

Order

IN THE MATTER OF

THE PAPERCRAFT CORPORATION

MODIFIED ORDER IN REGARD TO THE ALLEGED VIOLATION OF SEC. 7 OF
THE CLAYTON ACT

Docket 8779. Complaint, April 10, 1969—Modified order, June 6, 1973.

Order modifying an earlier order dated June 30, 1971, 36 F.R. 15662, 78 F.T.C. 1352, as modified September 9, 1971, 79 F.T.C. 420, which required a major manufacturer and distributor of gift wrapping paper and ribbons with headquarters in Pittsburgh, Pa., to divest itself of an acquired gift wrapping firm, by deleting Paragraph IX of the modified order which prohibited the divesting company from selling to any direct customers of the divested company for a three-year period.

MODIFIED ORDER TO CEASE AND DESIST

Respondent having filed in the United States Court of Appeals for the Seventh Circuit a petition to review the order to cease and desist issued herein on June 30, 1971, and modified by the Commission on September 9, 1971; [79 F.T.C. 420] and [78 F.T.C. 1352] the Court on January 25, 1973, having rendered its decision, and on February 22, 1973, having entered its final order affirming and enforcing the Commission's order with modification by the deletion of Paragraph IX; and the time in which to file a petition for certiorari having expired without either party having filed such a petition;

Now therefore, it is ordered, That the aforesaid order to cease and desist be modified, in accordance with said final order of the Court of Appeals, to read as follows:

I

It is ordered, That respondent, the Papercraft Corporation, a corporation, and its officers, directors, agents, representatives, employees, subsidiaries, affiliates, successors and assigns, within six (6) months from the date of service upon it of this order, shall divest, absolutely and in good faith, subject to the approval of the Federal Trade Commission, all assets, properties, rights and privileges, tangible and intangible, including, but not limited to, all plants, equipment, machinery, inventory, customer lists, trade names, trademarks and goodwill, acquired by the Papercraft Corporation as a result of its acquisition of CPS Industries, Inc., together with all additions and improvements thereto, of whatever description, made since the acquisition.

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II

It is further ordered, That none of the assets, properties, rights or privileges described in Paragraph I of this order shall by such divestiture be transferred, directly or indirectly, to any person who is at the time of the divestiture an officer, director, employee, or agent of, or under the control or direction of, respondent or any of respondent's subsidiary or affiliated corporations, or owns or controls, directly or indirectly, more than one (1) percent of the outstanding shares of the Papercraft Corporation, or to anyone who is not approved in advance by the Federal Trade Commission.

III

If respondent divests the assets, properties, rights and privileges, described in Paragraph I of this order, to a new corporation or corporations, the stock of each of which is wholly owned by the Papercraft Corporation, and if respondent then distributes all of the stock in said corporation or corporations to the stockholders of the Papercraft Corporation, in proportion to their holdings of the Papercraft Corporation stock, then Paragraph II of this order shall be inapplicable, and the following Paragraphs IV and V shall take force and effect in its stead.

IV

No person who is an officer, director, or executive employee of the Papercraft Corporation, or who owns or controls, directly or indirectly, more than one (1) percent of the stock of the Papercraft Corporation, shall be an officer, director or executive employee of any new corporation or corporations described in Paragraph III, or shall own or control, directly or indirectly, more than one (1) percent of the stock of any new corporation or corporations described in Paragraph III.

V

Any person who must sell or dispose of a stock interest in the Papercraft Corporation or the new corporation or corporations, described in Paragraph III, in order to comply with Paragraph IV of this order may do so within six (6) months after the date on which distribution of the stock of the said corporation or corporations is made to stockholders of the Papercraft Corporation.

VI

It is further ordered, That no method, plan or agreement of divestiture to comply with this order shall be adopted or implemented by respondent save upon such terms and conditions as shall first be approved by the Federal Trade Commission.

VII

It is further ordered, That pending divestiture, respondent shall not make or permit any deterioration in any of the plants, machinery, buildings, equipment or other property or assets of the company to be divested which may impair its present capacity or market value, unless such capacity or value is restored prior to divestiture.

VIII

It is further ordered, That for a period of ten (10) years from the date of service of this order upon it respondent shall not acquire, directly or indirectly, through subsidiaries, joint ventures or otherwise, without the prior approval of the Federal Trade Commission, the whole or any part of the stock, share capital or assets of any concern engaged in the manufacture, production, sale or distribution of any decorative gift wrap product, nor shall respondent enter into any arrangement with any such concern by which respondent obtains the market share, in whole or in part, of such concern.

IX

As used in this order, the acquisition of assets includes any arrangement by the Papercraft Corporation with any other party, pursuant to which such other party discontinues manufacturing any of the products described in Paragraph VIII of this order under a brand name or label owned by such other party and thereafter distributes any of said products under any of Papercraft's brand names or labels.

X

As used in this order, the word "person" shall include all members of the immediate family of the individual specified and shall include corporations, partnerships, associations and other legal entities as well as natural persons.

IN THE MATTER OF
GENERAL MOTORS CORPORATION, ET AL.

Docket 8907. June 7, 1973.

F.T.C. "Commission" authorizing and requesting the Consul or Vice-Consul of the United States in Frankfurt, Federal Republic of Germany (or legal designate) to administer the oath or affirmation to certain employees, German nationals, of a German subsidiary of General Motors Corporation necessary to take their depositions and to preside at the taking of deposition upon oral examination.

IN THE MATTER OF THE DEPOSITIONS OF W. SCHINDLER, W.
SCHMIDT-BRUCKEN AND DR. K. BUDDE, CITIZENS OF THE FEDERAL
REPUBLIC OF GERMANY

COMMISSION

To all to whom these presents may come, greeting:

Whereas, The depositions of W. Schindler, W. Schmidt-Brucken, and Dr. K. Budde, all of whom are employees of Adam Opel AG, Russelheim, Germany, a subsidiary of General Motors Corporation, have been authorized by Order of Administrative Law Judge Ernest G. Barnes for use in the matter of General Motors Corporation, et al, Docket No. 8907; and

Whereas, It appears that the proposed witnesses are German nationals residing in the Federal Republic of Germany;

Now, therefore, The Federal Trade Commission authorizes and requests the Consul or Vice-Consul of the United States in Frankfurt, Federal Republic of Germany, (or their designate authorized by the law thereof or by the law of the United States to administer oaths and affirmations) to administer the oath or affirmation to these individuals necessary to take their depositions and to preside at the taking of the deposition upon oral examination.

By direction of the Federal Trade Commission.

IN THE MATTER OF
FELCO SPORTS PRODUCTS, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION, THE TEXTILE FIBER PRODUCTS IDENTI-
FICATION AND THE WOOL PRODUCTS LABELING ACTS

Docket C-2413. Complaint, June 8, 1973—Decision, June 8, 1973.