

Consent order requiring a manufacturer of photomechanical equipment including large specialized cameras, of Des Plaines, Ill., to cease discriminating in paying promotional allowances among competing sellers and distributors of its equipment in violation of Section 2(d) of the Clayton Act.

COMPLAINT

The Federal Trade Commission, having reason to believe that respondent, Robertson Photo-Mechanix, Inc., has violated and is now violating the provisions of subsection (d) of Section 2 of the Clayton

Act, as amended (U.S.C. Title 15, Section 13), hereby issues its complaint, stating its charges with respect thereto as follows:

PARAGRAPH 1. Respondent Robertson Photo-Mechanix, Inc. (hereinafter referred to as Robertson), is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois, with its office and principal place of business located at 250 Wille Road, Des Plaines, Illinois.

PAR. 2. Respondent has been and is now engaged in the manufacture, sale and distribution of photomechanical equipment, including large specialized cameras which are sold for use by photographers, printers, engravers, lithographers and various other specialized and industrial users.

Respondent Robertson is one of a number of competing manufacturers in the photomechanical equipment field and had approximately \$3.8 million in sales in the fiscal year ending July 31, 1969.

PAR. 3. In the course and conduct of its business; respondent has engaged and is now engaging in commerce, as "commerce" is defined in the Clayton Act, as amended, in that respondent sells and causes its products to be transported from its principal place of business in the State of Illinois to customers located in various other States of the United States and in the District of Columbia. There has been at all times mentioned herein a continuous course of trade, in commerce, in said products between said respondent and its customers.

PAR. 4. In the course and conduct of its business in commerce, respondent sells its products of like grade and quality to purchasers who are in substantial competition with each other in the resale and distribution of respondent's like products.

PAR. 5. In the course and conduct of its business in commerce respondent has paid or contracted for the payment of something of value to or for the benefit of some of its dealers as compensation or in consideration for services or facilities furnished by or through such dealers in connection with their offering for sale or sale of products sold to them by respondent, and such payments were not made available on proportionately equal terms to all other dealers competing in the sale and distribution of respondent's products.

For example, during the period from June 14, 1968, through June 16, 1970, respondent maintained a promotional program, designated Robertson Distributor Display Program, pursuant to which it offered to all of its dealers an additional discount of five (5) percent from the cost of any of a selection of its cameras purchased for display and thereafter displayed by the dealer for a period of not less than ninety (90) days.

While some of respondent's dealers were able to, and did, avail themselves of the discount offer, the Robertson Distributor Display Program was not suitable and usable under reasonable terms by all competing dealers. A substantial number of dealers, competing with the favored dealers in the resale of respondent's photomechanical equipment, lacked an adequate display area to demonstrate the subject cameras, which are substantial in size. Moreover, due to the considerable cost of the subject cameras, a substantial number of dealers could not afford to carry them in inventory, as yet unsold, even if they had adequate space to display them. Such dealers customarily purchase such cameras from respondent only upon receipt of orders for specific equipment placed by their customers.

In view of the above circumstances, a substantial number of competing dealers were functionally eliminated from participation in the Robertson Distributor Display Program, as fashioned and administered by respondent.

PAR. 6. The acts and practices of respondent as alleged herein are in violation of subsection (d) of Section 2 of the Clayton Act, as amended by the Robinson-Patman Act (U.S.C. Title 15, Section 13).

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 Competition proposed to present to the Commission for its consideration and which if issued by the Commission, would charge respondent with violation of subsection (d) of Section 2 of the Clayton Act, as amended; 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 thirty (30) days, now in further conformity with the procedure prescribed in Section 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 Robertson Photo-Mechanix, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois, with its office and principal place of business located at 250 Wille Road, Des Plaines, Illinois.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent.

ORDER

It is ordered, That respondent Robertson Photo-Mechanix, Inc., a corporation, and its officers, agents, representatives, employees, successors and assigns, directly or through any corporate or other device, in or in connection with the offering for sale, sale or distribution of photomechanical equipment, in commerce, as "commerce" is defined in the Clayton Act, as amended, do forthwith cease and desist from:

Paying, or contracting for the payment of anything of value to or for the benefit of any customers of the respondent as compensation for or in consideration of the displaying or demonstrating of respondent's products in connection with the processing, handling, sale or offering for sale of products manufactured and sold by respondent unless such payment or consideration is made available on proportionately equal terms to all other customers who compete with such favored customer in the sale and distribution of respondent's products.

It is further ordered, That the respondent corporation shall forthwith distribute a copy of this order to each of its operating divisions.

It is further ordered, That during the period from the date of entry of this order to the expiration of 10 years from such date respondent notify the Commission at least thirty (30) days prior to any proposed change in the corporate respondent such as dissolution, assignment or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries or any other change in the corporation which may affect compliance obligations arising out of the order.

It is further ordered, That the respondent herein shall within sixty (60) days after service upon it of this order, file with the Commission a report in writing setting forth in detail the manner and form of its compliance with this order.

IN THE MATTER OF

SANDERS AIRLINE TRAINING SCHOOL, ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION AND THE TRUTH IN LENDING ACTS

Docket C-2122. Complaint, Dec. 28, 1971—Decision, Dec. 28, 1971

Consent order requiring a correspondence school, selling a home study course in airline personnel training, located in Newark, N.J., to cease violating provisions of the Truth in Lending Act by failing, in consumer credit transactions and advertisements, to make all disclosures in the manner, form and amount required by Regulation Z of the Act.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and of the Truth in Lending Act and the implementing regulation promulgated thereunder, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Sanders Airline Training School, a corporation, and Louis Rudnick, Ben Simon and Stanley Young, individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and implementing regulation, 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 Sanders Airline Training School is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey, with its principal office and place of business located at 786 Broad Street, Newark, New Jersey.

Respondents Louis Rudnick, Ben Simon and Stanley Young are officers of the corporate respondent. They formulate, direct and control the policy, acts and practices of the corporation, including the acts and practices hereinafter set forth. Their addresses are 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 and sale to the public of a home study course of instruction in Airline Personnel Training.

PAR. 3. In the ordinary course and conduct of their business as aforesaid, respondents regularly extend, and for some time last past have