

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
CROTON WATCH CO., INC., ET AL.

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

Docket 7454. Complaint, Mar. 31, 1959—Decision, Sept. 9, 1959

Consent order requiring two associated New York City watch distributors to cease attaching to their watches, tickets printed with exaggerated prices and designating fictitious amounts as "retail prices" in magazine and other advertising and in advertising mats distributed to retailers; advertising certain of their watches falsely as "Railroad" watches; representing falsely as "chrome" or "stainless steel" bezels of watches which were actually composed of base metals treated to simulate precious metals; and representing watches falsely as "fully guaranteed."

Mr. Michael J. Vitale for the Commission.

Paul, Weiss, Rifkind, Wharton & Garrison, of New York, N.Y.,
for respondents.

INITIAL DECISION BY EARL J. KOLB, HEARING EXAMINER

The complaint in this proceeding issued March 31, 1959, charges respondents Croton Watch Co., Inc., a corporation, located at 404

Fourth Avenue, New York, New York, and William C. Horowitz, Harold I. Horton and Oscar Berlan, individually and as officers of said Croton Watch Co., Inc., their address being the same as that of the corporate respondent; and Arpeggio Watch Co., Inc., a corporation, located at 404 Fourth Avenue, New York, New York, and Harold I. Horton, Oscar Berlan and Gloria Nicholson, individually and as officers of said Arpeggio Watch Co., Inc., their address being the same as that of the corporate respondent, with violation of the Federal Trade Commission Act in the sale and distribution of watches.

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.

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 Croton Watch Co., Inc., a corporation, and its officers, and William C. Horowitz, Harold I. Horton and Oscar Berlan, individually and as officers of said corporation, and Arpeggio Watch Co., Inc., a corporation, and its officers, and Harold I. Horton, Oscar Berlan and Gloria Nicholson, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of watches, or any other merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication:

(a) By preticketing, or otherwise, that any price is the usual and customary retail price of merchandise when it is in excess of the price at which said merchandise is usually and customarily sold at retail in the normal course of business;

(b) That any merchandise sold or offered for sale is guaranteed, unless the nature and extent of the guarantee and the manner in which the guarantor will perform thereunder are clearly and conspicuously disclosed;

(c) That merchandise is guaranteed when a service charge is imposed, unless the amount of such service charge is clearly set forth;

(d) That watches are railroad watches unless such watches are made to the specifications required for railroad watches;

(e) That a watchcase, or any part thereof, is chrome, when it is chrome plated.

2. Failing to reveal the true metal content of watchcases, or portions thereof, which have been treated or processed to simulate or have the appearance of precious metals.

3. Placing in the hands of others means or instrumentalities which may be used to misrepresent the usual and customary retail price of merchandise.

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 9th day

IRVING S. COHEN, INC., ET AL.

287

284

Decision

of September, 1959, become the decision of the Commission; and,