

THE GREAT MINNEAPOLIS SURPLUS STORE, INC.,
ET AL.

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

Docket 7589. Complaint, Sept. 17, 1959—Decision, Feb. 13, 1960

Consent order requiring Minneapolis retailers of sporting goods, clothing, electrical appliances, and other commodities to cease representing falsely in

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newspaper advertising, catalogs, and other advertising media—by such typical statements as “Reg. \$14.95 . . . Insulated Underwear . . . 7.77 ea.,” “Reg. 19.95 . . . Toastmaster Toaster . . . 12.88 ea.,” “Reg. 24.95 . . . Norelco Electric Razor . . . 13.88 ea.,” etc.—that their usual prices were higher than the sale prices and that the latter were reduced, and that customers would save money by purchasing at such lower prices.

Mr. Thomas A. Ziebarth for the Commission.

Sachs, Karlins, Grossman & Karlins, by *Mr. Arnold A. Karlins*, of Minneapolis, Minn., for respondents.

INITIAL DECISION BY EDGAR A. BUTTLE, HEARING EXAMINER

On September 17, 1959, the Federal Trade Commission issued its complaint against the above-named respondents charging them with violating the provisions of the Federal Trade Commission Act in connection with the sale of sporting goods, clothing, electrical appliances and other commodities at retail. On November 30, 1959, the respondents and counsel supporting the complaint entered into an agreement containing a consent order to cease and desist in accordance with section 3.25(a) of the Rules of Practice and Procedure of the Commission.

Under the foregoing agreement, the respondents admit the jurisdictional facts alleged in the complaint and agree, among other things, that the cease and desist order there set forth may be entered without further notice and shall have the same force and effect as if entered after a full hearing. The agreement includes a waiver by the respondents of all rights to challenge or contest the validity of the order issuing in accordance therewith; and recites that the said agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Commission, and 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 said agreement meets all the requirements of section 3.25(b) of the Rules of Practice.

This proceeding having now come on for final consideration by the hearing examiner on the complaint and the aforesaid agreement for consent order, and it appearing that said agreement provides for an appropriate disposition of this proceeding, the aforesaid agreement is hereby accepted and is ordered filed upon becoming part of the Commission's decision in accordance with section 3.21 of the Rules of Practice; and in consonance with the terms of said agreement, the hearing examiner makes the following jurisdictional findings and order:

1. Respondent, The Great Minneapolis Surplus Store, Inc., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Minnesota with its offices and principal place of business located at 323 Nicollet Avenue, Minneapolis, Minnesota.

Individual respondents James Davis and Louis F. Davis are president, and vice president and treasurer, respectively, and have the same address as the corporate respondent.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents hereinabove named. The complaint states a cause of action against said respondents under the Federal Trade Commission Act, and this proceeding is in the interest of the public.

ORDER

It is ordered, That respondents The Great Minneapolis Surplus Store, Inc., a corporation, and its officers, and respondents James Davis and Louis F. Davis, 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 commodities in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication, that the regular prices of respondents' commodities are any amounts in excess of the prices at which such commodities have been sold by respondents in their recent regular course of business.

2. Representing, directly or by implication, that any savings are realized by purchasers of such commodities at advertised prices unless such prices constitute reductions from the prices at which such commodities have been sold by respondents in their recent regular course of business.

3. Misrepresenting in any manner the amount of savings available to purchasers of any of respondents' commodities, or the amount by which the price of any commodity is reduced from the price at which it is usually and customarily sold by respondents in the normal course of their business.

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 13th day of February, 1960, become the decision of the Commission; and, accordingly:

