

form in which she has complied with this order.

IN THE MATTER OF
FINE QUILTING CORP. ET AL.

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

Docket C-171. Complaint, July 13, 1962—Decision, July 13, 1962

Consent order requiring manufacturers of quilted interlining materials in Bronx,
N.Y., to cease violating the Wool Products Labeling Act by failing to show

Complaint

on labels on such materials the true generic names of the constituent fibers and the percentage thereof, and failing in other respects to comply with labeling requirements; and to cease such unfair practices as stating on invoices and shipping memoranda that certain quilted interlining materials sold to their jobber and manufacturer customers were "Not less than 50% Rep. wool, 50% Unknown fiber" when the fabrics contained substantially different fibers and in different quantities than so represented.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Fine Quilting Corp., a corporation, and Lazar Deutsch and Samuel Mandel, individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Wool Products Labeling Act of 1939, 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 Fine Quilting Corp., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York. Respondents Lazar Deutsch and Samuel Mandel are the President and the Secretary-Treasurer of the corporate respondent, respectively. Said individual respondents cooperate in formulating, directing and controlling the acts, policies and practices of the corporate respondent including the acts and practices hereinafter referred to. All of the respondents have their office and principal place of business located at 442 E. 166th Street, Bronx, New York. Respondents are manufacturers of quilted interlining materials.

PAR. 2. Subsequent to the effective date of the Wool Products Labeling Act of 1939 and more especially since 1953, respondents have introduced into commerce, manufactured for introduction into commerce, sold, transported, distributed, delivered for shipment, and offered for sale in commerce, wool products, as the terms "commerce" and "wool product" are defined in the said Act.

PAR. 3. Certain of said wool products were misbranded by the respondents in that they were not stamped, tagged, labeled or otherwise identified as required under the provisions of Section 4(a)(2) of the Wool Products Labeling Act of 1939 and in the manner and form as prescribed by the Rules and Regulations promulgated under the said Act.

Among such misbranded wool products, but not limited thereto, were wool products, namely quilted interlining materials, with labels which failed:

1. To show the true generic names of the fibers present;
2. To show the percentage of such fibers.

PAR. 4. Certain of said wool products were misbranded in violation of the Wool Products Labeling Act of 1939 in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder in that the required information descriptive of the fiber content was set out on labels in abbreviated words or terms, in violation of Rule 9 of the Rules and Regulations as aforesaid.

PAR. 5. The acts and practices of respondents as set forth above were, and are, in violation of the Wool Products Labeling Act of 1939 and of the Rules and Regulations promulgated thereunder, 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.

PAR. 6. Respondents are now, and for some time last past, have been engaged in the offering for sale, sale and distribution of products, namely quilted interlining materials in commerce. The respondents' said business, in part, is that of manufacturing said quilted interlining materials from materials purchased from various suppliers in and about Metropolitan New York. The respondents sell these products to jobbers and to manufacturers who in turn manufacture coats and other wool products and sell the same to customers throughout the United States. The respondents maintain, and at all times mentioned herein, have maintained, a substantial course of trade of said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 7. Respondents in the course and conduct of their business as aforesaid, have made statements on invoices and shipping memoranda to their customers misrepresenting the character and fiber content of certain of their said products.

Among such misrepresentations, but not limited thereto, were statements representing certain quilted interlining materials to be "Not less than 50% Rep. wool, 50% Unknown fiber"; whereas, in truth and in fact, the said fabrics contained substantially different fibers and quantities of fibers than were represented.

PAR. 8. The acts and practices set out in paragraphs 6 and 7 have had, and now have, the tendency and capacity to mislead and deceive purchasers of said fabrics as to the true content thereof and to cause them to misbrand products manufactured by them in which said materials are used.

PAR. 9. The acts and practices of the respondent set out in paragraphs 6 and 7 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, in commerce, within the intent and meaning of the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, 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 to issue herein, 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, Fine Quilting Corp., 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 442 East 166th Street, in the city of Bronx, State of New York.

Respondents Lazar Deutsch and Samuel Mandel 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 Fine Quilting Corp., a corporation, and its officers, and Lazar Deutsch and Samuel Mandel, 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 introduction or manufacture for intro-

duction, into commerce, or the offering for sale, sale, transportation, delivery for shipment, or distribution, in commerce, of quilted interlining materials or other wool products, as "commerce" and "wool product", are defined in the Wool Products Labeling Act of 1939, do forthwith cease and desist from misbranding wool products by:

1. Failing to securely affix to or place on each such product, a stamp, tag, label or other means of identification showing in a clear and conspicuous manner, each element of information required to be disclosed by Section 4(a)(2) of the Wool Products Labeling Act of 1939.

2. Setting forth the required information descriptive of the fiber content on labels in abbreviated words or terms.

It is further ordered, That respondents Fine Quilting Corp., a corporation, and its officers, and Lazar Deutsch and Samuel Mandel, 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 quilted interlining materials or other fiber products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from misrepresenting the character or amount of constituent fibers contained in such products on invoices or shipping memoranda applicable thereto, or in any other manner.

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.

IN THE MATTER OF

UNITED STATES RUBBER COMPANY

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

Docket C-172. Complaint, July 13, 1962--Decision, July 13, 1962

Consent order requiring a manufacturer of motor vehicle tires to cease making deceptive pricing and savings claims for its tires, batteries and accessories by such practices as publishing in newspaper advertising a higher and fictitious "Mfr's list price", followed by a lower "sale price" and representing falsely that the difference constituted savings from usual prices, and furnishing its dealers and retail outlets with advertising mats and price lists containing similar statements.

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 United States Rubber Company, a corporation, 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 United States Rubber Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey, with its principal office and place of business located at 1230 Avenue of the Americas, in the city of New York, State of New York.

PAR. 2. Respondent is now, and for some time last past has been, engaged in the manufacture, sale and distribution of, among other things, motor vehicle tires.

PAR. 3. In the course and conduct of its business, respondent sells said products, including motor vehicle tires, by means of independent dealers, company-owned stores and through other retail outlets located in the various states of the United States, and in the District of Columbia. Respondent causes said motor vehicle tires to be shipped from its factories, located in several states, to its various types of dealers and retail outlets located in various other states of the United States, and in the District of Columbia. Respondent maintains, and at all times mentioned herein has maintained, a substantial course of trade in said products, in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. For the purpose of inducing the purchase of its motor vehicle tires, respondent has published, or caused to be published, in newspapers distributed through the United States mail and by other means, advertisements, among which the following is typical:

*	*	*	*	*	*	*
		First Time on Sale				
		1960 New-Car Equipment Tire				
		U.S. Royal				
		Safety 8 Tire				
*	*	*	*	*	*	*

Complaint

61 F.T.C.

\$8 to \$11 OFF Mfr's List Prices

Blackwall Tubeless		
<i>Size</i>	<i>Mfr List Price</i>	<i>Sale Price</i>
7.50-14	\$27.95	\$19.95
6.70-15		
8.00-14	30.65	22.50
7.10-15		
8.50-14	33.60	24.88
7.60-15		
9.00-14	37.40	27.95
8.00-15		
9.50-14	38.75	28.95
8.20-15		

* * * * * * *

By use of the words "mfr's list price" in the above advertisement to designate the stated higher amounts, respondent represented, directly or by implication, that such higher amounts were the usual and customary prices at which such motor vehicle tires were sold at retail in the trade area or areas where the representations were made and that the difference between such stated higher amounts and the amounts designated as "sale prices" represented savings from the usual and customary retail prices for such motor vehicle tires. In truth and in fact, such manufacturer's list prices are fictitious and are in excess of the usual and customary retail prices for said motor vehicle tires in the trade area or areas where the representations were made and the difference between such stated higher amounts and the amounts designated as "sale prices" does not represent savings from the usual and customary retail prices.

PAR. 5. Respondent has also engaged in the practice of furnishing to its various types of dealers and retail outlets advertising mats and price lists containing prices designated as manufacturer's list prices, thereby placing in the hands of its dealers and retail outlets the means and instrumentalities whereby they may represent, directly or by implication, that such manufacturer's list prices are the usual and customary retail prices for said merchandise. In truth and in fact, such manufacturer's list prices are fictitious and in excess of the usual and customary retail prices for said merchandise in the trade area or areas where the representations are made.

PAR. 6. In the conduct of its business, and at all times mentioned herein, respondent has 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 respondent.

PAR. 7. The use by respondent of the aforesaid false, misleading and deceptive 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 representations were and are true and into the purchase of substantial quantities of respondent's products by reason of said erroneous and mistaken belief.

PAR. 8. The aforesaid acts and practices of respondent, as herein alleged, were, and are, all to the prejudice and injury of the public and of respondent's 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 respondent named in the caption hereof with violation of the Federal Trade Commission Act, and the respondent 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 respondent and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent 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, United States Rubber Company, is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey, with its office and principal place of business located at 1230 Avenue of the Americas, in the city of New York, State of New York.

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

ORDER

It is ordered, That respondent United States Rubber Company, a corporation, and its officers, and respondent's agents, representatives

and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of tires, batteries and accessories, 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:

(a) Any amount is the usual and customary price of merchandise in any trade area when it is in excess of the generally prevailing price or prices at which said merchandise is sold in said trade area.

(b) Any saving from a trade area price or from the customary and usual price of the advertiser is afforded in the purchase of respondent's merchandise unless the price at which such merchandise is offered constitutes a reduction from the generally prevailing price or prices at which said merchandise is sold in the trading area in which the representation is made or the price at which it is customarily and usually sold by the advertiser.

2. Misrepresenting in any manner the savings available to purchasers of respondent's merchandise or the amount by which the price of merchandise has been reduced from the price at which it is customarily sold by respondent or its competitors in the usual course of business in the trade area or areas where the representations are made.

3. Using the words or terms "Mfr's list price", or any other words or terms of similar import, to refer to prices of merchandise unless such amounts are the prices at which the merchandise is usually and customarily sold in the trade area in which such representations are made.

4. Placing in the hands of distributors, retailers or others advertising material or other printed matter representing in any 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 advertising material or printed matter is displayed or otherwise used.

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

Complaint

IN THE MATTER OF

DIXIE-CENTRAL PRODUCE CO., INC., ET AL.

ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF SEC. 2(c)
OF THE CLAYTON ACT*Docket 8475. Complaint, Apr. 2, 1962—Decision, July 14, 1962*

Order requiring a Columbia, S.C., corporate food wholesaler and one of its directors to cease accepting illegal brokerage on purchases of food products made through a brokerage business operated by said individual—such as commissions on substantial purchases of potatoes from several Illinois suppliers—in violation of Sec. 2(c) of the Clayton Act.

COMPLAINT

The Federal Trade Commission, having reason to believe that the parties respondent named in the caption hereof, and hereinafter more particularly described, have been and are 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 Dixie-Central Produce Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of South Carolina, with its office and principal place of business located at State Farmers Market, Columbia, S.C. This organization is a closed corporation, the entire stock of which is owned by relatives and members of the same family.

Respondent Chris P. Leventis, an individual, served as President of respondent Dixie-Central Produce Co., Inc., from 1951 until January 1, 1960. He is presently a member of the Board of Directors and one of the corporate respondent's largest stockholders, owning approximately 16% of all capital stock. Said respondent Chris P. Leventis, while partially retired, participates in the acts, practices and policies adopted by the corporate respondent Dixie-Central Produce Company.

Respondent Dixie-Central Produce Company, Inc., is engaged in business primarily as a wholesale distributor, buying, selling and distributing fresh fruit, produce, frozen foods and canned goods, hereinafter sometimes referred to as food products. This respondent purchases its food products from a large number of suppliers located in many sections of the United States and its volume of business in the purchase and sale of such products is substantial.

PAR. 2. In addition to being a member of the Board of Directors and a substantial owner of respondent Dixie-Central Produce Company, Inc., respondent Chris P. Leventis is also doing business as Dixie Brokerage Company, a sole proprietorship, under and by virtue of the laws of the State of South Carolina, with his office and principal place of business located on the premises of respondent Dixie-Central

Complaint

61 F.T.C.

Produce Co., Inc., at State Farmers Market, Columbia, S.C. This respondent is now, and for the past several years has been, engaged in the brokerage business through the Dixie Brokerage Company, purportedly representing various principals located throughout the United States in connection with the sale and distribution of food products. However, all the business done by Dixie Brokerage Company consist of sales to Dixie-Central Produce Co., Inc., partially owned and controlled by respondent Chris P. Leventis as indicated above. In representing these principals, respondent Chris P. Leventis, or the Dixie Brokerage Company, is paid a brokerage fee or commission at varying rates depending on the product and amount sold. In discussing the brokerage activities of this company, both the individual respondent Chris P. Leventis and the Dixie Brokerage Company will sometimes hereinafter be referred to collectively as the Dixie Brokerage Company.

PAR. 3. In the course and conduct of its business for the past several years, respondent Dixie-Central Produce Co., Inc., has purchased and distributed, and is now purchasing and distributing, food products, in commerce, as "commerce" is defined in the aforesaid Clayton Act, as amended, from suppliers or sellers located in several states of the United States other than the State of South Carolina, in which respondent is located. Respondent transports or causes such products, when purchased, to be transported from the places of business or packing plants of its suppliers located in various other States of the United States to respondent who is located in the State of South Carolina or to respondent's customers located in said state or elsewhere. Thus, there has been at all times mentioned herein a continuous course of trade in commerce in the purchase of said food products across state lines by the respondent and its respective suppliers of such food products.

Respondent Chris P. Leventis, in the course and conduct of his brokerage business under the name of Dixie Brokerage Company, has been and is now selling and distributing food products in commerce, as "commerce" is defined in the aforesaid Clayton Act, as amended, for his suppliers located in the various states of the United States other than the State of South Carolina in which respondent is located. Said respondent has transported or caused said food products, when sold, to be transported from his principals' places of business to the buyers' places of business located in other states, or to their customers located therein. Thus there has been at all times mentioned herein a continuous course of trade in commerce in the sale of said food products across state lines by the respondent and his principals, or customers thereof.

PAR. 4. In the course and conduct of their business for the past several years, but more particularly since January 1, 1959, the respond-

ents have made numerous and substantial purchases of food products from some of their suppliers through the Dixie Brokerage Company, and on a large number of these purchases Chris P. Leventis, through the Dixie Brokerage Company, has received and accepted and is now receiving and accepting from said suppliers a commission, brokerage or other compensation or an allowance or discount in lieu thereof, in connection therewith. For example, respondent Dixie-Central Produce Co., Inc., makes, or has made, substantial purchases of potatoes from several suppliers located in the State of Illinois through the Dixie Brokerage Company, and on these purchases the Dixie Brokerage Company has received and accepted and is now receiving and accepting from said suppliers a commission or brokerage. In view of the ownership and control described above, the said Dixie Brokerage Company on such purchases is acting for and in behalf of the buyer, or is subject to the direct or indirect control of the buyer, the Dixie-Central Produce Co., Inc., by reason of the stock ownership therein of respondent Chris P. Leventis.

PAR. 5. The acts and practices of respondents in receiving and accepting a brokerage or commission, or an allowance or discount in lieu thereof, on their own purchases through the brokerage company owned and controlled by Chris P. Leventis, as above alleged and described, are in violation of subsection (c) of Section 2 of the Clayton Act, as amended (U.S.C. Title 15, Sec. 13).

Mr. Basil J. Mezines and Mr. Donald A. Surine for the Commission.

Whaley & McCutchen, by Mr. Thomas E. McCutchen, of Columbia, S.C., for respondents.

INITIAL DECISION BY ANDREW C. GOODHOPE, HEARING EXAMINER

The complaint herein was issued and duly served upon respondents by registered mail on April 6, 1962. The complaint charged the illegal receipt of brokerage payments from suppliers of food products to the respondents in violation of Section 2(c) of the Clayton Act, as amended (15 U.S.C. Sec. 13; 49 Stat. 1526). On May 2, 1962, respondents by their counsel filed an answer to the complaint "* * * admitting all the material allegations of the complaint to be true * * *". In addition, the respondents' answer stated that they "* * * acquiesce in the issuance of an order in the language and in the form of order attached to and served with the complaint herein." On May 8, 1962, the respondents by their counsel filed an amended answer in which they repeated the admissions quoted above and also waived the right to file proposed findings and conclusions which right had been reserved in their first answer. This waiver was conditioned upon the Commission issuing an order not at variance from the order attached to the complaint. Counsel in support of the complaint have

filed a motion in which they waive the filing of proposed findings and move that the record be closed and an initial decision be entered based only upon the pleadings. Since both parties have agreed to the propriety of the order as contained in the Commission complaint and the examiner being of the opinion that the order provides an appropriate disposition of this proceeding, this motion is granted.

In their answers, respondents point out that only about 10% of their purchases of food products through brokers was through the respondent Dixie Brokerage Company, and that the purchases through respondent Dixie Brokerage Company amounted to only 1% of their total purchases of food products from all sources. Respondents further point out that they were unaware that their transactions through the Dixie Brokerage Company violated any law until this complaint issued.

Neither of these pleas can affect the outcome of this proceeding. The maxim of *de minimis non curat lex* cannot be applied to this proceeding. In the first place, while respondents' receipt of illegal brokerage may have been connected with only a small percentage of their total business, there are no figures in the record as to respondents' total purchases from all brokers or all sources upon which to predicate a finding as to the actual dollar amounts involved. Secondly, Section 2(c) of the Clayton Act, as amended, requires no charge or finding of injury as a result of the receipt of the illegal brokerage. *Biddle Purchasing Co. v. FTC*, 96 F. 2d 687, 690 (2d Cir. 1938), 2 S.&D. 447, cert. den. 305 U.S. 634 (1938); *Oliver Brothers, Inc. v. FTC*, 102 F. 2d 763, 766 (4th Cir. 1939), 3 S.&D. 86; *Great A & P Tea Co. v. FTC*, 106 F. 2d 667, 675 (3d Cir. 1939), 3 S.&D. 146. Consequently, since any receipt of illegal brokerage violates Section 2(c) without more, the only avenue for a hearing examiner to pursue, after the Commission has decided to proceed in a particular case, is to find a violation if it exists and enter an appropriate order to cease and desist. Since, in this case, respondents have admitted violations, the examiner is left with no choice in the matter.

Respondents' second plea is that they were unaware of their violation and had no intent to violate the Act. This may well be true, but where a clear cut violation of the Act has been admitted, the fact that it was not intentional is of no moment. To inject an element of intent into Section 2(c) proceedings could only serve to unduly burden the Commission in a fashion not intended by either the Act itself or by Congress in performing its statutory duty of enforcing the Act. The Commission's order to cease and desist in this matter is prospective in nature and is not punitive of past violations of the Act even though based on such violations. *FTC v. Ruberoid Co.*, 343 U.S. 470, 473 (1952), 5 S.&D. 388.

FINDINGS OF FACT

1. Respondent Dixie-Central Produce Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of South Carolina, with its office and principal place of business located at State Farmers Market, Columbia, S.C. This organization is a closed corporation, the entire stock of which is owned by relatives and members of the same family.

Respondent Chris P. Leventis, an individual, served as President of respondent Dixie-Central Produce Co., Inc., from 1951 until January 1, 1960. He is presently a member of the Board of Directors and one of the corporate respondent's largest stockholders, owning approximately 16% of all capital stock. Said respondent Chris P. Leventis, while partially retired, participates in the acts, practices and policies adopted by the corporate respondent Dixie-Central Produce Company.

Respondent Dixie-Central Produce Company, Inc., is engaged in business primarily as a wholesale distributor, buying, selling and distributing fresh fruit, produce, frozen foods and canned goods, hereinafter sometimes referred to as food products. This respondent purchases its food products from a large number of suppliers located in many sections of the United States and its volume of business in the purchase and sale of such products is substantial.

2. In addition to being a member of the Board of Directors and a substantial owner of respondent Dixie-Central Produce Company, Inc., respondent Chris P. Leventis is also doing business as Dixie Brokerage Company, a sole proprietorship, under and by virtue of the laws of the State of South Carolina, with his office and principal place of business located on the premises of respondent Dixie-Central Produce Co., Inc., at State Farmers Market, Columbia, S.C. This respondent is now, and for the past several years has been, engaged in the brokerage business through the Dixie Brokerage Company, purportedly representing various principals located throughout the United States in connection with the sale and distribution of food products. However, all the business done by Dixie Brokerage Company consists of sales to Dixie-Central Produce Co., Inc., partially owned and controlled by respondent Chris P. Leventis as indicated above. In representing these principals, respondent Chris P. Leventis, or the Dixie Brokerage Company, is paid a brokerage fee or commission at varying rates depending on the product and amount sold. In discussing the brokerage activities of this company, both the individual respondent Chris P. Leventis and the Dixie Brokerage Company will sometimes hereinafter be referred to collectively as the Dixie Brokerage Company.

3. In the course and conduct of its business for the past several years, respondent Dixie-Central Produce Co., Inc., has purchased and

distributed, and is now purchasing and distributing, food products, in commerce, as "commerce" is defined in the aforesaid Clayton Act, as amended, from suppliers or sellers located in several states of the United States other than the State of South Carolina, in which respondent is located. Respondent transports or causes such products, when purchased, to be transported from the places of business or packing plants of its suppliers located in various other States of the United States to respondent who is located in the State of South Carolina or to respondent's customers located in said state or elsewhere. Thus, there has been at all times mentioned herein a continuous course of trade in commerce in the purchase of said food products across state lines by the respondent and its respective suppliers of such food products.

Respondent Chris P. Leventis, in the course and conduct of his brokerage business under the name of Dixie Brokerage Company, has been and is now selling and distributing food products in commerce, as "commerce" is defined in the aforesaid Clayton Act, as amended, for his suppliers located in the various states of the United States other than the State of South Carolina in which respondent is located. Said respondent has transported or caused said food products, when sold, to be transported from his principals' places of business to the buyers' places of business located in other states, or to their customers located therein. Thus, there has been at all times mentioned herein a continuous course of trade in commerce in the sale of said food products across state lines by the respondent and his principals, or customers thereof.

4. In the course and conduct of their business for the past several years, but more particularly since January 1, 1959, the respondents have made numerous and substantial purchases of food products from some of their suppliers through the Dixie Brokerage Company, and on a large number of these purchases Chris P. Leventis, through the Dixie Brokerage Company, has received and accepted and is now receiving and accepting, from said suppliers a commission, brokerage or other compensation or an allowance or discount in lieu thereof, in connection therewith. For example, respondent Dixie-Central Produce Co., Inc., makes, or has made, substantial purchases of potatoes from several suppliers located in the State of Illinois through the Dixie Brokerage Company, and on these purchases the Dixie Brokerage Company has received and accepted and is now receiving and accepting from said suppliers a commission or brokerage. In view of the ownership and control described above, the said Dixie Brokerage Company on such purchases is acting for and in behalf of the buyer, or is subject to the direct or indirect control of the buyer, the Dixie-Central Produce Co., Inc., by reason of the stock ownership therein of respondent Chris P. Leventis.

CONCLUSION

The acts and practices of respondents in receiving and accepting a brokerage or commission, or an allowance or discount in lieu thereof, on their own purchases through the brokerage company owned and controlled by Chris P. Leventis, as above alleged and described, are in violation of subsection (c) of Section 2 of the Clayton Act, as amended (U.S.C. Title 15, Sec. 13).

ORDER

It is ordered, That respondent Dixie-Central Produce Co., Inc., a corporation, and Chris P. Leventis, individually and as a Director and stockholder of Dixie-Central Produce Co., Inc., and respondents' agents, representatives and employees, directly or through any corporate, partnership, sole proprietorship or other device in connection with the purchase of food products in commerce, as "commerce" is defined in the aforesaid Clayton Act, do forthwith cease and desist from:

Receiving or accepting, directly or indirectly from any seller, anything of value as a commission, brokerage or other compensation, or any allowance or discount in lieu thereof, upon or in connection with any purchase of food products for respondents' own account, or on purchases made through the Dixie Brokerage Company, or any other brokerage organization, where and so long as, any relationship exists between the brokerage organization and the respondents named herein, either through ownership, control or management.

It is further ordered, That respondent Chris P. Leventis, individually and doing business as Dixie Brokerage Company, or under any other name, and his agents, representatives, and employees, directly or through any corporate, partnership, sole proprietorship or other device, in connection with the purchase or sale of food products in commerce, as "commerce" is defined in the aforesaid Clayton Act, do forthwith cease and desist from:

Receiving or accepting, directly or indirectly, from any seller, anything of value as a commission, brokerage, or other compensation, or any allowance or discount in lieu thereof, upon or in connection with any purchase of food products for his own account, or for the account of the Dixie Brokerage Company, or for the account of the Dixie-Central Produce Co., Inc., so long as any relationship exists between the brokerage organization and the buyer organization, either through ownership, control or management, or where respondent Chris P. Leventis, or the Dixie Brokerage Company, is the agent, representative or other inter-

Complaint

61 F.T.C.

mediary acting for or in behalf, or is subject to the direct or indirect control, of any buyer, including the Dixie-Central Produce Co., Inc.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF
COMPLIANCE

Pursuant to Section 4.19 of the Commission's Rules of Practice, effective June 1, 1962, the initial decision of the hearing examiner shall, on the 14th day of July 1962 become the decision of the Com-