

complied with the order to cease and desist.

IN THE MATTER OF
LEE RUBBER & TIRE CORPORATION

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

Docket 7595. Complaint, Sept. 24, 1959—Decision, Mar. 8, 1960

Consent order requiring a Conshohocken, Pa., distributor of automobile tires and tubes to franchised dealers for resale to the public, to cease representing falsely, in advertising in magazines of national circulation and in advertising mats and other advertising material furnished its dealers, that its premium "Ultra Deluxe" tires and its second line "Advanced Super Deluxe" were of equal quality and both were premium or first line category tires; and to disclose reduction in quality of its named tires when such was the fact.

Mr. Anthony J. Kennedy, Jr., for the Commission.

Mr. Paul Van Anda of Satterlee, Browne, Cherbonnier & Dickerson, of New York, N.Y., for respondent.

INITIAL DECISION BY HARRY R. HINKES, HEARING EXAMINER

The complaint in this matter charges the respondent with violation of the Federal Trade Commission Act in connection with the offering for sale, sale and distribution of certain motor vehicle tires and tubes.

An agreement has now been entered into by respondent and counsel supporting the complaint which provides, among other things, that respondent admits all the jurisdictional facts alleged in the complaint; that the record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and the agreement; that the making of findings of fact and conclusions of law in the decision disposing of this matter is waived, together with any further procedural steps before the hearing examiner and the Commission; that the order hereinafter set forth may be entered in this proceeding without further notice to the respondent and when entered shall have the same force and effect as if entered after a full hearing, respondent specifically waiving all the rights it may have to challenge or contest the validity of the order; that the order may be altered, modified or set aside in the manner provided for other orders; that the complaint may be used in construing the terms of the order; that the agreement is for settlement purposes only and does not constitute an admission by respondent that it has violated the law as alleged in the complaint; and that the agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Commission.

The hearing examiner having considered the agreement and proposed order and being of the opinion that they provide an adequate basis for appropriate disposition of the proceeding, the agreement is hereby accepted, the following jurisdictional findings made, and the following order issued:

1. Respondent Lee Rubber & Tire Corporation is a corporation existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business at Conshohocken, Pennsylvania.
2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent, and the proceeding is in the public interest.

ORDER

It is ordered, That respondent, Lee Rubber & Tire Corporation, a corporation, and its officers, agents, representatives, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale, and distribution of its motor vehicle

tires and tubes, 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, by the use of trade names or otherwise that respondent's tires of different category quality are of the same or equal quality.

2. Reducing the quality of motor vehicle tires so as to put them in a lower quality category without changing the trade name designation unless a clear and conspicuous disclosure is made of such reduction in quality.

3. Furnishing any means or instrumentality to others by and through which they may mislead the public, by the use of trade names or otherwise, that tires of different category quality are the same or of equal quality and by offering for sale tires of reduced quality category, bearing a trade name originally applied to a tire of higher quality category, without making a clear and conspicuous disclosure of such reduction in the quality of the said tires.

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 8th day of March, 1960, become the decision of the Commission; and, accordingly:

It is ordered. That the respondent herein shall, within sixty (60) days after service upon it of this order, file with the Commission a report in writing setting forth in detail the manner and form in which it has complied with the order to cease and desist.

IN THE MATTER OF

RECOTON CORPORATION AND G. SCHIRMER, INC.