

1. Representing, directly or by implication, that respondent is acting in the name of or with the approval of or is sponsored by any eleemosynary organization.

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

IN THE MATTER OF
OLSON RADIO CORPORATION ET AL.

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

Docket 7702. Amended Complaint, June 30, 1960—Decisions, June 26 1962

Order requiring an Akron, Ohio, corporate distributor to cease selling rebuilt television tubes containing a used "envelope" without clearly disclosing that the tubes contained used parts; and selling imported products with markings showing the foreign origin so small, or indistinct, or so placed—even entirely lacking on containers—as not to give adequate notice of foreign manufacture to purchasers; and

Consent order requiring said corporate distributor and three officials to cease making deceptive pricing, savings, and guarantee claims for their products.

AMENDED AND SUPPLEMENTAL 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 Olson Radio Corporation, a corporation, and Irving Olson, Sidney Olson and Albert Schultz, individually and as officers of said corporation, hereinafter referred to as respondents, have 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 amended and supplemental complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Olson Radio Corporation is a corporation organized, existing and doing business under and by virtue of

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the laws of the State of Ohio, with its principal office and place of business located at 260 South Forge Avenue, in the city of Akron, State of Ohio. The corporate title of this respondent was formerly Olson Radio Warehouse, Inc.

Respondents Irving Olson, Sidney Olson and Albert Schultz, are officers of the corporate respondent. They formulate, direct and control the acts, practices and policies of the corporate respondent, including the acts, practices and policies 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 sale of various articles of merchandise 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 products, when sold, to be shipped from their place of business in the State of Ohio to purchasers thereof located in various other states of the United States 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. In the course and conduct of their business, respondents, for the purpose of inducing the sale of their products, have made certain statements in their catalogs and advertising circulars mailed to prospective purchasers, of which the following are typical but not all inclusive.

Angle Wrench Set
Reg. 3.95 1.95 set

Stylus Pressure Gauge
Reg. Price 3.50 1.93

Crystal Lapel Microphone
List Price 8.95

2.95 each dealer price

Portable Mike Floor Stand
List Price 12.50 — 6.99 each

General Electric Electronic Tubes
Guaranteed for 12 months

Aluminized Picture Tubes
Factory Sealed
1 Year Guarantee

Fully guaranteed top quality picture tubes in factory sealed cartons including warranty

PAR. 5. Through the use of the aforesaid statements, and others of similar import not specifically set out herein, respondents represented, directly and by implication:

1. That the amounts listed in connection with the words "reg." and "list" were the prices at which respondents usually and customarily sold the articles of merchandise described in the advertisement in the recent course of business and that the differences between said amounts and the advertised prices represented savings from respondents' usual and customary prices.

2. That the electronic tubes described in the advertisement are guaranteed for 12 months in every respect.

3. That the television picture tubes described in the advertisement are new in their entirety.

PAR. 6. The aforesaid statements were and are, false, misleading and deceptive. In truth and in fact:

1. The amounts listed in connection with the words "reg." and "list" were in excess of the prices at which respondents had sold said merchandise in the recent regular course of business and the difference between said amounts and the prices at which said articles of merchandise were offered for sale did not constitute savings to purchasers from respondents' usual and customary retail prices.

2. Respondents do not guarantee the articles of merchandise described in the advertisement in every respect. The terms, conditions and extent to which such guarantee applies, and the manner in which the guarantor will perform thereunder are not disclosed in the advertisement.

3. The television picture tubes described in the advertisement are not new but are rebuilt tubes containing used parts.

PAR. 7. All, or certain, of the television picture tubes advertised and sold by respondents are rebuilt and contain used parts. Respondents do not disclose on the tubes or on the cartons in which they are packed, on invoices or in their advertising that they are rebuilt containing used parts.

PAR. 8. When television picture tubes are rebuilt, containing used parts, in the absence of a disclosure to the contrary, such tubes are understood to be and are readily accepted by the public as new tubes.

PAR. 9. By failing to disclose the facts set forth in Paragraph seven, respondents place in the hands of uninformed or unscrupulous dealers means and instrumentalities whereby they may mislead and deceive the public as to the nature of their said television picture tubes.

PAR. 10. Among the articles of merchandise offered for sale and sold by respondents are numerous products made in several foreign countries and imported into the United States. Certain of these products

are enclosed in various types of packages or cartons. While all of the products are marked showing the country of origin, some of said markings are so small and indistinct, or so placed that they do not give or constitute adequate notice as to the country of origin. The cartons in which some of said products are packaged are not marked to show the country of origin of the product and others are not marked in such a manner as to give or constitute adequate notice of the country of origin of the product.

PAR. 11. A substantial portion of the purchasing public has a preference for products of domestic manufacture or origin as distinguished from products of foreign manufacture or origin, including the products sold by respondents above referred to.

PAR. 12. In the conduct of their business, at all times mentioned herein, respondents have been in substantial competition in commerce, with corporations, firms and individuals in the sale of the same general kind and nature as that sold by respondents.

PAR. 13. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices and the failure to disclose the facts as hereinabove alleged 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 are true and into the purchase of substantial quantities of respondents' products by reason of said erroneous and mistaken belief. As a consequence thereof, substantial trade in commerce has been, and is being unfairly diverted to respondents from their competitors and substantial injury has thereby been and is being, done to competition in commerce.

PAR. 14. 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 and deceptive acts and practices and unfair methods of competition, in commerce, within the intent and meaning of the Federal Trade Commission Act.

Mr. Frederick McManus for the Commission.

Buckingham, Doolittle & Burroughs, by *Mr. Richard A. Chenoweth*, of Akron, Ohio, for respondents.

INITIAL DECISION AS TO AMENDED AND SUPPLEMENTAL COMPLAINT
WITH THE EXCEPTION OF PARAGRAPHS SIX (3), SEVEN, EIGHT, NINE,
TEN, AND ELEVEN BY LEON R. GROSS, HEARING EXAMINER

An initial decision which is dispositive of the issues raised in paragraphs 6(3), 7, 8, 9, 10, and 11 of the amended and supplemental complaint is being issued simultaneously herewith.

An amended and supplemental complaint issued June 30, 1960, charged respondents with violating the Federal Trade Commission Act by (1) failing to disclose adequately the foreign origin of certain of their products sold in interstate commerce, (2) using deceptive comparative prices in advertising their products, (3) falsely representing the manner in which their products are guaranteed, and (4) failing to disclose that electronic tubes described in their advertisements are rebuilt tubes which contain used parts.

On February 10, 1962, the parties submitted to the undersigned an agreement dated January 18, 1962, which purports to dispose of all the issues raised by the amended and supplemental complaint and answer thereto with the exception of paragraphs 6(3), 7, 8, 9, 10 and 11 as to all parties involved. Said agreement has been signed by the respondents, their counsel, and by counsel supporting the complaint, and has been approved by the Chief, Division of General Advertising, and the Director, Bureau of Deceptive Practices of this Commission. 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 published May 6, 1955.

Respondents, pursuant to the aforesaid agreement, have admitted all the jurisdictional facts alleged in the amended and supplemental complaint and agreed that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations. Said agreement further provides that respondents waive any further procedural steps before the hearing examiner and the Commission, the making of findings of fact or conclusions of law, and all of the rights they may have to challenge or contest the validity of the order to cease and desist entered in accordance with such agreement. The parties have, *inter alia*, by such agreement covenanted: (1) the order to cease and desist issued in accordance with said agreement shall have the same force and effect as if entered after a full hearing; (2) the amended and supplemental complaint may be used in construing the terms of said order; (3) the record herein shall consist solely of the amended and supplemental complaint and said agreement; and (4) that said agreement is for settlement purposes only and does not constitute an admission by respondents that they have violated the law.

This proceeding having now come on for final consideration on the amended and supplemental complaint and the aforesaid agreement of January 18, 1962, containing consent order, and it appearing that the order provided for in said agreement covers the allegations

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of the amended and supplemental complaint with the exception of paragraphs 6(3), 7, 8, 9, 10 and 11 and provides for an appropriate disposition of this proceeding as to all parties, the agreement of January 18, 1962, is hereby accepted, pursuant to §§ 3.21 and 3.25 of the Commission's Rules of Practice for Adjudicative Proceedings published May 6, 1955; and

The undersigned hearing examiner having considered the amended and supplemental complaint herein and the agreement and proposed order, and being of the opinion that the disposition of this proceeding by means of said agreement will be in the public interest, makes the following jurisdictional findings, and issues the following order.

JURISDICTIONAL FINDINGS

1. The Federal Trade Commission has jurisdiction over the parties and the subject matter of this proceeding;

2. Respondent Olson Radio Corporation is a corporation existing and doing business under and by virtue of the laws of the State of Ohio, with its principal office and place of business located at 260 South Forge Avenue, in the city of Akron, State of Ohio;

Respondents Irving Olson, Sidney Olson and Albert Schultz, are officers of the corporate respondent. They formulate, direct and control the acts, practices and policies of the corporate respondent. Their address is the same as that of the corporate respondent;

3. Respondents are engaged in commerce, as "commerce" is defined in the Federal Trade Commission Act;

4. The amended and supplemental complaint states a cause of action against said respondents under the Act hereinabove named, and this proceeding is in the public interest.

ORDER

It is ordered, That the respondents Olson Radio Corporation, a corporation, and its officers, and Irving Olson, Sidney Olson, and Albert Schultz, 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 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, that any amount is respondents' regular and usual price of merchandise when it is in excess of the price at which said merchandise is usually and regularly sold by respondents in the recent course of their business.

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2. Representing, directly or by implication, that any saving is afforded in the purchase of merchandise from respondents' price unless the price at which it is offered constitutes a reduction from the price at which the merchandise has been usually and regularly sold by respondents in the recent course of business.

3. Misrepresenting, in any manner, the amount by which the price of merchandise is reduced from the price at which it has been usually and regularly sold by respondents in the normal course of business.

4. Using the words "Reg.", "list" or any other words of similar import or meaning to designate or describe prices of merchandise unless such prices are the prices at which the merchandise has been sold by respondents in the recent regular course of business.

5. Representing, directly or by implication, that merchandise offered for sale or sold by respondents is guaranteed unless the terms, conditions and extent to which such guarantee applies and the manner in which the guarantor will perform thereunder are clearly and conspicuously disclosed.

FINAL ORDER

The hearing examiner having filed two initial decisions in this matter on March 7, 1962, and the Commission by its order of April 9, 1962, having placed the case on its own docket for review; and

The Commission now having concluded that the hearing examiner's initial decision, entitled "Initial Decision As To Amended And Supplemental Complaint With The Exception Of Paragraphs Six(3), Seven, Eight, Nine, Ten, And Eleven", is appropriate in all respects to dispose of that portion of this proceeding not excepted thereby:

It is ordered, That said initial decision of the hearing examiner be, and it hereby is, adopted as the decision of the Commission.

It is further ordered, That respondents, Olson Radio Corporation, a corporation, and Irving Olson, Sidney Olson, and Albert Schultz, 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 said initial decision.

Mr. Frederick McManus for the Commission.

Buckingham, Doolittle & Burroughs, by *Mr. Richard A. Chenoweth*, of Akron, Ohio, for respondents.

INITIAL DECISION AS TO PARAGRAPHS SIX(3), SEVEN, EIGHT, NINE,
TEN AND ELEVEN BY LEON R. GROSS, HEARING EXAMINER

The amended and supplemental complaint issued herein charges the corporate respondent with violating the Federal Trade Commis-

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sion Act by failing to disclose adequately the foreign origin of certain products sold by it in interstate commerce; using deceptive comparative prices in advertising its products; falsely representing the manner in which its products are guaranteed and failing to disclose that television picture tubes advertised and sold by the corporate respondent in interstate commerce contain used parts.

The individual respondents are charged as officers of the corporate respondent who formulate, direct and control its acts, practices and policies.

Exhibits in support of the amended and supplemental complaint have been stipulated into this record in support of the charges that the corporate respondent has failed to disclose adequately (1) the foreign origin of merchandise imported and sold by it in interstate commerce, and (2) that its television picture tubes contain used parts. The other charges in the amended and supplemental complaint are being disposed by a separate initial decision being issued simultaneously herewith.

On February 12, 1962, counsel for all the parties submitted to the undersigned hearing examiner, in lieu of formal hearings, one Stipulation dated October 9, 1961, and a document entitled "Agreement Between Counsel Relative to the Testimony of Certain Witnesses." It has been represented to the hearing examiner that the aforementioned Stipulation, and the Agreement, plus the exhibits stipulated into the record, shall constitute the entire record on remand upon which paragraphs 6(3), 7, 8, 9, 10, and 11 of the amended and supplemental complaint may be disposed.

Counsel have waived the filing of finding of fact and conclusions of law and have agreed that this proceeding may be disposed on the basis of the October 9, 1961, Stipulation, the aforementioned undated Agreement, and the previously stipulated record.

Based upon the original complaint, and answer thereto, the amended and supplemental complaint and answer thereto, Commission Exhibits 4A, 4B, 5, 6A, 6B, 7A, 7B, 8A, 8B, 9, 10, 11, now in evidence, the Stipulation dated October 9, 1961, and Agreement Between Counsel Relative to the Testimony of Certain Witnesses, the examiner finds and concludes as follows:

1. Respondent Olson Radio Corporation is an Ohio corporation whose principal office and place of business is 260 South Forge Avenue, Akron, Ohio. The former corporate title of the corporate respondent was Olson Radio Warehouse, Inc. Respondents Irving Olson, Sidney Olson, and Albert Schultz are officers of the corporate respondent. The individual respondents are charged with formulat-

ing, directing and controlling the acts, practices and policies of the corporate respondent. This is denied in the answer and this record does not contain preponderant, reliable and probative evidence establishing such fact. Therefore, the charges as to the individual respondents are being dismissed.

2. The corporate respondent is engaged in commerce as "commerce" is defined in the Federal Trade Commission Act, as amended.

3. The Federal Trade Commission has jurisdiction over the subject matter and the parties to this proceeding.

4. In the course and conduct of its business, the corporate respondent sells certain television picture tubes which are advertised and described in its advertisements in such manner as to create an impression, contrary to the fact, that said television picture tubes are new in their entirety. As a matter of fact, the television picture tubes described in the advertisements are rebuilt tubes containing a used "envelope." Respondents do not disclose on the tubes or on the cartons in which they are packed, or on their invoices or in their advertising that the rebuilt television picture tubes contain used parts. In the absence of disclosure to the contrary, the tubes are understood by the general public to be and are accepted as new tubes. By failing to disclose the fact that the tubes contain used parts, respondents place in the hands of their dealers the means and the instrumentalities by which said dealers may mislead and deceive the public into believing that the television picture tubes are completely new and made only of new parts.

5. The corporate respondent sells in interstate commerce numerous products made in foreign countries and imported into the United States. Some but not all of these products are in evidence as Commission exhibits, i.e., a hole punch; a condensor kit; a stylus pressure gage; a "high efficiency P.M. speaker," a vacuum brush, condensers, and electronic components. Some of these products are enclosed in packages or cartons which are also in evidence. Even though substantially all of the products of foreign origin sold by the corporate respondent in interstate commerce are marked to show the country of foreign origin, some of the markings on the products are so small, or indistinct, or so placed, that they do not give adequate notice to a purchaser concerning the country of foreign origin. In addition, even though some imported products sold by the corporate respondent are labeled to show the foreign country in which the articles are manufactured, some of the containers in which some of said imported products are packaged are not adequately marked to show the foreign origin of the products. As a result prospective purchasers of some of respondents'

imported articles are led to believe and do believe such articles to be of domestic manufacture, unless such purchasers remove the articles from their containers.

6. The corporate respondent's failure to label the products imported by it from foreign countries in a conspicuous, legible and indelible manner, and to label similarly the containers in which said products are packaged and marketed, has had, and will have, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that such products are of domestic origin, and to induce the purchase of substantial quantities of the corporate respondent's products by reason of said erroneous and mistaken belief. Respondents' failure to indicate conspicuously and clearly to prospective purchasers of their television picture tubes, in advertisements, and otherwise, that said tubes are rebuilt, and that the "envelope" in said tubes is a used "envelope," has had, and has, the capacity and tendency to mislead prospective purchasers of their television picture tubes into the erroneous and mistaken belief that such tubes are made entirely of new parts, when such is not the fact.

7. It is stipulated that a significant number of purchasers of the radio and electronic supplies and equipment, and tools, sold by the corporate respondent in various trade areas would testify, and the examiner hereby finds that such purchasers prefer radio and electronic equipment and supplies, and tools, manufactured in the United States in preference to those manufactured in foreign countries and imported by the corporate respondent into the United States and sold by it in interstate commerce.

8. In the conduct of its business at all times relevant to this proceeding, the corporate respondent has been and is in substantial competition in commerce, with corporations, firms and individuals in the sale of products of the same kind and character as that sold by it.

9. The aforesaid acts and practices of the corporate respondent were and are all to the prejudice and injury of the public, and of the corporate respondent's competitors, and constitute unfair and deceptive acts and practices, and unfair methods of competition, in commerce, within the intent and meaning of the Federal Trade Commission Act as amended. Such acts and practices should be proscribed by an appropriate cease and desist order.

The stipulation dated October 9, 1961, filed in this record on February 20, 1962, recites that the selections made by the staff of the Federal Trade Commission of the corporate respondent's products which are not adequately labeled as to foreign origin

... represent only a few out of perhaps 500 or more items which respondents sell and which are in whole or in part of foreign origin. * * * Respondents instruct all suppliers to properly mark goods of foreign origin and have made numerous trips abroad to supervise and instruct as to the marking as well as personally inspecting markings to be made for the purpose of attempting to insure marking of all such goods to comply with relevant Federal Statutes.

This Commission has held in *Oxwall Tool Co., Ltd.*, Docket No. 7491, Commission's Decision of December 26, 1961:

... Respondent's duty to clearly disclose foreign origin is not satisfied by marking the majority or even 90 percent of their products. All of them must disclose their origin if they are not of domestic manufacture.

Section 304 of the Tariff Act of 1930, *inter alia*,¹ provides that every article of foreign origin or its container imported into the United States shall be marked in a conspicuous place as legibly, indelibly and permanently as the nature of the article (or container) will permit, in such manner as to indicate to the ultimate purchaser in the United States the English name of the country of origin of the article. When articles and their containers are not so marked, members of the purchasing public assume and believe such articles to be of domestic origin.

Respondents' counsel has, at all times during the pendency of this proceeding, represented that respondents desire to be in compliance with pertinent law. His concern has been that a cease and desist order might impose burdens upon the respondents as to foreign origin labeling which they may not be able to meet, even though (as stated in part of the stipulation quoted above) they have done everything within their power to comply. If the corporate respondent sells in interstate commerce imported merchandise which presents insurmountable difficulties in complying with the foreign labeling laws, its responsible officials must choose between complying with the law or dropping such merchandise from their product line. The injury to the public is just as real whether failure to disclose the foreign origin of a product results from intentional fault, inadvertence, or difficulty of compliance. The implied misrepresentation that the television picture tubes sold by the corporate respondent are new in all respects is likewise equally injurious to prospective purchasers whether made through oversight or by design.

It is therefore ordered, That the respondent Olson Radio 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 imported

¹ 19 U.S.C.A. 1304 (46 Stat. 590). See also President Kennedy's Message on Trade of January 25, 1962, to the Congress of the United States: "Increased imports stimulate our own efforts to increase efficiency, and supplement anti-trust and other efforts to secure competition. * * *"

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merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Offering for sale, selling or distributing said products without affirmatively and clearly disclosing legibly and indelibly in a conspicuous place on the products themselves the country of origin thereof, or

2. Offering for sale, selling or distributing said products in containers or with attachments in a manner which causes the mark on the products identifying the country of origin to be hidden or obscured, without clearly disclosing legibly and indelibly the country of origin of the products in a conspicuous place on the container or attachment; and

It is further ordered, That respondent Olson Radio Corporation, a corporation, and its officers, representatives, agents and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of articles of merchandise, including television picture tubes, in commerce, as "commerce" is defined in the Federal Trade Commission Act, disclose in a clear and conspicuous manner on the articles and on their containers that all of said articles of merchandise, including television picture tubes, are manufactured in whole or in part from used components, when such is the fact; and

It is further ordered, That paragraphs 6(3), 7, 8, 9, 10 and 11 of this amended and supplemental complaint be and they hereby are dismissed as to the individual respondents Irving Olson, Sidney Olson, and Albert Schultz.

FINAL ORDER

The Commission on May 9, 1962, having issued its order granting respondent Olson Radio Corporation leave to file objections to the Commission's tentative order to cease and desist as set forth therein in modification of the order to cease and desist contained in the hearing examiner's initial decision filed March 7, 1962, entitled "Initial Decision As To Paragraphs Six (3), Seven, Eight, Nine, Ten and Eleven"; and

Respondent having been served with said order of May 9, 1962, and not having filed objections to the tentative order to cease and desist within the time granted in said order; and

The Commission having determined that said tentative order to cease and desist should be adopted as the final decision of the Commission:

It is ordered, That the order contained in the hearing examiner's initial decision, entitled "Initial Decision As To Paragraphs Six (3),

Seven, Eight, Nine, Ten and Eleven", be, and it hereby is, modified to read as follows:

It is therefore ordered, That the respondent Olson Radio 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 imported merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Offering for sale, selling or distributing said products without affirmatively and clearly disclosing legibly and indelibly in a conspicuous place on the products themselves the country of origin thereof.

2. Offering for sale, selling or distributing said products in containers or with attachments in a manner which causes the mark on the products identifying the country of origin to be hidden or obscured, without clearly disclosing legibly and indelibly the country of origin of the products in a conspicuous place on the container or attachment; and

It is further ordered, That respondent Olson Radio Corporation, a corporation, and its officers, representatives, agents and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of rebuilt television picture tubes containing used parts, 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 said television picture tubes are new.

2. Failing to disclose on the tubes, on the cartons in which they are packed, and in advertising that said tubes are rebuilt and contain used parts.

3. Placing any means or instrumentality in the hands of others whereby they may mislead the public as to the nature and condition of respondent's television picture tubes.

It is further ordered, That Paragraphs Six (3), Seven, Eight, Nine, Ten and Eleven of this amended and supplemental complaint be, and they hereby are, dismissed as to the individual respondents Irving Olson, Sidney Olson, and Albert Schultz.

It is further ordered, That respondent Olson Radio Corporation, a corporation, 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 as set forth herein.

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IN THE MATTER OF

ARROW FOOD PRODUCTS, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT AND SECS. 2(a), 2(d), AND 2(e) OF
THE CLAYTON ACT

Docket 8212. Complaint, Dec. 7, 1960—Decision, June 26, 1962

Consent order requiring Dallas, Tex., wholesalers of dried beans and peas and other food products which they purchased and packaged under the trade names "Arrow" and "Rose" and private brands and sold to distributor-customers principally in the southwest and southeast, to cease discriminating among such purchasers in violation of the Clayton Act by:

- I. Such practices as giving to certain large retail chains and wholesalers (1) one case free with each 10 purchased, (2) so-called "advertising" and "promotional" allowances for which no services were rendered, and (3) special selling terms and conditions of sale such as trucking allowances, cash discounts, and advance notice of price changes of as much as 30 days, in violation of Sec. 2(a);
- II. Making to a limited number of large purchasers allowances for advertising their products in catalogs, price lists, and on radio; paying "push money" to customers' salesmen; and making allowances for promotions of their products at new retail store openings and for other special promotions, in violation of Sec. 2(d); and
- III. Furnishing only to certain large purchasers special packaging in connection with aforesaid promotions, and prizes in the form of their products for special promotional contests, in violation of Sec. 2(e); and,

With regard to the alleged violation of Sec. 5, of the Federal Trade Commission Act covered by Count IV of the complaint, to cease representing falsely that their food products conformed to standards established by the U.S. Department of Agriculture.

COMPLAINT

The Federal Trade Commission, having reason to believe that the respondents named in the caption hereof and hereinafter more particularly designated and described have violated the provisions of subsections (a), (d) and (e) of Section 2 of the Clayton Act, as amended by the Robinson-Patman Act, approved June 19, 1936 (U.S.C Title 15, Sec. 13), and Section 5 of the Federal Trade Commission Act (U.S.C. Title 15, Sec. 45), and it appearing that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges as follows:

COUNT I

PARAGRAPH 1. Respondent Arrow Food Products, Inc., is a corporation organized, existing and doing business under and by virtue