

Products Labeling Act and the Rules and Regulations promulgated thereunder in substituting labels as permitted by Section 3(e) of the said Act.

It is further ordered, That the respondent herein shall, within sixty (60) days after service upon him of this order, file with the Commission a report in writing setting forth in detail the manner and form in which he has complied with this order.

IN THE MATTER OF
DOUBLEDAY & COMPANY, INC., ET AL.

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

Docket C-779. Complaint, June 30, 1964—Decision, June 30, 1964

Consent order requiring a book seller and its two subsidiaries in Garden City, N.Y., to cease representing falsely, in letters and notices to purportedly delinquent customers, that, if payment was not made, the delinquent's name would be transmitted to a credit reporting agency and his rating adversely affected; and by use of letterheads of the fictitious "THE MAIL ORDER CREDIT REPORTING ASSOCIATION, INC." and "Mr. John J. Murphy, Attorney at Law", that accounts had been, or would be, turned over to a bona fide collection agency or an outside attorney for collection or legal proceedings.

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 Doubleday & Company, Inc., Nelson Doubleday, Inc., and The Literary Guild of America, Inc., corporations, 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. Respondents Doubleday & Company, Inc., Nelson Doubleday, Inc., and The Literary Guild of America, Inc., are corporations organized, existing and doing business under and by virtue of the laws of the State of New York with their principal offices and places of business located at Garden City in the State of New York.

Respondents Nelson Doubleday, Inc., and The Literary Guild of America, Inc., are wholly owned subsidiaries of respondent Doubleday & Company, Inc.

PAR. 2. Repondents are now, and for some time last past have been, engaged in the advertising, offering for sale and sale of books, publications and other merchandise to the general public by and through the United States mails.

PAR. 3. In the course and conduct of their business, respondents now cause and for some time last past have caused their said books, publications and other merchandise, when sold, to be shipped from their places of business and sources of supply in the State of New York to purchasers thereof located in the various other States of the United States and in the District of Columbia, and maintain and at all times mentioned herein have maintained a substantial course of trade in said books, publications and other merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business, respondents offer for sale certain books, publications and other merchandise through the United States mails. Said books, publications and other merchandise are distributed and payment made therefor through the United States mails.

For the purpose of inducing the payment of purportedly delinquent accounts that have arisen from the aforesaid transactions, respondents have made certain statements and representations in letters and notices disseminated through the United States mails to purportedly delinquent customers.

Typical, but not all inclusive of said statements and representations are the following:

a. On respondents' letterheads:

We notice with sincere regret that you have not settled your account which is long past due.

We say "sincere regret" because no other words so well express our feelings. There is nothing in connection with our business that we value so highly as the friendship and good will of our members, and we try to maintain this cordial relationship with each and every member.

You will agree, we are sure, that we have been fair and courteous in the handling of your account—we have been patient and have given you every opportunity to pay. Now it appears that we must resort to other means of collection. * * *

Since you have made no move toward settling your long past-due account, we are now considering referring it to a collection agency for professional handling. * * *

Perhaps you are waiting * * * waiting to see what we will do next about your delinquent account.

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There are means available to us to enforce payment. We are prepared to resort to these measures if you compel us to do so. * * *

[illegible]

Our client has asked us to write you in the hope that we can help bring about a friendly settlement of your long over-due account. * * *

Again we bring up the matter of your past-due account. We are still hopeful that this matter can be settled on a friendly basis for our client would sincerely regret having to institute further proceedings.

John J. Murphy, Attorney at Law
15 West 38th St., New York 18, N.Y.

c. "THE MAIL ORDER CREDIT REPORTING ASSOCIATION, INC.", is a separate, bona fide collection and credit reporting agency located in New York City.

d. Respondents have turned over to "THE MAIL ORDER CREDIT REPORTING ASSOCIATION, INC." the delinquent account of the customer for collection and other purposes.

e. If payment is not made, the delinquent customer's account will be transferred to an outside attorney with instructions to institute suit or take other legal steps to collect the outstanding amount due.

f. "Mr. John J. Murphy" is an outside Attorney at Law, located in New York City, to whom the delinquent customer's account has been transferred for institution of suit or other legal steps.

g. The letters and notices on the letterheads of "THE MAIL ORDER CREDIT REPORTING ASSOCIATION, INC." and "John J. Murphy, Attorney at Law" have been prepared and mailed by said organization or named attorney.

PAR. 6. In truth and in fact:

a. If payment is not made, the delinquent customer's name is not transmitted to a bona fide credit reporting agency.

b. If payment is not made, the customer's general or public credit rating is not adversely affected.

c. "THE MAIL ORDER CREDIT REPORTING ASSOCIATION, INC." is not a separate, bona fide collection or credit reporting agency. Said organization is a fictitious name utilized by respondents and others for the purpose of disseminating collection letters.

d. Respondents have not turned over to "THE MAIL ORDER CREDIT REPORTING ASSOCIATION, INC." the delinquent account of the customer for collection or any other purpose.

e. If payment is not made, the delinquent customer's account is not transferred to an outside attorney with instructions to institute suit or other legal steps to collect the outstanding amount due.

f. The delinquent customer's account has not been transferred to "Mr. John J. Murphy" for institution of suit or other legal steps.

g. The letters and notices on the letterheads of "THE MAIL ORDER CREDIT REPORTING ASSOCIATION, INC." and "John J. Murphy, Attorney at Law" have not been prepared and mailed by said organization or named attorney. Said letters and notices have been prepared and mailed or caused to be mailed by respondents. Replies in response to said letters and notices are forwarded unopened to respondents.

Therefore, the statements and representations as set forth in Paragraphs four and five hereof were and are false, misleading and deceptive.

PAR. 7. 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 state-

ments and representations were and are true and into the payment of substantial sums of money to respondents by reason of said erroneous and mistaken belief.

PAR. 8. The aforesaid acts and practices of respondents, as herein alleged, were and are all to the prejudice and injury of the public and constituted, and now constitute, unfair and deceptive acts and practices in commerce, in violation of Section 5 of the Federal Trade Commission Act.

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 Deceptive Practices proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act; 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 the Federal Trade Commission Act, 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. Doubleday & Company, Inc., Nelson Doubleday, Inc., and The Literary Guild of America, Inc., are corporations organized, existing and doing business under and by virtue of the laws of the State of New York, with their principal offices and place of business located at Garden City, in the State of New York. Nelson Doubleday, Inc., and The Literary Guild of America, Inc., are wholly owned subsidiaries of Doubleday & Company, Inc.

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 Doubleday & Company, Inc., Nelson Doubleday, Inc., and the Literary Guild of America, Inc., corporations,

and their agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of books, publications or other merchandise, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing directly or by implication that:

1. (a) A customer's name will be or has been turned over to a bona fide credit reporting agency unless respondents establish that where payment is not received, the information of said delinquency is referred to a separate, bona fide credit reporting agency;

(b) A customer's general or public credit rating will be adversely affected unless respondents establish that where payment is not received, the information of said delinquency is referred to a separate, bona fide credit reporting agency or other business organizations;

2. Delinquent accounts will be or have been turned over to a bona fide, separate, independent collection agency or attorney for collection unless respondents in fact turn such accounts over to such agencies, or attorney;

3. Delinquent accounts will be turned over to an attorney to institute suit or other legal action where payment is not made, unless respondents establish that such is the fact;

4. Delinquent accounts have been or will be turned over to "THE MAIL ORDER CREDIT REPORTING ASSOCIATION, INC." for collection or any other purpose;

5. "THE MAIL ORDER CREDIT REPORTING ASSOCIATION, INC.", any fictitious name, or any trade name owned in whole or in part by respondents or over which respondents exercise operating control is an independent, bona fide collection or credit reporting agency;

6. "John J. Murphy" or any other person or firm is an outside, independent attorney at law or firm of attorneys representing respondents for collection of past due accounts unless respondents establish that a bona fide attorney client relationship exists between respondents and said attorney or attorneys, for purposes of collecting such amounts;

7. Letters, notices or other communications in connection with the collection of respondents' accounts which have been prepared or originated by respondents have been prepared or originated by any other person, firm or corporation.

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.

Complaint

65 F.T.C.

IN THE MATTER OF

GLASGO LIMITED, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION AND THE WOOL PRODUCTS LABELING ACTS

Docket C-780. Complaint, June 30, 1964—Decision, June 30, 1964

Consent order requiring Lansdale, Pa., manufacturers and importers of wool products to cease violating the Wool Products Labeling Act by such practices as labeling as containing "50% mohair, 43% wool, 7% nylon", sweaters which contained substantially different amounts of fibers than so represented; failing to disclose on labels affixed to certain sweaters the percentage of the total weight of different fibers contained therein; furnishing false guaranties that certain of their wool products were not misbranded; and using the word "mohair" in lieu of the word "wool" on labels without giving the correct percentage of the mohair.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939 and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Glasgo Limited, Inc., a corporation, and Samuel Glass, Benjamin Greber, Irving Muchnick, and Arthur Goldman, individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of the said Acts and the Rules and Regulations promulgated under the Wool Products Labeling Act of 1939, 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 Glasgo Limited, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Pennsylvania.

Individual respondents Samuel Glass, Benjamin Greber, Irving Muchnick and Arthur Goldman are officers of said corporation and cooperate in formulating, directing and controlling the acts, policies and practices of the corporate respondent including the acts and practices hereinafter referred to.

Respondents are manufacturers and importers of wool products with their office and principal place of business located at Line and Penn Streets, Lansdale, Pennsylvania.

PAR. 2. Subsequent to the effective date of the Wool Products Labeling Act of 1939, respondents have manufactured for introduction into commerce, introduced into commerce, sold, transported, distributed,