

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

GREAT EASTERN FOODS CORPORATION TRADING AS
HOME FOOD BUYERS SERVICE, ETC., ET AL.

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

Docket C-245. Complaint, Sept. 28, 1962—Decision, Sept. 28, 1962

Consent order requiring Baltimore sellers of freezers and foods by means of a so-called "freezer food plan," to cease representing falsely, through salesmen or otherwise, that purchasers of their said plan would receive the same amount of food and a freezer for the same or less money than they had been paying for food alone.

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 Great Eastern Foods Corporation, a corporation trading and doing business as Home Food Buyer Service, Home Frozen Foods Service and Better Food Service, and Leroy S. Girson and William S. Ledbetter, 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 complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Great Eastern Foods Corporation is a corporation organized, existing and doing business under and by virtue of the laws of Maryland with its principal office and place of business located at 3323 Keswick Road, Baltimore, Md., where it is trading and doing business as Home Food Buyers Service, Home Frozen Foods Service and Better Food Service.

Respondents Leroy S. Girson and William S. Ledbetter are officers of the corporate respondent. They formulate, direct and control the acts and practices of the corporate respondent, including the act and practice hereinafter set forth. Their address is the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale and distribution of freezers and food by means of a so-called freezer food plan.

PAR. 3. In the course and conduct of their business, respondents now cause, and for some time last past have caused, freezers and food, 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 the District of Columbia, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said freezers and food in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and 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 freezers, food and freezer food plans.

PAR. 5. In the course and conduct of their business, and for the purpose of inducing the sale of their freezer food plan, respondents' salesmen, representatives and agents have made certain representations. Typical and illustrative of the foregoing is the following:

That purchasers of respondents' freezer food plan will receive the same amount of food and a freezer for the same or less money than they have been paying for food alone.

PAR. 6. In truth and in fact:

Purchasers of respondents' freezer food plan do not receive a freezer and the same quantity of food for the same or less money than they have been paying for food alone.

Therefore, the representation referred to in paragraph 5 was and is false, misleading and deceptive.

PAR. 7. The use by respondents of the aforesaid false, misleading and deceptive representation and practice has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said representation was and is true and into the purchase of substantial quantities of freezers, food and freezer food plans from the respondents by reason of said erroneous and mistaken belief.

PAR. 8. The aforesaid act and practice of respondents, as herein alleged, was, and is, all to the prejudice and injury of the public and of respondents' competitors and constituted, and now constitutes, an unfair method of competition in commerce and unfair and deceptive act and practice in commerce, within the intent and meaning of the Federal Trade Commission Act, and in violation of Section 5 of said 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 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 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, Great Eastern Foods Corporation, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Maryland with its office and principal place of business located at 3323 Keswick Road, in the city of Baltimore, State of Maryland.

Respondents Leroy S. Girson and William S. Ledbetter 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 Great Eastern Foods Corporation, a corporation, trading and doing business as Home Food Buyers Service, Home Frozen Foods Service or Better Food Service, or any other name, and its officers and Leroy S. Girson and William S. Ledbetter, individually and as officers of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of freezers, food or a freezer food plan 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 purchasers of respondents' freezer food plan will receive the same or any amount of food and a freezer for the same or less money than they have been paying for food alone.

2. Misrepresenting in any manner the savings realized by the purchasers of a freezer food plan, freezer, or food.

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