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cluded in the overhaul must be replaced in order to repair the transmission;

13. Representing that any article of merchandise or service is guaranteed, unless all of the terms and conditions of the guarantee, the identity of the guarantor, and the manner in which the guarantor will in good faith perform thereunder are clearly and conspicuously disclosed, and, further, unless all such guarantees are in fact fully honored and all the terms thereof fulfilled;

14. Using the word "free" or any other word or words of similar import, as descriptive of an article of merchandise or service: *Provided, however,* That it shall be a defense in any enforcement proceeding hereunder for respondents to establish that in fact no charge of any kind, directly or indirectly, is made for such article of merchandise or service;

15. Using the terms "no money down," "E-Z Credit" or "easy credit," or any word or words of similar import, in connection with respondents' offer to sell any merchandise or services.

*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 of their compliance with this order.

Commissioner Nicholson not participating for the reason oral argument was heard prior to his appointment to the Commission.

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 IN THE MATTER OF

## DIRECTIONAL CONTRACT FURNITURE CORP.

 CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF  
 SECTION 2(a) OF THE CLAYTON ACT

*Docket 8741. Complaint, July 21, 1967—Decision, Feb. 23, 1968\**

Consent order requiring a New York City wholesaler of furniture to cease discriminating in price among competing resellers of its furniture in violation of Section 2(a) of the Clayton Act, withholding date of compliance.

## COMPLAINT

The Federal Trade Commission, having reason to believe that Directional Contract Furniture Corp., the party respondent named in the caption hereof and hereinafter more particularly designated and described, has violated and is now violating the provisions of subsection

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\*Order setting date of compliance dated Dec. 8, 1969.

(a) of Section 2 of the Clayton Act (U.S.C., Title 15, Section 13) as amended by the Robinson-Patman Act, approved June 19, 1936, hereby issues its complaint, stating its charges with respect thereto as follows:

PARAGRAPH 1. Respondent Directional Contract Furniture Corp. is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its principal office and place of business located at 979 Third Avenue, New York, New York.

PAR. 2. Respondent is now, and for many years last past has been, engaged in the sale and distribution of furniture and furniture products. These products are sold to a large number of customers located throughout the United States. Its sales of these products are substantial, amounting to about \$1.3 million per annum.

PAR. 3. In the course and conduct of its business, respondent has engaged and is now engaged in commerce, as "commerce" is defined in the Clayton Act. Respondent employs interstate means of communication with its customers in the consummation of sales and in the settling of accounts. Respondent ships, or causes to be shipped, its products from the States in which said products are manufactured to its customers, or to purchasers from its customers, located in other States of the United States and the District of Columbia. Thus, there is and has been, at all times mentioned herein, a continuous course of trade in commerce in said products across State lines between respondent and its customers.

PAR. 4. In the course and conduct of its business in commerce, respondent has been and now is discriminating in price, directly or indirectly, between different purchasers of its furniture and furniture products of like grade and quality by selling said products at higher prices to some purchasers than it sells said products to other purchasers, many of whom have been and now are in competition with the purchasers paying the higher prices.

PAR. 5. Included among, but not limited to, the aforesaid discriminations in price as above alleged, are the following:

For several years last past respondent has priced its line of products in terms of list prices. One class of respondent's customers purchases at said list prices less a discount of 40 percent while other classes of customers purchase at list prices less discounts ranging up to 50 + 10 percent. Various members of each class of customers compete with each other and with various members of each of the other classes.

PAR. 6. The effect of respondent's discriminations in price as alleged herein has been or may be substantially to lessen competition or tend

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to create a monopoly in the line of commerce in which respondent's customers are engaged, or to injure, destroy, or prevent competition with purchasers from respondent who receive the benefit of such discriminations.

PAR. 7. The aforesaid acts and practices constitute violations of the provisions of subsection (a) of Section 2 of the Clayton Act (U.S.C. Title 15, Section 13) as amended by the Robinson-Patman Act, approved June 19, 1936.

## DECISION AND ORDER

The Commission having issued its complaint in this proceeding on July 28, 1967 charging the respondent named in the caption hereof with violation of Section 2(a) of the Clayton Act, as amended, and said respondent having been served with a copy of that complaint; and

The respondent having thereafter filed a request pursuant to § 2.34(d) of the Rules to have the matter withdrawn from adjudication and the Commission having granted that request by its order dated November 17, 1967, subject to the withdrawal by respondent of its answer to the complaint and which answer was thereafter withdrawn by the respondent; and

The respondent and counsel for the Commission having executed an agreement containing an admission by respondent of all the jurisdictional facts set forth in the said complaint which had been issued, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that the law has been violated as alleged in said complaint, and waivers and other provisions as required by the Commission's Rules, and which agreement further provides that the order contained therein shall become final, within the meaning of the Clayton Act, as amended, on the date of final disposition of the proceedings *In the Matter of Knoll Associates, Inc.*, Docket No. 8549 [397 F. 2d 530 (1968)], now pending on petition for review before the United States Court of Appeals for the Seventh Circuit; and

The Commission having considered the agreement and having accepted same, and the agreement containing consent order having thereupon been placed on the public record for a period of 30 days, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

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## Order

1. Respondent Directional Contract Furniture Corp. is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its principal office and place of business located at 979 Third Avenue, in the city of New York, State of New York.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent.

## ORDER

*It is ordered.* That respondent Directional Contract Furniture Corp., a corporation, and its officers, representatives, agents and employees, directly or through any corporate or other device, in, or in connection with, the offering for sale, sale, or distribution of furniture and furniture products in commerce, as "commerce" is defined in the Clayton Act as amended, do forthwith cease and desist from:

Discriminating, directly or indirectly, in the price of such products of like grade and quality by selling to any purchaser at net prices higher than the net prices charged any other purchaser who in fact competes with the purchaser paying the higher price.

## IN THE MATTER OF

BROWN &amp; WILLIAMSON TOBACCO CORPORATION ET AL.

MODIFIED ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE  
FEDERAL TRADE COMMISSION ACT*Docket 7688. Complaint, Dec. 11, 1959—Decision, Feb. 26, 1968*

Order modifying a consent order dated Feb. 24, 1960, 56 F.T.C. 956, permitting a Louisville, Ky., tobacco company and its New York City advertising agency to compare the tar and nicotine content of its filter cigarettes, based on government findings, with such content of other filter cigarettes.

## ORDER MODIFYING ORDER TO CEASE AND DESIST

On September 28, 1967, respondents, Brown & Williamson Tobacco Corporation and Ted Bates & Company, Inc., filed a petition to reopen the proceeding for the purpose of modifying the order to cease and desist entered by the Commission on February 24, 1960 [56 F.T.C. 956]. They proposed that Paragraph 3 of the order be modified so as to permit representations of government findings concerning the tar and nicotine content of Brown & Williamson's filter cigarettes as compared

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with the smoke of other filter cigarettes. Complaint counsel filed an answer not opposing the petition.

On December 1, 1967 [72 F.T.C. 1026], the Commission issued an order reopening the proceeding and directing respondents to show cause why Paragraph 3 of the order to cease and desist should not be modified in the manner set out therein.

On December 29, 1967, respondents submitted a statement in which they opposed the modification set out in the Commission's show cause order, and supported the modification proposed in their petition, to which complaint counsel had not objected.

Upon further consideration, the Commission has concluded that the order should be modified in the manner proposed by respondents in their petition filed on September 28, 1967, which is not opposed by complaint counsel. Accordingly,

*It is ordered*, That Paragraph 3 of the order to cease and desist heretofore entered in this proceeding be, and it hereby is, modified to read as follows:

"3. Representing, directly or by implication, that the United States Government, or any agency thereof, has found that the smoke of Life Cigarettes, or any other filter cigarette, is lower in tar or nicotine content when compared with the smoke of other filter cigarettes, unless such Government or agency thereof in fact has so found."

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IN THE MATTER OF

GREAT SOUTHWESTERN LAND COMPANY, INC., ET AL.

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

*Docket 8562. Complaint, Mar. 15, 1963—Decision, Feb. 26, 1968*

Order dismissing a complaint which charged an Albuquerque, New Mexico, land development company with selling land through misrepresentation.

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 Great Southwestern Land Company, Inc., a corporation, and Robert N. Golubin and Lyn Allen, individually and as officers of the 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 Great Southwestern Land Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Mexico, with its principal office and place of business located at Suite 720, First National Bank Building, Albuquerque, New Mexico.

Respondents Robert N. Golubin and Lyn Allen are officers of the corporate respondent. They formulate, direct and control the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. Their 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 and sale of parcels of real estate located in two separate areas of Taos County in the State of New Mexico to the public in various parts of the United States by means of the United States mails and through agents and sales representatives. The two areas are known as Carson Estates and Tres Piedras Estates.

PAR. 3. Respondents, in conducting the business aforesaid, have sent and transmitted, and have caused to be sent and transmitted, contracts, deeds, checks and other papers and documents of a commercial nature from their place of business in the State of New Mexico to purchasers and prospective purchasers located in various States other than the State of New Mexico, and have thus engaged in extensive commercial intercourse, in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. Respondents, for the purpose of inducing the purchase of said parcels of real estate, have maintained exhibits at trade fairs held in various parts of the United States at which members of the public have been invited to fill out a registration form with the representation that they may win a free lot of land. All persons filling out said forms subsequently receive by mail a notice, and advertising material, indicating that they have been awarded a  $\frac{1}{4}$  acre lot free, the only obligation being to pay so-called "closing costs."

Persons responding to the above offer then receive a deed to a  $\frac{1}{4}$  acre lot, together with further advertising, or a call by a salesman, urging them to buy an additional lot of the same size at a higher price. Among and typical, but not all inclusive, of the statements appearing in said advertising and promotional material are the following:

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## Register for Free Land.

You have been awarded a  $\frac{1}{4}$  acre building lot \* \* \* in our new resort area subdivision, Carson Estates, Taos County, New Mexico \* \* \*. We have chosen this method of good will advertising \* \* \*. This is a free lot \* \* \*. Your only expense is \* \* \* closing cost of \$49.30 \* \* \*. You may claim your award by enclosing check \* \* \* with the accompanying Land Award Certificate \* \* \*.

Invigorating mountain air \* \* \* abundant forests, trout streams, crystal lakes, ski areas, hunting grounds, cultural centers \* \* \* all are within easy reach of Carson Estates \* \* \* fishing just minutes away \* \* \* hunting within walking distance \* \* \* skiing but a few miles away.

Every ranchette \* \* \* fronts on a graded road \* \* \* readily accessible \* \* \*. The gently rolling terrain of Carson Estates is covered with verdant growth \* \* \*.

Dollar value for penny prices \* \* \* specially limited number of  $\frac{1}{4}$  acre resort ranchettes only \$495 \* \* \* closing costs of \$49.30 are paid but once.

Telephone and electricity run parallel with Highway 111 and will be brought onto the individual's property as he builds \* \* \* water is obtained by private well \* \* \* it is our understanding that water can be obtained at approximately 75 feet \* \* \* heating is obtained by use of butane, fuel oil, electricity or wood \* \* \*.

Essentially the same statements have been made for the area known as Tres Piedras Estates.

PAR. 5. By and through the use of the above quoted statements and others of similar import not specifically set out herein, and by the use of pictures and photographs and statements made by respondents' salesmen, respondents have represented that:

1. Persons filling out the registration forms may win a free lot of land and that such persons have been awarded a  $\frac{1}{4}$  acre lot as part of an advertising plan, the only expense required being the payment of closing costs of \$49.30.
2. The land offered for sale is located within close proximity to forests, fishing streams, lakes, ski areas, hunting grounds and cultural centers.
3. Each lot of said land fronts on a graded road and is readily accessible from an established highway.
4. Said land is covered with verdant growth and every part of said land is suitable as a homesite.
5. Said land offers value greatly in excess of the price asked and that the lots available at the price of \$495 are limited in number.
6. Telephone service and electricity are readily available to purchasers of said land and will be brought to the purchaser's property when he builds thereon.

