

Decision

IN THE MATTER OF
SEARS, ROEBUCK AND CO.CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION ACT*Docket 7081. Complaint, Mar. 4, 1958—Decision, July 24, 1958*

Consent order requiring a general merchandise sales corporation to cease representing falsely through its door-to-door salesmen, furnished by it with a "canned sales talk" and sales kit, that such salesmen were publicity agents promoting a "Family Educational Program," seeking to enlist "Cooperative Sponsors" to whom they were making a special offer of its 20-volume "American People's Encyclopedia" and its 16-volume "The Children's Hour" at reduced prices, together with a 10-year research service and a coffee table; and that the offer was limited to the single interview.

Mr. Terral A. Jordan for the Commission.

Mr. J. F. Cleff, of Chicago, Ill., for respondent.

INITIAL DECISION BY ABNER E. LIPSCOMB, HEARING EXAMINER

The complaint herein was issued on March 4, 1958, charging Respondent with violation of the Federal Trade Commission Act through the use by its salesmen of false, misleading and deceptive statements and representations in offering for sale and selling Respondent's merchandise, including sets of books designated as the American People's Encyclopedia and as The Children's Hour.

Thereafter, on May 20, 1958, Respondent, its 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 an assistant director of the Commission's Bureau of Litigation, and thereafter submitted to the hearing examiner for consideration.

The agreement identifies Respondent Sears, Roebuck and Co. as a New York corporation, with its office and principal place of business located at 925 South Homan Avenue, Chicago 7, Ill.

Respondent admits all the jurisdictional facts alleged in the complaint, and agrees that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations.

Respondent waives any further procedure before the hearing examiner and the Commission; the making of findings of fact or

conclusions of law; and all of the rights it 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 initial decision and the decision of the Commission shall be based shall consist solely of the complaint and the agreement; that the order to cease and desist, as contained in the agreement, when it shall have become a part of the decision of the Commission, 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; that the complaint herein may be used in construing the terms of said order; and that the agreement is for settlement purposes only, and does not constitute an admission by the Respondent that it has violated the law as alleged in the complaint.

Having considered 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 satisfactory disposition of this proceeding. Accordingly, in consonance with the terms of the aforesaid agreement, the hearing examiner accepts the Agreement Containing Consent Order to Cease and Desist; finds that the Commission has jurisdiction over the Respondent and over its acts and practices as alleged in the complaint; and finds that this proceeding is in the public interest. Therefore,

It is ordered, That the respondent Sears, Roebuck and Co., 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 books or other articles of merchandise when sold in combination therewith, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, directly or indirectly, that:

1. Respondent's agents, representatives or employees representing it in the sale of said books or merchandise have any status other than that which they have in fact.
2. Purchasers of said books or merchandise will receive an organized course of instruction in any subject or subjects unless such is the fact.
3. Respondent's principal purpose is to enlist persons to publicize said books or merchandise when respondent's principal purpose is to sell said books or merchandise.
4. Any offer to sell said books or merchandise to a designated

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group or class of buyers is special to or restricted to such buyers when such offer is made generally to all purchasers at the same price and on the same terms and conditions.

5. Any offer of premiums or benefits made to a designated group or class of buyers of said books or merchandise is special to or restricted to such buyers when such offer is made generally to all purchasers.

6. Said books or merchandise are offered at reduced prices or at any specified amount of savings from respondent's usual and customary selling prices when the prices and terms at which they are offered for sale and sold constitute respondent's usual and customary selling prices and terms for such books or merchandise.

7. Any offer to sell said books or merchandise is limited or otherwise restricted as to time or availability unless such is the fact.

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 24th day of July 1958, become the decision of the Commission; and, accordingly:

It is ordered, That respondent Sears, Roebuck and Co., 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
WILLIAMSBURG ELECTRIC, INC., ET AL.

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

Docket 6994. Complaint, Dec. 16, 1957—Decision, July 26, 1958

Consent order requiring manufacturers of electric trivets in Willow Run, Mich., to cease representing falsely on stuffers, counter cards, etc., distributed to resellers and in advertisements in newspapers of national circulation—simulating therein the script of Colonial Williamsburg, Incorporated, and depicting buildings and scenes of Williamsburg, Va., and the colonial era—that they were affiliated with Colonial Williamsburg, Incorporated, and Williamsburg Restoration, Incorporated, and that their trivets were authentic reproductions of originals displayed in Williamsburg, Va., and of the American colonial period, and were of wrought iron construction.

Mr. William A. Somers, 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 14, 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 Williamsburg Electric, Inc., is a corporation existing and doing business under and by virtue of the laws of the State of Michigan. Respondents Fred H. Hogan and John E. Judycki are individuals and officers of said corporate respond-