

Decision

IN THE MATTER OF
COAST TO COAST SERVICE CORPORATION, ET AL.

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

Docket 7103. Complaint, Apr. 2, 1958—Decision, Jan. 10, 1959

Consent order requiring a concern in New York City—formerly of Chicago—engaged in the listing for sale and advertising of real estate and other property, to cease making written and oral misrepresentations for the purpose of obtaining listings of real estate and inflated excessive fees therefor, including false claims that they were bona fide business brokers, that they had prospects interested in specific properties listed and would sell a property in a short time, that they would furnish expert appraisers to evaluate a property, that a property was underpriced and the asking price should be raised, that they maintained a finance department and would finance purchase of listed properties, and that the listing fee was only an advance on the selling commission and would be refunded if the property was not sold in a short time.

John W. Brookfield, Jr., and Thomas A. Sterner, Esqs., supporting the complaint.

Irven Gilbert, Esq., of Chicago, Ill., for Coast to Coast Service Corporation, William Maurice and Anna M. Lombard Maurice.

Caplan, Ehrlich & Pastin, by Max Pastin, Esq., of Chicago, Ill., for Lewis Grombacher.

Ralph P. O'Neal and Emelia Leuta Promisco, respondents in propria persona.

INITIAL DECISION BY JAMES A. PURCELL, HEARING EXAMINER

The complaint in this proceeding, issued April 2, 1958, charges the respondents Coast to Coast Service Corporation, a corporation, and William Maurice (also known as William Muchnick), Ralph P. O'Neal, Anna M. Lombard Maurice, Lewis Grombacher and Emelia Leuta Promisco, individually and as officers of said corporation, with violation of the Federal Trade Commission Act in connection with representations by them made in soliciting the listing for sale and advertising of real estate and other property. Said complaint was duly served on all of the respondents as required by law.

After issuance of the complaint the respondents, (except Emelia Leuta Promisco hereinafter separately considered), entered into an agreement for a consent order with counsel in support of the

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complaint, disposing of all of the issues in this proceeding, which agreement was duly approved by the director and assistant director of the Bureau of Litigation of the Federal Trade Commission. It was expressly provided in said agreement that the signing thereof is for settlement purposes only and does not constitute an admission by the signatory respondents that they have violated the law as alleged in the complaint.

Said agreement recites:

Coast to Coast Service Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois, formerly conducting its business at Suite 905, No. 6 North Michigan Avenue, Chicago, Ill., with its present address in care of its president, Anna M. Lombard Maurice, 63 East Ninth Street, Apartment 7 R, New York, N.Y.

Anna M. Lombard Maurice is an individual and president of the corporate respondent.

William Maurice, also known as William Muchnick, (erroneously referred to in the complaint as president of Coast to Coast Service Corporation) is an individual and officer of the corporate respondent.

That the former address of the last two named respondents was No. 12 West 72d Street, New York, N.Y., and presently is No. 63 East Ninth Street, Apartment 7 R, New York, N.Y.

Ralph P. O'Neal is an individual, formerly an officer of respondent corporation but no longer such, as to whom (in accordance with the agreement, supported by affidavit of Ralph P. O'Neal thereto attached and made part thereof), the order hereinafter passed will bind him solely in his individual capacity but not as an officer of the corporate respondent. His present address is No. 6952 West Diversey Street, Chicago (35), Ill., with a former address at 2316 Bellevue Avenue, Chicago, Ill.

Lewis Grombacher is an individual and an officer of the corporate respondent whose address is No. 1607 West Farwell Street, Chicago, Ill.

By the terms of said agreement, the respondents admitted all of the jurisdictional allegations of the complaint and agreed that the record herein may be taken as though the Commission had made findings of jurisdictional facts in accordance with such allegations. By said agreement the parties expressly waived a hearing before the hearing examiner or the Commission, the making of findings of fact or conclusions of law by the hearing examiner or the Commission, the filing of exceptions and oral

argument before the Commission, and all further and other procedure before the hearing examiner and the Commission to which the respondents may otherwise be entitled under the Federal Trade Commission Act or the Rules of Practice of the Commission.

By said agreement, respondents further agreed that the order to cease and desist issued in accordance with said agreement shall have the same force and effect as though made after a full hearing, presentation of evidence and findings and conclusions thereon, and specifically waived any and all right, power or privilege to challenge or contest the validity of such order.

It was further provided that said agreement, together with the complaint, shall constitute the entire record herein; that the complaint herein may be used in construing the terms of the order issued pursuant to said agreement; and that the said order may be altered, modified or set aside in the manner provided for other orders of the Commission.

Attached to, and forming a part of the aforesaid agreement is an affidavit executed by the respondent, Ralph P. O'Neal, as-severating the termination of his official capacity as an officer of the corporate respondent and that he now has no further connection with said corporation or its activities wherefore the complaint, as against him in his official capacity, should be dismissed, all of which is recited in said agreement and confirmed and assented to by all of the signatory parties thereto.

Under date of July 10, 1958, the attorneys in support of the complaint filed in this proceeding a motion to dismiss the complaint as to the respondent Emelia Leuta Promisco, citing as reasons therefor that:

There is no evidence available to show that this respondent was other than a paid secretarial worker employed by the corporate respondent, nor that she participated in the management of or in the direction of the policies of the corporate respondent.

By formal order heretofore filed herein, the hearing examiner granted said motion and, pursuant to the provisions of Rule 3.8(e) takes such action into account in this, his initial decision, and causes such dismissal to be finalized by an appropriate provision in the appended order. The aforescribed action of the hearing examiner is specifically referred to and confirmed by all signatory parties to the agreement forming the basis for the order hereto appended.

The hearing examiner has considered such agreement and the order therein contained and its appearing that said agreement

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and order provide for an appropriate disposition of this proceeding, the same is hereby accepted and, without further notice to respondents, is ordered filed upon becoming part of the Commission's decision in accordance with Sections 3.21, 3.24 and 3.25 of the Rules of Practice. In consonance with the terms of said agreement, the hearing examiner finds that the Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of all the respondents named herein, and that this proceeding is in the interest of the public, wherefore he issues the following order:

ORDER

It is ordered, That respondents Coast to Coast Service Corporation, a corporation, and its officers, and William Maurice, also known as William Muchnick, Anna M. Lombard Maurice and Lewis Grombacher, individually and as officers of the corporate respondent, and Ralph P. O'Neal, individually, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale or sale of advertising in newspapers and in other advertising media, or of other services and facilities in connection with the offering for sale, selling, buying or exchanging of business or any other kind of property, in commerce as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, directly or by implication, that:

1. Respondents are bona fide business brokers.
2. Respondents have available prospective buyers who are interested in the purchase of specific property.
3. Property listed with them will be sold as a result of respondents' efforts.
4. Respondents furnish qualified, experienced or expert appraisers to evaluate property listed with them.
5. The property sought to be listed is underpriced or that the asking price should be increased, or that respondents can or will sell the property at the increased price.
6. Respondents maintain a financial department, or that they finance the purchase of listed property.
7. The listing fee is an advance on the selling commission or will be refunded to the property owner.

It is further ordered, That the complaint be, and it is hereby, dismissed as to Ralph P. O'Neal as an officer of respondent, Coast to Coast Service Corporation and as to Emelia Leuta Promisco,

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without prejudice to the right of the Commission to take such action in the future as may be warranted by the existing conditions.

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 10th day of January 1959, become the decision of the Commission; and, accordingly:

It is ordered, That the respondents Coast to Coast Service Corporation, a corporation, William Maurice, also known as William Muchnick, Anna M. Lombard Maurice, and Lewis Grombacher, individually and as officers of Coast to Coast Service Corporation, and Ralph P. O'Neal, 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.

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IN THE MATTER OF
RUDBAN COATS, INC., ET AL.

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

Docket 7213. Complaint, Aug. 1, 1958—Decision, Jan. 10, 1959

Consent order requiring operators of some 70 women's apparel retail stores in New York, New Jersey, Pennsylvania, Massachusetts, and other States, to which they distributed merchandise already tagged and priced, to cease preticketing its products including belts, with exaggerated and fictitious prices which were lined out and followed by the real selling price, thereby misrepresenting the usual selling price, the quality of the product, and savings realized by purchasers.

Mr. Terral A. Jordan for the Commission.

Mr. George Nodelman, of New York, N.Y., for respondents.

INITIAL DECISION BY FRANK HIER, HEARING EXAMINER

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission on August 1, 1958, issued and subsequently served its complaint in this proceeding against the above-named respondents.

On November 25, 1958, their was submitted to the undersigned hearing examiner an agreement between respondents and counsel supporting the complaint providing for the entry of a consent order. By the terms of said agreement, respondents admit all the jurisdictional facts alleged in the complaint and agree that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations. By such agreement, respondents waive any further procedural steps before the hearing examiner and the Commission; waive the making of findings of fact and conclusions of law; and waive all of the rights they 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 all of this proceeding as to all parties; 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 the latter shall not become a part of the official record unless and until it becomes a part of the decision of the Commission. This agree-