

Commission.
It is further ordered, That respondents, Nichols & Associates, Inc., Paul J. Damon and Richard W. Scott, 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 contained herein.

IN THE MATTER OF
BROTHER INTERNATIONAL CORPORATION
OF CALIFORNIA ET AL.

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

Docket 7417. Complaint, Feb. 20, 1959—Decision, Oct. 21, 1959

Consent order requiring a Los Angeles, Calif., sewing machine distributor to cease pricing its merchandise fictitiously and supplying retail customers with deceptive contests involving worthless "prizes"; supplying retailers with material for conducting so-called contests to be published in newspapers and periodicals with "checks" or "certificates" given to all entrants regardless of correctness of answer and used solely as leads to prospective purchasers of its sewing machines, with the amount of the "check" added to the regular retail price in advance; and representing fictitious and inflated prices as the usual retail prices of their machines.

Mr. Edward F. Downs supporting the complaint.

Mr. David S. Kane, of *Kane, Dalsimer and Kane*, of New York, N.Y., for respondents.

INITIAL DECISION BY JOHN B. POINDEXTER, HEARING EXAMINER

On February 20, 1959, the Federal Trade Commission issued its complaint charging that the above named respondents had violated the provisions of the Federal Trade Commission Act. The complaint alleged that respondents, for the purpose of inducing the purchase of their sewing machines, had used false, misleading and deceptive statements, representations and practices.

After issuance and service of the complaint, Brother International Corporation of California, a corporation, and its officers, and Max

Hugel, Bernard J. Etzin and Roy Nakagawa, individually and as officers of said corporation, hereinafter referred to as respondents, their counsel and counsel supporting the complaint, entered into an agreement for a consent order. The agreement has been approved by the Director and Assistant Director of the Bureau of Litigation and disposes of the matters complained about.

The complaint was not served on respondent Max H. Redlich and since this respondent has had no connection in any capacity with respondent Brother International Corporation of California for approximately two years, the complaint is therefore dismissed as to respondent Max H. Redlich.

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 manner provided by statute for other orders; respondents waive any right to challenge or contest the validity of the order entered in accordance with the agreement and the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint.

The undersigned hearing examiner having considered the agreement and proposed order and being of the opinion that the acceptance thereof will be in the public interest, hereby accepts such agreement, makes the following jurisdictional findings, and issues the following order:

JURISDICTIONAL FINDINGS

Respondent Brother International Corporation of California is a corporation existing and doing business under and by virtue of the laws of the State of California, with its office and principal place of business located at 1058 South Flower Street, Los Angeles 15, California.

Respondents Max Hugel, Bernard J. Etzin and Roy Nakagawa are individuals and officers of the corporate respondent, Brother International Corporation of California.

Decision

56 F.T.C.

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 the respondents Brother International Corporation of California, a corporation, and its officers, and Max Hugel, Bernard J. Etzin, and Roy Nakagawa, 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 sewing machines, or other merchandise, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing or assisting the retailers of their sewing machines, by supplying materials, or otherwise, to represent any promotional plan for obtaining "leads" to prospective purchasers is a contest unless the winners or recipients of awards or prizes are all selected on the basis of the correctness of their answers.

2. Representing that awards or prizes are of a certain value or worth unless in using such awards or prizes the recipients thereof are benefited by, or save the amount of, the stated value or worth of such prizes or awards.

3. Representing directly or by implication, or placing in the hands of others, the means and instrumentalities whereby they are enabled to represent, directly or by implication that a stated price is the regular and usual retail price of respondents' sewing machines when such sewing machines are regularly and usually sold at retail at lesser prices without a trade-in or without a certificate or other award entitling the purchaser to reduction in price.

It is further ordered, That the complaint be, and the same hereby is, dismissed as to respondent Max H. Redlich.

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 21st day of October, 1959, become the decision of the Commission; and, accordingly:

It is ordered, That respondents Brother International Corporation of California, a corporation and its officers, and Max Hugel, Bernard J. Etzin and Roy Nakagawa, individually and as officers of said corporation, shall within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting

