

Decision

IN THE MATTER OF
INTERNATIONAL HOMES, INC., ET AL.CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION ACT*Docket 7324. Complaint, Dec. 9, 1958—Decision, Apr. 2, 1959*

Consent order requiring Lyndhurst, N.J., distributors of house siding material to cease representing falsely, principally by sales talks, that homes of purchasers of their siding would be used as demonstration homes to sell the products and the commission paid for such use would cover the cost of the siding; that purchasers would receive commissions on other sales made in their vicinity; that the cash price shown on contracts was the total price to be paid; that a blank promissory note, among other papers required to be signed, was for the purpose of credit checking only; that signing of the contract was required by law and that the attached note was a formality; that the siding and installation were "Guaranteed for 25 Years"; and that a cash bonus would be given the purchaser when the installation was completed.

Mr. John W. Brookfield, Jr., for the Commission.

Mr. Morris Bromley, of Newark, N.J., for respondents.

INITIAL DECISION BY EARL J. KOLB, HEARING EXAMINER

The complaint in this proceeding issued December 9, 1958, charges the respondents with violation of the Federal Trade Commission Act in the sale and distribution of house or building siding material.

Respondent International Homes, Inc., is a corporation organized, existing and doing business under the laws of the State of New Jersey, with its office and principal place of business located at 601 Ridge Road, Lyndhurst, N.J.

Respondent Harold Schreier is an individual and president of the corporate respondent, and respondent Alton Waldstein is an individual and manager of the corporate respondent. The office and principal place of business of said individual respondents is the same as that of the corporate respondent.

After the issuance of the complaint, 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, which agreement was duly approved by the director and assistant director of the Bureau of Litigation.

Order

55 F.T.C.

It was expressly provided in said agreement that the signing thereof is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint.

By the terms of said agreement, the respondents admitted all the jurisdictional facts alleged in the complaint and agreed that the record herein may be taken as if the Commission had made findings of jurisdictional facts in accordance with the allegations.

By said agreement, the parties expressly waived any further procedural steps before the hearing examiner and the Commission; the making of findings of fact or conclusions of law; and all the rights they may have to challenge or contest the validity of the order to cease and desist entered in accordance with the 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 if made after a full hearing.

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 said order may be altered, modified or set aside in the manner prescribed by the statute for orders of the Commission.

The hearing examiner has considered such agreement and the order therein contained, and, it appearing that said agreement and order provides for an appropriate disposition of this proceeding, the same is hereby accepted and is ordered filed upon becoming part of the Commission's decision in accordance with Sections 3.21 and 3.25 of the Rules of Practice, and, 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 the respondents named herein, that this proceeding is in the interest of the public, and issues the following order:

ORDER

It is ordered, That respondents International Homes, Inc., a corporation, and its officers, and Harold Schreier, individually and as an officer of said corporate respondent, and Alton Waldstein, individually, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of

1611

Decision

house or building siding material, or any similar product, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, directly or indirectly, that:

1. The homes of purchasers of their siding material will be used as model or demonstration houses or buildings to advertise or sell the aforesaid products.

2. Commissions will be paid the purchasers of such products, or that commissions paid to the owners of homes who purchase respondents' products will be sufficient to cover the cost of respondents' products and their installation.

3. Purchasers of respondents' products will receive commissions or fees on other sales made in their vicinity or area.

4. The cash price shown on contracts for the sale of respondents' products is the total to be paid for such products.

5. Documents required to be signed by purchasers of respondents' products are for credit checking purposes only, when in fact such documents include promissory notes or other evidences of debt.

6. Respondents' siding and the installation thereof are "guaranteed" unless the terms of such "guarantee" are fully set forth.

7. Purchasers of respondents' siding will be paid a cash bonus or payment unless it is revealed that such payment is included in the price charged for such product.

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 2d day of April 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.

IN THE MATTER OF
JACK WIEDERHORN & SON

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

Docket 7331. Complaint, Dec. 11, 1958—Decision, Apr. 2, 1959

Consent order requiring a New York City furrier to cease violating the Fur Products Labeling Act by failing to set forth in invoices the term "Dyed Mouton-processed Lamb" and required item numbers, and by advertising in letters to customers representing the "wholesale market value" of fur products to be certain designated amounts without maintaining adequate records as a basis for such pricing claims.

Mr. Floyd O. Collins, counsel supporting the complaint.
Respondents, *pro se*.

INITIAL DECISION BY JOHN B. POINDEXTER, HEARING EXAMINER

On December 11, 1958, the Federal Trade Commission issued a complaint charging Jack Wiederhorn and Edward Wiederhorn, individually and as copartners trading as Jack Wiederhorn & Son, hereinafter referred to as respondents, with falsely and deceptively advertising and invoicing certain of their fur products in violation of the Federal Trade Commission Act and the Fur Products Labeling Act.

After issuance and service of the complaint, the respondents and counsel supporting the complaint entered into an agreement for a consent order. The agreement has been approved by the director and the assistant director of the Bureau of Litigation. The agreement disposes of the matters complained about.

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 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