

IN THE MATTER OF  
INTERNATIONAL SHOE CO. AND SHOENTERPRISE CORP.  
CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE  
FEDERAL TRADE COMMISSION ACT

*Docket 6835. Complaint, July 9, 1957—Decision, Mar. 6, 1958*

Consent order requiring the world's largest manufacturer of shoes, with sales in the year ending November 30, 1955, of over \$262 million, the majority of which were to family-type shoe stores in towns of less than 10,000 population, to cease engaging in exclusive-dealing arrangements with shoe dealers or prospective shoe dealers involving loans of substantial sums of money or the furnishing of special supervisory and advisory services and other special assistance to such dealers, on the condition that the dealer feature, handle, and advertise only respondent's shoes to the exclusion of any other line of shoes and merchandise not approved by it.

*Mr. Wilmer L. Tinley and Mr. John B. Clayton for the Commission.  
Sullivan, Bernard, Shea & Kenney, by Mr. John E. Shea, of Washington, D.C., and Mr. Richard O. Rumer of St. Louis, Mo., for respondents.*

INITIAL DECISION BY FRANK HIER, HEARING EXAMINER

Pursuant to the provisions of section 5 of the Federal Trade Commission Act (U.S.C. Title 15, sec. 45) the Federal Trade Commission on July 9, 1957, issued and subsequently served its complaint in this proceeding against respondent International Shoe Company, a corporation existing and doing business under and by virtue of the laws of the State of Delaware and respondent Shoenterprise Corp., a corporation existing and doing business under and by virtue of the laws of the State of Missouri with their office and place of business located at 1509 Washington Avenue, St. Louis, Mo.

On December 19, 1957, there was submitted to the undersigned hearing examiner an agreement between respondents and counsel supporting the complaint providing for the entry of a consent order. By the terms of said agreement, 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. By such agreement, respondents waive any further procedural steps before the hearing examiner and the Commission; waive the making of findings of fact and conclusions of law; and waive all of the rights they may have to challenge or contest the validity of the order to cease and desist entered in accordance with this agreement. Such agreement further provides that it

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disposes of all of this proceeding as to all parties; and that the record on which this initial decision and the decision of the Commission shall be based shall consist solely of the complaint and this agreement; that the latter shall not become a part of the official record unless and until it becomes a part of the decision of the Commission; 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 following order to cease and desist may be entered in this proceeding by the Commission without further notice to respondents, and, when so entered, it 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; and that the complaint may be used in construing the terms of the order.

The hearing examiner having considered the agreement and proposed order, and being of the opinion that they provide an appropriate basis for settlement and disposition of this proceeding, the agreement is hereby accepted, the following jurisdictional findings made, and the following order issued.

1. Respondent International Shoe Co. is a corporation existing and doing business under and by virtue of the laws of the State of Delaware and respondent Shoenterprise Corp. is a corporation existing and doing business under and by virtue of the laws of the State of Missouri. Both corporations have their office and place of business located at 1509 Washington Avenue, St. Louis, Mo.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents.

## ORDER

*It is ordered,* That respondents International Shoe Co. and Shoenterprise Corp., corporations, and their respective officers, directors, agents, representatives, and employees, directly or through any corporate or other device, in or in connection with the offering for sale, sale and distribution of shoes in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

(1) Contracting to make loans, granting loans, or offering to grant loans, on the condition or understanding, that the recipient thereof shall not deal in, handle, or sell, shoes or other similar or related products supplied by any competitor, or competitors, not approved by respondents.

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(2) Contracting to furnish, or make available, services or offering to furnish, or make available, services on the condition or understanding that the recipient thereof shall not deal in, handle, or sell, shoes or other similar or related products supplied by any competitor, or competitors, not approved by respondents.

(3) Selling, or making any contract or agreement for the sale of, shoes or other similar or related products on the condition or understanding that the purchaser thereof shall not deal in, handle, or sell, shoes or other similar or related products supplied by any competitor or competitors, not approved by respondents.

(4) Enforcing, or continuing in operation or effect, any condition or understanding in, or in connection with, any existing contract of sale, which condition or understanding is to the effect that the purchaser of said products from respondents shall not deal in, handle, or sell shoes or other similar or related products supplied by any competitor or competitors, not approved by respondents.

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 6th day of March 1958, 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  
THOMAS J. YACENDA TRADING AS DEEP ROCK  
REFINING CO.

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

*Docket 6579. Complaint, June 27, 1956—Decision, Mar. 7, 1958*

Consent order requiring a reclaimer in Richmond, Va., of motor oil obtained from drainings of motor crankcases, to cease selling the oil to dealers for resale to the purchasing public with no markings on containers or otherwise to indicate that the product was reclaimed used oil.

*John W. Brookfield, Jr., Esq., for the Commission.*

*Harold H. Dervishian, Esq., for respondent.*

INITIAL DECISION BY ROBERT L. PIPER, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondent on June 27, 1956, charging him with having violated the Federal Trade Commission Act by misleading the public and dealers into believing that respondent's used oil is new oil. Respondent appeared by counsel and entered into an agreement dated November 6, 1956, containing a consent order to cease and desist, disposing of all the issues in this proceeding without hearing, which agreement has been duly approved by the director of the Bureau of Litigation. Said agreement has been submitted to the undersigned, heretofore duly designated to act as hearing examiner herein, for his consideration in accordance with section 3.25 of the rules of practice of the Commission.

Respondent, pursuant to the aforesaid agreement, has admitted all of the jurisdictional allegations of the complaint and agreed that the record may be taken as if findings of jurisdictional facts had been made duly in accordance with such allegations. Said agreement further provides that respondent waive 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 such 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 of the Commission, that said agreement is for settlement purposes only and does not constitute an admission by respondent that he has violated the law