricating oil. An agreement has now been entered into by respondents and counsel supporting the complaint which provides, among other things, that respondents admit 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, 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; 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 having considered the agreement and proposed order and being of the opinion that they provide an adequate basis for an appropriate disposition of the proceeding, the agreement is hereby accepted, the following jurisdictional findings made, and the following order issued:

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1. Respondent Lincoln Oil Co. is a corporation existing and doing business under and by virtue of the laws of the Commonwealth of Massachusetts, with its office and principal place of business located at 214 Harvard Avenue, Boston, Mass. Respondents Louis I. Rosenfield, Arthur P. Katzenberg, Floyd F. Hennessy, and Richard Mintz are individuals and were officers of said corporation on the date of the complaint; but said individuals are no longer officers of said corporation, having resigned effective November 13, 1956. Respondents Floyd F. Hennessy and Arthur P. Katzenberg are the persons respectively described in the complaint as Lloyd F. Hennessy and Arthur D. Katzenberg.

The individual respondent Joseph Kaplan named in the complaint is now deceased and therefore he is not included in the term "respondents" as used herein.

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 Lincoln Oil Co., a corporation, and its officers, and Louis I. Rosenfield, Arthur P. Katzenberg (erroneously referred to in the complaint as Arthur D. Katzenberg), Floyd F. Hennessy (erroneously referred to in the complaint as Lloyd F. Hennessy), and Richard Mintz, individually and as officers of Lincoln Oil Co., and their agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act, of lubricating oil composed in whole or in part of oil which has been previously used and reclaimed, do forthwith cease and desist from:

1. Representing, directly or by implication, that their oil is new or unused oil, or refined from virgin crude oil.

2. Advertising, offering for sale, or selling any lubricating oil previously used for lubricating purposes without disclosing such prior use to the purchaser or potential purchaser in advertising, in sales promotion matter and by a clear and conspicuous statement to that effect on the container.

It is further ordered, That the complaint be, and it hereby is, dismissed as to respondent Joseph Kaplan.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF
COMPLIANCE

The Commission having considered the initial decision of the hearing examiner, based on an agreement executed by counsel for a

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consent order to cease and desist, has concluded that the said initial decision is adequate and appropriate in all respects to dispose of this proceeding:

Accordingly, it is ordered, That the aforesaid initial decision be, and it hereby is, adopted as the decision of the Commission.

It is further ordered, That respondents Lincoln Oil Co., a corporation, and Louis I. Rosenfield, Arthur P. Katzenberg, Floyd F. Hennessy, and Richard Mintz, 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 contained in the aforesaid initial decision.

Decision

IN THE MATTER OF

FRED A. BLUST TRADING AS REED PRODUCTS CO.

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

Docket 6922. Complaint, Oct. 24, 1957—Decision, Feb. 18, 1958

Consent order requiring a seller in St. Louis, Mo., to cease representing falsely, in advertising mats and other advertising material furnished to dealers purchasing for resale, the therapeutic properties, effectiveness, etc., of his "AR-PAN-EX" drug product in the treatment of all kinds of arthritis, rheumatism, and allied ailments.

Mr. Michael J. Vitale supporting the complaint.

Respondent, pro se.

INITIAL DECISION BY JOSEPH CALLAWAY, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondent on October 24, 1957, charging him with violation of the Federal Trade Commission Act as set forth in said complaint. After issuance and service of the complaint, respondent and counsel supporting the complaint, on December 11, 1957, entered into an agreement containing consent order to cease and desist from the practices complained of, which agreement disposes of all the issues in this proceeding without hearing. This agreement has been duly approved by the assistant director and director of the Bureau of Litigation and has been submitted to the undersigned, heretofore designated to act as hearing examiner herein, for his consideration in accordance with rule 3.25 of the rules of practice of the Commission.

Respondent Fred A. Blust, an individual, trading and doing business as Reed Products Co., in the aforesaid agreement has admitted all the jurisdictional facts alleged in the complaint and has agreed that the record may be taken as if findings of the jurisdictional facts had been duly made in accordance with such allegations. Said agreement provides further that respondent waives all further procedural steps before the hearing examiner or the Commission, including the making of findings of fact or conclusions of law and the right to challenge or contest the validity of the order to cease and desist entered in accordance with the agreement. It has also been agreed that the record herein shall consist solely of the complaint and said agreement, that the agreement shall not become a part of the official record unless and until it becomes a part of the decision