

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 27th day of June, 1961, become the decision of the Commission; and, accordingly:

It is ordered, That respondents Revillon Wholesale, Inc., a corporation, and Abraham Grauer, Herman Grauer, Jacques Haran, Marty Weinstein, and Peter Wensel, erroneously named in the complaint as Peter Wenzel, 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.

IN THE MATTER OF
ILLINOIS MEN'S APPAREL CLUB, INC., ET AL.

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

Docket 8115. Complaint, Sept. 15, 1960—Decision, June 28, 1961

Consent order requiring an association of over 300 sales representatives of manufacturers and distributors, and more than 300 retailers, of men's and boys' clothing, and a second nationwide association of over 2000 retailers of the same products, to cease their planned common course of action to discourage sales of branded products to catalog and discount houses, in pursuance of which they held meetings to discuss ways and means; maintained surveillance of all catalog and discount houses to detect the appearance of branded products; reported and publicized to the membership names of manufacturers or distributors whose branded products were thus detected; sent letters to said manufacturers or distributors requesting information as to their policy regarding such sales; and urged retailer members to threaten such manufacturers and distributors with discontinuance of their patronage unless the sales were discontinued; with the result that the manufacturers and distributors discontinued sales of branded products to catalog and discount houses and competition was unreasonably lessened.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that the parties named in the caption, and as more fully described in PARAGRAPHS ONE to SEVEN, hereof, hereinafter referred to as respondents, have violated the provisions of Section 5 of said Act, and it appear-

ing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Illinois Men's Apparel Club, Inc., hereinafter referred to as Illinois MAC, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois and has its office and principal place of business at 14 East Jackson Boulevard, Chicago, Illinois.

Illinois MAC is an association composed of sales representatives of manufacturers or distributors of men's and boys' clothing and furnishings and retailers engaged in the sale at retail of said products. The association, originally incorporated in Illinois on January 29, 1913, as the Illinois Retail Clothiers' Association, changed its name to that shown above by Articles of Amendment filed on April 27, 1944.

The principal purpose of the association is "to promote in every way possible, the interests of the men's and boys' clothing and furnishings business in the State of Illinois." Its membership, as of 1957, consisted of more than 300 retailers registered in their own firm names and more than 300 sales representatives, registered in their own individual names.

Respondent Pauline Day, individually and as Executive Secretary of Illinois MAC, has her place of business in the corporate offices located at 14 East Jackson Boulevard, Chicago, Illinois, and is responsible for the administration of the association's affairs including the dissemination to members, and others, of bulletins, notices and other information relative to the activities initiated, adopted or approved by the officers and directors of said association.

PAR. 2. The parties respondent, named in the caption hereof individually and as officers and directors of Illinois MAC served in those capacities during 1957 and they, as well as their predecessors and successors, directed, controlled and were responsible for the policies, acts and practices of said corporate respondent including those hereinafter alleged as subject of this complaint.

The membership of Illinois MAC consisting of retailers and sales representatives was, and is, so large, as hereinbefore alleged, as to make it impracticable to specifically name each member as a party respondent herein. The officers and directors of the corporate respondent consist of retailers and sales representatives and as such their interests are and have been co-extensive with the interests of the other members of the respective classes. The entire membership can be adequately represented by those named as representatives and,

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therefore, those members not named specifically are made parties respondent herein as though they had been made individually.

PAR. 3. The parties respondent named in the caption hereof individually, as officers, directors and representatives of the entire membership of Illinois MAC, were, during 1957, and are now, variously located as follows:

Joseph D. Grundwag, Champion Pants Mfg. Co., Inc., 832 Merchandise Mart, Chicago 54, Ill.
 Nathan Jonas, Morris B. Sachs, Inc., 6638 S. Halsted St., Chicago 21, Ill.
 Jack M. Dreyfus, Lubell Bros., 1431 Lytton Bldg., Chicago 4, Ill.
 Myles Spaulding, Spaulding's, 110 N. Marion, Oak Park, Ill. [Officer and Lifetime Director]
 William J. Bork, The Frank H. Lee Co., Disney Hats, Inc., 914 Palmer House, Chicago 90, Ill. [Officer and Lifetime Director]
 Ed Freeman, Benson Rixon Co., 230 S. State St., Chicago, Ill.
 George Benson, Benson Rixon Co., 230 S. State St., Chicago, Ill.
 Morley Bernhardt, Bernhardt, Inc., 202 S. Main St., Rockford, Ill.
 Henry W. Bolt, Capper, 1 N. Wabash Ave., Chicago, Ill.
 Jimmy Finkel, Majestic Stores, Inc., 4701 N. Broadway, Chicago 40, Ill.
 Frank A. Herbert, Herbert's, 18 Public Square, Macomb, Ill.
 Jack Hodnett, Al Baskin, Cass & Ottawa, Joliet, Ill.
 Leo Hyman, M. Hyman & Son, 215 N. Clark St., Chicago 1, Ill.
 Joe Miller, Boynton, Richards Co., 107 First St., Dixon, Ill.
 David Peppercorn, Mandel Bros., State & Madison, Chicago, Ill.
 Ernest O. Reaugh, Toggery, Inc., 209 W. 2nd St., Kewanee, Ill.
 Dick Roberts, Roberts Brothers, 523 E. Washington, Springfield, Ill.
 Stanley Salzenstein, The Schradzki Co., 213 S. Adams, Peoria 15, Ill.
 Joseph J. Farber, Campus Sweater & Sportswear Co., 2231 E. 67th St., Apt. 12D, Chicago, Ill.
 Perry Franks, Thomson Tailored Slacks, 5036 Conrad St., Skokie, Ill.
 Herbert Johnson, Happ Bros. Co., Inc., 7022 N. Medford, Chicago 30, Ill.
 John Paul Jones, Esquire Socks, 2532 W. Gunnison, Chicago 25, Ill.
 Gene Judd, Anson Men's Jewelry, 904 Lytton Bldg., Chicago 4, Ill.
 Wally Koranda, Cricketeer, 6618 S. Hermitage, Chicago 36, Ill.
 Mac Lewis, Esquire Sportswear Co., 200 5th Ave., New York 10, New York.
 Vince McDonald, H. A. Seinsheimer Co., 1101 Lytton Bldg., Chicago 4, Ill.
 Robert D. Newell, Nunn Bush Shoe Co., 1321 Elmwood Ave., Deerfield, Ill.
 Irving Rosenthal, Wembley, Inc., 866 Merchandise Mart, Chicago 54, Ill.
 Al Sobel, Lido Shirt Corp., 29570 Gilchrist, Farmington, Mich.
 Jerry Solomon, Petrocelli Clothes, 1406 Lytton Bldg., Chicago 4, Ill.
 Bill Doran, W. B. Doran Co., 109 N. Main St., Rockford, Ill.
 Ed Farrell, Mallory Hat Co., 6422 N. Magnolia, Chicago, Ill.
 Michael G. Gottlieb, Merrill-Sharpe, Ltd., 16 Island Ave., Belle Isle, Miami Beach, Fla.
 A. E. Kerger, Plant-Kerger Co., 175 E. Court Street, Kankakee, Ill.
 Albert Myers, Myers Brothers, 5th & Washington, Springfield, Ill.
 "Deke" Ridenour, Baskin Clothing, 137 S. State St., Chicago, Ill.
 Ed Ryan, E. J. Ryan, 2368 E. 71st St., Chicago 49, Ill.
 Frank Scharfenberg, Scharfenberg Brothers, 201 Main St., Streator, Ill.

Sol S. Schneider, The Joseph & Feiss Co., Season Skipper, Inc., 1603 Lytton Bldg., Chicago 4, Ill.

Harry J. Tickner, Botany Brands, Inc., 892 Merchandise Mart, Chicago 54, Ill.

PAR. 4. Respondent National Association of Retail Clothiers and Furnishers, hereinafter referred to as N.A.R.C.F., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Iowa and has its office and principal place of business at 1257 Munsey Trust Building, Washington 4, D.C.

N.A.R.C.F. is an association of retailers, registered in their own firm names, with places of business located throughout the United States. During 1957 the association had more than 2,000 members. The principal purpose of the association is, and has been, the advancement of the interests of its members in the men's and boys' retail clothing and furnishing goods business.

Respondent Louis Rothschild, individually and as Executive Director of N.A.R.C.F. has his place of business in the corporate office located at 1257 Munsey Trust Building, Washington 4, D.C., and is responsible for the administration of the association's affairs, including the dissemination to members, and others, of bulletins, notices and other information relative to the activities initiated, adopted or approved by the officers and directors of said association.

PAR. 5. The parties respondent, named in the caption hereof, individually, as officers and directors, as representative of all officers and directors and as representative members of the entire membership of N.A.R.C.F. served in those capacities during 1957 and they, as well as their predecessors and successors, directed, controlled and are responsible for the policies, acts and practices of said corporate respondent including those hereinafter alleged as subject of this complaint.

The membership of N.A.R.C.F. is, and during 1957 was, so large, as hereinbefore alleged, as to make it impracticable to specifically name each member as a party respondent herein. The officers and directors of said corporate respondent are, and, during the entire period of time mentioned herein, were retailers of men's and boys' clothing and furnishings and as such their interests are and have been co-extensive with the interests of the other officers, directors and members. The entire membership can be adequately represented by those named as representatives and therefore those officers, directors and members not specifically named are made parties respondent herein as though they had been named individually.

PAR. 6. The parties respondent named in the caption hereof, individually, as officers and directors, as representative of all officers and directors, and as representative members of the entire membership

of N.A.R.C.F., were, during 1957, and are now, variously located as follows:

Harry Clarke, Clarke's, 317 S. Main, Tulsa, Okla.
 Herman Rapoport, The Quality Shop, 309 High, Portsmouth, Va.
 John W. Swanson, Nebraska Clothing Co., 1416 Farnam, Omaha, Nebr.
 Gerald D. Grosner, 4545 Connecticut Ave., N.W., Washington, D. C.
 Harry C. O'Brien, Thos. O'Brien & Sons, 23 Riverdale Ave., Medford, Mass.
 B. C. Stephany, K. Katz & Sons, 7 E. Baltimore, Baltimore, Md.
 Will H. Melet, Will H. Melet Co., 120 S. 3d, Clarksburg, W. Va.
 Mervin A. Blach, Blach's, 1928 3rd Ave. N., Birmingham, Ala.
 John P. Heavenrich, Whaling's, 520 Woodward, Detroit, Mich.
 Henry S. Loeb, Alex Loeb, 2115 5th, Meridian, Miss.
 H. M. Bacon, W. M. Bacon & Co., Bridgeton, N. J.
 Oby T. Brewer, George Muse Clothing Co., 52 Peachtree, N.W., Atlanta, Ga.
 Robert Brill, Brill's, 712 N. 5th, Milwaukee, Wis.
 R. E. Collons, Collons, The Store for Men, 419 Madison, Jefferson City, Mo.
 Albert N. Elmer, M. Levy Co., 429 Milam, Shreveport, La.
 George M. Epstein, Bell Clothing House, 5600 6th Ave., Kenosha, Wis.
 Robert E. Feineman, Feineman Brothers, 1 S. Main, Rochester, N. H.
 Jerome K. Harris, Frank Brothers, 113 Alamo Plaza, San Antonio, Tex.
 Samuel B. Hirshowitz, The Hub, 26 S. Main, Wilkes-Barre, Pa.
 Otis C. Johnston, Jr., Wright-Johnston, Inc., 1330 Main, Columbia, S.C.
 Samuel Levy, David Richard, 3059 M Street, N.W., Washington, D. C.
 Charles R. Linville, Hine-Bagby Co., 412 N. Trade, Winston-Salem, N. C.
 Robert Margolis, The Metropolitan, 126 N. Main, Dayton, Ohio.
 Albert M. Myers, Myers Brothers, 101 S. 5th St., Springfield, Ill.
 Lawson H. Riley, M. McInerny, Ltd., Corner of Fort & Merchant, Honolulu, Hawaii.
 Herman Stern, Straus Clothing Co., Valley City, N. D.
 Richard Stockton, N.A.R.C.F. Young Men's Group, 854 Sylvan Rd., Winston-Salem, N. C.
 Jackson C. Stromberg, Stromberg's, 224 Central Ave., S.W., Albuquerque, N. M.
 Robert B. Underwood, Berry Burk Co., 525 E. Grace St., Richmond, Va.
 Bernard Wien, Juster Brothers, 37 S. 6th St., Minneapolis, Minn.
 James K. Wilson, Jr., J. K. Wilson Co., 1513 Main Street, Dallas, Tex.

PAR. 7. Respondent Larry J. Piras, individually and as Secretary and Manager of N.W. Buyers and Jobbers, Incorporated, during 1957, had his principal office and place of business located at 186 East Fourth Street, Saint Paul 1, Minnesota.

N.W. Buyers and Jobbers, Incorporated, during 1957 was an association with a membership of 200 leading clothiers of Minnesota, North and South Dakota, Iowa and Wisconsin. Larry J. Piras was responsible for adopting, assisting, aiding and abetting the respondents Illinois MAC and N.A.R.C.F., their officers, directors and members in the acts and practices hereinafter described.

PAR. 8. The said respondents hereinbefore named and described, and each of them, and others not specifically named herein, during the period of time, to wit, from on or about January 1, 1957 to the

date of this complaint, have entered into an agreement or common understanding, combination and conspiracy with each other and with other persons, to hinder and suppress the interstate sale and distribution of men's and boys' clothing and furnishings by manufacturers or distributors of said products, with places of business located in many states of the United States, to customers located, or engaged in the sale of said products to consumers, located in the State of Illinois and other states.

The articles of men's and boys' clothing and furnishings are so numerous that for convenience they will hereinafter be referred to as "products." Said products are variously referred to as "branded", "private brand" or "unbranded."

A "branded" product is one which is identified with the trade name of the manufacturer or distributor and has gained general recognition by reason of extensive institutional and other type advertising sponsored by the manufacturer or distributor.

A "private brand" product is one which bears the trade name of the customer.

An "unbranded" product is one which, although sold by the manufacturer of a similar "branded" product, is unidentified as to source of manufacture.

"Branded" products are generally preferred by those who sell to consumers since such merchandise is recognized and more readily accepted by greater numbers of the consuming public.

PAR. 9. Prior to the time mentioned herein, to wit, on or about January 1, 1957, many manufacturers or distributors of the aforesaid products sold and shipped, or caused to be shipped, said products in interstate commerce to various classes of customers including the retailer members of Illinois MAC and N.A.R.C.F. and to catalog and discount houses located in the State of Illinois and other states.

A "catalog house" is one which solicits the sale of products depicted in a catalog periodically published and disseminated to consumers and others by mail or otherwise. In some instances, products depicted are offered for sale at or about the usual retail price and in some instances sales are made through such medium at less than the usual retail price. The latter class is sometimes referred to as a "discount catalog."

"Discount houses" are retailers engaged in the sale of products to customers, usually consumers, at prices which are less than the usual retail price.

Many of the catalog and discount houses during all times mentioned herein were, or except for the acts and practices hereinafter

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alleged would have been, in competition with the retailer members of Illinois MAC and N.A.R.C.F. in the sale of branded products to consumers located in the State of Illinois and other states.

PAR. 10. Commencing sometime prior to January 21, 1957, the retailer members of Illinois MAC became aware of, and alarmed at, the increasing sales of branded products to and through catalog and discount houses by manufacturers or distributors from whom said retailer members purchased their products.

During the course of a meeting of the Board of Directors of Illinois MAC, on January 21, 1957, "the urgency of action by the Illinois Men's Apparel Club to confront the problem of men's and boys' apparel being sold through catalog houses . . ." was brought to the attention of the Board. After discussion it was determined that "the matter of selling of branded merchandise through catalog houses be brought to the attention of the National Association of Men's Apparel Clubs [hereinafter referred to as NAMAC] and the National Association of Retail Clothiers and Furnishers [respondent N.A.R.C.F.] in the form of a formal resolution."

NAMAC is an affiliated group of clubs or associations of traveling salesmen. It is comprised of 28 regional and state clubs, including Illinois MAC, located throughout the United States.

Individually and collectively the membership of NAMAC and N.A.R.C.F. constitute a large, important and influential segment of the industry engaged in the manufacture, sale and distribution and ultimate sale at retail, of men's and boys' clothing and furnishings.

PAR. 11. A committee, chosen for the purpose, adopted the following resolution to be presented to NAMAC and N.A.R.C.F.:

Whereas, it has been called to the attention of the respective members of the Illinois Men's Apparel Club; and

Whereas, subsequent investigation by individual members has indicated that many branded men's and boys' ware lines are being offered through catalog houses without the observance of selling through established retail stores; and

Whereas, that situation is becoming more aggravated almost daily, and, therefore, detrimental to our individual independent retailers and sales representatives; and

We deem it advisable and in fact necessary that attention should be focused on this matter and that a course of procedure be recommended and adopted for the protection and preservation of our independent individual retailers and representative wholesale salesmen.

The resolution was presented to, and unanimously adopted by, the Board of Directors of NAMAC on February 16, 1957.

PAR. 12. In furtherance of the objective of their resolution in regard to sales of branded products to catalog houses, the members of Illinois MAC were encouraged by their officers and directors

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to, and did, maintain constant surveillance of catalogs and to report to respondent Pauline Day the names and dates of catalogs, together with the brand names of products appearing therein.

Respondent Day compiled the information thus received in bulletins which were disseminated to the members of Illinois MAC and others.

The Board of Directors of N.A.R.C.F. approved the activities of Illinois MAC and pledged its full support. Thereafter N.A.R.C.F. through its executive director, respondent Louis Rothschild, by means of bulletins to its members and others, including respondent Larry J. Piras, and direct mail to manufacturers or distributors of branded products appearing in catalogs, aided and abetted respondent Illinois MAC in its efforts to discourage sales of branded products to catalog houses.

Respondent Larry J. Piras adopted and joined in the activities of respondents Illinois MAC and N.A.R.C.F. by furnishing the names and copies of catalogs wherein branded products appeared and by dissemination of bulletins to the members of N. W. Buyers and Jobbers, Inc. and others wherein the aims and objectives of the concerted action of Illinois MAC and N.A.R.C.F. were disseminated.

PAR. 13. The respondents, pursuant to their understanding, agreement and combination to cause manufacturers or distributors of branded products to discontinue sales of said branded products to catalog and discount houses, have engaged in a common course of action designed to effectuate said purpose.

Illustrative of the acts and practices engaged in by the respondents, or some of them with the approval of all others, were the following:

1. Meetings were held to discuss ways and means to force manufacturers or distributors to discontinue such sales;
2. Respondents, including those not specifically named, and others were urged to, and did, maintain constant surveillance of all catalog and discount houses to detect the appearance of branded products;
3. Names of manufacturers or distributors whose branded products were detected in catalogs and in discount houses were reported and publicized by bulletin or otherwise to the entire membership of the corporate associations, their affiliates and others;
4. Letters were sent, by the corporate respondents, to said manufacturers or distributors requesting information as to their policy regarding such sales;
5. Retailer members of the corporate respondents and others were urged and encouraged to, and did, write to the manufacturers

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or distributors threatening to discontinue their purchases unless such sales were discontinued.

PAR. 14. The retailer members of Illinois MAC and N.A.R.C.F. as customers or prospective customers of manufacturers or distributors of branded products generally and those specifically contacted as related in Paragraph Thirteen and the respondent associations, together with their affiliates and others, represented a large and influential segment of the men's and boys' clothing and furnishings industry.

The result of said agreement or understanding, combination and conspiracy and the acts and practices performed thereunder pursuant to a common course of action by the respondents as hereinbefore set forth, has been, and now is:

- 1) To cause manufacturers or distributors to discontinue sales of branded products to catalog and discount houses;
- 2) To prevent and hinder manufacturers or distributors of said products from selling or attempting to sell their products in interstate commerce to catalog and discount houses;
- 3) To prevent the operators of catalog and discount houses from purchasing their requirements of branded products in interstate commerce from the manufacturers or distributors thereof;
- 4) To eliminate competition between operators of catalog and discount houses and retailers, including members of the corporate respondents, in the sale at retail of branded products;
- 5) To deprive consumers of the opportunity of purchasing branded products from catalog or discount houses;
- 6) To place, in the hands of respondents, control over the business practices of manufacturers or distributors of branded products;
- 7) To deprive manufacturers or distributors of branded products their right to choose their own customers;
- 8) To unreasonably lessen, eliminate and suppress competition in the sale, at retail, of branded products in the State of Illinois and elsewhere; and
- 9) To obstruct the natural flow of commerce in the channels of interstate trade in branded products and to place an undue burden upon such commerce.

PAR. 15. The agreement or understanding, combination and conspiracy and concerted acts and practices performed pursuant thereto by said respondents, or some of them, with the knowledge and acquiescence of all others as hereinbefore alleged, are all to the prejudice of the public and constitute unfair methods of competition and unfair acts and practices in commerce within the intent and meaning of Section 5 of the Federal Trade Commission Act.

Mr. Peter J. Dias supporting the complaint.

Winston, Strawn, Smith & Patterson, of Chicago, Ill., by *Mr. John Donovan Bixler*, for Illinois Men's Apparel Club, Inc.

Mr. Louis Rothschild, of Washington, D.C., for National Association of Retail Clothiers and Furnishers, and others.

INITIAL DECISION BY EDWARD CREEL, HEARING EXAMINER

The complaint in this proceeding issued September 15, 1960, charges respondents Illinois Men's Apparel Club, Inc., a corporation, Pauline Day, individually and as Executive Secretary of Illinois Men's Apparel Club, Inc., and Joseph D. Grundwag, Nathan Jonas, Jack M. Dreyfus, Myles Spaulding, William J. Bork, Ed Freeman, George Benson, Morley Bernhardt, Henry W. Bolt, Jimmy Finkel, Frank A. Herbert, Jack Hodnett, Leo Hyman, Joe Miller, David Peppercorn, Ernest O. Reaugh, Dick Roberts, Stanley Salzenstein, Joseph J. Farber, Perry Franks, Herbert Johnson, John Paul Jones, Gene Judd, Wally Koranda, Mac Lewis, Vince McDonald, Robert D. Newell, Irving Rosenthal, Al Sobel, Jerry Solomon, Bill Doran, Ed Farrell, Michael G. Gottlieb, A. E. Kerger, Albert Myers, "Deke" Ridenour, Ed Ryan, Frank Scharfenberg, Sol S. Schneider, and Harry J. Tickner, individually, as officers, directors and representatives of the entire membership of Illinois Men's Apparel Club, Inc.; National Association of Retail Clothiers and Furnishers, a corporation, Louis Rothschild, individually and as Executive Director of National Association of Retail Clothiers and Furnishers, and Harry Clarke, Herman Rapoport, John W. Swanson, Gerald D. Grosner, Harry C. O'Brien, B. C. Stephany, Will H. Melet, Mervin A. Blach, John P. Heavenrich, Henry S. Loeb, H. M. Bacon, Oby T. Brewer, Robert Brill, R. E. Collons, Albert N. Elmer, George M. Epstein, Robert E. Feineman, Jerome K. Harris, Samuel B. Hirshowitz, Otis C. Johnston, Jr., Samuel Levy, Charles R. Linville, Robert Margolis, Albert M. Myers, Lawson H. Riley, Herman Stern, Richard Stockton, Jackson C. Stromberg, Robert B. Underwood, Bernard Wien, and James K. Wilson, Jr., individually, as officers and directors, as representative of all officers and directors, and as representative members of the entire membership of National Association of Retail Clothiers and Furnishers; and Larry J. Piras, individually and as Secretary and Manager of N. W. Buyers and Jobbers, Incorporated, with conspiring to boycott sellers who sell men's and boys' clothing and furnishings to catalog and discount houses, in violation of Section 5 of the Federal Trade Commission Act.

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By order of March 17, 1961, the complaint herein was dismissed against individual respondent, A. E. Kerger (deceased). The word "respondents" as hereinafter used does not include A. E. Kerger. Respondent Illinois Men's Apparel Club, Inc., is referred to in the complaint and hereinafter as Illinois MAC, and respondent National Association of Retail Clothiers and Furnishers is referred to in the complaint and hereinafter as N.A.R.C.F.

On March 16, 1961, there was submitted to the hearing examiner an agreement between the above-named respondents and counsel supporting the complaint providing for the entry of a consent order.

Under the terms of the 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. In consonance with the terms of said agreement, the hearing examiner finds that the Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents named herein and issues the following order:

ORDER

It is ordered, That respondent Illinois Men's Apparel Club, Inc., a corporation, its officers, representatives, agents, employees, successors and assigns; respondent Pauline Day, individually and as Executive Secretary of Illinois MAC, her successors and assigns; and respondents:

Officers: Joseph D. Grundwag, President; Nathan Jonas, Retail Vice President; Jack M. Dreyfus, Salesman Vice President; Myles

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Spaulding, Treasurer; William J. Bork, Secretary, and Ed Freeman, Chairman of the Board;

Directors: George Benson; Morley Bernhardt; Henry W. Bolt; Jimmy Finkel; Frank A. Herbert; Jack Hodnett; Leo Hyman; Joe Miller; David Peppercorn; Ernest O. Reaugh; Dick Roberts; Stanley Salzenstein; Joseph J. Farber; Perry Franks; Herbert Johnson; John Paul Jones; Gene Judd; Wally Koranda; Mac Lewis; Vince McDonald; Robert D. Newell; Irving Rosenthal; Al Sobel; Jerry Solomon; William J. Bork; Bill Doran; Ed Farrell; Michael G. Gottlieb; Albert Myers; "Deke" Ridenour; Ed Ryan; Frank Scharfenberg; Sol S. Schneider; Miles Spaulding, and Harry J. Tickner, acting in their individual capacities, or as members, officers or directors of Illinois MAC, their successors and assigns, or each and all of them, acting by or through officers, agents, employees or members of Illinois MAC; respondent National Association of Retail Clothiers and Furnishers, a corporation, its officers, representatives, agents, employees, successor and assigns; respondent Louis Rothschild, individually and as Executive Director of National Association of Retail Clothiers and Furnishers, his successors and assigns; and respondents:

Officers: Harry Clarke, President; Herman Rapoport, Vice President; John W. Swanson, Vice President; Gerald D. Grosner, Treasurer; Harry C. O'Brien, Regional Vice President; B. C. Stephany, Regional Vice President; Will H. Melet, Regional Vice President; Mervin A. Blach, Regional Vice President; John P. Heavenrich, Regional Vice President, and Henry S. Loeb, Regional Vice President;

Directors: H. M. Bacon; Oby T. Brewer; Robert Brill; R. E. Collons; Albert N. Elmer; George M. Epstein; Robert E. Feineman; Jerome K. Harris; Samuel B. Hirshowitz; Otis C. Johnston, Jr.; Samuel Levy; Charles R. Linville; Robert Margolis; Albert M. Myers; Lawson H. Riley; Herman Stern; Richard Stockton; Jackson C. Stromberg; Robert B. Underwood; Bernard Wien, and James K. Wilson, Jr., acting in their individual capacities, or as members, officers or directors of N.A.R.C.F., their successors and assigns, or each and all of them acting by or through officers, agents, employees or members of N.A.R.C.F. and respondent Larry J. Piras, individually and as Secretary and Manager, N. W. Buyers and Jobbers, Incorporated, his successors and assigns, directly or indirectly, or through any corporate or other device, in or in connection with the offering for sale, sale and distribution by sellers to catalog houses

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or to any other customer or class of customers of products, branded or otherwise, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from, directly or indirectly, doing, performing, continuing, cooperating, participating or engaging in or carrying out any understanding, agreement, or combination to restrain trade, competition and interstate commerce, or a planned common course of action between or among any two or more of said respondents, or between any one or more of them and another or others not parties hereto, to do or perform any of the following acts or practices:

1. Holding meetings to discuss ways and means to force sellers to discontinue sales of branded or any products to catalog houses or any other customer or class of customers specified by respondents.
2. Policing the selling practices of sellers by maintaining surveillance of the places of business, catalogs or other literature, of customers of said sellers, or in any other manner, for the purpose or with the effect of boycotting or threatening to boycott those sellers who offer to sell, sell, or refuse to discontinue sales to catalog houses, or any other customer or class of customers specified by the respondents.
3. Recording, publishing, or disseminating or causing the recording, publication or dissemination to members of the respondent associations or other retailers, wholesalers or manufacturers, the names of sellers who sell branded or any other products to catalog houses, or any other customer or class of customers not approved by the respondents, for the purpose or with the effect of blacklisting said sellers.
4. Influencing, or attempting to influence, sellers of branded or any other products in their sales to, attempts to sell to, or other business negotiations with, catalog houses, or any other customer or class of customers specified by respondents.
5. Boycotting, or threatening to boycott, sellers of branded or other products who sell, or fail or refuse to cease selling, to catalog houses or to any other customer or class of customers, or who fail or refuse to adhere to sales policies recommended, urged or dictated by respondents.
6. Preventing, or attempting to prevent, catalog houses or any other customer or class of customers from purchasing their requirements of branded or other products in interstate commerce from sellers thereof.
7. Eliminating, lessening, suppressing, or attempting to eliminate, lessen or suppress, competition between the retailer members of re-

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spondent associations and catalog houses, or any other customer or class of customers, in the sale at retail, or otherwise, of branded or other products, of said sellers.

8. Engaging in any act or practice which deprives a seller of its right to independently choose to sell to, or otherwise negotiate with, catalog houses, or any other customer or class of customers, prospective or otherwise, or to form its own sales policies.

9. Depriving or attempting to deprive consumers of their choice of source of supply of branded or other products by foreclosing or attempting to foreclose catalog houses, or any other customer or class of customers, from purchasing their supplies from sellers thereof.

It is further ordered, That the complaint be dismissed as to the individual respondents in their alleged capacities as representatives of the entire membership and as representatives of other officers and directors of the respective corporate respondents.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

The Commission having considered the hearing examiner's initial decision herein, filed March 22, 1961, accepting an agreement containing a consent order theretofore executed by respondents and counsel in support of the complaint; and

It appearing that the first name of respondent Myles Spaulding is erroneously spelled "Miles" in the order to cease and desist contained in the initial decision; and

The Commission being of the opinion that this departure from the agreement of the parties should be corrected:

It is ordered, That the initial decision of the hearing examiner be, and it hereby is, modified by striking the name "Miles" from the twelfth line on page four of the initial decision and substituting therefor the name "Myles".

It is further ordered, That the initial decision, as so modified, shall, on the 28th day of June, 1961, become the decision of the Commission.

It is further ordered, That the respondents named in the order to cease and desist contained in said initial decision 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 said order to cease and desist.

Complaint

58 F.T.C.

IN THE MATTER OF

STEPHEN F. SINGER TRADING AS
STAR-CREST RECORDING COMPANYCONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION ACT*Docket 8170. Complaint, Nov. 14, 1960—Decision, June 30, 1961*

Consent order requiring an individual in Los Angeles, Calif., engaged in soliciting contracts and fees for recording songs for writers and in the sale of records containing the songs, to cease using false royalty claims and other deception to obtain fees from song writers, in advertisements in magazines and newspapers, form letters, and otherwise, as in the order below specified.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that Stephen F. Singer, individually and trading as Star-Crest Recording Company, hereinafter referred to as respondent, has violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Stephen F. Singer is an individual trading and doing business as Star-Crest Recording Company, with his office and principal place of business located at 1350 North Highland Avenue, Hollywood, California.

PAR. 2. Respondent is now, and for more than one year last past has been, engaged in the solicitation of contracts and fees for the recording of songs for writers and prospective writers and in the sale and distribution of records containing, among other things, the songs of writers contracting with him. Said solicitations are made through advertisements placed in magazines, periodicals and newspapers, and through form letters and other written solicitations circulated to song writers and prospective song writers located in the various States of the United States and in the District of Columbia.

Respondent forwards contracts from his said place of business in the State of California, through the United State mail and otherwise, to song writers and prospective song writers located in the various States of the United States, other than the State of California, and in the District of Columbia. Said contracts when signed