

Order

IN THE MATTER OF

CONSUMERS PRODUCTS OF AMERICA, INC., ET AL.

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

Docket 8679. Complaint, Mar. 1, 1966—Decision, Mar. 14, 1969

Order modifying an earlier order, 72 F.T.C. 533, dated September 7, 1967, which charged a seller of encyclopedias with certain deceptive practices, pursuant to a decision of the Court of Appeals, Third Circuit, 400 F. 2d 930, dated September 12, 1968, by eliminating from paragraph 10 the provisions requiring respondent to dismiss or withhold commissions from its salesmen.

MODIFIED ORDER TO CEASE AND DESIST

Respondents having filed in the United States Court of Appeals for the Third Circuit a petition to review and set aside the order to cease and desist issued herein on September 7, 1967 [72 F.T.C. 533], and the court on September 12, 1968, having issued its opinion modifying paragraph 10 thereof and as modified, affirming and directing enforcement of the Commission's order and on October 11, 1968, having issued its judgment enforcing the Commission's order as modified and a petition for certiorari having been filed by respondents and denied by the United States Supreme Court:

Now, therefore, it is hereby ordered, That the aforesaid order of the Commission to cease and desist be, and hereby is modified to read as follows:

It is ordered, That respondents Consumers Products of America, Inc., a corporation, and its officers, Eastern Guild, Inc., a corporation, and its officers, Keystone Guild, Inc., a corporation, and its officers, and Jack Weinstock, Nat Loesberg, Jack Gerstel and Louis Tafler, individually and as officers of said corporations, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of encyclopedias, books or 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 de-

vice wherein false, misleading or deceptive statements or representations are made in order to obtain leads or prospects for the sale of merchandise or services.

2. Discouraging the purchase of, or disparaging, any products or services which are advertised or offered for sale.

3. Representing, directly or by implication, that any products or services are offered for sale when such offer is not a bona fide offer to sell such products or services.

4. Representing, directly or indirectly, that said merchandise will be delivered to prospective purchasers for a five-day free examination or for any other period of time without clearly and conspicuously revealing all of the conditions, obligations or requirements, pertaining to said offer.

5. Representing, directly or indirectly, that any merchandise is "free" or is delivered to or may be retained by purchasers or prospective purchasers without clearly and conspicuously revealing all of the terms, conditions or obligations necessary to the receipt and retention of said merchandise.

6. Representing, directly or indirectly, that any offer is limited as to time: *Provided, however,* That it shall be a defense in any enforcement proceeding instituted hereunder for respondents to establish that such time restriction or limitation was actually imposed and in good faith adhered to by respondents.

7. Representing, directly or indirectly, that The First National Fidelity Co., Metropolitan Credit Bureau, or Vogt Collection Agency or any other fictitious name, or trade names owned in whole or in part by respondents or over which respondents exercise any direction or control, are independent, bona fide financing, collection or credit reporting agencies; or representing in any other manner that delinquent accounts have been turned over to a bona fide, separate collection agency or to a credit reporting agency for collection or for any other purpose, unless respondents in fact have turned such accounts over to an agency of the nature represented.

8. Using the trade name "Educational Foundation" in connection with respondents' enterprises or representing, in any other manner, that respondents operate any

nonprofit organization engaged in educational work.

9. Misrepresenting, in any manner, the kind of offer made to sell merchandise, the terms, limitations or conditions of any offer, or the nature or status of respondents' business or of their collection operations.

10. Failing to deliver a copy of this order to cease and desist to all present and future salesmen or other persons engaged in the sale of respondents' products and failing to secure from each such salesman or other person a signed statement acknowledging receipt of said order.

It is further ordered, That respondents 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 the order to cease and desist contained herein.
