

or mark assigned to such product.

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
C.W.F. CORPORATION D/B/A SUN RADIO
DISCOUNT CENTER ET AL.

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

Docket C-1184. Complaint, Mar. 16, 1967—Decision, Mar. 16, 1967

Consent order requiring a Washington, D.C., appliance dealer to cease using bait advertisements and misrepresenting used items as new.

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 C.W.F. Corporation, a corporation doing business as Sun Radio Discount Center and Sun Radio Discount Warehouse, and William Warsaw, Marcus Warsaw and Joseph M. Warsaw, 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 C.W.F. Corporation is a corporation

organized, existing and doing business under and by virtue of the laws of the State of Virginia with its principal office located at 3300 Kenilworth Avenue, Hyattsville, Maryland, and has places of business located at Bailey's Crossroads, Fairfax, Virginia, 120 Ingraham Street, NE., Washington, D.C., and 2321 University Boulevard West, Wheaton, Maryland.

William Warsaw, Marcus Warsaw and Joseph M. Warsaw are officers of the corporate respondent. They formulate, direct and control the acts and practices hereinafter set forth. Their business address is the same as that of the principal office of 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 electrical appliances and other merchandise at retail 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 places of business in the States of Virginia and Maryland and in the District of Columbia, to purchasers thereof located in 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 products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their aforesaid business, and for the purpose of inducing the purchase of their products, respondents have made numerous statements and representations in advertisements appearing in newspapers of general circulation, respecting the character of their offer to sell and the merchandise included in such offer.

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

Frigidaire 1 H.P. 6000 BTU	\$144
* * * * *	
RCA Victor 19-IN. PORTABLE TV tuner, carrying handle, telescoping antenna built in	\$112
PHILCO 19-IN. UHF PORTABLE TV. Exclusive Cool Chassis Design, easy carrying handle, telescoping built-in antenna	\$112
WESTINGHOUSE 19-IN. PORTABLE TV. Front controls and front sound; carrying handle, built-in telescoping antenna	\$99
* * * * *	
GE 9" Transistorized TV Set	\$117.00

PAR. 5. By and through the use of the above quoted statements and representations, and others of similar import and meaning, but not specifically set out herein, the respondents have represented, directly or by implication, that they are making a bona fide offer to sell the advertised merchandise at the prices and on the terms and conditions specified in the advertisements.

PAR. 6. In truth and in fact, respondents' offers are not bona fide offers to sell the said merchandise at the aforesaid advertised prices and on the terms and conditions therein stated but are made for the purpose of obtaining leads and information as to persons interested in purchasing respondents' products, and members of the purchasing public who appear at respondents' places of business, in response to said advertisements are discouraged from purchasing the advertised articles of merchandise, and attempts are made to sell them higher priced products. Said members of the purchasing public are also advised, in many cases, that the advertised items were in limited supply and are no longer available.

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

PAR. 7. In the course and conduct of their aforesaid business, and for the purpose of inducing the purchase of their articles of merchandise, respondents represent and have represented, directly or by implication, in oral sales solicitations made by their representatives or salesmen that articles of merchandise being offered for sale by them are new.

PAR. 8. In truth and in fact, many of the articles of merchandise which respondents sell are floor samples, used for demonstration purposes, as a result of which they are used, abused and damaged, and therefore not new merchandise when sold to the public.

PAR. 9. 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 articles of merchandise of the same general kind and nature as those sold by respondents.

PAR. 10. 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. 11. The aforesaid acts and practices of 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, 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 C.W.F. Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of Virginia, with its principal office located at 3300 Kenilworth Avenue, Hyattsville, Maryland, and has places of business located at Bailey's Crossroads, Fairfax, Virginia, 120 Ingraham Street, NE., Washington, D.C., and 2321 University Boulevard West, Wheaton, Maryland. Respondent C.W.F. Corporation does business as Sun Radio Discount Center and Sun Radio Discount Warehouse.

Respondents William Warsaw, Marcus Warsaw and Joseph M. Warsaw are officers of the corporate respondent and their address is the same as that of the principal office of the corporate respondent.

2. The Federal Trade Commission has jurisdiction of the sub-

ject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That respondents C.W.F. Corporation, a corporation, and its officers, and William Warsaw, Marcus Warsaw and Joseph M. Warsaw, 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 advertising, offering for sale, sale or distribution of electrical appliances, or any other products, 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.

2. Making representations purporting to offer merchandise for sale when the purpose of the representation is not to sell the offered merchandise but to obtain leads or prospects for the sale of other merchandise at higher prices.

3. Discouraging the purchase of, or disparaging, any merchandise which is advertised.

4. Representing, directly or by implication, that any merchandise is offered for sale when such offer is not a bona fide offer to sell such merchandise.

5. Advertising any item of merchandise for sale, which is not available at all stores in sufficiently substantial quantities to meet reasonably anticipated demands: *Provided, however*, That items available only in limited supply may be advertised, if such advertising clearly and conspicuously discloses the number of units available and at which store.

6. Representing as new, articles of merchandise which have been used for demonstration purposes or used in any other manner; or advertising or offering for sale any such article, unless a clear and conspicuous disclosure is made in the advertising in immediate conjunction with any such advertised item, and on the item itself, that it has been so used.

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

IN THE MATTER OF

SUSAN THOMAS, INC.*

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

Docket C-1185. Complaint, Mar. 20, 1967—Decision, Mar. 20, 1967

Consent order requiring a New York City wearing apparel firm to cease discriminating in payment of promotional allowances among its retail customers competing in the resale of its products.

COMPLAINT

The Federal Trade Commission, having reason to believe the respondent named in the caption hereof has violated and is now violating the provisions of subsection (d) of Section 2 of the Clayton Act, as amended by the Robinson-Patman Act (U.S.C., Title 15, Section 13), and it appearing to the Commission that a proceeding by it in respect thereto is in the interest of the public, the Commission hereby issues its complaint stating its charges as follows:

PARAGRAPH 1. The respondent is a corporation engaged in commerce, as "commerce" is defined in the amended Clayton Act, and sells and distributes its wearing apparel products from one State to customers located in other States of the United States. The sales of respondent in commerce are substantial.

PAR. 2. The respondent in the course and conduct of its business in commerce paid or contracted for the payment of something of value to or for the benefit of some of its customers as compensation or in consideration for services and facilities furnished by or through such customers in connection with their sale or offering for sale of wearing apparel products sold to them by respondent, and such payments were not made available on proportionally equal terms to all other customers competing with favored customers in the sale and distribution of respondent's wearing apparel products.

PAR. 3. Included among, but not limited to, the practices alleged herein, respondent has granted substantial promotional payments or allowances for the promoting and advertising of its wearing apparel products to certain department stores and others who purchase respondent's said products for resale. These afore-said promotional payments or allowances were not offered and

* Formerly Susan Thomas Specialties, Inc.