

IN THE MATTER OF
KOSCOT INTERPLANETARY, INC., ET AL.

CLARIFYING ORDER, ETC., IN REGARD TO ALLEGED VIOLATION
OF THE FEDERAL TRADE COMMISSION ACT AND SEC. 2 OF THE
CLAYTON ACT

Docket 8888. Final Order, Nov. 18, 1975—Clarifying Order, Mar. 9, 1976

Order clarifying previous Commission order issued Nov. 18, 1975, 86 F.T.C. 1106, 40 F.R. 60044, because of apparent misunderstanding as to the significance of order compliance Paragraph VI. Paragraph VI, which requires respondents to deliver copies of Section II of the order to several individuals, is construed by the Commission to impose an obligation on each named respondent only to notify persons who are now or may in the future be acting *on behalf of that particular respondent*. Further, order denies petition of individual respondent Ben Bunting for reconsideration and modification of said order with respect to himself.

ORDER DENYING PETITION FOR RECONSIDERATION

Individual respondent Ben Bunting has filed a petition for reconsideration of the Commission's order in this matter, asking that Paragraph VI of the order be deleted as to him. While the Commission does not believe that modification of the order is necessary or appropriate, we will take this opportunity to clarify the meaning of Paragraph VI, inasmuch as there is apparently some misunderstanding as to its significance.

Paragraph VI requires several named respondents, including respondent Bunting, to deliver a copy of Section II of the Commission's order to:

* * * all present and future salespeople, franchisees, distributors, participants, or other persons engaged in the sale of franchises, distributorships, products, or services on behalf of respondents, and secure from each such person a signed statement acknowledging receipt thereof.

The Commission construes the foregoing paragraph to impose an obligation on each named respondent only to notify persons who are now or may in the future be acting *on behalf of that particular respondent*. Thus, respondent Bunting has no obligation under the order to make notification to salespeople of the corporation Koscot Interplanetary, Inc., since he is no longer affiliated with the company. However, if respondent Bunting should in the future establish a new business involving salespeople operating on his behalf, Paragraph VI of the order would then impose a notification obligation upon him.

If, in the future, the respondent Bunting chooses to constitute such a new business he may petition the Commission to reopen and modify

Order

87 F.T.C.

Paragraph VI of the order if he believes modification to be warranted by changed circumstances or the public interest, pursuant to Section 3.72 of the Commission's Rules of Practice. At present, however, no reason has been shown as to why any modification of Paragraph VI, as construed herein, is required.

Therefore,

It is ordered, That respondent's petition for reconsideration be, and it hereby is, denied.

IN THE MATTER OF
ENCYCLOPAEDIA BRITANNICA, INC., ET AL.
ORDER, OPINION, ETC., IN REGARD TO ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION ACT

Docket 8908. Complaint, Dec. 11, 1972—Final Order, Mar. 9, 1976

Order requiring a Chicago, Ill., publisher, seller and distributor of textbooks, encyclopaedia, reference and educational materials, training courses and other literary works and services, among other things to cease giving the false impression that managerial positions were offered when the true job offer was to recruit door-to-door sales personnel; making deceptive pricing and free claims; misrepresenting a salespersons' training or income opportunities; misrepresenting their research service furnished to subscribers, or the terms and conditions of plans involving the shipment of publications at intervals on an approval basis; and making false claims that suit will be instituted to recover delinquent debts.

Appearances

For the Commission: *Donald L. Bachman, Lemuel W. Dowdy and Paul L. Chassy.*

For the respondents: *Bryson P. Burnham, John Bleveans and Stephen M. Shapiro, Mayer, Brown & Platt, Chicago, Ill.*

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 Encyclopaedia Britannica, Inc., a corporation and Britannica Home Library Services, Inc., a corporation, hereinafter sometimes 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. Respondent Encyclopaedia Britannica, 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 place of business located at 425 North Michigan Ave., Chicago, Illinois.

Through its various organizational divisions and wholly-owned subsidiary, respondent Encyclopaedia Britannica, Inc. publishes, sells and distributes, throughout the world, textbooks, encyclopedias, reference and educational materials, training courses, and other literary works and services. Its volume of business has been, and is substantial. It has established and operates a wholly-owned corporation