

IN THE MATTER OF
THE UNITED STATES BEDDING COMPANY

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

Docket 7332. Complaint, Dec. 11, 1958—Decision, June 2, 1959

Consent order requiring a manufacturer in St. Paul, Minn., to cease attaching to its mattresses, labels bearing fictitious prices, and placing in the hands of dealers for their use, newspaper mats representing falsely that some of its mattresses carried a full ten-year guarantee.

Mr. Alvin D. Edelson supporting the complaint.

Oppenheimer, Hodgson, Brown, Baer and Wolff by *Mr. Benno F. Wolff* and *Mr. John G. Robertson*, of St. Paul, Minn., for respondent.

INITIAL DECISION BY JOHN B. POINDEXTER, HEARING EXAMINER

The complaint in this proceeding alleges that the United States Bedding Company, a corporation, hereinafter referred to as respondent, has violated the Federal Trade Commission Act by illegally preticketing the mattresses it manufactures and deceptively guaranteeing them.

After issuance and service of the complaint, the respondent, its counsel and counsel supporting the complaint, entered into an agreement for a consent order. The order disposes of the matters complained about.

Under the agreement, the respondent admits the jurisdictional facts alleged in the complaint. The parties agree, among other things, that the cease and desist order there set forth may be entered without further notice and have the same force and effect as if entered after a full hearing, and the document includes a waiver by the respondent of all rights to challenge or contest the validity of the order issuing in accordance therewith. The agreement further recites that it is for settlement purposes only and does not constitute an admission by the respondent that it has violated the law as alleged in the complaint.

The hearing examiner finds that the provisions of the agreement comply with all mandatory requirements of Section 3.25 (b) of the Rules of Practice for Adjudicative Proceedings.

The hearing examiner having considered the agreement and proposed order and being of the opinion that the acceptance there-

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of will be in the public interest, hereby accepts such agreement, makes the following jurisdictional findings, and issues the following order:

JURISDICTIONAL FINDINGS

1. Respondent the United States Bedding Company is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Minnesota, with its principal office and place of business located at 558 Vandalia Street, St. Paul, Minn.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent, and the proceeding is in the public interest.

ORDER

It is ordered, That respondent the United States Bedding Company, a corporation, and its officers, and respondent's agents, representatives, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale, or distribution of mattresses or other merchandise, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing by preticketing, or in any other manner, that certain amounts are the regular or usual retail prices of their mattresses or other merchandise when such amounts are in excess of the prices at which their mattresses or other merchandise are regularly and customarily sold at retail.

2. Representing, directly or by implication, that their mattresses or other merchandise are guaranteed unless the nature of the guarantee and the manner in which the guarantor will perform are fully and clearly set forth.

DECISION OF THE COMMISSION AND ORDER TO FILE
REPORT OF COMPLIANCE

The Commission having considered the initial decision of the hearing examiner wherein he accepted an agreement containing a consent order to cease and desist executed by the respondent and counsel in support of the complaint, service of which initial decision was completed on April 30, 1959; and

It appearing that the initial decision may be deficient in that it fails to incorporate the substance of certain pertinent provisions of the agreement of the parties:

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It is ordered, That said initial decision be, and it hereby is, amended by inserting between the second and third paragraphs thereof the following paragraph:

Under the agreement, the respondent admits the jurisdictional facts alleged in the complaint. The parties agree, among other things, that the cease and desist order there set forth may be entered without further notice and have the same force and effect as if entered after a full hearing, and the document includes a waiver by the respondent of all rights to challenge or contest the validity of the order issuing in accordance therewith. The agreement further recites that it is for settlement purposes only and does not constitute an admission by the respondent that it has violated the law as alleged in the complaint.

It is further ordered, That the initial decision as so modified shall, on the 2d day of June 1959, become the decision of the Commission.

It is further ordered, That the respondent the United States Bedding Company, a corporation, 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 said initial decision.

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

Docket 6779. Complaint, Apr. 16, 1957—Decision, June 5, 1959

Order requiring Chicago mail order sellers of kitchenware to cease, in advertising in publications of wide distribution, representing fictitious and excessive amounts as usual retail prices of their cooker-fryers and electric skillets and the offered prices as reductions therefrom; misrepresenting the manufacturer of their cooker-fryer through prominent use thereon of the phrase "Westinghouse Automatic Thermostat"; and representing falsely, through the manner of use of the Good Housekeeping Guaranty Seal, that their said cooker-fryer had been awarded such seal.

Mr. John Mathias and Mr. Morton Nesmith for the Commission.

Herman & Pollak, by *Mr. William J. Welsh* and *Mr. B. L. Pollak*, of Chicago, Ill., for respondents.

INITIAL DECISION BY J. EARL COX, HEARING EXAMINER

The complaint charges that respondents have violated the Federal Trade Commission Act by making false, misleading and deceptive statements and representations in advertisements which they have used in connection with the sale and distribution in commerce of a cooker-fryer and an electric skillet.

There are four specific charges:

1. That the prices advertised as "regular value" and "suggested retail" were not the regular and customary retail prices of the products, but were greatly in excess thereof;
2. That the products were being offered at substantial reductions from the regular and customary retail prices and that such reductions constituted savings to purchasers, whereas in fact there were no reductions and no savings;
3. That by the indiscriminate use of the phrase "Westinghouse Automatic Thermostat," respondents falsely represented that their cooker-fryer was manufactured by Westinghouse Electric Corporation; and
4. That by the improper display of the Good Housekeeping Guaranty Seal, respondents falsely represented that their cooker-