

Complaint

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IN THE MATTER OF
NORTH AMERICAN PHILIPS COMPANY, INC.

CONSENT ORDERS, ETC., IN REGARD TO THE ALLEGED VIOLATION
OF SECS. 2(a), 2(d), AND 2(e) OF THE CLAYTON ACT

Docket 6900. Complaint, Sept. 27, 1957—Decisions, Nov. 3, 1958

Consent orders requiring a major seller of electric shavers for men and women, with net sales in 1956 approaching \$29,000,000, to cease discriminating in price by selling "Norelco" electric shavers to some purchasers at net prices higher than those charged their competitors; by making varying advertising allowances to some customers but not to their competitors on an equal basis under its "Share the Cost" advertising agreement or as push money or prize money, production and engraving charges, art charges, etc.; and by furnishing to certain retail customers free of charge its salaried personnel as demonstrators and service men to sell, repair, and demonstrate its electric shavers.

COMPLAINT ¹

The Federal Trade Commission, having reason to believe that North American Philips Company, Inc., has violated and is now violating the provisions of subsections (a), (d), and (e) of Section 2 of the Clayton Act, as amended by the Robinson-Patman Act (U.S.C., Title 15, Sec. 13), hereby issues its complaint charging as follows:

Count I

Charging violation of subsection (a) of Section 2 of the Clayton Act as amended the Commission alleges:

PARAGRAPH 1. Respondent named herein is North American Philips Company, Inc. Respondent is a corporation organized and existing under and by virtue of the laws of the State of Delaware. Respondent's principal office and place of business is located at 100 East 42nd Street, New York City, N.Y.

PAR. 2. Respondent is one of the major sellers and distributors of electric shavers for men and women in the United States, which it sells under the trade name "Norelco." For 1956 net sales of respondent and its affiliated companies for all products, including sales of electric shavers and parts therefor, amounted to \$28,795,334.58.

PAR. 3. Respondent sells electric shavers of like grade and

¹ Complaint is published as amended by order of May 15, 1958.

quality to a large number of purchasers located throughout the United States for use, consumption, or resale therein.

Respondent maintains warehouses located at New York City, New York, Chicago, Illinois, and Reno, Nevada, from which places electric shavers sold by respondent to such purchasers are shipped and where others are temporarily stored in anticipation of sale and shipment.

PAR. 4. In the course and conduct of its business respondent is now and for many years past has been shipping Norelco electric shavers from the state or states where such products are stored to purchasers located in other states and in the District of Columbia in a constant current of commerce as "commerce" is defined in the Clayton Act as amended.

PAR. 5. Respondent's activities in the sale and distribution of Norelco electric shavers cover the entire United States, which it has divided into seventeen sales territories. Each of these territories is in charge of a manufacturers representative selected and appointed by respondent and who sells respondent's electric shavers for respondent to purchasers on a commission basis. Each of respondent's manufacturers representatives is given an annual sales quota for his respective territory which he is expected to sell and upon which the rate of his commissions on sales is paid. Under the supervision and control of respondent the manufacturers representatives so appointed and designated by respondent are the agents and sales representatives of respondent in their respective territories in the performance of the sales and other activities of respondent in connection with the sale and distribution of respondent's Norelco electric shavers.

PAR. 6. By and through its several manufacturers representatives respondent sells its Norelco electric shavers directly to approximately 2,000 purchasers and indirectly to a greater number of others located throughout the United States and in the District of Columbia. A large number of respondent's purchasers, both direct and indirect, are in competition with one another at their respective levels of trade.

Such direct purchasers are wholesalers, large retail chain stores, and other large retail customers. Respondent's indirect purchasers are the customers of respondent's wholesaler-purchasers.

The wholesaler-purchasers of respondent resell Norelco electric shavers to retailers. It is alleged that such retailers are purchasers of respondent within the meaning of the Clayton Act as amended. As illustrative of such relationship, respondent rec-

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ognizes retailers buying through wholesaler-purchasers by personally soliciting them through its own sales force or through the sales forces in the employ of its selling agents, the manufacturers representatives, by drop shipping shavers to them ordered by wholesalers, by making effective its price policies and schedules as applied to said retailer-customers wherever the same are legal, and by dealing directly with such retailer-customers either through its own salaried personnel or through the personnel in the employ of its commissioned manufacturers representatives with respect to its advertising and other promotional programs in connection with the sale of Norelco electric shavers and accessories.

Included among respondent's wholesaler-purchasers are respondent's manufacturer representatives who buy substantial quantities of respondent's Norelco electric shavers directly from respondent on their own account. As wholesalers, respondent's said manufacturer representatives resell Norelco electric shavers so purchased from respondent to retailers in competition with other wholesaler-purchasers of respondent. Retailers who purchase respondent's Norelco electric shavers from respondent's manufacturer representatives as herein alleged, are in competition, in the sale of said electric shavers, with retailers who are the customers of other wholesaler-purchasers of respondent.

By reason of their large purchasing power, many of the retail chain stores and other large retail customers purchasing respondent's Norelco shavers directly from respondent by and through respondent's manufacturers representatives are sold by respondent at wholesaler's prices. In many instances they represent themselves to respondent as being wholesalers, and are granted wholesalers' discounts by respondent when in truth and in fact said purchasers are retailers and not wholesalers, and are therefore competing purchasers with said respondent's indirect retailer-purchasers who buy respondent's Norelco shavers through respondent's wholesaler-purchasers. In many instances this is accomplished by the use of dummy or fictitious buying devices or instrumentalities often in the form of commonly owned or controlled corporations, subsidiaries, instrumentalities, or affiliates of large retail chains representing themselves to said respondent as doing a legitimate wholesale business, when in truth and in fact their only business is to buy at wholesale prices for the particular retail chain with which they are so affiliated or identified.

In the course and conduct of its business in commerce, respondent has been and is now in competition with persons, firms, and other corporations likewise engaged in the sale and distribution in commerce of electric shavers and related products.

PAR. 7. In the course and conduct of its business in commerce, respondent has discriminated in price in the sale of Norelco electric shavers by selling such shavers of like grade and quality at different prices to different and competing purchasers.

Illustrative of such sales at discriminatory prices are the following pricing practices of said respondent:

Respondent has sold, and now sells, Norelco electric shavers to its manufacturer representatives on their own account as wholesalers at prices which equal discounts of 40 and 20 and 5%, off list, and during the same periods of time has sold its said electric shavers to other competing wholesaler-purchasers at 40 and 20% off list.

During the year 1956 respondent sold electric shavers to its direct buying retailer-purchasers as hereinabove described at discounts of 40 and 20% off list and to competing indirect retailer-purchasers who bought through wholesalers at discounts varying from 35% to 40% off list. Wholesalers were sold at 40 and 20% off list. As further illustrative of such discriminatory pricing practices of respondent, respondent's electric shaver, Model SC 7759, during 1956 had a retail list price of \$24.95. This model was sold to direct retailer-purchasers as hereinabove described for \$11.98 and to their indirect retailer competitors buying through wholesalers at \$16.22, representing 35% off list in purchases of one to five, and for \$14.97, representing 40% off list in purchases of six or more.

PAR. 8. The effect of said discrimination in price by respondent in the sale of Norelco electric shavers has been or may be to lessen, injure, destroy, or prevent competition:

(a) Between respondent and its competitors in the sale and distribution of electric shavers;

(b) Between direct buying purchasers of respondent who are retailers in fact and competing indirect buying retailers of said respondent who purchase through wholesalers.

(c) Between wholesaler-purchasers of respondent and respondent's manufacturer representatives buying from respondent on their own account as wholesalers, in the resale of respondent's Norelco electric shavers to retailers.

(d) Between retailers, the customers of respondent's whole-

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saler-purchasers and retailers who are the customers of respondent's manufacturer representatives buying from respondent on their own account as wholesalers.

PAR. 9. The discriminations in price as herein alleged are in violation of subsection (a) of Section 2 of the Clayton Act as amended by the Robinson-Patman Act.

Count II

Charging violation of subsection (d) of Section 2 of the Clayton Act as amended, the Commission alleges:

PAR. 10. With the exception of the last subparagraph of paragraph 6, paragraphs 1 through 6 of Count I hereof are hereby set forth by reference and made a part of this count as fully and with the same effect as if quoted herein verbatim.

PAR. 11. In the course and conduct of its business in commerce, as aforesaid, respondent has paid or contracted for the payment of money, goods, or other things of value to or for the benefit of some of its direct and indirect customers as compensation or in consideration for services or facilities furnished or agreed to be furnished by or through such customers in connection with the handling, sale, or offering for sale of respondent's electric shavers and respondent has not made or contracted to make such payments, allowances, or consideration available on proportionally equal terms to all of its other direct and indirect customers competing in the sale and distribution of such electric shavers.

Respondent has executed, carried out, and put into effect its various discriminatory and disproportionate advertising practices in a variety of ways. The following practices are illustrative:

Respondent has in effect a "Share the Cost" advertising agreement by which respondent purports to cooperate with retailers both direct and indirect on a 50-50 share-cost basis, for advertising space in local newspapers or commercial time over local television and radio stations when submitted at the dealer's lowest available local rate. This agreement excludes costs for art work, layout, photography, engraving, printing, advertising agency commissions, visual materials, talent costs, or announcers fees, etc. Respondent makes arrangements for and carries out said local advertising agreement by and through its manufacturers representatives in the various territories in which they are in charge throughout the United States. The agreement must be signed by the retailer and the wholesaler from whom he buys

and also must be approved by the manufacturers representative, which is then referred to the respondent for final approval. Each manufacturers representative is given a yearly quota for advertising purposes and the cost to respondent of all advertising placed pursuant to such agreements is charged against the manufacturer representative's yearly quota. Upon submission of satisfactory evidence to respondent showing the advertising placed and its cost, respondent makes reimbursement either through the wholesaler or direct to the retailer.

Respondent's advertising agreement just described is not based on the number of electric shavers sold by the advertiser and has no relationship thereto. In at least one instance a large retail chain store in Philadelphia, Pa., received more than half of all the local advertising money spent by respondent for all of its dealers in the City of Philadelphia; and this particular chain store received in advertising money an amount nearly as great as the cost of respondent's electric shavers which it purchased. Thus respondent under its said advertising agreement has undertaken to spend and has spent disproportionate funds in relation to the cost or value of its electric shavers purchased, it being respondent's practice and policy to spend the bulk of its advertising funds on so-called "key accounts." At the same time respondent's "share the cost" advertising agreement was not made available on proportionally equal terms in the City of Philadelphia to all direct and indirect competing customers of respondent selling its electric shavers.

The decision as to which customers received the benefit of respondent's "share the cost" agreement was left by respondent to the discretion and judgment of its several manufacturer representatives and, in many instances, with wholesalers. There were many of respondent's retail customers, both direct and indirect, competing with one another who never heard of and were never advised of respondent's said advertising agreement.

While respondent's advertising agreement appears on its face as an agreement based upon a 50-50 division of cost between respondent and the advertiser, by reason of the fact that it is also based on the local newspaper rate, in many instances a large local advertiser paying a lesser rate would be paying less than 50% while respondent would be paying more.

In some instances this so-called 50-50 advertising agreement of respondent was used in the granting of promotional allowances to respondent's distributors and wholesalers where the cost of

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the advertising was divided between respondent and such distributor. In some such instances the amounts paid by respondent represented \$1.00 per shaver as push money or "spiffs" and distributed to any jobber buying 96 shavers and denied to any competing jobber buying less than 96 shavers. Respondent also in certain instances offered and gave prize money, sometimes taking the form of a gift by respondent of a number of free shavers, to salesmen of favored wholesalers and dealers while not offering the same or similar deals to other competing wholesalers and dealers.

In other instances respondent paid to some advertisers their production and engraving charges, art charges, etc., contrary to the terms of its advertising agreement, while not offering such payments to other competing purchasers.

In many instances respondent entered into contracts and agreements for local advertising upon the basis of individual negotiations between the advertisers and its manufacturer representatives paying as much as 100% or full cost of the advertising while not offering the same or similar arrangements to other competing customers.

PAR. 12. The acts and practices as alleged in paragraphs 10 and 11 above are in violation of subsection (d) of Section 2 of the aforesaid Clayton Act as amended.

Count III

Charging violation of subsection (e) of Section 2 of the Clayton Act as amended, the Commission alleges:

PAR. 13. With the exception of the last subparagraph of paragraph 6, paragraphs 1 through 6 of Count I hereof are hereby set forth by reference and made a part of this count as fully and with the same effect as if quoted herein verbatim.

PAR. 14. In the course and conduct of its business in commerce, respondent has discriminated in favor of many of its purchasers both direct and indirect and against other of its competing purchasers, both direct and indirect, buying Norelco electric shavers for resale by contracting to furnish or furnishing or by contributing to the furnishing to such favored competing purchasers services or facilities connected with the handling, sale, or offering for sale of such commodities so purchased upon terms not accorded to said nonfavored competing purchasers, both direct and indirect on proportionally equal terms.

As illustrative of such practices, respondent has furnished cer-

tain of its direct and indirect retail customers free of charge its salaried personnel as demonstrators and servicemen to sell, repair, or demonstrate respondent's Norelco electric shavers in the stores and retail outlets of such favored purchasers while not according such services or facilities to all other direct and indirect competing purchasers on proportionally equal terms.

PAR. 15. The acts and practices as alleged in paragraphs 13 and 14 above are in violation of subsection (e) of Section 2 of the aforesaid Clayton Act as amended.

Mr. William H. Smith and Mr. James R. Fruchterman for the Commission.

Rosenman, Goldmark, Colin & Kaye, by *Mr. Seymour D. Lewis*, and *Mr. Robert G. Dettmer*, all of New York, N.Y., for respondent.

INITIAL DECISION AS TO COUNT I
BY FRANK HIER, HEARING EXAMINER

Pursuant to the provisions of the Clayton Act, as amended, the Federal Trade Commission on September 27, 1957, issued and subsequently served its complaint in this proceeding against respondent North American Philips Company, Inc., a corporation existing 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 100 East 42d Street, New York, N.Y.

On August 28, 1958, there was submitted to the undersigned hearing examiner an agreement between respondent and counsel supporting the complaint providing for the entry of a consent order which disposes of Count I in this proceeding. By the terms of said agreement, 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. By such agreement, respondent waives any further procedural steps before the hearing examiner and the Commission; waives the making of findings of fact and conclusions of law; and waives all of the rights it may have to challenge or contest the validity of the order to cease and desist entered in accordance with this agreement.

Such agreement further provides that it disposes of Count I of the complaint, the issues involved in Counts II and III having been disposed of by previous consent agreement; that the record on which this initial decision and the decision of the Commission shall be based shall consist solely of the Complaint and this agreement; that this agreement is entered into subject to the

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condition that the effective date of the initial decision based thereon shall be stayed by the Commission and shall not become the decision of the Commission in this matter until and unless the Commission issues an order to cease and desist under Count I in the matters of *Sperry Rand Corporation*, Docket No. 6701, and *Schick, Inc.*, and *Schick Service, Inc.*, Docket No. 6892, and that the agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Commission. This agreement is for settlement purposes only and does not constitute an admission by respondent that it has violated the law as alleged in the complaint.

This agreement is entered into subject to the further condition that the "Motion to Dismiss Part of Complaint Without Prejudice" in this matter filed by counsel supporting the complaint in the Office of the Secretary of the Federal Trade Commission on July 25, 1958, be granted by the Commission, and that such parts of the complaint as are specified in said motion be dismissed by the Commission without prejudice.

This agreement further provides that the following order to cease and desist may be entered in this proceeding by the Commission without further notice to respondent, and, when so entered, it 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; and that the complaint may be used in construing the terms of the order.

The hearing examiner having considered the agreement and proposed order, and being of the opinion that they provide an appropriate basis for settlement and disposition of this proceeding, the agreement is hereby accepted, the following jurisdictional findings made, and the following order issued.

1. Respondent North American Philips Company, Inc., is a corporation existing 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 100 East 42d Street, New York, N.Y.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent.

ORDER²

It is ordered, That the allegations in Count I of the complaint, as amended by the examiner's order filed May 15, 1958, to the

² Published as corrected by commission order of Dec. 18, 1958.

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extent that such charge respondent with violating Section 2(a) of the Clayton Act, as amended, by reason of the fact that customers of respondent's wholesaler-purchasers are alleged to be purchasers of respondent be, and they hereby are, dismissed, without prejudice, however, to the right of the Commission to take such further or other action against respondent at any time in the future as may be warranted by the then existing circumstances; provided that nothing herein shall be construed as limiting the meaning of the term "purchaser" in the order to cease and desist in this matter from its full meaning under Section 2(a) of the Clayton Act, as amended, nor in any manner as affecting or limiting the adoption and reallegation of the allegations of paragraph 6 of Count I as a part of Counts II and III of the complaint.

It is further ordered, That respondent North American Philips Company, Inc., a corporation, its officers, representatives, agents, and employees, directly or through any corporate or other device, in connection with the sale of electric shavers and related products, in commerce, as "commerce" is defined in the aforesaid Clayton Act, as amended, do forthwith cease and desist from:

Discriminating, directly or indirectly, in the price of such products of like grade and quality, by selling to any purchaser at net prices higher than the net prices charged any other purchaser competing in fact with such unfavored purchaser in the resale and distribution of such products.

DECISION OF THE COMMISSION AND ORDER TO FILE
REPORT OF COMPLIANCE

The hearing examiner, on September 2, 1958, having filed an initial decision in this proceeding as to Count I of the complaint based on an agreement containing a consent order to cease and desist theretofore executed by respondent and counsel in support of the complaint; and

It appearing that the aforesaid agreement is subject to the condition that an initial decision based thereon shall not become the decision of the Commission until and unless the Commission issues an order to cease and desist under Count I in the matters of *Sperry Rand Corporation*, Docket No. 6701, and *Schick Incorporated, et al.*, Docket No. 6892, and that, such orders being issued in the aforementioned matters simultaneously with this action, this condition is met; and

It further appearing that the said initial decision is subject

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to the additional condition that the Commission grant a motion filed by counsel in support of the complaint on July 25, 1958, which requests the dismissal without prejudice of such parts of the complaint as are specified in the motion, and the Commission hereby having granted the motion and having determined that the said initial decision should be modified to effect the requested result:

It is ordered, That the initial decision of the hearing examiner filed September 2, 1958, be, and it hereby is, modified by substituting the following for the order contained therein:

It is ordered, That the allegations in Count I of the complaint, as amended by the examiner's order filed May 15, 1958, to the extent that such charge respondent with violating Section 2(a) of the Clayton Act, as amended, by reason of the fact that customers of respondent's wholesaler-purchasers are alleged to be purchasers of respondent be, and they hereby are, dismissed, without prejudice, however, to the right of the Commission to take such further or other action against respondent at any time in the future as may be warranted by the then existing circumstances; provided that nothing herein shall be construed as limiting the meaning of the term "purchaser" in the order to cease and desist in this matter from its full meaning under Section 2(a) of the Clayton Act, as amended, nor in any manner as affecting or limiting the adoption and reallegation of the allegations of paragraph 6 of Count I as a part of Counts II and III of the complaint.

It is further ordered, That respondent North American Philips Company, Inc., a corporation, its officers, representatives, agents, and employees, directly or through any corporate or other device, in connection with the sale of electric shavers and related products, in commerce, as "commerce" is defined in the aforesaid Clayton Act, as amended, do forthwith cease and desist from:

Discriminating, directly or indirectly, in the price of such products of like grade and quality, by selling to any purchaser at net prices higher than the net prices charged any other purchaser competing in fact with such unfavored purchaser in the resale and distribution of such products.

It is further ordered, That the initial decision of the hearing examiner filed September 2, 1958, as modified herein, be, and it hereby is, adopted as the decision of the Commission.

It is further ordered, That the respondent herein 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 contained in the said initial decision, as modified.

INITIAL DECISION AS TO COUNTS II AND III
BY FRANK HIER, HEARING EXAMINER

Pursuant to the provisions of the Clayton Act, as amended, the Federal Trade Commission on September 27, 1957, issued and subsequently served its complaint in this proceeding against respondent North American Philips Company, Inc., a corporation existing 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 100 East 42d Street, New York, N.Y.

On June 24, 1958, there was submitted to the undersigned hearing examiner an agreement between respondent and counsel supporting the complaint providing for the entry of a consent order. By the terms of said agreement, 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. By such agreement, respondent waives any further procedural steps before the hearing examiner and the Commission; waives the making of findings of fact and conclusions of law; and waives all of the rights it may have to challenge or contest the validity of the order to cease and desist entered in accordance with this agreement.

Such agreement further provides that it disposes of Counts II and III of the complaint, the issues involved in Count I of the complaint not being disposed of by this agreement; that the record on which this initial decision and the decision of the Commission shall be based shall consist solely of the complaint and this agreement; that this agreement is entered into subject to the condition that the effective date of the initial decision based thereon shall be stayed by the Commission and shall not become the decision of the Commission in this matter until and unless the Commission issues an order to cease and desist under Count II in the matter of *Sperry Rand Corporation*, Docket 6701, and Counts II and III in the matter of *Schick, Inc.*, and *Schick Service, Inc.*, Docket 6892, and that the agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Commission. This agreement is for

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settlement purposes only and does not constitute an admission by respondent that it has violated the law as alleged in the complaint.

This agreement further provides that the following order to cease and desist may be entered in this proceeding by the Commission without further notice to respondent, and, when so entered, it 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; and that the complaint may be used in construing the terms of the order.

The hearing examiner having considered the agreement and proposed order, and being of the opinion that they provide an appropriate basis for settlement and disposition of this proceeding, the agreement is hereby accepted, the following jurisdictional findings made, and the following order issued.

1. Respondent North American Philips Company, Inc., is a corporation existing 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 100 East 42d Street, New York, N.Y.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent.

ORDER

It is ordered, That respondent North American Philips Company, Inc., a corporation, its officers, representatives, agents and employees, directly or through any corporate or other device in the course of its business in commerce, as "commerce" is defined in the aforesaid Clayton Act, as amended, do forthwith cease and desist from:

Making or contracting to make, to or for the benefit of any customer acquiring respondent's electric shavers and related products from respondent, from wholesalers, or from any other source, any payment of anything of value as compensation or in consideration for any advertising or other services or facilities furnished by or through such customer in connection with the handling, resale, or offering for resale of such products manufactured, sold, or offered for sale by respondent, unless such payment or consideration is made available on proportionally equal terms to all other such customers competing in fact with such favored customers in the resale or distribution of such products.

It is further ordered, That respondent North American Philips Company, Inc., a corporation, its officers, representatives, agents

and employees, directly or through any corporate or other device in the course of its business in commerce, as "commerce" is defined in the aforesaid Clayton Act, as amended, do forthwith cease and desist from discriminating among competing purchasers:

By contracting to furnish, or furnishing, or by contributing to the furnishing of demonstrator services, or any other services or facilities connected with the handling, resale, or offering for resale of respondent's electric shavers and related products, to any purchaser acquiring such products from respondent, from wholesalers, or from any other source, unless such services or facilities are accorded on proportionally equal terms to all other such purchasers who compete in fact with such favored purchasers in the resale or distribution of such products.

DECISION OF THE COMMISSION AND ORDER TO FILE
REPORT OF COMPLIANCE

The hearing examiner, on July 14, 1958, having filed an initial decision in this proceeding as to Counts II and III of the complaint based on an agreement containing a consent order to cease and desist theretofore executed by respondent and counsel in support of the complaint, and the Commission, on August 25, 1958, having extended, until further order, the date on which said initial decision would otherwise become the decision of the Commission; and

It appearing that the aforesaid agreement is subject to the condition that an initial decision based thereon shall not become the decision of the Commission until and unless the Commission issues an order to cease and desist under Count II in the matter of *Sperry Rand Corporation*, Docket No. 6701, and Counts II and III in the matter of *Schick Incorporated, et al.*, Docket No. 6892, and that, such orders being issued in the aforementioned matters simultaneously with this action, the condition is met:

It is ordered, That the initial decision of the hearing examiner filed July 14, 1958, be, and it hereby is, adopted as the decision of the Commission.

It is further ordered, That the respondent herein 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 contained in the aforesaid initial decision.

IN THE MATTER OF
MILLER BROS. CO., INC.

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

Docket 7221. Complaint, Aug. 5, 1958—Decision, Nov. 5, 1958

Consent order requiring a furrier in Baltimore, Md., to cease violating the Fur Products Labeling Act by advertising which failed to disclose the names of animals producing certain furs and which made deceptive pricing and savings claims, and by failing in other respects to comply with the labeling, invoicing, and advertising requirements of the Act.

Mr. Alvin D. Edelson supporting the complaint.

Respondent, *pro se*.

INITIAL DECISION BY JOHN LEWIS, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondent on August 5, 1958, charging it with having violated the Fur Products Labeling Act and the Rules and Regulations issued thereunder, and the Federal Trade Commission Act, through the misbranding of certain fur products and the false and deceptive invoicing and advertising thereof. After being served with said complaint, respondent appeared and entered into an agreement, dated September 5, 1958, containing a consent order to cease and desist purporting to dispose of all of this proceeding as to all parties. Said agreement, which has been signed by respondent and by counsel supporting the complaint, and approved by the director and assistant director of the Commission's Bureau of Litigation, has been submitted to the above-named hearing examiner for his consideration, in accordance with Section 3.25 of the Commission's Rules of Practice for Adjudicative Proceedings.

Respondent, pursuant to the aforesaid agreement, has admitted all the jurisdictional allegations of the complaint and agreed that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations. Said agreement further provides that respondent waives any further procedural steps 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 such