

Complaint

IN THE MATTER OF

RONZONI MACARONI CO., INC.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
CLAYTON ACT, SECTION 2 (a)*Docket C-2244. Complaint, July 11, 1972—Decision, July 11, 1972.*

Consent order requiring a Long Island City, New York, manufacturer of macaroni, macaroni products, sauces and grated cheeses to cease discriminating in price between competing resellers or distributors of its products.

COMPLAINT

The Federal Trade Commission, having reason to believe that the party respondent named in the caption hereof, and hereinafter more particularly designated and described, has violated, and is now violating the provisions of subsection (a) of Section 2 of the Clayton Act, as amended by the Robinson-Patman Act (U.S.C., Title 15, Section 13), hereby issues its complaint, stating its charges with respect thereto as follows:

PARAGRAPH 1. Respondent Ronzoni Macaroni Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 50-02 Northern Boulevard, Long Island City, New York.

PAR. 2. Respondent has been and is now engaged in the manufacture, sale and distribution of macaroni, macaroni products, sauces and grated cheeses. Respondent sells its said products to a large number of customers located in many parts of the United States purchasing such products for use, consumption or resale therein, including wholesalers, retailers and retail chain stores. Respondent's sales of its products are substantial, exceeding \$10,000,000 annually.

PAR. 3. Respondent sells and causes its products to be transported from its principal place of business in the State of New York to purchasers located in other States of the United States. There has been at all times mentioned herein a continuous course of trade in said products in commerce, as "commerce" is defined in the Clayton Act, as amended.

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, and particularly since 1968, respondent has discriminated in price between different purchasers of its products of like grade and quality by selling said products to some purchasers at higher and less favorable prices than the prices charged competing purchasers for such products of like grade and quality.

PAR. 6. For example, in Philadelphia, Pennsylvania, respondent deviated from its published price lists, and gave certain retail food chain stores substantial price discounts on its entire line of products, but did not offer or grant such discounts to competing customers purchasing substantially the same quantity of products of like grade and quality from respondent.

PAR. 7. The effect of such discriminations in price made by respondent in the sale of its products, as hereinbefore set forth, may be substantially to lessen competition or tend to create a monopoly in the lines of commerce in which the favored purchasers from respondent are engaged, or to injure, destroy or prevent competition with the favored purchasers from respondent who receive the discriminatory lower prices.

PAR. 8. The discriminations in price made by respondent in the sale of its products, as hereinbefore alleged, are in violation of subsection (a) of Section 2 of the Clayton Act, as amended by the Robinson-Patman 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 Competition proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent with a violation 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 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 respondent has violated 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 Section 2.34(b) of its rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Ronzoni Macaroni Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York. Its principal office and place of business is located at 50-02 Northern Boulevard, Long Island City, New York.

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 Ronzoni Macaroni Co., Inc., a corporation, and its officers, employees, agents and representatives, directly or through any corporate or other device, in or in connection with the offering for sale, sale or distribution of any of its products in commerce, as "commerce" is defined in the Clayton Act, as amended, do forthwith cease and desist from discriminating, directly or indirectly, in the price of such products of like grade and quality by selling to any purchaser at net prices higher than the net prices charged any other purchaser competing in fact in the resale or distribution of such products. "Net price" as used in this order shall mean the ultimate cost to the purchaser, and, for purposes of determining such cost, there shall be taken into account all rebates, allowances, commissions, discounts, credit arrangements, terms and conditions of sale, and other forms of direct and indirect price reductions, by which ultimate cost to the purchaser is affected.

It is further ordered, That respondent Ronzoni Macaroni Co., Inc., shall forthwith distribute a copy of this order to each of its operating divisions.

It is further ordered, That respondent Ronzoni Macaroni Co., Inc., notify the Commission at least 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 respondent Ronzoni Macaroni Co., Inc., 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 in which it has complied with this order.

Complaint

81 F.T.C.

IN THE MATTER OF
LOVE TELEVISION & STEREO RENTAL, INC., ET AL.

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

Docket C-2245. Complaint, July 11, 1972—Decision, July 11, 1972.

Consent order requiring three firms, located in Atlanta, Georgia, Jacksonville, Florida, and Houston, Texas, engaged in the sale and rental of television sets and stereo equipment to cease, among other things, misrepresenting the cost and selling terms and conditions of their merchandise.

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 Love Television & Stereo Rental, Inc., Love Television & Stereo Rental of Jacksonville, Inc., Love Television & Stereo Rental of Houston, Inc., Gates Rental, Inc., and Babcock Management Corporation, corporations, and Melvin D. Babcock and Galen E. Gates, individually and as officers of said corporations, 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 Love Television & Stereo Rental, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Kansas, with its principal office and place of business located at 493 Peachtree Street, Atlanta, Georgia.

Respondent Love Television & Stereo Rental of Jacksonville, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Georgia, with its principal office and place of business located at 1876 West 45th Street, Jacksonville, Florida.

Respondent Love Television & Stereo Rental of Houston, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Georgia, with its principal office and place of business located at 4826 Almeda Road, Houston, Texas.

Respondent Gates Rental, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Georgia, with its principal office and place of business located at 9221 Jensen Drive, Houston, Texas.

Respondent Babcock Management Corporation is a corporation organized, existing and doing business under and by virtue of the laws