

Decision

IN THE MATTER OF
AMERICAN TELEVISION, INC., ET AL.ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION ACT

Docket 6724. Complaint, Feb. 11, 1957—Decision, Nov. 28, 1958

Order dismissing without prejudice complaint charging two affiliated sellers in Chicago with using bait advertising and other misrepresentations to sell television sets, for the reason that all assets of the companies had been sold under the direction of the bankruptcy court and their charters dissolved.

Mr. Edward F. Downs and Mr. Garland S. Ferguson for the Commission.

Mr. Michael Gesas, of Chicago, Ill., for American Television, Inc.

Mr. I. Harvey Levinson, of Chicago, Ill., for deForest-Sanabria Corporation, U. A. Sanabria, and Helen G. Sanabria.

INITIAL DECISION BY JOHN B. POINDEXTER, HEARING EXAMINER

On February 11, 1957, the Federal Trade Commission issued its complaint in the above entitled and numbered proceeding, alleging that American Television, Inc., a corporation, deForest-Sanabria Corporation, a corporation, U. A. Sanabria and Helen G. Sanabria, individually and as officers of said corporations, hereinafter called respondents, had violated the provisions of the Federal Trade Commission Act by the use of bait advertising and other deceptive claims to sell their television sets.

After service of the complaint, counsel for each of the respondents have, from time to time, filed motions requesting extension of time to answer the complaint and postponement of the initial hearing on the ground that the respondent American Television, Inc. was a debtor in a bankruptcy proceeding, No. 56-B-2089, then pending in the United States District Court for the Northern District of Illinois, Eastern Division, seeking an adjustment with creditors under Chapter 11 of the Bankruptcy Act. Said motions were granted.

Counsel for the respondents U. A. Sanabria and Helen G. Sanabria have filed a motion, supported by the affidavit of respondent U. A. Sanabria, requesting that the complaint be dismissed without prejudice on the ground that, *inter alia*, all of the assets

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of American and deForest have been sold under the direction of the Bankruptcy Court, neither of said corporations now doing business, the charters of both corporations having been dissolved by appropriate authority of the State of Illinois, their state of incorporation; that at no time was the respondent Helen G. Sanabria an officer of deForest, that neither she nor her husband U. A. Sanabria have acquired any of the assets of said corporations at such bankruptcy sales; and that, although the respondent Helen G. Sanabria was secretary of the respondent American Television, Inc. before its adjudication as a bankrupt, her sole and only purpose in serving in such capacity was to authenticate corporate instruments executed by her husband U. A. Sanabria as president of such corporation.

Counsel supporting the complaint have answered said motion to dismiss, stating that they do not object to the dismissal of said complaint.

Upon consideration of said motion to dismiss, the affidavit in support thereof, and the answer filed thereto by counsel supporting the complaint, the hearing examiner is of the opinion that the motion to dismiss should be granted. Accordingly,

It is ordered, That the complaint herein be, and it hereby is, dismissed, without prejudice to the right of the Federal Trade Commission to take such further action in the future against the individual respondents U. A. and Helen G. Sanabria as the facts and circumstances may warrant.

DECISION OF THE COMMISSION

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 28th day of November 1958, become the decision of the Commission.

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IN THE MATTER OF
CONCORD RADIO CORPORATION ET AL.CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION ACT

Docket 7097. Complaint, Mar. 27, 1958—Decision, Dec. 2, 1958

Consent order requiring two affiliated mail order distributors of electronic equipment in New York City to cease advertising falsely as "BRAND NEW" television and radio tubes which contained used envelopes or shells, and to make adequate disclosure on cartons, tubes, invoices, or shipping memoranda when such tubes were Government surplus or contained used parts.

Mr. Harold A. Kennedy and Mr. Thomas F. Howder for the Commission.

Trause, Saltzman, Lesser & Perlman, of New York, N.Y., by
Mr. Daniel D. Trause, for respondents.

INITIAL DECISION BY EARL J. KOLB, HEARING EXAMINER

The complaint in this proceeding issued March 27, 1958, charges the respondents with violation of the Federal Trade Commission Act in the sale and distribution of television and radio tubes, parts and other electronic equipment by mail order and otherwise.

Respondent Concord Radio Corporation is a corporation organized and existing under the laws of the State of New York with its office and place of business located at 45 Warren Street, New York, N. Y.

Respondent William Abramowitz, individually and as an officer of said corporation, maintains his office at the same address as the corporate respondent. Said individual respondent also does business under the name of Fay-Bill Distributing Co., a sole proprietorship, at 418 Broome Street, New York, N. Y.

Respondent Theodore Black, individually and as an officer of Concord Radio Corporation, had his office at the same address as the corporate respondent.

After the issuance of the complaint, said respondents entered into an agreement containing consent order to cease and desist with counsel in support of the complaint disposing of all the issues as to all parties in this proceeding, except the charges relating to the advertising of their products as "first quality" and the failure to disclose that some of their products are factory