

IN THE MATTER OF
THE KROGER COMPANY

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

Docket 9040. Complaint, June 24, 1975 — Decision, Nov. 11, 1977

This consent order, among other things, requires a Cincinnati, Ohio retail food store chain to make each of its advertised items readily available for sale to customers in its stores, to have advertised items correctly priced, and to sell those items at or below the advertised price. Further, the firm must post copies of advertisements and notices of the availability of "rainchecks" for unavailable items.

Appearances

For the Commission: *Robert Eliot Easton, Charles L. Hall and James J. Angelone.*

For the respondent: *Murray H. Bring, Robert Pitofsky, Peter K. Bleakly, Thomas D. Nurmi and M. Jean Anderson, Arnold & Porter, Washington, D.C.*

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 Kroger Company, a corporation, hereinafter sometimes referred to as respondent, has violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereto would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

COUNT I

(Alleging violation of Section Five of the Federal Trade Commission Act)

PARAGRAPH 1. Respondent, The Kroger Company, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Ohio with its office and principal place of business located at 1014 Vine St., Cincinnati, Ohio.

PAR. 2. Respondent through its wholly-owned subsidiaries is engaged in the operation of a chain of retail food stores, operating approximately 1,258 stores in 20 states. Its volume of business is substantial, totaling approximately 3.8 billion dollars in retail food

sales in 1973. In the operation of its retail food stores, respondent offers and sells to its customers an extensive line of products, including food, drugs, cosmetics, and devices as those terms are defined in the Federal Trade Commission Act, all of which are sometimes referred to hereinafter as "items." Some of said items are manufactured or processed by respondent at its manufacturing and processing plants located in various states. However, many of said items are purchased from numerous independent suppliers located throughout the United States.

PAR. 3. In the course and conduct of its business, as aforesaid, respondent now causes, and for some time last past has caused, directly or indirectly, the aforesaid items to be shipped and distributed from its manufacturing and processing plants or from its other sources of supply to its warehouses, distribution centers, or retail food stores located in various states other than the state of origination, distribution or storage of said items. In the further course and conduct of its business, respondent transmits contracts, business correspondence, monies and other documents from its stores, offices, and divisions located in states other than the states in which such contracts, correspondence, monies, and other documents originated. Respondent maintains, and at all times mentioned herein has maintained a substantial course of trade in the distribution, advertising, offering for sale and sale of the aforesaid items in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of its business, as aforesaid, and for some time last past respondent has been and is now disseminating, and causing the dissemination of, certain advertisements concerning the aforesaid items by various means in commerce, as "commerce" is defined in the Federal Trade Commission Act, including but not limited to, advertisements in newspapers of general and interstate circulation and other advertising media, for the purpose of inducing and which were likely to induce, directly or indirectly, the purchase of said items from respondent; and respondent has been and is now disseminating, and causing the dissemination of, advertisements concerning said items by various means, including but not limited to the aforesaid media, for the purpose of inducing and which were likely to induce, directly or indirectly, the attempted or actual purchase from respondent of the said items in commerce, as "commerce" is defined in the Federal Trade Commission Act. Many of the said advertisements list or depict the aforesaid items and also contain statements and representations concerning the price or terms at which said items would be

offered for sale. Many of the aforesaid advertisements contain further direct and express statements and representations concerning the time periods during which the offers would be in effect and the locations of respondent's food stores at which the offers would be made.

PAR. 5. Through the use of such advertisements disseminated in various areas of the United States served by respondent's retail food stores, respondent has represented directly or by implication that in those stores covered by such advertisements, throughout the effective periods of the advertised offers, the items listed or depicted in such advertisements would be:

- A. Readily available for sale to customers;
- B. Readily and conspicuously available for sale at or below the advertised prices; and
- C. Sold to persons who attempted to purchase such items at prices at or below the advertised prices.

PAR. 6. In truth and in fact, in a significant number of respondent's retail food stores covered by such advertisements, during the effective periods of the advertised offers, a substantial number of the items listed or depicted in the said advertisements were:

- A. Not readily available for sale;
- B. Not readily and conspicuously available for sale at or below the advertised prices; or
- C. Sold to persons who attempted to purchase such items at prices higher than the advertised prices.

Therefore, the statements and representations as referred to herein, were false, misleading and deceptive, and each of such advertisements was misleading in material respects and constituted a "false advertisement," as that term is defined in the Federal Trade Commission Act.

PAR. 7. By disseminating or causing the dissemination of advertisements which offer or present for sale items as aforesaid, and by failing to have, in a significant number of its stores covered by such advertisements, during the effective periods of the advertised offers, substantially all of the aforesaid advertised items:

- A. Readily available for sale to customers in quantities sufficient to meet reasonably anticipated demands;
- B. Conspicuously available for sale at or below the advertised prices;

and by selling substantial numbers of said items to persons attempting to purchase such items at prices in excess of the

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advertised price, respondent has engaged in unfair acts and practices.

PAR. 8. In the course and conduct of its business, and at all times referred to herein, respondent has been and now is in substantial competition in commerce, with corporations, partnerships, firms and individuals in the retail food and grocery business.

PAR. 9. The use by respondent of the aforesaid unfair and false, misleading and deceptive statements, representations, acts and practices, including the dissemination of the aforesaid "false advertisements," has had the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that the said statements and representations were true, and to induce such persons to go to respondent's stores and to purchase from respondent substantial quantities of the advertised items at prices in excess of the advertised prices and substantial quantities of items other than the advertised items, some of those other items being higher priced or otherwise less desirable to Kroger customers than the unavailable advertised items, by reason of such erroneous and mistaken belief.

PAR. 10. The acts and practices as aforesaid, and the dissemination by respondent of the false advertisements, as aforesaid, were all to the prejudice and injury of the public and of respondent's competitors and constituted unfair methods of competition in commerce and unfair or deceptive acts or practices in commerce in violation of Section 5 of the Federal Trade Commission Act.

COUNT II

(Alleging violations of the Federal Trade Commission Trade Regulation Rule Concerning Retail Food Store Advertising and Marketing Practices (16 C.F.R. 424), and Section 5 of the Federal Trade Commission Act, the allegations of Paragraphs One, Two, Three, Four, and Eight, respectively, of Count I hereof are incorporated by reference in Count II as if fully set forth verbatim)

PAR. 11. The Federal Trade Commission, pursuant to the Federal Trade Commission Act, as amended, 15 U.S.C. 41, *et seq.*, and the provisions of Subpart B, Part 1, of the Commission's Procedures and Rules of Practice, 16 C.F.R. 1.11, *et seq.*, conducted a proceeding for the promulgation of a trade regulation rule regarding retail food store advertising and marketing practices. Notice of this proceeding, including a proposed rule, was published in the *Federal Register* on November 14, 1969 (34 F.R. 18252). Interested parties were thereaf-

ter afforded opportunity to participate in the proceeding through the submission of written data, views, and arguments, and to appear and orally express their views as to the proposed rule and to suggest amendments, revisions, and additions thereto.

The Commission considered all relevant matters of fact, law, policy, and discretion, including the data, views, and arguments presented on the record by interested parties in response to the Notice as indicated in the accompanying Statement of Basis and Purpose (36 F.R. 8777 (May 13, 1971)) and as prescribed by law, determined that the adoption of the trade regulation rule was in the public interest, and, accordingly, promulgated the Trade Regulation Rule Concerning Retail Food Store Advertising and Marketing Practices on May 13, 1971, effective July 12, 1971.

PAR. 12. Respondent is a member of the retail food store industry, and its acts and practices in connection with the sale and offering for sale of food and grocery products or other merchandise being subject to the jurisdiction of Section 5 of the Federal Trade Commission Act are within the intent and meaning of, and are subject to, the provisions of the aforesaid Trade Regulation Rule.

PAR. 13. In connection with its aforesaid advertisements, respondent, in a substantial number of instances, has failed to comply with Paragraph (1) of the aforesaid Trade Regulation Rule by offering food and grocery products or other merchandise subject to the jurisdictional requirements of Section 5 of the Federal Trade Commission Act for sale at stated prices by means of advertisements disseminated in areas served by certain of its stores which were covered by such advertisements but which during the advertised sale period neither had such products in stock readily available for sale to customers nor provided clear and adequate notice that the items were in stock and might be obtained upon request.

PAR. 14. In connection with its advertisements disseminated as aforesaid, respondent, in a substantial number of instances, has failed to comply with Paragraph (2) of the aforesaid Trade Regulation Rule by offering food and grocery products or other merchandise subject to the jurisdictional requirements of Section 5 of the Federal Trade Commission Act for sale at stated prices by means of advertisements disseminated in areas served by certain of its stores which were covered by such advertisements and by failing in those stores to make certain of the advertised items conspicuously and readily available for sale at or below the advertised prices during the effective periods of the advertisements, and by failing to charge out to persons who attempted to purchase such items substantial numbers of such advertised products at prices at or below

the advertised prices during the effective periods of the advertisements.

PAR. 15. Respondent's aforesaid violations of the Trade Regulation Rule Concerning Retail Food Store Advertising and Marketing Practices constitute unfair and deceptive acts and practices in violation of Section 5 of the Federal Trade Commission Act.

Commissioners Thompson and Nye dissenting.

DECISION AND ORDER

The Federal Trade Commission having issued a complaint based upon alleged acts and practices of The Kroger Co., a corporation, also trading and doing business as Kroger, hereinafter referred to as respondent, and having served such complaint upon respondent and having withdrawn the proceeding from adjudication based upon a joint motion for withdrawal from adjudication filed by complaint counsel and counsel for respondent; and

The respondent and counsel for the Commission having executed an agreement containing a consent order, an admission by the respondent of all the jurisdictional facts set forth in the aforesaid 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 had 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 accepted the executed consent agreement and placed such agreement on the public record for a period of sixty (60) days, and having duly considered the comments filed pursuant to Sections 2.34 and 3.25 of its Rules, now in further conformity with the procedure prescribed in Section 3.25 of its Rules, the Commission hereby makes the following jurisdictional findings, and enters the following order:

1. Respondent The Kroger Co. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Ohio, with its office and principal place of business located at 1014 Vine St., Cincinnati, Ohio. Respondent also operates, trades and does business under the name Kroger.

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

Definitions: For purposes of this order, "unadjusted rate of

unavailability" means the raw rate of unavailability before the rate is reduced by those instances of unavailability which are excused by defenses set forth in Trade Regulation Rule 424, as presently drafted, or this order.

For purposes of this order, "unadjusted rate of over price marking or overcharging" means the raw rate of over price marking or overcharging before the rate is reduced by those instances of over price marking or overcharging which are excused by defenses set forth in Trade Regulation Rule 424, as presently drafted, or this order.

For purposes of this order, "sample" means a selection of at least forty of respondent's stores, at least 50 percent of which will be selected from at least four of the twenty largest standard metropolitan statistical areas in which respondent operates six or more retail food stores. The survey of the sample must be conducted in at least three different weeks, and not more than 40 percent of the stores selected may be surveyed during the same week. Stores to be surveyed by or on behalf of the Commission shall be chosen in a manner which is consistent with this definition but which is otherwise to be determined at the discretion of the staff or the Commission. Respondent waives any right it might have to challenge the admissibility into evidence of the results of the survey of the sample on grounds that those results are not projectable to a universe greater than the sample. Respondent, however, retains the right to challenge the evidentiary weight to be given to the results of any such survey on any legally available basis.

For purposes of this order, the "average, unadjusted rate of unavailability revealed by a survey of a sample of respondent's retail food stores" referred to in Section II.B.1. of this order shall be determined as follows:

a. For each store surveyed, the number of items which the ad represents to be available in that store and the number of items found to be unavailable in that store shall be recorded.

b. After the individual stores in the sample are surveyed, the total number of items represented to be available in the surveyed stores shall be determined.

c. After the individual stores in the sample are surveyed, the total number of items found to be unavailable in the surveyed stores shall be determined.

d. A fraction shall then be constructed using as the numerator the total number of items found to be unavailable (see subparagraph c) and as the denominator the total number of items contained in all relevant advertisements (see subparagraph b).

e. The fraction described in subparagraph d shall then be multiplied by 100 to arrive at a percentage figure.

Total # items found to be unavailable/ Total # items contained in advertisements times 100 equals Average, unadjusted rate of unavailability

For purposes of this order, the "average, unadjusted rate of . . . over price marking . . . revealed by a survey of a sample of respondent's retail food stores" referred to in Section II.D.1. of this order shall be determined as follows:

a. For each store surveyed, the number of items which the ad represents to be available in that store and the number of items found to be over price marked in that store shall be recorded.

b. After the individual stores in the sample are surveyed, the total number of items represented to be available in the surveyed stores shall be determined.

c. After the individual stores in the sample are surveyed, the total number of items found to be over price marked in the surveyed stores shall be determined.

d. A fraction shall then be constructed using as the numerator the total number of items found to be over price marked (see subparagraph c) and as the denominator the total number of items contained in all relevant advertisements (see subparagraph b).

e. The fraction described in subparagraph d shall then be multiplied by 100 to arrive at a percentage figure.

Total # items found to be over price marked/ Total # items contained in advertisements times 100 equals Average, unadjusted rate of over price marking

For purposes of this order, the "average, unadjusted rate of . . . overcharging . . . revealed by a survey of a sample of respondent's retail food stores" referred to in Section II.D.1. of this order shall be determined as follows:

a. For each store surveyed, the number of items which the ad represents to be available in that store and the number of items found to be overcharged in that store shall be recorded.

b. After the individual stores in the sample are surveyed, the total number of items represented to be available in the surveyed stores shall be determined.

c. After the individual stores in the sample are surveyed, the total number of items found to be overcharged in the surveyed stores shall be determined.

d. A fraction shall then be constructed using as the numerator the total number of items found to be overcharged (see subparagraph

c) and as the denominator the total number of items contained in all relevant advertisements (see subparagraph b).

e. The fraction described in subparagraph d shall then be multiplied by 100 to arrive at a percentage figure.

Total # items found to be overcharged/ Total # items contained in advertisements times 100 equals Average unadjusted rate of overcharging

For purposes of this order, "respondent" means The Kroger Co., a corporation, its successors or assigns, its officers, agents, representatives and employees.

For purposes of this order, "retail food store" shall mean all of respondent's food stores, but shall not include convenience stores (stores less than 4,000 square feet in total area) and drug stores.

I. *Prohibited Activities.*

It is ordered, That respondent, directly or through any corporation, subsidiary, division or other device, in connection with the advertising, offering for sale, sale or distribution of food or grocery products or other merchandise, hereafter sometimes referred to as items, offered or sold in its retail food stores, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from, directly or indirectly:

A. Disseminating, or causing the dissemination of any advertisement by any means which offers or presents any items for sale at a stated price, unless throughout the effective period of the advertised offer at each retail food store covered by the advertisement:

1. Each advertised item is readily available for sale to customers in the public area of the store, or, if not readily available there, a clear and conspicuous notice is posted where the item is regularly displayed which states that the item is in stock and may be readily obtained upon request, and said item is readily furnished upon request;

2. Each unit of each advertised item, any of which is marked with a price, is individually, clearly, and conspicuously marked with a price no higher than the advertised price; and

3. Each unit of each advertised item is sold to customers at or below the advertised price.

Unless, with respect to 1, 2 and 3 above, respondent was complying with a specific exception, limitation or restriction with respect to store, item or price which was clearly and conspicuously disclosed in all advertisements for the product in question.

Provided, however, that no enforcement proceeding relating to the unavailability, over price marking or overcharging of advertised products, which is based on a survey, shall be instituted or

commenced except on the basis of a survey conducted by, on behalf of, or under the guidance or direction of the Commission of a sample of respondent's retail food stores.

II. A. *Defenses Applicable to Unavailability.*

The following shall constitute defenses to a charge of unavailability under Trade Regulation Rule 424, as presently drafted, Section 5 of the Federal Trade Commission Act or any provision of this order if respondent can show:

1. That the advertised items were unavailable due to circumstances beyond respondent's control, that respondent did not have notice or knowledge of such impending unavailability in time to delete the items from the proposed advertisement, and that respondent offered to customers a "raincheck" for each unavailable item which entitled the holder to purchase the item in the near future at or below the advertised price; or
2. That the advertised items were delivered to respondent's retail food stores in quantities sufficient to meet reasonably anticipated demand.

B. *Presumptions Applicable to Defenses Set Forth in Section II.A.*

The following presumptions apply to the defenses set forth in Section II.A.

1. Because respondent, pursuant to Section III.C.2. of this order, has obligated itself to institute, enforce, and maintain procedures designed to effect compliance with this order, if (a) the average, unadjusted rate of unavailability revealed by a survey of a sample of respondent's retail food stores does not exceed four (4.0) percent, and (b) the unavailability revealed by the survey is not shown to be caused in whole or substantial part by the gross negligence or deliberate acts or omissions of respondent, it shall be presumed that such unavailability resulted from circumstances beyond respondent's control within the meaning of Section II.A.1. *Provided, that*, sporadic unavailability caused by the gross negligence or deliberate acts or omissions of a store level employee of respondent shall not negate the presumption if respondent can demonstrate that it took appropriate disciplinary action against the employee promptly after learning that the employee's gross negligence or deliberate acts or omissions caused such unavailability. *Provided further*, that persistent unavailability caused by the gross negligence or deliberate acts or omissions of a substantial number of store level employees of

respondent shall be attributed to respondent and shall negate the presumption.

2. If respondent is not advised in writing by the Federal Trade Commission or its staff that it has reason to believe that respondent has failed to make advertised items available, in violation of Trade Regulation Rule 424, Section 5 of the Federal Trade Commission Act or this order, and is not so notified within three months of the occurrence of such alleged violation, it shall be presumed that the alleged failure of respondent to make advertised items available was due to circumstances beyond respondent's control within the meaning of Section II.A.1. Such notice shall indicate each specific item alleged to be unavailable in identified stores on specified days.

C. Defenses Applicable to Over Price Marking or Overcharging.

The following shall constitute defenses to a charge of over price marking or overcharging under Trade Regulation Rule 424, as presently drafted, Section 5 of the Federal Trade Commission Act or any provision of this order if respondent can show:

1. That the advertised items were not marked or charged out at or below the advertised price due to circumstances beyond respondent's control, and respondent, upon notice or knowledge of such over price marking or overcharging, acted immediately to price mark the goods with or charge out the goods at the advertised price;

2. That, with respect to charges of over price marking, in the case of stores equipped with devices which "read" an identification code marked on the packaging of items, and which transmit the information to a computer which then transmits the correct prices of the items to cash registers where the prices are displayed and printed on cash register tapes, where the items (and individual units thereof) are not price marked in any additional manner, the advertised price of such items is clearly and conspicuously posted at the point of display;

3. That in the case of advertised items the ultimate price of which is to be determined by the total dollar amount of the customer's order or the use of a coupon or other similar price arrangement, the price at which the item is sold, and not the price marked on the item, shall govern.

D. Presumptions Applicable To Defenses Set Forth in Section II.C.

1. Because respondent, pursuant to Section III.C.2. of this order,

has obligated itself to institute, enforce, and maintain procedures designed to effect compliance with this order, if (a) the average, unadjusted rate of neither over price marking nor overcharging revealed by a survey of a sample of respondent's retail food stores exceeds two (2.0) percent, and (b) the over price marking or overcharging revealed by the survey is not shown to be caused in whole or substantial part by the gross negligence or deliberate acts or omissions of respondent, it shall be presumed that such over price marking or overcharging resulted from circumstances beyond respondent's control within the meaning of Section II.C.1. *Provided, that*, sporadic over price marking or overcharging caused by the gross negligence or deliberate acts or omissions of a store level employee of respondent shall not negate the presumption if respondent can demonstrate that it took appropriate disciplinary action against the employee promptly after learning that the employee's gross negligence or deliberate acts or omissions caused such over price marking or overcharging. *Provided further*, that persistent over price marking or overcharging caused by the gross negligence or deliberate acts or omissions of a substantial number of store level employees of respondent shall be attributed to respondent and shall negate the presumption.

2. If respondent is not advised in writing by the Federal Trade Commission or its staff that it has reason to believe that respondent has failed to price mark or charge out advertised items at the advertised prices in violation of Trade Regulation Rule 424, Section 5 of the Federal Trade Commission Act or this order, and is not so notified within three months of the occurrence of such alleged violation, it shall be presumed that the alleged failure of respondent to make advertised items available at or below the advertised price was due to circumstances beyond respondent's control within the meaning of Section II.C.1. Such notice shall indicate each specific item alleged to be over price marked or overcharged in identified stores on specified days.

III. *Additional Obligations of Respondent.*

A. *It is further ordered*, That throughout each advertised sale period in each of its retail food stores covered by an advertisement, respondent shall post conspicuously (1) at or near each doorway affording entrance to the public, and (2) at or near the place where customers pay for merchandise:

- (1) A copy of the advertisement.
- (2) The following statement:

All items advertised are required to be readily available for sale at or below the advertised price in each Kroger store except as specifically noted in this ad.

If an advertised item you wish to purchase is unavailable you may obtain a rain check that will enable you to purchase this item at the advertised price in the near future.

If you have any questions, the store manager will be glad to assist you.

B. *It is further ordered*, That respondent shall cause the following statement to be clearly and conspicuously set forth in each printed advertisement which represents that items are available for sale at any of its retail food stores:

Each of these advertised items is required to be readily available for sale in each Kroger store, except as specifically noted in this ad.

C. *It is further ordered*, That:

1. Respondent shall forthwith deliver a copy of this order to each of its operating divisions and to each of its present and future officers and other personnel in its organization down to the level of and including assistant store managers who, directly or indirectly, have any supervisory responsibilities relating to (a) availability or price marking of advertised items in respondent's retail food stores, and (b) check stand operations, or who are engaged in any aspect of preparation, creation, or placing of advertising, and respondent shall secure a signed statement acknowledging receipt of said order from each such person.

2. Respondent shall institute, enforce and maintain a program (including a continuing surveillance program) which is designed to effect compliance with this order and which is adequate to reveal whether the business practices of its retail food stores conform to this order, and shall confer with any duly authorized representative of the Commission pertaining to such program when requested to do so by a duly authorized representative of the Commission. The details (including methodology and procedures to ascertain and effect compliance) of the program are set forth in an initial report on compliance procedures submitted simultaneously with this order. The program may be modified by respondent from time to time, upon thirty (30) days' advance notice to the Commission, *provided*, that as modified the program shall be adequate to comply with respondent's obligations under Part III.C.2. of this order.

3. Respondent shall, for a period of three (3) years subsequent to the date of this order:

a. Maintain business records which show the efforts taken to ensure continuing compliance with the terms and provisions of this order;

b. Grant any duly authorized representative of the Federal Trade Commission access to all such business records;

c. Furnish to the Federal Trade Commission: (i) copies of such records as reveal the results of outside surveys and such other records as are maintained at the Kroger general office, which are requested by any of its duly authorized representatives within three weeks from the date the request is received by respondent; and (ii) copies of all other such records which are requested by any of its duly authorized representatives as promptly as possible.

4. Respondent shall, all other provisions of this order notwithstanding, annually for a period of three (3) years from the date that this order becomes final, file with the Commission a report in writing demonstrating the effectiveness of the steps or actions taken by respondent with regard to the aforesaid program, including a surveillance program, and setting forth in detail the manner and form in which it has complied with this order in the preceding year.

D. *It is further ordered*, That respondent shall notify the Commission at least thirty (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 subsidiaries or any other change in the respondent which may affect compliance obligations arising out of this order.

E. *It is further ordered*, That the respondent herein shall within 60 days after service upon it 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.

IN THE MATTER OF
FISHER FOODS, INC.

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

Docket 9062. Complaint, Oct. 28, 1975 — Decision, Nov. 11, 1977

This consent order, among other things, requires a Bedford Heights, Ohio, retail food store chain, to make each of its advertised items readily available for sale to customers in its stores, to have advertised items correctly priced and to sell those items at or below the advertised price. Further, the firm must post copies of advertisements and notices of the availability of "rainchecks" for unavailable items.

Appearances

For the Commission: *Aaron H. Bulloff, Melvin H. Wolovits and Paul K. Trause.*

For the respondent: *John F. McClatchey, Thompson, Hine & Flory, Cleveland, Ohio.*

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by that Act, the Federal Trade Commission, having reason to believe that Fisher Foods, Inc., a corporation, hereinafter sometimes referred to as respondent, has 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:

COUNT I

Alleging violation of Section 5 of the Federal Trade
Commission Act (15 U.S.C. 45)

PARAGRAPH 1. Respondent Fisher Foods, Inc. is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Ohio, with its principal office and place of business located at 5300 Richmond Road, Bedford Heights, Ohio.

PAR. 2. Respondent is now, and for some time last past has been, engaged in the operation of a chain of retail food stores. Respondent operates food stores and food departments in Ohio, Kentucky, Northern Illinois, and California. Its volume of business has been and is substantial. In the operation of its retail food stores,