

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
FREEMAN-TOOR CORPORATION

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

Docket C-1007. Complaint, Oct. 25, 1965—Decision, Oct. 25, 1965

Consent order requiring a New York City shoe manufacturer and its subsidiaries, to cease entering into agreements with independent retail stores to fix prices, terms and conditions of sale and delivery of its merchandise and attempting to enforce such resale price agreements, and from coercing and intimidating retail dealers for failure to observe and maintain prescribed resale prices.

COMPLAINT

The Federal Trade Commission having reason to believe that Freeman-Toor Corporation, a corporation, hereinafter sometimes referred to as respondent, has violated the provisions of Section 5 of the Federal Trade Commission Act, and it appearing to the Commission that a proceeding by it in respect thereto would be in the public interest, hereby issues its complaint stating its charges with respect thereto as follows:

PARAGRAPH 1. Respondent Freeman-Toor Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware with executive offices located

at 350 5th Avenue, New York, New York. Respondent Freeman-Toor Corporation is successor to Freeman Shoe Corporation, a Wisconsin corporation, now dissolved, the assets of which having been transferred on June 30, 1965, to respondent Freeman-Toor Corporation. The former business of Freeman Shoe Corporation is now operated by respondent Freeman-Toor Corporation through its division now known as Freeman Shoe division of such respondent corporation. For purposes of this complaint, the hereinafter recited acts and practices of respondent were engaged in by Freeman Shoe Corporation prior to the above-described corporate reorganization. The net annual sales of respondent Freeman-Toor Corporation are approximately \$30,000,000.

PAR. 2. Respondent is now, and for some years last past has been, engaged in the manufacture, sale and distribution of shoes and other related incidental merchandise such as shoe laces, shoe polish, rubbers, house slippers and shoe trees. Said products of respondent are sold by respondent to independent retail shoe stores and other type apparel stores selling shoes to the consuming public. Respondent also sells its products direct to the consuming public through the respondent's own retail subsidiaries. Respondent has approximately 110 such subsidiaries operating approximately 230 retail shoe outlets located in department stores and men's clothing stores throughout the United States.

PAR. 3. The products of respondent are sold by said respondent for use, consumption and resale within the United States and the District of Columbia and respondent causes said products so sold to be shipped and transported from the State or States wherein they are manufactured to the purchasers thereof located in other States. Respondent maintains, and at all times mentioned herein has maintained a course of trade in commerce of said products among and between the various States of the United States and in the District of Columbia.

PAR. 4. Except to the extent that competition has been hindered, frustrated, lessened and eliminated as set forth in this complaint, respondent is now, and has been, in substantial competition with other corporations, individuals and partnerships engaged in the manufacture, distribution and sale of men's shoes in commerce as that term is defined in the Federal Trade Commission Act.

PAR. 5. In the course and conduct of its business, respondent has, together with its retail subsidiary corporations, entered into agreements, understandings and arrangements with many independent retail stores competing with said subsidiaries in the sale

of men's shoes whereby the prices at which the men's shoes are to be sold have been fixed, established and coordinated.

PAR. 6. In addition to the practices described in Paragraph Five above, it has been the policy and practice of respondent, in the course and conduct of its business, to enter or attempt to enter, into agreements, understandings and arrangements with various independent retail dealers located in areas within which it does business, to fix and maintain resale consumer prices of respondent's products distributed, offered for sale and sold by said independent retail dealers. Respondent employed persuasion, threats and compulsion in prevailing upon independent retail dealers selling its products to maintain resale prices fixed and promulgated by respondent for its products.

PAR. 7. The agreements, understandings, conspiracy, combination, planned common course of action or course of dealings, together with the acts, practices, methods and policies, as hereinabove alleged, are unlawful and against public policy because of their tendency to unduly restrain, hinder, suppress and eliminate competition and restrain and monopolize trade and commerce and they therefore constitute unfair methods of competition and unfair acts and practices in commerce within the intent and meaning of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue a complaint charging the former Freeman Shoe Corporation with violation of the Federal Trade Commission Act, and respondent herein, Freeman-Toor Corporation, successor to Freeman Shoe Corporation, having been furnished 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

Respondent herein, Freeman-Toor Corporation, and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by said respondent of all the jurisdictional facts set forth in the complaint now to issue herein against said respondent, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by said respondent 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, now issues its complaint in the form contemplated by

Decision and Order

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said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Freeman-Toor Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware with executive offices located at 350 5th Avenue, New York, New York. Respondent Freeman-Toor Corporation is successor to Freeman Shoe Corporation, a Wisconsin corporation, now dissolved, the assets of which having been transferred on June 30, 1965, to respondent Freeman-Toor Corporation. The former business of Freeman Shoe Corporation is now operated by respondent Freeman-Toor Corporation through its division now known as Freeman Shoe division of such respondent corporation.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent, and the proceeding is in the public interest.

ORDER

It is ordered, That respondent Freeman-Toor Corporation, a corporation, and its officers, and subsidiaries and said respondent's representatives, agents, employees, successors and assigns, directly or through any corporate or other device, in or in connection with the offering for sale, sale or distribution of shoes and related products in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Entering into, continuing, cooperating in, carrying out any planned common course of action, understanding, agreement, combination or conspiracy between or among respondent or subsidiaries of respondent and any other person or persons not parties hereto, to fix, maintain, adhere to, stabilize by any means or methods, any prices, terms or conditions of sale or delivery of respondent's merchandise.

2. Entering into, continuing, establishing, or enforcing, or attempting to enforce, any agreement or understanding with any customer or customers or prospective customer or customers concerning the price at which any of respondent's products are to be resold.

3. Harassing, intimidating or coercing or threatening to refuse or refusing to sell men's shoes to independent retail dealers for failure to observe and maintain the resale prices prescribe by respondent.

It is further ordered, That respondent shall within sixty (60) days after service upon it of this Order, inform and advise each of

BARNEY'S SUPER CENTER, INC., ET AL.

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Complaint

its customers of this Order, by serving by mail a copy of said Order upon all of said customers.