

employment in which he is engaged as well as a description of his duties and responsibilities.

*It is further ordered*, That the respondents herein 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.

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IN THE MATTER OF  
SANFORD INDUSTRIES, INC., ET AL.  
CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF THE  
FEDERAL TRADE COMMISSION AND CLAYTON ACTS

*Docket 8997. Complaint, Oct. 29, 1974--Decision, June 17, 1975*

Consent order requiring a Pompano Beach, Fla., manufacturer and distributor of truss fabricating equipment, connecting plates and the design and sale of engineering services connected therewith, among other things to cease entering into or enforcing agreements which obligate purchasers of equipment to obtain materials and services from sources designated by respondents; offering discounts, rebates, etc. based on amount of purchases from designated sources; and requiring purchasers of equipment to purchase from respondent or its designated sources.

*Appearances*

For the Commission: *Duncan J. Farmer.*

For the respondents: *Lee, Toomey & Kent*, Wash., D.C.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, as amended (15 U.S.C. § 41, *et seq.*), and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that Sanford Industries, Inc., a corporation, and A. Carol Sanford, an individual, respondents herein, have violated and are now violating the provisions of Section 5 of the Federal Trade Commission Act, as amended (15 U.S.C. § 45), and Section 3 of the Clayton Act (15

U.S.C. § 14), 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 the following:

PARAGRAPH 1. For purposes of this complaint the following definitions shall apply:

A. The term "Sanford" refers to Sanford Industries, Inc., a corporation, and its subsidiaries, affiliates, successors, assigns, officers, agents, representatives and employees, and the term "Mr. Sanford" refers to A. Carol Sanford, an individual.

B. The term "truss fabricating equipment" refers to all machinery and equipment sold, leased, or licensed by Sanford to be used in the assembly, production and construction of wood roof trusses used in the construction of residences, multiple dwellings, commercial or industrial buildings and farm structures.

C. The term "truss connecting plates" refers to all metal plates bearing any number of nails or other sharp devices used to permanently connect the joints of wood roof trusses used in the construction of residences, multiple dwellings, commercial or industrial buildings and farm structures.

D. The term "engineering services" refers to design specification services provided by Sanford in connection with the assembly, production and construction of wood roof trusses, and the selection and designation of truss connecting plates deemed necessary for the proper support of said trusses.

PAR. 2. Respondent Sanford is a corporation organized, existing and doing business under and by virtue of the laws of the State of Florida, with its principal place of business located at 951 Southwest 12th Ave., P. O. Box 1177, Pompano Beach, Fla.

PAR. 3. Respondent Mr. Sanford is an individual and the principal officer of Sanford. He formulates, directs and controls the acts and practices of Sanford, including the acts and practices hereinafter set forth. His business address is the same as that of Sanford.

PAR. 4. Respondent Sanford is now, and for some time last past has been engaged in the manufacture and distribution (by sale, lease and/or license) of truss fabricating equipment; the manufacture and sale of truss connecting plates; and the design and sale of engineering services in connection therewith.

PAR. 5. In the course and conduct of its business, respondent Sanford, under the control and direction of respondent Mr. Sanford, now causes, and has caused in the past, its products and services, when sold, leased, and/or licensed, to be shipped from its place of business in the State of Florida to purchasers, lessees and/or licensees thereof in other states, and maintains, and at all times mentioned herein has maintained, a

substantial course of trade in said products and services in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 6. Except to the extent that actual and potential competition has been lessened, restricted and restrained by reason of the practices hereinafter alleged, respondent Sanford has been and is now engaged in competition with firms, partnerships, and corporations engaged in the manufacture and distribution of truss fabricating equipment, the manufacture and sale of truss connecting plates, and the design and sale of engineering services.

PAR. 7. In the course and conduct of its business as described above, respondent Sanford, under the control and direction of respondent Mr. Sanford, has offered, entered into and enforced agreements with purchasers, lessees and/or licensees of its truss fabricating equipment which require such purchasers, lessees and/or licensees, as a condition to the purchase, lease or license of truss fabricating equipment from Sanford, to purchase truss connecting plates and/or engineering services from said respondent.

PAR. 8. In the course and conduct of its business as described above, respondent Sanford, under the control and direction of the respondent Mr. Sanford, has offered, entered into and enforced agreements with users of its engineering services which require them, as a condition to the furnishing of engineering services by Sanford, to purchase truss connecting plates from said respondent.

PAR. 9. The effect of the aforesaid agreements has been or may be to substantially lessen competition in the manufacture and sale of truss connecting plates and the design and sale of engineering services.

PAR. 10. The acts, practices and methods of competition alleged herein constitute tying agreements or practices by respondents in violation of Section 3 of the Clayton Act and/or Section 5 of the Federal Trade Commission Act.

#### DECISION AND ORDER

The Commission having heretofore issued its complaint charging the respondents named in the caption hereto with violation of Section 5 of the Federal Trade Commission Act and Section 3 of the Clayton Act, and the respondents having been served with a copy of that complaint, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing consent order, an admission by the respondents 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 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 withdrawn this matter from adjudication in accordance with Section 2.34(d) of its rules; and

The Commission having considered the agreement and having provisionally accepted same, and the agreement containing consent order having thereupon been placed on the public record for a period of sixty (60) 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. Respondent Sanford Industries, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Florida, with its principal place of business located at 951 Southwest 12th Ave., P.O. Box 1177, Pompano Beach, Fla.

2. Respondent Mr. Sanford is an individual and the principal officer of Sanford. He formulates, directs and controls the acts and practices of Sanford. His business address is the same as that of Sanford.

3. 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

##### I.

For purposes of this order, the following definitions shall apply:

A. The term "respondents" refers to Sanford Industries, Inc., a corporation, and its subsidiaries, affiliates, successors, assigns, officers, agents, representatives and employees; and to A. Carol Sanford, an individual.

B. The term "truss fabricating equipment" refers to all machinery and equipment sold, leased, or licensed by respondents to be used in the assembly, production and construction of wood roof trusses used in the construction of residences, multiple dwellings, commercial or industrial buildings and farm structures.

C. The term "truss connecting plates" refers to all metal plates bearing any number of nails or other sharp devices used to permanently connect the joints of wood roof trusses used in the construction of residences, multiple dwellings, commercial or industrial buildings and farm structures.

D. The term "engineering services" refers to design specification services provided by respondents in connection with the assembly, production and construction of wood roof trusses, and the selection and

designation of truss connecting plates deemed necessary for the proper support of said trusses.

## II

*It is ordered,* That respondents, directly or indirectly through any corporate or other device, in connection with the sale, lease or license of truss fabricating equipment, truss connecting plates and/or engineering services in the United States shall, within thirty (30) days after entry of this order, cease and desist from:

1. Offering, entering into or enforcing any agreement or provision of any agreement, express or implied, which in any way requires or obligates any purchaser, lessee or licensee of respondents' truss fabricating equipment, as a condition to the execution or continuation of a purchase, lease or license agreement with respect to such equipment, to purchase or agree to purchase all or any part of such purchaser's, lessee's or licensee's requirements of truss connecting plates and/or engineering services from respondents or from any source designated by respondents.

2. Offering, allowing or granting a price discount, rental or royalty reduction, rebate, or other valuable consideration on or with respect to the sale, lease or license of respondents' truss fabricating equipment which is in any way based upon purchases of truss connecting plates and/or engineering services from respondents or from any source designated by respondents.

3. Requiring any of its purchasers, lessees or licensees of truss fabricating equipment to purchase truss connecting plates and any other products from respondents or from any source designated by respondents.

## III

*It is further ordered,* That respondent, Sanford Industries, Inc., shall:

1. Within thirty (30) days after entry of this order, mail a letter on its stationery, signed by the officers of the respondent and enclosing a copy of this order, to all of its purchasers, lessees, and/or licensees of truss fabricating equipment who have purchased truss connecting plates from it during the twenty-four (24) months preceding entry of this order which informs each such purchaser, lessee or licensee of the prohibitive terms of this order.

2. Notify, during the five (5) year period after entry of this order, each new prospective purchaser, lessee or licensee of its truss fabricating equipment (excluding replacement parts) of the prohibitive

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terms of this order on its first written proposal to each such new prospective purchaser, lessee or licensee.

3. Within ten (10) days after entry of this order, provide a copy of this order to each of its salesmen, sales agents and sales representatives.

4. Within thirty (30) days after entry of this order, and continuing thereafter, make available its manuals concerning its standard wood roof truss designs, including updated standard wood roof truss designs, to any truss fabricator desiring such manuals; nothing contained in this order shall prohibit respondent from charging a reasonable fee for such manuals.

5. Within sixty (60) days after entry 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.

6. Notify the Commission at least thirty (30) days prior to any proposed corporate change 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.

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IN THE MATTER OF

JOSEPH RICHARD HORVATH T/A SEW RITE