

Complaint

(b) That the recipient is under no obligation either to return the merchandise to the sender, or to preserve it intact, and

(c) That he is required to pay for the merchandise only if he decides to purchase it.

(6) Representing, directly or by implication, contrary to the fact, that respondents will refer "accounts" to any other organization, attorney, or firm of attorneys for collection or for legal action;

(7) Misrepresenting in any manner the legal consequences of their mailees' failure to pay for or return merchandise that has been sent to said mailees without a prior order therefor or in spite of specific directions from said mailees not to send such merchandise; and

(8) Sending merchandise without first obtaining a specific order therefor after respondents have been notified by the mailees that shipments of unordered merchandise are to be discontinued.

It is ordered, That the hearing examiner's initial decision and order, as modified hereby, be, and they hereby are, adopted as the decision and order of the Commission.

It is further ordered, That respondents 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 the order to cease and desist contained herein.

Commissioner Nicholson not participating for the reason that oral argument was heard prior to his taking the oath of office.

 IN THE MATTER OF

JEWELL MYERS, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION AND THE FUR PRODUCTS LABELING ACTS

Docket C-1290. Complaint, Jan. 22, 1968—Decision, Jan. 22, 1968

Consent order requiring a Memphis, Tenn., retail furrier to cease falsely advertising and deceptively invoicing its fur products and failing to maintain required records.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act, and by virtue of the authority

vested in it by said Acts, the Federal Trade Commission, having reason to believe that Jewell Myers, Inc., a corporation, and Mrs. Jewell Myers, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Fur Products Labeling 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 Jewell Myers, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Tennessee.

Respondent Mrs. Jewell Myers is an officer of the corporate respondent. She formulates, directs and controls the acts, practices and policies of the said corporate respondent including those hereinafter set forth.

Respondents are retailers of fur products with their office and principal place of business located at 1731 Union Avenue, Memphis, Tennessee.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the introduction into commerce, and in the sale, advertising, and offering for sale in commerce, and in the transportation and distribution in commerce, of fur products; and have sold, advertised, offered for sale, transported and distributed fur products which have been made in whole or in part of furs which have been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act.

PAR. 3. Certain of said fur products were falsely and deceptively invoiced by the respondents in that they were not invoiced as required by Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated under such Act.

Among such falsely and deceptively invoiced fur products, but not limited thereto, were fur products covered by invoices which failed to show the true animal name of the fur used in any such fur product.

PAR. 4. Certain of said fur products were falsely and deceptively invoiced in violation of the Fur Products Labeling Act in that they were not invoiced in accordance with the Rules and Regulations promulgated thereunder inasmuch as the term "natural" was not used on invoices to describe fur products which were not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Rule 19(g) of said Rules and Regulations.

PAR. 5. Certain of said fur products were falsely and deceptively advertised in violation of the Fur Products Labeling Act in that certain advertisements intended to aid, promote and assist, directly or indirectly, in the sale and offering for sale of such fur products were not in accordance with the provisions of Section 5(a) of the said Act.

Among and included in the aforesaid advertisements but not limited thereto, were advertisements of respondents which appeared in issues of The Commercial Appeal, a newspaper published in the city of Memphis, State of Tennessee and having a wide circulation in Tennessee and other States of the United States.

Among such false and deceptive advertisements but not limited thereto, were advertisements of respondents which represented through such statements as "reductions 20% to 40%" that prices of fur products were reduced in direct proportion to the percentages stated from the former bona fide prices at which the respondents offered the fur products to the public on a regular basis for a reasonably substantial period of time in the recent regular course of business and that the amount of said reductions afforded savings to the purchasers of respondents' products when in fact such prices were not reduced in direct proportion to the said percentages stated and the represented savings were not thereby afforded to the said purchasers, in violation of Section 5(a) (5) of the Fur Products Labeling Act.

PAR. 6. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, respondents falsely and deceptively advertised fur products in violation of the Fur Products Labeling Act in that the said fur products were not advertised in accordance with the Rules and Regulations promulgated thereunder inasmuch as the term "natural" was not used to describe fur products which were not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Rule 19(g) of the Rules and Regulations.

PAR. 7. In advertising fur products for sale, as aforesaid, respondents made pricing claims and representations of the types covered by subsections (a), (b), (c) and (d) of Rule 44 of the Regulations under the Fur Products Labeling Act. Respondents in making such claims and representations failed to maintain full and adequate records disclosing the facts upon which such claims and representations were based, in violation of Rule 44(e) of said Rules and Regulations.

PAR. 8. The aforesaid acts and practices of respondents, as herein alleged, are in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder and constitute unfair methods of competition and unfair and deceptive acts and practices in commerce under the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Textiles and Furs proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act and the Fur Products Labeling Act; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of 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 considered the matter and having determined that it had reason to believe that the respondents have violated the said Acts, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Jewell Myers, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Tennessee, with its office and principal place of business located at 1731 Union Avenue, Memphis, Tennessee.

Respondent Mrs. Jewell Myers is an officer of said corporation and her address is the same as that of said corporation.

2. 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

It is ordered, That respondents Jewell Myers, Inc., a corporation, and its officers, and Mrs. Jewell Myers, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, into commerce, or the sale, advertising or

offering for sale in commerce, or the transportation or distribution in commerce, of any fur product; or in connection with the sale, advertising, offering for sale, transportation or distribution of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Falsely or deceptively invoicing any fur product by:

1. Failing to furnish an invoice, as the term "invoice" is defined in the Fur Products Labeling Act, showing in words and figures plainly legible all the information required to be disclosed by each of the subsections of Section 5(b)(1) of the Fur Products Labeling Act.

2. Failing to set forth the term "natural" as part of the information required to be disclosed on an invoice under the Fur Products Labeling Act and Rules and Regulations promulgated thereunder to describe such fur product which is not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

B. Falsely or deceptively advertising fur products through the use of any advertisement, representation, public announcement or notice which is intended to aid, promote or assist, directly or indirectly, in the sale, or offering for sale of such fur products, and which:

1. Misrepresents directly or by implication through percentage savings claims that the prices of such fur products are reduced in direct proportion to the percentages stated from the prices at which such fur products have been sold or offered for sale in good faith by the respondents in the recent regular course of their business, or otherwise misrepresents the price at which the fur products have been sold, or offered for sale by respondents.

2. Falsely represents that savings are afforded to purchasers of respondents' fur products or misrepresents in any manner the amount of savings available to the purchasers of such fur products.

3. Fails to set forth the term "natural" as part of the information required to be disclosed in advertisements under the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe such fur products which are not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

Complaint

73 F.T.C.

C. Failing to maintain full and adequate records disclosing the facts upon which pricing claims and representations of the types described in subsections (a), (b), (c) and (d) of Rule 44 of the Rules and Regulations promulgated under the Fur Products Labeling Act, are based.

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

CENTER MOTORS, INC., ET AL.

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

Docket C-1291. Complaint, Jan. 23, 1968—Decision, Jan. 23, 1968

Consent order requiring a Washington, D.C., used car dealer to cease using bait advertising and deceptive financing.

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 Center Motors, Inc., a corporation, and Bernard L. Gordon, individually and as an officer of said corporation, hereinafter referred to as respondents, have 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 Center Motors, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the District of Columbia, with its principal office and place of business located at 1333 Rhode Island Avenue, NW., in the city of Washington, D.C.

Respondent Bernard L. Gordon is an individual and is an officer of the corporate respondent. He formulates, directs and controls the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. His address is the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale and distribution of used automobiles to the public.

PAR. 3. In the course and conduct of their business as aforesaid, respondents now cause, and for some time last past have caused, their said product, when sold, to be transported from their place of business in the District of Columbia to purchasers thereof located in the District of Columbia, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said product in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their aforesaid business, and for the purpose of inducing the purchase of their used automobiles, respondents have made, and are now making, numerous statements and representations in advertisements inserted in newspapers of interstate circulation, of which the following are typical and illustrative, but not all inclusive thereof:

\$85 Down '64 Chevy \$1185 S.S. Conv.

* * * * *

ONLY \$95 DOWN! '63 OLDS STARFIRE COUPE \$1095

* * * * *

\$85 Down DELIVERS '64 OLDS \$1295 98 Convert.

PAR. 5. By and through the use of the above-quoted statements and representations, and others of similar import and meaning but not expressly set out herein, the respondents have represented, and are now representing, directly or by implication, that:

1. The offers set forth in said advertisements are bona fide offers to sell the advertised automobiles at the prices and on the terms and conditions stated.

2. The advertised automobiles will be financed on offer of the down payment stated.

PAR. 6. In truth and in fact:

1. The offers set forth in said advertisements were not bona fide offers to sell the advertised automobiles at the prices and on the terms and conditions stated, but were made for the purpose of obtaining leads to prospective customers. In a number of instances, the automobiles advertised were not in respondents' possession at the time they were advertised and were not available for purchase. Respondents' salesmen informed prospective customers who responded to the advertisements that the automobiles advertised had been sold and di-

