

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

Docket 7431. Complaint, Mar. 11, 1959—Decision, May 26, 1960

Consent order requiring a Pasadena, Calif., manufacturer of loud speakers and accessories for use with electric organs to cease entering into, in State

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where such pacts were not lawful, resale price maintenance agreements with its retailer customers by which the latter agreed to sell its goods only at the prices it set out on its "suggested retail price list."

Mr. Lynn C. Paulson supporting the complaint.

Flam and Flam and *Chase Rotchford Downen & Drukker* by *Mr. Richard T. Drukker* of Los Angeles, Calif., for respondents.

INITIAL DECISION BY JOHN B. POINDEXTER, HEARING EXAMINER

The complaint in this proceeding alleges that the above-named respondents in the course and conduct of their business have violated Section 5 of the Federal Trade Commission Act by conspiring illegally with many of its retailers to hinder and restrain price competition.

After issuance and service of the complaint, the above-named respondents, their attorney, and counsel supporting the complaint entered into an agreement for a consent order. The agreement has been approved by the Director and the Associate Director of the Bureau of Litigation. The agreement disposes of the matters complained about.

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 hereby accepts such agreement, makes the following jurisdictional findings, and issues the following order:

JURISDICTIONAL FINDINGS

1. Respondent Electro Music is a corporation organized, existing and doing business under and by virtue of the laws of the State of

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California with its office and principal place of business located at 313 South Fair Oaks Avenue, Pasadena, California.

2. Respondent Donald J. Leslie is president of the corporate respondent with his office and principal place of business located at the same address as the corporate respondent.

3. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents hereinabove named and the proceeding is in the public interest.

ORDER

It is ordered, That respondents Electro Music, a corporation, and its officers, and Donald J. Leslie, individually and as an officer 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 and distribution of loud speaker units, or any other similar products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, (U.S.C. Title 15, Sec. 45) do cease and desist from:

Entering into, continuing, cooperating in or carrying out any planned course of action, agreement, understanding, combination or conspiracy with customer retailers of said respondents or with any other customer of said respondents engaged in the sale of said product or with any other person, whereby the resale price of respondents' loud speaker units or other similar products is established, fixed or agreed upon unless such contracts or agreements of that description are lawful as applied to intrastate transactions under any statute, law, or public policy now or hereafter in effect in any State, Territory, or the District of Columbia in which such resale is to be made, or to which the commodity is to be transported for such resale.

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 26th day of May, 1960, become the decision of the Commission; and, accordingly:

It is ordered, That the respondents herein 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.

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IN THE MATTER OF

LUMAR, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION AND THE WOOL PRODUCTS LABELING ACTS

Docket 7571. Complaint, Aug. 26, 1959—Decision, May 26, 1960

Consent order requiring a Dallas, Tex., manufacturer to cease violating the Wool Products Labeling Act and the Federal Trade Commission Act by labeling and invoicing as "100% reprocessed wool" and "70% reprocessed wool, 30% Man Made Fibers," interlining materials, the actual wool content of which was substantially less than so represented, and by failing in other respects to comply with labeling requirements of the Wool Act.

Mr. Charles W. O'Connell supporting the complaint.

Mr. Ellsworth A. Weinberg, of *Weinberg & Sandoloski*, of Dallas, Tex., for respondents.

INITIAL DECISION BY LEON R. GROSS, HEARING EXAMINER

On August 26, 1959, the Federal Trade Commission, pursuant to the provisions of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, issued its complaint against Lumar, Inc., a corporation, and Martin Rosenbaum, individually and as an officer of said corporation, charging said respondents with violating said Acts and the Rules and Regulations promulgated under the Wool Products Labeling Act, by misbranding certain of their wool products, and by the use on invoices and shipping memoranda of false, misleading and deceptive statements and representations as to the fiber content of said wool products. A true and correct copy of said complaint was served upon the respondents as required by law. After being served with the complaint, respondents appeared by counsel and entered into an agreement dated February 19, 1960, which purports to dispose of all of this proceeding as to all parties without the necessity of conducting a hearing. The agreement has been signed by the corporate respondent, its counsel, and by counsel supporting the complaint; and has been approved by the Director and the Assistant Director of the Bureau of Litigation of this Commission. Said agreement contains the form of a consent cease-and-desist order which the parties have agreed is dispositive of the issues involved in this proceeding as to all parties. On April 6, 1960, the said agreement was submitted to the above-named hearing examiner for his consideration, in accordance with §3.25 of the Commission's Rules of Practice for Adjudicative Proceedings.