

Decision

IN THE MATTER OF
MUNTZ TV, INC., ET AL.CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT

Docket 6928. Complaint, Nov. 6, 1957—Decision, June 18, 1958

Consent order requiring a Chicago manufacturer to cease exaggerating, in newspaper advertising and by markings on sets and otherwise, the size of the picture tubes of its television sets, and representing falsely that its TV sets were sold directly to the consumer from "factory outlets."

The individual respondent accepted the same consent settlement on July 15, 1958, 55 F.T.C.—.

Before *John B. Poindexter*, Hearing Examiner.

Mr. Michael J. Vitale and *Mr. Thomas A. Ziebarth* supporting the complaint.

Mr. Arthur J. Bernstein, of Chicago, Ill., for Muntz TV, Inc.

INITIAL DECISION AS TO RESPONDENTS MUNTZ TV, INC., A CORPORATION, AND EARL W. MUNTZ AS AN OFFICER THEREOF

On November 6, 1957, the Federal Trade Commission issued a complaint charging Muntz TV, Inc., a corporation, and Earl W. Muntz, individually and as an officer of said corporation with having violated the provisions of the Federal Trade Commission Act by the dissemination in commerce of advertisements and statements exaggerating the size of the picture tubes in the television receivers manufactured by said respondent corporation and misrepresenting that the receivers were sold directly to the consumer from the factory. After issuance and service of the complaint, the respondent corporation Muntz TV, Inc., filed an answer in which it denied, for the most part, the allegations set forth in the complaint and stated, among other things, that Earl W. Muntz, named in the complaint as an officer of said corporation, was not, in fact, an officer of said corporation, but that one Wallace J. Keil was the president thereof.

Thereafter, the corporate respondent Muntz TV, Inc., its counsel and counsel supporting the complaint entered into an agreement for consent order. In said agreement it is recommended that the complaint be dismissed as to Earl W. Muntz in his capacity as an officer of the corporate respondent Muntz TV, Inc., for the reason that Mr. Muntz relinquished his office as president of Muntz TV, Inc., effective January 30, 1957, and is no longer an officer of said corporation.

The order disposes of the matters complained about with respect to Muntz TV, Inc., a corporation. The agreement has been approved

Order

54 F.T.C.

by the Director and Assistant Director of the Bureau of Litigation.

The pertinent provisions of said agreement are as follows: The respondent Muntz TV, Inc., a corporation, admits all jurisdictional fact; 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; the corporate respondent Muntz TV, Inc., waives the requirement that the decision must contain a statement of findings of fact and conclusions of law; said corporate 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; said corporate respondent also waives any right to challenge or contest the validity of the order in accordance with the agreement and the signing of said agreement is for settlement purposes only and does not constitute an admission by the corporate respondent that it has violated the law as alleged in the complaint.

Upon 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 proper disposition of this proceeding insofar as it relates to the respondent Muntz TV, Inc., a corporation. Accordingly, the hearing examiner finds that the acceptance of such agreement will be in the public interest and hereby accepts such agreement, makes the following jurisdictional findings and issues the following order:

JURISDICTIONAL FINDINGS

1. The respondent Muntz TV, Inc., is a corporation organized and doing business under and by virtue of the laws of the State of Delaware, with its office and place of business located at 1000 Grey Avenue, Evanston, Ill.
2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent Muntz TV, Inc., a corporation, and the proceeding is in the public interest.

ORDER

It is ordered, That respondent, Muntz TV, Inc., a corporation, and its officers, agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of television receiving sets in commerce,

as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using any figure or measurement to designate or describe, directly or by implication, the size of the picture tube with which their television receiving sets are equipped which is greater than the horizontal measurement of the viewable area of the tube on a single plane basis, unless it is conspicuously disclosed in immediate connection therewith that said figure or measurement is the diagonal measurement, when such is the fact; or an accurate specification of the viewable area of the tube, in square inches, is conspicuously disclosed in immediate connection with such figure or measurement;

2. Authorizing or permitting others to represent or placing into the hands of others means and instrumentalities whereby they may represent, directly or by implication, that the retailers selling respondent's television sets are factory outlets or have any relationship to respondent other than that of buyers from respondent.

It is further ordered, That the complaint against Earl W. Muntz in his capacity as an officer of Muntz TV, Inc., be dismissed.

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 18th day of June, 1958, become the decision of the Commission; and, accordingly:

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

IN THE MATTER OF
VOLK BROS. CO. ET AL.

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

Docket 6990. Complaint, Dec. 16, 1957—Decision, June 18, 1958

Consent order requiring a furrier in Dallas, Tex., to cease violating the Fur Products Labeling Act by advertising in newspapers which failed to disclose the names of animals producing the fur in certain products, that some furs were artificially colored, and the country of origin of imported furs, and failed to set forth other required information; which falsely represented sale prices as reduced from regular prices which were, in fact, fictitious, and made percentage savings claims while failing to maintain adequate records as a basis therefor.

Mr. S. F. House supporting the complaint.

Turner, Rodgers, Winn, Scurlock & Terry, of Dallas, Tex., for respondents.

INITIAL DECISION BY JOHN B. POINDEXTER, HEARING EXAMINER

On December 16, 1957, the Federal Trade Commission issued a complaint against Volk Bros. Co., a corporation, and Harold F. Volk, individually and as an officer of said corporation, charging them with having violated the Fur Products Labeling Act, the rules and regulations issued thereunder, and the Federal Trade Commission Act, by falsely and deceptively advertising the prices of their fur products, failing to keep records to substantiate pricing claims and with irregularities in labeling and invoicing their fur products.

After issuance and service of the complaint, the respondents, their 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 Assistant Director of the Bureau of Litigation.

The pertinent provisions of said agreement are as follows: Respondents admit 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; respondents waive the requirement that the decision must contain a statement of findings of fact and conclusions of law; respondents waive