

Decision

IN THE MATTER OF
SYDCO INDUSTRIES, INC., ET AL.CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION ACT*Docket 7030. Complaint, Jan. 14, 1958—Decision, Oct. 18, 1958*

Consent order requiring a jobber in New York City of small household electrical appliances including percolators, blenders, and fryer-cookers, to cease representing falsely in advertising matter, on labels, price tags, and imprinted cartons for purchasers' use in retail sale, that exaggerated and fictitious prices were the usual retail selling prices; through use of the Good Housekeeping seal, that certain of their appliances had been approved or guaranteed by Good Housekeeping Magazine; through prominent use of the names "General Electric" and "Westinghouse," that certain of their products were manufactured by those companies; that their said appliances had been advertised in Life Magazine; and that their percolators and blenders were trimmed in 24 karat "Warranted Gold Plate."

Mr. Ames W. Williams supporting the complaint.

Mr. Morris Rosenzweig, of New York, N.Y., for respondents.

INITIAL DECISION BY JOHN B. POINDEXTER, HEARING EXAMINER

On January 14, 1958, the Federal Trade Commission issued a complaint alleging that Sydco Industries, Inc., a corporation, Morton Springer, Sam Springer, and Syd Springer, individually and as officers of said corporation, hereinafter referred to as respondents, had violated the provisions of the Federal Trade Commission Act by making false, misleading and deceptive statements and representations concerning their products, small household electrical appliances, including percolators, blenders and fryer-cookers.

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 acting 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

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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. Respondent Sydco Industries, Inc., is a corporation existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 622 Broadway, New York, N.Y.
2. Respondents Morton Springer, Sam Springer, and Syd Springer are individuals and officers of the said corporate respondent, serving respectively as president, vice president and secretary with their office and principal place of business located at the same place as that of the corporate respondent.
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, Sydco Industries, Inc., a corporation, and its officers, and Morton Springer, Sam Springer, and Syd Springer, individually and as officers of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of small household electrical appliances including percolators, blenders and fryer-cook-

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ers, or any other products in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or indirectly:

(a) That any stated price, which is in excess of the price at which such products are regularly and usually sold at retail, is the retail price of such products.

(b) That their merchandise has been advertised in Good Housekeeping Magazine; or has been advertised in any other magazine or publication, unless such is the fact.

(c) That merchandise is gold plated, unless it has a surface plating of gold or gold alloy applied by a mechanical process provided, however, that a product or part thereof, on which there has been affixed by an electrolytic process a coating of gold, or a gold alloy of not less than 10 karat fineness, the minimum thickness of which is equivalent to seven one-millionths of an inch of fine gold may be marked or described as gold electroplate or gold electroplated.

2. Using the Good Housekeeping seal of approval in connection with their merchandise; or representing in any manner that their merchandise has been awarded said seal of approval, or that their merchandise has been approved by any other group or organization, unless such is the fact, provided, however, that this prohibition shall not be construed as prohibiting a truthful statement that a part of an article of merchandise has been approved by a group or organization, when such part is clearly and conspicuously identified.

3. Using the name of any company in connection with merchandise which has not been manufactured in its entirety by said company; or representing, directly or indirectly, that merchandise not manufactured in its entirety by a specified company, was so manufactured, provided, however, that this prohibition shall not be construed as prohibiting a truthful statement that a part of an article of merchandise has been manufactured by a specific company when such part is clearly and conspicuously identified.

4. Furnishing means or instrumentalities to retailers, distributors or others by or through which they may mislead the public with respect to any of the matter set out in paragraphs 1, 2, and 3 above.

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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 October 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
CHINOOK PACKING COMPANY ET AL.CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION
OF SEC. 2(c) OF THE CLAYTON ACT*Docket 7147. Complaint, May 8, 1958—Decision, Oct. 18, 1958*

Consent order requiring packers of salmon in Chinook, Wash., to cease discriminating in price in violation of Section 2(c) of the Clayton Act by granting discounts or allowances in lieu of brokerage on many sales of canned and fresh salmon products to brokers purchasing for their own account for resale.

COMPLAINT

The Federal Trade Commission, having reason to believe that the parties respondent named in the caption hereof, and hereinafter more particularly designated and described, have been and are now violating the provisions of subsection (c) of Section 2 of the Clayton Act, as amended (U.S.C., Title 15, Sec. 13), hereby issues its complaint, stating its charges with respect thereto as follows:

PARAGRAPH 1. Respondent Chinook Packing Company, hereinafter sometimes referred to as respondent Chinook, or as corporate respondent, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Washington, with its principal office and place of business located at Chinook, Wash. Respondent Chinook has been for the past several years, and is now, engaged in packing, selling and distributing canned salmon, and to a lesser extent in the sale of fresh salmon at retail, all of which are sometimes hereinafter referred to as sea food products. Respondent Chinook is a substantial factor in the sale and distribution of sea food products, particularly canned salmon.

PAR. 2. Respondent Albion L. Gile is an individual and is president and treasurer of corporate respondent. Respondent Gile, together with his wife, owns a substantial majority of the outstanding capital stock of the corporate respondent. As president and treasurer and as a substantial owner, as described above, respondent Gile exercises authority and control over the corporate respondent and its business activities, including the direction of its sales and distribution policies.

PAR. 3. In the course and conduct of their business, respond-