
IN THE MATTER OF
JAMES C. BRITT DOING BUSINESS AS UNITED REDEMPTION
BUREAU, ETC.

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

Docket C-1570. Complaint, Aug. 6, 1969—Decision, Aug. 6, 1969

Consent order requiring an Auburn, Ky., marketer of a sales promotion plan for stainless steel tableware to cease misrepresenting himself as a corporation, using false pricing and savings claims, and placing in the hands of others promotional material through which they may mislead the public.

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 James C. Britt, an individual, doing business as United Redemption Bureau, United Redemption Center and National Promotion 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 James C. Britt is an individual doing business as United Redemption Bureau, United Redemption Center and National Promotion Bureau, with his office and principal

252

Complaint

place of business located at Russellville Road, in the city of Auburn, State of Kentucky.

PAR. 2. Respondent is now, and for some time last past has been, engaged in the sale and distribution of a sales promotion plan to retail dealers which involves the use of certificates, cards or coupons redeemable in stainless steel tableware by said dealers and the respondent.

PAR. 3. In the course and conduct of his business as aforesaid, respondent now causes, and for some time last past has caused, his said products, when sold, to be shipped from his place of business in the State of Kentucky to purchasers thereof located in various other States of the United States, and maintains, and at all times mentioned herein has maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. Respondent in the course and conduct of his business and in order to promote the sale of his said plan and the stainless steel tableware, has adopted a scheme or plan which provides that retail dealers may purchase from him certificates, cards or coupons which he agrees to accept, together with a stipulated sum in payment for stainless steel tableware. Respondent agrees to cause to be imprinted upon such certificate, cards or coupons the firm name of the retail dealers who purchase said certificates, cards or coupons and said retail dealers agree to furnish or give said certificates, cards or coupons to the retail dealers' customers as a premium for purchases of merchandise from said retail dealers. Respondent agrees to remit to said retail dealers a bonus or commission of 15 percent of the amounts received by him from the retail dealers' customers in payment for stainless steel tableware or to allow his customers to collect payment for the stainless steel tableware while retaining 15 percent as a bonus or commission. Respondent also agrees to give a matched set of 50 pieces of stainless steel tableware plus a chest to each retailer who purchases 20,000 certificates, cards or coupons.

PAR. 5. In the course and conduct of his aforesaid business, and for the purpose of inducing the purchase of and participation in his said plan, respondent, through his salesmen or representatives has represented, and now represents, directly or by implication, in his contracts and in oral solicitations to prospective purchasers, that:

- a) United Redemption Bureau is a corporation;

b) Stainless steel tableware is available at a low price to respondent and his customers as a special advertising promotion by the tableware manufacturer before its introduction generally to the public;

c) Purchasers of respondent's said certificates, coupons or cards will receive free radio advertising;

d) The 50 piece set of "1881 Rogers Stainless Steel Tableware" with chest, given to the dealers, has a comparable value of \$93.90 and that said individual items have comparable values of various stated amounts such as \$1.29 for a teaspoon, \$1.89 for a dinner fork and \$3.79 for a dinner knife and so on and that said price amounts are not appreciably in excess of the highest price at which substantial sales of merchandise of like grade and quality have been made in the recent regular course of business in the trade area where such representations are made; and that purchasers who redeem said merchandise save an amount equal to the difference between said redemption price and the represented comparable value amounts.

PAR. 6. In truth and in fact:

a) United Redemption Bureau is not a corporation, but merely a trade style used by the respondent;

b) The stainless steel tableware is not made available at a low price to the respondent and his customers as a special advertising promotion by the tableware manufacturer before its introduction generally to the public. In fact, no promotion was ever conducted by the manufacturer in cooperation with the respondent.

c) Purchasers of respondent's said certificates, coupons or cards do not receive any free radio advertising.

d) The price amounts set forth in or referenced in Paragraph 5(d) hereof for said merchandise are appreciably in excess of the highest price at which substantial sales of merchandise of like grade and quality have been made in the recent regular course of business in the trade area where such representations were made; and purchasers do not save the difference between the redemption price and said represented comparable value amounts.

Therefore, the statements and representations as set forth in Paragraph Five hereof were and are false, misleading and deceptive.

PAR. 7. In the course and conduct of his aforesaid business and at all times mentioned herein respondent has been, and now is, in substantial competition in commerce, with corporations, firms and

252

Complaint

individuals in the sale and distribution of substantially similar promotion plans and merchandise.

PAR. 8. By and through the use of the aforesaid acts and practices respondent places in the hands of retailers, dealers, and others the means and instrumentalities by and through which they may mislead and deceive the public in the manner and as to things hereinabove alleged.

PAR. 9. The use by respondent of the aforesaid false, misleading and deceptive statements and representations has had, and now has, the capacity and tendency to mislead and deceive retailers, dealers and others into the erroneous and mistaken belief that said statements and representations were and are true and into the purchase of respondent's promotion plan and substantial quantities of respondent's products by reason of said erroneous and mistaken belief.

PAR. 10. The aforesaid acts and practices of the 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 and deceptive acts and practices in commerce and unfair methods of competition 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 respondent named in the caption hereof, and the respondent 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 respondent with violation of the Federal Trade Commission Act; 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 aforesaid draft of complaint, 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 thereafter considered the matter and having determined that it had reason to believe that the respond-

ent has violated the said Act, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent James C. Britt is an individual doing business as United Redemption Bureau, United Redemption Center and National Promotion Bureau with his office and principal place of business at Russellville Road, Auburn, Kentucky.

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 James C. Britt, an individual, doing business as United Redemption Bureau, United Redemption Center or as National Promotion Bureau or under any other trade name or names, and respondent's agents, representatives and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of a sales promotion plan or the certificates, cards, coupons or tableware, for use in connection therewith, or any other products, plans or services in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing that any unincorporated business operation is a corporation; or misrepresenting, in any manner, the nature, size or extent of his business.

2. Representing, directly or by implication, that tableware or other products are available at a low price to respondent or to his customers as a special promotion by the manufacturer; or misrepresenting, in any manner, the identity of the promoter, the nature or extent of any promotion, sales plan or scheme.

3. Representing, directly or by implication, that purchasers or participants in any of respondent's sales promotions, plans or schemes will receive free radio advertising; or misrepresenting, in any manner, the nature or extent of advertising that will be afforded such purchasers as participants.