

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 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 this order.

IN THE MATTER OF
UNION CIRCULATION COMPANY ET AL.

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

Docket C-725. Complaint, Mar. 20, 1964—Decision, Mar. 20, 1964

Consent order requiring publishers' agents in Atlanta, Ga., engaged in the sale of magazine subscriptions to the public by door-to-door solicitors whom they provided with order and receipt forms and identification cards bearing their name, to cease representing falsely, through statements of their salesmen and in printed matter, that their salesmen were selected young people working for cash awards and competing for college scholarships, that they were authorized to take subscriptions for numerous magazines which they had no authority to sell, and that refunds were not available for subscriptions to magazines not on their authorized list but that subscribers must accept substitutes.

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 Union Circulation Company, a corporation, and Charles E. Reinhardt, Elmer Loftin, Harry C. Jolly, R. L. Reinhardt, William Brady, Laura C. (Mrs. Louis W.) Spirite, and Lester T. Gay, individually and as officers of said corporation, and Lovel L. Masters, individually and as Sales Manager 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 Union Circulation Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Georgia, with its principal office and place of business located at 830 West Peachtree Street, N.W., Atlanta 8, Georgia.

Respondent Charles E. Reinhardt, Elmer Loftin, Harry C. Jolly, R. L. Reinhardt, William Brady, Laura C. (Mrs. Louis W.) Spirite and Lester T. Gay are officers and directors of the corporate respondent. Lovel L. Masters is Sales Manager of the corporate respondent. They formulate, direct and control its acts and practices, including the acts and practices hereinafter set forth. Their address is the same as that of the corporate respondent.

PAR. 2. Respondents, as agents for various publishers and distributors, are now, and for some time last past have been, engaged in the sale of magazine subscriptions to the public. Respondents are only authorized to sell certain magazines which are set out on a list supplied to salesmen, as set out below. Respondents' said business is conducted by solicitors or salesmen who move from door-to-door making direct solicitations for the sale of such subscriptions, many of whom work under the supervision of independent contractors, and some of whom are independent contractors for the distribution of said magazines. Respondents provide such salesmen with order and receipt forms and identification cards bearing respondents' name and address and various other indicia identifying and having the effect of holding out such salesmen as the respondents' duly authorized agents.

PAR. 3. In the course and conduct of their business, as aforesaid, respondents now sell, and for some time last past have sold, magazine subscriptions to customers located throughout the continental United States, Puerto Rico, Hawaii and parts of Canada. Said subscriptions, along with other contracts, agreements and commercial paper, are forwarded to magazine publishers or distributors located in various states other than those in which respondents' customers are located for the purpose of fulfilling the subscription contracts. Respondents thereby engage in extensive commercial intercourse among and between the several states and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said magazine subscriptions 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 said magazine subscriptions, respondents, through the statements of their solicitors and in said printed material now make, and have made, numerous statements and representations to prospective subscribers.

Among and typical of such statements and representations, but not all inclusive thereof, are the following:

A. That respondents are authorized to solicit and accept subscriptions, and do in fact solicit and accept subscriptions, to numerous magazines such as Vogue, The Sporting News, Living and others for which no such authorization in fact exists.

B. That individual solicitors are among a group of young people carefully selected to work for individual cash awards.

C. That said solicitors are competing for college scholarship awards.

D. That a refund is not available to subscribers who have been induced to purchase magazines which respondents were not authorized to sell, and that such persons must accept a substitute subscription from respondents' authorized list.

PAR. 5. In truth and in fact:

A. Respondents are not authorized to solicit and accept subscriptions to many magazines such as Vogue, The Sporting News and Living for which respondents in fact solicit and accept subscriptions.

B. Individual solicitors are not among a group of young people carefully selected to work for individual cash awards.

C. The solicitors are not competing for college scholarship awards, but are merely commissioned sales agents, and no scholarship of any type is offered for such sales.

D. Refunds are available to subscribers who have purchased magazines which respondents were not authorized to sell, but only after they have been subjected to coercion to accept a substitute from respondents' authorized list and have resisted such coercion.

Therefore, the statements and representations as set forth in Paragraph Four were, and are, false, misleading and deceptive.

PAR. 6. In the conduct of their business, and at all times mentioned herein, respondents have been in substantial competition in commerce, with corporations, firms and individuals engaged in the sale of magazine subscriptions of the same general kind and nature as those sold by respondents.

PAR. 7. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had, and

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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 a substantial number of subscriptions for magazines from the respondents by means of said erroneous and mistaken belief.

PAR. 8. 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 Union Circulation Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Georgia, with its office and principal place of business located at 830 West Peachtree Street, N.W., in the city of Atlanta, State of Georgia.

Respondents Charles E. Reinhardt, Elmer Loftin, Harry C. Jolly, R. L. Reinhardt, William Brady, Laura C. (Mrs. Louis W.) Spirite, and Lester T. Gay are officers of said corporation, and Lovel L. Masters is Sales Manager 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 respondent Union Circulation Company, a corporation, and its officers, and Charles E. Reinhardt, Elmer Loftin, Harry C. Jolly, R. L. Reinhardt, William Brady, Laura C. (Mrs. Louis W.) Spirite, and Lester T. Gay, individually and as officers of said corporation, and Lovel L. Masters, individually and as Sales Manager of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of magazine subscriptions, periodicals, books or other publications 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 they are authorized to solicit or accept subscriptions to, or to sell any of, the aforesaid products other than those for which they are actually authorized to solicit or sell.

2. Accepting or taking subscriptions to, or selling any of, the aforesaid products other than those for which they are actually authorized to solicit or sell.

3. Representing, directly or by implication, that respondents' solicitors or agents are carefully selected from a group of young people to work for individual cash awards.

4. Representing, directly or by implication, that respondents' solicitors or agents are competing for scholarship awards.

5. Representing, directly or by implication, that refunds are not available to purchasers of the aforesaid subscriptions for articles which respondents had no authorization to sell.

6. Seeking, in any manner, to induce purchasers of any of the aforesaid subscriptions or articles which respondents had no authority to sell to accept in lieu thereof any other subscriptions or articles.

7. Furnishing, or otherwise placing in the hands of others, the means and instrumentalities by and through which they may mislead or deceive the public in the manner or as to the things hereinabove prohibited.

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 form in which they have complied with this order.

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IN THE MATTER OF

W.M.R. WATCH CASE CORP. ET AL.

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

Docket 8573. Complaint, May 31, 1963—Decision, Mar. 24, 1964

Order requiring New York City distributors of watch cases to watch makers, assemblers of watches and wholesalers of watch makers' supplies, to cease selling watch cases and bezels made of base metal treated to simulate precious metal or stainless steel, or treated with an unsubstantial flashing of precious metal, without conspicuously disclosing the true metal composition; advertising and branding watch cases falsely as "water resistant"; selling watch cases from Hong Kong with housing movements from Switzerland and dials marked "Swiss," without conspicuous disclosure of their foreign origin.

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 W.M.R. Watch Case Corp., a corporation, and Sheldon Parker, individually and as an officer of said corporation, and Sophia K. Cohen Huff and Sheldon Parker, co-partners trading as W.M.R. Watch Case Company, 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 this complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent W.M.R. Watch Case Corp. is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York with its principal office and place of business located at 188 West 4th Street, in the city of New York, State of New York.

Respondent Sheldon Parker is an officer of the corporate respondent. He formulates, directs and controls the 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.

Respondents Sophia K. Cohen Huff and Sheldon Parker are co-partners trading as W.M.R. Watch Case Company. Their principal office and place of business is the same as that of the W.M.R. Watch Case Corporation.

All of the aforesaid respondents cooperate and act together in carrying out the acts and practices hereinafter set forth.