

IN THE MATTER OF
HOWE SEWING CENTERS, INC., ET AL.

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

Docket 7156. Complaint, May 26, 1958—Decision, Oct. 8, 1958

Consent order requiring sellers in St. Paul, Minn., to cease using bait advertising to sell rebuilt sewing machines and vacuum cleaners, representing falsely that such products were guaranteed in writing, and representing fictitiously high prices as regular retail prices.

Mr. Charles W. O'Connell supporting the complaint.

Mr. Jack L. Prescott, of Minneapolis, Minn., for respondents.

INITIAL DECISION BY JOHN B. POINDEXTER, HEARING EXAMINER

On May 26, 1958, the Federal Trade Commission issued a complaint alleging that Howe Sewing Centers, Inc., a corporation, Royal Appliance Stores, Inc., a corporation, Joseph B. Peters, Jack L. Prescott, Thomas S. Peters, and Emogene Peters, individually and as officers of said corporations, had violated the provisions of the Federal Trade Commission Act by making false and misleading representations by means of radio broadcasts, advertisements in newspapers and statements on postcards sent through the United States mails, in connection with the sale and distribution of sewing machines and vacuum cleaners.

After issuance and service of the complaint, the respondents Howe Sewing Centers, Inc., Royal Appliance Stores, Inc., Joseph B. Peters, individually and as an officer of said corporations, and Jack L. Prescott, Thomas S. Peters, and Emogene Peters, individually, hereinafter referred to as respondents, their attorney and counsel supporting the complaint, entered into an agreement for a consent order. It was agreed that the complaint be dismissed as to Jack L. Prescott, Thomas S. Peters and Emogene Peters as officers of said corporations since neither is an officer of either of said corporations.

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

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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 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. Respondents Howe Sewing Centers, Inc., and Royal Appliance Stores, Inc., are corporations organized, existing and doing business under and by virtue of the laws of the State of Minnesota, with their office and place of business located at 2705 Highway 55, St. Paul, Minn. The former address of said corporate respondents was 919 Rice Street, St. Paul, Minn.

2. The office and place of business of Joseph B. Peters, presently secretary and treasurer of said corporations, and Emogene Peters are the same as that of the corporate respondents. The present business address of Jack L. Prescott is 3402 University Avenue SE, Minneapolis, Minn., and the address of respondent Thomas S. Peters is 1075 Glenhill Road, St. Paul, Minn.

3. 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 respondents Howe Sewing Centers, Inc., a corporation, and its officers, and Royal Appliance Stores, Inc., a corporation, and its officers, and Joseph B. Peters, individually and as an officer of said corporations, Jack L. Prescott, Thomas S. Peters, and Emogene Peters, individually, and respondents' representatives, agents and employees, directly or through any

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corporate or other device, in connection with the offering for sale, sale or distribution of sewing machines and vacuum cleaners or other merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, directly or indirectly:

1. That certain merchandise is offered for sale when such offer is not a bona fide offer to sell the merchandise so offered.

2. That any merchandise sold or offered for sale by respondents is guaranteed unless guarantees are furnished and unless the nature and extent of the guarantee and the manner in which respondents will perform thereunder are clearly set forth in the guarantee and in the advertising.

3. That any amount is respondents' retail price of merchandise when such amount is in excess of the price at which such merchandise is regularly and usually sold by respondents at retail.

It is further ordered, That the complaint herein be dismissed as to Jack L. Prescott, Thomas S. Peters, and Emogene Peters as officers of said corporations.

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 8th day of October 1958, become the decision of the Commission; and, accordingly:

It is ordered, That the respondents Howe Sewing Centers, Inc., a corporation and its officers, and Royal Appliance Stores, Inc., a corporation, and its officers, and Joseph B. Peters, individually and as an officer of said corporations, Jack L. Prescott, Thomas S. Peters, and Emogene Peters, individually, 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.

Findings

IN THE MATTER OF
ALAN NELSON ET AL.
TRADING AS ROYALTY JEWELRY COMPANY

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

Docket 6868. Complaint, Aug. 20, 1957—Decision, Oct. 9, 1958

Order requiring manufacturers in New York City to cease stamping "14 K"
on gold chains of only 13½ karat fineness.

Mr. S. F. House, supporting the complaint.

Mr. Heinz A. L. Hellmold, of New York, N.Y., for respondents.

INITIAL DECISION BY JOHN B. POINDEXTER, HEARING EXAMINER

PRELIMINARY STATEMENT

On August 20, 1957, the Federal Trade Commission issued a complaint charging Alan Nelson and Armin Feiger, individually and as copartners trading as Royalty Jewelry Company, hereinafter referred to as respondents, with violation of the Federal Trade Commission Act by reason of their stamping the phrase "14K" on gold chains which they manufacture, sell and distribute, whereas, they contain gold of a fineness substantially less than 14 carat.

Respondents answered the complaint, admitting some and denying other allegations. Respondents say, among other things, that the stamping "14K" on their gold chains does not constitute a representation to the public that such chains are manufactured from gold of exactly 14 carat fineness, and "14K" may denote any fineness between 13 and 14 carat.

Hearings have been held and counsel for both parties have filed proposed findings of fact, conclusions, and order. All proposed findings of fact and conclusions of law submitted by respective counsel not specifically found or concluded herein are rejected. Upon the basis of the entire record the hearing examiner makes the following findings of fact and conclusions and issues the following order:

FINDINGS OF FACT

1. Respondents Alan Nelson and Armin Feiger are individuals and copartners trading under the firm name of Royalty