

IN THE MATTER OF

LESTER B. PATTERSON ET AL. DOING BUSINESS AS
SKIL-WEAVE CO. ET AL.

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

Docket 7318. Complaint, Nov. 26, 1958—Decision, Nov. 7, 1959

Order dismissing for lack of proof as to a Chicago advertising agency and an official thereof, complaint charging false advertising of a reweaving correspondence course. Respondent Skil-Weave Co. and its partners accepted a consent order effective May 20, 1959, 55 F.T.C. 1824.

Mr. John J. Mathias and *Mr. Edward F. Downs* for the Commission.

Mr. Charles F. Short, Jr., of *Brundage & Short*, of Chicago, Ill., for Grant, Schwenck & Baker, Inc., a corporation, and Paul Grant, individually and as an officer of said corporation.

INITIAL DECISION AS TO RESPONDENTS GRANT, SCHWENK & BAKER, INC., AND PAUL GRANT BY WALTER R. JOHNSON, HEARING EXAMINER

In the complaint dated November 26, 1958, the respondents Lester B. Patterson and Edythe F. Patterson, copartners trading and doing business as Skil-Weave Co., and Grant, Schwenck & Baker, Inc., a corporation, and Paul Grant, individually and as an officer of said corporation, are charged with violating the provisions of the Federal Trade Commission Act.

Hearings were held in Chicago, Illinois, on March 2 and 3, 1959, at which time testimony and evidence was offered on behalf of the Commission. The attorneys in support of the complaint did not close the case-in-chief and no testimony or other evidence was received on behalf of the respondents.

On March 4, 1959, the respondents Lester B. Patterson and Edythe F. Patterson and their attorney entered into an agreement with counsel in support of the complaint for a consent order which was accepted by the hearing examiner in an initial decision and which, with modifications, on May 20, 1959, became the decision of the Commission. The said order was further modified by the Commission on July 7, 1959.

The respondents Grant, Schwenck & Baker, Inc., and Paul Grant were not parties to the aforementioned agreement. On July 29, 1959, counsel supporting the complaint filed a motion to dismiss as to respondents Grant, Schwenck & Baker, Inc., and Paul Grant, reading:

COMES NOW counsel supporting the complaint and moves that the complaint be dismissed as to respondents Grant, Schwenck & Baker, Inc., and Paul Grant, for the following reasons:

The Commission, in its decision dated May 20, 1959, as modified by a Commission order dated July 7, 1959, has prohibited respondents Lester B. Patterson and Edythe F. Patterson, copartners trading and doing business as Skil-Weave Co., from engaging in the practices set forth in the complaint.

Two days of hearings were held in this matter for the reception of evidence in support of the charges of the complaint as to Grant, Schwenck & Baker, Inc., and Paul Grant. The record, insofar as it concerns said respondents' participation in the practices alleged in the complaint, is complete.

The record does not contain sufficient evidence to substantiate the charges against respondents Grant, Schwenck & Baker, Inc., and Paul Grant.

Additional investigation conducted subsequent to the issuance of the complaint and the aforesaid hearings has disclosed that there is not sufficient evidence available to make a record which would support a cease and desist order against the above-named advertising agency and its officer.

In view of the above, counsel supporting the complaint feels that the complaint should be dismissed as to respondents Grant, Schwenck & Baker, Inc., and Paul Grant.

Decision

56 F.T.C.

The hearing examiner considering said motion and being fully advised in the premises finds there is not sufficient evidence in the record to substantiate the charges against the respondents Grant, Schwenck & Baker, Inc., and Paul Grant.

It is ordered, That the complaint herein be, and the same hereby is, dismissed as to the respondents Grant, Schwenck & Baker, Inc., a corporation, and Paul Grant, individually and as an officer of said corporation.

DECISION OF THE COMMISSION

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 7th day of November, 1959, become the decision of the Commission.