

6. That they print or bind all or a portion of the copies listed in the contract of the first edition of an author's book: *Provided, however,* That it shall be a defense in any enforcement proceeding instituted hereunder for respondents to establish that said books are printed or bound as represented.

7. That books published by respondents are reviewed by critics or columnists, or in newspapers, magazines, radio, TV or other reviewing media: *Provided, however,* That it shall be a defense in any enforcement proceeding instituted hereunder to establish that the said books have been reviewed as represented.

8. That respondents offer and enter into contracts or agreements with authors of manuscripts, whether or not determined by them to have unusual possibilities of success or for any other reason, whereby respondents agree to assume all or a portion of the publication, promotion or distribution costs or to compensate the author on the basis of the number of books sold: *Provided, however,* That it shall be a defense in any enforcement proceeding instituted hereunder for respondents to establish that they make such offers and enter into contracts or agreements as represented and that a bona fide effort is made to make such offers and enter into such contracts with each of the authors responding to such advertising representations.

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.

IN THE MATTER OF

COMMUNITY BLOOD BANK OF THE KANSAS CITY AREA, INC., ET AL.

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

*Docket 8519. Complaint, July 5, 1962—Decision, Sept. 28, 1966**

Order requiring a community blood bank, an area hospital association, its hospital members, and hospital pathologists, all in the Kansas City area,

*The Court of Appeals, Eighth Circuit, 405 F. 2d 1011 (1969) (8 S.&D. 865), held that evidence established respondents, a hospital association and a blood bank association, were nonprofit corporations and exempt from provisions of the Federal Trade Commission Act.

to cease restraining interstate commerce in human whole blood by restricting any commercial blood bank from supplying any hospital or other user, or preventing any such user from receiving such blood, or excluding any such blood bank from membership in any association, or hindering the carrying out of contracts for the supply of blood.

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 corporations, and individuals named in the caption hereof; and more fully described hereinafter; have been, and are now violating the provisions of said Act and that a proceeding in respect thereto would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Community Blood Bank of the Kansas City Area, Inc., hereinafter sometimes referred to as Community is a corporation organized and existing under and by virtue of the laws of the State of Missouri with its home office and principal place of business located at 4040 Main Street, Kansas City, Missouri.

The governing body of Community is composed of five officers, twelve board members, and a corporate body of thirty-nine. The corporate body is composed of thirteen (13) individuals chosen from the medical profession in the Kansas City area, thirteen (13) representatives of hospitals in the Kansas City area selected by the Board of Directors of the Kansas City Area Hospital Association and thirteen (13) representatives chosen from outside the medical community and commonly known as public members. Eleven (11) of the medical members are elected by the county medical societies in the Kansas City area which includes Kansas City, Missouri and Kansas City, Kansas. These eleven electees choose two more medical members. The thirteen public members must be approved by the medical and hospital members and elected by members of the corporation. Each of these groups of thirteen chooses four from its group to be on the Board of Directors which consists of twelve members. The Board of Directors annually elects officers. Approximately one third of the positions on the governing body become vacant each year and new members are chosen to fill these vacancies.

Respondents Perry Morgan and W. W. Henderson, individually, and as administrative director and business manager, respectively, of respondent Community, are managing officials and have

held these positions for the past several years and as such are responsible for the administration of the Community's affairs including the giving of direction to the policies and programs of the respondent Community. They have their offices at 4040 Main Street, Kansas City, Missouri.

The parties respondent, named in the caption hereof individually and as officers, directors and members of Community served in those capacities during 1961 and they, as well as their predecessors and successors, directed, controlled and were responsible for the policies, acts and practices of said corporate respondent including those hereinafter alleged as subject of this complaint.

During the past several years the officers and directors of respondent Community, as well as its membership, have varied from year to year, thus making it impracticable to name all such officers, directors, and members specifically as of a given date. The entire membership can be adequately represented by those officers, directors and members named as respondents. Accordingly, the Commission names and includes as respondents in this proceeding the aforementioned individuals, both individually, as members, officers and directors, and as representative of the entire membership of said respondent and all such members not named specifically are therefore made parties respondent herein as though they had been named individually.

The parties respondent named in the caption hereof individually, as officers, directors and members, and representatives of the entire membership of Community, were, during 1961, and are now, variously located as follows:

Adolph R. Pearson, Swedish-American Saving & Loan Association, 1010 Baltimore Ave., Kansas City 5, Missouri.

Walter V. Coburn, Bethany Hospital, 51 North 12th Kansas City 7, Kansas.

Hilliard Cohen, Menorah Medical Center, 4949 Rockhill Road, Kansas City 10, Missouri.

Carroll P. Hungate, 6845 Oak, Kansas City 13, Missouri.

Gilbert C. Murphy, First Presbyterian Church, Gardner, Kansas.

Robert A. Molgren, St. Luke's Hospital, 4400 J. C. Nichols Parkway, Kansas City 10, Missouri.

John Murphy, Tucker, Murphy, Wilson & Siddens, 818 Grand Ave., Suite 831, Kansas City 6, Missouri.

Marjorie Sirridge, 258 Brotherhood Bldg., 754 Minnesota Ave., Kansas City 1, Kansas.



Arch E. Spelman, Smithville Community Hospital, Smithville, Missouri.

Meyer L. Goldman, Beacon Printing & Publishing Co., 1825 Harrison, Kansas City 8, Missouri.

James T. Sparks, Ford Motor Company, P.O. Box 1008, Kansas City 41, Missouri.

Robert F. Zimmer, American Oil Company, Sugar Creek Refinery, Sterling & Standard Sts., Kansas City 21, Mo.

Respondent Kansas City Area Hospital Association, hereinafter sometimes referred to as respondent Association, is a corporation organized and existing under and by virtue of the laws of the State of Missouri with its office and principal place of business located at 3637 Broadway, Kansas City, Missouri. Respondent is a membership corporation and its membership is composed of hospitals located in the Kansas City area.

Respondent Baptist Memorial Hospital is a corporation organized and existing under and by virtue of the laws of the State of Missouri with its home office and principal place of business located at 6601 Rockhill Road, Kansas City 31, Missouri.

Respondent Menorah Medical Center is a corporation organized and existing under and by virtue of the laws of the State of Missouri with its home office and principal place of business located at 4949 Rockhill Road, Kansas City 10, Missouri.

Respondent Sisters of Charity of Leavenworth is a corporation organized and existing under and by virtue of the laws of the State of Kansas with its home office and principal place of business located at Xavier, Leavenworth County, Kansas, and doing business as Providence Hospital at 1818 Tauromee Avenue, Kansas City 2, Kansas.

Respondent Susan Jenkins, individually, and as Executive Director of respondent Association has her office at 3637 Broadway, Kansas City, Missouri. She has held this position for the past several years and as such she is responsible for the general administration of Association affairs and for giving direction to the policies and programs of the respondent Association.

The parties respondent, named in the caption hereof individually and as officers and directors of the Association served in those capacities during 1961 and they as well as their predecessors and successors, directed, controlled and were responsible for the policies, acts and practices of said corporate respondent including those hereinafter alleged as subject of this complaint.

They were, during 1961, and are now, variously located as follows:

James D. Marshall, 1016 Baltimore Avenue, Kansas City, Missouri.

Arch E. Spelman, Smithville Community Hospital, Smithville, Missouri.

Tom J. Daly, 2105 North 13th St., Kansas City 4, Kansas.

Thomas M. Johnson, 310 West 47th Street, Kansas City, Missouri.

Russell H. Miller, University of Kansas Medical Center, 39th and Rainbow Boulevard, Kansas City 12, Kansas.

David T. Beals, First National Bank, 14 West 10th St., Kansas City 5, Missouri.

Nathan J. Stark, Hallmark Cards, Inc., 25th and McGee Trafficway, Kansas City 41, Missouri.

Abraham Gelperin, Neurological Hospital, 2625 West Paseo, Kansas City 8, Missouri.

Mack Herron, Olathe Community Hospital, Santa Fe at Cooper, Olathe, Kansas.

James R. Rich, North Kansas City Memorial Hospital, 2800 Hospital Drive, North Kansas City 16, Missouri.

Sister Michaela Marie, St. Joseph Hospital, East Linwood Boulevard, Kansas City 28, Missouri.

William C. Mixson, 4635 Wyandotte St., Kansas City 12, Missouri.

E. B. Berkowitz, Tension Envelope Corporation, 19th and Campbell Street, Kansas City 8, Missouri.

T. R. Butler, License Department, City Hall, Kansas City, Kansas.

Maurice Johnson, First National Bank, 14 West 10th St., Kansas City 5, Missouri.

Walter N. Johnson, R.L.D.S. Auditorium, River and Walter Streets, Independence, Missouri.

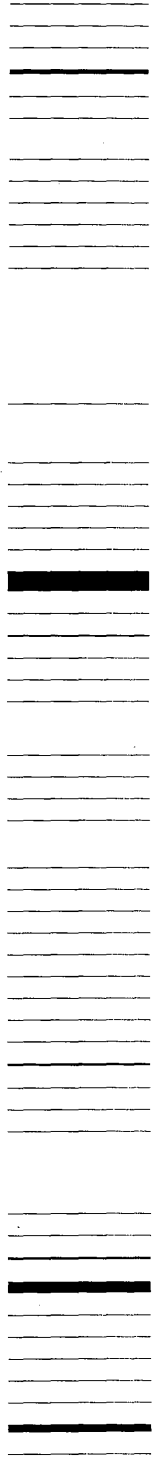
Miller Bailey, 2810 West 66th Terrace, Shawnee Mission, Kansas.

Walter A. Reich, A. Reich & Sons, Inc., 1414 Wyoming, Kansas City, Missouri.

Ralph R. Coffey, 1324 Professional Building, Kansas City 6, Missouri.

Harry M. Walker, Smithville Community Hospital, Smithville, Missouri.

During the past several years the officers and directors and



members of respondent Association have varied from year to year by the addition and withdrawal of members, so that all of the members of said Association at any given time cannot be properly described herein for the purpose of naming them as respondents without considerable inconvenience and delay, and also said respondent membership constitutes a class so numerous as to make it impracticable, without considerable inconvenience and delay, to name them all as respondents herein; wherefore, the respondents hereinbefore named as respondents, as such officers, directors, and members, are also made respondents as generally and fairly representative of and as representing all of the members of said respondent Association, including those members not herein specifically named.

Respondent O. Dale Smith, individually and as pathologist for Baptist Memorial Hospital has his office at the Baptist Memorial Hospital, 6601 Rockhill Road, Kansas City 31, Missouri.

Respondent Hilliard Cohen, individually, as a pathologist for Menorah Medical Center and as second vice-president of respondent Community, has his office at the Menorah Medical Center, 4949 Rockhill Road, Kansas City 10, Missouri.

Respondent Evelyn Peters, individually and as a pathologist for Menorah Medical Center, has an office at the Menorah Medical Center, 4949 Rockhill Road, Kansas City 10, Missouri.

Respondent D. A. Hoskins, individually and as a pathologist for Osteopathic Hospital, has his office at the Osteopathic Hospital, 926 East 11th Street, Kansas City 6, Missouri.

Respondent William J. Sekola, individually and as a pathologist for Osteopathic Hospital, has his office at the Osteopathic Hospital, 926 East 11th Street, Kansas City 6, Missouri.

Respondent Victor B. Buhler, individually and as a pathologist for Queen of the World Hospital has his office at the Queen of the World Hospital, 3210 East 23rd Street, Kansas City 27, Missouri.

Respondent Russell W. Kerr, individually and as a pathologist for St. Joseph's Hospital, has his office at the St. Joseph's Hospital, 2510 East Linwood Boulevard, Kansas City 28, Missouri.

Respondent Frank A. Mantz, individually and as a pathologist for St. Joseph's Hospital, has his office at the St. Joseph's Hospital, 2510 East Linwood Boulevard, Kansas City 28, Missouri.

Respondent Ferdinand C. Helwig, individually and as a pathologist for St. Luke's Hospital, has his office at St. Luke's Hospital, 4400 J. C. Nichols Parkway, Kansas City 11, Missouri.

Respondent David M. Gibson, individually and as a pathologist

