

IN THE MATTER OF
SPECIALTY LEATHER GOODS CO., INC., ET AL.

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

Docket 6842. Complaint, July 15, 1957—Decision, Feb. 19, 1958

Consent order requiring manufacturers in New York City to cease marking or stamping the words "genuine leather" or "genuine calf" on wallets and billfolds which were not made entirely of leather or calf; and to cease attaching to such products price tickets carrying fictitious and exaggerated prices.

Mr. Harry E. Middleton, Jr., for the Commission.

Guggenheimer & Untermeyer, by *Mr. Louis Newman*, of New York, N.Y., for respondents.

INITIAL DECISION BY J. EARL COX, HEARING EXAMINER

The complaint charges respondents with the use of false, misleading, and deceptive representations with respect to the quality and price of the wallets and billfolds which they manufacture, sell and distribute in commerce to wholesalers and retailers, alleging that such representations constitute unfair and deceptive acts and practices and unfair methods of competition in commerce, in violation of the Federal Trade Commission Act.

Subsequent to 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, Bureau of Litigation of the Commission, and thereafter transmitted to the hearing examiner for consideration.

The agreement identifies respondent Specialty Leather Goods Co., Inc., as a New York corporation, with its office and principal place of business located at 440 Lafayette Street, New York, N.Y., and the individual respondents Arnold White, Leo White, and Dorian White as officers of the corporate respondent, and having the same address as the corporate respondent.

All parties agree that, in view of the affidavit of Oscar D. White and Arnold White, attached to the agreement, establishing the fact that respondent Oscar White was not an officer of the corporate respondent and had nothing to do with formulating, directing or controlling its policies, acts and practices during the period when the acts and practices complained of were engaged in by said corporate

respondent, the complaint herein should be dismissed as to respondent Oscar D. White.

The agreement provides, among other things, that the respondents signatory thereto 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; that 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; that the agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Commission; that the complaint herein may be used in construing the terms of the order agreed upon, which may be altered, modified or set aside in the manner provided for other orders; 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; and that the order set forth in the agreement and hereinafter included in this decision shall have the same force and effect as if entered after a full hearing.

Respondents waive any further procedural steps before the hearing examiner and the Commission, the making of findings 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 the agreement.

The order agreed upon fully disposes of all the issues raised in the complaint, and adequately prohibits the acts and practices charged therein as being in violation of the Federal Trade Commission Act. Accordingly, the hearing examiner finds this proceeding to be in the public interest and accepts the agreement containing consent order to cease and desist as part of the record upon which this decision is based. Therefore,

It is ordered, That the respondent Specialty Leather Goods Co., Inc., a corporation, and its officers, and respondents Arnold White, Leo White, and Dorian White, individually and as officers of said corporation, and respondents' representatives, agents, 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 wallets and billfolds, or other articles of merchandise, do forthwith cease and desist from:

1. Representing, directly or by implication, that billfolds and wallets, or other articles, made in whole or in part of substance other than leather, are made of leather;

2. Supplying purchasers of billfolds, wallets, or other merchandise with price tags having prices or amounts which are in excess of the usual or regular retail selling prices of said billfolds, wallets, or other merchandise, or otherwise representing that the usual or regular retail price of merchandise is any amount greater than the price at which such merchandise is usually and regularly sold;

3. Putting into operation any plan whereby retailers or others may misrepresent the regular and usual retail price of their products.

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

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 19th day of February 1958, become the decision of the Commission; and accordingly:

It is ordered, That respondents Specialty Leather Goods Co., Inc., a corporation, and Arnold White, Leo White, and Dorian White, individually and as officers of said corporation, 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
BELL, MERCHANDISING-AUTOMATICALLY, INC., ET AL.
CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION ACT

Docket 6849. Complaint, July 24, 1957—Decision, Feb. 22, 1958

Consent order requiring a seller in St. Louis, Mo., of razor blade and ball point pen vending machines and the merchandise dispensed therein, to cease representing falsely in advertising in newspapers and periodicals and through its salesmen, that it was affiliated with the Gillette Co.; that purchasers of its machines would realize large returns on their investment and had their future secured; and that it would supervise operation of the machines, extend financial assistance to purchasers, locate machines for them, etc.

Mr. Terral A. Jordan for the Commission.

Mr. Morris A. Shenker, of St. Louis, Mo., for respondents.

INITIAL DECISION BY ABNER E. LIPSCOMB, HEARING EXAMINER

The complaint herein was issued on July 24, 1957, charging respondents with the dissemination of false, misleading and deceptive representations in connection with the distribution in commerce of vending machines and articles of merchandise, including razor blades and ball point pens, in violation of the Federal Trade Commission Act.

On October 22, 1957, respondents, 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 of Litigation, and thereafter submitted to the hearing examiner for consideration.

The agreement identifies Respondent Bell, Merchandising-Automatically, Inc. as a Missouri corporation, and Respondents Donald J. Garrison and Clovis Ooley as individuals and as president and vice president, respectively, of the corporate respondent, all respondents having their office and principal place of business at 7307 Olive Street Road, St. Louis, Mo.

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.

Respondents 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 agree that the record on which the