

OZ PUBLISHING CORPORATION ET AL.

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

Docket C-505. Complaint, June 12, 1963—Decision, June 12, 1963

Consent order requiring a New York City manufacturer of greeting cards, souvenir post cards, calendars, etc., and its corporate sales subsidiaries, with annual sales in excess of \$2 million, to cease violating Sec. 2(a) of the Clayton Act. by such practices as selling their products to the F. W. Woolworth Co. variety chain and to Cunningham Drug Stores, Inc., drugstore

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chain operating in Ohio and Michigan, at list price less 50 percent and 5 percent, while selling to numerous retail competitors of the two chains at list less 50 percent.

COMPLAINT

The Federal Trade Commission, having reason to believe that the parties respondent named in the caption hereof have been violating the provisions of subsection (a) 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 Oz Publishing Corporation 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 156 Fifth Avenue, New York, New York.

Respondent Oz Greeting Cards, Inc., is a corporation organized and existing under and by virtue of the laws of the State of New York, with offices and principal place of business at 156 Fifth Avenue, New York, New York. It is a wholly owned subsidiary of the parent firm Oz Publishing Corporation.

Respondent Oz Cardlines, Inc., is a corporation organized and existing under and by virtue of the laws of the State of New York, with offices and principal place of business located at 156 Fifth Avenue, New York, New York. It is a wholly owned subsidiary of the parent firm, Oz Publishing Corporation.

Respondents Harry Friedgut, Oscar D. Freedgood and Milton Warshaw are individuals, officers and directors of each of the corporate respondents. Acting individually and in concert they formulate, direct and control the acts and practices of each corporate respondent, including those acts and practices alleged herein. Their addresses are the same as that of the corporate respondents.

PAR. 2. Respondent Oz Publishing Corporation has been at all times mentioned herein, engaged in the creation and manufacture of greeting cards, holiday cards, souvenir post cards, calendars, and similar printed matter. Respondent Oz Publishing Corporation, through respondent Oz Cardlines, Inc., and Oz Greeting Cards, Inc., has sold and continues to sell its products to a large number of customers located throughout the United States who purchase such products for resale, including retailers such as greeting card specialty stores, drugstores, variety stores and retail chain variety and drugstores. Respondents' sales of such products are substantial, exceeding \$2 million annually.

Respondent Oz Publishing Corporation creates and manufactures its

products in the State of New York and causes them, when sold, to be transported to purchasers located in other States of the United States. There has been at all times mentioned herein a continuous course of trade in commerce, as "commerce" is defined in the Clayton Act, as amended.

PAR. 3. In the course and conduct of its business, respondent Oz Publishing Corporation, through respondent Oz Greeting Cards, Inc., has sold its greeting cards and other products to retail customers such as greeting card specialty stores and variety stores, and through respondent Oz Cardlines, Inc., has sold its greeting cards and other products of like grade and quality to certain retail chainstores only.

PAR. 4. In the course and conduct of its business in commerce, and particularly since 1960, respondent Oz Publishing Corporation, through its Oz Cardlines, Inc., and Oz Greeting Cards, Inc., subsidiaries, has been discriminating in price between different purchasers of its products of like grade and quality by selling such products to some purchasers at substantially higher prices than the prices charged competing purchasers for such products.

For example, respondent Oz Publishing Corporation, through respondent Oz Cardlines, Inc., has sold its products to F. W. Woolworth Co., a variety chain operating throughout the United States, at list price less 50% and 5% and to Cunningham Drug Stores, Inc., a drug-store chain operating in the States of Ohio and Michigan, at list price less 50% and 5%, while selling its products of like grade and quality to numerous retail customers who are in direct competition with stores operated by F. W. Woolworth Co. and Cunningham Drug Stores, Inc., at list price less 50%.

PAR. 5. The effect of such discrimination in price as alleged may be substantially to lessen competition or tend to create a monopoly in the line of commerce in which respondents' customers are engaged; or to injure, destroy or prevent competition with the purchasers who receive the benefits of such discrimination.

PAR. 6. The aforesaid acts and practices of respondents constitute violations of the provisions of subsection (a) of Section 2 of the Clayton Act, as amended by the Robinson-Patman Act (U.S.C. Title 15, Sec. 13).

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Restraint of Trade proposed to present to the Commission for its consideration and which, if

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issued by the Commission, would charge respondents with violation of subsection (a) of Section 2 of the Clayton Act, as amended; 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 aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by the respondents that the law has been violated as alleged in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having reason to believe that the respondents have violated subsection (a) of Section 2 of the Clayton Act, as amended, and having determined that complaint should issue stating its charges in that respect, hereby issues its complaint, accepts said agreement, makes the following jurisdictional findings and enters the following order:

1. Respondents Oz Publishing Corporation, Oz Greeting Cards, Inc., and Oz Cardlines, Inc., are all corporations, existing and doing business under and by virtue of the laws of the State of New York, with their offices and principal place of business located at 156 Fifth Avenue, New York, New York.

Respondents Harry Friedgut, Oscar D. Freedgood, and Milton Warshaw are officers and directors of said corporations and their addresses are the same as the aforesaid 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, Oz Publishing Corporation, Oz Greeting Cards, Inc., Oz Cardlines, Inc., their officers, agents, representatives and employees, and Harry Friedgut, Oscar D. Freedgood and Milton Warshaw, individually and as officers and directors of each of respondent corporations, directly or through any corporate or other device, in or in connection with the offering for sale, sale or distribution of greeting cards and related products in commerce, as "commerce" is defined in the amended Clayton Act, do forthwith cease and desist from:

Discriminating, directly or indirectly, in the price of such products of like grade and quality by selling such products to any purchaser at net prices higher than the net prices charged any other purchaser who competes with the purchaser paying the higher price in the resale or distribution of such products.

