

Order

IN THE MATTER OF

YOUNGSTOWN CARPET GUILD DISTRIBUTORS CO.,
ET AL.

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

Docket 8719. Complaint, Oct. 24, 1966—Decision, July 13, 1970

Order modifying an earlier order dated December 20, 1966, 70 F.T.C. 1701, by adding a new paragraph requiring respondent to maintain adequate records which disclose the facts relating to former retail prices from which the validity of savings can be established.

ORDER MODIFYING ORDER TO CEASE AND DESIST

The Commission on December 20, 1966 [70 F.T.C. 1701], having issued its order in this matter requiring respondents, in connection with the offering for sale, and sale and distribution of merchandise, in commerce, to 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 or services.
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. Representing, directly or by implication, that any merchandise or services are afforded for sale when such offer is not a bona fide offer to sell said merchandise or services.
4. Failing or refusing to furnish ordered merchandise or services to purchasers in accordance with the terms and conditions of any advertised offer.
5. Failing or refusing to furnish free merchandise to purchasers, irrespective of a prior request therefor, upon fulfillment of the terms and conditions of any advertised offer.
6. Representing, directly or by implication, that the availability of any offer of products or services is limited to three days only, or is limited in any other manner: *Provided, however,*

Order

77 F.T.C.

That it shall be a defense in any enforcement proceeding instituted hereunder for respondents to establish that any represented limitation was actually imposed and in good faith adhered to by respondents.

7. Representing, directly or by implication, that any price for respondents' products or services is a special or sale price, unless such price constitutes a significant reduction from an established selling price at which such products or services have been sold in substantial quantities by respondents in the recent regular course of their business; or misrepresenting in any manner the savings available to purchasers or prospective purchasers of respondents' products or services.

And the Commission on June 8, 1970, having issued its order to show cause why this proceeding should not be reopened and its order of December 20, 1966, modified by the addition of a new paragraph numbered 8 which would read:

8. Failing to maintain adequate records which disclose the facts upon which representations as to former prices, comparative prices, and the usual and customary retail prices of merchandise, and as to savings afforded to purchasers, and similar representations of the type dealt with in Paragraph 7 of this order, are based, and from which the validity of any such claim can be established.

Respondents having filed an answer in which the order to show cause is not opposed; and

The Commission being of the opinion that the public interest will be best served by modifying its order of December 20, 1966:

It is ordered, That this proceeding be, and it hereby is reopened.

It is further ordered, That the Commission's order of December 20, 1966 [70 F.T.C. 1701], be and it hereby is, modified by adding thereto as Paragraph 8 the following:

8. Failing to maintain adequate records which disclose the facts upon which representations as to former prices, comparative prices, and the usual and customary retail prices of merchandise, and as to savings afforded to purchasers, and similar representations of the type dealt with in Paragraph 7 of this order, are based, and from which the validity of any such claim can be established.

Complaint

IN THE MATTER OF

ELLERMAN MANUFACTURING CO., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION, THE WOOL PRODUCTS LABELING,
AND THE TEXTILE FIBER PRODUCTS IDENTIFICATION ACTS*Docket C-1761. Complaint, July 13, 1970—Decision, July 13, 1970*

Consent order requiring a Chicago, Ill., manufacturer of men's and boys' athletic clothing, including award jackets, to cease misbranding its woolen products, falsely advertising its textile fiber products, and failing to maintain required records.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, the Wool Products Labeling Act of 1939, the Textile Fiber Products Identification Act and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Ellerman Manufacturing Co., a partnership, and Raymond H. Ellerman and Harry F. Ellerman, individually and as copartners trading as Ellerman Manufacturing Co., and Helen Ellerman, individually and as manager of Ellerman Manufacturing Co., hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Wool Products Labeling Act of 1939 and the Textile Fiber Products Identification 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 Ellerman Manufacturing Co. is a partnership with its office and principal place of business located at 1844 West 21st Street, Chicago, Illinois.

Respondents Raymond H. Ellerman and Harry F. Ellerman are individuals and copartners trading as Ellerman Manufacturing Co. Their address is the same as that of said partnership.

Respondent Helen Ellerman is manager of Ellerman Manufacturing Co. She cooperates in formulating the acts, practices and policies of Ellerman Manufacturing Co. Her address is the same as that of Ellerman Manufacturing Co.