

IN THE MATTER OF
INFRAGLASS HEATER COMPANY, INC., ET AL.

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

Docket 7080. Complaint, Mar. 4, 1958—Decision, July 15, 1958

Consent order requiring Pontiac, Mich., distributors of electric heaters to cease representing falsely in written guarantees inserted with their products and in newspapers and magazines of general circulation, that they guaranteed their products for normal usage for five years when, in a vast number of instances, they refused to replace, repair, or make adjustments for breakage or defects growing out of normal use of the heaters.

Mr. Alvin D. Edelson for the Commission.
Respondents, for themselves.

INITIAL DECISION BY LOREN H. LAUGHLIN, HEARING EXAMINER

The Federal Trade Commission (sometimes also hereinafter referred to as the Commission) issued its complaint herein, charging the above-named respondents with having violated the provisions of the Federal Trade Commission Act in certain particulars.

On May 8, 1958, there was submitted to the undersigned hearing examiner of the Commission for his consideration and approval an "Agreement Containing Consent Order to Cease and Desist," which had been entered into by and between respondents and the attorney for the Commission, under date of May 7, 1958, subject to the approval of the Bureau of Litigation of the Commission, which had subsequently duly approved the same.

On due consideration of such agreement, the hearing examiner finds that said agreement, both in form and in content, is in accord with §3.25 of the Commission's Rules of Practice for Adjudicative Proceedings, and that by said agreement the parties have specifically agreed to the following matters:

1. Respondent Infraglass Heater Company, Inc., is a corporation organized and existing under and by virtue of the laws of the State of Michigan with its office and principal place of business located at 350 South Sanford Street, Pontiac, Mich.

The individual respondents Donald J. Heckmann, Henry Schuricht and Martin Goldman are president, vice president and treasurer, respectively, of the corporate respondent and maintain

business addresses at the same address as the corporate respondent.

2. Pursuant to the provisions of the Federal Trade Commission Act, the Commission, on March 4, 1958, issued its complaint in this proceeding against respondents, and a true copy was thereafter duly served on respondents.

3. 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.

4. It is recommended that the complaint be dismissed as to Whizzer Industries, Inc., a corporation, Deitrich Kohlsaas, individually and as an officer of Whizzer Industries, Inc., and Henry Schuricht and Martin Goldman in their capacity as officers of Whizzer Industries, Inc., for reasons set forth in the affidavit attached herewith. If this recommendation is adopted, the agreement then disposes of all of this proceeding as to all parties.

5. Respondents waive:

(a) Any further procedural steps before the hearing examiner and the Commission;

(b) The making of findings of fact or conclusions of law; and

(c) 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.

6. 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.

7. This agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Commission.

8. This 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.

9. The following order to cease and desist may be entered in this proceeding by the Commission without further notice to respondents. When so entered it shall have the same force and effect as if entered after a full hearing. It may be altered, modified or set aside in the manner provided for other orders.

Upon due consideration of the complaint filed herein and the said "Agreement Containing Consent Order to Cease and Desist" and the affidavit attached thereto, said agreement is hereby approved and accepted and it and the said affidavit are ordered filed if and when said agreement shall have become a part of the Commission's decision. The hearing examiner finds from

Order

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the complaint and the said agreement and the affidavit attached thereto that the Commission has jurisdiction of the subject matter of this proceeding and of the persons of each of the respondents herein; that the complaint states a legal cause for complaint under the Federal Trade Commission Act against each of the respondents, both generally and in each of the particulars alleged therein; that this proceeding is in the interest of the public; that the recommendation in paragraph 4 of the agreement that the complaint be dismissed as to respondents Whizzer Industries, Inc., a corporation, Deitrich Kohlsaatz, individually, and as an officer of Whizzer Industries, Inc., and Henry Schuricht and Martin Goldman in their capacity as officers of Whizzer Industries, Inc., is approved and adopted whereby the following order as proposed in said agreement is appropriate for the just disposition of all of the issues in this proceeding as to all of the parties hereto; and that said order, therefore, should be and hereby is entered as follows:

ORDER

It is ordered, That respondents, Infraglass Heater Company, Inc., a corporation, and its officers, and Donald J. Heckmann, Henry Schuricht and Martin Goldman, individually and as officers of the 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 of electric heaters or other merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication, that their electric heaters, or any other merchandise, is guaranteed when any provision of the guarantee is not fully complied with.
2. Representing, directly or by implication, that their electric heaters, or other merchandise, is guaranteed when there are any conditions or limitations in connection with such guarantee, unless such conditions and limitations are clearly set forth.

It is further ordered, That the complaint herein, insofar as it relates to respondents Whizzer Industries, Inc., a corporation, Dietrich Kohlsaatz, individually and as an officer of Whizzer Industries, Inc., and Henry Schuricht and Martin Goldman, in their capacities as officers of Whizzer Industries, Inc., be and the same hereby is, dismissed without prejudice to the right of the Commission to take such action in the future as the facts may then warrant.

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 15th day of July 1958, become the decision of the Commission; and, accordingly:

It is ordered, That respondents Infraglass Heater Company, Inc., a corporation, and Donald J. Heckman, Henry Schuricht, and Martin Goldman, 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.

IN THE MATTER OF
PAUL C. VAUGHAN ET AL.
TRADING AS VAUGHAN-WEIL

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

Docket 7093. Complaint, Mar. 26, 1958—Decision, July 15, 1958

Consent order requiring a furrier in Birmingham, Ala., to cease violating the Fur Products Labeling Act by labeling certain fur products with fictitious prices represented thus as the usual retail prices; by failing to set out on labels the term "secondhand used fur" where required; by failing in other respects to conform to the labeling and invoicing requirements of the Act; by advertising in newspapers which failed to disclose the names of animals producing the fur in fur products or that certain furs were composed of cheap or waste fur, and represented prices falsely as wholesale and reduced; and by failing to maintain adequate records as a basis for such pricing claims.

Mr. John T. Walker for the Commission.
Respondents, for themselves.

INITIAL DECISION BY J. EARL COX, HEARING EXAMINER

The complaint charges respondents with misbranding and falsely and deceptively invoicing and advertising certain of their fur products, and with failing to maintain full and adequate records with respect thereto, in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder, and of the Federal Trade Commission Act.

After the issuance of the complaint, respondents and counsel supporting the complaint entered into an agreement containing consent order to cease and desist, which was approved by the director and an assistant director of the Commission's Bureau of Litigation, and thereafter transmitted to the hearing examiner for consideration.

The agreement identifies Respondents Paul C. Vaughan and Ferd F. Weil as individuals and copartners trading as Vaughan-Weil, with their office and principal place of business located at 1816 Third Avenue North, Birmingham, Ala.

The agreement provides, among other things, that the 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