
IN THE MATTER OF
THE MARYLAND ALUMINUM SALES COMPANY ET AL.
CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT

Docket C-724. Complaint, Mar. 16, 1964—Decision, Mar. 16, 1964

Consent order requiring Baltimore sellers to the public of home improvement materials, including storm-screen windows and doors, to cease—in statements by themselves and their salesmen and by newspaper advertising and other media—making “bait” offers to obtain leads to interested prospects, and representing falsely that aluminum windows and doors were on sale at a special reduced price for a limited time only.

Complaint

64 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 The Maryland Aluminum Sales Company, a corporation, and Milton Rabovsky and Jerome Rabovsky, 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 The Maryland Aluminum Sales Company, 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 2313 Homewood Ave. in the city of Baltimore, State of Maryland.

Respondents Milton Rabovsky and Jerome Rabovsky are officers of the corporate respondent. They formulate, direct, and control the acts and practices of the corporate respondent, including the acts and practices 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 home improvement materials, including storm-screen windows and doors, to the public.

PAR. 3. In the course and conduct of their business, respondents now cause, and for some time last past have caused, their said products, 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 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, and for the purpose of inducing the purchase of their products, the respondents, their salesmen and representatives have made certain statements and representations with respect thereto in advertisements inserted in newspapers, and by other media, of which the following are typical:

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A.

SPECIAL THREE DAY SALE

8 count
Eight 'em

Picture
of
eight
screen
storm
windows

3 Separate inserts (2 glass, 1 screen)
Aluminum Combination Screen Storm Windows
No size restriction except picture windows

Plus

ONE FREE
combination
screen-storm door

80

\$96.

installation included

Additional
windows
\$9.55 each

* * * * *

B.

Buy Now!

Buy Five-----This Week!

get 6!

Aluminum storm windows

5 for \$54.50 { 3 separate inserts
2 glass, one screen.
Any size except
picture window.

Additional windows
\$9.55

INSTALLATION INCLUDED

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C.

Don't Wait!

Summerize Your Home Now!

Amazing Pre-Season Prices Now!

(Picture
of
eight
storm &
screen
windows)

8

Limited time!

SPECIAL OFFER!

FULL TRIPLE-TILT

Aluminum Combination

SCREEN & STORM

WINDOWS

—Extruded Aluminum

installation

—Weather Stripped

\$76.25

included

any size

except

—Finger tip control

picture windows

—3 Separate inserts

(Picture of a storm-screen

—Self storing

door)

SPECIAL!

This genuine Alcoa Aluminum Storm and Screen
Door \$16.66 with the purchase of these 8 storm
windows, installation included.

* * * * *

D.

Picture of 7 storm-screen windows

This low

Limited offer

price includes

installation

7 TRIPLE TRACK WINDOWS

• Genuine

• Aluminum

Triple

Track

Aluminum

Storm Door

ALL 7 For

only

• Draft Free

(Picture of
storm door)

16.88

\$64.55

• Top and Bottom
ventilationwith the purchase
of 7 or moreinstallation
included

• E-Z slide type

Storm-screen
windows

• Installation

* * * * *

PAR. 5. By and through the use of the aforesaid statements and representations, and others of similar import and meaning but not specifically set out herein, and through oral statements made by their salesmen and representatives, respondents have represented, directly or by implication:

1. That they were making a bona fide offer to sell the aluminum triple-track storm screen windows and doors advertised at the prices set forth in the advertisements, said prices to include installation.

2. That they were offering the advertised products for sale at a special or reduced price or for a limited time only.

PAR. 6. In truth and in fact:

1. The offers set forth in Paragraph Four above were not genuine or bona fide offers but were made for the purpose of obtaining leads as to persons interested in the purchase of respondents' products. After obtaining such leads, respondents or their salesmen and representatives called upon such persons at their homes or waited upon them at respondents' place of business. At such times and places, respondents and their salesmen and representatives would disparage the advertised storm-screen windows and doors and would then attempt to sell, and did sell, different and more expensive storm-screen windows and doors.

2. The advertised products were not on sale at a special or reduced price or for a limited time only. In fact, said merchandise is advertised regularly at the represented prices.

Therefore, the advertisements, statements and representations referred to in Paragraph Four and Five were and are 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 home improvement materials, including storm-screen windows and doors of the same general kind and nature as that sold by the 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 by reason of said erroneous and mistaken belief.

PAR. 9. The aforesaid acts and practices of the 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 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 The Maryland Aluminum Sales Company 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 2313 Homewood Avenue, in the city of Baltimore, State of Maryland.

Respondents Milton Rabovsky and Jerome Rabovsky 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 The Maryland Aluminum Sales Company, a corporation, and its officers, and Milton Rabovsky and Jerome Rabovsky, 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 storm-screen windows and doors, or any other merchandise, or services, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using in any manner, a sales plan, scheme or device wherein false, misleading or deceptive statements or representations are made in order to obtain leads or prospects for the sale of merchandise or services.

2. Discouraging the purchase of, or disparaging, any merchandise or services which are advertised or offered for sale.

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3. Representing, directly or indirectly, that any merchandise or services are offered for sale when such offer is not a bona fide offer to sell said merchandise or services.

4. Representing, directly or by implication, that:

(a) Merchandise is sold at a special or reduced price when the price quoted is the regular price at which such merchandise is sold.

(b) Merchandise is being offered for a limited time when such offer is not limited as to time.

It is further ordered, That the respondents herein shall, within