
IN THE MATTER OF
BELMONT PRODUCTIONS, INC.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF SEC. 2(d)
OF THE CLAYTON ACT

Docket C-173. Complaint, July 17, 1962—Decision, July 17, 1962

Consent order requiring a New York City publisher of paperback books to cease discriminating in price in violation of Sec. 2(d) of the Clayton Act by paying promotional allowances to certain retail customers—some of whom oper-

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ated chain retail outlets in railroad, airport, and bus terminals, and outlets in hotels and office buildings, and others of whom furnished services in connection with the handling of respondent's publications such as taking purchase orders and distributing, billing, and collecting—while not making such payments available on proportionally equal terms to their competitors, including drug chains, grocery chains, and other newsstands.

COMPLAINT

The Federal Trade Commission, having reason to believe that the party respondent named in the caption hereof and hereinafter more particularly designated and described, has violated and is now violating the provisions of subsection (d) of Section 2 of the Clayton Act (U.S.C. Title 15, Sec. 13), as amended by the Robinson-Patman Act, hereby issues its complaint stating its charges with respect thereto as follows:

PARAGRAPH 1. Respondent Belmont Productions, Inc., is a corporation organized and doing business under the laws of the State of New York, with its office and principal place of business located at 66 Leonard Street, New York, N.Y. Said respondent, among other things, has been engaged and is presently engaged in the business of publishing and distributing various publications including paperback books under copyrighted titles.

PAR. 2. Publications published by respondent are distributed by respondent to customers through its national distributor, Publishers Distributing Corporation, hereinafter referred to as PDC.

PDC has acted and is now acting as national distributor for the publications of several independent publishers, including respondent publisher. PDC, as national distributor of publications published by respondent and other independent publishers has performed and is now performing various services for these publishers. Among the services performed and still being performed by PDC for the benefit of these publishers are the taking of purchase orders and the distributing, billing and collecting for such publications from customers. PDC also has negotiated various promotional and display arrangements with the retail customers of such publishers, with the knowledge and approval of such publishers, including said respondent.

In its capacity as national distributor for respondent in dealing with the customers of respondent, PDC served and is now serving as a conduit or intermediary for the sale, distribution and promotion of publications published by respondent.

PAR. 3. Respondent, through its conduit or intermediary, PDC, has sold and distributed and now sells and distributes its publications in substantial quantities in commerce, as "commerce" is defined in the

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Clayton Act, as amended, to competing customers located throughout various States of the United States and in the District of Columbia.

PAR. 4. In the course and conduct of its business in commerce, respondent has paid or contracted for the payment of something of value to or for the benefit of some of its customers as compensation or in consideration for services or facilities furnished, or contracted to be furnished, by or through such customers in connection with the handling, sale, or offering for sale of publications sold to them by respondent. Such payments or allowances were not made available on proportionally equal terms to all other customers of respondent competing in the distribution of such publications.

PAR. 5. As an example of the practices alleged herein, respondent has made payments or allowances to certain retail customers who operate drug chains. Such payments or allowances were not offered or otherwise made available on proportionally equal terms to all other customers (including newsstands, grocery chains and other drug chains) competing with the favored customers in the sale and distribution of the publications of respondent publisher. Among the favored customers receiving payments in 1961 which were not offered to other competing customers in connection with the purchase and sale of respondent's publications were:

Customer:	<i>Approximate Amount Received</i>
Drug Fair, Washington, D.C.-----	\$514.17
Sun Ray Drug, Philadelphia, Pa.-----	550.00

Respondent made said payments to its favored customers on the basis of individual negotiations.

PAR. 6. The acts and practices of respondent as alleged above are in violation of the provisions of subsection (d) of Section 2 of the Clayton Act, as amended.

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The Commission having heretofore determined to issue its complaint charging the respondent named in the caption hereof with violation of subsection (d) of Section 2 of the Clayton Act, as amended, 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, Belmont Productions, 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 66 Leonard Street, 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.

ORDER

It is ordered, That respondent Belmont Productions, Inc., a corporation, its officers, employees, agents and representatives, directly or through any corporate or other device, in connection with the distribution, sale or offering for sale of publications including paperback books in commerce, as "commerce" is defined in the amended Clayton Act, do forthwith cease and desist from:

Paying or contracting for the payment of an allowance or anything of value to, or for the benefit of, any customer as compensation or in consideration for any services or facilities furnished by or through such customer in connection with the handling, offering for sale, sale or distribution of publications including paperback books published, sold or offered for sale by respondent, unless such payment or consideration is affirmatively offered and otherwise made available on proportionally equal terms to all of its other customers competing with such favored customer in the distribution of such publications including paperback books.

The word "customer" as used above shall be deemed to mean anyone who purchases from Belmont Productions, Inc., acting either as principal or agent, or from a distributor or wholesaler where such transaction with such purchaser is essentially a sale by such respondent, acting either as principal or agent.

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.

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IN THE MATTER OF

STERLING GROUP, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF SEC. 2(d)
OF THE CLAYTON ACT

Docket C-174. Complaint, July 18, 1962—Decision, July 18, 1962

Consent order requiring two New York City publishers of magazines including "Movie Mirror", "Real Confessions", "TV & Movie Screen", "Movie Mirror Yearbook", "Beauty Mirror", "TV Picture Life", "Teen Time", and "Hollywood Secrets Annual", and their common president, to cease discriminating in price in violation of Sec. 2(d) of the Clayton Act by paying promotional allowances to certain retail customers—some of whom operated chain retail outlets in railroad, airport, and bus terminals, and outlets in hotels and office buildings, and others of whom furnished services in connection with the handling of respondents' publications such as taking purchase orders and distributing, billing, and collecting—while not making such payments available on proportionally equal terms to their competitors including drug chains, grocery chains, and other newsstands.

COMPLAINT

The Federal Trade Commission, having reason to believe that the parties respondent named in the caption hereof and hereinafter more particularly designated and described, have violated and are now violating the provisions of subsection (d) of Section 2 of the Clayton Act (U.S.C. Title 15, Sec. 13), as amended by the Robinson-Patman Act, hereby issues its complaint stating its charges with respect thereto as follows:

PAR. 1. Respondent Sterling Group, Inc., is a corporation organized and doing business under the laws of the State of New York, with its office and principal place of business located at 260 Park Avenue South, New York, N.Y. Said respondent, among other things, has been engaged in the business of publishing and distributing various publications including magazines under copyrighted titles including "Movie Mirror", "Real Confessions", "TV & Movie Screen", "Movie Mirror Yearbook" and "Beauty Mirror". Said respondent's sales of publications during the calendar year 1960 exceeded nine hundred thousand dollars.

PAR. 2. Respondent Publication House, Inc., is a corporation organized and doing business under the laws of the State of New York, with its office and principal place of business located at 260 Park Avenue South, New York, N.Y. Said respondent, among other things, has been engaged in the business of publishing and distributing

various publications including magazines under copyrighted titles including "TV Picture Life", "Teen Time" and "Hollywood Secrets Annual". Said respondent's sales of publications during the calendar year 1960 exceeded three hundred thousand dollars.

PAR. 3. Respondent Morris S. Latzen, an individual, is the president of both corporate respondents named herein. He formulates, directs and controls the acts and practices of said corporate respondents and his address is the same as that of the corporate respondents.

PAR. 4. Publications published by respondent Sterling Group, Inc., and by respondent Publication House, Inc., are distributed by said respondents to customers through their national distributor, Publishers Distributing Corporation, hereinafter referred to as PDC.

PDC has acted and is now acting as national distributor for the publications of several independent publishers, including said corporate respondents. PDC, as national distributor of publications published by said respondents and other independent publishers, has performed and is now performing various services for these publishers. Among the services performed and still being performed by PDC for the benefit of these publishers are the taking of purchase orders and the distributing, billing and collecting for such publications from customers. PDC has also negotiated promotional arrangements with the retail customers of the publishers it represents, on behalf of and with the knowledge and approval of said publishers, including respondent publishers.

In its capacity as national distributor for said corporate respondents, in dealing with the customers of said respondents, PDC served and is now serving as a conduit or intermediary for the sale, distribution and promotion of publications published by said respondents.

PAR. 5. Respondents Sterling Group, Inc., and Publication House, Inc., through their conduit or intermediary, PDC, have sold and distributed and now sell and distribute their publications in substantial quantities in commerce as "commerce" is defined in the Clayton Act, as amended, to competing customers located throughout various States of the United States and in the District of Columbia.

PAR. 6. In the course and conduct of their businesses in commerce, said corporate respondents have paid or contracted for the payment of something of value to or for the benefit of some of their customers as compensation or in consideration for services or facilities furnished, or contracted to be furnished, by or through such customers in connection with the handling, sale, or offering for sale of publications sold to them by said corporate respondents. Such payments or allowances were not made available on proportionally equal terms to all

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other customers of said respondents competing in the distribution of such publications.

PAR. 7. As an example of the practices alleged herein, said corporate respondents have made payments or allowances to certain retail customers who operate chain retail outlets in railroad, airport and bus terminals, as well as outlets located in hotels and office buildings. Such payments or allowances were not offered or otherwise made available on proportionally equal terms to all other customers (including drug chains, grocery chains and other newsstands) competing with the favored customers in the sale and distribution of the publications of said corporate respondents. Among the favored customers receiving payments in 1960 which were not offered to other competing customers in connection with the purchase and sale of respondents' publications were:

STERLING GROUP, INC.

Customer :	<i>Approximate Amount Received</i>
Union News Co., New York, N.Y.-----	\$6, 691. 47
Greyhound Post House, Forest Park, Ill.-----	1, 444. 70
ABC Vending Corp., Long Island City, N.Y.-----	141. 60

PUBLICATION HOUSE, INC.

Union News Co., New York, N.Y.-----	2, 258. 63
ABC Vending Corp., Long Island City, N.Y.-----	71. 22

Respondents made said payments to their favored customers on the basis of individual negotiations. Among said favored customers such payments were not made on proportionally equal terms.

PAR. 8. The acts and practices of respondents as alleged above are in violation of the provisions of subsection (d) of Section 2 of the Clayton Act, as amended.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of subsection (d) of Section 2 of the Clayton Act, as amended, 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

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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, Sterling Group, 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 260 Park Avenue South, in the city of New York, State of New York.

Respondent, Publication House, 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 260 Park Avenue South, in the city of New York, State of New York.

Respondent, Morris S. Latzen is an officer of each of said corporations, and his address is the same as that of said corporations.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents.

ORDER

It is ordered, That respondents Sterling Group, Inc., and Publication House, Inc., both corporations, their respective officers, and Morris S. Latzen, individually and as an officer of said corporations, and respondents' employees, agents and representatives, directly or through any corporate or other device, in connection with the distribution, sale or offering for sale of publications including magazines and paperback books in commerce, as "commerce" is defined in the amended Clayton Act, do forthwith cease and desist from:

Paying or contracting for the payment of an allowance or anything of value to, or for the benefit of, any customer as compensation or in consideration for any services or facilities furnished by or through such customer in connection with the handling, offering for sale, sale or distribution of publications including magazines and paperback books, published, sold or offered for sale by respondents, unless such payment or consideration is affirmatively offered and otherwise made available on proportionally equal terms to all of their other customers competing with such favored customer in the distribution of such publications including magazines and paperback books.

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The word "customer" as used above shall be deemed to mean anyone who purchases from a respondent, acting either as principal or agent, or from a distributor or wholesaler where such transaction with such purchaser is essentially a sale by such respondent, acting either as principal or agent.

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
KABLE NEWS COMPANY

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
SEC. 2(d) OF THE CLAYTON ACT

Docket C-175. Complaint, July 18, 1962—Decision, July 18, 1962

Consent order requiring a Mount Morris, Ill., publisher of magazines and paperback books to cease discriminating in price in violation of Sec. 2(d) of the Clayton Act by paying promotional allowances to certain retail customers—some of whom operated chain retail outlets in railroad, airport, and bus terminals, and outlets in hotels and office buildings, and others of whom furnished services in connection with the handling of respondent's publications such as taking purchase orders and distributing, billing, and collecting—while not making such payments available on proportionally equal terms to their competitors, including drug chains, grocery chains, and other newsstands.

COMPLAINT

The Federal Trade Commission, having reason to believe that the party respondent named in the caption hereof and hereinafter more particularly designated and described, has violated and is now violating the provisions of subsection (d) of Section 2 of the Clayton Act (U.S.C. Title 15, Sec. 13), as amended by the Robinson-Patman Act, hereby issues its complaint stating its charges with respect thereto as follows:

PARAGRAPH 1. Respondent Kable News Company is a corporation organized and doing business under the laws of the State of Illinois, with its office and principal place of business located at 16 South Wesley Avenue, Mount Morris, Ill. Said respondent, among other things, has been engaged and is presently engaged in the business of selling and distributing various publications including magazines and paperback books which are published by independent publishers under

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copyrighted titles. Respondent's total sales of publications during the period from January 1, 1960, through June 30, 1961, exceeded \$26,000,000.

Said respondent has acted and is now acting as national distributor for the publications of several independent publishers. As national distributor, respondent has performed and is now performing various services for the benefit of such publishers including the taking of purchase orders and the distributing, billing and collecting for such publications from customers. Respondent has also participated and now participates in the negotiations of various promotional and display arrangements with the retail customers of the publishers it represents.

While dealing with the customers of the publishers it represents in its capacity as national distributor, respondent has served and is now serving as a conduit or intermediary for the sale, distribution, and promotion of publications published by said publishers.

PAR. 2. In its capacity as national distributor for publications of various independent publishers, respondent is in charge of the newsstand sales of all such publications. Respondent has distributed and now distributes such publications to retail outlets through local wholesalers. These local wholesalers have served and are now serving as conduits or intermediaries for the sale, distribution and promotion of the publications for which respondent serves as national distributor.

PAR. 3. Respondent has sold and distributed and now sells and distributes its publications in substantial quantities in commerce, as "commerce" is defined in the Clayton Act, as amended, to competing customers located throughout various States of the United States and in the District of Columbia.

PAR. 4. In the course and conduct of its business in commerce, respondent has paid or contracted for payment of something of value to or for the benefit of some of its customers as compensation or in consideration for services or facilities furnished, or contracted to be furnished, by or through such customers in connection with the handling, sale or offering for sale of publications including magazines and paperback books sold to them by respondent. Such payments or allowances were not made available on proportionally equal terms to all other customers of said respondent competing in the distribution of such publications.

PAR. 5. As an example of the practices alleged herein, respondent Kable News Company has made payments or allowances to certain retail customers who operate chain retail outlets in railroad, airport and bus terminals, as well as outlets located in hotels and office build-

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ings. Such payments or allowances were not offered or otherwise made available on proportionally equal terms to all other customers (including drug chains, grocery chains and other newsstands) competing with the favored customers in the sale and distribution of the publications of said respondent. Among the favored customers receiving payments in 1960, and during the first 6 months of 1961, which were not offered to other competing customers in connection with the purchase and sale of said respondent's publications were:

Customer:	<i>Approximate Amount Received</i>	
	1960	1961 (Jan.-June)
Airport Canteen, Chicago, Ill.....	\$804.09	\$529.77
Fred Harvey, Chicago, Ill.....	3,178.23	1,302.32
Interstate Hosts, Los Angeles, Calif.....	2,413.03	2,804.24
Greyhound Post Houses, Forest Park, Ill.....	4,656.87	1,751.35
ABC Vending Corp., Long Island City, N.Y.....	3,030.93	1,189.19
Union News Co., New York, N.Y.....	23,044.62	11,532.58

In the year 1960, respondent paid a total of \$42,787.32 to recipients located in the cities of New York, New York; Boston, Massachusetts; Philadelphia, Pennsylvania; Chicago, Illinois and Washington, D.C.

Respondent made such payments to its favored customers on the basis of individual negotiations. Among such favored customers such payments were not made on proportionally equal terms.

PAR. 6. The acts and practices of respondent as alleged above are in violation of the provisions of subsection (d) of Section 2 of the Clayton Act, as amended.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondent named in the caption hereof with violation of subsection (d) of Section 2 of the Clayton Act, as amended, 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 Kable News Company, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois, with its office and principal place of business located at 16 South Wesley Avenue, in the city of Mount Morris, State of Illinois.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent.

ORDER

It is ordered, That respondent Kable News Company, a corporation, its officers, employees, agents and representatives, directly or through any corporate or other device, in connection with the distribution, sale or offering for sale of publications including magazines and paperback books in commerce, as "commerce" is defined in the amended Clayton act, do forthwith cease and desist from:

Paying or contracting for the payment of an allowance or anything of value to, or for the benefit of, any customer as compensation or in consideration for any services or facilities furnished by or through such customer in connection with the handling, offering for sale, sale or distribution of publications including magazines and paperback books distributed, sold or offered for sale by respondent, unless such payment or consideration is affirmatively offered and otherwise made available on proportionally equal terms to all of its other customers competing with such favored customer in the distribution of such publications including magazines and paperback books.

The word "customer" as used above shall be deemed to mean anyone who purchases from Kable News Company, acting either as principal or agent, or from a distributor or wholesaler where such transaction with such purchaser is essentially a sale by such respondent, acting either as principal or agent.

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

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IN THE MATTER OF

ARCHIE COMIC PUBLICATIONS, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF SEC. 2(d)
OF THE CLAYTON ACT*Docket C-176. Complaint, July 18, 1962—Decision, July 18, 1962*

Consent order requiring three New York City publishers of comic books—including “Archie”, “Jughead”, “Pep”, “Betty and Veronica”, “Katy Keene”, “Laugh”, “The Fly”, and “Katy Keene Pinup”—and their common officers, to cease discriminating in price in violation of Sec. 2(d) of the Clayton Act by paying promotional allowances to certain retail customers—some of whom operated chain retail outlets in railroad, airport, and bus terminals, and outlets in hotels and office buildings, and others of whom furnished services in connection with the handling of respondents’ publications such as taking purchase orders and distributing, billing, and collecting—while not making such payments available on proportionally equal terms to their competitors, including drug chains, grocery chains, and other newsstands.

COMPLAINT

The Federal Trade Commission, having reason to believe that the parties respondent named in the caption hereof and hereinafter more particularly designated and described, have violated and are now violating the provisions of subsection (d) of Section 2 of the Clayton Act (U.S.C. Title 15, Sec. 13), as amended by the Robinson-Patman Act, hereby issues its complaint stating its charges with respect thereto as follows:

PARAGRAPH 1. Respondent Archie Comic Publications, Inc., is a corporation organized and doing business under the laws of the State of New York with its office and principal place of business located at 241 Church Street, New York, N.Y. Said respondent, among other things, has been engaged and is presently engaged in the business of publishing and distributing various publications including comic books under copyrighted titles including “Archie”, “Jughead”, and “Pep”. Said respondent’s total sales of publications during the calendar year 1960 exceeded one million dollars.

PAR. 2. Respondent Close Up, Inc., is a corporation organized and doing business under the laws of the State of New York, with its office and principal place of business located at 241 Church Street, New York, N.Y. Said respondent, among other things, has been engaged and is presently engaged in the business of publishing and distributing various publications including comic books under copy-