

ALUMINUM ENTERPRISES, INC., ET AL., DOING
BUSINESS AS CUSTOM BUILDERS

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

Docket C-196. Complaint, July 24, 1962—Decision, July 24, 1962

Consent order requiring Colmar Manor, Md., sellers of aluminum windows and doors and other home improvements, to cease using bait advertisements in newspapers, which were not bona fide offers to sell at the advertised prices but were made to obtain leads to prospects.

728-122-65——20

Complaint

61 F.T.C.

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 Aluminum Enterprises, Inc., a corporation, doing business as Custom Builders, and Abraham Gomberg, individually and as an officer 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 complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Aluminum Enterprises, Inc., doing business as Custom Builders, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Maryland, with its principal office and place of business located at 3907 Bladensburg Road, in the city of Colmar Manor, State of Maryland.

Respondent Abraham Gomberg is an officer of the corporate respondent. He formulates, directs and controls the policies, acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. His address is the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale and distribution of aluminum storm windows and doors and other home improvements, including recreation rooms, jalousie rooms, aluminum siding, jalousies, patio awnings and swimming pools, which are advertised and offered for sale as a unit, including installation, for a flat sum.

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

PAR. 4. In the course and conduct of their business as aforesaid, and for the purpose of inducing the purchase of their aluminum storm windows and doors and other home improvements, and services in connection therewith, respondents have made various statements in advertisements in newspapers of general circulation. Among and typical, but not all inclusive, of such statements are the following:

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NEW 1962 MODEL
10 [or 9]

plus/
1

\$89 [or \$79]
INSTALLED

GENUINE ALUMINUM
TRIPLE INSERT
STORM WINDOWS

ALL ALUMINUM
STORM DOOR
ALL FOR ONLY

FREE HOME DEMONSTRATION
CUSTOM BUILDERS
3907 BLADENSBURG ROAD

REC. ROOM
ANNIVERSARY SALE!

[Illustration of recreation room]

SHARE OUR
ANNIVERSARY
& EXPANSION
SALE WITH US!

FREE
5 Ft. BAR
\$489

LABOR AND MATERIALS
INSTALLED

Includes All This:

- STANDARD 12' x 16'!
- CUSHION TONE CEILING!
- DELUXE TRIM!
- CLOSET OPENING UNDER STAIRS!
- WROUGHT IRON HARDWARE!
- KNOTTY PINE DOOR!
- KNOTTY PINE WALLS!
- DECORATIVE STAIR RAILS!
- TILE FLOOR OPTIONAL!
- RECESSED LIGHT!

3907 Bladensburg Rd., N.E.
AP 7-6404

CUSTOM BUILDERS

PAR 5. By and through the use of said statements contained in said advertisements, and others of similar import but not specifically set out herein, respondents represented directly or by implication that they were making a bona fide offer to sell the aluminum storm windows and door, and the recreation room improvement, at the prices specified in the advertising.

PAR. 6. In truth and in fact respondents' offers were not bona fide offers to sell the aluminum storm windows and door and the recreation room improvement at the advertised prices, but were made for the purpose of obtaining leads and information as to persons interested in the

purchase of aluminum storm windows and doors and recreation room improvements for their homes. After obtaining leads through response to said advertisements respondents' salesmen called upon such persons but made no effort to sell the storm windows and door or the recreation room improvement at the advertised prices. Instead, they exhibited samples of the advertised windows which were manifestly unsuitable for the purpose intended and disparaged said windows in such a manner as to discourage their purchase, and attempted to, and frequently did, sell much higher priced storm windows. Or, in the case of the recreation room improvement, respondents' salesmen made estimates which were greatly in excess of the advertised price, stating that the disparity in price, among other reasons, was due to "extras", or more expensive materials which were not included in the advertised specifications, and attempted to, and frequently did, succeed in selling the recreation room improvement at a higher estimated price. Therefore, the statements and representations as set forth in paragraphs 4 and 5 hereof were false, misleading and deceptive.

PAR. 7. 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 aluminum storm windows and doors and home improvements, products and services of the same general kind and nature as those sold by respondents.

PAR. 8. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were and are true and into the purchase of substantial quantities of respondents' products and services by reason of said erroneous and mistaken belief.

PAR. 9. The aforesaid acts and practices of respondents, as herein alleged, were, and are, all to the prejudice and injury of the public and of respondents' competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce in violation of Section 5 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 respondents

Complaint

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IN THE MATTER OF

SYLVIA ABRAMS TRADING AS BARCLAY DISTRIBUTORS

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

Docket C-198. Complaint, July 26, 1962—Decision, July 26, 1962

Consent order requiring a New York City distributor of men's wallets, calendar banks, self-illuminating power magnifiers, travel irons, immersion heaters and other merchandise, to cease making false price and savings claims and misleading guarantees such as those she made in newspaper advertising and catalogs.

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 Sylvia Abrams, hereinafter referred to as the 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 Sylvia Abrams is an individual trading as Barclay Distributors, with her principal office and place of business located at 170-30 Jamaica Avenue, Jamaica 32, Borough of Queens, 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 advertising, offering for sale, sale and distribution of men's wallets, calendar banks, self illuminating magnifiers, travel irons, travel immersion heater kits, wrist watches, cigarette lighters, and other items of general merchandise to the public.

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

PAR. 4. In the course and conduct of her business the respondent has placed or caused to be placed advertisements in newspapers of general circulation and in nationally distributed magazines, and has distributed catalogues through the United States mail to prospective