

SOUTHERN INDIANA WHOLESALERS, INC.,* ET AL.

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

Docket 7962. Complaint, June 20, 1960—Decision, Jan. 16, 1963

Order requiring a retail furniture dealer in Evansville, Ind., to cease using the word "Wholesalers" in its corporate name and representing falsely in advertising in newspapers, by radio and television and otherwise, that its merchandise was offered at wholesale prices which afforded savings to purchasers.

* Now known as Southern Indiana Distributors, Inc.

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 Southern Indiana Wholesalers, Inc., a corporation, and Charles W. Allen, Cora Jean Allen and Charles H. Kinney, 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 Southern Indiana Wholesalers, Inc., is a corporation, organized, existing and doing business under and by virtue of the laws of the State of Indiana, with its principal office and place of business located at 25 Pennsylvania Street, Evansville, Indiana. Individual respondents Charles W. Allen, Cora Jean Allen and Charles H. Kinney are president, secretary and treasurer, respectively, of corporate respondent, and as such formulate, control and direct the acts, practices and policies of said corporate respondent. Said individual respondents have their offices at the same location as the corporate respondent.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the business of offering for sale and selling furniture, rugs, appliances, luggage and other merchandise at stores located in Evansville, Indiana, and Paducah, Kentucky. Most of such sales are made at retail to the general public.

PAR. 3. In the course and conduct of their business, respondents cause, and have caused, substantial quantities of their merchandise, when sold to the aforesaid class of customers, to be transported from their places of business in the States of Indiana and Kentucky to purchasers thereof located in other States, and maintain, and have maintained, a course of trade in their said merchandise, with such customers, in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the conduct of said business, respondents use the name of the corporate respondent, Southern Indiana Wholesalers, Inc., in radio broadcasts, television telecasts, in newspaper advertisements, in circulars sent through the United States mails, on invoices, letter-heads and by other means, all of which have been circulated among or supplied to the aforesaid class of prospective purchasers.

Complaint

62 F.T.C.

PAR. 5. Through the use of the term "Wholesalers" as a part of the name of the corporate respondent and the use of such statements as:

WHY BUY RETAIL? Buy at wholesale.

BUY WHERE THE DEALERS BUY WHOLESALE

DON'T BE CHIDED INTO THINKING THAT YOU CAN BUY FOR LESS THAN WHOLESALE

YOU KEEP THE PROFIT WHEN YOU BUY AT WHOLESALE PRICES

and other statements of similar import but which are not specifically set forth herein, in advertisements in newspapers and circulars circulated across State lines, and in radio and television continuities broadcast across State lines, respondents represent, and have represented, that their business is a wholesale business and that they offer to sell and sell their merchandise to the general public at wholesale prices.

PAR. 6. Said statements and representations were, and are, false, misleading and deceptive. In truth and in fact, respondents' business is primarily a retail business and they do not offer to sell or sell their merchandise to the general public at wholesale prices but at prices which are substantially in excess of wholesale prices.

PAR. 7. In the course and conduct of their business, respondents have engaged in the practice of using fictitious retail prices in connection with their merchandise by means of statements made in advertisements in newspapers and circulars circulated across State lines and in radio and television continuities broadcast across State lines. Typical of said practice is the use of certain amounts in connection with such words and terms as "Retail," "Retail Price," "Retail Value," "Suggested Retail Prices," "Suggested List Price," "Mfg. List Price" and "Regular List Price" and other words and terms of similar import, together with lesser amounts at which the advertised articles of merchandise are offered for sale.

By the use of said designations and the various amounts in connection therewith, and the lesser amounts, respondents represented that the larger designated amounts were the prices at which the advertised merchandise was usually and customarily sold at retail in the trade area or areas where the representations were made and that the differences between said amounts and the lesser amounts represented savings from the prices at which the advertised merchandise was usually and customarily sold at retail in the trade area or areas in which the representations were made.

Respondents, by the same means as aforesaid, have used certain amounts in connection with such words or terms as "Reg. Price," "Regular Price," and "Reg." and other words and terms of the same import, together with lesser amounts, at which the advertised articles of merchandise are offered for sale.

By the use of said designations and the various amounts in connection therewith, and the lesser amounts, respondents represented that the larger designated amounts were the prices at which the advertised merchandise had been usually and customarily sold by them in the recent regular course of their business and that the differences between said amounts and the lesser amounts represented savings from the prices at which the advertised merchandise had been usually and customarily sold by respondents in the recent regular course of business.

PAR. 8. The said statements and representations were false, misleading and deceptive.

In truth and in fact, the amounts represented as being the prices at which the advertised merchandise was sold in the area or areas in which the representations were made were fictitious and in excess of such prices, and the differences between such amounts and the lesser amounts did not represent savings from the prices at which the advertised merchandise was usually and regularly sold in the trade area or areas where the representations were made.

In truth and in fact, the amounts represented as being the prices at which respondents had usually and customarily sold the advertised merchandise in the recent regular course of business were fictitious and in excess of such prices and the differences between such amounts and the lesser amounts did not represent savings from the prices at which respondents had sold the advertised merchandise in the recent regular course of business.

PAR. 9. Respondents are in direct and substantial competition, in commerce, with other corporations and with individuals and firms likewise engaged in the sale of merchandise of the same kind to the general public.

PAR. 10. The use by respondents, as aforesaid, of the false, misleading and deceptive statements and representations has had and now has the capacity and tendency to mislead and deceive a substantial portion of the purchasing public into the erroneous and mistaken belief that said statements and representations were, and are, true and to induce the purchase of respondents' merchandise as a result of such erroneous and mistaken belief. As a consequence thereof, trade in commerce has been unfairly diverted to respondents from their competitors and injury has been and is being done to competition in commerce.

PAR. 11. The aforesaid acts and practices of respondents, as herein alleged, are and were all to the prejudice and injury of the public and of respondents' competitors and constitute unfair and deceptive acts

Initial Decision

62 F.T.C.

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

Mr. Charles S. Cox for the Commission,
Mr. James D. Lopp, of Evansville, Ind., for respondents.

INITIAL DECISION BY WILLIAM L. PACK, HEARING EXAMINER

MARCH 16, 1962

1. The complaint in this matter, issued on June 20, 1960, charges the respondents with making certain misrepresentations regarding their business status and the prices of their merchandise, in violation of the Federal Trade Commission Act. On July 19, 1960, an answer to the complaint was filed on behalf of respondents. Thereafter, hearings were held at which evidence both in support of and in opposition to the complaint was received. Proposed findings and conclusions have been submitted by Commission counsel, respondents having elected not to submit such proposals, and the case is now before the hearing examiner for final consideration. Any proposed findings or conclusions not included herein have been rejected.

2. The corporate respondent is an Indiana corporation, with its principal place of business at 25 Pennsylvania Street, Evansville, Indiana. At the time the complaint was issued the name of the corporation was Southern Indiana Wholesalers, Inc. Since that time, as will be seen later, the name of the corporation has been changed.

The individual respondents, Charles W. Allen, Cora Jean Allen and Charles H. Kinney, are president, secretary, and treasurer, respectively, of the corporation and formulate, control, and direct its policies, acts, and practices.

3. Respondents are engaged in the sale and distribution of furniture, rugs, electric appliances, luggage, and other merchandise. At present their only store is located in Evansville, Indiana. They formerly maintained a store in Paducah, Kentucky, also but that store was discontinued in February 1960.

4. In the sale and distribution of their merchandise respondents are engaged in interstate commerce, causing substantial quantities of their merchandise, when sold, to be transported from their place of business in the State of Indiana to purchasers located in other States, particularly the States of Illinois and Kentucky.

5. Respondents are in substantial competition in interstate commerce with other corporations and individuals engaged in the sale of similar merchandise.

6. In promoting the sale of their merchandise respondents engage in extensive advertising, employing circulars which are sent through

the United States mail to prospective customers, and newspaper advertisements. Use is also made of radio and television continuities. All of this advertising is widely disseminated among members of the public residing in the three States of Indiana, Illinois, and Kentucky. In practically all of the advertising respondents' corporate name, Southern Indiana Wholesalers, Inc., has been featured, and in addition there are many statements such as "WHY PAY RETAIL? BUY AT WHOLESALE," "BUY WHERE THE DEALERS BUY—WHOLESALE" and "YOU KEEP THE PROFIT WHEN YOU BUY AT WHOLESALE PRICES".

In many instances respondents have designated the prices at which specific items of merchandise are offered as "wholesale" prices or "dealer" prices, and in connection with such prices have shown larger amounts designated as the "retail" prices of the respective items.

Respondents have thus represented that they are wholesalers and that the prices at which their merchandise is offered are wholesale prices.

7. These representations were clearly unwarranted and misleading. While for a period of some two years, beginning in 1955 and ending in 1957, respondents apparently did operate a wholesale business, there was a radical change in the latter part of 1957. At that time respondents, to use their own expression, "opened their doors to the public" and began to direct their advertising to the public. Since that time respondents' business has been essentially a retail operation. While occasionally a purchase may be made by a dealer, these instances are very rare and constitute only a negligible portion of respondents' sales, probably not more than 1 percent. All other sales are made to the general public. When purchases are made by dealers they pay the same price as the consuming public.

8. A wholesaler is one who sells to dealers who in turn resell to the ultimate consumer. A retailer, on the other hand, is one who sells direct to the consumer. Clearly respondents are retailers, not wholesalers.

9. As respondents are not wholesalers, it follows that their prices are not wholesale prices, but, on the contrary, are retail prices. During recent years respondents have bought practically all of their merchandise at the same prices as other retailers, that is, at wholesale prices. As respondents must pay wholesale prices for their merchandise, obviously they cannot sell at wholesale prices and remain in business.

10. Respondents' representations as to their business status and their prices also constitute representations that substantial savings will result from the purchase of respondents' merchandise. It is common knowledge that wholesale prices are substantially lower than retail

prices, and members of the public seeing respondents' advertisements would be almost certain to conclude that substantial savings will accrue to them if they purchase from respondents. Respondents' representations are thus misleading in this additional respect. As already stated, respondents' prices are retail, not wholesale prices, and the purported savings are not available to purchasers.

11. Respondents themselves apparently have come to recognize that the use of the word "Wholesalers" in their corporate name is unwarranted. On November 17, 1960, a supplemental answer was filed by respondents stating that on October 17, 1960, the name of the corporate respondent was changed from "Southern Indiana Wholesalers, Inc.," to "Southern Indiana Distributors, Inc."

12. In their advertising respondents in a number of instances have shown, along with the prices of various items, larger amounts designated as "Suggested Retail Price", "Suggested List Price", "Mfg. List Price", and "Regular List Price". The complaint charged that through the use of such terms respondents represented, contrary to fact, that the larger amounts were the prices at which the designated articles were customarily sold in the trade areas where the representations were made. However, there appears to be no evidence, certainly no substantial evidence, that the representations were untrue; that is, that the merchandise in question did not in fact customarily sell at the higher prices.

The complaint also charged respondents with misrepresenting the prices at which certain items had been sold by them. Along with the prices at which certain items were offered, respondents have shown larger amounts in their advertising and in connection with these larger amounts have used the terms "Regular Price", "Reg. Price", and "Reg." The charge here is that through the use of such terms in connection with the larger amounts respondents represented that these amounts were the prices at which the items had customarily been sold by them in the recent regular course of their business.

Actually, respondents appear to have made relatively little use of the terms in question. The theme of their advertising has been to emphasize that they were wholesalers and sold at wholesale prices. In doing this respondents, as indicated above, have made wide use for comparative purposes of the terms "Retail", "Retail Price", etc. In those instances in which the term "Regular Price" (or some contraction thereof) has been used, there appears to be no substantial evidence that respondents had not previously sold the specified merchandise at the prices indicated.

Respondent Charles W. Allen did state that he had never sold at "retail" prices but this was in connection with his contention that his

46

Order

prices had always been wholesale rather than retail prices. The statement would appear to have no relation to the charge regarding the use of the term "Regular Price".

It is therefore concluded that these charges in the complaint have not been sustained.

13. The use by respondents of the misrepresentations herein found has the tendency and capacity to mislead and deceive members of the public with respect to respondents' business status, the prices of their merchandise, and the savings available through the purchase of such merchandise, and the tendency and capacity to cause such members of the public to purchase substantial quantities of respondents' merchandise as a result of the erroneous and mistaken belief so engendered. In consequence, substantial trade has been diverted unfairly to respondents from their competitors. Respondents' acts and practices thus are to the prejudice of the public and of respondents' competitors, and constitute unfair and deceptive acts and practices and unfair methods of competition in commerce in violation of the Federal Trade Commission Act. The proceeding is in the public interest.

ORDER

It is ordered, That the respondents, Southern Indiana Wholesalers, Inc. (now known as Southern Indiana Distributors, Inc.), a corporation, and its officers, and Charles W. Allen, Cora Jean Allen and Charles H. Kinney, 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, and distribution of respondents' merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using the word "Wholesalers" or any other word of similar import as a part of respondents' corporate or trade name; or otherwise representing, directly or by implication, that respondents are wholesalers or that their business is a wholesale business.
2. Representing, directly or by implication, that the prices at which respondents' merchandise is offered for sale or sold are wholesale prices.
3. Representing, directly or by implication, that savings are available to purchasers of respondents' merchandise, when such is not the fact.

It is further ordered, That the complaint be dismissed as to the charges referred to in paragraph 12 of this decision.

OPINION OF THE COMMISSION

NOVEMBER 19, 1962

By ANDERSON, *Commissioner*:

Respondents have been charged with violating Section 5 of the Federal Trade Commission Act by engaging in false, misleading and deceptive advertising. The complaint specifically charges that respondents have misrepresented their business status and that they have engaged in misrepresentation through the use of fictitious prices.

The hearing examiner found that the charges were sustained except as to some allegations concerning fictitious prices. He held that respondents had falsely represented themselves as "wholesalers" and that they had made misleading representations as to the savings passed on to the purchasers of their products. He ordered the respondents to cease and desist the practices so found to be unlawful and the complaint dismissed as to the other charged practices.

Counsel supporting the complaint has filed exceptions to the initial decision, contending that the examiner erred in his partial dismissal of the complaint. No answer was filed by respondents and no request was made for oral argument.

The complaint, in Paragraphs 7 and 8, alleges that respondents, in connection with the use in their advertisements of certain amounts and the terms "Retail," "Retail Price," "Retail Value," "Suggested Retail Prices," "Suggested List Price," "Mfg. List Price," "Regular List Price," and similar terms, together with lesser amounts at which articles were offered for sale, falsely represented that the larger amounts were the prices at which the merchandise was usually and customarily sold at retail in the trade area or areas in which the representations were made and that the differences in the amounts represented savings from the usual and customary prices. The complaint in these paragraphs also alleges that through the use of terms such as "Reg. Price," "Regular Price," and "Reg.", respondents falsely represented the prices at which they usually and customarily sold the advertised merchandise in the recent regular course of their business and the savings to be obtained.

The examiner dismissed the complaint as to the charged misrepresentation concerning fictitious prices but not the charged misrepresentation as to savings. On the price misrepresentation charges, he ruled that there was insufficient evidence to establish, in the one case, that the higher prices were not the usual and customary prices of the respondents in the recent regular course of their business. On the savings issue, he ruled that respondents' representations as to their business status and prices constitute representations of substantial

savings on the purchase of their merchandise and since the prices are retail and there are no such savings, the representations are misleading.

We will now consider the exceptions taken to the initial decision. We agree with the examiner on the dismissal of the allegation that respondents falsely represented their own regular prices. An example of such a representation is found in Commission Exhibit 3-C. There a chair is depicted with the following price representation: "Regular Price \$29.50. Close Out \$18.00." The impression from this advertisement is that respondents, in the recent regular course of their business, had regularly sold the chair at the higher figure and purchasers would save in the amount of the difference between this and the actual retail price. *Giant Food, Inc.*, Docket No. 7773 [61 F.T.C. 326] (Decision of the Commission, July 31, 1962). Counsel supporting the complaint, for proof of the allegation, relies upon certain admissions of respondent Charles W. Allen, president of corporate respondent. This witness stated that respondents never sold at prices listed as "retail," "list" and "elsewhere", but he did not say and there is no other indication in the record that respondents did not sell the goods in the recent regular course of their business at the prices labeled as "regular". We conclude that the complaint in this respect should be dismissed.

The other allegation as to fictitious pricing has been proved and the examiner erred in dismissing the complaint on such charge. Among respondents' price representations are the following:

Health-O-Rest Ortho Spring Mattress * * * Retail Price \$79.50. Wholesale Price \$36.00.

Recliners * * * Retail Price \$89.50. Wholesale Price \$47.50.

King Sized Recliner * * * Our Factory Price \$49.88. Suggested Retail \$89.50.

The use of the terms "Retail Price" and "Suggested Retail" in these advertisements are representations that the prices so identified are the usual and customary prices for the trade area and that purchasers will be afforded savings amounting to the differences between these and the actual selling prices. *Giant Food, Inc.*, Docket No. 7773, *supra*. The record shows, however, that the items so advertised were manufactured by the respondents, or made for the respondents to their specifications, and that respondents were the sole or practically the sole distributors of the merchandise.¹ Accordingly, the usual and

¹ Specifically as to the "Health-O-Rest Ortho Spring Mattress", Mr. Allen testified:

"This is a mattress we had made for ourself, for certain specifications, and bearing that name, and nobody else would have that, and the manufacturer put the suggested retail price on that as \$79.50."

This witness' further testimony was as follows:

"Q. Do you know of any instance where the particular mattress on Commission Exhibit 1A, with the name, Health-O-Rest Ortho-Spring mattress sold for \$79.50?

"A. I know of no place that has that, anybody that has that. That is one we had manufactured for ourself. I know of mattresses comparable that retail for that."

Order

62 F.T.C.

customary prices for the trade area would be those charged by the respondents, and the respondents never sold at prices as high as those labeled "retail" prices. This fact is disclosed by evidence such as the testimony of corporate respondent's president, Charles W. Allen, who stated, in effect, that respondents always sold under "retail" prices. Thus, the prices identified as "retail" or "suggested retail" in these advertisements were in excess of the usual and customary price or prices for the trade area. The advertisements are false, misleading and deceptive as to such price representations and as to the represented savings afforded to purchasers of the merchandise.

The exceptions of counsel supporting the complaint are sustained in part and rejected in part. The initial decision including the order will be modified to conform to the views expressed in this opinion and, as so modified, will be adopted as the decision of the Commission. The order contained in the initial decision, as modified, will be issued as the proposed order of the Commission. An appropriate order will be entered.

ORDER MODIFYING AND ADOPTING INITIAL DECISION AND PROVIDING FOR
THE FILING OF OBJECTIONS TO PROPOSED FINAL ORDER AND REPLY *

NOVEMBER 19, 1962

This matter having been heard by the Commission upon the exceptions of counsel supporting the complaint to the initial decision, no answer having been filed by the respondents and no oral argument having been requested, and the Commission having ruled on said exceptions and having determined that the initial decision should be modified to conform to the views expressed in the accompanying opinion and adopted, as modified, as the decision of the Commission:

It is ordered, That the first subparagraph of Paragraph 12 of the initial decision be, and it hereby is, stricken.

It is further ordered, That the last subparagraph of Paragraph 12 of the initial decision be, and it hereby is, modified to read as follows:

It is therefore concluded that this charge in the complaint has not been sustained.

It is further ordered, That in the initial decision Paragraph 13 be renumbered Paragraph 16 and that new paragraphs be included after Paragraph 12 as follows:

13. Respondents in their advertisements used certain statements with respect to the pricing of their merchandise. Among and illustrative of such statements are the following:

*Since the Proposed Final Order was adopted verbatim as the Final Order, it is omitted in printing.

467

Final Order

"Health-O-Rest Ortho Spring Mattress . . . Retail Price \$79.50. Wholesale Price \$36.00."

"Recliners . . . Retail Price \$89.50. Wholesale Price \$47.50."

"King Sized Recliner . . . Our Factory Price \$49.88. Suggested Retail \$89.50."

14. Through the use of these and similar statements not herein set out, respondents have created the impression that the amounts designated by the terms "Retail Price" and "Suggested Retail" and by other terms of similar import were the prices at which the products advertised were usually and customarily sold at retail in the trade area in which the representation was used and that the purchasers of the products advertised were afforded savings amounting to the differences between the actual selling prices and the higher comparative prices set out in the advertisements.

15. In fact, the impressions created by such representations as to price and savings are false, misleading and deceptive. The amounts designated by such terms as "Retail Price" and "Suggested Price" were not the prices at which the products advertised were usually and customarily sold at retail in the trade area and purchasers of the products advertised were not afforded savings amounting to the differences between the actual selling prices and the higher comparative prices set out in the advertisements.

It is further ordered, That the findings and conclusions contained in the initial decision, as so modified, and the order therein, modified in the manner shown by the proposed order set forth herein, be, and they hereby are, adopted as the findings and conclusions and proposed order of the Commission.

It is further ordered, That the order to cease and desist contained in the initial decision be modified as shown by the following proposed order of the Commission and that respondents may, within twenty (20) days after service upon them of this order, file with the Commission their objections to the changes so made in the order to cease and desist contained in the initial decision, together with a statement of the reasons in support of their objections and a proposed alternative form of order appropriate to the Commission's decision.

FINAL ORDER

The Commission on November 19, 1962, having issued its order providing for the filing of objections by the respondents to the proposed order of the Commission modifying the order to cease and desist con-

tained in the hearing examiner's initial decision filed March 16, 1962; and

Respondents having been served with the aforementioned proposed order and not having filed objections within the time granted in the Commission's order of November 19, 1962; and

The Commission having determined that its proposed order to cease and desist should be entered as the final order of the Commission:

It is ordered, That the respondents, Southern Indiana Wholesalers, Inc. (now known as Southern Indiana Distributors, Inc.), a corporation, and its officers, and Charles W. Allen, Cora Jean Allen and Charles H. Kinney, 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, and distribution of respondents' merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using the word "Wholesalers" or any other word of similar import as a part of respondents' corporate or trade name; or otherwise representing, directly or by implication, that respondents are wholesalers or that their business is a wholesale business.

2. Representing, directly or by implication, that the prices at which respondents' merchandise is offered for sale or sold are wholesale prices.

3. Using the words "retail price," "suggested retail," or words of similar import, to refer to any amount which is in excess of the price or prices at which such merchandise is usually and customarily sold in the trade area where the representation is made; or otherwise misrepresenting the usual and customary retail selling price or prices of such merchandise.

4. Misrepresenting in any manner the amount of savings available to purchasers of respondents' merchandise.

It is further ordered, That the complaint be dismissed as to the charges referred to in Paragraph 12 of the findings contained in the initial decision, as modified.

It is further ordered, That the respondents 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 set forth herein.

Complaint

IN THE MATTER OF
ESTEE SLEEP SHOPSORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE
COMMISSION ACT*Docket 8527. Complaint, Aug. 22, 1962—Decision, Jan. 16, 1963*

Order dismissing—it being determined that the consent order procedure should be made available to the parties named in a proposed amendment—complaint charging advertising of fictitious prices and deceptive guarantees of furniture, after it was found that the original respondent was nonexistent and the activities concerned were those of several corporations and their officers.

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 the Estee Sleep Shops, 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 Estee Sleep Shops is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois, with its principal office at 2400 West 21st Street in the city of Chicago, State of Illinois.

PAR. 2. Respondent is now, and for some time last past has been, engaged in the business of manufacturing bedding, selling bedding as a wholesaler, assembling furniture, and selling bedding and furniture through nine retail stores owned and operated by Estee Sleep Shops.

PAR. 3. In the course and conduct of its business, respondent now causes, and for some time last past has caused, its said products, when sold, to be shipped from its place of business in the State of Illinois to purchasers thereof located outside that State, and 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. In the course and conduct of its business, and for the purpose of inducing the sale of said bedding and furniture, respondent has placed or caused to be placed advertisements in newspapers of general circulation. The following statements from the advertisements are typical but not all inclusive:

Kroehler Foam Cushioned Sofa and Chair Save \$60 Decorator designed * * *
Get yours today at Estee, only \$149.88