

ROYAL SEWING MACHINE CORPORATION ET AL.

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

Docket 7407. Complaint, Feb. 13, 1959—Decision, Oct. 29, 1959

Consent order requiring Brooklyn, N.Y., distributors to cease representing
falsely in advertising and instruction booklets that their vacuum cleaner

and sewing machines regularly sold at fictitiously high retail prices; that their sewing machines were advertised in "Life," "McCall's Needlework & Crafts," and other national magazines, and had been "Tested and Approved by Laboratories of Federal Testing Co., Inc., New York"; and that their products were guaranteed in every respect and covered by a bond or service insurance policy, by use of such words and expressions as "Lifetime Service Guarantee," "25 Year Guarantee Bond," etc.

Mr. Michael J. Vitale supporting the complaint.

Cowan, Liebowitz and Emanuel of New York, N.Y., for respondents.

INITIAL DECISION BY EDWARD CREEL, HEARING EXAMINER

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission on February 13, 1959, issued and subsequently served its complaint in this proceeding against the above-named respondents.

On September 3, 1959, there was submitted to the undersigned hearing examiner an agreement between respondents and counsel supporting the complaint providing for the entry of a consent order.

Under the foregoing agreement, the respondents admit 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 respondents 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 respondents that they have violated the law as alleged in the complaint.

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 having considered the agreement and proposed order, and being of the opinion that they provide an appropriate basis for settlement and disposition of this proceeding, the agreement is hereby accepted, and it is ordered that said agreement shall not become a part of the official record 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 Royal Sewing Machine Corporation and Jack Schneider, Norman Epstein and Jacob Epstein, officers of the Corporation who also trade and do business as Edison Sewing Machine Company are all located at 350 Junior Street, Brooklyn, 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 respondent Royal Sewing Machine Corporation, a corporation, and its officers, and respondents Jack Schneider, Norman Epstein and Jacob Epstein, individually and as officers of said corporation, and trading and doing business as Edison Sewing Machine Company, or trading and doing business under any other name or names, 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 vacuum cleaners, sewing machines 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) That any price is the usual and regular retail price of merchandise when it is in excess of the price at which said merchandise is usually and regularly 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 manner in which the guarantor will perform thereunder are clearly and conspicuously disclosed;

(c) That any merchandise sold or offered for sale is covered by a bond or any kind of service insurance policy;

(d) That any product has been tested or approved by Federal Testing Co. Inc.; or has been tested or approved by any other organization, when such is not the fact;

(e) That any product has been advertised in Life, McCall's Needlework & Crafts, or has been advertised in any other publication, when such is not the fact.

2. Placing in the hands of others, means or instrumentalities which may be used to misrepresent the regular and usual retail prices 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 29th day of October, 1959, become the decision of the Commission; and, accordingly:

