

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

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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; respondents waive any right to challenge or contest the validity of the order entered in accordance with the agreement and the signing of said 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 undersigned hearing examiner having considered the agreement and proposed order and being of the opinion that the acceptance thereof will be in the public interest, hereby accepts such agreement, makes the following jurisdictional findings, and issues the following order:

JURISDICTIONAL FINDINGS

1. Respondent Volk Bros. Co., is a corporation existing and doing business under and by virtue of the laws of the State of Texas, with its office and principal place of business located at 1806 Elm Street, Dallas, Tex. Respondent Harold F. Volk is president and treasurer of said corporation and formulates, directs, and controls the acts, policies and practices of said corporation. His address is the same as that of the corporate respondent.

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 respondent Volk Bros. Co., a corporation, and its officers and Harold F. Volk, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction into commerce, or the sale, advertising, offering for sale, transportation or distribution of fur products in commerce, or in connection with the sale, advertising, offering for sale, transportation or distribution of fur products which have been made in whole or in part of fur which has been shipped and received in commerce, as the terms "commerce", "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Falsely or deceptively advertising fur products through the use of any advertisement, representation, public announcement, or notice which is intended to aid, promote, or assist, directly or indirectly, in the sale or offering for sale of fur products, and which:

1. Fails to disclose:

(a) The name or names of the animal or animals producing the fur

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or furs contained in the fur products, as set forth in the Fur Products Name Guide and as prescribed by the rules and regulations;

(b) That the fur product contains or is composed of bleached, dyed, or otherwise artificially colored fur, when such is the fact;

(c) All of the information required under section 5(a) of the Fur Products Labeling Act and the rules and regulations thereunder in type of equal size and conspicuousness and in close proximity with each other;

(d) The name of the country of origin of any imported furs contained in a fur product.

2. Represents directly or by implication that:

The regular or usual price of any fur product is in an amount which is in excess of the price at which the respondents have usually and customarily sold such products in the recent regular course of their business.

3. Represents directly or by implication through percentage savings claims that the regular or usual retail prices charged by respondents for fur products in the recent regular course of their business are reduced in direct proportion to the amounts of savings stated when contrary to the fact.

B. Making price claims and representations of the types referred to in subparagraphs A2 and A3 above unless there are maintained by respondents full and adequate records disclosing the facts upon which such claims or representations are based.

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 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.

Complaint

IN THE MATTER OF
AUTOMATIC CANTEEN CO. OF AMERICACONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
SECTION 7 OF THE CLAYTON ACT

Docket 6820. Complaint, June 14, 1957—Decision, June 24, 1958

Consent order requiring the Nation's largest operator of vending machines, with main office in Chicago, to divest itself within 1 year of vending machine subsidiaries acquired in 1955 from a major competitor in New York City, at that time the largest operator of cigarette vending machines in the United States; to refrain from acquiring any interest in any competing vending machine manufacturer for 10 years; and not to take for its own use, for a 10-year period, more than 50 percent of the total annual production of each type machine from the facilities of the manufacturing corporation subject to divestiture unless all machines over that percentage were first made available to all other purchasers.

Mr. L. E. Creel, Mr. W. J. Boyd, Mr. D. T. Coughlin and Mr. A. J. Hessburg for the Commission.

Gravelle, Whitlock & Markey, of Washington, D.C., and Freidlund, Levin & Freidlund, of Chicago, Ill., for respondent.

COMPLAINT

The Federal Trade Commission, having reason to believe that the party respondent named in the caption hereof and hereinafter more particularly designated and described, has violated and is now violating the provisions of section 7 of the Clayton Act (U.S.C., title 15, section 18) as amended and approved December 29, 1950, hereby issues its complaint, charging as follows:

PAR. 1. Respondent, Automatic Canteen Co. of America, hereinafter sometimes referred to as Automatic, is a corporation organized in July 1931 and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 222 West North Bank Drive, Chicago 54, Ill.

Respondent is engaged in the business of purchasing candy, gum, nuts and other confections, cigarettes, beverages, ice cream and other related merchandise from the producers thereof, and in the resale of these products directly through company-owned and franchised distributors, which merchandise and dispense said products through automatic vending machines. These vending machines are hereinafter sometimes referred to as machines. The distributors lease said