

cision of the Commission; and, accordingly:

It is ordered, That 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
UTRECHT LINENS, INC., ET AL.

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

Docket C-53. Complaint, Dec. 27, 1961—Decision, Dec. 27, 1961

Consent order requiring a Brooklyn seller of water and oil colors, art linens, brushes, etc., to some retailers but mainly to consumers, to cease representing falsely that "list prices" higher than their sale prices were the usual retail prices and that purchasers could save the difference between the two; and that they were wholesalers selling at wholesale prices.

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 Utrecht Linens, Inc., a corporation, and Harold E. Gulamerian and Norman S. Gulamerian, individually and as officers of said corporation, hereinafter referred to as respondents, having 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 Utrecht Linens, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its principal office and place of

business located at 32—33rd Street, in the City of Brooklyn, State of New York.

Respondents Harold E. Gulamerian and Norman S. Gulamerian are officers of the corporate respondent. They formulate, direct and control the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. Their address is the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale and distribution of, among other things, water colors, art linens, brushes and oil colors to retailers for resale to the public and directly to the public.

PAR. 3. In the course and conduct of their business, respondents now cause, and for some time last past have caused, their said products, when sold, to be shipped from their place of business in the State of New York to purchasers thereof located in various other states of the United States, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. Respondents, for the purpose of inducting the purchase of their water colors and oil colors, have engaged in the practice of using the words "list price" in connection with stated amounts higher than those at which they have offered merchandise for sale thereby representing, directly or by implication, that such stated higher amounts are the usual and customary retail price of said merchandise in the trade area or areas where the representations were made and that the difference between such stated higher amounts and the price at which respondents offered said merchandise for sale represents savings from the usual and customary retail price of the merchandise. In truth and in fact, such "list prices" are fictitious and are in excess of the usual and customary retail prices for said merchandise in the trade area or areas where the representations are made and the difference between such stated higher amounts and the prices at which respondents offer said merchandise does not represent savings from the usual and customary retail prices.

PAR. 5. Respondents, in the course and conduct of their aforesaid business, have represented that they were wholesalers selling at "wholesale prices." In truth and in fact, respondents are not actually wholesalers. While they may sell to some retailers, the great majority of their sales are not for resale but are made directly to consumer-users. Respondents' so-called "wholesale price" is a fictitious designation used by them to make prospective purchasers think they are saving money.

PAR. 6. In the conduct of their business, and at all times mentioned herein, respondents have been in substantial competition, in commerce, with corporations, firms and individuals engaged in the sale of products of the same general kind and nature as that sold by respondents.

PAR. 7. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were and are true and into the purchase of substantial quantities of respondents' products by reason of said erroneous and mistaken belief.

PAR. 8. The aforesaid acts and practices of respondents, as herein alleged, were, and are, all to the prejudice and injury of the public and of respondents' competitors and constituted and now constitute unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce in violation of Section 5(a)(1) of the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the above-named respondents with violation of the Federal Trade Commission Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the complaint contemplated by said agreement, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent, Utrecht Linens, Inc., is a corporation organized, 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 located at 32 - 33rd Street, Brooklyn, in the city of New York, State of New York.

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Order

Respondents Harold E. Gulamerian and Norman S. Gulamerian are officers of said corporation, and their address is the same as that of said corporation.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That respondents, Utrecht Linens, Inc., a corporation, and its officers, and Harold E. Gulamerian and Norman S. Gulamerian, individually and as officers 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 water colors, art linens, brushes and oil colors, or any other products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using the words "list price" or any other words of similar import or meaning in connection with a stated amount higher than that at which merchandise is offered for sale by respondents when such stated higher amount is in excess of the usual and customary retail price of said merchandise in the trade area or areas where the representation is made; or representing in any other manner that any amount is the usual and customary retail price of merchandise when it is in excess of the price at which the merchandise is usually and customarily sold at retail in the trade area or areas where the representation is made;

2. Representing in any manner that savings are afforded in the purchase of merchandise from respondents from the usual and customary retail price in a trade area unless the price at which such merchandise is offered constitutes a reduction from the price at which the merchandise is usually and customarily sold at retail in the trade area or areas where the representation is made; or misrepresenting in any manner the amount of savings available to purchasers of respondents' merchandise;

3. Using the word "wholesale", or representing in any other manner that they sell at wholesale or wholesale prices, in connection with sales made at the retail level.

It is further 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 this order.

Complaint

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IN THE MATTER OF

THOMAS F. LANNIN DOING BUSINESS AS LANNIN SALES
COMPANY, ETC.CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF SEC. 2(c)
OF THE CLAYTON ACT*Docket C-54. Complaint, Dec. 27, 1961—Decision, Dec. 27, 1961*

Consent order requiring a Chicago selling agent for a number of manufacturers of automotive parts, supplies, and related products, doing business also as a wholesale distributor of such products, to cease accepting brokerage on purchases for his own account for resale, such as a commission of 7½ per cent of the sales price of oil measures, oil can spouts, and can crushers he bought for the account of his wholesale firm from the Swingspout Measure Co. for which he was a direct factory representative.

COMPLAINT

The Federal Trade Commission, having reason to believe that the respondent named in the caption hereof has been and is now violating the provisions of subsection (c) of Section 2 of the Clayton Act, as amended (U.S.C. Title 15, Sec. 13), hereby issues its complaint, stating its charges with respect thereto as follows:

PARAGRAPH 1. Respondent Thomas F. Lannin is an individual doing business as Lannin Sales Company, a sole proprietorship. He is engaged in business as a manufacturer's representative, located at 55 East 23rd Street, Chicago, Illinois. Respondent, in such capacity, acts as the selling agent or broker for a number of manufacturer sellers of automotive parts, supplies and related products, located in various States of the United States other than and including the state of Illinois. When acting as a selling agent or broker, respondent receives a brokerage or commission in varying amounts from the manufacturers so represented.

Respondent Thomas F. Lannin also does business as a wholesale distributor of automotive parts, supplies and related products as a sole proprietorship under the name Trell Company, which business is located at 2300 South Michigan Avenue, Chicago, Illinois. Respondent, in such capacity, purchases for resale substantial quantities of automotive parts, supplies and related products from many of the seller principals represented by respondent. A substantial part of these purchases are made through his brokerage concern, the Lannin Sales Company, on which purchases he receives the usual commission or brokerage.