

FEDERAL TRADE COMMISSION DECISIONS

FINDINGS, OPINIONS AND ORDERS

IN THE MATTER OF

HALLMARK GROUP COMPANIES, INC., ET AL.

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

Docket C-2517. Complaint, July 1, 1974—Decision, July 1, 1974

Consent order requiring a Dallas, Tex., developer of mobile home parks and its wholly-owned subsidiary in Santa Clara, Calif., among other things to cease misrepresenting and failing to provide facilities and services they represented would be available at mobile home parks they have developed. Further, the order requires respondents to provide, within ninety (90) days of the effective date of this order, mobile home parks with all of the facilities and services which they represented would be available at said parks.

Appearances

For the Commission; *Ralph E. Stone.*

For the respondents: *Pro se.*

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 Hallmark Group Companies, Inc. and Pacific Western Mobile Estates, Inc., corporations, hereinafter sometimes 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 Hallmark Group Companies, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York with its principal office and place of business located at 208 Town North Plaza Building, 4230 LBJ Freeway, Dallas, Tex.

Respondent Pacific Western Mobile Estates, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of California with its principal office and place of business

located at 2075 De La Cruz Boulevard, Santa Clara, Calif. It is a wholly-owned subsidiary of respondent Hallmark Group Companies, Inc.

PAR. 2. Respondents are now, and for some time last past have been engaged in the development and operation of mobile home parks in the various States of the United States.

PAR. 3. In the course and conduct of respondents' aforesaid business, respondents have disseminated and have caused to be disseminated from their place of business located in Santa Clara, Calif. advertisements for said mobile home parks in newspapers and on radio broadcasts of interstate circulation for the purpose of inducing the lease of mobile home park spaces.

Through the aforementioned dissemination and transmission of said advertisements and the interstate nature of their business, respondents maintain, and at all times mentioned herein have maintained, a substantial course of trade in mobile home park development and operation in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. Typical of such advertisements, disseminated as aforesaid, but not inclusive thereof, are the following: [see pp. 3-6 herein.]

PAR. 5. Through the use of said advertisements, and others similar thereto, not specifically set out herein, respondents have represented and are now representing, directly or by implication, that respondents' mobile home parks have available and fully operational certain facilities, *e.g.*, boat and camper storage, cable television, laundry facilities, car wash facilities, sauna, shuffleboard, multi-purpose court for basketball, tennis, volleyball and badminton.

PAR. 6. In truth and in fact each and every advertised facility is not available and fully operational at respondents' mobile home parks at the time such park is ready for occupancy.

Therefore, the representations as set forth in Paragraphs Four and Five were and are false, misleading and deceptive.

PAR. 7. Furthermore, in the course and conduct of their business, as aforesaid, respondents failed and continue to fail to provide said mobile home parks with the fully operational facilities they represented were available.

The failure of respondents to provide fully operational facilities for the benefit of persons who leased spaces in respondents' parks in reliance upon said representations set forth in Paragraphs Four and Five hereof, was and is unfair and deceptive.

PAR. 8. The use by respondents of the aforesaid false, misleading and deceptive statements, and representations has the tendency and capacity to mislead and deceive members of the purchasing public into the

come live with us ...

... We'd like to introduce you to the nicest part of mobile home living — Pacific Western Mobile Estates. Let's get together over a cup of coffee and sit around and relax. I know we can show you a whole new way of easy living — made up of people, recreation, and just plain fun.

... If you enjoy the sort of things we do ... like swimming, sauna, billiards, tennis, shuffleboard, putting greens, indoor hydrotherapy pool, and lots of friendly clubhouse activities, you will like our park. It is real country club living at low prices.

... My name is Joe and this is my wife Mildred. They call us managers, but we feel more like neighbors. Come out today and join us.



PACIFIC WESTERN MOBILE ESTATES/GILROY

500 W. Tenth Street
Gilroy, Calif. 95020

408/642-8296



All our parks have friendly managers
who'd enjoy meeting you.

Alice and "Skip" at Modesto
Walt and Vivian at Lathrop
Hap and Maurita at San Jose
Darrell and Jane at Pismo Beach

And open later this year: Vallejo ☐ Orange
County ☐ Visalia ☐ Palm Springs ☐ Med-
ford, Oregon ☐ Springfield, Oregon ☐
Lincoln, Nebraska ☐ Colorado Springs,
Colorado

Write for free brochure to:
Pacific Western Mobile Estates, Inc.
2075 De La Cruz Blvd.
Santa Clara, California 95050

Name of park(s) _____
Name _____
Address _____
City _____ Zip _____ State _____



Complaint

84 F.T.C.

The Recreation Center



car wash / laundry / hobby room



exercise room

9-hole putting green



pool and snack



sauna

Live up to your expectations at Pacific Western Mobile Estates/Gilroy ... a recreational wonderland!

Enjoy the pride of home ownership with a country club lifestyle, but without the starched formality and land-office prices of conventional country clubs.

Amble up the path past the bubbling fountain to the clubhouse ... a center hum-m-m-ing with fun things to do ... a wonderfully inviting extension of your own home.

Enriched with the warmth of Spanish architecture ... bursting with hospitality, the expansive clubhouse provides recreation and socializing throughout the year.

Join the fun—dances, live entertainment, weekend brunches, parties and other social gatherings are easily accommodated in the spacious community hall. A full size stage, modern kitchen and banquet facilities ease the preparation and enhance the enjoyment of such events. What a lively center of exciting activity!

Get cozy ... the flow of conversation warms during friendly fireside chats in the library lounge

... ideally a restful setting to curl up and read a book ... a gracious hideaway for relaxation or television viewing.

The benefits of a spa-like atmosphere are apparent. Nothing could be more soothing than a sauna! Be gently massaged in the indoor hydrotherapeutic pool.

The relaxing resort atmosphere goes on ... enjoy a game of billiards ... or nourish an individual health program in the fully equipped men's and women's exercise room.

And there's more playing around! Splash in the pool ... gently heated throughout the year and lighted for evening dips.

Summertime arrives and the aromatic scent of smoking barbecues prevails at Pacific Western/Gilroy. Families gather on the barbecue patio to cook their favorite California cuisine over glowing charcoals.

Come by today and let us show you our beautiful park. We have some friendly managers and a lot of wonderful neighbors anxious to meet you.

Pacific Western Mobile Estates/Gilroy
500 West Tenth Street
Gilroy, California 95020
408-842-8296

GILROY PARK

The Community

Pacific Western/Gilroy is a well planned, self-contained community. Underground utilities; centrally located recreation and green areas; broad, well lit avenues with ideal circulation patterns; colorful, professionally maintained landscaping—all tastefully integrated into a beautiful, comprehensive design.

Always close at hand, the resident managers and their assistants are thoroughly trained and knowledgeable of mobile home park management. Their efficiency is matched only by their friendly, neighborly manner ... all to make your days carefree.

The security of the mobile home community is apparent ... from its walled perimeter to its street lights burning throughout the night. The management enjoys the confidence of residents and maintains a pleasant environment: no soliciting or door-to-door selling is permitted ... nor is the peaceful setting broken by noisy autos or motorcycles.

And there's more ... boat and camper storage, guest parking, underground utilities, cable television, accommodation for 12' 20' 24' 36' wide mobile homes, laundry facilities, car wash facilities, two-car parking per site.



social events



billiard room



barbecue patio



enclosed play area



boat and camper storage

Complaint

84 F.T.C.

community kitchen

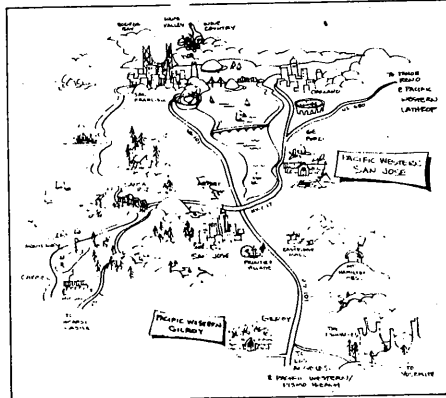


Outdoor living goes on. Play a round of golf on the 9-hole putting green. Sport activists will discover: shuffleboard, basketball, paddle-tennis, volleyball, badminton.

Especially for the children—busy bees, rabbits, porpoises, and hobby horses abound as part of a fascinating selection of play equipment safely enclosed in the separate tot play area.

Hobbies unlimited in the special hobby room! ... just another little but important spoiler at Pacific Western Gilroy.

Whether you are seeking an active, on-the-go life; pure relaxation; or a combination of both, you'll have your choice ... let us spoil you at Pacific Western Gilroy.



RENTAL INFORMATION

MONTHLY RENTAL

12' wide spaces	20' wide spaces	24'—36' wide spaces
\$65.00	\$70.00	\$75.00
Corner and Clubhouse lots \$5.00 extra per month		

MITTERED CHARGES

Gas and Electricity

FREE SERVICES

Water

Garbage Collection

Clubhouse Facilities

OPTIONAL MONTHLY CHARGES

Pets \$3.50

Extra Person \$5.00

Storage \$5.00

Cable television available

OCCUPANCY REQUIREMENTS

All coaches less than 3 years old

Awnings required—length and width of patio and carport

Metal skirting to match

Architectural approval on coaches

25% landscaping in green starting in front of home

FOR DETAILS, SEE REGULATIONS

AVAILABLE IN OFFICE

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Decision and Order

erroneous and mistaken belief that said statements and representations were and are true and into the leasing of substantial numbers of respondents' mobile home park spaces by reason of said erroneous and mistaken belief.

PAR. 9. The acts and practices of respondents, including their continuing failure to provide fully operational facilities, 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 or deceptive acts or practices in commerce in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the San Francisco Regional Office proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, and admission by the respondents 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 respondents 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 respondents have violated the 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 sixty (60) days, now in further conformity with the procedures 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 Hallmark Group Companies, 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 208 Town North Plaza Building, 4230 LBJ Freeway, Dallas, Tex.

Respondent Pacific Western Mobile Estates, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of California, with its office and principal place of business located at 2075 De La Cruz Boulevard, Santa Clara, Calif. It is a wholly-owned subsidiary of respondent Hallmark Group Companies, Inc.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, that respondents Hallmark Group Companies, Inc., Pacific Western Mobile Estates, Inc., corporations, their successors and assigns, and their officers, and respondents' agents, representatives, salesmen and employees, directly or through any corporation, subsidiary, division or other device, in connection with the development, operation and/or leasing of mobile home parks in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Misrepresenting, directly or by implication, orally or in writing, that any facility or service is available at any mobile home park.

2. Misrepresenting, directly or by implication, orally or in writing, that any facility or service will be available at any mobile home park.

Provided, however, That it shall not be deemed a violation of this paragraph if for reasons not within their control (*e.g.*, floods, other acts of God, strikes), such facility or service is not usable and available for its intended use at the time of said occupancy by the first lessee.

3. Failing to provide mobile home parks within ninety (90) days of the effective date of this order with all of the facilities and services which they represented would be available at said parks.

It is further ordered, That the respondents shall forthwith distribute a copy of this order to each of its operating divisions, and mobile home parks, and post in a prominent place for 30 days in each mobile home park presently owned and/or operated by respondents, their successors and assigns.

It is further ordered, That the respondents shall notify the Commission at least thirty (30) days prior to any proposed change in the corporate respondents such as dissolution, assignment, incorporation, or sale resulting in the emergence of a successor firm, partnership, or

corporation, or any other change in the corporation which may affect compliance obligations arising out of this order.

It is further ordered, That respondents shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing, setting forth in detail the manner and form in which they have complied with this order.

IN THE MATTERS OF

INTERNATIONAL PAPER COMPANY - Docket C-2518
VANCOUVER PLYWOOD CO., INC. - Docket C-2519

CONSENT ORDERS, ETC., IN REGARD TO ALLEGED VIOLATIONS OF THE
FEDERAL TRADE COMMISSION ACT

Complaint, July 1, 1974—Decisions, July 1, 1974

Consent orders requiring New York City and Florien, La. manufacturers of softwood plywood, among other things to cease using a basing point system of pricing; requiring the two firms to give customers the option of paying f.o.b. prices on picked-up purchases for a 10-year period and disclose the amount of actual freight on customers' invoices covering shipments sold on a delivered price basis; and requiring that in quoting prices the companies base estimated weights upon actual experience determined by representative sampling or by other reasonable methods. The agreement also provides that the orders shall not become effective until other cases involving the softwood plywood industry are resolved; the two companies shall have the option to accept the same order which may be entered against the other five non-consenting firms.

Appearances

For the Commission: *L. Barry Costilo* and *Ira S. Nordlicht*.

For the respondents: *H. F. Baker, Howrey, Simon, Baker & Murchison*, Wash., D.C. for International Paper Company. *J. Randolph Wilson, Covington & Burling*, Wash., D.C. for Vancouver Plywood Co., Inc.

COMPLAINT

The Federal Trade Commission, having reason to believe that the above-named respondents have violated and are now violating Section 5 of the Federal Trade Commission Act (U.S.C. Title 14, Section 45), and believing that a proceeding by it in respect thereof is in the public interest, hereby issues its complaint charging as follows:

PARAGRAPH 1. Respondent International Paper Company is a corporation organized, existing and doing business under the laws of the