

Complaint

IN THE MATTER OF

JACK SOKOLOFF TRADING AS A & A TRAVEL BUREAU

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION ACT*Docket C-1329. Complaint, May 2, 1968—Decision, May 2, 1968*

Consent order requiring an operator of a travel agency with offices in Washington, D.C., and Baltimore, Md., to cease misrepresenting that its services are free, using the names of well-known resort hotels without authorization, misrepresenting that accommodations are available, failing to make prompt refund of deposits, and engaging in other deceptive practices.

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 Jack Sokoloff, trading as A & A Travel Bureau, hereinafter referred to as respondent, has 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 Jack Sokoloff is the sole proprietor of a travel agency with locations at 1029 Vermont Avenue, NW., in the city of Washington, District of Columbia, and at 2 East Lombard Street in the city of Baltimore, Maryland. In the course of his business respondent Jack Sokoloff also uses the names Mr. Stein, Mr. Sullivan and Mr. Wilson.

Respondent does business under the names A & A Travel Bureau; A & A Tours; Jewish Students Tour Association; Jewish Travel Club for Single People; Lecture Bureau of Baltimore; New York Theater Ticket Service; Israel Travel Center; Jewish Travel Center; Jewish Travel Club; and Jewish Couples Travel Club. Respondent also lists his travel agency in The Washington and Baltimore Classified Telephone Directories under the following names each identified as a division of A & A Travel Bureau: Bermuda Travel Reservations; California Hotel Reservations Service; Catskill Hotel Reservations; Concord Hotel Reservation Service; Free Hotel & Motel Reservations Service; Grossinger Reservation Service; Hotel Reservation Service; Las Vegas Hotel Reservations; Manhattan Hotels Reservations; New York Theatre Service; Pocono Mountains Reservation Service; San

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Francisco Hotel & Motel Reservation Service; Mexico Travel Reservations; Millionaire's Travel Service; Sports Tours; Student Tours; Teen Tours; San Juan Hotel and Motel Reservation Service; Taft Hotel of New Haven Reservations; Texas Hotel Reservations; Virgin Islands Hotel Reservation Service; Williamsburg Reservations; A & A Hotel and Motel Reservation Service; Alaska Travel Reservation; Atlantic City Hotel & Motel Reservations Service; Bachelor & Bachelor Girl Travel Service; Catskill Hotel Reservation and Bus Service; Florida Travel Reservations; Honeymoon Reservation Service; Miami Beach Hotel and Motel Reservations; New York Hotel & Motel Reservation Service; Ocean City Hotel & Motel Reservation Service; Puerto Rico Travel Reservations; Travel-on-a-Budget-Plan; Canada Travel and Hotel Reservations; European Travel Reservation Service; Hawaii Travel Reservations; and Japan Travel Reservations.

PAR. 2. Respondent is now, and for some time last past has been, engaged in the advertising and offering of his services to the public in connection with, but not limited to, obtaining reservations for accommodations in hotels, motels and inns, arranging transportation facilities, and obtaining tickets for attractions such as, but not limited to, theater performances and sporting events.

PAR. 3. In the course and conduct of his business, respondent transmits letters, reservation confirmations, forms, checks and various commercial documents through the United States mails from his place of business in Maryland to hotels, motels, inns, ticket brokers and customers in various other States of the United States and in the District of Columbia, and receives letters, checks, money orders and other documents from customers located in various other States of the United States and in the District of Columbia. Respondent now and for some time last past has advertised in the classified telephone directories for the District of Columbia and Baltimore, Maryland metropolitan areas and also maintains a business address and answering service in the District of Columbia. Accordingly, respondent is engaged in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of his business, and for the purpose of inducing the public to utilize his services in obtaining hotel and theatre ticket reservations, respondent has made various statements in advertisements with respect to his travel agency services, typical of which are those inserted in the classified telephone directories for Baltimore, Maryland and Washington, D.C., under the headings "Travel Agents" and "Hotel Reservations—Out of Town."

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Typical and illustrative of the aforesaid statements under the heading "Travel Agents" are the following:

24 HOUR		TRAVEL
PHONE		VACATIONS
SERVICE	347	WEEKENDS
	1251	HONEYMOONS
	FOR DEPENDABLE	CONVENTIONS
	RESERVATIONS	N.Y. THEATRE
		TICKETS...
		TRANSPORTATION
OUR	BONDED	A & A
SERVICES	AGENT	TRAVEL
ARE FREE	20 YEARS	BUREAU
	BUSINESS EXPERIENCE	

Typical and illustrative of the statements under the heading "Hotel Reservations—Out of Town" are the following:

A & A TRAVEL BUREAU SERVICE
 FREE—XXXTRA SERVICE
 IMMEDIATE CONFIRMATION
 ALL HOTELS—MOTELS
 NY THEATRE TICKETS
 STUDENTS & FAMILY RATES
 WEEKEND PACKAGE DEALS
 24 HOUR TELEPHONE SERVICE

* * * * *

Concord Hotel Reservation Service—Div. of A & A Travel Bureau, Immediate Confirmation—24 Hour Telephone.

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Grossinger Reservation Service—Division of A & A Travel Bureau.

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Free Hotel & Motel Reservation Service—Division of A & A Travel Bureau.

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Holiday Hotel & Motel Reservations—2 E Lombard—LE 9-7110.

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Quality Hotel and Motel Reservations—2 E Lombard—LE 9-7110.

PAR. 5. By and through the use of the aforesaid statements and representations, and others of similar import not specifically set forth herein, respondent has represented, directly or by implication, that:

1. Customers are not charged when they avail themselves of respondent's services as a travel agent.

2. Respondent will provide immediate confirmation of reservations requested by his customers.

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3. Respondent's services as a travel agent extend to any and all hotels and motels.

4. The Concord, Kiamesha Lake, New York; Grossinger Hotel and Country Club, Grossinger, New York; The Holiday Inns of America motel chain; and the Quality Courts motel chain have designated respondent as their authorized area representative or agent.

PAR. 6. In truth and in fact:

1. Customers are charged when they avail themselves of respondent's services as travel agent.

2. Respondent frequently cannot or will not obtain immediate confirmation of reservations requested by his customers.

3. Respondent's services as a travel agent do not extend to any and all hotels and motels.

4. The Concord, Kiamesha Lake, New York; Grossinger Hotel and Country Club, Grossinger, New York; The Holiday Inns of America motel chain; and the Quality Courts motel chain have not designated respondent as their authorized area representative or agent.

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

PAR. 7. In the further course and conduct of his business as aforesaid, respondent has engaged in the following unfair and deceptive acts and practices:

1. On some occasions when customers contact respondent and request reservations at a specific hotel or motel, respondent represents that he will contact the desired lodging and he requests an advance deposit. After receiving their advance deposits, respondent informs his customers that no accommodations are available at the hotel or motel specified by them, and respondent attempts to induce his customers to accept accommodations elsewhere. In truth and fact, in numerous instances respondent failed to contact the hotel or motel requested by the customers. In reliance upon the aforesaid misrepresentation, respondent's customers failed to obtain the accommodations they desired when in fact such accommodations were available.

2. On other occasions customers contact respondent and request reservations at a specific hotel or motel. In some instances, after receiving their advance deposits, respondent makes no contact whatsoever with the specified hotel or motel. In other instances when respondent does contact the hotel or motel, he is informed that the desired accommodations are not available. Subsequently, respondent contacts his customers and represents that the desired reservations have in fact been obtained. In truth and in fact, no such reservations were obtained.

In numerous instances respondent's customers learn of the unavailability of their accommodations for the first time when they arrive at their destination and are informed by the lodging's personnel that respondent never contacted them, or that he had contacted them and had been informed that the requested accommodations were unavailable.

3. On some occasions respondent is contacted by customers requesting hotel reservations for a specified date or dates. After receiving the requested advance deposit respondent informs the customer that he will be contacted by respondent and informed as to the results of respondent's inquiry. In some instances, respondent either delays in attempting to obtain such reservations or fails altogether to attempt to obtain the requested reservations. Consequently, relying upon the understanding that respondent will either obtain the reservations requested or will give the customer timely notification that such reservations are unavailable, respondent's customers suffer great inconvenience and pecuniary or other loss.

4. Under the circumstances described in subparagraphs 1 through 3 hereof, when respondent's customers have requested or demanded refunds of their deposit money, respondent has either failed to make any refund at all, or when deposits have been refunded they have been unreasonably delayed and deductions have been taken by respondent for "expense" not in fact incurred.

5. Respondent has in some instances requested and received from his customers prepayment for accommodations which the customer understands to be the same as the rates charged by the hotel or motel for the specific accommodations requested. In truth and in fact, the amounts of such prepayments are in excess of the rates actually charged by the hotel or motel for such accommodations.

6. When the respondent obtains reservations for a customer at a hotel or motel there is an understanding between the respondent and the hotel or motel that any money collected by the respondent from the customer as prepayment or advance deposit will be immediately forwarded to the hotel or motel with a deduction for the amount of respondent's commission. In several instances respondent has either failed to forward such money or has unreasonably delayed in forwarding it to hotels or motels which have accommodated a customer under such an understanding. On other occasions, hotels or motels, which have not received such money by the time the customer has arrived to claim his reservation, have refused to give the customer credit for such payments and have required that the customer pay the same amount again to the hotel or motel.

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PAR. 8. In the conduct of his business, at all times mentioned herein, respondent has been in substantial competition, in commerce, with corporations, firms and individuals in the rendering of travel agency services of the same general kind and nature as those rendered by respondent.

PAR. 9. The use by respondent 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 public into the erroneous and mistaken belief that said representations were and are true and into the substantial use of respondent's services by reason of said erroneous and mistaken belief.

PAR. 10. The aforesaid acts and practices of respondent, as herein alleged, were and are all to the prejudice and injury of the public and of respondent's 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 respondent named in the caption hereof with violation of the Federal Trade Commission Act, and the respondent 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 respondent and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent 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 respondent that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having considered the agreement and having accepted same, and the agreement containing consent order having thereupon been placed on the public record for a period of 30 days, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Jack Sokoloff is the sole proprietor of a travel agency with locations at 1029 Vermont Avenue, NW., in the city of Wash-

ington, District of Columbia, and at 2 East Lombard Street, in the city of Baltimore, Maryland. In the course of his business respondent Jack Sokoloff also uses the names Mr. Stein, Mr. Sullivan and Mr. Wilson.

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 Jack Sokoloff, an individual, trading as A & A Travel Bureau or under any other name or names, and respondent's agents, representatives and employees, directly or through any corporate or other device, in connection with the advertising, offering, rendering, sale or distribution of any services, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing directly or by implication:

(a) That customers are not charged when they avail themselves of respondent's services, or that respondent's services are free: *Provided, however,* That it shall be a defense in any enforcement proceeding instituted hereunder for respondent to establish that none of his customers are charged for his services, and no deduction from his customers' deposit money has been made for expenses incurred by him.

(b) That respondent will provide immediate confirmation of reservations requested by his customers: *Provided, however,* That it shall be a defense in any enforcement proceeding instituted hereunder for respondent to establish that he does in every instance give his customers immediate confirmation of their reservations.

(c) That respondent's services as a travel agent extend to any and all hotels and motels.

(d) Through the use of classified telephone directory listings, such as "Concord Hotel Reservations Service," "Grossinger Reservations Service," "Holiday Hotel and Motel Reservations" and "Quality Hotel and Motel Reservations," or in any other manner, that respondent is the authorized area representative or agent for the Concord, Kiamesha Lake, New York; Grossinger Hotel and Country Club, Grossinger, New York; The Holiday Inns of America motel chain; or the Quality Courts motel chain; or misrepresenting, in any manner, his agency relationships, or affiliations or his business status.

2. Using the name of any place of accommodation or entertainment in any advertisement, listing or directory unless respondent first obtains written authorization to do so from such place of accommodation or entertainment and such authority has not been subsequently revoked.

3. Representing directly or by implication that no accommodations are available when respondent has not contacted the place of accommodation to ascertain whether accommodations are available; or misrepresenting in any manner the availability of requested accommodations, transportation facilities, tickets for any event, or any other requested service.

4. Misrepresenting, in any manner, that reservations or any other requested services have been obtained by respondent; or misrepresenting any other details or aspects of services requested of respondent.

5. Failing, after accepting a customer's request, to make a bona fide and timely attempt to arrange, furnish or obtain requested reservations or any other requested service.

6. Failing to promptly inform respondent's customers that reservations requested by them are not available when respondent has ascertained such information.

7. Failing to promptly refund in full any prepayment or advance deposit remitted by a customer when respondent fails to arrange, furnish or obtain requested services.

8. Requesting or accepting from his customers any amount of money as prepayment or advance deposit for a reservation or other requested service when such amount is in excess of the rate or price charged by the particular establishment furnishing the reservation or other service, unless respondent discloses to the customer at the outset that the amount requested or received is in excess of the rate charged by such establishment.

9. Failing to immediately forward to the establishment furnishing the requested reservations or other service all funds, exclusive of agreed upon commissions, received from a customer as prepayment or advanced deposit for such reservations or other services: *Provided, however,* That it shall be a defense in any enforcement proceeding instituted hereunder for the respondent to establish that in any instance wherein such funds are not immediately forwarded to the establishment such was in accordance with an arrangement or agreement previously made with such establishment.

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10. Failing to forward compensation owing to an establishment, furnishing reservations or services, when due.

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

GIMBEL'S UPHOLSTERING CO., INC., ET AL.

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

Docket C-1330. Complaint, May 3, 1968—Decision, May 3, 1968

Consent order requiring a Washington, D.C., upholstering and refinishing firm to cease deceptively guaranteeing its services and failing to disclose that its conditional sales contracts may be assigned to a finance company.

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 Gimbel's Upholstering Co., Inc., a corporation, and William Lessey and Thelma Lessey, 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 Gimbel's Upholstering Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the District of Columbia, with its principal office and place of business located at 1534 7th Street, NW., Washington, D.C.

Respondents William Lessey and Thelma Lessey are individuals and 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 business 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 slip covers, draperies and furniture upholstering and refinishing services to the public.

GIMBEL'S UPHOLSTERING CO., INC., ET AL.

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10. Failing to forward compensation owing to an establishment, furnishing reservations or services, when due.