

Decision

IN THE MATTER OF
MERIT ENTERPRISES, INC., ET AL.CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION ACT*Docket 7328. Complaint, Dec. 9, 1958—Decision, Mar. 27, 1959*

Consent order requiring Brooklyn, N.Y., distributors of electrical appliances—including percolators, skillets, and cooker-fryers—to cease representing falsely in advertising material disseminated to purchasers for use in resale, in newspaper advertising and on attached tags and labels, that exaggerated and fictitious prices were the usual retail prices of their products; by use of the Good Housekeeping seal of approval, that certain of their products had been approved or guaranteed by the Good Housekeeping Magazine and advertised therein; and through conspicuous use of the name "Westinghouse," that certain of their products were manufactured by Westinghouse Electric Corporation.

Mr. Terral A. Jordan for the Commission.

Mr. Irving L. Stein, of New York, N.Y., for respondents.

INITIAL DECISION BY WALTER R. JOHNSON, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondents on December 9, 1958, charging them with having violated the Federal Trade Commission Act.

On January 22, 1959, the respondents and their attorney entered into an agreement with counsel in support of the complaint for a consent order.

The hearing examiner finds that the content of the agreement meets all of the requirements of Section 3.25(b) of the Rules of the Commission.

The hearing examiner being of the opinion that the agreement and the proposed order provide an appropriate basis for disposition of this proceeding as to all of the parties, the agreement is hereby accepted and it is ordered that the agreement shall not become a part of the official record of the proceeding unless and until it becomes a part of the decision of the Commission. The following jurisdictional findings are made and the following order issued.

1. Respondent Merit Enterprises, Inc., is a corporation existing and doing business under and by virtue of the laws of the State of New York. Respondents David Brill, Frank S. Brill and Martin Brill are individuals and are president, vice presi-

Order

55 F.T.C.

dent and secretary-treasurer, respectively of the corporate respondent. Respondents' office and principal place of business is located at 577 Wortman Avenue, in the city of New York (Brooklyn), State of New York.

2. 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 Merit Enterprises, Inc., a corporation, and its officers and David Brill, Frank S. Brill and Martin Brill, 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 electrical appliances including percolators, skillets or cooker-fryers, or other articles of merchandise, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing directly or indirectly that any price is the retail selling price of their products which is in excess of the price at which their products are regularly and customarily sold at retail.

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. Providing retailers or distributors of their products with preticketed articles of merchandise or price lists or advertising

1593

Decision

or promotional material through or by which said retailers or distributors are enabled to mislead and deceive the purchasing public with respect to the matters set out in paragraph one herein.

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 27th day of March 1959, 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.

Decision

55 F.T.C.

IN THE MATTER OF
SUN VALLEY AIR COLLEGE, INC., ET AL.

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

Docket 7290. Complaint, Nov. 5, 1958—Decision, Mar. 28, 1959

Consent order requiring a "school" in Boise, Idaho, to cease selling its instruction courses in so-called specialized training for commercial airline positions through the use of deceptive employment offers, some in the Help Wanted columns of newspapers, and through other misrepresentations as to classroom, dormitory, and recreational facilities at Sun Valley, connections with commercial airlines, etc.; and to cease using the word "college" in its trade names and describing its salesmen as "Registrars."

Mr. John J. McNally and Mr. Ames W. Williams for the Commission.

Daniel G. Thompson, Eleanor M. Thompson, and Anna Marie Tabor, respondents, *pro se* individually and as officers of respondent Sun Valley Air College, Inc., a corporation, and also for said corporate respondent.

INITIAL DECISION BY LOREN H. LAUGHLIN, HEARING EXAMINER

The Federal Trade Commission (sometimes also hereinafter referred to as the Commission) on November 5, 1958, issued its complaint herein, charging the above-named respondents with having violated the provisions of the Federal Trade Commission Act, and the respondents were duly served with process.

On January 28, 1959, there was submitted to the undersigned hearing examiner of the Commission for his consideration and approval an "Agreement Containing Consent Order to Cease and Desist," which had been entered into by and between respondents and the attorney for the Commission, under date of January 15, 1959, subject to the approval of the Bureau of Litigation of the Commission, which had subsequently duly approved the same.

On due consideration of such agreement, the hearing examiner finds that said agreement, both in form and in content, is in accord with §3.25 of the Commission's Rules of Practice for Adjudicative Proceedings, and that by said agreement the parties have specifically agreed to the following matters:

1. Respondent Sun Valley Air College, Inc., is a corporation,