

FEDERAL TRADE COMMISSION DECISIONS

Findings, Opinions and Orders

IN THE MATTER OF

CLEVELAND OLDSMOBILE CONNECTION

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

Docket C-3271. Complaint, Jan. 8, 1990—Decision, Jan. 8, 1990

This consent order prohibits, among other things, the association of Oldsmobile dealers from entering into or enforcing any agreement restricting the advertising of prices, terms or conditions of sale or lease of any motor vehicle.

Appearances

For the Commission: *Brenda W. Doubrava and Mark Kindt.*

For the respondent: *Thomas J. Collin, Thompson, Hine & Flory,*
Cleveland, OH.

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 Cleveland Oldsmobile Connection; Dowd Oldsmobile, Inc.; Earl Oldsmobile, Inc.; Fred Stecker Oldsmobile, Inc.; Ganley Oldsmobile, Inc.; Gene Norris Oldsmobile-GMC, Inc., Hern Oldsmobile-GMC Truck, Inc.; Reliable Oldsmobile, Inc.; and Zalud Oldsmobile, Inc., sometimes 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. Each of the parties described below is hereby named as a respondent herein:

A. Cleveland Oldsmobile Connection is an unincorporated association composed entirely of Oldsmobile dealers and existing for their mutual benefit with its office and principal place of business located at 424 Broadway Avenue, Bedford, Ohio.

B. Dowd Oldsmobile, Inc. ("Dowd") 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 2958 Mayfield Road, Cleveland Heights, Ohio.

C. Earl Oldsmobile, Inc. ("Earl") 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 11300 Brookpark Road, Brooklyn, Ohio.

D. Fred Stecker Oldsmobile, Inc. ("Stecker") 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 25200 Euclid Avenue, Euclid, Ohio.

E. Ganley Oldsmobile, Inc. ("Ganley") 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 13123 Detroit Avenue, Lakewood, Ohio.

F. Gene Norris Oldsmobile-GMC, Inc. ("Norris") 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 18170 Bagley Road, Middleburg Heights, Ohio.

G. Hern Oldsmobile-GMC Truck, Inc. ("Hern") 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 424 Broadway Avenue, Bedford, Ohio.

H. Reliable Oldsmobile, Inc. ("Reliable") 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 6200 Brecksville Road, Independence, Ohio.

I. Zalud Oldsmobile, Inc. ("Zalud") 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 3558 Lee Road, Shaker Heights, Ohio.

PAR. 2. Respondents, other than respondent Cleveland Oldsmobile Connection, are and have been dealers engaged in the business of selling Oldsmobiles at retail from their places of business in the metropolitan Cleveland area, comprising Cuyahoga County, Geauga County, Lake County and Medina County in the State of Ohio. In the course and conduct of their business, and at all times relevant to this complaint, respondent dealers have been in competition with each other in the sale of Oldsmobiles, except to the extent that competition has been restrained by the acts and practices alleged in this complaint.

PAR. 3. Respondent Cleveland Oldsmobile Connection is organized and exists, in part, to engage in joint advertising and promotion on behalf of its members. Through these activities, among others, respondent Cleveland Oldsmobile Connection provides valuable benefits to its members. Respondent Cleveland Oldsmobile Connection is, and has been at all times relevant to this complaint, a corporation organized for the profit of its members within the meaning of Section 4 of the Federal Trade Commission Act, as amended, 15 U.S.C. 44.

PAR. 4. In the conduct of their business, and at all times relevant hereto, respondents have engaged in activities that are in or affect "commerce," as commerce is defined in the Federal Trade Commission Act.

PAR. 5. Respondent dealers are members of respondent Cleveland Oldsmobile Connection, formerly called North Coast Nine. Each respondent dealer has been a member of respondent Cleveland Oldsmobile Connection from at least as early as 1980. For most of the period 1980-1985, respondent dealers were the only members of respondent Cleveland Oldsmobile Connection. Through their membership, respondent dealers control and have controlled the activities of respondent Cleveland Oldsmobile Connection.

PAR. 6. Respondent Cleveland Oldsmobile Connection has organized and implemented a conspiracy among its members named as respondents herein to refrain from advertising the prices of new, current model year Oldsmobiles. From as early as 1980, and continuing until at least May 1985, respondent dealers were members of respondent Cleveland Oldsmobile Connection and placed few such advertisements. Lloyd Barker Oldsmobile-Chrysler-Jeep-Eagle, Inc., an Oldsmobile dealer no longer doing business and not named as a respondent herein, became a member of Cleveland Oldsmobile Connection in 1984. Lloyd Barker Oldsmobile-Chrysler-Jeep-Eagle, Inc., discontinued advertising prices of new, current model year Oldsmobiles as soon as it joined respondent Cleveland Oldsmobile Connection. During the same period, dealers selling automobiles other than Oldsmobiles in the metropolitan Cleveland area frequently advertised the prices of new, current model year automobiles. On various occasions, representatives of the Oldsmobile Division of General Motors Corporation encouraged all or most respondent dealers to include the prices of new, current model year Oldsmobiles in their advertisements.

PAR. 7. The conspiracy and the acts and practices alleged herein

have unreasonably restrained competition among dealers in the sale of Oldsmobiles in the metropolitan Cleveland area and injured consumers by, among other things:

A. Depriving consumers of truthful information concerning the prices of new, current model year Oldsmobiles offered for sale; and

B. Restricting price competition in the sale of new, current model year Oldsmobiles.

PAR. 8. The conspiracy and the acts and practices described above constitute unfair methods of competition in or affecting commerce in violation of Section 5 of the Federal Trade Commission Act. The acts and practices of respondents, as alleged herein, are continuing and are likely to continue or recur in the absence of the relief herein requested.

Commissioner Owen not participating.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondent named in the caption hereof, and the respondent having been furnished thereafter with a copy of a draft of complaint which the Cleveland Regional Office proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent with violation of the Federal Trade Commission Act; and

The respondent, its attorney, and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent 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 respondent 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 respondent has violated the said Act, 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 sixty (60) days, now in further conformity with the procedure prescribed in Section 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Cleveland Oldsmobile Connection is an unincorporated association composed entirely of Oldsmobile dealers and existing for their mutual benefit with its office and principal place of business located at 424 Broadway Avenue, Bedford, Ohio.

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

I.

It is ordered, That, for purposes of this order, the following definitions apply:

A. "*Cleveland Oldsmobile Connection*" means Cleveland Oldsmobile Connection, an association, as well as its officers, directors, committees, employees, agents, successors and assigns.

B. "*Dealer*" means any person, corporation, partnership, association, joint venture, trust, or any other organization or entity, but not governmental entities, that receives on consignment or purchases motor vehicles for sale or lease to the public, and any director, officer, employee, representative or agent of any such entity.

II.

It is further ordered, That Cleveland Oldsmobile Connection, directly or indirectly, or through any corporate or other device, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, as amended, cease and desist from:

A. Entering into, organizing, encouraging, carrying out or enforcing any agreement or understanding, either express or implied, between or among dealers which has the purpose or effect of restricting, regulating, or impeding the advertising or publishing by any dealer of any price, term or condition of sale or lease of any motor vehicle, including, but not limited to, maintaining, adopting or implementing any policy, act or practice that restricts, regulates or impedes the advertising or publishing by any dealer of any price, term or condition of sale or lease of any motor vehicle.

B. Requesting, recommending, coercing, influencing, encouraging or persuading or attempting to coerce, influence, encourage or

persuade any dealer to maintain, adopt or adhere to any policy or practice that restricts, regulates or impedes the advertising or publishing of any price, term or condition of sale or lease of any motor vehicle.

C. Communicating with any dealer member of Cleveland Oldsmobile Connection concerning the policies, practices or decisions of any other dealer with respect to the advertising or publishing of any price, term or condition of sale of any motor vehicle or whether the advertising or publishing of prices of motor vehicles by dealers is effective, advisable or desirable, except to the extent that such communication is necessary for the purpose of engaging in joint advertising.

D. Continuing a meeting of Cleveland Oldsmobile Connection, or any committee or board thereof, at which any dealer makes any statement to any such meeting concerning one or more dealers' policies, practices or decisions relating to the advertising or publishing of prices of motor vehicles or whether the advertising or publishing of prices of motor vehicles by dealers is effective, advisable or desirable, except to the extent that such statements are necessary for the purpose of engaging in lawful joint advertising.

III.

It is further ordered, That nothing contained in Paragraph II above shall be construed to prohibit Cleveland Oldsmobile Connection from formulating, adopting, disseminating and enforcing lawful guidelines concerning advertisements that Cleveland Oldsmobile Connection reasonably believes would be false or deceptive within the meaning of Section 5 of the Federal Trade Commission Act.

IV.

It is further ordered, That Cleveland Oldsmobile Connection:

A. Mail a copy of this order to each of its members within thirty (30) days after the date this order becomes final; and

B. Provide each new Cleveland Oldsmobile Connection member with a copy of this order at the time the member is accepted into membership.

C. File with the Commission within sixty (60) days after this order becomes final and annually on the anniversary date of the original report for each of the three (3) years thereafter, a report, in writing,

1

Decision and Order

signed by the respondent, setting forth in detail the manner and form in which it has complied and is complying with this order; and

D. Notify the Commission at least thirty (30) days prior to any proposed change in respondent, such as dissolution, change of name, or other action resulting in the emergence of a successor association or any other change in respondent that may affect compliance obligations arising out of this order.

Commissioner Owen not participating.

IN THE MATTER OF
DOWD OLDSMOBILE, INC.

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

Docket C-3272. Complaint, Jan. 8, 1990—Decision, Jan. 8, 1990

This consent order prohibits, among other things, a Cleveland, Ohio Oldsmobile dealer from entering into or enforcing any agreement restricting the advertising of prices, terms or conditions of sale or lease of any motor vehicle.

Appearances

For the Commission: *Brenda W. Doubrava and Mark Kindt.*
For the respondent: *Paul P. Eyre, Baker & Hosteler, Cleveland, OH.*

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 Cleveland Oldsmobile Connection; Dowd Oldsmobile, Inc.; Earl Oldsmobile, Inc.; Fred Stecker Oldsmobile, Inc.; Ganley Oldsmobile, Inc.; Gene Norris Oldsmobile-GMC, Inc.; Hern Oldsmobile-GMC Truck, Inc.; Reliable Oldsmobile, Inc.; and Zalud Oldsmobile, Inc., sometimes 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. Each of the parties described below is hereby named as a respondent herein:

A. Cleveland Oldsmobile Connection is an unincorporated association composed entirely of Oldsmobile dealers and existing for their mutual benefit with its office and principal place of business located at 424 Broadway Avenue, Bedford, Ohio.

B. Dowd Oldsmobile, Inc. ("Dowd") 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 2958 Mayfield Road, Cleveland Heights, Ohio.

C. Earl Oldsmobile, Inc. ("Earl") 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 11300 Brookpark Road, Brooklyn, Ohio.

D. Fred Stecker Oldsmobile, Inc. ("Stecker") 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 25200 Euclid Avenue, Euclid, Ohio.

E. Ganley Oldsmobile, Inc. ("Ganley") 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 13123 Detroit Avenue, Lakewood, Ohio.

F. Gene Norris Oldsmobile-GMC, Inc. ("Norris") 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 18170 Bagley Road, Middleburg Heights, Ohio.

G. Hern Oldsmobile-GMC Truck, Inc. ("Hern") 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 424 Broadway Avenue, Bedford, Ohio.

H. Reliable Oldsmobile, Inc. ("Reliable") 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 6200 Brecksville Road, Independence, Ohio.

I. Zalud Oldsmobile, Inc. ("Zalud") 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 3558 Lee Road, Shaker Heights, Ohio.

PAR. 2. Respondents, other than respondent Cleveland Oldsmobile Connection, are and have been dealers engaged in the business of selling Oldsmobiles at retail from their places of business in the metropolitan Cleveland area, comprising Cuyahoga County, Geauga County, Lake County, and Medina County in the State of Ohio. In the course and conduct of their business, and at all times relevant to this complaint, respondent dealers have been in competition with each other in the sale of Oldsmobiles, except to the extent that competition has been restrained by the acts and practices alleged in this complaint.

PAR. 3. Respondent Cleveland Oldsmobile Connection is organized

and exists, in part, to engage in joint advertising and promotion on behalf of its members. Through these activities, among others, respondent Cleveland Oldsmobile Connection provides valuable benefits to its members. Respondent Cleveland Oldsmobile Connection is, and has been at all times relevant to this complaint, a corporation organized for the profit of its members within the meaning of Section 4 of the Federal Trade Commission Act, as amended, 15 U.S.C. 44.

PAR. 4. In the conduct of their business, and at all times relevant hereto, respondents have engaged in activities that are in or affect "commerce," as commerce is defined in the Federal Trade Commission Act.

PAR. 5. Respondent dealers are members of respondent Cleveland Oldsmobile Connection, formerly called North Coast Nine. Each respondent dealer has been a member of respondent Cleveland Oldsmobile Connection from at least as early as 1980. For most of the period 1980-1985, respondent dealers were the only members of respondent Cleveland Oldsmobile Connection. Through their membership, respondent dealers control and have controlled the activities of respondent Cleveland Oldsmobile Connection.

PAR. 6. Respondent Cleveland Oldsmobile Connection has organized and implemented a conspiracy among its members named as respondents herein to refrain from advertising the prices of new, current model year Oldsmobiles. From as early as 1980, and continuing until at least May 1985, respondent dealers were members of respondent Cleveland Oldsmobile Connection and placed few such advertisements. Lloyd Barker Oldsmobile-Chrysler-Jeep-Eagle, Inc., an Oldsmobile dealer no longer doing business and not named as a respondent herein, became a member of Cleveland Oldsmobile Connection in 1984. Lloyd Barker Oldsmobile-Chrysler-Jeep-Eagle, Inc., discontinued advertising prices of new, current model year Oldsmobiles as soon as it joined respondent Cleveland Oldsmobile Connection. During the same period, dealers selling automobiles other than Oldsmobiles in the metropolitan Cleveland area frequently advertised the prices of new, current model year automobiles. On various occasions, representatives of the Oldsmobile Division of General Motors Corporation encouraged all or most respondent dealers to include the prices of new, current model year Oldsmobiles in their advertisements.

PAR. 7. The conspiracy and the acts and practices alleged herein have unreasonably restrained competition among dealers in the sale of

Oldsmobiles in the metropolitan Cleveland area and injured consumers by, among other things:

A. Depriving consumers of truthful information concerning the prices of new, current model year Oldsmobiles offered for sale; and

B. Restricting price competition in the sale of new, current model year Oldsmobiles.

PAR. 8. The conspiracy and the acts and practices described above constitute unfair methods of competition in or affecting commerce in violation of Section 5 of the Federal Trade Commission Act. The acts and practices of respondents, as alleged herein, are continuing and are likely to continue or recur in the absence of the relief herein requested.

Commissioner Owen not participating.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondent named in the caption hereof, and the respondent having been furnished thereafter with a copy of a draft of complaint which the Cleveland Regional Office proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent with violation of the Federal Trade Commission Act; and

The respondent, its attorney, and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent 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 respondent 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 respondent has violated the said Act, 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 sixty (60) days, now in further conformity with the procedure prescribed in Section 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Dowd Oldsmobile, Inc., 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 2958 Mayfield Road, Cleveland Heights, Ohio.

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

I.

It is ordered, That, for purposes of this order, the following definitions apply:

A. "*Dowd Oldsmobile*" means Dowd Oldsmobile, Inc., as well as its officers, directors, employees, agents, subsidiaries, divisions, successors and assigns.

B. "*Dealer*" means any person, corporation, partnership, association, joint venture, trust, or any other organization or entity, but not governmental entities, that receives on consignment or purchases motor vehicles for sale or lease to the public, and any director, officer, employee, representative or agent of any such entity.

C. "*Other dealer*" means any dealer not affiliated by total or partial [ten (10) percent or more] common ownership with Dowd Oldsmobile, Inc.

D. "*Dealer association*" means any group, organization or entity, whether incorporated or unincorporated, composed of dealers and existing for their mutual benefit.

E. "*Metropolitan Cleveland area*" means the Cleveland, Ohio metropolitan area, comprising Cuyahoga County, Geauga County, Lake County and Medina County, in the State of Ohio.

II.

It is further ordered, That Dowd Oldsmobile, directly or indirectly, or through any corporate or other device, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, as amended, cease and desist from:

A. Entering into, organizing, encouraging, carrying out, continuing or enforcing any agreement or understanding, either express or

implied, with any other dealer or with any dealer association which has the purpose or effect of:

1. Restricting, regulating or impeding the advertising or publishing by any dealer of any price, term or condition of sale or lease of any motor vehicle.

2. Coercing, influencing, encouraging or persuading any dealer or dealer association to maintain, adopt or adhere to any policy or practice that restricts, regulates or impedes the advertising or publishing by any dealer of any price, term or condition of sale or lease of any motor vehicle.

3. Coercing, influencing, encouraging or persuading any dealer or dealer association to change its advertised or published prices.

B. For a period of five (5) years after the date this order becomes final, communicating with any Oldsmobile dealer in the metropolitan Cleveland area any information concerning any intention or decision of Dowd Oldsmobile relating to the advertising or publishing of prices of motor vehicles or the effectiveness, advisability, or desirability of advertising or publishing prices of motor vehicles, except to the extent that such action is necessary for the purpose of engaging in joint advertising.

III.

It is further ordered, That nothing contained in Paragraph II above shall be construed to prohibit Dowd Oldsmobile from participating in the formulation, adoption, dissemination and enforcement by a dealer association of lawful guidelines concerning advertisements that the dealer association reasonably believes would be false or deceptive within the meaning of Section 5 of the Federal Trade Commission Act.

IV.

It is further ordered, That respondent shall:

A. File with the Commission within sixty (60) days after this order becomes final and annually on the anniversary date of the original report for each of the three (3) years thereafter, a report, in writing, signed by the respondent setting forth in detail the manner and form in which it has complied and is complying with this order; and

B. Notify the Commission at least thirty (30) days prior to any proposed change in 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 respondent that may affect compliance obligations arising out of this order.

Commissioner Owen not participating.

IN THE MATTER OF

EARL OLDSMOBILE, INC.

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

Docket C-3273. Complaint, Jan. 8, 1990—Decision, Jan. 8, 1990

This consent order prohibits, among other things, the Ohio Oldsmobile dealer from entering into or enforcing any agreement restricting the advertising of prices, terms or conditions of sale or lease of any motor vehicle.

Appearances

For the Commission: *Brenda W. Doubrava* and *Mark Kindt*.

For the respondent: *Thomas J. Collin, Thompson, Hine & Flory*,
Cleveland, OH.

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 Cleveland Oldsmobile Connection; Dowd Oldsmobile, Inc.; Earl Oldsmobile, Inc.; Fred Stecker Oldsmobile, Inc.; Ganley Oldsmobile, Inc.; Gene Norris Oldsmobile-GMC, Inc.; Hern Oldsmobile-GMC Truck, Inc.; Reliable Oldsmobile, Inc.; and Zalud Oldsmobile, Inc., sometimes 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. Each of the parties described below is hereby named as a respondent herein:

A. Cleveland Oldsmobile Connection is an unincorporated association composed entirely of Oldsmobile dealers and existing for their mutual benefit with its office and principal place of business located at 424 Broadway Avenue, Bedford, Ohio.

B. Dowd Oldsmobile, Inc. ("Dowd") 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 2958 Mayfield Road, Cleveland Heights, Ohio.

C. Earl Oldsmobile, Inc. ("Earl") 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 11300 Brookpark Road, Brooklyn, Ohio.

D. Fred Stecker Oldsmobile, Inc. ("Stecker") 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 25200 Euclid Avenue, Euclid, Ohio.

E. Ganley Oldsmobile, Inc. ("Ganley") 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 13123 Detroit Avenue, Lakewood, Ohio.

F. Gene Norris Oldsmobile-GMC, Inc. ("Norris") 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 18170 Bagley Road, Middleburg Heights, Ohio.

G. Hern Oldsmobile-GMC Truck, Inc. ("Hern") 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 424 Broadway Avenue, Bedford, Ohio.

H. Reliable Oldsmobile, Inc. ("Reliable") 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 6200 Brecksville Road, Independence, Ohio.

I. Zalud Oldsmobile, Inc. ("Zalud") 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 3558 Lee Road, Shaker Heights, Ohio.

PAR. 2. Respondents, other than respondent Cleveland Oldsmobile Connection, are and have been dealers engaged in the business of selling Oldsmobiles at retail from their places of business in the metropolitan Cleveland area, comprising Cuyahoga County, Geauga County, Lake County and Medina County in the State of Ohio. In the course and conduct of their business, and at all times relevant to this complaint, respondent dealers have been in competition with each other in the sale of Oldsmobiles, except to the extent that competition has been restrained by the acts and practices alleged in this complaint.

PAR. 3. Respondent Cleveland Oldsmobile Connection is organized

and exists, in part, to engage in joint advertising and promotion on behalf of its members. Through these activities, among others, respondent Cleveland Oldsmobile Connection provides valuable benefits to its members. Respondent Cleveland Oldsmobile Connection is, and has been at all times relevant to this complaint, a corporation organized for the profit of its members within the meaning of Section 4 of the Federal Trade Commission Act, as amended, 15 U.S.C. 44.

PAR. 4. In the conduct of their business, and at all times relevant hereto, respondents have engaged in activities that are in or affect "commerce," as commerce is defined in the Federal Trade Commission Act.

PAR. 5. Respondent dealers are members of respondent Cleveland Oldsmobile Connection, formerly called North Coast Nine. Each respondent dealer has been a member of respondent Cleveland Oldsmobile Connection from at least as early as 1980. For most of the period 1980-1985, respondent dealers were the only members of respondent Cleveland Oldsmobile Connection. Through their membership, respondent dealers control and have controlled the activities of respondent Cleveland Oldsmobile Connection.

PAR. 6. Respondent Cleveland Oldsmobile Connection has organized and implemented a conspiracy among its members named as respondents herein to refrain from advertising the prices of new, current model year Oldsmobiles. From as early as 1980, and continuing until at least May 1985, respondent dealers were members of respondent Cleveland Oldsmobile Connection and placed few such advertisements. Lloyd Barker Oldsmobile-Chrysler-Jeep-Eagle, Inc., an Oldsmobile dealer no longer doing business and not named as a respondent herein, became a member of Cleveland Oldsmobile Connection in 1984. Lloyd Barker Oldsmobile-Chrysler-Jeep-Eagle, Inc., discontinued advertising prices of new, current model year Oldsmobiles as soon as it joined respondent Cleveland Oldsmobile Connection. During the same period, dealers selling automobiles other than Oldsmobiles in the metropolitan Cleveland area frequently advertised the prices of new, current model year automobiles. On various occasions, representatives of the Oldsmobile Division of General Motors Corporation encouraged all or most respondent dealers to include the prices of new, current model year Oldsmobiles in their advertisements.

PAR. 7. The conspiracy and the acts and practices alleged herein have unreasonably restrained competition among dealers in the sale of

Oldsmobiles in the metropolitan Cleveland area and injured consumers by, among other things:

A. Depriving consumers of truthful information concerning the prices of new, current model year Oldsmobiles offered for sale; and

B. Restricting price competition in the sale of new, current model year Oldsmobiles.

PAR. 8. The conspiracy and the acts and practices described above constitute unfair methods of competition in or affecting commerce in violation of Section 5 of the Federal Trade Commission Act. The acts and practices of respondents, as alleged herein, are continuing and are likely to continue or recur in the absence of the relief herein requested.

Commissioner Owen not participating.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondent named in the caption hereof, and the respondent having been furnished thereafter with a copy of a draft of complaint which the Cleveland Regional Office proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent with violation of the Federal Trade Commission Act; and

The respondent, its attorney, and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent 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 respondent 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 respondent has violated the said Act, 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 sixty (60) days, now in further conformity with the procedure prescribed in Section 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Earl Oldsmobile, Inc., 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 11300 Brookpark Road, Brooklyn, Ohio.

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

I.

It is ordered, That, for purposes of this order, the following definitions apply:

A. "*Earl Oldsmobile*" means Earl Oldsmobile, Inc., as well as its officers, directors, employees, agents, subsidiaries, divisions, successors and assigns.

B. "*Dealer*" means any person, corporation, partnership, association, joint venture, trust, or any other organization or entity, but not governmental entities, that receives on consignment or purchases motor vehicles for sale or lease to the public, and any director, officer, employee, representative or agent of any such entity.

C. "*Other dealer*" means any dealer not affiliated by total or partial [ten (10) percent or more] common ownership with Earl Oldsmobile, Inc.

D. "*Dealer association*" means any group, organization or entity, whether incorporated or unincorporated, composed of dealers and existing for their mutual benefit.

E. "*Metropolitan Cleveland area*" means the Cleveland, Ohio metropolitan area, comprising Cuyahoga County, Geauga County, Lake County and Medina County, in the State of Ohio.

II.

It is further ordered, That Earl Oldsmobile, directly or indirectly, or through any corporate or other device, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, as amended, cease and desist from:

A. Entering into, organizing, encouraging, carrying out, continuing or enforcing any agreement or understanding, either express or

implied, with any other dealer or with any dealer association which has the purpose or effect of:

1. Restricting, regulating or impeding the advertising or publishing by any dealer of any price, term or condition of sale or lease of any motor vehicle.

2. Coercing, influencing, encouraging or persuading any dealer or dealer association to maintain, adopt or adhere to any policy or practice that restricts, regulates or impedes the advertising or publishing by any dealer of any price, term or condition of sale or lease of any motor vehicle.

3. Coercing, influencing, encouraging or persuading any dealer or dealer association to change its advertised or published prices.

B. For a period of five (5) years after the date this order becomes final, communicating with any Oldsmobile dealer in the metropolitan Cleveland area any information concerning any intention or decision of Earl Oldsmobile relating to the advertising or publishing of prices of motor vehicles or the effectiveness, advisability, or desirability of advertising or publishing prices of motor vehicles, except to the extent that such action is necessary for the purpose of engaging in joint advertising.

III.

It is further ordered, That nothing contained in Paragraph II above shall be construed to prohibit Earl Oldsmobile from participating in the formulation, adoption, dissemination and enforcement by a dealer association of lawful guidelines concerning advertisements that the dealer association reasonably believes would be false or deceptive within the meaning of Section 5 of the Federal Trade Commission Act.

IV.

It is further ordered, That respondent shall:

A. File with the Commission within sixty (60) days after this order becomes final and annually on the anniversary date of the original report for each of the three (3) years thereafter, a report, in writing, signed by the respondent, setting forth in detail the manner and form in which it has complied and is complying with this order; and

B. Notify the Commission at least thirty (30) days prior to any proposed change in respondent, such as dissolution, assignment or

15

Decision and Order

sale, resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries or any other change in respondent that may affect compliance obligations arising out of this order.

Commissioner Owen not participating.

IN THE MATTER OF

FRED STECKER OLDSMOBILE, INC.

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

Docket C-3274. Complaint, Jan. 8, 1990—Decision, Jan. 8, 1990

This consent order prohibits, among other things, the Ohio Oldsmobile dealer from entering into or enforcing any agreement restricting the advertising of prices, terms or conditions of sale or lease of any motor vehicle.

Appearances

For the Commission: *Brenda W. Doubrava and Mark Kindt.*
For the respondent: *Thomas J. Collin, Thompson, Hine & Flory,*
Cleveland, OH.

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 Cleveland Oldsmobile Connection; Dowd Oldsmobile, Inc.; Earl Oldsmobile, Inc.; Fred Stecker Oldsmobile, Inc.; Ganley Oldsmobile, Inc.; Gene Norris Oldsmobile-GMC, Inc.; Hern Oldsmobile-GMC Truck, Inc.; Reliable Oldsmobile, Inc.; and Zalud Oldsmobile, Inc., sometimes 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. Each of the parties described below is hereby named as a respondent herein:

A. Cleveland Oldsmobile Connection is an unincorporated association composed entirely of Oldsmobile dealers and existing for their mutual benefit with its office and principal place of business located at 424 Broadway Avenue, Bedford, Ohio.

B. Dowd Oldsmobile, Inc. ("Dowd") 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 2958 Mayfield Road, Cleveland Heights, Ohio.

C. Earl Oldsmobile, Inc. ("Earl") 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 11300 Brookpark Road, Brooklyn, Ohio.

D. Fred Stecker Oldsmobile, Inc. ("Stecker") 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 25200 Euclid Avenue, Euclid, Ohio.

E. Ganley Oldsmobile, Inc. ("Ganley") 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 13123 Detroit Avenue, Lakewood, Ohio.

F. Gene Norris Oldsmobile-GMC, Inc. ("Norris") 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 18170 Bagley Road, Middleburg Heights, Ohio.

G. Hern Oldsmobile-GMC Truck, Inc. ("Hern") 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 424 Broadway Avenue, Bedford, Ohio.

H. Reliable Oldsmobile, Inc. ("Reliable") 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 6200 Brecksville Road, Independence, Ohio.

I. Zalud Oldsmobile, Inc. ("Zalud") 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 3558 Lee Road, Shaker Heights, Ohio.

PAR. 2. Respondents, other than respondent Cleveland Oldsmobile Connection, are and have been dealers engaged in the business of selling Oldsmobiles at retail from their places of business in the metropolitan Cleveland area, comprising Cuyahoga County, Geauga County, Lake County and Medina County in the State of Ohio. In the course and conduct of their business, and at all times relevant to this complaint, respondent dealers have been in competition with each other in the sale of Oldsmobiles, except to the extent that competition has been restrained by the acts and practices alleged in this complaint.

PAR. 3. Respondent Cleveland Oldsmobile Connection is organized

and exists, in part, to engage in joint advertising and promotion on behalf of its members. Through these activities, among others, respondent Cleveland Oldsmobile Connection provides valuable benefits to its members. Respondent Cleveland Oldsmobile Connection is, and has been at all times relevant to this complaint, a corporation organized for the profit of its members within the meaning of Section 4 of the Federal Trade Commission Act, as amended, 15 U.S.C. 44.

PAR. 4. In the conduct of their business, and at all times relevant hereto, respondents have engaged in activities that are in or affect "commerce," as commerce is defined in the Federal Trade Commission Act.

PAR. 5. Respondent dealers are members of respondent Cleveland Oldsmobile Connection, formerly called North Coast Nine. Each respondent dealer has been a member of respondent Cleveland Oldsmobile Connection from at least as early as 1980. For most of the period 1980-1985, respondent dealers were the only members of respondent Cleveland Oldsmobile Connection. Through their membership, respondent dealers control and have controlled the activities of respondent Cleveland Oldsmobile Connection.

PAR. 6. Respondent Cleveland Oldsmobile Connection has organized and implemented a conspiracy among its members named as respondents herein to refrain from advertising the prices of new, current model year Oldsmobiles. From as early as 1980, and continuing until at least May 1985, respondent dealers were members of respondent Cleveland Oldsmobile Connection and placed few such advertisements. Lloyd Barker Oldsmobile-Chrysler-Jeep-Eagle, Inc., an Oldsmobile dealer no longer doing business and not named as a respondent herein, became a member of Cleveland Oldsmobile Connection in 1984. Lloyd Barker Oldsmobile-Chrysler-Jeep-Eagle, Inc., discontinued advertising prices of new, current model year Oldsmobiles as soon as it joined respondent Cleveland Oldsmobile Connection. During the same period, dealers selling automobiles other than Oldsmobiles in the metropolitan Cleveland area frequently advertised the prices of new, current model year automobiles. On various occasions, representatives of the Oldsmobile Division of General Motors Corporation encouraged all or most respondent dealers to include the prices of new, current model year Oldsmobiles in their advertisements.

PAR. 7. The conspiracy and the acts and practices alleged herein have unreasonably restrained competition among dealers in the sale of

Oldsmobiles in the metropolitan Cleveland area and injured consumers by, among other things:

A. Depriving consumers of truthful information concerning the prices of new, current model year Oldsmobiles offered for sale; and

B. Restricting price competition in the sale of new, current model year Oldsmobiles.

PAR. 8. The conspiracy and the acts and practices described above constitute unfair methods of competition in or affecting commerce in violation of Section 5 of the Federal Trade Commission Act. The acts and practices of respondents, as alleged herein, are continuing and are likely to continue or recur in the absence of the relief herein requested.

Commissioner Owen not participating.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondent named in the caption hereof, and the respondent having been furnished thereafter with a copy of a draft of complaint which the Cleveland Regional Office proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent with violation of the Federal Trade Commission Act; and

The respondent, its attorney, and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent 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 respondent 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 respondent has violated the said Act, 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 sixty (60) days, now in further conformity with the procedure prescribed in Section 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Fred Stecker Oldsmobile, Inc., 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 25200 Euclid Avenue, Euclid, Ohio.

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

I.

It is ordered, That, for purposes of this order, the following definitions apply:

A. "*Stecker Oldsmobile*" means Fred Stecker Oldsmobile, Inc., as well as its officers, directors, employees, agents, subsidiaries, divisions, successors and assigns.

B. "*Dealer*" means any person, corporation, partnership, association, joint venture, trust, or any other organization or entity, but not governmental entities, that receives on consignment or purchases motor vehicles for sale or lease to the public, and any director, officer, employee, representative or agent of any such entity.

C. "*Other dealer*" means any dealer not affiliated by total or partial [ten (10) percent or more] common ownership with Fred Stecker Oldsmobile, Inc.

D. "*Dealer association*" means any group, organization or entity, whether incorporated or unincorporated, composed of dealers and existing for their mutual benefit.

E. "*Metropolitan Cleveland area*" means the Cleveland, Ohio metropolitan area, comprising Cuyahoga County, Geauga County, Lake County and Medina County, in the State of Ohio.

II.

It is further ordered, That Stecker Oldsmobile, directly or indirectly, or through any corporate or other device, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, as amended, cease and desist from:

A. Entering into, organizing, encouraging, carrying out, continuing or enforcing any agreement or understanding, either express or

implied, with any other dealer or with any dealer association which has the purpose or effect of:

1. Restricting, regulating or impeding the advertising or publishing by any dealer of any price, term or condition of sale or lease of any motor vehicle.

2. Coercing, influencing, encouraging or persuading any dealer or dealer association to maintain, adopt or adhere to any policy or practice that restricts, regulates or impedes the advertising or publishing by any dealer of any price, term or condition of sale or lease of any motor vehicle.

3. Coercing, influencing, encouraging or persuading any dealer or dealer association to change its advertised or published prices.

B. For a period of five (5) years after the date this order becomes final, communicating with any Oldsmobile dealer in the metropolitan Cleveland area any information concerning any intention or decision of Stecker Oldsmobile relating to the advertising or publishing of prices of motor vehicles or the effectiveness, advisability, or desirability of advertising or publishing prices of motor vehicles, except to the extent that such action is necessary for the purpose of engaging in joint advertising.

III.

It is further ordered, That nothing contained in Paragraph II above shall be construed to prohibit Stecker Oldsmobile from participating in the formulation, adoption, dissemination and enforcement by a dealer association of lawful guidelines concerning advertisements that the dealer association reasonably believes would be false or deceptive within the meaning of Section 5 of the Federal Trade Commission Act.

IV.

It is further ordered, That respondent shall:

A. File with the Commission within sixty (60) days after this order becomes final and annually on the anniversary date of the original report for each of the three (3) years thereafter, a report, in writing, signed by the respondent, setting forth in detail the manner and form in which it has complied and is complying with this order; and

B. Notify the Commission at least thirty (30) days prior to any proposed change in 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 respondent that may affect compliance obligations arising out of this order.

Commissioner Owen not participating.

IN THE MATTER OF

GANLEY OLDSMOBILE, INC.

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

Docket C-3275. Complaint, Jan. 8, 1990—Decision, Jan. 8, 1990

This consent order prohibits, among other things, the Ohio Oldsmobile dealer from entering into or enforcing any agreement restricting the advertising of prices, terms or conditions of sale or lease of any motor vehicle.

Appearances

For the Commission: *Brenda W. Doubrava* and *Mark Kindt*.

For the respondent: *Russell W. Harris*, Cleveland, OH.

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 Cleveland Oldsmobile Connection; Dowd Oldsmobile, Inc.; Earl Oldsmobile, Inc.; Fred Stecker Oldsmobile, Inc.; Ganley Oldsmobile, Inc.; Gene Norris Oldsmobile-GMC, Inc.; Hern Oldsmobile-GMC Truck, Inc.; Reliable Oldsmobile, Inc.; and Zalud Oldsmobile, Inc., sometimes 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. Each of the parties described below is hereby named as a respondent herein:

A. Cleveland Oldsmobile Connection is an unincorporated association composed entirely of Oldsmobile dealers and existing for their mutual benefit with its office and principal place of business located at 424 Broadway Avenue, Bedford, Ohio.

B. Dowd Oldsmobile, Inc. ("Dowd") 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 2958 Mayfield Road, Cleveland Heights, Ohio.

C. Earl Oldsmobile, Inc. ("Earl") 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 11300 Brookpark Road, Brooklyn, Ohio.

D. Fred Stecker Oldsmobile, Inc. ("Stecker") 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 25200 Euclid Avenue, Euclid, Ohio.

E. Ganley Oldsmobile, Inc. ("Ganley") 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 13123 Detroit Avenue, Lakewood, Ohio.

F. Gene Norris Oldsmobile-GMC, Inc. ("Norris") 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 18170 Bagley Road, Middleburg Heights, Ohio.

G. Hern Oldsmobile-GMC Truck, Inc. ("Hern") 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 424 Broadway Avenue, Bedford, Ohio.

H. Reliable Oldsmobile, Inc. ("Reliable") 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 6200 Brecksville Road, Independence, Ohio.

I. Zalud Oldsmobile, Inc. ("Zalud") 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 3558 Lee Road, Shaker Heights, Ohio.

PAR. 2. Respondents, other than respondent Cleveland Oldsmobile Connection, are and have been dealers engaged in the business of selling Oldsmobiles at retail from their places of business in the metropolitan Cleveland area, comprising Cuyahoga County, Geauga County, Lake County and Medina County in the State of Ohio. In the course and conduct of their business, and at all times relevant to this complaint, respondent dealers have been in competition with each other in the sale of Oldsmobiles, except to the extent that competition has been restrained by the acts and practices alleged in this complaint.

PAR. 3. Respondent Cleveland Oldsmobile Connection is organized and exists, in part, to engage in joint advertising and promotion on behalf of its members. Through these activities, among others,

respondent Cleveland Oldsmobile Connection provides valuable benefits to its members. Respondent Cleveland Oldsmobile Connection is, and has been at all times relevant to this complaint, a corporation organized for the profit of its members within the meaning of Section 4 of the Federal Trade Commission Act, as amended, 15 U.S.C. 44.

PAR. 4. In the conduct of their business, and at all times relevant hereto, respondents have engaged in activities that are in or affect "commerce," as commerce is defined in the Federal Trade Commission Act.

PAR. 5. Respondent dealers are members of respondent Cleveland Oldsmobile Connection, formerly called North Coast Nine. Each respondent dealer has been a member of respondent Cleveland Oldsmobile Connection from at least as early as 1980. For most of the period 1980-1985, respondent dealers were the only members of respondent Cleveland Oldsmobile Connection. Through their membership, respondent dealers control and have controlled the activities of respondent Cleveland Oldsmobile Connection.

PAR. 6. Respondent Cleveland Oldsmobile Connection has organized and implemented a conspiracy among its members named as respondents herein to refrain from advertising the prices of new, current model year Oldsmobiles. From as early as 1980, and continuing until at least May 1985, respondent dealers were members of respondent Cleveland Oldsmobile Connection and placed few such advertisements. Lloyd Barker Oldsmobile-Chrysler-Jeep-Eagle, Inc., an Oldsmobile dealer no longer doing business and not named as a respondent herein, became a member of Cleveland Oldsmobile Connection in 1984. Lloyd Barker Oldsmobile-Chrysler-Jeep-Eagle, Inc., discontinued advertising prices of new, current model year Oldsmobiles as soon as it joined respondent Cleveland Oldsmobile Connection. During the same period, dealers selling automobiles other than Oldsmobiles in the metropolitan Cleveland area frequently advertised the prices of new, current model year automobiles. On various occasions, representatives of the Oldsmobile Division of General Motors Corporation encouraged all or most respondent dealers to include the prices of new, current model year Oldsmobiles in their advertisements.

PAR. 7. The conspiracy and the acts and practices alleged herein have unreasonably restrained competition among dealers in the sale of Oldsmobiles in the metropolitan Cleveland area and injured consumers by, among other things:

- A. Depriving consumers of truthful information concerning the prices of new, current model year Oldsmobiles offered for sale; and
- B. Restricting price competition in the sale of new, current model year Oldsmobiles.

PAR. 8. The conspiracy and the acts and practices described above constitute unfair methods of competition in or affecting commerce in violation of Section 5 of the Federal Trade Commission Act. The acts and practices of respondents, as alleged herein, are continuing and are likely to continue or recur in the absence of the relief herein requested.

Commissioner Owen not participating.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondent named in the caption hereof, and the respondent having been furnished thereafter with a copy of a draft of complaint which the Cleveland Regional Office proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent with violation of the Federal Trade Commission Act; and

The respondent, its attorney, and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent 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 respondent 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 respondent has violated the said Act, 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 sixty (60) days, now in further conformity with the procedure prescribed in Section 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Ganley Oldsmobile, Inc., 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 13123 Detroit Avenue, Lakewood, Ohio.

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

I.

It is ordered, That, for purposes of this order, the following definitions apply:

A. "*Ganley Oldsmobile*" means Ganley Oldsmobile, Inc., as well as its officers, directors, employees, agents, subsidiaries, divisions, successors and assigns.

B. "*Dealer*" means any person, corporation, partnership, association, joint venture, trust, or any other organization or entity, but not governmental entities, that receives on consignment or purchases motor vehicles for sale or lease to the public, and any director, officer, employee, representative or agent of any such entity.

C. "*Other dealer*" means any dealer not affiliated by total or partial [ten (10) percent or more] common ownership with Ganley Oldsmobile, Inc.

D. "*Dealer association*" means any group, organization or entity, whether incorporated or unincorporated, composed of dealers and existing for their mutual benefit.

E. "*Metropolitan Cleveland area*" means the Cleveland, Ohio metropolitan area, comprising Cuyahoga County, Geauga County, Lake County and Medina County, in the State of Ohio.

II.

It is further ordered, That Ganley Oldsmobile, directly or indirectly, or through any corporate or other device, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, as amended, cease and desist from:

A. Entering into, organizing, encouraging, carrying out, continuing or enforcing any agreement or understanding, either express or implied, with any other dealer or with any dealer association which has the purpose or effect of:

1. Restricting, regulating or impeding the advertising or publishing by any dealer of any price, term or condition of sale or lease of any motor vehicle.

2. Coercing, influencing, encouraging or persuading any dealer or dealer association to maintain, adopt or adhere to any policy or practice that restricts, regulates or impedes the advertising or publishing by any dealer of any price, term or condition of sale or lease of any motor vehicle.

3. Coercing, influencing, encouraging or persuading any dealer or dealer association to change its advertised or published prices.

B. For a period of five (5) years after the date this order becomes final, communicating with any Oldsmobile dealer in the metropolitan Cleveland area any information concerning any intention or decision of Ganley Oldsmobile relating to the advertising or publishing of prices of motor vehicles or the effectiveness, advisability, or desirability of advertising or publishing prices of motor vehicles, except to the extent that such action is necessary for the purpose of engaging in joint advertising.

III.

It is further ordered, That nothing contained in Paragraph II above shall be construed to prohibit Ganley Oldsmobile from participating in the formulation, adoption, dissemination and enforcement by a dealer association of lawful guidelines concerning advertisements that the dealer association reasonably believes would be false or deceptive within the meaning of Section 5 of the Federal Trade Commission Act.

IV.

It is further ordered, That respondent shall:

A. File with the Commission within sixty (60) days after this order becomes final and annually on the anniversary date of the original report for each of the three (3) years thereafter, a report, in writing, signed by the respondent, setting forth in detail the manner and form in which it has complied and is complying with this order; and

B. Notify the Commission at least thirty (30) days prior to any proposed change in 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 respondent that may affect compliance obligations arising out of this order.

Commissioner Owen not participating.

IN THE MATTER OF

GENE NORRIS OLDSMOBILE-GMC, INC.

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

Docket C-3276. Complaint, Jan. 8, 1990—Decision, Jan. 8, 1990

This consent order prohibits, among other things, the Ohio Oldsmobile dealer from entering into or enforcing any agreement restricting the advertising of prices, terms or conditions of sale or lease of any motor vehicle.

Appearances

For the Commission: *Brenda W. Doubrava and Mark Kindt.*

For the respondent: *Thomas J. Collin, Thompson, Hine & Flory,*
Cleveland, OH.

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 Cleveland Oldsmobile Connection; Dowd Oldsmobile, Inc.; Earl Oldsmobile, Inc.; Fred Stecker Oldsmobile, Inc.; Ganley Oldsmobile, Inc.; Gene Norris Oldsmobile-GMC, Inc.; Hern Oldsmobile-GMC Truck, Inc.; Reliable Oldsmobile, Inc.; and Zalud Oldsmobile, Inc., sometimes 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. Each of the parties described below is hereby named as a respondent herein:

A. Cleveland Oldsmobile Connection is an unincorporated association composed entirely of Oldsmobile dealers and existing for their mutual benefit with its office and principal place of business located at 424 Broadway Avenue, Bedford, Ohio.

B. Dowd Oldsmobile, Inc. ("Dowd") 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 2958 Mayfield Road, Cleveland Heights, Ohio.

C. Earl Oldsmobile, Inc. ("Earl") 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 11300 Brookpark Road, Brooklyn, Ohio.

D. Fred Stecker Oldsmobile, Inc. ("Stecker") 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 25200 Euclid Avenue, Euclid, Ohio.

E. Ganley Oldsmobile, Inc. ("Ganley") 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 13123 Detroit Avenue, Lakewood, Ohio.

F. Gene Norris Oldsmobile-GMC, Inc. ("Norris") 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 18170 Bagley Road, Middleburg Heights, Ohio.

G. Hern Oldsmobile-GMC Truck, Inc. ("Hern") 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 424 Broadway Avenue, Bedford, Ohio.

H. Reliable Oldsmobile, Inc. ("Reliable") 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 6200 Brecksville Road, Independence, Ohio.

I. Zalud Oldsmobile, Inc. ("Zalud") 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 3558 Lee Road, Shaker Heights, Ohio.

PAR. 2. Respondents, other than respondent Cleveland Oldsmobile Connection, are and have been dealers engaged in the business of selling Oldsmobiles at retail from their places of business in the metropolitan Cleveland area, comprising Cuyahoga County, Geauga County, Lake County and Medina County in the State of Ohio. In the course and conduct of their business, and at all times relevant to this complaint, respondent dealers have been in competition with each other in the sale of Oldsmobiles, except to the extent that competition has been restrained by the acts and practices alleged in this complaint.

PAR. 3. Respondent Cleveland Oldsmobile Connection is organized

and exists, in part, to engage in joint advertising and promotion on behalf of its members. Through these activities, among others, respondent Cleveland Oldsmobile Connection provides valuable benefits to its members. Respondent Cleveland Oldsmobile Connection is, and has been at all times relevant to this complaint, a corporation organized for the profit of its members within the meaning of Section 4 of the Federal Trade Commission Act, as amended, 15 U.S.C. 44.

PAR. 4. In the conduct of their business, and at all times relevant hereto, respondents have engaged in activities that are in or affect "commerce," as commerce is defined in the Federal Trade Commission Act.

PAR. 5. Respondent dealers are members of respondent Cleveland Oldsmobile Connection, formerly called North Coast Nine. Each respondent dealer has been a member of respondent Cleveland Oldsmobile Connection from at least as early as 1980. For most of the period 1980-1985, respondent dealers were the only members of respondent Cleveland Oldsmobile Connection. Through their membership, respondent dealers control and have controlled the activities of respondent Cleveland Oldsmobile Connection.

PAR. 6. Respondent Cleveland Oldsmobile Connection has organized and implemented a conspiracy among its members named as respondents herein to refrain from advertising the prices of new, current model year Oldsmobiles. From as early as 1980, and continuing until at least May 1985, respondent dealers were members of respondent Cleveland Oldsmobile Connection and placed few such advertisements. Lloyd Barker Oldsmobile-Chrysler-Jeep-Eagle, Inc., an Oldsmobile dealer no longer doing business and not named as a respondent herein, became a member of Cleveland Oldsmobile Connection in 1984. Lloyd Barker Oldsmobile-Chrysler-Jeep-Eagle, Inc., discontinued advertising prices of new, current model year Oldsmobiles as soon as it joined respondent Cleveland Oldsmobile Connection. During the same period, dealers selling automobiles other than Oldsmobiles in the metropolitan Cleveland area frequently advertised the prices of new, current model year automobiles. On various occasions, representatives of the Oldsmobile Division of General Motors Corporation encouraged all or most respondent dealers to include the prices of new, current model year Oldsmobiles in their advertisements.

PAR. 7. The conspiracy and the acts and practices alleged herein have unreasonably restrained competition among dealers in the sale of

Oldsmobiles in the metropolitan Cleveland area and injured consumers by, among other things:

A. Depriving consumers of truthful information concerning the prices of new, current model year Oldsmobiles offered for sale; and

B. Restricting price competition in the sale of new, current model year Oldsmobiles.

PAR. 8. The conspiracy and the acts and practices described above constitute unfair methods of competition in or affecting commerce in violation of Section 5 of the Federal Trade Commission Act. The acts and practices of respondents, as alleged herein, are continuing and are likely to continue or recur in the absence of the relief herein requested.

Commissioner Owen not participating.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondent named in the caption hereof, and the respondent having been furnished thereafter with a copy of a draft of complaint which the Cleveland Regional Office proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent with violation of the Federal Trade Commission Act; and

The respondent, its attorney, and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent 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 respondent 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 respondent has violated the said Act, 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 sixty (60) days, now in further conformity with the procedure prescribed in Section 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Gene Norris Oldsmobile-GMC, Inc., 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 18170 Bagley Road, Middleburg Heights, Ohio.

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

I.

It is ordered, That, for purposes of this order, the following definitions apply:

A. "*Norris Oldsmobile*" means Gene Norris Oldsmobile-GMC, Inc., as well as its officers, directors, employees, agents, subsidiaries, divisions, successors and assigns.

B. "*Dealer*" means any person, corporation, partnership, association, joint venture, trust, or any other organization or entity, but not governmental entities, that receives on consignment or purchases motor vehicles for sale or lease to the public, and any director, officer, employee, representative or agent of any such entity.

C. "*Other dealer*" means any dealer not affiliated by total or partial [ten (10) percent or more] common ownership with Gene Norris Oldsmobile-GMC, Inc.

D. "*Dealer association*" means any group, organization or entity, whether incorporated or unincorporated, composed of dealers and existing for their mutual benefit.

E. "*Metropolitan Cleveland area*" means the Cleveland, Ohio metropolitan area, comprising Cuyahoga County, Geauga County, Lake County and Medina County, in the State of Ohio.

II.

It is further ordered, That Norris Oldsmobile, directly or indirectly, or through any corporate or other device, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, as amended, cease and desist from:

A. Entering into, organizing, encouraging, carrying out, continuing or enforcing any agreement or understanding, either express or

implied, with any other dealer or with any dealer association which has the purpose or effect of:

1. Restricting, regulating or impeding the advertising or publishing by any dealer of any price, term or condition of sale or lease of any motor vehicle.

2. Coercing, influencing, encouraging or persuading any dealer or dealer association to maintain, adopt or adhere to any policy or practice that restricts, regulates or impedes the advertising or publishing by any dealer of any price, term or condition of sale or lease of any motor vehicle.

3. Coercing, influencing, encouraging or persuading any dealer or dealer association to change its advertised or published prices.

B. For a period of five (5) years after the date this order becomes final, communicating with any Oldsmobile dealer in the metropolitan Cleveland area any information concerning any intention or decision of Norris Oldsmobile relating to the advertising or publishing of prices of motor vehicles or the effectiveness, advisability, or desirability of advertising or publishing prices of motor vehicles, except to the extent that such action is necessary for the purpose of engaging in joint advertising.

III.

It is further ordered, That nothing contained in Paragraph II above shall be construed to prohibit Norris Oldsmobile from participating in the formulation, adoption, dissemination and enforcement by a dealer association of lawful guidelines concerning advertisements that the dealer association reasonably believes would be false or deceptive within the meaning of Section 5 of the Federal Trade Commission Act.

IV.

It is further ordered, That respondent shall:

A. File with the Commission within sixty (60) days after this order becomes final and annually on the anniversary date of the original report for each of the three (3) years thereafter, a report, in writing, signed by the respondent, setting forth in detail the manner and form in which it has complied and is complying with this order; and

B. Notify the Commission at least thirty (30) days prior to any proposed change in respondent, such as dissolution, assignment or

35

Decision and Order

sale, resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries or any other change in respondent that may affect compliance obligations arising out of this order.

Commissioner Owen not participating.

IN THE MATTER OF
HERN OLDSMOBILE-GMC TRUCK, INC.

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

Docket C-3277. Complaint, Jan. 8, 1990—Decision, Jan. 8, 1990

This consent order prohibits, among other things, the Ohio Oldsmobile dealer from entering into or enforcing any agreement restricting the advertising of prices, terms or conditions of sale or lease of any motor vehicle.

Appearances

For the Commission: *Brenda W. Doubrava and Mark Kindt.*

For the respondent: *Thomas J. Collin, Thompson, Hine & Flory,*
Cleveland, OH.

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 Cleveland Oldsmobile Connection; Dowd Oldsmobile, Inc.; Earl Oldsmobile, Inc.; Fred Stecker Oldsmobile, Inc.; Ganley Oldsmobile, Inc.; Gene Norris Oldsmobile-GMC, Inc.; Hern Oldsmobile-GMC Truck, Inc.; Reliable Oldsmobile, Inc.; and Zalud Oldsmobile, Inc., sometimes 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. Each of the parties described below is hereby named as a respondent herein:

A. Cleveland Oldsmobile Connection is an unincorporated association composed entirely of Oldsmobile dealers and existing for their mutual benefit with its office and principal place of business located at 424 Broadway Avenue, Bedford, Ohio.

B. Dowd Oldsmobile, Inc. ("Dowd") 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 2958 Mayfield Road, Cleveland Heights, Ohio.

C. Earl Oldsmobile, Inc. ("Earl") 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 11300 Brookpark Road, Brooklyn, Ohio.

D. Fred Stecker Oldsmobile, Inc. ("Stecker") 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 25200 Euclid Avenue, Euclid, Ohio.

E. Ganley Oldsmobile, Inc. ("Ganley") 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 13123 Detroit Avenue, Lakewood, Ohio.

F. Gene Norris Oldsmobile-GMC, Inc. ("Norris") 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 18170 Bagley Road, Middleburg Heights, Ohio.

G. Hern Oldsmobile-GMC Truck, Inc. ("Hern") 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 424 Broadway Avenue, Bedford, Ohio.

H. Reliable Oldsmobile, Inc. ("Reliable") 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 6200 Brecksville Road, Independence, Ohio.

I. Zalud Oldsmobile, Inc. ("Zalud") 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 3558 Lee Road, Shaker Heights, Ohio.

PAR. 2. Respondents, other than respondent Cleveland Oldsmobile Connection, are and have been dealers engaged in the business of selling Oldsmobiles at retail from their places of business in the metropolitan Cleveland area, comprising Cuyahoga County, Geauga County, Lake County and Medina County in the State of Ohio. In the course and conduct of their business, and at all times relevant to this complaint, respondent dealers have been in competition with each other in the sale of Oldsmobiles, except to the extent that competition has been restrained by the acts and practices alleged in this complaint.

PAR. 3. Respondent Cleveland Oldsmobile Connection is organized

and exists, in part, to engage in joint advertising and promotion on behalf of its members. Through these activities, among others, respondent Cleveland Oldsmobile Connection provides valuable benefits to its members. Respondent Cleveland Oldsmobile Connection is, and has been at all times relevant to this complaint, a corporation organized for the profit of its members within the meaning of Section 4 of the Federal Trade Commission Act, as amended, 15 U.S.C. 44.

PAR. 4. In the conduct of their business, and at all times relevant hereto, respondents have engaged in activities that are in or affect "commerce," as commerce is defined in the Federal Trade Commission Act.

PAR. 5. Respondent dealers are members of respondent Cleveland Oldsmobile Connection, formerly called North Coast Nine. Each respondent dealer has been a member of respondent Cleveland Oldsmobile Connection from at least as early as 1980. For most of the period 1980-1985, respondent dealers were the only members of respondent Cleveland Oldsmobile Connection. Through their membership, respondent dealers control and have controlled the activities of respondent Cleveland Oldsmobile Connection.

PAR. 6. Respondent Cleveland Oldsmobile Connection has organized and implemented a conspiracy among its members named as respondents herein to refrain from advertising the prices of new, current model year Oldsmobiles. From as early as 1980, and continuing until at least May 1985, respondent dealers were members of respondent Cleveland Oldsmobile Connection and placed few such advertisements. Lloyd Barker Oldsmobile-Chrysler-Jeep-Eagle, Inc., an Oldsmobile dealer no longer doing business and not named as a respondent herein, became a member of Cleveland Oldsmobile Connection in 1984. Lloyd Barker Oldsmobile-Chrysler-Jeep-Eagle, Inc., discontinued advertising prices of new, current model year Oldsmobiles as soon as it joined respondent Cleveland Oldsmobile Connection. During the same period, dealers selling automobiles other than Oldsmobiles in the metropolitan Cleveland area frequently advertised the prices of new, current model year automobiles. On various occasions, representatives of the Oldsmobile Division of General Motors Corporation encouraged all or most respondent dealers to include the prices of new, current model year Oldsmobiles in their advertisements.

PAR. 7. The conspiracy and the acts and practices alleged herein have unreasonably restrained competition among dealers in the sale of

Oldsmobiles in the metropolitan Cleveland area and injured consumers by, among other things:

A. Depriving consumers of truthful information concerning the prices of new, current model year Oldsmobiles offered for sale; and

B. Restricting price competition in the sale of new, current model year Oldsmobiles.

PAR. 8. The conspiracy and the acts and practices described above constitute unfair methods of competition in or affecting commerce in violation of Section 5 of the Federal Trade Commission Act. The acts and practices of respondents, as alleged herein, are continuing and are likely to continue or recur in the absence of the relief herein requested.

Commissioner Owen not participating.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondent named in the caption hereof, and the respondent having been furnished thereafter with a copy of a draft of complaint which the Cleveland Regional Office proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent with violation of the Federal Trade Commission Act; and

The respondent, its attorney, and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent 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 respondent 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 respondent has violated the said Act, 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 sixty (60) days, now in further conformity with the procedure prescribed in Section 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Hern Oldsmobile-GMC Truck, Inc., 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 424 Broadway Avenue, Bedford, Ohio.

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

I.

It is ordered, That, for purposes of this order, the following definitions apply:

A. "*Hern Oldsmobile*" means Hern Oldsmobile-GMC Truck, Inc., as well as its officers, directors, employees, agents, subsidiaries, divisions, successors and assigns.

B. "*Dealer*" means any person, corporation, partnership, association, joint venture, trust, or any other organization or entity, but not governmental entities, that receives on consignment or purchases motor vehicles for sale or lease to the public, and any director, officer, employee, representative or agent of any such entity.

C. "*Other dealer*" means any dealer not affiliated by total or partial [ten (10) percent or more] common ownership with Hern Oldsmobile-GMC Truck, Inc.

D. "*Dealer association*" means any group, organization or entity, whether incorporated or unincorporated, composed of dealers and existing for their mutual benefit.

E. "*Metropolitan Cleveland area*" means the Cleveland, Ohio metropolitan area, comprising Cuyahoga County, Geauga County, Lake County and Medina County, in the State of Ohio.

II.

It is further ordered, That Hern Oldsmobile, directly or indirectly, or through any corporate or other device, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, as amended, cease and desist from:

A. Entering into, organizing, encouraging, carrying out, continuing or enforcing any agreement or understanding, either express or

implied, with any other dealer or with any dealer association which has the purpose or effect of:

1. Restricting, regulating or impeding the advertising or publishing by any dealer of any price, term or condition of sale or lease of any motor vehicle.

2. Coercing, influencing, encouraging or persuading any dealer or dealer association to maintain, adopt or adhere to any policy or practice that restricts, regulates or impedes the advertising or publishing by any dealer of any price, term or condition of sale or lease of any motor vehicle.

3. Coercing, influencing, encouraging or persuading any dealer or dealer association to change its advertised or published prices.

B. For a period of five (5) years after the date this order becomes final, communicating with any Oldsmobile dealer in the metropolitan Cleveland area any information concerning any intention or decision of Hern Oldsmobile relating to the advertising or publishing of prices of motor vehicles or the effectiveness, advisability, or desirability of advertising or publishing prices of motor vehicles, except to the extent that such action is necessary for the purpose of engaging in joint advertising.

III.

It is further ordered, That nothing contained in Paragraph II above shall be construed to prohibit Hern Oldsmobile from participating in the formulation, adoption, dissemination and enforcement by a dealer association of lawful guidelines concerning advertisements that the dealer association reasonably believes would be false or deceptive within the meaning of Section 5 of the Federal Trade Commission Act.

IV.

It is further ordered, That respondent shall:

A. File with the Commission within sixty (60) days after this order becomes final and annually on the anniversary date of the original report for each of the three (3) years thereafter, a report, in writing, signed by the respondent, setting forth in detail the manner and form in which it has complied and is complying with this order; and

B. Notify the Commission at least thirty (30) days prior to any proposed change in 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 respondent that may affect compliance obligations arising out of this order.

Commissioner Owen not participating.

IN THE MATTER OF
RELIABLE OLDSMOBILE, INC.

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

Docket C-3278. Complaint, Jan. 8, 1990—Decision, Jan. 8, 1990

This consent order prohibits, among other things, the Ohio Oldsmobile dealer from entering into or enforcing any agreement restricting the advertising of prices, terms or conditions of sale or lease of any motor vehicle.

Appearances

For the Commission: *Brenda W. Doubrava and Mark Kindt.*

For the respondent: *Joseph W. Diemert, Jr., Joseph W. Diemert & Associates, Cleveland, OH.*

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 Cleveland Oldsmobile Connection; Dowd Oldsmobile, Inc.; Earl Oldsmobile, Inc.; Fred Stecker Oldsmobile, Inc.; Ganley Oldsmobile, Inc.; Gene Norris Oldsmobile-GMC, Inc.; Hern Oldsmobile-GMC Truck, Inc.; Reliable Oldsmobile, Inc.; and Zalud Oldsmobile, Inc., sometimes 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. Each of the parties described below is hereby named as a respondent herein:

A. Cleveland Oldsmobile Connection is an unincorporated association composed entirely of Oldsmobile dealers and existing for their mutual benefit with its office and principal place of business located at 424 Broadway Avenue, Bedford, Ohio.

B. Dowd Oldsmobile, Inc. ("Dowd") 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 2958 Mayfield Road, Cleveland Heights, Ohio.

C. Earl Oldsmobile, Inc. ("Earl") 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 11300 Brookpark Road, Brooklyn, Ohio.

D. Fred Stecker Oldsmobile, Inc. ("Stecker") 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 25200 Euclid Avenue, Euclid, Ohio.

E. Ganley Oldsmobile, Inc. ("Ganley") 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 13123 Detroit Avenue, Lakewood, Ohio.

F. Gene Norris Oldsmobile-GMC, Inc. ("Norris") 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 18170 Bagley Road, Middleburg Heights, Ohio.

G. Hern Oldsmobile-GMC Truck, Inc. ("Hern") 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 424 Broadway Avenue, Bedford, Ohio.

H. Reliable Oldsmobile, Inc. ("Reliable") 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 6200 Brecksville Road, Independence, Ohio.

I. Zalud Oldsmobile, Inc. ("Zalud") 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 3558 Lee Road, Shaker Heights, Ohio.

PAR. 2. Respondents, other than respondent Cleveland Oldsmobile Connection, are and have been dealers engaged in the business of selling Oldsmobiles at retail from their places of business in the metropolitan Cleveland area, comprising Cuyahoga County, Geauga County, Lake County and Medina County in the State of Ohio. In the course and conduct of their business, and at all times relevant to this complaint, respondent dealers have been in competition with each other in the sale of Oldsmobiles, except to the extent that competition has been restrained by the acts and practices alleged in this complaint.

PAR. 3. Respondent Cleveland Oldsmobile Connection is organized

and exists, in part, to engage in joint advertising and promotion on behalf of its members. Through these activities, among others, respondent Cleveland Oldsmobile Connection provides valuable benefits to its members. Respondent Cleveland Oldsmobile Connection is, and has been at all times relevant to this complaint, a corporation organized for the profit of its members within the meaning of Section 4 of the Federal Trade Commission Act, as amended, 15 U.S.C. 44.

PAR. 4. In the conduct of their business, and at all times relevant hereto, respondents have engaged in activities that are in or affect "commerce," as commerce is defined in the Federal Trade Commission Act.

PAR. 5. Respondent dealers are members of respondent Cleveland Oldsmobile Connection, formerly called North Coast Nine. Each respondent dealer has been a member of respondent Cleveland Oldsmobile Connection from at least as early as 1980. For most of the period 1980-1985, respondent dealers were the only members of respondent Cleveland Oldsmobile Connection. Through their membership, respondent dealers control and have controlled the activities of respondent Cleveland Oldsmobile Connection.

PAR. 6. Respondent Cleveland Oldsmobile Connection has organized and implemented a conspiracy among its members named as respondents herein to refrain from advertising the prices of new, current model year Oldsmobiles. From as early as 1980, and continuing until at least May 1985, respondent dealers were members of respondent Cleveland Oldsmobile Connection and placed few such advertisements. Lloyd Barker Oldsmobile-Chrysler-Jeep-Eagle, Inc., an Oldsmobile dealer no longer doing business and not named as a respondent herein, became a member of Cleveland Oldsmobile Connection in 1984. Lloyd Barker Oldsmobile-Chrysler-Jeep-Eagle, Inc., discontinued advertising prices of new, current model year Oldsmobiles as soon as it joined respondent Cleveland Oldsmobile Connection. During the same period, dealers selling automobiles other than Oldsmobiles in the metropolitan Cleveland area frequently advertised the prices of new, current model year automobiles. On various occasions, representatives of the Oldsmobile Division of General Motors Corporation encouraged all or most respondent dealers to include the prices of new, current model year Oldsmobiles in their advertisements.

PAR. 7. The conspiracy and the acts and practices alleged herein have unreasonably restrained competition among dealers in the sale of

Oldsmobiles in the metropolitan Cleveland area and injured consumers by, among other things:

A. Depriving consumers of truthful information concerning the prices of new, current model year Oldsmobiles offered for sale; and

B. Restricting price competition in the sale of new, current model year Oldsmobiles.

PAR. 8. The conspiracy and the acts and practices described above constitute unfair methods of competition in or affecting commerce in violation of Section 5 of the Federal Trade Commission Act. The acts and practices of respondents, as alleged herein, are continuing and are likely to continue or recur in the absence of the relief herein requested.

Commissioner Owen not participating.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondent named in the caption hereof, and the respondent having been furnished thereafter with a copy of a draft of complaint which the Cleveland Regional Office proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent with violation of the Federal Trade Commission Act; and

The respondent, its attorney, and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent 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 respondent 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 respondent has violated the said Act, 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 sixty (60) days, now in further conformity with the procedure prescribed in Section 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Reliable Oldsmobile, Inc., 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 6200 Brecksville Road, Independence, Ohio.

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

I.

It is ordered, That, for purposes of this order, the following definitions apply:

A. "*Reliable Oldsmobile*" means Reliable Oldsmobile, Inc., as well as its officers, directors, employees, agents, subsidiaries, divisions, successors and assigns.

B. "*Dealer*" means any person, corporation, partnership, association, joint venture, trust, or any other organization or entity, but not governmental entities, that receives on consignment or purchases motor vehicles for sale or lease to the public, and any director, officer, employee, representative or agent of any such entity.

C. "*Other dealer*" means any dealer not affiliated by total or partial [ten (10) percent or more] common ownership with Reliable Oldsmobile, Inc.

D. "*Dealer association*" means any group, organization or entity, whether incorporated or unincorporated, composed of dealers and existing for their mutual benefit.

E. "*Metropolitan Cleveland area*" means the Cleveland, Ohio metropolitan area, comprising Cuyahoga County, Geauga County, Lake County and Medina County, in the State of Ohio.

II.

It is further ordered, That Reliable Oldsmobile, directly or indirectly, or through any corporate or other device, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, as amended, cease and desist from:

A. Entering into, organizing, encouraging, carrying out, continuing or enforcing any agreement or understanding, either express or

implied, with any other dealer or with any dealer association which has the purpose or effect of:

1. Restricting, regulating or impeding the advertising or publishing by any dealer of any price, term or condition of sale or lease of any motor vehicle.

2. Coercing, influencing, encouraging or persuading any dealer or dealer association to maintain, adopt or adhere to any policy or practice that restricts, regulates or impedes the advertising or publishing by any dealer of any price, term or condition of sale or lease of any motor vehicle.

3. Coercing, influencing, encouraging or persuading any dealer or dealer association to change its advertised or published prices.

B. For a period of five (5) years after the date this order becomes final, communicating with any Oldsmobile dealer in the metropolitan Cleveland area any information concerning any intention or decision of Reliable Oldsmobile relating to the advertising or publishing of prices of motor vehicles or the effectiveness, advisability, or desirability of advertising or publishing prices of motor vehicles, except to the extent that such action is necessary for the purpose of engaging in joint advertising.

III.

It is further ordered, That nothing contained in Paragraph II above shall be construed to prohibit Reliable Oldsmobile from participating in the formulation, adoption, dissemination and enforcement by a dealer association of lawful guidelines concerning advertisements that the dealer association reasonably believes would be false or deceptive within the meaning of Section 5 of the Federal Trade Commission Act.

IV.

It is further ordered, That respondent shall:

A. File with the Commission within sixty (60) days after this order becomes final and annually on the anniversary date of the original report for each of the three (3) years thereafter, a report, in writing, signed by the respondent, setting forth in detail the manner and form in which it has complied and is complying with this order; and

B. Notify the Commission at least thirty (30) days prior to any proposed change in 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 respondent that may affect compliance obligations arising out of this order.

Commissioner Owen not participating.

IN THE MATTER OF

ZALUD OLDSMOBILE, INC.

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

Docket C-3279. Complaint, Jan. 8, 1990—Decision, Jan. 8, 1990

This consent order prohibits, among other things, the Ohio Oldsmobile dealer from entering into or enforcing any agreement restricting the advertising of prices, terms or conditions of sale or lease of any motor vehicle.

Appearances

For the Commission: *Brenda W. Doubrava* and *Mark Kindt*.

For the respondent: *Thomas J. Collin, Thompson, Hine & Flory*,
Cleveland, OH.

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 Cleveland Oldsmobile Connection; Dowd Oldsmobile, Inc.; Earl Oldsmobile, Inc.; Fred Stecker Oldsmobile, Inc.; Ganley Oldsmobile, Inc.; Gene Norris Oldsmobile-GMC, Inc.; Hern Oldsmobile-GMC Truck, Inc.; Reliable Oldsmobile, Inc.; and Zalud Oldsmobile, Inc., sometimes 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. Each of the parties described below is hereby named as a respondent herein:

A. Cleveland Oldsmobile Connection is an unincorporated association composed entirely of Oldsmobile dealers and existing for their mutual benefit with its office and principal place of business located at 424 Broadway Avenue, Bedford, Ohio.

B. Dowd Oldsmobile, Inc. ("Dowd") 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 2958 Mayfield Road, Cleveland Heights, Ohio.

C. Earl Oldsmobile, Inc. ("Earl") 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 11300 Brookpark Road, Brooklyn, Ohio.

D. Fred Stecker Oldsmobile, Inc. ("Stecker") 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 25200 Euclid Avenue, Euclid, Ohio.

E. Ganley Oldsmobile, Inc. ("Ganley") 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 13123 Detroit Avenue, Lakewood, Ohio.

F. Gene Norris Oldsmobile-GMC, Inc. ("Norris") 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 18170 Bagley Road, Middleburg Heights, Ohio.

G. Hern Oldsmobile-GMC Truck, Inc. ("Hern") 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 424 Broadway Avenue, Bedford, Ohio.

H. Reliable Oldsmobile, Inc. ("Reliable") 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 6200 Brecksville Road, Independence, Ohio.

I. Zalud Oldsmobile, Inc. ("Zalud") 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 3558 Lee Road, Shaker Heights, Ohio.

PAR. 2. Respondents, other than respondent Cleveland Oldsmobile Connection, are and have been dealers engaged in the business of selling Oldsmobiles at retail from their places of business in the metropolitan Cleveland area, comprising Cuyahoga County, Geauga County, Lake County and Medina County in the State of Ohio. In the course and conduct of their business, and at all times relevant to this complaint, respondent dealers have been in competition with each other in the sale of Oldsmobiles, except to the extent that competition has been restrained by the acts and practices alleged in this complaint.

PAR. 3. Respondent Cleveland Oldsmobile Connection is organized

and exists, in part, to engage in joint advertising and promotion on behalf of its members. Through these activities, among others, respondent Cleveland Oldsmobile Connection provides valuable benefits to its members. Respondent Cleveland Oldsmobile Connection is, and has been at all times relevant to this complaint, a corporation organized for the profit of its members within the meaning of Section 4 of the Federal Trade Commission Act, as amended, 15 U.S.C. 44.

PAR. 4. In the conduct of their business, and at all times relevant hereto, respondents have engaged in activities that are in or affect "commerce," as commerce is defined in the Federal Trade Commission Act.

PAR. 5. Respondent dealers are members of respondent Cleveland Oldsmobile Connection, formerly called North Coast Nine. Each respondent dealer has been a member of respondent Cleveland Oldsmobile Connection from at least as early as 1980. For most of the period 1980-1985, respondent dealers were the only members of respondent Cleveland Oldsmobile Connection. Through their membership, respondent dealers control and have controlled the activities of respondent Cleveland Oldsmobile Connection.

PAR. 6. Respondent Cleveland Oldsmobile Connection has organized and implemented a conspiracy among its members named as respondents herein to refrain from advertising the prices of new, current model year Oldsmobiles. From as early as 1980, and continuing until at least May 1985, respondent dealers were members of respondent Cleveland Oldsmobile Connection and placed few such advertisements. Lloyd Barker Oldsmobile-Chrysler-Jeep-Eagle, Inc., an Oldsmobile dealer no longer doing business and not named as a respondent herein, became a member of Cleveland Oldsmobile Connection in 1984. Lloyd Barker Oldsmobile-Chrysler-Jeep-Eagle, Inc., discontinued advertising prices of new, current model year Oldsmobiles as soon as it joined respondent Cleveland Oldsmobile Connection. During the same period, dealers selling automobiles other than Oldsmobiles in the metropolitan Cleveland area frequently advertised the prices of new, current model year automobiles. On various occasions, representatives of the Oldsmobile Division of General Motors Corporation encouraged all or most respondent dealers to include the prices of new, current model year Oldsmobiles in their advertisements.

PAR. 7. The conspiracy and the acts and practices alleged herein have unreasonably restrained competition among dealers in the sale of

Oldsmobiles in the metropolitan Cleveland area and injured consumers by, among other things:

A. Depriving consumers of truthful information concerning the prices of new, current model year Oldsmobiles offered for sale; and

B. Restricting price competition in the sale of new, current model year Oldsmobiles.

PAR. 8. The conspiracy and the acts and practices described above constitute unfair methods of competition in or affecting commerce in violation of Section 5 of the Federal Trade Commission Act. The acts and practices of respondents, as alleged herein, are continuing and are likely to continue or recur in the absence of the relief herein requested.

Commissioner Owen not participating.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondent named in the caption hereof, and the respondent having been furnished thereafter with a copy of a draft of complaint which the Cleveland Regional Office proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent with violation of the Federal Trade Commission Act; and

The respondent, its attorney, and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent 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 respondent 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 respondent has violated the said Act, 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 sixty (60) days, now in further conformity with the procedure prescribed in Section 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Zalud Oldsmobile, Inc., 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 3558 Lee Road, Shaker Heights, Ohio.

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

I.

It is ordered, That, for purposes of this order, the following definitions apply:

A. "*Zalud Oldsmobile*" means Zalud Oldsmobile, Inc., as well as its officers, directors, employees, agents, subsidiaries, divisions, successors and assigns.

B. "*Dealer*" means any person, corporation, partnership, association, joint venture, trust, or any other organization or entity, but not governmental entities, that receives on consignment or purchases motor vehicles for sale or lease to the public, and any director, officer, employee, representative or agent of any such entity.

C. "*Other dealer*" means any dealer not affiliated by total or partial [ten (10) percent or more] common ownership with Zalud Oldsmobile, Inc.

D. "*Dealer association*" means any group, organization or entity, whether incorporated or unincorporated, composed of dealers and existing for their mutual benefit.

E. "*Metropolitan Cleveland area*" means the Cleveland, Ohio metropolitan area, comprising Cuyahoga County, Geauga County, Lake County and Medina County, in the State of Ohio.

II.

It is further ordered, That Zalud Oldsmobile, directly or indirectly, or through any corporate or other device, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, as amended, cease and desist from:

A. Entering into, organizing, encouraging, carrying out, continuing or enforcing any agreement or understanding, either express or

implied, with any other dealer or with any dealer association which has the purpose or effect of:

1. Restricting, regulating or impeding the advertising or publishing by any dealer of any price, term or condition of sale or lease of any motor vehicle.

2. Coercing, influencing, encouraging or persuading any dealer or dealer association to maintain, adopt or adhere to any policy or practice that restricts, regulates or impedes the advertising or publishing by any dealer of any price, term or condition of sale or lease of any motor vehicle.

3. Coercing, influencing, encouraging or persuading any dealer or dealer association to change its advertised or published prices.

B. For a period of five (5) years after the date this order becomes final, communicating with any Oldsmobile dealer in the metropolitan Cleveland area any information concerning any intention or decision of Zalud Oldsmobile relating to the advertising or publishing of prices of motor vehicles or the effectiveness, advisability, or desirability of advertising or publishing prices of motor vehicles, except to the extent that such action is necessary for the purpose of engaging in joint advertising.

III.

It is further ordered, That nothing contained in Paragraph II above shall be construed to prohibit Zalud Oldsmobile from participating in the formulation, adoption, dissemination and enforcement by a dealer association of lawful guidelines concerning advertisements that the dealer association reasonably believes would be false or deceptive within the meaning of Section 5 of the Federal Trade Commission Act.

IV.

It is further ordered, That respondent shall:

A. File with the Commission within sixty (60) days after this order becomes final and annually on the anniversary date of the original report for each of the three (3) years thereafter, a report, in writing, signed by the respondent, setting forth in detail the manner and form in which it has complied and is complying with this order; and

B. Notify the Commission at least thirty (30) days prior to any proposed change in 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 respondent that may affect compliance obligations arising out of this order.

Commissioner Owen not participating.

IN THE MATTER OF
BLACK & DECKER (U.S.) INC.

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

Docket C-3280. Complaint, Jan. 10, 1990—Decision, Jan. 10, 1990

This consent order prohibits, among other things, the Towson, Md. based manufacturer of small appliances from representing that any consumer product is endorsed by a person, group or organization that is an expert, unless the endorser has the expertise that is represented and the endorsement is supported by a valid evaluation or test.

Appearances

For the Commission: *Joel Winston and Lesley Anne Fair.*

For the respondent: *David Seidl, Miles & Stockbridge, Baltimore, MD.*

COMPLAINT

The Federal Trade Commission, having reason to believe that Black & Decker (U.S.) Inc., a corporation (hereinafter "Black & Decker" or "respondent"), has violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, alleges:

PARAGRAPH 1. Black & Decker (U.S.) Inc. is a Maryland corporation, with its offices and principal place of business located at 701 East Joppa Road, Towson, Maryland.

PAR. 2. Black & Decker manufactures, advertises, offers for sale, sells, and distributes the Black & Decker Automatic Shut-Off iron.

PAR. 3. The acts and practices of respondent alleged in this complaint have been in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. Black & Decker has disseminated or caused to be disseminated advertisements and promotional materials for the Black & Decker Automatic Shut-Off iron. Typical of respondent's advertisements and promotional materials for the Black & Decker Automatic

Shut-Off iron, but not necessarily all-inclusive thereof, are the advertisements and promotional materials attached hereto as Exhibits A and B. The aforesaid advertisements and promotional materials contain the following statements and depictions:

- (a) "Black & Decker, Exclusively Endorsed By National Fire Safety Council, Inc." (depicting the seal of the National Fire Safety Council, Inc.) (Exhibit A)
- (b) "All irons should come with this seal. Only one does." (Exhibit A)
- (c) "So buy the only iron endorsed by the National Fire Safety Council. And get the features that not only make ironing simpler, but give you peace of mind as well." (Exhibit A)
- (d) "Only one iron has the exclusive endorsement of the National Fire Safety Council. The Black & Decker Automatic Shut-Off Iron." (Exhibit B)

PAR. 5. Through the use of the statements and depictions referred to in paragraph four above and others in advertisements and promotional materials not specifically set forth herein, respondent has represented, directly or by implication, that the National Fire Safety Council, Inc. is an organization with expertise in the evaluation and testing of appliance fire safety and has conferred its exclusive endorsement on the Black & Decker Automatic Shut-Off iron on the basis of an independent, objective and valid evaluation or test using procedures generally accepted in the field of appliance fire safety to yield accurate and reliable results.

PAR. 6. In truth and in fact, the National Fire Safety Council, Inc. is not an organization with expertise in the evaluation and testing of appliance fire safety and has not conferred its exclusive endorsement on the Black & Decker Automatic Shut-Off iron on the basis of an independent, objective, and valid evaluation or test using procedures generally accepted in the field of appliance fire safety to yield accurate and reliable results. Therefore, the representations as set forth in paragraph five were, and are, false and misleading.

PAR. 7. The acts and practices of respondent as alleged in this complaint constitute unfair or deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act.

Commissioner Owen not participating.

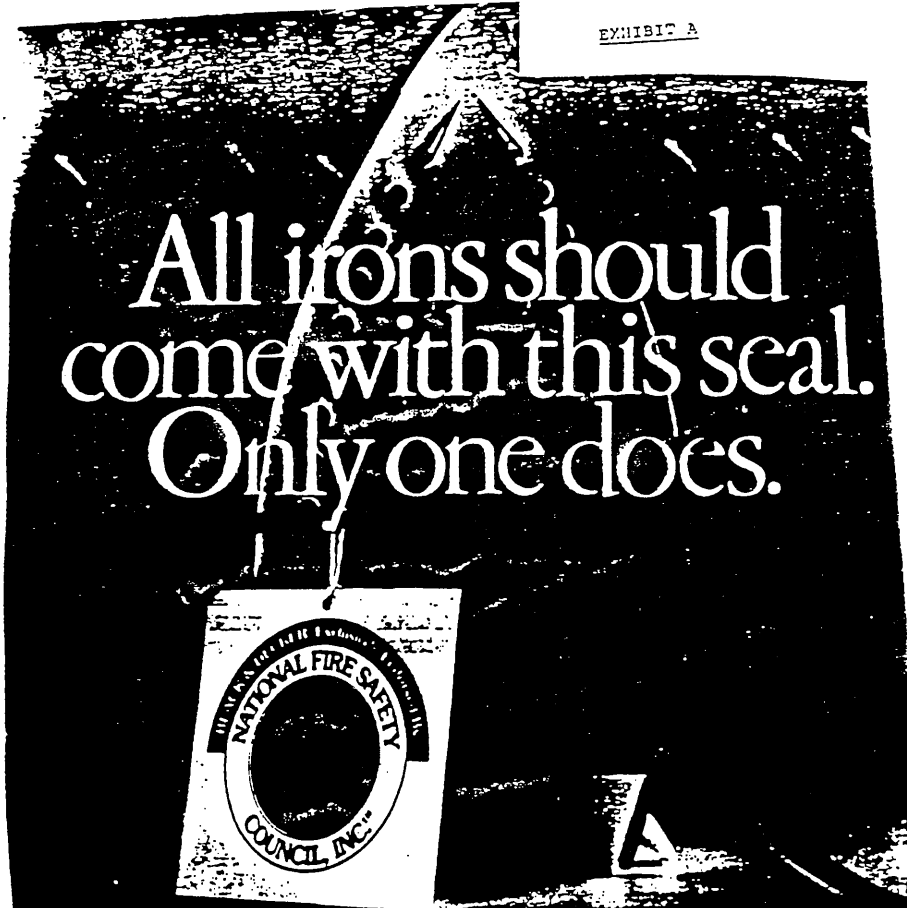


EXHIBIT A

All irons should
 come with this seal.
 Only one does.

Only the Black & Decker Automatic Shut-Off™ iron shuts off and stays off.

Other automatic shut-off irons can reheat if knocked over. But not the Black & Decker Automatic Shut-Off™ iron. It beeps to warn you it's been left on, then shuts itself off. And stays off, even if knocked over.

So buy the only iron endorsed by the National Fire Safety Council. And get the features that not only make ironing simpler, but give you peace of mind as well.

BLACK & DECKER
 IDEAS AT WORK™



EXHIBIT B

Radio TV Reports

41 East 42nd Street New York, N.Y. 10017

PRODUCT	BLACK & DECKER AUTOMATIC SHUTOFF IRON	STATION	WABC-TV
PROGRAM	STATION BREAK	DATE	12-22-77
	1235-77	TIME	11:30pm



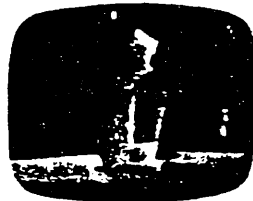
1. (MUSIC) (SFX-FIRE ALARM)



2. (MUSIC) (SFX-FIRE ALARM)



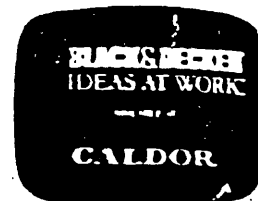
3. ANCR: Only one iron has the exclusive endorsement of the National Fire Safe Council!



4. the Black & Decker Automatic Shutoff Iron.



5. Black & Decker,



6. Ideas at work... (MUSIC OUT)

EXHIBIT B

ALSO AVAILABLE IN COLOR VIDEO-TAPE CASSETTE

While Radio TV Reports, Inc. endeavors to ensure the accuracy of material supplied by R. H. Calder, no responsibility is assumed for errors or omissions. Material supplied by Radio TV Reports, Inc. may be used for promotional purposes.

DECISION AND ORDER

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

The respondent and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent of all the jurisdictional facts set forth in the aforesaid draft of the complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by the respondent that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission Rules; and

The Commission having thereafter considered the matter and having determined that it has reason to believe that the respondent has violated said Act, 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 sixty (60) days, now in further conformity with the procedure prescribed in Section 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings and enters the following order:

1. Respondent Black & Decker (U.S.) Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Maryland, with its office and principal place of business located at 701 East Joppa Road, Towson, Maryland.

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

For the purposes of this order, "*consumer product*" shall mean any product advertised, offered for sale, sold, or distributed to consumers for their personal or household use, and not for commercial or industrial use.

I.

It is ordered, That respondent Black & Decker (U.S.) Inc., a corporation; its successors and assigns; and its officers, representatives, agents and employees; directly or through any corporation, subsidiary, division or other device, in connection with the advertising, offering for sale, sale or distribution of any consumer product sold under the "Black & Decker" trademark, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, directly or by implication, that such product has been endorsed by a person, group or organization that is an expert with respect to the endorsement message unless:

A. The endorser's qualifications give it the expertise that the endorser is represented as possessing with respect to the endorsement; and

B. The endorsement is supported by an objective and valid evaluation or test using procedures generally accepted by experts in that science or profession to yield accurate and reliable results.

II.

It is further ordered, That for three (3) years from the date that the representations to which they pertain are last disseminated, respondent shall maintain and upon request make available to the Federal Trade Commission or its staff for inspection and copying:

A. All materials relied upon to substantiate any claim or representation covered by this order; and

B. All test reports, studies, surveys or other materials in its possession or control or of which it has knowledge that contradict, qualify or call into question such representation or the basis upon which respondent relied for such representation, including complaints from consumers.

III.

It is further ordered, That respondent shall forthwith distribute a copy of this order to each of its operating divisions and to each of its officers, agents, representatives or employees engaged in the prepara-

tion and placement of advertisements or other such sales materials covered by this order.

IV.

It is further ordered, That respondent shall notify the Commission at least thirty (30) days prior to any proposed change in the corporation such as a dissolution, assignment or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries or any other change in the corporation which may affect compliance obligations under this order.

V.

It is further ordered, That respondent shall, within sixty (60) days after service of this order upon it, and at such other times as the Commission may require, file with the Commission a report, in writing, setting forth in detail the manner and form in which it has complied with this order.

Commissioner Owen not participating.

IN THE MATTER OF
OUTDOOR WORLD CORPORATION

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

Docket 9229. Complaint, July 17, 1989—Decision, Jan. 10, 1990

This consent order prohibits, among other things, a membership campground promoter, based in Bushkill, Pa., from misrepresenting in promotional mailings that named consumers have won specified prizes when the consumers had not won the specified prizes. Also, the consent order requires respondent to retain accurate records, for three years, of advertising and promotional materials concerning prizes and gifts awarded.

Appearances

For the Commission: *Lawrence M. Hodapp* and *Eileen Harrington*.

For the respondent: *Alan Schlaifer*, Washington, D.C.

COMPLAINT

The Federal Trade Commission, having reason to believe that Outdoor World Corporation, a corporation ("respondent"), has violated certain provisions of the Federal Trade Commission Act, ("FTC Act"), 15 U.S.C. 41 *et seq.*, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, alleges:

PARAGRAPH 1. Outdoor World, Inc., is a Pennsylvania corporation with its principal office and place of business located at Route 209, Bushkill, Pennsylvania.

PAR. 2. (a) Since at least 1987, respondent has created and disseminated promotional mailings such as attached Exhibits 1-4 throughout the United States to promote the sale of resort memberships and other recreational or real property interests.

(b) Respondent's promotional mailings make numerous representations regarding prizes and gifts to be awarded to consumers who appear at the site at which resort memberships or other recreational or real property interests are sold.

PAR. 3. The acts and practices of respondent alleged in this complaint have been in or affecting commerce.

PAR. 4. In numerous instances, respondent has represented, directly or by implication, that a named consumer has won one or more specified prizes.

PAR. 5. In truth and in fact, the named consumer has not won the specified prizes. Therefore, the representations set forth in paragraph four were false and misleading.

PAR. 6. In numerous instances, respondent has represented, directly or by implication, that a consumer will receive one or more prizes for no cost.

PAR. 7. In truth and fact, consumers are unable to receive one or more prizes without paying additional costs. Therefore, the representations set forth in paragraph six were false and misleading.

PAR. 8. The acts and practices of respondent as alleged in this complaint constitute unfair and deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the FTC Act, 15 U.S.C. 45(a).

EXHIBIT 1

U.S. DEPARTMENT OF JUSTICE
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20540

Equity Services Group



Washington, D.C. 20007

RECEIVED MAY 04 1988

935-12

Mrs. Charles M. Keen
3200 Grove Avenue
Chester, Virginia 23831

AUDIT COMPLETED:
March 28, 1988

DETERMINATION:
Mrs. Keen has
not claimed awards

NUMBER OF CLAIMS: TWO (2)

MAXIMUM REDEMPTION VALUE: \$26,574.00 in awards to Mrs. Keen

TOP AWARD CONTINGENCY: Mrs. Keen will receive a 1988 BMW 2-Door Sedan, and a Mitsubishi 45" Color TV

INTENTION TO CLAIM AWARDS: No appointment necessary. Must claim awards prior to May 3, 1988. See NOTICE below.

Mrs. Keen, according to our records you were to receive an advertisement offering you the opportunity to receive two of four awards. These items included 1) 1988 BMW Car, 2) Mitsubishi Color TV, 3) Video Cassette Recorder, and 4) a set of Pierre Cardin Designer Luggage. After completion of our audit, we determined that you have not claimed your TWO (2) awards. Find attached a Certificate of Disbursement which entitles you to your TWO (2) awards. Contingent upon your award numbers, as a qualified respondent you will receive the BMW and the TV. Your opportunity to claim your awards ends on May 3, 1988.

NOTICE: For your convenience, Mrs. Keen, you have been assigned a computer selected award claim appointment time. This offer valid only April 8, 1988 through May 3, 1988. You must visit on any Monday or Friday at 1:00 PM. Closed Tuesdays, Wednesdays and Thursdays. There is no obligation to purchase anything whatsoever during your visit.

DETACH HERE

3-28-88

James R. [Signature]
Director

As a part of the administrative processing of this certificate, a copy of this award has been made available to the awarding company.

REGISTERED CERTIFICATE OF DISBURSEMENT NUMBER
935-12
VALUE OF ABOVE STATED AWARDS
\$26,574.00
AWARD CLAIM NUMBER
2631 AND 0037

MRS. KEEN OF CHESTER,
VIRGINIA WILL RECEIVE A NEW
BMW AUTOMOBILE, AND A NEW
MITSUBISHI 45 INCH WIDE
SCREEN COLOR TELEVISION
SYSTEM.

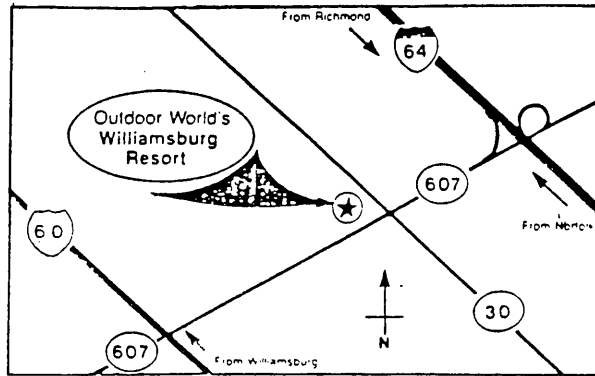
1

Equity Services Group
Washington, D.C. 20007

CERTIFICATE OF DISBURSEMENT

The information has been reviewed and found to be correct in accordance with the terms stated on the offer. An awarding company, and consumer, must accept the award within 90 days of the date of this certificate. The awarding company must be notified in writing if it is not accepted.

OUTDOOR WORLD'S Williamsburg Resort



Outdoor World's Williamsburg Resort, 4301 Rochambeau Drive, Williamsburg, Virginia

DRIVING INSTRUCTIONS TO OUTDOOR WORLD'S WILLIAMSBURG RESORT

From Richmond: Take I-64 East to Exit 54A (C/Oaker/Norje). Turn onto Rt. 607 South for 200 yards to Rt. 30 North. Take Rt. 30 North for 1/4 mile and look for the Outdoor World signs on left.
 From Norfolk/Hampton: Take I-64 West to Junction 607/30 North Exit. Turn onto Rt. 607 for 200 yards to Rt. 30 North. Take Rt. 30 North for 1/4 mile and look for the Outdoor World signs on the left.

EASY AWARD CLAIM RULES & ELIGIBILITY CONDITIONS

There is no obligation to purchase anything whatsoever. If you and/or your spouse are employed with a consistent source of income of at least \$22,000 per year and you are at least 23 years of age, then you are eligible to participate in this offer. Members, employees, and persons previously visiting on any promotional programs are ineligible to participate in this offer. You are entitled to take advantage of only one promotional program. This offer is non-transferable and two forms of identification will be required. This entire offer is valid only on the day of actual visit. Only one promotional offer per vehicle. We ask that you travel at your own expense and present this notification letter at our Award Center before the expiration date. This offer is void where prohibited by law. As a qualified respondent, you will receive two of the awards featured in this promotion. The exact awards which you are to receive in this Grand Finalist promotion will be determined by and contingent upon your assigned Award Claim Numbers from the Certificate of Disbursement. Upon your visit to the facility an authorized representative will match your two Award Claim Numbers with the Official Awards List which is available only at the Williamsburg facility indicated on the map included in this offer. In order to receive your awards, we ask that you visit the Williamsburg location indicated on the map, listen to a short introductory presentation, and take a courteous tour of the facilities. If married, we ask both husband and wife be present.

THIS IS PART OF A MARKETING AND ADVERTISING PROGRAM BEING CONDUCTED FOR SEVERAL SPONSORS, WHICH INCLUDES SEVERAL AMNERT ENTERPRISE COMPANIES. PRESENTATION OF PRIZE OPTIONS WILL VARY IN DIFFERENT VERSIONS OF THIS SWEEPSTAKES OFFER. HOWEVER, THEIR VALUE WILL BE APPROXIMATELY THE SAME. EQUITY SERVICES GROUP IS A TRADE NAME OF LEAD MARKETING INC. PO BOX 10342, MCLEAN, VA 22102 AND IS ADMINSTRATING THIS PROMOTIONAL PROGRAM ON THE BEHALF OF THE SPONSORS AND IS THE SOLE JUDGE FOR THE SAME. AWARD CLAIMS SUBJECT TO VERIFICATION AND VOID IF ILLEGIBLE, FORGED, ALTERED OR IRREGULAR IN ANY WAY. LIABILITY FOR MISPRINTED DATA IS LIMITED TO REPLACEMENT ONLY. DECISIONS OF JUDGES ARE FINAL. AWARDS ARE OFFERED IN CONSIDERATION FOR YOUR EXPENSE OF TIME AND TRAVEL IN VISITING THE RESORT. THIS IS A BONUS PROGRAM AND NOT A CONTEST. BECAUSE OF INVENTORY AND SECURITY REASONS, WE ISSUE REDEMPTION CERTIFICATES. SHIPPING, HANDLING, INSURANCE AND REDEMPTION FEES ARE NOT INCLUDED AND SHALL NOT EXCEED ONE HUNDRED TWENTY DOLLARS FOR THE VCR. FOR THE PURPOSES OF THIS OFFER, MAXIMUM REDEMPTION VALUE REFERS TO THE MAXIMUM VALUE OF THE TOP TWO AWARDS FEATURED IN THIS PROMOTION. THIS ENTIRE PROMOTION ENDS ON DECEMBER 31, 1988 AND ANY UNCLAIMED GIFTS WILL BE AWARDED ON OR BEFORE JANUARY 31, 1989 BY RANDOM DRAWING FROM AMONG THE PROGRAM ENTRANTS. AT PROMOTIONS END, A LIST OF MAJOR PRIZE RECIPIENTS WILL BE AVAILABLE BY SENDING A STAMPED SELF-ADDRESSED ENVELOPE TO WINNER'S LIST, DEPT. OW/AUDIT, PO BOX 10342, MCLEAN, VA 22102. MAJOR PRIZE RECIPIENTS CONSENT TO THE USE OF THEIR NAME AND OR LIKENESS FOR ADVERTISING PURPOSES WITH NO ADDITIONAL COMPENSATION. THE ORIGINAL MINIMUM PROBABILITY OF AWARDS AND THEIR STATED VALUE IN DOLLARS ARE: ITEM ONE, ONE IN ONE HUNDRED THOUSAND, VALUE TWENTY THREE THOUSAND; ITEM TWO, ONE IN ONE HUNDRED THOUSAND, VALUE THREE THOUSAND FIVE HUNDRED SEVENTY FOUR; ITEM THREE, ONE IN ONE, VALUE THREE HUNDRED NINETY NINE; ITEM FOUR, ONE IN ONE, VALUE ONE HUNDRED TWENTY FIVE. ALL RECIPIENTS ARE INVITED TO EXPLORE THE BENEFITS AND VALUE OF AN EXCLUSIVE MEMBERSHIP IN OUR RESORT WITH AMENITIES INCLUDING RECREATIONAL FACILITIES AND A PRIVATE CAMPGROUND. IN THE EVENT ONE OF THE ITEMS IS UNAVAILABLE, THE RESORT, AT IT'S OPTION, RESERVES THE RIGHT TO PROVIDE A RAJNCHECK OR SUBSTITUTE AN ITEM OF EQUAL OR GREATER VALUE.

Complaint

113 F.T.C.

EXHIBIT 2

LASER-GRAM		
FROM James T. Clarke Finalist Awards Div.	Registered Notice: 6355	DO NOT REPRODUCE
ORIGINAL DOCUMENT		

American Family Promotions, P.O. Box 529, Glen Echo, Maryland 20812

JULY 2, 1987

RATING
STATUS Top
PreapprovedMR: STEVE STILLMAN
251 GREEN ST
SHREWSBURY, MA 01545Ticket Nos. 005774862
005774863URGENT NOTIFICATION!

If you have received two Laser-Gram Award Claim Tickets entitling you to the top Grand Finalist Awards

**You are guaranteed to receive \$10,000.00 Cash,
plus a Mitsubishi 45 Inch Color TV**

simply by becoming a qualified respondent in our offer. Yes! You have been selected as a Grand Finalist. Our records indicate you have not responded to our previous award claim notifications. We are offering this final opportunity to claim a minimum of (2) awards stated in this offer.

****UNCLAIMED GRAND FINALIST AWARDS****

1. \$10,000.00 Cash!

2. Mitsubishi 45 Inch
Color TV!3. BX Home Movie
and Player/Recorder!

4. \$1,000.00 Cash!

Incredible, but true! These awards remain unclaimed, and we must give them away. According to our contest rules, all unclaimed awards must be distributed to previous recipients of our mail promotions. In case two or more people respond to claim the same award, duplicate awards will be distributed.

We have enclosed (2) Award Claim Tickets enabling you to receive (2) of the stated awards. When you are entitled to more than one award you will not receive two or more of the same award.

For security reasons, your exact (2) Grand Finalist Award(s) are printed in invisible ink on the Laser-Gram Award Claim Tickets. When you visit the resort indicated on the map on the back of this notification, an authorized representative will activate the invisible ink which will instantly reveal which of the stated awards you will receive.

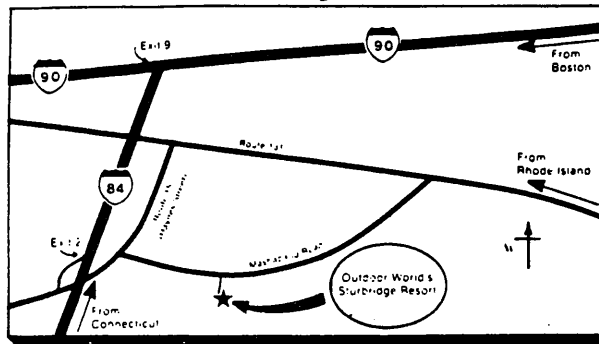
Act today! No appointment is necessary, your computer selected Award Claim Appointment Time is specified below. There is no obligation to purchase anything whatsoever during your visit.

NOTICE: AN AWARD CLAIM APPOINTMENT TIME HAS BEEN PRESELECTED FOR YOUR CONVENIENCE. TO CLAIM YOUR AWARD(S) ARRIVE AT 12:30 PM, ANY SATURDAY OR SUNDAY. THIS IS YOUR ONLY NOTICE AND THE ENTIRE OFFER EXPIRES ON JULY 28, 1987.

JTC

//

OUTDOOR WORLD'S Sturbridge Resort



Outdoor World's Sturbridge Resort, 19 Mashapaug Road, Sturbridge, Massachusetts

DRIVING INSTRUCTIONS TO OUTDOOR WORLD'S STURBRIDGE RESORT

From Metropolitan Boston: Take I-90 (Mass. Turnpike) to Exit 9. Take I-84 West to Exit 2. Turn left onto Rt. 15 (Haynes Street) and take the first right turn onto Mashapaug Road. Look for the Outdoor World sign on the right side.
 From Rhode Island: Take Rt. 44 West to Rt. 12. Take Rt. 12 to Rt. 131 West through Southbridge. Make a left turn onto Rt. 15 (Haynes Street) to Mashapaug Road. Make another left turn onto Mashapaug Road and look for the Outdoor World sign on the right.

AWARD CLAIM RULES AND ELIGIBILITY CONDITIONS

There is no obligation to purchase anything whatsoever during your visit to Outdoor World's Sturbridge Resort. If you and/or your spouse are employed with a consistent source of income of at least \$20,000 per year and you are at least 23 years of age, then you are eligible to participate in this offer. Sturbridge Resort members, employees, and persons previously visiting on any promotional programs of Sturbridge Resort are ineligible to participate in this offer. You are entitled to take advantage of only one Sturbridge Resort promotional program. This offer is non-transferable and proof of identification is required. This entire offer is valid only on the day of your actual visit. Only one promotional offer per vehicle. We ask that you travel at your own expense and present this notification letter at our Award Center before the expiration date. This offer is void where prohibited by law.

The exact award(s) you are to receive in this Grand Finalist Awards promotion is printed in invisible ink on the enclosed Award Claim Tickets. When you visit Sturbridge Resort, an authorized representative will activate the invisible ink revealing the item you are entitled to receive. By meeting the award claim qualifications, you will definitely receive at least one of the four awards listed on the front of this notification. Receiving more than one ticket, can qualify you to receive multiple awards. When you are entitled to receive multiple awards, you will receive two or more awards. You will not receive two of the same award. In order to receive your award(s), you must visit the Sturbridge Resort location on the above map. We ask that you listen to a short introductory presentation and take a courteous tour of the facilities. If married, both husband and wife must be present.

THIS IS PART OF A MARKETING AND ADVERTISING PROGRAM BEING CONDUCTED FOR SEVERAL SPONSORS WHICH INCLUDES OUTDOOR WORLD'S STURBRIDGE RESORT AND ENDS DECEMBER 31, 1987. AMERICAN FAMILY PROMOTIONS, P.O. BOX 529, GLEN ECHO, MD. 20812 IS ADMINISTRATING THIS PROMOTIONAL PROGRAM ON BEHALF OF THE SPONSORS AND IS THE SOLE JUDGE FOR THE SAME. AWARD CLAIMS SUBJECT TO VERIFICATION AND VOID IF ILLEGIBLE, UNAUTHORIZED, FORGED, ALTERED OR IRREGULAR IN ANY WAY. LIABILITY FOR MISPRINTED DATA OR DEFECTIVE PROMOTIONS IS LIMITED TO REPLACEMENT ONLY. DECISIONS OF JUDGE ARE FINAL. AWARDS ARE OFFERED IN CONSIDERATION FOR YOUR EXPENSE OF TIME AND TRAVEL IN VISITING THE RESORT. THIS IS A BONUS PROGRAM AND NOT A CONTEST. THIS PROMOTION IS NO WAY AFFILIATED OR OTHERWISE INTENDED TO BE ASSOCIATED IN ANY WAY WITH AMERICAN FAMILY PUBLISHERS OR ANY AGENT THEREOF. SOME RECIPIENTS SHALL RECEIVE A GAS BARBECUE (1:1,000,000) WITH A RETAIL VALUE OF EIGHTY NINE DOLLARS IN ADDITION TO ONE OR MORE OF THE AWARDS LISTED. AWARDS OF EQUAL OR GREATER VALUE MAY BE SUBSTITUTED SUBJECT TO THE AVAILABILITY FROM SUPPLIER OR MANUFACTURER. AT LEAST ONE OF EVERY AWARD WILL BE DISTRIBUTED. THE TOTAL NUMBER OF AWARDS TO BE DISTRIBUTED DEPENDS UPON THE TOTAL NUMBER OF PARTICIPANTS. THE MORE PARTICIPANTS, THE MORE AWARDS THAT WILL BE DISTRIBUTED. TAXES ARE THE RESPONSIBILITY OF THE RECIPIENT. AT PROMOTIONS END, A LIST OF MAJOR AWARD RECIPIENTS WILL BE AVAILABLE BY SENDING A STAMPED, SELF-ADDRESSED ENVELOPE TO: WINNER'S LIST, P.O. BOX 529, GLEN ECHO, MD. 20812. MAJOR AWARD RECIPIENTS CONSENT TO THE USE OF THEIR NAME AND/OR LIKENESS FOR ADVERTISING PURPOSES WITH NO ADDITIONAL COMPENSATION. THOSE RESPONDENTS WHO RECEIVE THE TELEVISION AND/OR THE HOME MOVIE PLAYER/RECORDER SHALL RECEIVE AN ENTITLEMENT CERTIFICATE ENTITLING THE BEARER TO SAID AWARDS(S). TAXES, SHIPPING, HANDLING FEES, AND CERTIFICATE PROCESSING AND REDEMPTION FEE SHALL BE ONE HUNDRED TWENTY FIVE DOLLARS FOR THE TELEVISION OR FORTY DOLLARS, NINETY-FIVE CENTS FOR THE HOME MOVIE PLAYER/RECORDER. SAID HOME MOVIE PLAYER/RECORDER SHALL BE REDEEMED AND FEE PAID BY CASHIER CHECK OR MONEY ORDER TO: OUTDOOR WORLD CORPORATION, P.O. BOX 447, BUSHKILL, PA. 18324. PLEASE ALLOW FOUR TO SIX WEEKS FOR DELIVERY. THIS ADVERTISEMENT IS BEING USED FOR THE PURPOSES OF SOLICITING CAMPGROUND MEMBERSHIP SALES. IN THE EVENT ONE OF THE ITEMS ARE UNAVAILABLE, OUTDOOR WORLD AT ITS OPTION, RESERVES THE RIGHT OF PROVIDING A RAINCHECK OR SUBSTITUTING AN ITEM OF EQUAL VALUE. THE ORIGINAL MINIMUM PROBABILITY OF AWARDS ARE: ITEM 1, 1:1,000,000, VALUE \$10,000; ITEM 2, 1:1,000,000, VALUE \$2,899; ITEM 3, 1:1,000,000, VALUE \$199; ITEM 4, 1:1,000,000, VALUE \$1,000.

REGISTERED
PATENT NO. 00577486.2

Award Claim Ticket

~~RECEIVED~~

Your Invisible Ink Award

You are a guaranteed award recipient when you purchase in the **SHADES PERMANENT** cosmetics distribution campaign. The amount award you will receive is printed in Invisible Ink on this Award Claim Ticket. When you visit the location indicated, an authorized representative will address the ink and you will be entitled to and shall receive the item stated.

REGISTERED
PATENT NO. 00577486.3

Award Claim Ticket

~~RECEIVED~~

Your Invisible Ink Award

You are a guaranteed award recipient when you purchase in the **SHADES PERMANENT** cosmetics distribution campaign. The amount award you will receive is printed in Invisible Ink on this Award Claim Ticket. When you visit the location indicated, an authorized representative will address the ink and you will be entitled to and shall receive the item stated.

HEREBY ACKNOWLEDGE THAT I HAVE RECEIVED THE AWARD PRINTED BELOW

AWARD

DATE _____ SIGNATURE _____

HEREBY ACKNOWLEDGE THAT I HAVE RECEIVED THE AWARD PRINTED BELOW

AWARD

RECIPIENT'S NAME _____ DATE _____ SIGNATURE _____

OUTDOOR WORLD CORPORATION
Complaint

70

Presorted
First Class Mail
First Class Paid
U.S. Postage VA
11111-20 793
Permit No. 1111

ENCLOSURE SIGNATURE
REQUIRED

17

AWARD NOTIFICATION

American Family Promotions


American Family Promotions
Post Office Box 529
Glen Echo, Maryland 20812

People really do WIN!
with
American Family!

TED MATERIAL

71

EXHIBIT 3



WESTERN EXPRESS

EXTREMELY URGENT

MERCHANDISE CLAIM CHECK

NUMBER 00021 78 41178

DISPATCH DATE	DISPATCH TIME	ORIGIN	TYPE OF SERVICE
JULY 2, 1988	10:08 AM	MONROE COUNTY, PA	EXPRESS DISPATCH

RECIPIENT CODE
951-26

TO RECIPIENT:
MRS. ALBERT BARNES

ADDRESS:
3810 P ST. N.W.
WASHINGTON, D.C. 20007

ORIGINATOR CODE
OPERATOR KZZ21

FROM ORIGINATOR:
PUBLISHER'S DIGEST

ADDRESS:
CLAIMS AWARD DIVISION
MONROE COUNTY, PA 18324

BILLING REFERENCE INFORMATION

PAYMENT: CASH BILL RECIPIENT
 BILL SHIPPER BILL MAJOR CREDIT CARD

CHECK DELIVERY REQUIRED

1. Hold For Claim

2. Deliver: Weekday

3. Deliver: Saturday

4. Restricted Article Service

5. Consignee Surveillance Service

6. Dry Ice _____ Lbs

7. Other Special Service

EXPIRATION DATE
JULY 26, 1988

MERCHANDISE ITEM CLAIM STATEMENT

MRS. BARNES COULD RECEIVE A 1988 LINCOLN MARK VII AND \$7,500.00, AS A PUBLISHER'S DIGEST SWEEPSTAKES WINNER, BUT ONLY IF SHE VISITS THE LOCAL CLAIM CENTER PRIOR TO JULY 26, 1988.

Merchandise Item Number	Merchandise Item Number
1277	0002
Description: SILVER/BLACK	Description: ENVELOPE ENCLOSURE
Maximum Acquisition Value: \$23,000.00	Maximum Acquisition Value: \$7,500.00

WESTERN EXPRESS OFFICE USE ONLY

Base Charges	
Declared Charges	
Origin Agent Charge	
State/Local Taxes	
Federal Taxes/Duties	
Other Charges	
Total Charges	

FIRST NOTICE **SECOND NOTICE** **LAST NOTICE**

WESTERN EXPRESS

N O T I C E

TO: MRS. BARNES, TWO PRIZE WINNER

FROM: MR. DAVID FAUTS, PUBLISHER'S DIGEST

SUBJECT: MERCHANDISE CLAIM CHECK #00621 78 41178

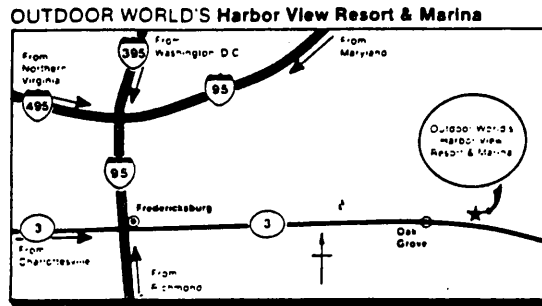
MRS. BARNES, THIS HEREBY SERVES AS YOUR LAST NOTICE TO CLAIM TWO STATED PRIZES. SINCE OUR PREVIOUS NOTICES TO YOU REMAINED UNANSWERED, WE MUST ASSUME YOU DO NOT WANT THE OPPORTUNITY TO CLAIM A 1988 LINCOLN MARK VII AND \$7,500.00. FAILURE TO CLAIM SAID ITEMS PRIOR TO JULY 26, 1988 WILL RESULT IN MANDATORY FORFEITURE OF SAID PRIZES.

OUR PREVIOUS NOTIFICATION ADVISED YOU THAT PRIZES REMAINED UNCLAIMED. THESE INCLUDED THE AUTOMOBILE, THE CASH, A REAR PROJECTION SCREEN COLOR TELEVISION, AND A DELUXE GAS FIRED BARBECUE. MR. CHARLES MCKAY OF SEVERN, MARYLAND, IS ONE OF THE LUCKY WINNERS OF THE TELEVISION, AND MRS. ALFRED FORPLAN OF STOUGHTON, MASSACHUSETTS, IS ONE OF THE LUCKY WINNERS OF THE BARBECUE. WE URGE YOU TO CLAIM YOUR TWO STATED PRIZES.

MRS. BARNES, YOU ARE NOT REQUIRED TO MAKE AN APPOINTMENT. FOR YOUR CONVENIENCE, A PRIZE CLAIM APPOINTMENT TIME HAS BEEN PRESELECTED FOR YOU. SEE THE NOTICE BELOW AS TO WHEN TO CLAIM YOUR PRIZES. YOUR OPPORTUNITY TO CLAIM YOUR REMAINING TWO PRIZES EXPIRES ON JULY 26, 1988.

NOTICE: MRS. BARNES, TO CLAIM YOUR TWO PRIZES, ARRIVE AT THE HARBOR VIEW LOCATION INDICATED ON THE MAP COPIED ON THE BACK OF THIS NOTICE ANY SATURDAY OR SUNDAY AT 3:30 PM BEFORE JULY 26, 1988.

Complaint



Outdoor World's Harbor View Resort & Marina, State Route 864, West Maryland County, Oak Grove, Virginia

DRIVING INSTRUCTIONS TO OUTDOOR WORLD'S HARBOR VIEW RESORT & MARINA

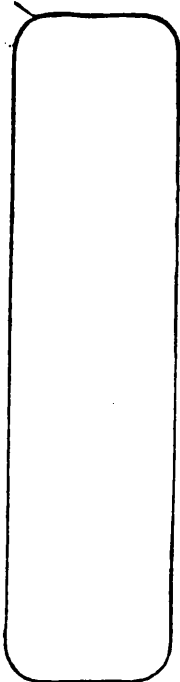
From Washington, D.C.: Take I-395/95 South to the second Fredericksburg, Va. Exit. Take Rt. 3 East through Fredericksburg and Oak Grove. Follow Outdoor World signs.
 From Maryland or No. Virginia: Take I-495/95 (Beltway) South following the Richmond signs. Take I-95 South to the second Fredericksburg Exit. Take Rt. 3 East through Fredericksburg and Oak Grove. Follow Outdoor World signs.

REDEMPTION RULES

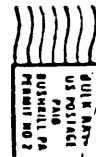
THERE IS NO OBLIGATION TO PURCHASE ANYTHING WHATSOEVER, IF YOU AND/OR YOUR SPOUSE ARE EMPLOYED OR RETIRED WITH A CONSISTENT SOURCE OF INCOME OF AT LEAST \$22,000 PER YEAR AND YOU ARE AT LEAST 23 YEARS OF AGE THEN YOU ARE ELIGIBLE TO PARTICIPATE IN THIS OFFER. IF MARRIED, BOTH HUSBAND AND WIFE MUST BE PRESENT. WE ASK THAT YOU TAKE A COURTEOUS, SCENIC TOUR OF OUR RESORT. MEMBERS, EMPLOYEES OR PERSONS PREVIOUSLY VISITING ON ANY OTHER PROMOTION ARE NOT ELIGIBLE TO PARTICIPATE IN THIS OFFER. YOU ARE ENTITLED TO TAKE ADVANTAGE OF ONLY ONE PROMOTIONAL PROGRAM. THIS OFFER IS NON-TRANSFERABLE AND PROOF OF IDENTIFICATION IS REQUIRED. THIS ENTIRE OFFER IS VALID ONLY ON THE DAY OF YOUR ACTUAL VISIT. ONLY ONE PROMOTIONAL OFFER PER AUTO, TRANSACTION OR FAMILY. THIS OFFER IS VOID WHERE PROHIBITED BY LAW. AWARDS ARE OFFERED IN CONSIDERATION FOR YOUR EXPENSE OF TIME AND TRAVEL IN VISITING THE RESORT. BECAUSE OF INVENTORY AND SECURITY REASONS, WE ISSUE REDEMPTION CERTIFICATES FOR SOME AWARDS. SHIPPING, HANDLING, INSURANCE, AND REDEMPTION FEES ARE NOT INCLUDED AND SHALL NOT EXCEED FORTY EIGHT DOLLARS FOR THE CASIO MODEL 300 REAR PROJECTION COLOR TELEVISION. THIS PROGRAM ENDS DECEMBER 31, 1988 AND ANY UNCLAIMED GIFTS WILL BE AWARDED ON OR BEFORE JANUARY 31, 1989 BY RANDOM DRAWING FROM AMONG THE PROGRAM ENTRANTS. THIS IS PART OF A MARKETING AND ADVERTISING PROGRAM BEING CONDUCTED FOR SEVERAL SPONSORS. PRESENTATION OF PRIZE OPTIONS WILL VARY IN DIFFERENT VERSIONS OF THIS SWEEPSTAKES OFFER, HOWEVER, THEIR VALUE WILL BE APPROXIMATELY THE SAME. THE EXACT PRIZES WHICH YOU ARE TO RECEIVE IN THE GRAND PROMOTION WILL BE DETERMINED BY YOUR ASSIGNED PRIZE CLAIM NUMBERS FEATURED ON THE FRONT OF THE MERCHANDISE CLAIM CHECK. UPON COMPLETION OF YOUR TOUR AN AUTHORIZED REPRESENTATIVE WILL MATCH YOUR TWO PRIZE CLAIM NUMBERS WITH THE OFFICIAL PRIZE LIST, DETERMINING YOUR EXACT AWARDS. AWARDS AND THE CHANCE OF RECEIVING AND THE RETAIL VALUE OF EACH ITEM ARE: LINCOLN CAR 1:100,000, \$23,000; \$7,500 1:100,000, \$7,500; CASIO MODEL 300 REAR PROJECTION COLOR TELEVISION, 99,999:100,000, \$199.99; GAS-FIRED BARBECUE, 99,999:100,000, \$99.99. BY MEETING THE PRIZE CLAIM QUALIFICATIONS, YOU WILL DEFINITELY RECEIVE AT LEAST TWO OF THE FOUR PRIZES LISTED ON THE FRONT OF THE NOTIFICATION. PRIZE CLAIMS SUBJECT TO VERIFICATION AND VOID IF ILLEGIBLE, UNAUTHORIZED, FORGED, ALTERED OR IRREGULAR IN ANY WAY. LIABILITY FOR MISPRINTED DATA IS LIMITED TO THE REPLACEMENT OF THE PROMOTIONAL SOLICITATION ONLY. WESTERN EXPRESS AND PUBLISHER'S DIGEST, CLAIMS AWARD DIVISION, ARE REGISTERED TRADENAMES OF A.L. DEFUSCO, P.O. BOX 25479, WASHINGTON, DC 20007. ALL RECIPIENTS ARE INVITED TO EXPLORE THE BENEFITS AND VALUE OF AN EXCLUSIVE MEMBERSHIP IN OUR RESORT WITH AMENITIES INCLUDING RECREATIONAL FACILITIES AND A PRIVATE CAMPGROUND. IN THE EVENT ONE OF THE ITEMS IS UNAVAILABLE, THE RESORT, AT ITS OPTION, RESERVES THE RIGHT TO PROVIDE A RAINCHECK OR SUBSTITUTE AN ITEM OF EQUAL OR GREATER VALUE.

**WESTLAW
EXPRESS**

**PLEASE OPEN
IMMEDIATELY**



EXTREMELY URGENT



RESTRICTED BUSINESS USE

\$2000.00 FINE OR FIVE YEARS IMPRISONMENT
or both for any person who interferes with or obstructs
delivery of this letter or otherwise violates § 18 United
States Code 1702 et seq.

SEE TIT. 18 SEC. 1708 U.S. CODE
Thrift of U.S. Mail is punishable by fines of up to
\$2000.00 or 5 years in prison or both.

Complaint

EXHIBIT 4

Mercury courier 189626964

RETURN NOTICE

Open #2221
 Publisher's Digest of America
 Claims Adjustment Division
 Monroe County, PA 18324

DECLARED CLAIM VALUE
 \$23,500.00

MERCURY COURIER OFFICE USE ONLY	
BASE CHARGES	
DECLARED CHARGES	
ORIGIN AGENT CHARGE	
STATE/LOCAL TAXES	
FEDERAL TAXES	
DUTIES	
OTHER CHARGES	
TOTAL CHARGES	

DATE SHIPPED	DATE ORDERED	SHIP VIA	ORIGIN (Location)
November 19, 1988	November 11, 1988	MERCURY	Washington, DC

DELIVERY INFORMATION		Claim Number	Max. Redemption Value	Claim Number	Max. Redemption Value
		205	\$23,000.00	735	\$7,500.00

MERCHANDISE CLAIM STATEMENT

Mrs. Patch could receive a 1988 Lincoln Mark VII and \$7,500.00, as a Publisher's Digest Winner, but only if she visits the local claim center prior to December 13, 1988.

EXPIRATION DATE
 December 13, 1988

Mrs. Robert J. Patch
 #106 Leland Street
 Chevy Chase, Maryland 20815

November 19, 1988

RE: Attached Return Notice
 CALL 1(800)233-4797

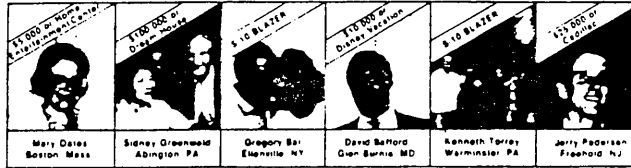
Dear Mrs. Patch;

This hereby serves as your last notice to claim two stated prizes. Since our previous notices to you remain unanswered, we must assume you do not want the opportunity to claim a 1988 Lincoln Mark VII and \$7,500.00. Failure to call 1(800)233-4797 within 72 hours of receipt of this notice to advise of your intent to claim your two stated prizes will result in the mandatory forfeiture of said prizes.

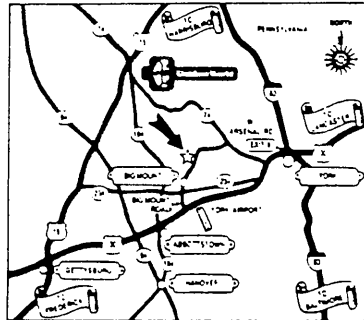
Our previous notification advised you that prizes remain unclaimed. These include the Automobile, the Cash, a Pierre Cardin 3-Piece Luggage Ensemble, and a Deluxe Gas Fired Barbecue Grill. Mr. Paul Barn of Woodside, New York is one of the lucky winners of the Luggage, and Mr. Ray Pontillo of New York is one of the lucky winners of the Barbecue. We urge you to claim your two stated prizes.

Call Toll-Free 1(800)233-4797 to advise of your intent to claim your prizes, and schedule an appointment to visit Wetzelsburg Resort. Our operators are on duty Monday through Friday from 8:00 AM to 10:00 PM, and 8:00 AM to 9:00 PM, Saturday and Sunday. Remember you have 72 hours to call.

YOU MAY BE OUR NEXT BIG WINNER!
PREVIOUS WINNERS



BUT YOU CAN'T WIN IF YOU DON'T RESPOND!



GETTYSBURG
TRAVEL DIRECTIONS
FROM BALTIMORE MARYLAND: Take I-83 north to Exit 9 West on Airport Road. Route 30 West to Bigmount Road 1 1/2 mile West of York Airport. Turn right on Bigmount Road and follow 6 miles to Outdoor World.
FROM WASHINGTON D.C.: Take I-270 to Frederick MD. 15 north to Route 30 East through Abbotstown then 5 1/2 miles to Bigmount Road. Turn left on Bigmount Road and follow six miles to Outdoor World.
FROM HARRISBURG: Take Route 15 South to Dillsburg then Route 74 South to Route 94 South to Abbotstown. Then left on Route 30 5 1/2 miles to Bigmount Road. Turn left on Bigmount Road and follow 6 miles to Outdoor World.
FROM CHAMBERSBURG: Take Route 30 East through Abbotstown then 5 1/2 miles to Bigmount Road. Turn left on Bigmount Road and follow 6 miles to Outdoor World.
FROM LANCASTER: Take Route 30 West to Bigmount Road 1 1/2 mile West of York Airport. Turn right on Bigmount Road and follow 6 miles to Outdoor World.

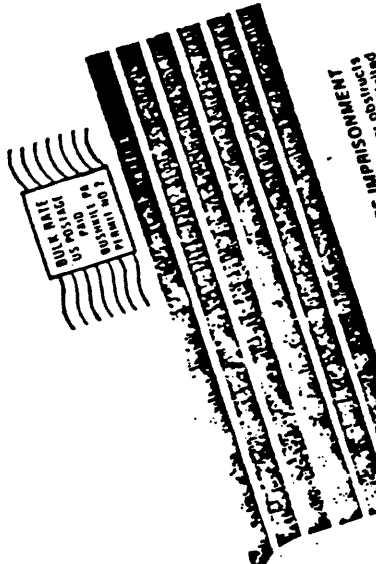
REDEMPTION RULES

THERE IS NO OBLIGATION TO PURCHASE ANYTHING WHATSOEVER, IF YOU AND/OR YOUR SPOUSE ARE EMPLOYED OR RETIRED WITH A CONSISTENT SOURCE OF INCOME OF AT LEAST \$22,000 PER YEAR AND YOU ARE AT LEAST 23 YEARS OF AGE THEN YOU ARE ELIGIBLE TO PARTICIPATE IN THIS OFFER. IF MARRIED, BOTH HUSBAND AND WIFE MUST BE PRESENT. WE ASK THAT YOU TAKE A COURTEOUS, SCENIC TOUR OF OUR RESORT. MEMBERS, EMPLOYEES OR PERSONS PREVIOUSLY VISITING ON ANY OTHER PROMOTION WITHIN THE PAST SIX MONTHS ARE NOT ELIGIBLE TO PARTICIPATE IN THIS OFFER. YOU ARE ENTITLED TO TAKE ADVANTAGE OF ONLY ONE PROMOTIONAL PROGRAM. THIS OFFER IS NON-TRANSFERABLE AND PROOF OF IDENTIFICATION IS REQUIRED. THIS ENTIRE OFFER IS VALID ONLY ON THE DAY OF YOUR ACTUAL VISIT. ONLY ONE PROMOTIONAL OFFER PER AUTO, TRANSACTION OR FAMILY. THIS OFFER IS VOID WHERE PROHIBITED BY LAW. AWARDS ARE OFFERED IN CONSIDERATION OF YOUR EXPENSE OF TIME AND TRAVEL IN VISITING THE RESORT. THIS PROGRAM ENDS DECEMBER 31, 1984 AND ANY UNCLAIMED GIFTS WILL BE AWARDED ON OR BEFORE JANUARY 31, 1985 BY RANDOM DRAWING FROM AMONG THE PROGRAM ENTRANTS. THE EXACT PRIZES WHICH YOU ARE TO RECEIVE IN THE GRAND PROMOTION WILL BE DETERMINED BY YOUR ASSIGNED PRIZE CLAIM NUMBERS FEATURED ON THE FRONT OF THE RETURN NOTICE. AN AUTHORIZED REPRESENTATIVE WILL MATCH YOUR TWO PRIZE CLAIM NUMBERS WITH THE OFFICIAL PRIZE LIST, DETERMINING YOUR EXACT AWARDS. BY MEETING THE PRIZE CLAIM QUALIFICATIONS, YOU WILL DEFINITELY RECEIVE AT LEAST TWO OF THE FOUR PRIZES LISTED ON THE FRONT OF THE NOTIFICATION. MERCURY COURIER AND PUBLISHER'S DIGEST, CLAIMS ADJUSTMENT DIVISION, ARE REGISTERED TRADENAMES OF A.L. DEFUSCO, P.O. BOX 25479, WASHINGTON, DC 20007. THE SPONSOR OF THIS PROMOTION IS AN EQUAL OPPORTUNITY COMPANY.

AWARDS AND THE CHANCE OF RECEIVING AND THE RETAIL VALUE OF EACH ITEM ARE:
LINCOLN CAR 1:100,000, \$23,000; \$7,500 1:100,000, \$7,500; GAS FIRED BARBECUE, 99,998:100,000, \$89.95; PIERRE CARDIN LUGGAGE, 99,998:100,000, \$125.

OUTDOOR WORLD CORPORATION
Complaint

70



\$2000.00 FINE OR FIVE YEARS IMPRISONMENT
or both for any person who violates with § 10 United States Code 1103 et seq.
SEE 111 18 SEC. Mail is punishable by fines of up to \$2000.00 or 5 years in prison or both.



RETURN NOTICE

RESTRICTED BUSINESS USE

DECISION AND ORDER

The Commission having heretofore issued its complaint charging the respondent named in the caption hereof with violation of Section 5 of the Federal Trade Commission Act, as amended, and the respondent having been served with a copy of that complaint, together with the notice of contemplated relief; and

The respondent, its attorney, and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent of all the jurisdictional facts set forth in the 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 has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Secretary of the Commission having thereafter partially withdrawn this matter from adjudication in accordance with Section 3.25(c) of its Rules; and

The Commission having considered the matter and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of sixty (60) days, now in further conformity with the procedure prescribed in Section 3.25(f) of its Rules, the Commission hereby makes the following jurisdictional findings and enters the following order:

1. Outdoor World Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the state of Pennsylvania with its principal office and place of business located at Route 209, Bushkill, Pennsylvania.

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

I.

It is ordered, That respondent, Outdoor World Corporation, a corporation, its successors and assigns, and its officers, agents, representatives, and employees, directly or through any corporation, subsidiary, division or other device, do forthwith cease and desist from

representing, directly or by implication, that a consumer has won a specified prize, award, gift, bonus, premium, or any other good or service which is similarly described when in fact the consumer has not won the specified prize, gift, bonus, premium, or other good or service similarly described.

II.

It is further ordered, That respondent, its successors and assigns shall for three years after the date the representation was last made maintain and upon request make available to the Federal Trade Commission for inspection and copying accurate records of (1) all advertising, promotional or sales materials containing representations regarding prize or gift offerings and (2) all prizes or gifts awarded pursuant to such offerings.

III.

It is further ordered, That respondent shall notify the Commission at least thirty (30) days prior to any proposed change in 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 corporation which may affect compliance obligations arising out of the order.

IV.

It is further ordered, That respondent shall, within sixty (60) days after service 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 all requirements of this order.

Complaint

113 F.T.C.

IN THE MATTER OF

THE HENSLEY GROUP, ET AL.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SEC. 5 OF THE FEDERAL TRADE COMMISSION ACT*Docket 9230. Complaint, July 17, 1989—Decision, January 10, 1990*

This consent order prohibits, among other things, an Alexandria, Va. timeshare promoter and its president from representing that a consumer has won a specified prize when he or she has not won the specified prize. The order requires respondents to disclose any applicable costs immediately following reference to the prize.

Appearances

For the Commission: *Terrence J. Boyle* and *Eileen Harrington*.

For the respondents: *Frank T. Eck, Eck, Collins & Anderson*,
Richmond, VA.

COMPLAINT

The Federal Trade Commission, having reason to believe that The Hensley Group, a corporation, and H. Lloyd Hensley, individually and as an officer of said corporation ("respondents"), have violated certain provisions of the Federal Trade Commission Act, ("FTC Act"), 15 U.S.C. 41 *et seq.*, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, alleges:

PARAGRAPH 1. The Hensley Group, is a Virginia corporation with its principal office and place of business located at 4701 A Eisenhower Avenue, Alexandria, Virginia.

H. Lloyd Hensley is an officer of The Hensley Group. He formulates, directs and controls the acts and practices of The Hensley Group, including the acts and practices hereinafter set forth. His address is the same as that of The Hensley Group.

PAR. 2. (a) Since at least 1987, respondents have created and disseminated promotional mailings such as attached Exhibits 1-2 throughout the United States to promote the sale of resort memberships and other recreational or real property interests.

(b) Respondents' promotional mailings make numerous representations regarding prizes or gifts to be awarded to consumers who appear at the site at which resort memberships or other recreational or real property interests are sold.

PAR. 3. The acts and practices of respondents alleged in this complaint have been in or affecting commerce.

PAR. 4. In numerous instances, respondents have represented, directly or by implication, that a named consumer has won one or more specified prizes.

PAR. 5. In truth and in fact, the named consumer has not won the specified prizes. Therefore, the representations set forth in paragraph four were false and misleading.

PAR. 6. In numerous instances, respondents have represented, directly or by implication, that a consumer will receive one or more prizes for no cost.

PAR. 7. In truth and fact, consumers are unable to receive one or more prizes without paying additional costs. Therefore, the representations set forth in paragraph six were false and misleading.

PAR. 8. The acts and practices of respondents as alleged in this complaint constitute unfair and deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the FTC Act, 15 U.S.C. 45(a).

EXHIBIT 1

Certificate Of
Trust
Code: 097944

**CR10

To
Mrs. M. A. Laurello
6613 Huntsman Boulevard
Springfield, Virginia 22152

Be it known that Mrs. Laurello
will receive a verified entitlement immediately redeemable and valued at
TWENTY THREE THOUSAND 00/100 dollars payable
towards: **1988 BMW 325 AUTOMOBILE**
contingent upon you presenting the Certificate of Trust to the reception center stated
herein entitling you to said cash or merchandise valued at the stated amount
prior to the expiration date of **November 16, 1988**

As the recipient of the top two (2) grand prizes, you will additionally
receive an entitlement redeemable for **\$10,000.00**
contingent upon you presenting the Certificate of Trust to said reception center
entitling **Mrs. Laurello**
to said cash prior to the expiration date stated above

CONFIRMED
Caroline Buck
Trust Director

Respond to:

Let it be known that millions of dollars worth of prizes have
been and will be awarded to families throughout America. A
list is attached hereto which illustrates a current list of winners.

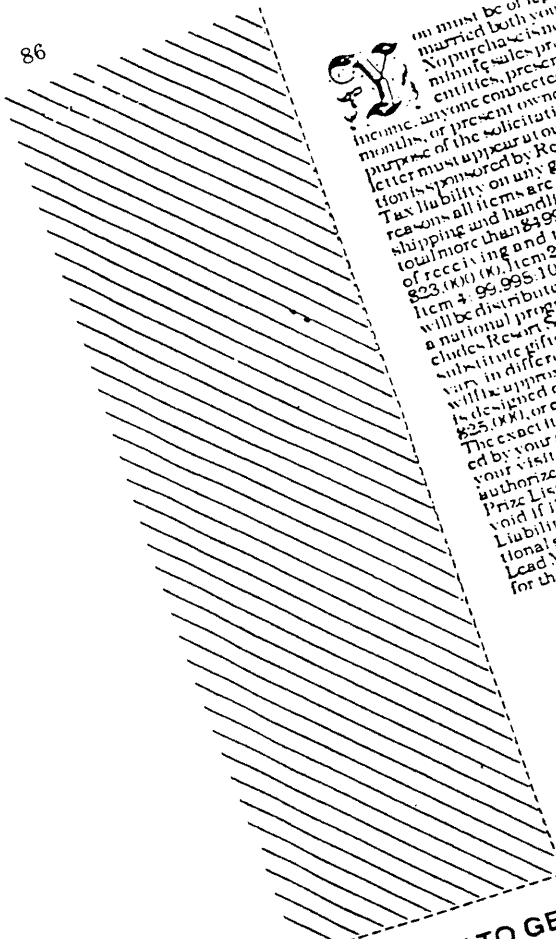
Claim Numbers: 01530 and 19998

<p>MRS. LAURELLO OF VIRGINIA</p> <p>MS. KAREN DECARBO OF MISSOURI</p> <p>MRS. R. DICHERMAN</p> <p>MR. JULIO CORTES</p>	<p>WINNER OF</p> <p>WINNER OF</p> <p>WINNER OF</p> <p>WINNER OF</p> <p>WINNER OF</p> <p>1988 BMW & \$10,000.00</p> <p>\$10,000.00</p> <p>CHRISTIE SUNDAUCE</p> <p>\$3,279.00</p>
--	--

*Please do not delay! Still unclaimed grand prizes must be awarded!
Should you fail to respond to this notice, your name will never appear
in our current list of grand prize winners as illustrated below.*

Mrs. Laurello, find attached your Certificate of Trust entitling you to your TWO (2) stated prizes. This is being presented to you as part of a previous offer whereby you were to receive two of four items. These items included 1) 1988 BMW Car, 2) \$10,000.00, 3) Sony Television System, 4) Deluxe AM/FM Multiplex Stereo System. We completed our selection, and the attached Certificate of Trust entitles you to your TWO (2) stated prizes. This is your final opportunity to claim these TWO (2) prizes.

Call today toll-free 1(800)352-7209 or (703)866-9288 to advise of your intent to claim your prizes, and schedule an appointment to visit The Hensley Off-Site Reservation Center. Our operators are on duty from 11:00 AM TO 8:00 PM Monday through Friday, and 10:00 AM to 2:00 PM on Saturday. Be sure to ask the operator how you can receive an additional bonus gift valued at \$59.95. This entire offer expires on November 16, 1988.



AWARD REDEMPTION RULES

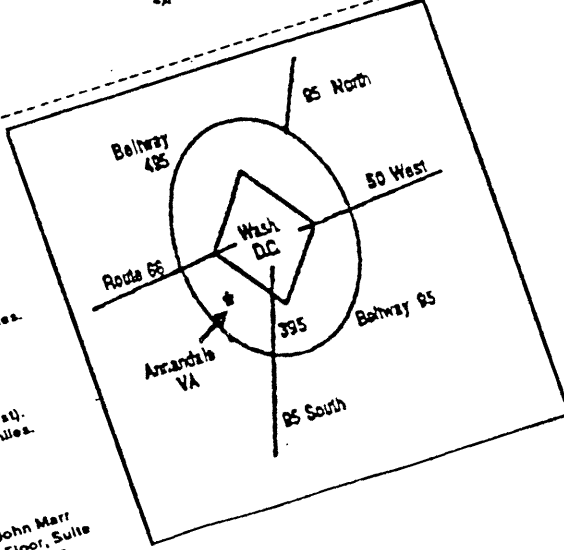
You must be of legal age to contract to qualify for this program. If married both you and your spouse must claim your gift together. No purchase is necessary, however you are required to attend a gift certificate sales presentation. Employees of the developer or related entities, present owners, students, and persons with no source of income, anyone connected with this program, anyone visited in the past six months, or present owners of Resort Services, are ineligible. This is for the purpose of the solicitation of our office, with this letter, to claim his gift. This promotion is sponsored by Resort Services, Warehouse, Tax, License, and Merchandise. Proof of identification may be required. Tax liability on any gift is the responsibility of the recipient and shall not be assumed by Resort Services. Awards and the chance of receiving and the retail value of each item are: Item 1, 1:100,000; Item 2, 1:100,000; Item 3, \$169.95; Item 4, 1:100,000; Item 5, 1:100,000; Item 6, 1:100,000; Item 7, 1:100,000; Item 8, 1:100,000; Item 9, 1:100,000; Item 10, 1:100,000; Item 11, 1:100,000; Item 12, 1:100,000; Item 13, 1:100,000; Item 14, 1:100,000; Item 15, 1:100,000; Item 16, 1:100,000; Item 17, 1:100,000; Item 18, 1:100,000; Item 19, 1:100,000; Item 20, 1:100,000; Item 21, 1:100,000; Item 22, 1:100,000; Item 23, 1:100,000; Item 24, 1:100,000; Item 25, 1:100,000; Item 26, 1:100,000; Item 27, 1:100,000; Item 28, 1:100,000; Item 29, 1:100,000; Item 30, 1:100,000; Item 31, 1:100,000; Item 32, 1:100,000; Item 33, 1:100,000; Item 34, 1:100,000; Item 35, 1:100,000; Item 36, 1:100,000; Item 37, 1:100,000; Item 38, 1:100,000; Item 39, 1:100,000; Item 40, 1:100,000; Item 41, 1:100,000; Item 42, 1:100,000; Item 43, 1:100,000; Item 44, 1:100,000; Item 45, 1:100,000; Item 46, 1:100,000; Item 47, 1:100,000; Item 48, 1:100,000; Item 49, 1:100,000; Item 50, 1:100,000; Item 51, 1:100,000; Item 52, 1:100,000; Item 53, 1:100,000; Item 54, 1:100,000; Item 55, 1:100,000; Item 56, 1:100,000; Item 57, 1:100,000; Item 58, 1:100,000; Item 59, 1:100,000; Item 60, 1:100,000; Item 61, 1:100,000; Item 62, 1:100,000; Item 63, 1:100,000; Item 64, 1:100,000; Item 65, 1:100,000; Item 66, 1:100,000; Item 67, 1:100,000; Item 68, 1:100,000; Item 69, 1:100,000; Item 70, 1:100,000; Item 71, 1:100,000; Item 72, 1:100,000; Item 73, 1:100,000; Item 74, 1:100,000; Item 75, 1:100,000; Item 76, 1:100,000; Item 77, 1:100,000; Item 78, 1:100,000; Item 79, 1:100,000; Item 80, 1:100,000; Item 81, 1:100,000; Item 82, 1:100,000; Item 83, 1:100,000; Item 84, 1:100,000; Item 85, 1:100,000; Item 86, 1:100,000; Item 87, 1:100,000; Item 88, 1:100,000; Item 89, 1:100,000; Item 90, 1:100,000; Item 91, 1:100,000; Item 92, 1:100,000; Item 93, 1:100,000; Item 94, 1:100,000; Item 95, 1:100,000; Item 96, 1:100,000; Item 97, 1:100,000; Item 98, 1:100,000; Item 99, 1:100,000; Item 100, 1:100,000.



IT'S EASY TO GET TO OUR RECEPTION CENTER

From Virginia or Maryland:
Take Beltway 495 to Exit #6 (Route 236 East).
Take Route 236 east approximately 1 1/2 miles.
Turn left on John Marr Drive.
From Washington DC:
Take 395 South to Exit #3 (Route 236 West).
Take Route 236 West approximately 5 miles.
Turn right on John Marr Drive.

Location:
Resort Services is located at 4201 John Marr Drive in the Hub Center on the 2nd Floor, Suite 210. We look forward to your visit. 1443



FEDERAL TRADE COMMISSION DECISIONS
Complaint

118 F.T.C.



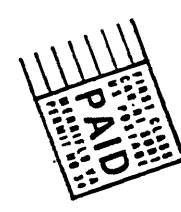
\$2000.00 FINE OR 5 YRS IMPRISONMENT
or both for any person who intentionally or constructively
obviates or evades this title 16 U.S.C. CODE
SEC. 1111, 1113, 1115, 1116, 1117, 1118, 1119, 1120, 1121, 1122, 1123, 1124, 1125, 1126, 1127, 1128, 1129, 1130, 1131, 1132, 1133, 1134, 1135, 1136, 1137, 1138, 1139, 1140, 1141, 1142, 1143, 1144, 1145, 1146, 1147, 1148, 1149, 1150, 1151, 1152, 1153, 1154, 1155, 1156, 1157, 1158, 1159, 1160, 1161, 1162, 1163, 1164, 1165, 1166, 1167, 1168, 1169, 1170, 1171, 1172, 1173, 1174, 1175, 1176, 1177, 1178, 1179, 1180, 1181, 1182, 1183, 1184, 1185, 1186, 1187, 1188, 1189, 1190, 1191, 1192, 1193, 1194, 1195, 1196, 1197, 1198, 1199, 1200, 1201, 1202, 1203, 1204, 1205, 1206, 1207, 1208, 1209, 1210, 1211, 1212, 1213, 1214, 1215, 1216, 1217, 1218, 1219, 1220, 1221, 1222, 1223, 1224, 1225, 1226, 1227, 1228, 1229, 1230, 1231, 1232, 1233, 1234, 1235, 1236, 1237, 1238, 1239, 1240, 1241, 1242, 1243, 1244, 1245, 1246, 1247, 1248, 1249, 1250, 1251, 1252, 1253, 1254, 1255, 1256, 1257, 1258, 1259, 1260, 1261, 1262, 1263, 1264, 1265, 1266, 1267, 1268, 1269, 1270, 1271, 1272, 1273, 1274, 1275, 1276, 1277, 1278, 1279, 1280, 1281, 1282, 1283, 1284, 1285, 1286, 1287, 1288, 1289, 1290, 1291, 1292, 1293, 1294, 1295, 1296, 1297, 1298, 1299, 1300, 1301, 1302, 1303, 1304, 1305, 1306, 1307, 1308, 1309, 1310, 1311, 1312, 1313, 1314, 1315, 1316, 1317, 1318, 1319, 1320, 1321, 1322, 1323, 1324, 1325, 1326, 1327, 1328, 1329, 1330, 1331, 1332, 1333, 1334, 1335, 1336, 1337, 1338, 1339, 1340, 1341, 1342, 1343, 1344, 1345, 1346, 1347, 1348, 1349, 1350, 1351, 1352, 1353, 1354, 1355, 1356, 1357, 1358, 1359, 1360, 1361, 1362, 1363, 1364, 1365, 1366, 1367, 1368, 1369, 1370, 1371, 1372, 1373, 1374, 1375, 1376, 1377, 1378, 1379, 1380, 1381, 1382, 1383, 1384, 1385, 1386, 1387, 1388, 1389, 1390, 1391, 1392, 1393, 1394, 1395, 1396, 1397, 1398, 1399, 1400, 1401, 1402, 1403, 1404, 1405, 1406, 1407, 1408, 1409, 1410, 1411, 1412, 1413, 1414, 1415, 1416, 1417, 1418, 1419, 1420, 1421, 1422, 1423, 1424, 1425, 1426, 1427, 1428, 1429, 1430, 1431, 1432, 1433, 1434, 1435, 1436, 1437, 1438, 1439, 1440, 1441, 1442, 1443, 1444, 1445, 1446, 1447, 1448, 1449, 1450, 1451, 1452, 1453, 1454, 1455, 1456, 1457, 1458, 1459, 1460, 1461, 1462, 1463, 1464, 1465, 1466, 1467, 1468, 1469, 1470, 1471, 1472, 1473, 1474, 1475, 1476, 1477, 1478, 1479, 1480, 1481, 1482, 1483, 1484, 1485, 1486, 1487, 1488, 1489, 1490, 1491, 1492, 1493, 1494, 1495, 1496, 1497, 1498, 1499, 1500, 1501, 1502, 1503, 1504, 1505, 1506, 1507, 1508, 1509, 1510, 1511, 1512, 1513, 1514, 1515, 1516, 1517, 1518, 1519, 1520, 1521, 1522, 1523, 1524, 1525, 1526, 1527, 1528, 1529, 1530, 1531, 1532, 1533, 1534, 1535, 1536, 1537, 1538, 1539, 1540, 1541, 1542, 1543, 1544, 1545, 1546, 1547, 1548, 1549, 1550, 1551, 1552, 1553, 1554, 1555, 1556, 1557, 1558, 1559, 1560, 1561, 1562, 1563, 1564, 1565, 1566, 1567, 1568, 1569, 1570, 1571, 1572, 1573, 1574, 1575, 1576, 1577, 1578, 1579, 1580, 1581, 1582, 1583, 1584, 1585, 1586, 1587, 1588, 1589, 1590, 1591, 1592, 1593, 1594, 1595, 1596, 1597, 1598, 1599, 1600, 1601, 1602, 1603, 1604, 1605, 1606, 1607, 1608, 1609, 1610, 1611, 1612, 1613, 1614, 1615, 1616, 1617, 1618, 1619, 1620, 1621, 1622, 1623, 1624, 1625, 1626, 1627, 1628, 1629, 1630, 1631, 1632, 1633, 1634, 1635, 1636, 1637, 1638, 1639, 1640, 1641, 1642, 1643, 1644, 1645, 1646, 1647, 1648, 1649, 1650, 1651, 1652, 1653, 1654, 1655, 1656, 1657, 1658, 1659, 1660, 1661, 1662, 1663, 1664, 1665, 1666, 1667, 1668, 1669, 1670, 1671, 1672, 1673, 1674, 1675, 1676, 1677, 1678, 1679, 1680, 1681, 1682, 1683, 1684, 1685, 1686, 1687, 1688, 1689, 1690, 1691, 1692, 1693, 1694, 1695, 1696, 1697, 1698, 1699, 1700, 1701, 1702, 1703, 1704, 1705, 1706, 1707, 1708, 1709, 1710, 1711, 1712, 1713, 1714, 1715, 1716, 1717, 1718, 1719, 1720, 1721, 1722, 1723, 1724, 1725, 1726, 1727, 1728, 1729, 1730, 1731, 1732, 1733, 1734, 1735, 1736, 1737, 1738, 1739, 1740, 1741, 1742, 1743, 1744, 1745, 1746, 1747, 1748, 1749, 1750, 1751, 1752, 1753, 1754, 1755, 1756, 1757, 1758, 1759, 1760, 1761, 1762, 1763, 1764, 1765, 1766, 1767, 1768, 1769, 1770, 1771, 1772, 1773, 1774, 1775, 1776, 1777, 1778, 1779, 1780, 1781, 1782, 1783, 1784, 1785, 1786, 1787, 1788, 1789, 1790, 1791, 1792, 1793, 1794, 1795, 1796, 1797, 1798, 1799, 1800, 1801, 1802, 1803, 1804, 1805, 1806, 1807, 1808, 1809, 1810, 1811, 1812, 1813, 1814, 1815, 1816, 1817, 1818, 1819, 1820, 1821, 1822, 1823, 1824, 1825, 1826, 1827, 1828, 1829, 1830, 1831, 1832, 1833, 1834, 1835, 1836, 1837, 1838, 1839, 1840, 1841, 1842, 1843, 1844, 1845, 1846, 1847, 1848, 1849, 1850, 1851, 1852, 1853, 1854, 1855, 1856, 1857, 1858, 1859, 1860, 1861, 1862, 1863, 1864, 1865, 1866, 1867, 1868, 1869, 1870, 1871, 1872, 1873, 1874, 1875, 1876, 1877, 1878, 1879, 1880, 1881, 1882, 1883, 1884, 1885, 1886, 1887, 1888, 1889, 1890, 1891, 1892, 1893, 1894, 1895, 1896, 1897, 1898, 1899, 1900, 1901, 1902, 1903, 1904, 1905, 1906, 1907, 1908, 1909, 1910, 1911, 1912, 1913, 1914, 1915, 1916, 1917, 1918, 1919, 1920, 1921, 1922, 1923, 1924, 1925, 1926, 1927, 1928, 1929, 1930, 1931, 1932, 1933, 1934, 1935, 1936, 1937, 1938, 1939, 1940, 1941, 1942, 1943, 1944, 1945, 1946, 1947, 1948, 1949, 1950, 1951, 1952, 1953, 1954, 1955, 1956, 1957, 1958, 1959, 1960, 1961, 1962, 1963, 1964, 1965, 1966, 1967, 1968, 1969, 1970, 1971, 1972, 1973, 1974, 1975, 1976, 1977, 1978, 1979, 1980, 1981, 1982, 1983, 1984, 1985, 1986, 1987, 1988, 1989, 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000

P.O. BOX 35370
Caroline Burke
W/S 2281

FEDERAL TRADE COMMISSION, D.C. 20540-3537

RESTRICTIVE BUSINESS USE

AVOUCHMENT OF MAILING
I, Caroline Burke, do hereby
avouch to have mailed the
enclosed Certificate of Trust.
Caroline Burke



Complaint

EXHIBIT 2



When you are entitled to receive the top two listed prizes .

■CR29

February 2, 1989

Mrs. Richard Davison
304 Broadleaf Drive
Vienna, Virginia 22180

Prize Claim
Nos. 14098, 91388

Code: 098705

PLEASE COMPLY WITH THIS PETITION

Mrs. Davison is hereby petitioned to claim one (1) 1989 BMW Automobile, and one (1) certificate entitling Mrs. Davison to \$10,000.00 Worth of Gold Bullion.

Failure to heed this petition will immediately result in the forfeiture of your prizes. You must call 1(800)352-7209 within 72 hours of receipt of this petition to notify us of your intent to claim your stated prizes.

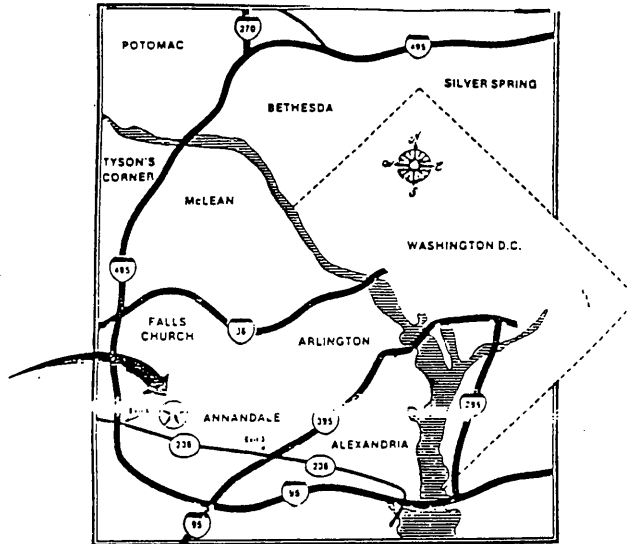
Mrs. Davison, The Council of Equity Adjustments is an independent organization commissioned by national advertising groups to award unclaimed valuable prizes, and certify the distribution of said prizes. The Council has been given your file, and it states that you have been notified one or more times to claim your prizes. The prizes must be distributed, and certification must be made.

MRS. DAVISON, YOU ARE GUARANTEED TO RECEIVE YOUR TWO PRIZES! But there is one condition, you must qualify in accordance with the rules stated on the reverse of this notification. Your opportunity to claim the stated prizes ends on February 17, 1989. After this date, these stated prizes will be released to some other family in Virginia.

Mrs. Davison, call today 1(800)352-7209 to advise of your intent to claim your prizes, and schedule an appointment to visit the local claim center. Our operators are on duty from 11:00 AM to 8:00 PM, Monday through Friday, and 10:00 AM to 2:00 PM on Saturday. You have 72 hours to call.

Sincerely
Cecil K. Tyrone III
Cecil K. Tyrone III

Client:	Hensley Group
Project:	Resort Services
Top two prizes:	1) BMW Car 2) Gold Bullion
Remaining prizes:	3) His & Hers Diamond Watches 4) \$200 Gift Check



IT'S EASY TO GET TO OUR RECEPTION CENTER

FROM VIRGINIA OR MARYLAND: Take Beltway 495 to Exit #6 (Route 236 East). Take Route 236 East approximately 1 1/2 miles. Turn left on John Marr Drive.

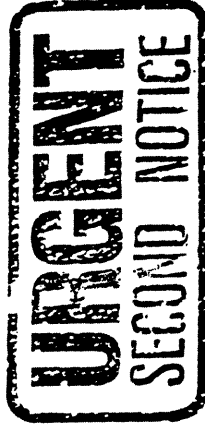
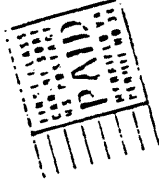
FROM WASHINGTON D.C.: Take 395 South to Exit #3 (Route 236 West.) Take Route 236 West approximately 5 miles. Turn Right on John Marr Drive.

LOCATION: Resort Services is located at 4201 John Marr Drive in the Hub Center on the 2nd Floor, Suite 210. We look forward to your visit.

AWARD REDEMPTION RULES

You must be of legal age to contract to qualify for this program. If married both you and your spouse must claim your gift together. No purchase is necessary, however you are required to attend a 90 minute sales presentation. Employees of the developer or related entities, present owners, students, and persons with no source of income, anyone connected with this program, anyone visited in the past six months, or present owners of Resort Services are ineligible. This is for the purpose of solicitation of interval ownership. The person named on the letter must appear at our office, with this letter to claim prizes. This promotion is sponsored by Resort Services. Proof of identification may be required. Tax liability on any prize is the responsibility of the recipient. For security reasons not all items are kept at the Merchandise Warehouse. Tax, License, shipping and handling are the responsibility of the recipient and shall not total more than \$499 for the car. Awards and the chance of receiving and the retail value of each item are: BMW Automobile, 1:200,000, \$23,000; \$10,000.00 Gold Bullion, 1:200,000, \$10,000.00; His and Her Diamond Watches, 199,998:200,000, \$199.00; \$200 Gift Check, 199,998:200,000, \$200. We guarantee that at least two of the prizes will be distributed. Any unclaimed prizes will not be distributed. This is part of a national program being sponsored by several developments which includes Resort Services and ends December 31, 1989. We reserve the right to substitute gifts of equal or greater value. Presentation of prize options will vary in different versions of this sweepstakes offer, however their value will be approximately the same. One offer per family/vehicle. This promotion is designed for credit worthy married persons 25 to 65 years of age with an annual income of \$30,000, or credit worthy single persons 25 to 65 years of age with an annual income of \$30,000. The exact items which you are to receive in this promotion will be determined by your assigned prize claim numbers featured on the front of this letter. Upon your visit to the facility, indicated on the map included in this offer, an authorized representative will match your claim numbers with the Official Prize List, determining your exact prizes. Claims subject to verification and void if illegible, unauthorized, forged, altered, or irregular in any way. Liability for misprinted data is limited to the replacement of the promotional solicitation only. Lead Marketing, Inc., trading as The Council of Equity Adjustments, PO Box 10342, McLean, VA 22102, is the marketing agent for this program. Limited theater seating, no children please.

HENSLEY GROUP, ET AL.
Complaint



DATED DOCUMENTS / OPEN AT ONCE

11

THE COUNCIL OF
EQUITY ADJUSTMENTS

P.O. Box 25479
Washington, D.C. 20017-8479



POSTMASTER: If undeliverable as addressed please refer to section 1.10 of the official FICHA
ADDRESS: If you have moved, notify Postal Service or The Council of Equity Adjustments.
Include the number from enclosed document

DECISION AND ORDER

The Commission having heretofore issued its complaint charging the respondents named in the caption hereof with violation of Section 5 of the Federal Trade Commission Act, as amended, and the respondents having been served with a copy of that complaint, together with the notice of contemplated relief; and

The respondents, their attorney, and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent of all the jurisdictional facts set forth in the 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 Secretary of the Commission having thereafter withdrawn this matter from adjudication in accordance with Section 3.25(c) of its Rules; and

The Commission having considered the matter and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of sixty (60) days, now in further conformity with the procedure prescribed in Section 3.25(f) of its Rules, the Commission hereby makes the following jurisdictional findings and enters the following order:

1. Respondent The Hensley Group is a corporation organized, existing and doing business under and by virtue of the laws of the State of Virginia with its office and principal place of business located at 4701 A Eisenhower Avenue, in the City of Alexandria, State of Virginia.

Respondent H. Lloyd Hensley is an officer of The Hensley Group. He formulates, directs and controls the acts and practices which are the basis of the Commission's administrative complaint. His address is 4701 A Eisenhower Avenue, in the City of Alexandria, State of Virginia.

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

I.

It is ordered, That respondents, The Hensley Group, a corporation, its successors and assigns, and its officers, and H. Lloyd Hensley, individually and as an officer of said corporation, and respondents' agents, representatives, and employees, directly or through any corporation, subsidiary, division or other device, do forthwith cease and desist from representing, directly or by implication, that a consumer has won a specified prize, award, gift, bonus, premium, or any other good or service which is similarly described when in fact the consumer has not won the specified prize, gift, bonus, premium, or other good or service similarly described.

II.

It is further ordered, That respondents, The Hensley Group, a corporation, its successors and assigns, and its officers, and H. Lloyd Hensley, individually and as an officer of said corporation, and respondents' agents, representatives, and employees, directly or through any corporation, subsidiary, division or other device, do forthwith cease and desist from representing, directly or by implication to any consumer that they will receive a prize, award, gift, bonus, premium, or any other good or service which is similarly described, without disclosing fully, in type of equal size to that used to identify such good or service and immediately following each good or service thus represented, any cost that the consumer must pay to receive such good or service.

III.

It is further ordered, That respondents, The Hensley Group, a corporation, its successors and assigns, and H. Lloyd Hensley, individually and as an officer of said corporation, shall for three years after the date the representation was last made maintain and upon request make available to the Federal Trade Commission for inspection and copying accurate records of (1) all advertising, promotional or sales materials containing representations regarding prize or gift offerings and (2) all prizes or gifts awarded pursuant to such offerings.

IV.

It is further ordered, That respondents 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 corporation which may affect compliance obligations arising out of the order.

V.

It is further ordered, That the individual respondent named herein promptly notify the Commission of the discontinuance of his present business or employment and of his affiliation with a new business or employment. In addition, for a period of 10 years from the date of service of this order, the respondent shall promptly notify the Commission of each affiliation with a new business or employment in which the respondent is newly engaged as well as a description of respondent's duties and responsibilities in connection with the business or employment. The expiration of the notice provision of this paragraph shall not affect any other obligation arising under this order.

VI.

It is further ordered, That respondents shall, within sixty (60) days after service 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 all requirements of this order.

Commissioner Owen not participating.