

Consent order requiring a Baltimore, Maryland, magazine subscription firm,
one of the respondents in this case,* among other things to cease mis-

*International Magazine Service of the Mid-Atlantic, Inc.

representing the purpose of the call or solicitation; misrepresenting the persons or class of persons afforded the opportunity of purchasing respondent's products or services; representing that any merchandise or service is free or that any merchandise is available for a price less than customary or regular; misrepresenting the savings accorded purchasers; failing to cancel subscriptions when representations have been made that said subscription is cancellable; misrepresenting the terms or conditions of payments; misrepresenting the nature, kind or legal characteristics of any document; attempting to harass or intimidate customers in order to effect payment of any account; and failing to give customers a 3-day cooling-off period in which to cancel subscriptions. Respondent is further ordered to cease making sales solicitations through third parties who do not agree to be bound by the order; dealing with any who continue on their own the prohibited practices; and must institute a program of continuing surveillance to determine dealer compliance.

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 the Hearst Corporation, a corporation, and Periodical Publishers' Service Bureau, Inc., a corporation, and International Magazine Service of the Mid-Atlantic, Inc., a corporation, hereinafter referred to as respondents, having 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. The Hearst Corporation (hereinafter sometimes referred to as Hearst), is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its principal office and place of business located at 959 Eighth Avenue, in the city of New York, State of New York. Respondent Hearst publishes, and directly and through its wholly-owned subsidiary, Periodical Publishers' Service Bureau, Inc., sells and distributes magazines throughout the world, including "Good Housekeeping," a woman's interest magazine. A substantial portion of Hearst's income of over \$100,000,000 annually is derived from the sale of advertising space at rates based upon the circulation of said magazines, and from the sale of such magazines through newsstand and subscription sales. Subscription sales are those in which the subscriber remits the full amount of the subscription price at the outset of the sale or in which the subscriber remits the price of the subscription contract at monthly intervals

during the first half of the term of the subscription contract. The latter form of subscription sales, hereinafter referred to as "paid-during-service" or "PDS" subscription sales, are solicited by respondent Periodical Publishers' Service Bureau, Inc.

Respondent Periodical Publishers' Service Bureau, Inc., (hereinafter referred to as "Periodical" or "PPSB") is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its principal office and place of business located at One North Superior Street, in the city of Sandusky, State of Ohio. It is a wholly-owned subsidiary or respondent Hearst.

Periodical operates through several organizational divisions, including the Branch Office division, the International Magazine Service division, the International Readers League division, the Budget Reading Service division, and the National Collection Agency division. The Branch Office division operates 56 branch offices throughout the United States and solicits paid-during-service subscription contracts from members of the general public. The International Magazine Service division franchises dealers, such as respondent International Magazine Service of the Mid-Atlantic, Inc., to solicit paid-during-service subscription contracts from the general public. The International Readers League division franchises dealers for the same purpose. The Budget Reading Service division solicits paid-during-service subscription contracts by placing advertisements in magazines and periodicals. The National Collection Agency division operates as a "dunning" service for respondent Periodical's alleged delinquent subscription accounts solicited by the respondent's Branch Office division. Periodical's annual volume of business is in excess of \$13,000,000.

Through respondent Periodical's divisions, and through the divisions' agents, salesmen or other solicitors and franchisees, Periodical solicits paid-during-service subscription sales on behalf of and for the benefit of respondent Hearst from the general public by contacting them through telephone calls, door-to-door solicitations, sales booths set up in stores, and by means of statements, representations, acts and practices as hereinafter set forth, and induces members of the general public to sign paid-during-service subscription contracts purporting to list periodicals of the purchasers' choice, a stated subscription period of the purchasers' choice, and the terms and conditions for payment by installments

of the purchase price. All such executed subscription contracts are thereafter forwarded to Periodical's headquarters for processing.

Respondent International Magazine Service of the Mid-Atlantic, Inc., (hereinafter sometimes referred to as "Mid-Atlantic" or "IMS of the Mid-Atlantic") is a corporation organized, existing and doing business under and by virtue of the laws of the State of Maryland, with its principal office and place of business located at 2518-2524 North Charles Street, in the city of Baltimore, State of Maryland. It is a franchisee of respondent Periodical Publishers' Service Bureau, Inc., and through its agents, solicits subscription contracts by contacting members of the general public through telephone calls and door-to-door solicitations, and by means of statements, representations, acts and practices as hereinafter set forth, inducing members of the general public to sign subscription contracts purporting to list magazines of the purchasers' choice, a stated subscription period for each and the terms and conditions for payment by installments of the purchase price. The volume of business of Mid-Atlantic in the sale and distribution of periodicals to the general public is in excess of \$4,000,000 annually.

The aforementioned respondents cooperate and act together in carrying out the acts and practices hereinafter set forth.

PAR. 2. In the course and conduct of their business of selling and distributing magazines and publications published by Hearst and other publishers, respondents, through their agents, salesmen or other solicitors, and through individuals and firms who have entered into franchise agreements with respondent Periodical, and through sub-franchisees, agents, salesmen and other solicitors engaged by or through said franchisees, have induced members of the general public to subscribe to "Good Housekeeping" and to other magazines and publications.

Respondents, through said agents, salesmen or other solicitors, franchisees and sub-franchisees, and others engaged by or through said franchisees, place into operation and through various direct and indirect means and devices, control, direct, and implement sales methods whereby members of the general public are contacted by and through telephone calls, door-to-door solicitations and store booths, and by means of statements, representations, acts and practices as hereinafter set forth, are induced to sign subscription contracts purporting to list magazines and publications of the purchasers' choice, a stated subscription period for

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each, and the terms and conditions for payment by installments of the purchase price.

The executed subscription contracts are thereafter forwarded by the branch offices to respondent Periodical's headquarters or are forwarded through the sub-franchisees, agents, salesmen and solicitors engaged by or for the franchisees to the above-mentioned respondent for processing, in the usual course of respondent's business. Respondent Hearst accepts the revenues flowing from said circulation, sale and distribution of its magazines and publications, as well as those of other publishers and firms.

Respondent Hearst dominates, controls, furnishes the means, instrumentalities, services and facilities for, and condones, approves, and accepts the pecuniary and other benefits flowing from the acts, practices, and policies hereinafter set forth.

PAR. 3. In the course and conduct of their business, as aforesaid, respondents now cause, and for at least six years last past have caused, said magazines and publications, when sold, to be shipped from their places of business or sources of supply to purchasers thereof located in various States of the United States other than the state of origination, and have transmitted and received and caused to be transmitted and received in the course of selling, delivering, and collecting payment for said magazines and other publications among and between the several States of the United States, contracts, invoices, checks, collection notices, and various other kinds of commercial paper and documents. Respondents maintain, and at all times mentioned herein have maintained, a substantial course of trade in such products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business, and for the purpose of inducing members of the general public to sign subscription contracts, as aforesaid, respondents use, furnish, approve or ratify promotional material or other instrumentalities or means for use by their salesmen and solicitors. In conjunction therewith, they have made certain oral statements and representations concerning the terms and conditions of said subscription contracts, their renewal or cancellation, special offers, and the nature and purpose of the solicitation. In the foregoing manner, respondents and their salesmen and solicitors have represented, directly or indirectly:

(a) That they are primarily conducting or participating in bona fide surveys, quizzes, or contests.

(b) That their offers are being made only to specially selected persons.

(c) That magazines or other products will be given free, or for the cost of mailing, handling, editing, or printing said products, or at special or reduced rates.

(d) That free magazine gift subscriptions will be sent to a subscriber's friend or relative.

(e) That subscribers will be allowed to cancel the subscriptions if they should decide to do so.

(f) That subscription contracts cannot be cancelled by subscribers as said contracts have been forwarded to the publishers, and respondents are committed to the publishers for the entire term of the subscription.

PAR. 5. In truth and in fact:

(a) Said salesmen and solicitors were not primarily conducting or participating in bona fide surveys, quizzes, or contests, but to the contrary, were and are engaged in inducing the general public to sign subscription contracts in the manner aforesaid.

(b) Respondents' said offers were not being made only to specially selected persons; but to the contrary, were made to numerous members of the general public through frequent solicitations of broad segments thereof.

(c) Magazines or other products were not given free, nor for the cost of mailing, handling, editing or printing of said products, nor at special or reduced rates. To the contrary, the subscription contracts provided for payment to cover respondents' regular or prevailing subscription prices.

(d) Gift subscriptions to a person designated by the subscriber were not given free, but to the contrary, the cost of said gift subscriptions was included within the price of the subscription contract.

(e) On a substantial number of occasions, subscribers were not allowed to cancel their subscription contracts or were only allowed to do so after extended delay.

(f) Many subscribers have given only their oral assent to such a contract or have within a very recent period of time signed such a contract, and respondents have neither forwarded such contract to the publishers at such time nor are respondents committed to the publishers for the entire term of the subscription.

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

PAR. 6. In the further course and conduct of their business, and in furtherance of their purpose of inducing the purchase of and payment for said magazines and publications by the general public, respondents and their salesmen and solicitors, directly or indirectly have engaged in the following additional acts and practices:

(a) In a substantial number of instances, they have stated approximate costs of a subscription contract on a weekly basis in conjunction with statements of typical subscription periods as, for example, a cost of "50 cents per week" and a period of 60 months.

Respondents and their salesmen and solicitors falsely and deceptively fail to disclose, in connection with such statements, the material fact that their contracts seldom, if ever, provide for weekly installment payments, or for payments spread over 60 months. In truth and in fact, the contracts require monthly installment payments of substantially higher amounts over a substantially shorter period of time than stated during such oral presentations.

(b) In a substantial number of instances they have induced members of the general public to sign a document by falsely and deceptively representing it to be a preference list, a guarantee, a route slip, or a document of an import or nature other than a subscription contract, when in fact it is the subscription contract.

(c) In their efforts to collect what respondents elect to treat as delinquent accounts of customers who have been induced to sign subscription contracts, they have resorted to telephone calls at night, and other forms of harassment by means of which they have unfairly, falsely and deceptively represented;

(1) That delinquent subscription accounts of customers will be turned over for collection to collection agencies. The purported collection agencies then write letters to delinquent customers stating that such delinquent subscription accounts have been turned over to them by respondents for collection.

In truth and in fact, such collection agencies to which respondents turned over delinquent subscription accounts for collection, are not bona fide, independent collection agencies engaged in collecting delinquent accounts, but are simply operating divisions

of the respondents used by respondents in their efforts to collect alleged delinquent subscription accounts.

(2) That the general or public credit rating or standing of any such customer will be adversely affected unless payment is made.

In truth and in fact, respondents seldom if ever take any action which adversely affects the general or public credit rating of such subscribers.

(3) That the failure of a customer to remit money to respondents will result in the institution of legal action to effect payment.

In truth and in fact, respondents seldom if ever take any legal action to effect payment.

(d) In a substantial number of instances, respondents have inserted extra coupons in subscribers' coupon payment books, whereby the payment of such extra coupons by the subscriber results in payments exceeding the total dollar cost of the subscription contract.

(e) In a substantial number of instances, respondents and their salesmen and solicitors have induced persons to sign subscription contracts without clearly, conspicuously, and adequately designating and disclosing:

- (1) the total cash price,
- (2) the downpayment,
- (3) the unpaid balance of the cash price,
- (4) the number, amount and due dates or period of payments scheduled to satisfy the payment of the contract.

Therefore, respondents' statements, representations, acts and practices, and their failure to reveal material facts, as set forth herein were, and are, unfair, false, misleading, and deceptive acts and practices.

PAR. 7. In addition to the foregoing statements, representations, acts and practices, respondents have engaged in door-to-door solicitations of the aforesaid subscriptions, either without prior invitations to solicit such sales from prospective purchasers or by using one or more of the deceptive means and methods aforesaid to gain access to prospective purchasers at times and under circumstances when such prospective purchasers were not otherwise considering the purchase of magazine subscriptions, and without either:

- (a) affirmatively stating and affording such purchasers the

right to cancel any resulting subscription contract for a period of not less than 72 hours, or

(b) by refusing to honor any such right purportedly given either orally or in writing or thwarting the exercise of any right so given.

The solicitation of subscription sales without permitting cancellation within a reasonable time constitutes an unfair, false, misleading and deceptive practice where such sale involves long term obligations on the part of the subscriber and where it is made under the conditions and circumstances herein alleged.

Therefore, respondents' acts and practices as set forth herein were, and are, unfair, false, misleading and deceptive acts and practices.

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

PAR. 9. In the course and conduct of their business, and at all times mentioned herein, respondents have been, and now are, in substantial competition, in commerce, with corporations, firms and individuals in the sale of products of the same general kind and nature as that sold by respondents.

PAR. 10. The use by respondents of the aforesaid unfair and false, misleading and deceptive statements, representations and practices, and their failure to disclose material facts, as aforesaid, has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were, and are, true and complete, and into the purchase of substantial quantities of said products by reason of said erroneous and mistaken belief and unfairly into the assumption of debts and obligations and the payment of monies which they might otherwise not have done.

PAR. 11. The aforesaid acts and practices of respondents, as herein alleged, were and are all to the prejudice and injury of the public and of respondents' competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having issued its complaint on January 15, 1971, charging the respondent named in the caption hereof with violation of the Federal Trade Commission Act, and the respondent having been served with a copy of that complaint; and

The Commission having duly determined upon motion certified to the Commission that, in the circumstances presented, the public interest would be served by waiver of the provisions of Section 2.34(d) of its rules which provides that the consent order procedure shall not be available after issuance of complaint; and

The respondent and counsel for the Commission having executed an agreement containing a consent order, an admission by consenting parties of all the jurisdictional facts set forth in the 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 set forth in such complaint, and waivers and other provisions as required by the Commission's rules; and

The Commission having considered the aforesaid agreement and having determined that it provides an adequate basis for appropriate disposition of this proceeding, and having accepted same, and the agreement containing consent order having 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 makes the following jurisdictional findings, and enters the following order:

1. International Magazine Service of the Mid-Atlantic, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Maryland, with its office and principal place of business located at 2518-2524 North Charles Street, in the city of Baltimore, State of Maryland.

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

I

It is ordered, That respondent International Magazine Service of the Mid-Atlantic, Inc., a corporation, and its successors or

assigns, and its officers, representatives, employees, franchisees, licensees, salesmen, agents or solicitors, and the representatives, employees, franchisees, licensees, salesmen, agents or solicitors engaged by or through respondent's franchisees or licensees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution to consumers (the term consumer is defined as the party to whom said merchandise or service is offered or extended who is a natural person, and the merchandise or services which are the subject of the transaction are primarily for personal, family, or household purposes) of magazines or any other publications or merchandise or subscriptions to purchase any such magazines or services or in the collection or attempted collection of any delinquent or other subscription contract or other accounts, in commerce, as "Commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or indirectly, that respondent is primarily conducting or participating in a survey, quiz or is engaged in any activity other than soliciting business; or misrepresenting, in any manner the purpose of the call or solicitation.

2. Representing, directly or indirectly, that any offer to sell said products or services is being made only to specially selected persons; or misrepresenting, in any manner, the persons or class of persons afforded the opportunity of purchasing respondent's products or services.

3. Representing, directly or indirectly, that any merchandise or service is free or without cost, or is provided as a gift to either the subscriber or a person designated by him, or without cost or charge in connection with the purchase of, or agreement to purchase, any merchandise or service unless the stated price of the merchandise or service required to be purchased in order to obtain such free merchandise or gift is the same or less than the customary and usual price at which such merchandise or service required to be purchased has been sold separately from such free gift item, and in the same combination if more than one item is required to be purchased, for a substantial period of time in the recent and regular course of business in the area in which the representation is made: *Provided*, That nothing herein shall prevent respondent from continuing to sell or

offer to sell "split orders" under which the subscriber designates one or more of the magazines to which he or she is subscribing and directs that such magazine or magazines be sent to a third person or persons rather than the subscriber without such third person or persons paying any part of the price of the subscription contract.

4. Representing, directly or indirectly, that any price for any merchandise or service covers only the cost of mailing, handling, editing, printing, or any other element of cost, or is at or below cost; or that any price is a special or reduced price unless it constitutes a significant reduction from an established selling price at which such merchandise or service has been sold in substantial quantities by respondent in the same combination of items in the recent and regular course of their business; or misrepresenting, in any manner, the savings which will be accorded or made available to purchasers.

5. Refusing or failing upon request to cancel a contract when the representation has been made, either directly or indirectly, that the contract will be cancellable.

6. Representing, directly or indirectly, that subscriptions may never be cancelled or refusing to cancel such subscriptions on the grounds that respondent has forwarded such subscriptions to the publishers and respondent is committed to the publishers for the term of the contract or for any other deceptive reason.

7. Failing, clearly and conspicuously to reveal at the outset of the initial contact and of all subsequent contacts of prospective purchasers, whether by telephone, written or printed communications, or person-to-person, that the purpose of such contact or solicitation is to sell magazines or periodical subscriptions, products or services, as the case may be.

8. Making any reference or statement concerning "50 cents per week," "60 months," or any other statement as to a sum of money or duration or period of time in connection with a subscription contract or other purchase agreement which does not in fact provide, at the option of the purchaser, for the payment of the stated sum, at the stated duration or period of time; or misrepresenting in any manner, the terms, conditions, method, rate or time of pay-

ment actually made available to purchaser or prospective purchasers.

9. Representing, directly or indirectly, that a subscription contract or purchase agreement is a "preference list," "guarantee," "route slip" or any kind of document other than a contract or agreement; or misrepresenting, in any manner, the nature, kind or legal characteristic of any document: *Provided*, However, that when a contract includes a guarantee, respondent may represent it to be a contract and guarantee.

10. Failing to reveal orally and in writing clearly and conspicuously to each purchaser or prospective purchaser before execution, the identity, nature and legal import of any document he is requested or required to execute in connection with the purchase of any product or service.

11. Attempting, by the use of telephone calls or any other means, to harass or intimidate customers in order to effect payment of any account.

12. Representing, directly or indirectly, that in the event of non-payment or delinquency of any account or debt arising from any subscription contract or purchase agreement, the general or public credit rating or standing of any person may be adversely affected, unless respondent refers the information concerning such delinquency to a bona fide credit agency.

13. Failing clearly and conspicuously to disclose in each contract with a debtor or alleged debtor that the collection agency to which the delinquent account will be referred, or that said collection agency which is contracting the delinquent debtor or alleged debtor, is an operating division of the respondent, and is not an independent, bona fide collection agency, unless in fact such collection agency is an independent bona fide collection agency.

14. Representing, either directly or indirectly, that legal action may be instituted unless respondent in good faith intends to institute legal actions against each delinquent debtor or alleged debtor to whom such representation is made or misrepresenting, in any manner, the action or results of any action which may be taken to effect payment of any such account or debt.

15. Contracting for any sale in the form of a subscription

contract or purchase agreement which shall become binding on the purchaser prior to a period of time not less than three business days after the date of signing by the purchaser.

16. Failing to disclose orally prior to the time of sale and in writing on any subscription contract or other agreement, with conspicuousness and clarity, that the purchaser may rescind or cancel the subscription by directing or mailing a notice of cancellation to respondent's address within three business days after the date of sale.

17. Failing to provide a separate and clearly understandable form which the purchaser may use as a notice of cancellation.

18. Failing to include on the cover of each coupon book furnished to a subscriber :

- (a) a statement showing the total number of coupons in the book, the dollar amount of each such coupon; and
- (b) a legend stating: "Check the number of coupons in this book and their amounts against your original subscription contract."

19. Failing to furnish to each subscriber at the time of his signing of the subscription contract a duplicate original of the contract showing the exact number and name of the magazines or other publications to which the purchaser is subscribing, the number of issues for each and the total price for each magazine and for all such magazines: *Provided, however*, as an alternative, the price for each magazine may be furnished on a separate schedule attached to each of said contracts.

20. Failing to furnish with each coupon book initially provided to each subscriber, a copy of the final sales contract; *Provided*, That as an alternative, as long as the authenticity of the subscriber's signature is not in dispute, respondent may furnish a separate written statement identifying the magazines being subscribed to, the number of issues for each, and a complete statement of the payment terms.

21. Failing or refusing to cancel, at the subscriber's or purchaser's sole option, all or any portion of such a subscription contract or purchase contract whenever respondent in good faith has determined that a misrepresentation prohibited by this order has been made to such subscriber: *Provided*, That if a cancellation is effected, the sole fact that respondent

has cancelled a contract shall not be admissible in any proceeding brought to recover penalties for alleged violation of any other paragraph of this order.

22. In the event any magazine covered by such a subscription contract ceases publication during the term of the contract, failing to apprise subscribers to such magazine pursuant to such contract of its discontinuance and to offer such subscribers equivalent value through the opportunity to substitute therefor one or more magazines not covered by the contract or extend the subscription term(s) of a magazine or magazines covered by the contract.

23. Failing to clearly, conspicuously, and adequately designate and disclose both orally, and in writing on the subscription contract on the same side of the page and above or adjacent to the place for the customer's signature:

- (a) the total cash price,
- (b) the downpayment,
- (c) the unpaid balance of the cash price,
- (d) the amount financed, if any
- (e) the rate of finance charge, if any, expressed as the annual percentage rate, and
- (f) the number, amount and due dates or period of payments scheduled to satisfy the payment of the contract.

24. Furnishing or otherwise placing in the hands of others the means and instrumentalities by and through which the public may be misled or deceived in the manner or by the acts and practices prohibited by this order.

II

It is further ordered:

(a) That respondent herein deliver, in person or by registered mail, a copy of this decision and order to each of its present and future dealers or franchisees, licensees, employees, salesmen, agents, solicitors, independent contractors, or other representatives who sell, promote or distribute the products or services included in this order; *Provided, however,* That respondent may require its present and future dealers, franchisees, licensees or other agents to deliver a copy of this decision and order to each of their employees, salesmen, agents, solicitors, independent contractors or other representatives.

(b) That respondent provide each person so described in Paragraph (a) above with a form, returnable to the respondent and to the Commission, clearly stating his intention to be bound by and to conform his business practices to the requirements of this order.

(c) That respondent inform all such present and future dealers or franchisees, licensees, employees, salesmen, agents, solicitors, independent contractors, or other representatives who sell, promote or distribute the products or services included in this order that the respondent shall not use any third party, or the services of any third party for the solicitation of magazine subscriptions or other products or services unless such third party agrees to and does file notice with the respondent and the Commission that it will be bound by the provisions contained in this order.

(d) If such party will not agree to so file said notice with respondent and the Commission and be bound by the provisions of the order, the respondent shall not use such third party to sell or solicit subscriptions or other products or services.

(e) That respondent so inform the persons so engaged that the respondent is obligated by this order to discontinue dealing with those persons who continue on their own the deceptive acts or practices prohibited by this order.

(f) That respondent institute a program of continuing surveillance adequate to reveal whether the business operation of each of said persons engaged conform to the requirements of this order; and

(g) That respondent discontinue dealing with the persons so engaged, revealing by the aforesaid program of surveillance, who continue on their own deceptive acts or practices prohibited by this order: *Provided*, That if remedial action is taken, the sole fact of such dismissal or termination shall not be admissible in any proceeding brought to recover penalties for alleged violation of any other paragraph of the order.

It is further ordered, That respondent herein shall 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 which may affect compliance obligations arising out of the order.

Initial Decision

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It is further ordered, That 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