

Modifying Order

102 F.T.C.

IN THE MATTER OF

TEAC CORPORATION OF AMERICA

MODIFYING ORDER IN REGARD TO ALLEGED VIOLATION OF SEC. 5 OF THE
FEDERAL TRADE COMMISSION ACT*Docket C-2752. Consent Order, Oct. 24, 1975—Modifying Order, Nov. 25, 1983*

The Federal Trade Commission has modified the order issued against TEAC Corporation of America on Oct. 24, 1975 (86 F.T.C. 981) to allow the company to prevent transshipment of its products to dealers who do not meet reasonable, non-discriminatory standards of promotion, service and display.

ORDER MODIFYING CEASE AND DESIST ORDER
ISSUED ON OCTOBER 24, 1975

On October 24, 1975, the Federal Trade Commission ("Commission") issued an order against TEAC Corporation of America ("TEAC") in Docket No. C-2752, 86 F.T.C. 981 (1975), prohibiting TEAC from, among other things, restricting or limiting in any manner the customers or classes of customers to whom dealers may sell TEAC's products.

On March 8, 1983, the Commission issued a modified order in *U.S. Pioneer Electronics Corporation*, Docket No. C-2755 [101 F.T.C. 372], allowing Pioneer (one of TEAC's competitors) to prevent transshipment of its products to dealers who do not meet reasonable, non-discriminatory standards of promotion, service and display. The initial *Pioneer* order contained the same provisions that are contained in the TEAC order. Both orders contain a most favored respondent clause pursuant to which the Commission may modify the respective orders in order to bring them into conformity with less stringent restrictions imposed on the respondents' competitors.

On August 1, 1983, the Commission issued an order to show cause why the proceeding in Docket No. C-2752 should not be reopened to modify Paragraph I(11) of the order in this case to read as follows:

Preventing or prohibiting any independent dealer or distributor from reselling his products to any persons or group of persons, business or class of businesses, except as expressly provided herein. This order shall not prohibit respondent from establishing lawful, reasonable, and non-discriminatory minimum standards for its dealers, including standards that relate to promotion and store display, demonstration, inventory levels, service and repair, volume requirements and financial stability, nor shall this order prohibit respondent from requiring its dealers who sell respondent's products for resale to make such sales only to dealers who maintain such minimum standards.

The proposed modification was accepted by TEAC. In view of the Commission's action in *Pioneer*, the Commission believes that this modification is in the public interest.

Accordingly,

It is ordered, That this matter be, and it hereby is, reopened and that Paragraph I(11) of the order in Docket No. C-2752 be modified as indicated above.

IN THE MATTER OF

JIM WALTER CORPORATION, ET AL.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF SEC. 5 OF
THE FEDERAL TRADE COMMISSION ACT AND SEC. 7 OF THE CLAYTON ACT

Docket 8986. Amended Complaint, June 15, 1982—Decision, Nov. 30, 1983

This consent order requires a leading manufacturer of shell housing and construction materials, and its wholly-owned subsidiary, among other things, to timely divest, to a Commission-approved buyer, the asphalt roofing plants located in Wilmington, Ill., Philadelphia, Pa., Chester, W. Va. and Memphis, Tenn., including their adjacent felt mills. Should any of the plants not be divested within 15 months of the effective date of the order, a trustee appointed by the Commission will effect divestiture of the remaining plant or plants. The order requires respondents to cooperate with the trustee in the discharge of his/her duties, and compensate him/her for the reasonable value of his/her services, including expenses. Further, for a period of 10 years, respondents are prohibited from acquiring any asphalt roofing plant in 41 specified states without prior Commission approval.

Appearances

For the Commission: *David W. Long.*

For the respondents: *W. Donald McSweeney, William A. Montgomery, John J. Voortman and Walter C. Greenough, Schiff, Hardin & Waite, Chicago, Ill.*

AMENDED COMPLAINT

In the exercise of authority vested in it by the Federal Trade Commission Act, the Federal Trade Commission, having reason to believe that respondents Jim Walter Corporation, a corporation, and The Celotex Corporation, a corporation, have violated Section 7 of the Clayton Act (15 U.S.C. 18) and Section 5 of the Federal Trade Commission Act (15 U.S.C. 45), and that a further proceeding in respect thereof concerning the acquisition of and merger with Panacon Corporation, would be in the public interest, issues this amended complaint charging as follows:

I. DEFINITIONS

1. For the purpose of construing this complaint the following definitions shall be controlling:

(a) *Saturated felts* consist of a dry felt base, made from rags, wood,