shall submit samples of not less than one square yard in size of any such product, fabric, or related material with this report.

It is further ordered, That respondents notify the Commission at least 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 this order.

It is further ordered. That the respondent corporation shall forthwith distribute a copy of this order to each of its operating divisions.

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

IN THE MATTER OF

MRS. S. E. KATZ TRADING AS S. E. KATZ

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION AND THE FLAMMABLE FABRICS ACTS

Docket C-1984. Complaint, July 20, 1971—Decision, July 20, 1971

Consent order requiring a St. Louis, Mo., individual engaged in the sale and distribution of textile fiber products, including scarves, to cease violating the Flammable Fabrics Act by importing and selling any fabric which fails to conform to the standards of said Act.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Flammable Fabrics Act, as amended, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Mrs. S. E. Katz, an individual trading as S. E. Katz, hereinafter referred to as respondent, has violated the provisions of said Acts and the Rules and Regulations promulgated under the Flammable Fabrics Act, as amended, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Mrs. S. E. Katz is an individual trad-

ing as S. E. Katz with her office and principal place of business located at 1000 Washington Avenue, St. Louis, Missouri.

Respondent is engaged in the business of the sale and distribution of textile fiber products including, but not limited to, scarves.

PAR. 2. Respondent is now and for some time last past has been engaged in the sale and offering for sale, in commerce, and has introduced, delivered for introduction, transported and caused to be transported in commerce, and has sold or delivered after sale or shipment in commerce, products, as the terms "commerce" and "product," are defined in the Flammable Fabrics Act as amended, which products fail to conform to an applicable standard or regulation continued in effect, issued or amended under the provisions of the Flammable Fabrics Act, as amended.

Among such products mentioned hereinabove were scarves.

PAR. 3. The aforesaid acts and practices of respondent were and are in violation of the Flammable Fabrics Act, as amended, and the Rules and Regulations promulgated thereunder, and constituted, and now constitute, unfair methods of competition and unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

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 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 Flammable Fabrics Act, as amended; 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 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 Acts, and that complaint should issue stating its

charges in that respect, and having thereupon accepted the executed agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Mrs. S. E. Katz is an individual trading as S. E. Katz.

Respondent is engaged in the sale of various products, including but not limited to, ladies' scarves, with her office and principal place of business located at 1000 Washington Avenue, St. Louis, Missouri.

2. The Federal Trade Commission has jurisdiction of the subject matter of the proceeding and of the respondent and the proceeding is in the public interest.

ORDER

It is ordered, That respondent Mrs. S. E. Katz, individually and trading as S. E. Katz or any other name or names, and respondent's representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from selling, offering for sale, in commerce, or importing into the United States, or introducing, delivering for introduction, transporting or causing to be transported in commerce, or selling or delivering after sale or shipment in commerce, any product, fabric or related material; or selling or offering for sale any product made of fabric or related material which has been shipped or received in commerce, as "commerce," "product," "fabric" and "related material" are defined in the Flammable Fabrics Act, as amended, which product, fabric or related material fails to conform to any applicable standard or regulation continued in effect, issued or amended under the provisions of the aforesaid Act.

It is further ordered, That respondent notify all of her customers who have purchased or to whom have been delivered the products which gave rise to this complaint, of the flammable nature of said products and effect recall of said products from such customers.

It is further ordered, That the respondent herein either process the products which gave rise to the complaint so as to bring them into conformance with the applicable standard of flammability under the Flammable Fabrics Act, as amended, or destroy said products.

It is further ordered, That the respondent herein shall, within ten (10) days after service upon her of this order, file with the Commission a special report in writing setting forth the respondent's inten-

tions as to compliance with this order. This special report shall also advise the Commission fully and specifically concerning (1) the identity of the products which gave rise to the complaint, (2) the number of said products in inventory, (3) any action taken and any further actions proposed to be taken to notify customers of the flammability of said products and effect recall of said products from customers, and of the results thereof, (4) any disposition of said products since September 20, 1970, and (5) any action taken or proposed to be taken to bring said products into conformance with the applicable standard of flammability under the Flammable Fabrics Act, as amended, or destroy said products and the results of such action. Such report shall further inform the Commission as to whether respondent has in inventory any product, fabric, or related material having a plain surface and made of paper, silk, rayon and acetate, nylon and acetate, rayon, cotton or any other material or combinations thereof in a weight of two ounces or less per square yard, or any product, fabric or related material having a raised fiber surface. Respondent shall submit samples of not less than one square yard in size of any such product, fabric, or related material with this report.

It is further ordered, That the respondent herein shall within sixty (60) days after service upon her of this order, file with the Commission a report in writing setting forth in detail the manner and form in which she has complied with this order.

IN THE MATTER OF

BARTON'S CANDY CORPORATION

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

Docket C-1985. Complaint, July 21, 1971—Decision, July 21, 1971

Consent order requiring a Brooklyn, N.Y., candy and bakery goods manufacturer and franchisor with outlets in more than 40 states to cease fixing the resale price of any of its products, accepting any payment or other advantage from a supplier of fixtures to any of respondent's customers, misrepresenting that any analysis has been made of any projected sales volume of any store; it is further ordered that respondent notify each of its franchisees of the existence and terms of this order.

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 Barton's Candy Corporation, a corporation, sometimes referred to hereinafter as respondent, has violated and is now violating the provisions of Section 5 of said Act (15 U.S.C. § 45), and it appearing to the Commission that a proceeding by it in respect thereof would be in the interest of the public, hereby issues its complaint, stating its charges in respect thereto as follows:

PARAGRAPH 1. Respondent Barton's Candy Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York. It maintains its principal offices and place of business at 80 DeKalb Avenue, Brooklyn, New York.

PAR. 2. Respondent has been and is now engaged in the manufacture, purchase, importation, offering for sale, sale, or distribution of chocolates, other candies and confections, baked goods, and nuts (hereinafter referred to as "products"). Respondent distributes, offers to sell, and sells its products to franchised "Barton's Bonboniere" candy stores, to other franchised customers who maintain candy departments in department stores and drug stores, to wholesale distributors in some areas in which retailers cannot be serviced efficiently from the Brooklyn shipping point, and to consumers through company-owned stores in some areas. Total sales of respondent in its fiscal year ending June 30, 1969, exceeded $16,000,000.

PAR. 3. Respondent ships products or causes products to be shipped to wholesale distributors and to nearly 3,000 retail stores or candy departments located in more than forty States of the United States. Respondent is now and has been at all times referred to herein engaged in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. Respondent is engaged in competition in the distribution, offering for sale, and sale of its products with numerous other persons or firms handling similar types of products, except to the extent that such competition has been hampered, restricted, lessened and restrained by the acts, practices, and methods of competition hereinafter alleged.

COUNT ONE

PAR. 5. Respondent has sought prospects for investment in franchised Barton's retail outlets through newspaper advertisements, promotional brochures, and the personal effort of its agents or employees responsible for the establishment of new franchise operators.

In this connection, respondent has made the following representa-

tions to some prospective franchise operators through oral statements and some of its published materials:

1. A specific site has been selected by respondent for establishment of a franchise outlet. A survey has been conducted and the results electronically analyzed. According to such analysis, the volume of sales by such outlet should be approximately that amount which, in each specific instance, has been stated to the prospective franchisee.

2. An average Barton's department will have annual candy sales of up to as much as $49,000, depending upon the size and location of the store.

PAR. 6. The representations aforesaid, each of which has been made for the purpose and with the effect of inducing prospects to enter into a franchise agreement, are false and misleading in that:

1. Information respecting selected sites has not been analyzed electronically or by other means. The volume of sales projected for each such site has been based solely upon opinion of respondent, its authorized agent or employee.

2. The annual retail sales volume of candy for the average franchised Bartons candy department such as those located in drug stores has been in all recent years and is now substantially less than $49,000. No significant number of Barton's candy departments such as those located in drug stores have achieved a sales volume of as much as $49,000, as represented by respondent.

PAR. 7. Respondent's false and misleading representations aforesaid are to the prejudice of the public; they have induced or helped to induce persons or firms to enter into franchise agreements with respondent and to purchase its products; and they constitute unfair or deceptive acts or practices in commerce, in violation of Section 5 of the Federal Trade Commission Act.

COUNT TWO

PAR. 8. Respondent, in accordance with the provisions of its franchise agreements, has reserved the right of approval of the plans and layout of Barton's franchised candy stores and candy departments. In this connection, respondent has recommended an on occasions has required directly or by implication, that its franchise operators purchase store fixtures and signs from manufacturers or fabricators designated by respondent.

PAR. 9. Respondent has failed to diclose to the franchise operators aforesaid that in some instances it has contracts, agreements, or understandings with the designated persons or firms supplying such fixtures and signs providing for payment to respondent of commissions, overrides, or service charges as compensation for engineering

or store planning services or "finder's fees" based upon a percentage of the purchase price of such fixtures or signs.

PAR. 10. Respondent's contracts, agreements, understandings, acts, practices, and methods of competition, including its failure to disclose the existence of its arrangements for compensation by suppliers designated by it, as aforesaid, have had and may continue to have the following effects, among others:

1. Some franchise operators have been led to believe, directly or by implication, that the recommendation or requirement by respondent to the purchase fixtures and signs from designated suppliers was based solely upon considerations of price, quality or service.

2. Some franchise operators have been deprived of the benefits of competition in their purchases of store fixtures and signs.

PAR. 11. Respondent's contracts, agreements understandings, acts, practices, and methods of competition aforesaid are to the prejudice of its franchise operators and the general public. They constitute unfair or deceptive acts or practices and unfair methods of competition in commerce, in violation of Section 5 of the Federal Trade Commission Act.

COUNT THREE

PAR. 12. Respondent has entered into franchise agreements with numerous persons and firms which require that each retailer advertise, offer to sell, and sell respondent's products at not less than the retail prices established by respondent in accordance with the applicable "fair trade" laws. Respondent, directly or through corporate or other devices, is regularly engaged in the operation of retail outlets in some areas which are in competition with franchise operators who have signed agreements pursuant to which they are required to price products bearing respondent's trademarks in accordance with respondent's published "fair trade" prices.

PAR. 13. Respondent's acts, practices and methods of competition aforesaid which fix the resale prices of its products when sold by its franchised retail or wholesale competitors are to the prejudice of such competitors and of the public. They constitute unfair acts or practices or unfair methods of competition in commerce, in violation of Section 5 of the Federal Trade Commission Act.

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 Bureau of Competition 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 attorneys 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 thirty (30) days, now in further conformity with the procedure prescribed in Section 2.34(b) of its Rules, and having considered all comments received from members of the public, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Barton's Candy Corporation is a corporation which has its general offices and principal place of business located at 80 DeKalb Avenue, Brooklyn, New York.

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 Barton's Candy Corporation, a corporation, its officers, agents, representatives, employees, successors and assigns, directly or indirectly, through any corporate or other device, in or in connection with the advertising, distribution, offering for sale, or sale of chocolates, other candies and confections, baked goods, nuts, and the franchise rights to deal in or handle such products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Fixing, establishing, maintaining, or enforcing pursuant to or in connection with any fair trade program the resale price of any such product charged by any wholesaler or retailer who in

fact competes with Barton's either at wholesale or with retail stores or candy departments operated by the respondent.

2. Requesting, accepting, or entering into any contract, agreement or understanding providing for payment to respondent of anything of substantial value by the supplier of fixtures, signs, or other equipment and furnishings as a commission, override, "finder's fee," or other compensation for recommending or requiring any customer of respondent to deal with such supplier unless such customer of respondent is advised prior to entering into any franchise or other agreement of the fact that respondent will receive said compensation from such supplier and the approximate amount, percentage, or other means of computation thereof.

3. Representing, directly or by implication, that:

a. A survey has been made of store traffic patterns or that electronic or other means of analysis of projected sales volume has been performed, unless such is a fact.

b. Sales volume of a Barton's store or department is within a range, is a stated average amount, or may achieve a stated level, unless such is a fact with respect to a representative sample of outlets of comparable size, type and location.

II

It is further ordered, That respondent Barton's Candy Corporation furnish within sixty (60) days from the date hereof to all presently franchised retail outlets, wholesale distributors or other customers who in fact compete, or whose customers in fact compete, with Barton's or with retail stores or candy departments operated by respondent a letter or other notice, signed by a responsible official binding the respondent and on official Barton's Candy Corporation stationery or letterhead, which states in its first paragraph: "The Federal Trade Commission has entered an Order which, among other things, prohibits Barton's Candy Corporation from fixing resale prices of its customers as more fully set forth in the relevant provisions of the order which are [stated below/enclosed]." The relevant provisions of this order which shall be included in such letters are the opening paragraph and numbered Paragraph 1 of Section I thereof.

III

It is further ordered, That respondent Barton's Candy Corporation shall forthwith distribute a copy of this order to each of its

sales personnel and each of its other employees engaged in establishing and maintaining franchises.

IV

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

V

It is further ordered, That respondent Barton's Candy Corporation shall, within sixty (60) days after service upon it 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 this order.

IN THE MATTER OF

BESTLINE PRODUCTS CORPORATION, ET AL.

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

Docket C-1986. Complaint, July 22, 1971—Decision, July 22, 1971

Consent order requiring a San Jose, Calif., seller and distributor of household, commercial and industrial cleaners and waxes, and also distributorships for the sale of respondents' products, to cease operating a multi-level program in which profits are dependent upon successive recruitment of others, paying any amount to any person unless in connection with the actual sale of products to the ultimate consumer, requiring prospective participants to make any other payment than that of the actual cost of materials, misusing in any manner the multi-level marketing program, misrepresenting the post earnings of participants, and making other misrepresentations as to the earnings of participants in the multi-level marketing programs.

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 Bestline Products Corporation and Bestline Products, Inc., corporations, and William E. Bailey and Robert W. DePew, individually and as officers of said

corporations, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Bestline Products Corporation, is a corporation organized, existing and doing business under and by virtue of the laws of the State of California, with its principal office and place of business located at 2350 Trimble Road, San Jose, California.

Respondent Bestline Products, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of California, with its principal office and place of business located at 2350 Trimble Road, San Jose, California. It is a wholly-owned subsidiary of Bestline Products Corporation.

Respondents William E. Bailey and Robert W. DePew are officers and stockholders of the corporate respondents. They formulate, direct and control the acts and practices of the corporate respondents, including the acts and practices hereinafter set forth. Their address is the same as that of the corporate respondents.

The aforementioned respondents cooperate and act together in carrying out the acts and practices hereinafter set forth.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale and distribution of household, commercial and industrial cleaners and waxes and distributorships and franchises to the public, and are inducing, and have induced, persons to invest substantial sums of money in respondents' multi-level marketing program as hereinafter more fully described.

PAR. 3. In the course and conduct of their business, respondents now cause, and for some time last past have caused, their products, when sold, to be shipped from their places of business in the States of Illinois and California to purchasers thereof located in various States of the United States other than the state of origination, and in the course of establishing and maintaining their multi-level marketing program have transmitted and received contracts, promotional material and various business papers among and between the several states, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business as aforesaid,

respondents have used and are now using a multi-level marketing program having four levels of participants. A description of these levels, in order of ascendency, follows:

1. Retail distributor--The retail distributor purchases products from a subwholesaler or direct distributor at a 30–40 percent discount, for sale to the consuming public.

2. Subwholesaler—The subwholesaler purchases products from a direct-distributor at a 30–51 percent discount for distribution to retail distributors and direct sales to the consuming public. The subwholesaler is entitled to overrides on purchases by retail distributors below him in the chain. He is also entitled to a bonus for recruiting a direct distributor and a commission for recruiting another subwholesalers. An entrant qualifies as a subwholesaler uon purchasing products with a $400 "refund volume" value.

3. Direct distributor—The direct distributor purchases products directly from the respondents at a 52 percent discount for distribution to subwholesalers and retailers below him in the chain. He is entitled to 22 percent of the "refund volume" value of purchases, made by subwholesalers and retail distributors below him in the chain, less refund bonuses paid according to the sales volume generated by these subdistributors. The direct distributor also receives a commission and continuing override on purchases by a direct distributor or subwholesaler who he has recruited into the marketing program. A participant qualifies as a direct distributor upon purchasing $6,000 "refund volume" value of products at a cost of $3,500.

4. General distributor—The general distributor does not normally purchase products for distribution in the chain but he may purchase products at a 60 percent discount. The general distributor is entitled to a commission and continuing override on all purchases by a direct distributor recruited by him, a release fee paid by a direct distributor recruited by him at such time as the direct distributor ascends to the position of general distributor, and a commission and continuing override on all purchases by a general distributor originally recruited by him.

To qualify as a general distributor, a participant must first be a direct distributor, and is required to pay $2,750 to the respondents and recruit a direct distributor to replace him.

Participants at each level of distribution may sell products on a retail basis to the consuming public.

Respondents represent through oral and written statements to prospective investors that it is not difficult to sell their household cleaning products and to recruit additional participants in their market-

ing plan and thereby achieve high levels of income. Typical and illustrative of said statements and representations, but not all inclusive thereof, are the following:

1. If a subwholesaler recruits six (6) retailers and each of those six buy from the subwholesaler $200 in products in one month, and in addition the subwholesaler sells $200 in products at the retail level, the subwholesaler will earn in profit $210 that month.

2. In the following month, if each of the six (6) retailers initially recruited by the subwholesaler in the example above recruits six (6) retailers below them in the chain, the subwholesaler may become a direct distributor and the initial six (6) retailers may become subwholesalers. If each of the thirty-six (36) new retailers buys $200 in products from their respective subwholesalers, and the six (6) subwholesalers buy $1,400 in products from the direct distributor, and the direct distributor sells $200 in products at retail, the direct distributor will earn in profit $1,046 that month.

PAR. 5. Respondents' multi-level marketing program contemplates a virtually endless recruiting of participants in the sales program. Further, additional participants must increase progressively to insure the participants the represented financial gains while the overall number of potential investors remains relatively constant. Thus, the participant may be, and in a substantial number of instances will be, unable to find additional investors in a given community or geographical area by the time he enters respondents' merchandising program. This comes about because the recruiting of participants who come into the program at an earlier stage has already exhausted the number of prospective participants. As to the individual participant, therefore, respondents' program must of necessity ultimately collapse when the market for distributors becomes saturated.

Although some participants in respondents' multi-level merchandising program may realize a profit, all participants do not have the potentiality of receiving sums of money equal to or greater than those described in Paragraph Four through recruiting other participants and through finder's fees, commissions, overrides, and other compensation arising out of the sale of respondents' products or the recruitment of other distributors by other participants in the program. As a matter of fact, some participants in the program will receive little or no return on their investment.

For the foregoing reasons, respondents' multi-level merchandising program is organized and operated in such a manner that the realization of profit by any participant contemplates, and is necessarily predicated upon, the exploitation of others who have virtually no

chance of receiving a return on their investment and who have been induced to participate by misrepresentations as to potential earnings. Therefore, the use by respondents of the aforesaid program in connection with the sale of their merchandise was and is an unfair act and practice, and was and is false, misleading and deceptive.

PAR. 6. In the course and conduct of their business as aforesaid, and for the purpose of inducing the purchase of their products, and the purchase of distributorships and participation in their multi-level marketing program, the respondents have made, and are now making numerous statements and representations in certain promotional materials, including, but not limited to, film strips, long play records, recorded tapes, news letters, information manuals, marketing plan booklets, meeting scripts and other materials.

Typical and illustrative of said statements and representations, but not all inclusive thereof, are the following:

1. By the time you get the job done, you may have fifty retailers and twenty-five sub-wholesalers * * * [sic].

2. With a little work it is obvious that you could become a direct distributor your second month with the company.

3. We'll show you how you can earn * * * $100—$300—$500 a month and for those a little more serious, $1000 and $2,000 per month and more.

100 for working approximately two hours a day.

This is the position that is designed to earn $2,000, $3,000 a month and up, and we've got lots of folks, some of them right here in this room, today, who are doing that.

4. It has worked time and time again for hundreds of people in Bestline.

There is no limit to the number of direct distributors that you are allowed to recruit nor to the new areas you can open up with your business.

PAR. 7. By and through the use of the above-quoted statements and representations, and others of similar import and meaning, but not expressly set out herein, and for the purpose of inducing participation by others in their said marketing program and the purchase of their said merchandise, respondents and their agents and representatives, represent, and have represented, directly or by implication, to prospective participants, that:

1. It is not difficult for investors to recruit and retain persons who will invest in said program as distributors and as sales personnel to work home routes and sell respondents' products door-to-door so as to enable said investors to recoup their investment and to earn the represented profits set forth herein.

2. It is not difficult for participants to ascend to a higher level of distribution within the marketing chain so as to increase the chances of said participants to recoup their investment and to earn the represented profits set forth herein.

3. Participants in their said marketing program have the potentiality and reasonable expectancy of receiving large profits or earnings.

4. The said marketing program is commercially feasible for all participants and the supply of available entrants and investors is virtually inexhaustible.

PAR. 8. In truth and in fact:

1. It is difficult for investors to recruit and retain persons who will invest in said program as distributors and as sales personnel to work home routes and sell respondents' products door-to-door so as to enable said investors to recoup their investment and to earn the represented profits set forth herein.

2. It is difficult for participants to ascend to a higher level of distribution within the marketing chain so as to increase the chances of said participants to recoup their investment and to earn the represented profits set forth herein.

3. For the reasons hereinabove set forth, participants in respondents' marketing program do not have the potentiality and reasonable expectancy of receiving large profits or earnings.

4. The said marketing program is not commercially feasible for all participants and by the nature of the said marketing plan as herein described the supply of available entrants and investors must ultimately be exhausted.

Therefore, the statements and representatives as set forth in Paragraphs Six and Seven have been and are false, misleading and deceptive.

PAR. 9. Respondents' merchandising program is in the nature of a lottery in that participants are induced to invest substantial sums of money on the possibility that by the activities and efforts of others, over whom they exercise no control or direction, they will receive the profits described in Paragraphs Four and Six herein. The realization of such financial gain is not dependent on the skill and effort of the individual participant, but is the result of elements of chance including the number of prior participants and the degree of saturation of the market which exists when the participant is induced to make his investment.

The use by respondents of a multi-level marketing program, which is in the nature of a lottery, is contrary to the established public policy of the United States and is an unfair act and practice.

PAR. 10. In the conduct of their business, at all times mentioned herein, respondents have been in substantial competition in com-

merce with corporations, firms and individuals in the sale of home care products of the same general kind and nature as those sold by respondents.

Par. 11. The use by the respondents of the aforesaid false, misleading and deceptive, statements, representations, and practices has had, and now has, the capacity and tendency to mislead members of the public into the erroneous and mistaken belief that said statements and representations were and are true and into the investment of substantial sums of money to participate in the respondents' multi-level marketing program and the purchase of substantial quantities of respondents' products by reason of said erroneous and mistaken belief.

PAR. 12. The aforesaid acts and practices of the respondents, as herein alleged, were and are all to the prejudice and injury of the public and of respondents' competitors and constituted and now constitute, unfair methods of competition in commerce and unfair methods and deceptive acts and practices in commerce, in violation of Section 5 of the Federal Trade Comission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

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

The Commission having considered the agreement and having accepted same, and the agreement containing consent order having thereupon been placed on the public record for a period of thirty (30) days, and having duly considered the comments filed thereafter pursuant to § 2.34(b) of its Rules, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission

hereby issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Bestline Products Corporation, is a corporation organized, existing and doing business under and by virtue of the laws of the State of California, with its principal office and place of business located at 2350 Trimble Road, San Jose, California.

Respondent Bestline Products, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of California, with its principal office and place of business located at 2350 Trimble Road, San Jose, California. It is a wholly-owned subsidiary of Bestline Products Corporation.

Respondents William E. Bailey and Robert W. DePew are officers and stockholders of the corporate respondents. Their address is the same as that of the corporate respondents.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That respondents Bestline Products, Inc., Bestline Products Corporation, corporations, and their officers and William E. Bailey and Robert W. DePew, individually and as officers of said corporation and respondents' agents, representatives and employees, directly or through any corporate or other device in connection with the advertising, offering for sale, sale or distribution of household, industrial or commercial cleaners or waxes or other products or of distributorships or franchises in a multi-level or other marketing program or with the seeking to induce or inducing the participation of persons, firms, or corporations in a multi-level or other marketing program in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Operating or, directly or indirectly, participating in the operation of any multi-level marketing program wherein the financial gains to the participants are dependent upon the continued, successive recruitment of other participants.

2. Offering to pay, paying or authorizing the payment of any finder's fee, bonus, override, commission, cross-commission, discount, rebate, dividend or other consideration to any participants in respondent's multi-level marketing program for the solicitation or recruitment of other participants therein.

3. Offering to pay, paying or authorizing payment of any

bonus, override, commission, cross-commission, discount, rebate, dividend or other consideration to any person, firm or corporation in connection with the sale of any product or service under respondent's multi-level marketing program unless such person, firm or corporation performs a bona fide and essential supervisory, distributive, selling or soliciting function in the sale and delivery of such products to the ultimate consumer.

4. Requiring prospective participants or participants in respondents' said program to purchase the product or pay any other consideration, other than payment for the actual cost of necessary sales materials, in order to participate in any manner therein: *Provided, however*, That respondents may require or may suggest the purchase of specific and reasonable inventories only, by any distributor, on the express condition that respondents at the same time agree to repurchase any unused and undamaged portion of an initial inventory from any purchaser thereof at full cost less reasonable shipping costs, if any, within 90 days from the delivery of the product at the option of the purchaser; *Provided further*, however, that if inventory costs reach $500 or more, within said 90 day period, then said obligation to repurchase shall cease immediately upon participant's tendering a subsequent order to purchase the product.

5. Using any multi-level marketing program, either directly or indirectly:

(a) Wherein any finder's fee, bonus, override, commission, cross-commission, discount, rebate, dividend or other compensation or profit inuring to participants therein is dependent on the element of chance dominating over the skill or judgment of the participants; or

(b) Wherein no amount of judgment or skill exercised by the participant has any appreciable effect upon any finder's fee, bonus, override, commission, cross-commission, discount, rebate, dividend or other compensation or profits which the participant may receive; or

(c) Wherein the participant is without that degree of control over the operation of such plan as to enable him substantially to affect the amount of any finder's fee, bonus, override, commission, cross-commission, discount, rebate, dividend or other compensation or profit which he may receive or be entitled to receive.

6. Using any multi-level marketing program which fails to:

(a) Inform orally all participants in respondents' multi-

level marketing programs and to provide in writing in all contracts of participation that the contract may be cancelled for any reason by notification to respondents in writing within three working days from the date of execution of such contract.

(b) Refund immediately all monies to (1) participants who have requested contract cancellation in writing within three working days from the execution thereof, and (2) participants showing that respondents' contract solicitations or performance were attended by or involved violation of any of the provisions of this order.

7. Representing, directly or by implication, that participants in respondents' multi-level marketing programs will earn or receive any stated or gross or net amount; or representing, in any manner, the past earnings of participants unless in fact the past earnings represented are those of a substantial number of participants in the community or geographical area in which such representations are made and accurately reflect the average earnings of these participants under circumstances similar to those of the participant or prospective participant to whom the representation is made.

8. Representing, directly or by implication, that it is not difficult for participants to recruit or retain persons to invest in respondents' multi-level marketing programs as distributors or as sales personnel to work home routes or sell respondents' products door-to-door or any other manner.

9. Representing, directly or by implication, that it is not difficult for participants to ascend to a higher level of distribution within the marketing chain.

10. Representing, directly or by implication, that all participants in the respondents' multi-level marketing program or any other sales program will succeed.

11. Representing, directly or by implication, that the supply of available entrants or investors in the respondents' marketing program is inexhaustible; or misrepresenting, in any manner, the availability of such entrants or investors.

12. (a) Failing to disclose, orally and in writing, the terms of this order to cease and desist to all present and future distributors, salesmen or other persons engaged in the sale of respondents' products, services, or merchandising programs, and securing from each such distributor, salesmen or other person a signed statement evidencing receipt of said disclosure.

(b) Failing to make available on request a copy of this cease and desist order to any participant or prospective participant.

It is further ordered, That respondents 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 this order.

It is further ordered, That the respondent corporations shall forthwith, distribute a copy of this order to each of their operating divisions.

It is further ordered, That the respondents herein shall within sixty (60) days after service upon them of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which they have complied with this order.

IN THE MATTER OF

DRUG FAIR, INC., TRADING AS DRUG FAIR

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

Docket C-1987. Complaint, July 23, 1971—Decision, July 23, 1971

Consent order requiring a chain of retail drugstores with headquarters in Alexandria, Va., to cease preticketing private brand merchandise with any stated price, using the words "SUMMER DISCOUNTS" and other special words unless the price is an actual discount, misrepresenting that the customer is afforded a savings, and failing to maintain adequate records to support savings claims.

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 Drug Fair, Inc., a corporation, trading as Drug Fair, and certain subsidiary corporations of Drug Fair, Inc., hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Drug Fair, Inc., trading as Drug Fair, is a corporation organized, existing and doing business under and by

virtue of the laws of the State of Maryland, with its principal office and place of business located at 6315 Bren Mar Drive, in Alexandria, Commonwealth of Virginia. Respondent from its aforementioned principal place of business is responsible for all the acts and practices of the aforementioned subsidiary corporations hereinbefore referred to as respondents in this complaint.

PAR. 2. Respondent is now, and for some time last past has been, engaged in the operation of a chain of retail drug stores and in the advertising, offering for sale, and sale of drugs, cosmetics, film, developing and printing film and other articles of merchandise and service to the public, at retail.

PAR. 3. In the course and conduct of its business as aforesaid, respondent now causes, and for some time last past has caused, its said merchandise to be shipped from its principal place of business in the Commonwealth of Virginia to its retail outlets located in various other States of the United States and in the District of Columbia, and has operated retail drug stores wherein its said goods and services have been sold and distributed wholly within the geographical confines of the District of Columbia; and has advertised its merchandise and services in newspapers and by radio and television circulated, distributed and transmitted among and between the several states and the District of Columbia, and maintains, and at all times mentioned herein has maintained, a substantial course of trade in said products and services in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of its business as aforesaid, and for the purpose of inducing the purchase of its merchandise, respondent has caused certain of its private brand merchandise to be preticketed with various price amounts and has made, and is now making, numerous statements and representations respecting the selling price and savings for such articles and other non-preticketed merchandise and services in advertisements inserted in newspapers of general interstate circulation, by means of radio and television broadcasts, and by other means in commerce, as "commerce" is defined in the Federal Trade Commission Act.

Typical and illustrative of the foregoing, but not all inclusive thereof, are the following:

ANNIVERSARY SALE * * *
AUTOMOTIVE SPECIAL * * *
2.50
BUCKINGHAM
5-qt. SAE 10W30
MOTOR OIL
99¢ * * *

SUMMER CLEARANCE * * *
69¢ DRUG FAIR
SUPER STAINLESS
DOUBLE EDGE
BLADES
PACK OF 5
48¢ * * *

SUMMER DISCOUNTS * * *
1.09
DRUG FAIR
STAINLESS
DOUBLE EDGE
BLADES
10's
88¢ * * *

When you pick up your
finished prints
we will give you a
FREE ROLL OF KODAK FILM
for each and every
roll you had
developed and printed.

89¢ DRUG FAIR
INJECTOR
BLADES
64¢
7 Stainless injector blades * * *

FREE
KODAK
FILM

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

1. The preticketed prices shown on respondent's razor blades and motor oil are the prices at which respondent has made a bona fide offer to sell or has sold said merchandise on a regular basis for a reasonably substantial period of time in the recent, regular course of its business.

2. The advertised preticketed prices for respondent's razor blades and motor oil are the prices at which respondent has made a bona fide offer to sell or has sold said merchandise on a regular basis for a reasonably substantial period of time in the recent, regular course of its business and that purchasers save the difference between said higher preticketed prices and respondent's advertised selling price.

3. Each of the articles of merchandise offered for sale in the advertisements bearing the words "Summer Discount," "Holiday Discount," "Summer Clearance," "Automotive Special," or other words of similar import and meaning, were being offered for sale at special or reduced prices from the prices at which respondent has made a bona fide offer to sell or has sold said merchandise on a regular basis for a reasonably substantial period of time in the recent, regular course of its business and that purchasers realized a savings between respondent's regular price and its advertised price for such merchandise.

4. Customers will receive a free roll of Kodak film for each and every roll of film developed and printed.

PAR. 6. In truth and in fact:

1. The preticketed prices shown on respondent's razor blades and motor oil are not the prices at which respondent has made a bona

fide offer to sell or has sold said merchandise on a regular basis for a reasonably substantial period of time in the recent, regular course of its business.

2. The advertised preticketed prices for respondent's razor blades and motor oil are not the prices at which respondent has made a bona fide offer to sell or has sold said merchandise on a regular basis for a reasonably substantial period of time in the recent, regular course of its business and purchasers do not save the difference between the higher preticketed prices and respondent's advertised selling price.

3. Each of the articles of merchandise offered for sale in the advertisements bearing the words, "Summer Discount," "Holiday Discount," "Summer Clearance," "Automotive Special," or other words of similar import and meaning were not being offered for sale at special or reduced prices from the price at which respondent has made a bona fide offer to sell or has sold said merchandise on a regular basis for a reasonably substantial period of time in the recent, regular course of its business and purchasers do not realize a savings between respondent's regular price and its advertised price for such merchandise.

4. Customers do not receive a free roll of Kodak film for each and every roll developed and printed; the developing and printing charges include the cost of the replacement roll of film.

Therefore, the aforesaid statements, representations, acts and practices were, and are, false, misleading and deceptive.

PAR. 7. In the conduct of its aforesaid business and at all times mentioned herein, respondent has been, and is now, in substantial competition, in commerce, with corporations, firms and individuals engaged in the advertising, offering for sale and sale of merchandise and services of the same general kind and nature as that sold by respondent.

PAR. 8. The use by respondent of the aforesaid false, misleading and deceptive statements, representations, acts and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public concerning the savings available to them on respondent's merchandise and, more generally, to mislead them into the erroneous and mistaken belief that said statements and representations are true and into the purchase of substantial quantities of respondent's merchandise and services by reason of said erroneous and mistaken belief.

PAR. 9. The acts and practices of respondent as set forth above were, and are, all to the prejudice and injury of the public and of

respondent's competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce in violation of Section 5 of the Federal Trade Commission Act.

Decision and Order

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

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

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said 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 and having duly considered the comments filed thereafter pursuant to Section 2.34(b) of its Rules, now, in further conformity with the procedure prescribed in such Rule, the Commission hereby issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Drug Fair, Inc., trading as Drug Fair, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Maryland, with its principal office and place of business located at 6315 Bren Mar Drive, in Alexandria, Commonwealth of Virginia. Respondent from its aforementioned principal place of business is responsible for all the acts and practices of its subsidiary corporations.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents and the proceeding is in the public interest.

ORDER

It is ordered, That respondent Drug Fair, Inc., a corporation, and its officers, and its subsidiaries and their officers, trading as Drug Fair, or under any other trade name or names and respondent's agents, representatives and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, and sale of drugs, cosmetics, film, developing and printing film or any other products or services, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Preticketing private brand merchandise with any stated price, or representing, directly or by implication, that any price amount is respondent's regular price for any article of merchandise unless said amount is the price at which such merchandise has been sold or offered for sale in good faith by respondent for a reasonably substantial period of time in the recent, regular course of its business and not for the purpose of establishing fictitious higher prices upon which a deceptive comparison might be based.

2. Using the words "SUMMER CLEARANCE," "SUMMER DISCOUNTS," "SPECIAL," or any other word or words of similar import or meaning unless the price advertised for any of respondent's merchandise being offered for sale constitutes a reduction in an amount not so insignificant as to be meaningless, from the actual bona fide price at which the advertised merchandise was sold or offered for sale to the public on a regular basis by respondent for a reasonably substantial period of time in the recent course of its business: *Provided, however*, That respondent may use such words or expressions of similar import, as mentioned above, in advertising or other promotional materials containing non-sale items if clear and conspicuous disclosure is made in immediate conjunction with said representations that non-sale items are contained therein and if said non-sale items are distinctively identified.

3. Representing, in any manner, that by purchasing any of respondent's merchandise customers are afforded savings amounting to the difference between respondent's stated price and respondent's former price unless such merchandise has been sold or offered for sale in good faith at the former price by respondent for a reasonably substantial period of time in the recent, regular course of its business.

4. Failing to maintain adequate records, (a) which disclose the facts upon which any savings claims, including former pricing claims, sale claims and similar representations of the type as set forth in Paragraphs One through Three of this order are based, and (b) from which the validity of any savings claim, including former pricing claims, sales claims and similar representations of this type described in Paragraphs One through Three of this order can be determined.

5. Misrepresenting in any manner, the price at which any of respondent's merchandise is sold at retail or the savings afforded in the purchase thereof.

6. Representing, directly or indirectly, that any article of merchandise is being given free or without charge or cost or as a gift, in connection with the purchase of other merchandise, unless the stated price of the merchandise required to be purchased in order to obtain said article is the same or less than the customary and usual price at which such merchandise has been sold separately for a substantial period of time in the recent and regular course of respondent's business.

It is further ordered, That respondent deliver a copy of this order to all present and future personnel of respondent engaged in offering for sale, or sale of any product or in any aspect of preparation, creation, or placing of advertising, and that respondent secure a signed statement acknowledging receipt of said order from each such person.

It is further ordered, That the respondent corporation shall forthwith distribute a copy of this order to each of its operating divisions and to each of its subsidiary corporations.

It is further ordered, That respondent 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 this order.

It is further ordered, That the acts and practices of respondent Drug Fair, Inc.'s, subsidiaries, unnamed herein, will be subject to the terms and provisions of this order just as if the respondent Drug Fair, Inc.'s, said unnamed subsidiaries were individually named herein.

It is further ordered, That the respondent herein shall within sixty (60) days after service upon it 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 this order.

IN THE MATTER OF

UNION CARBIDE CORPORATION

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

Docket 8811. Complaint, Mar. 25, 1970★—Decision, July 26, 1971

Consent order requiring a New York City manufacturer and seller of an automobile antifreeze described as Prestone antifreeze to cease advertising such product by presenting a demonstration which is performed unfairly or deceptively exaggerates or distorts the normal condition of use.

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 Union Carbide Corporation, a corporation, hereinafter referred to as respondent, has violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Union Carbide Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York with its principal office and place of business located at 270 Park Avenue, in the city of New York, State of New York.

PAR. 2. Respondent now, and for some time past, has been engaged in the manufacture, sale and distribution of an automobile antifreeze described as Prestone antifreeze, which, when sold is shipped to purchasers located in various States of the United States. Thus respondent maintains, and at all times mentioned herein has maintained, a substantial course of trade in said automobile antifreeze in commerce as "commerce" is defined in the Federal Trade Commission Act.

PAR. 3. Respondent at all times mentioned herein has been and now is in substantial competition in commerce with individuals, firms and corporations engaged in the sale and distribution of automobile antifreeze.

PAR. 4. In the course and conduct of its business, and for the pur-

*Reported as amended by hearing examiner's order of May 12, 1970. Respondents name was incorrectly stated in the complaint as "Union Carbide Company."

pose of inducing the sale of its said product, respondent extensively employs advertising in national and regional magazines and other publications and on network and local television and through various other outlets including point of sale displays. Respondent's major advertising theme consists of a so-called "Acid-Test" demonstration.

PAR. 5. The so-called "Acid-Test" demonstration is performed in the following manner: Two metal strips, one dipped in Prestone antifreeze and the other in "ordinary antifreeze," are immersed in a solution of acid. The metal strip dipped in "ordinary antifreeze" is destroyed by the acid but the strip dipped in Prestone is not. The aforesaid advertisements emphasize the extra protection the "Magnetic Film" in Prestone gives against corrosion.

PAR. 6. Through the use of the aforesaid demonstration and the statements used in connection therewith, respondent represents, directly or by implication, that such demonstration is evidence which actually proves how Prestone antifreeze protects against the acid corrosion which actually occurs in an automobile cooling system, and that such demonstration is evidence which actually proves the superiority of Prestone antifreeze over competing brands.

PAR. 7. In truth and in fact: (1) the acid solution used in the demonstration is not of the same kind and concentration as that normally found in an automobile cooling system; (2) the metal strips used are not the same kind or quality of metal from which the automobile cooling system parts involved are usually manufactured; (3) the corrosive effect on the metal strips by the acid which is depicted is not the same effect as that which occurs in an automobile cooling system; (4) the concentration of Prestone antifreeze and the homogeneity of the mixture used in the demonstration is not the same as that which is actually found in an automobile cooling system.

Therefore, the said pictorial demonstration, including the statements and representations used in connection therewith, is not evidence which actually proves the corrosion protection qualities of Prestone antifreeze and is not evidence which actually proves the comparative merits of Prestone antifreeze and competing brands of antifreeze and therefore it is false, misleading and deceptive.

PAR. 8. The use by the respondent of the aforesaid invalid demonstration and the false, misleading and deceptive statements and representations used in connection therewith has had, and now has, the tendency and capacity to mislead and deceive a substantial portion of the purchasing public into the erroneous and mistaken belief that said statements and representations were and are true, and

into the purchase of a substantial quantity of respondent's Prestone antifreeze because of such erroneous and mistaken belief.

PAR. 9. The aforesaid acts and practices of respondent, as herein alleged, were, and are, all to the prejudice and injury of the public and of respondent's competitors, and constituted, and now constitute, unfair and deceptive acts and practices and unfair methods of competition in commerce, in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having issued its complaint on March 31, 1971, charging respondent with violation of the Federal Trade Commission Act, and the respondent having been served with a copy of that complaint; and

The Commission having duly determined upon a joint motion of complaint counsel and respondent's counsel that in the circumstances presented the public interest would be served by waiver here of the provisions of Section 2.34(d) of its Rules that the consent order procedure shall not be available after issuance of complaint; and

The respondent, its counsel and complaint counsel having executed an agreement containing a consent order, an admission by 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 set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission having considered the aforesaid agreement and having determined that it provides an adequate basis for appropriate disposition of this proceeding, the agreement is hereby accepted, the following jurisdictional findings made, and the following order is entered:

1. Respondent Union Carbide Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with an office and principal place of business located at 270 Park Avenue, in the city of New York, State of New York.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent, and the proceeding is in the public interest.

ORDER

It is ordered, That respondent Union Carbide Corporation, a corporation, its officers, representatives, agents and employees, directly

or through any corporate or other device, in connection with the offering for sale, sale and distribution of Prestone antifreeze or any other retail consumer product in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

Advertising any such product by presenting a demonstration, including a test or experiment, that appears or purports to be proof of any fact that is material to inducing the sale of the product, but which does not prove such fact because the conditions under which said demonstration is performed unfairly or deceptively exaggerate or distort normal conditions of use.

Its is further ordered, That the respondent corporation shall forthwith distribute a copy of this order to each of its operating divisions.

It is further ordered, That respondent notify the Commission at least 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 effect compliance obligations arising out of the order.

It is further ordered, That respondent shall, within sixty days (60) after service of the order upon it, file with the Commission a report in writing setting forth in detail the manner and form of its compliance with the order to cease and desist.

IN THE MATTER OF

DON DAVIS PONTIAC, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION AND THE TRUTH IN LENDING ACTS

Docket C-1988. Complaint, July 26, 1971—Decision, July 26, 1971

Consent order requiring a Buffalo, N.Y., dealer in new and used automobiles to cease violating the Truth in Lending Act by failing to make the consumer credit cost disclosures required by Regulation Z and failing to make other disclosures.

COMPLAINT

Pursuant to the provisions of the Truth in Lending Act and the implementing regulations thereunder, and the Federal Trade Commission Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission having reason to believe that Don Davis Pontiac, Inc., a corporation, and Donald L. Davis, individu-

ally, and as president of said corporation, hereinafter referred to as respondents have violated the provisions of said Acts and implementing regulations, 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. The respondent Don Davis Pontiac, Inc., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of New York, with its principal office and place of business located at 2845 Bailey Avenue, Buffalo, New York.

Respondent Donald L. Davis is the president of the corporate respondent. He formulates, directs and controls the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. His address is the same as that of the corporate respondent.

PAR. 2. Respondents are now and for some time last past have been engaged in the offering for sale and the sale and service of new and used automobiles to the public at retail.

PAR. 3. In the ordinary course and conduct of their business, as aforesaid, respondents arrange for the extension of consumer credit or offer to extend or arrange for the extension of such credit as "consumer credit" is defined in Regulation Z, the implementing regulation of the Truth in Lending Act, duly promulgated by the Board of Governors of the Federal Reserve System.

PAR. 4. Subsequent to July 1, 1969, respondents in the ordinary course and conduct of their business and in connection with their credit sales as "credit sale" is defined in Regulation Z, many times have caused and are causing its customers to execute a Purchase Agreement for the purchase of either a new or used automobile on credit, as "credit" is defined by Regulation Z. Subsequently, at the time of delivery, after the credit transaction is consummated for either the new or used car, proposed respondents usually have its customers execute a Retail Installment Contract. Only the Retail Installment Contract contains the consumer credit cost disclosures required by Regulation Z.

Therefore, respondents have failed to make the consumer credit cost disclosures required by Regulation Z, before the transaction is consummated, as required by Section 226.8(a) of the Regulation.

PAR. 5. Pursuant to Section 103(q) of the Truth in Lending Act, respondents aforesaid failure to comply with Regulation Z constitutes a violation of that Act, and pursuant to Section 108 thereof, respondents have thereby violated the Federal Trade Commission Act.

DECISION AND ORDER

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

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

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said 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 thirty (30) days, now in further conformity with the procedure prescribed in Section 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent, Don Davis Pontiac, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York with its principal office and place of business located at 2845 Bailey Avenue, Buffalo, New York. Respondent, Donald L. Davis, is the president of the corporate respondent. He formulates, directs and controls the policies, acts and practices of said corporation.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents and the proceeding is in the public interest.

ORDER

It is ordered, That respondents, Don Davis Pontiac, Inc., a corporation, and Donald L. Davis, individually and as president of said corporation, and respondents' agents, representatives, and employees, directly, or through any corporate or other device in connection with any extension or offer to extend or arrange for the extension of con-

sumer credit as "consumer credit" is defined in Regulation Z (12 CFR Part 226) of the Truth in Lending Act (Public Law 90–321, 15 U.S.C. 1601 *et seq.*) do forthwith cease and desist from:

1. Failing to make the consumer credit cost disclosures required by Regulation Z before the transaction is consummated as required by Section 226.8(a) of the Regulation.

2. Failing in any consumer credit transaction or advertisement to make all disclosures determined in accordance with Sections 226.4 and 226.5 of Regulation Z in the manner, form and amount required by Sections 226.6, 226.7, 226.8, 226.9, and 226.10 of Regulation Z.

It is further ordered, That respondents deliver a copy of this order to cease and desist to all present and future personnel of respondents engaged in the consummation of any extension or arrangement for the extension of consumer credit or in any aspect or preparation, creation, or placing of advertising and that respondents secure a signed statement acknowledging receipt of said order from each such person.

It is further ordered, That respondents 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, or any other change in the corporation which may effect compliance obligations arising out of the order.

It is further ordered, That respondents herein shall within sixty (60) days after service upon them of this order file with the Commission a report, in writing, setting forth in detail the manner and form in which they have complied with the order to cease and desist contained herein.

IN THE MATTER OF

AMERICAN AUTO SUPPLY CO., INC., DOING BUSINESS AS RUBENS FURNITURE CO., ET AL

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION AND THE TRUTH IN LENDING ACTS

Docket C–1989. Complaint, July 26, 1971—Decision, July 26, 1971

Consent order requiring a Rochester, N.Y., furniture and electrical appliance retail store to cease violating the Truth in Lending Act by failing to disclose on its installment contracts the terms annual percentage rate, total of payments, cash price, unpaid balance of cash price, amount financed, finance charge, deferred payment price, and other terms required by Regulation Z of said Act.

COMPLAINT

Pursuant to the provisions of the Truth in Lending Act and the implementing regulation promulgated thereunder, and the Federal Trade Commission Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that American Auto Supply Co., Inc., a corporation, d/b/a Rubens Furniture Co., and Barney Rubens, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and regulation, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent American Auto Supply Co., Inc., is a corporation organized, existing and doing business as Rubens Furniture Co., under and by virtue of the laws of the State of New York, with its principal office and place of business located at 292 East Avenue, Rochester, New York.

Respondent Barney Rubens is the president of the corporate respondent. He formulates, directs and controls the policies, acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. His address is the same as that of the corporate respondent.

PAR. 2. Respondents operate a retail store and are now, and for some time last past have been, engaged in the advertising for sale, offering for sale and sale of furniture and electrical appliances to the public.

Par. 3. In the ordinary course and conduct of their business as aforesaid, respondents regularly extend and for some time last past have regularly extended consumer credit, as "consumer credit" is defined in Regulation Z, the implementing regulation of the Truth in Lending Act, duly promulgated by the Board of Governors of the Federal Reserve System.

PAR. 4. Subsequent to July 1, 1969, respondents, in the ordinary course of their business, as aforesaid, and in connection with their credit sales, as "credit sale" is defined in Regulation Z, have caused and are causing customers to execute retail installment contracts, hereinafter referred to as "the contract." Respondents do not provide these customers with any other consumer credit cost disclosures.

By and through the use of the contract, respondents:

1. Failed in some instances to disclose the "annual percentage rate" accurately to the nearest quarter of one percent, as computed

in accordance with Section 226.5 of Regulation Z, as required by Section 226.8(b)(2) of Regulation Z. Respondents understated the "annual percentage rate" by as much as 6.75 percent.

2. Failed in some instances to disclose the finance charge expressed as an annual percentage rate, and failed to describe that rate as the "annual percentage rate," as required by Section 226.8(b)(2) of Regulation Z.

3. Failed in some instances to disclose the number, amount and due dates or periods of payments scheduled to repay the indebtedness and the total amount of such payments, as required by Section 226.8(b)(3) of Regulation Z. Respondents also failed in some instances to describe the sum of such payments as the "total of payments," as required by that section.

4. Failed in some instances to use the term "cash price" to describe the price at which respondents offer, in the regular course of business, to sell for cash the property or services which are the subject of the credit sale, as required by Section 226.8(c)(1) of Regulation Z.

5. Failed in some instances to use the term "unpaid balance of cash price" to describe the difference between the cash price and the total downpayment, as required by Section 226.8(c)(3) of Regulation Z.

6. Failed in some instances to use the term "amount financed" to describe the amount of credit extended, as required by Section 226.8(c)(7) of Regulation Z.

7. Failed in some instances to use the term "finance charge" to describe the sum of all charges required by Section 226.4 of Regulation Z to be included therein, as required by Section 226.8(c)(8)(i) of Regulation Z.

8. Failed in some instances to disclose, and in other instances to disclose accurately, the sum of the cash price, all charges which are included in the amount financed but which are not part of the finance charge, and the finance charge, and failed in some instances to describe that sum as the "deferred payment price," all as required by Section 226.8(c)(8)(ii) of Regulation Z.

PAR. 5. Pursuant to Section 103(k) of the Truth in Lending Act, respondents' aforesaid failures to comply with the provisions of Regulation Z constitute violations of that Act and, pursuant to Section 108 thereof, respondents have thereby violated the Federal Trade Commission Act.

Decision and Order

The Commission having heretofore determined to issue its complaint charging respondents named in the caption hereof with violation of the Federal Trade Commission Act, the Truth in Lending Act and the implementing Regulation promulgated thereunder, and respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

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

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

1. Respondent American Auto Supply Co., Inc., is a corporation organized, existing and doing business as Rubens Furniture Co., under and by virtue of the laws of the State of New York, with its principal office and place of business located at 292 East Avenue, Rochester, New York.

Respondent Barney Rubens is the president of said corporation. He formulates, directs and controls the policies, acts and practices of said corporation and his address is the same as that of said corporation.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That respondents American Auto Supply Co., Inc., a corporation, d/b/a Rubens Furniture Co. or under any other name, and its officers, and Barney Rubens, individually and as an

officer of said corporation, and respondents' agents, representatives, and employees, directly or through any corporate or other device, in connection with any extension or arrangement for the extension of consumer credit, or any advertisement to aid, promote or assist directly or indirectly any extension of consumer credit as "consumer credit" and "advertisement" are defined in Regulation Z (12 CFR Part 226) of the Truth in Lending Act (Public Law 90-321, 15 U.S.C. 1601 *et seq.*), do forthwith cease and desist from:

1. Failing to disclose the "annual percentage rate" accurately to the nearest quarter of one percent, as computed in accordance with Section 226.5 of Regulation Z, as required by Section 226.8(b)(2) of Regulation Z.

2. Failing to disclose the finance charge expressed as an annual percentage rate, and failing to describe that rate as the "annual percentage rate," as required by Section 226.8(b)(2) of Regulation Z.

3. Failing to disclose the number, amount and due dates or periods of payments scheduled to repay the indebtedness and the total amount of such payments, as required by Section 226.8(b)(3) of Regulation Z. Failing to describe the sum of such payments as the "total of payments," as required by that Section.

4. Failing to use the term "cash price" to describe the price at which respondents offer, in the regular course of business, to sell for cash the property or services which are the subject of the credit sale, as required by Section 226.8(c)(1) of Regulation Z.

5. Failing to use the term "unpaid balance of cash price" to describe the difference between the cash price and the total downpayment, as required by Section 226.8(c)(3) of Regulation Z.

6. Failing to use the term "amount financed" to describe the amount of credit extended, as required by Section 226.8(c)(7) of Regulation Z.

7. Failing to use the term "finance charge" to describe the sum of all charges required by Section 226.4 of Regulation Z to be included therein, as required by Section 226.8(c)(8)(i) of Regulation Z.

8. Failing to disclose, and to disclose accurately, the sum of the cash price, all charges which are included in the amount financed but which are not part of the finance charge, and the finance charge, and failing to describe that sum as the "deferred

payment price," all as required by Section 226.8(c)(8)(ii) of Regulation Z.

9. Failing, in any consumer credit transaction or advertisement, to make all disclosures, determined in accordance with Section 226.4 and Section 226.5 of Regulation Z, in the manner, form and amount required by Sections 226.6, 226.7, 226.8, 226.9 and 226.10 of Regulation Z.

It is further ordered, That respondent deliver a copy of this order to cease and desist to all present and future personnel of respondents engaged in the consummation of any extension of consumer credit or in any aspect of preparation, creation, or placing of advertising, and that respondent secure a signed statement acknowledging receipt of said order from each such person.

It is further ordered, That respondents 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.

It is further ordered, That each respondent shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing, setting forth in detail the manner and form in which they have complied with the order to cease and desist contained herein.

In the Matter of

OZARK MATTRESS COMPANY, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION AND THE TEXTILE FIBER PRODUCTS IDENTIFICATION ACTS

Docket C-1990. Complaint, July 26, 1971—Decision, July 26, 1971

Consent order requiring a Springfield, Mo., manufacturer and distributor of mattresses and box springs to cease misrepresenting the number of coil springs or other component parts in its products, misbranding the textile fiber products in its mattresses and cushions, and failing to properly label previously used material in its products.

Complaint

Pursuant to the provisions of the Federal Trade Commission Act and the Textile Fiber Products Identification Act, and by virtue of

the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Ozark Mattress Company, Inc., a corporation, and Pete Reynolds, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Textile Fiber Products Identification Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Ozark Mattress Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Missouri, with its principal office and place of business located at 2610 West Kearney Street, in the city of Springfield, State of Missouri.

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

PAR. 2. Respondents are now, and for some time last past have been, engaged in the manufacture, advertising, offering for sale, selling, and distribution of mattresses and box springs to the public.

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

COUNT I

Alleging violation of Section 5 of the Federal Trade Commission Act, the allegations of Paragraphs One, Two and Three above are incorporated by reference in Count I as if fully set forth verbatium.

PAR. 4. In the course and conduct of their business as aforesaid, and for the purpose of inducing the purchase of their said mattresses and box springs, respondents have represented, directly or by implication:

That certain of their mattresses contain a coil count of 312 coils through the use of labels showing the words and terms "312 Coil Sleep Ensemble."

PAR. 5. In truth and in fact such mattresses contain a coil count of 252 coils.

Therefore, the representations as set forth in Paragraph Four hereof were false, misleading and deceptive.

PAR. 6. In the conduct of their business at all times mentioned herein, respondents have been in substantial competition, in commerce, with corporations, firms and individuals in the sale of mattresses and box springs of the same general kind and nature as that sold by respondents.

Par. 7. The use by respondents of the aforesaid false, misleading and deceptive representations has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said representations were and are true and into the purchase of substantial quantities of respondents' products by reason of said erroneous and mistaken belief.

PAR. 8. The aforesaid acts and practices of respondents, as herein alleged, were and are all to the prejudice and injury of the public and of respondents' competitors, and constituted and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce, in violation of Section 5 of the Federal Trade Commission Act.

COUNT II

Alleging violation of Section 4(h) of the Textile Fiber Products Identification Act, the allegations of Paragraphs One, Two and Three above are incorporated by reference in Count II as if fully set forth verbatium.

Par. 9. Respondents are now, and for some time last past have been engaged in the introduction, delivery for introduction, manufacture for introduction, sale, advertising, and offering for sale, in commerce, and in the transportation or causing to be transported in commerce, of textile fiber products; and have sold, offered for sale, advertised, delivered, transported and caused to be transported, textile fiber products, which had been advertised or offered for sale in commerce; and have sold, offered for sale, advertised, delivered, transported and caused to be transported, after shipment in commerce, textile fiber products, either in their original state or contained in other textile fiber products; as the terms "commerce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act.

PAR. 10. Certain of said textile fiber products were misbranded by respondents within the intent and meaning of Section 4(h) of the

Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder, in that they were not stamped, tagged, labeled, or otherwise identified as required under the provisions of said Section 4(h) and in the manner and form prescribed by the Rules and Regulations promulgated under said Act.

Among such misbranded textile fiber products, but not limited thereto, were mattresses containing previously used stuffing, bearing labels showing in words and terms,

All New Material Consisting Of
Innerspring Unit Covered with
Sisal Fibre Pad 35%
Felted Cotton 65%
consisting of:
(50% First Cut Linters)
(50% Cotton Picker),

with such mattresses bearing no stamp, tag, or label, approved by the Commission, indicating in words plainly legible that such mattresses contained reused stuffing.

PAR. 11. The acts and practices of respondents as set forth in Count II above were, and are, in violation of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder, and constituted and now constitute, unfair and deceptive acts and practices in commerce, under the Federal Trade Commission Act.

DECISION AND ORDER

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

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as alleged in

such complaint, and waivers and other provisions as required by the Commission's Rules; and

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

1. Respondent Ozark Mattress Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Missouri, with its office and principal place of business located at 2610 West Kearney Street, Springfield, Missouri.

Respondent Pete Reynolds is an officer of the corporate respondent. He formulates, directs and controls the policies, acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. His business address is the same as that of said corporation.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

I

It is ordered, That respondents Ozark Mattress Company, Inc., a corporation, and its officers, and Pete Reynolds, individually and as an officer of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the manufacture, advertising, offering for sale, sale, or distribution of mattresses or box springs in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing directly or by implication that respondents' mattresses and box springs contain any specific coil count or number of coils except the true and correct number of coils actually contained in such mattresses and box springs.

2. Misrepresenting in any manner the design, construction of,

or the component parts and materials used in the manufacture of respondents' mattresses and box springs.

II

It is further ordered, That respondents Ozark Mattress Company, Inc., a corporation, and its officers, and Pete Reynolds, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, delivery for introduction, manufacture for introduction, sale, advertising, or offering for sale, in commerce, or the transportation or causing to be transported in commerce, of any textile fiber product; or in connection with the sale, offering for sale, advertising, delivery, transportation, or causing to be transported, of any textile fiber product which has been advertised or offered for sale in commerce; or in connection with the sale, offering for sale, advertising, delivery, transportation, or causing to be transported, after shipment in commerce, of any textile fiber product, whether in its original state or contained in other textile fiber products, as the terms "commerce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act, do forthwith cease and desist from:

1. Misbranding textile fiber products by falsely or deceptively stamping, tagging, labeling, invoicing, advertising, or otherwise identifying mattresses and box springs as containing all new materials when such products contain stuffing previously used in other upholstered products, mattresses or cushions.

2. Failing to affix in a conspicuous manner, to mattresses and box springs containing stuffing previously used in other upholstered products, mattresses or cushions, a stamp, tag or label approved by the Commission indicating in words plainly legible that each such mattress and box spring contains reused or previously used stuffing as required by Section 4(h) of the Textile Fiber Products Identification Act.

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

It is further ordered, That respondents 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 this order.

Complaint

IN THE MATTER OF

CONTINENTAL FURNITURE SALES, INC., DOING BUSINESS AS AL AND LEON'S, ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION AND THE TRUTH IN LENDING ACTS

Docket C-1991. Complaint, July 26, 1971—Decision, July 26, 1971

Consent order requiring a Seattle, Wash., seller of furniture and household goods to cease violating the Truth in Lending Act by failing to use on installment contracts the terms cash price, cash downpayment, unpaid balance of cash price, amount financed, annual percentage rate, total of payments, and deferred payment price, and failing to provide other information as required by Regulation Z of said Act.

COMPLAINT

Pursuant to the provisions of the Truth in Lending Act and the implementing regulation promulgated thereunder, and the Federal Trade Commission Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Continental Furniture Sales, Inc., a corporation, and Leon B. Mezistrano, and Neiso H. Moscatel, individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and implementing regulation, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Continental Furniture Sales, Inc., is a corporation organized existing and doing business under and by virtue of the laws of the State of Washington with its principal office and place of business located at 2037 First Avenue, Seattle, Washington.

Respondents Leon B. Mezistrano, and Neiso H. Moscatel are officers of the corporate respondent. They formulate, direct and control the policy, acts and practices of the corporation, including the acts and practices hereinafter set forth. Their address is the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for some time last past have been engaged in selling furniture and household goods to the public.

PAR. 3. In the ordinary course of their business as aforesaid, respondents regularly extend consumer credit and arrange for the ex-

tension of consumer credit, as "consumer credit" and "arrange for the extension of consumer credit" are defined in Regulation Z, the implementing regulation of the Truth in Lending Act, duly promulgated by the Board of Governors of the Federal Reserve System.

PAR. 4. Subsequent to July 1, 1969, in the ordinary course of their business as aforesaid, and in connection with their credit sales, as "credit sale" is defined in Regulation Z, respondents have caused and are causing their customers to enter into contracts for the sale of respondent's goods and services. On these contracts, hereinafter referred to as the "contract," respondents provide certain consumer credit cost information. Respondents do not provide these customers with any other consumer credit cost disclosures.

By and through use of the contract, respondents:

1. Fail to use the term "unpaid balance of cash price" to describe the difference between the cash price and the total downpayment as required by Section 226.8(c)(3) of Regulation Z.

2. Fail to disclose the sum of the cash price, all charges which are included in the amount financed but which are not part of the finance charge, and the finance charge, and to describe that sum as the "deferred payment price," as required by Section 226.8(c) (8) (ii) of Regulation Z.

3. Fail to disclose the "annual percentage rate" accurately to the nearest quarter of one percent, in accordance with Section 226.5 of Regulation Z, as required by Section 226.8 (b) (2) of Regulation Z.

4. Fail to disclose the "amount financed" as required by Section 226.8(c)(7) of Regulation Z.

5. Fail to disclose the number of payments scheduled to repay the indebtedness as required by Section 226.8(b) (3) of Regulation Z.

PAR. 5. Respondents fail in rental agreements with an option to buy when such agreements fall within the definition of "credit sale," as defined by Regulation Z Section 226.2(n), to make all of the disclosures required by Section 226.8 of Regulation Z, in the manner and form prescribed therein.

PAR. 6. Pursuant to Section 103(k) of the Truth in Lending Act, respondents' aforesaid failures to comply with the provisions of Regulation Z constitute violations of that Act and, pursuant to Section 108 thereof, respondents have thereby violated the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption

hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Seattle Regional Office proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act and the Truth in Lending Act.

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

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

1. Respondent Continental Furniture Sales, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Washington with its principal offices and principal place of business located at 2037 First Avenue, Seattle, Washington.

Respondents Leon B. Mezistrano and Neiso H. Moscatel are officers of said corporation and their address is the same as that of said corporation. They formulate, direct and control the policies, acts and practices of said corporation.

2. The Federal Trade Commission has jurisdiction of the subject matter of the proceeding and of the respondents and the proceeding is in the public interest.

ORDER

It is ordered, That respondents Continental Furniture Sales, Inc., a corporation, and its officers, and Leon B. Mezistrano and Neiso H. Moscatel, individually and as officers of said corporation, and respondents' agents, representatives, and employees, directly or through any corporate or other device, in connection with any con-

sumer credit sale of furniture or any other merchandise or service, as "credit sale" is defined in Regulation Z (12 CFR § 226) of the Truth in Lending Act (Pub. L. 90-321, 15 U.S.C. 1601 *et seq.*), do forthwith cease and desist from:

(1) Failing to employ the term "*cash price*" as defined in Regulation Z, to describe the price at which respondents offered to sell for cash the goods or services which are the subject of a consumer credit transaction, as required by Section 226.8(c) (1) of Regulation Z.

(2) Failing to employ the term "*cash downpayment*" to describe any downpayment in money, as required by Section 226.8(c) (2) of Regulation Z.

(3) Failing to employ the term "*unpaid balance of cash price*" to describe the difference between the cash price and the total downpayment, as required by Section 226.8(c) (3) of Regulation Z.

(4) Failing to disclose the "*amount financed*," using that term, to describe the balance financed, as required by Section 226.8(b) (7) of Regulation Z.

(5) Failing to disclose the "*finance charge*" and the "*annual percentage rate*," using those terms, in credit transactions where finance charges are imposed in the manner and form required by Sections 226.4, 226.5, 226.6 and 226.8 of Regulation Z.

(6) Failing to disclose the "*total of payments*," using that term, to describe the dollar amount of the payments scheduled to repay the indebtedness, as required by Section 226.8(b) (3) of Regulation Z.

(7) Failing to disclose the number, amount and due dates or periods of payments scheduled to repay the indebtedness, and to describe any payment which is more than twice the amount of an otherwise regularly scheduled equal payment as a "balloon payment" as required by Section 226.8(b) (3) of Regulation Z.

(8) Failing to disclose the "*deferred payment price*," using that term, to describe the sum of the cash price, all other charges individually itemized, and the finance charge as required by Section 226.8 (c) (8) (ii) of Regulation Z.

(9) Failing to identify the method of computing any unearned portion of the finance charge in the event of prepayment of the obligation, or failing to state the amount or method of computation of any charge that may be deducted from the amount of any rebate of such finance charge that will be cred-

ited to the obligation or refunded to the customer, whether by failing to state that such charge will be deducted before or after computation of the unearned portion or otherwise, as required by Section 226.8(b) (7) of Regulation Z.

(10) Failing, in any credit transaction to make all disclosures required by Sections 226.6, 226.7 and 226.8 of Regulation Z in any manner and form prescribed therein.

(11) Failing, in any transaction in which respondents retain or acquire a security interest in real property which is used or is expected to be used as the principal residence of the customer, to comply with all requirements regarding the right of rescission set forth in Section 226.9 of Regulation Z.

(12) Stating, in any advertisement, that a specific installment amount can be arranged, unless respondents usually and customarily arrange or will arrange installments in that amount, as required by Section 226.10 (a) (1) of Regulation Z.

(13) Stating, in any advertisement, the rate of any finance charge unless respondents state the rate of that charge expressed as an "annual percentage rate," as required by Section 226.10(d) (1) of Regulation Z.

(14) Stating the amount of the downpayment required and the amount of monthly installment payments which can be arranged in connection with a consumer credit transaction, without also stating all of the following items, in terminology prescribed under Section 226.8 of Regulation Z, as required by Section 226.10(d) (2) thereof:

(i) The cash price;

(ii) The amount of the downpayment required or that no downpayment is required, as applicable;

(iii) The number, amount, and due dates or period of payments scheduled to repay the indebtedness if the credit is extended;

(iv) The amount of the finance charge expressed as an annual percentage rate; and

(v) The deferred payment price.

It is further ordered, That a copy of this order to cease and desist be delivered to all present and future personnel of respondents engaged in the consummation of any consumer credit transaction or in any aspect of preparation, creation, and placing of advertising, and to secure from each such person a signed statement acknowledging receipt of said order.

It is further ordered, That respondents 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.

It is further ordered, That the respondents shall, within sixty (60) days after service upon them of this order file with the Commission a report in writing, setting forth in detail the manner and form in which they have complied with the order to cease and desist contained herein.

IN THE MATTER OF

SWIFT & COMPANY

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

Docket C–1992. Complaint, Aug. 2, 1971—Decision, Aug. 2, 1971

Consent order requiring a major meat packing company with headquarters in Chicago, Ill., which also markets baby food to cease misrepresenting that any such product is a "health food" because it contains B vitamin or adequate iron content, prevents colds or is an important as milk in the diets of babies.

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 Swift & Company, a corporation and McCann-Erickson, Inc., a corporation, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Swift & Company, hereinafter referred to as Swift, is a corporation, existing and doing business under and by virtue of the laws of the State of Delaware with its principal office and place of business located at 115 West Jackson Boulevard, in the city of Chicago, State of Illinois.

PAR. 2. Respondent McCann-Erickson, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of

*Consolidated complaint *In the Matter of Swift & Company*, Docket No. C–1992, and *In the Matter of McCann-Erickson, Inc.*, Docket No. C–1993, p. 152 herein.

the State of Delaware, with its principal place of business located at 485 Lexington Avenue, New York, New York.

PAR. 3. Respondent Swift is now, and for some time last past has been engaged in the advertising, offering for sale, sale and distribution of Meats for Babies, Junior Meats, Strained Meats and High Meat Dinners, hereinafter referred to as baby foods, which comes within the classification of a "food" as said term is defined in the Federal Trade Commission Act.

PAR. 4. Respondent McCann-Erickson, Inc., is now, and for some time last past has been, an advertising agency of Swift, and now and for some time last past, has prepared and placed for publication and has caused the dissemination of advertising material, including but not limited to the advertising referred to herein, to promote the sale of Swift's baby foods, which comes within the classification of "food," as said term is defined in the Federal Trade Commission Act.

PAR. 5. In the course and conduct of its aforesaid business the respondent, Swift, now causes, and for some time last past has caused, its baby foods, when sold to be transported from its place of business in the State of Illinois to purchasers thereof located in various States of the United States, and in the District of Columbia, and has caused, and now causes, said baby foods to be shipped from its manufacturing plant to various States of the United States other than the state of manufacture. Respondent, therefore, maintains and at all times mentioned herein has maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act. The volume of business in such commerce has been and is substantial.

PAR. 6. In the course and conduct of their aforesaid business, respondents have disseminated, and have caused and are now causing the dissemination of certain advertisements and promotional materials concerning the said baby foods by the United States mails and by various means in commerce, as "commerce" is defined in the Federal Trade Commission Act, including, but not limited to advertisements inserted in newspapers, magazines, and other advertising media and by means of television broadcasts transmitted by television stations located in various States of the United States, and in the District of Columbia, having sufficient power to carry such broadcasts across state lines, for the purpose of inducing and which were likely to induce, directly or indirectly, the purchase of said baby foods, and have disseminated, and caused the dissemination of advertisements concerning said products by various means, including that but not limited to the aforesaid media, for the purpose of inducing, and which were likely to

induce, directly or indirectly, the purchase of said baby foods in commerce as "commerce" is defined in the Federal Trade Commission Act.

PAR. 7. Typical and illustrative of said statements and representations contained in said advertisements, disseminated as aforesaid, but not all inclusive thereof, are the following:

1. Just because he's fat doesn't mean he's healthy. You can't always measure health by the pound. Because good muscle tone is just as important as cute baby fat. That's why it's important to give your baby the kind of food that turns flab into muscle. *Like meat. Meat* is a *health food* if there ever was one. Because meat is loaded *with vitamins, minerals and proteins.* There's iron to build tissue and prevent anemia. Proteins to develop and maintain muscle. And *B vitamins for strong bones and teeth.* What's more, *meat fights germs and infections. Cuts down the number of colds. Improves a baby's appetite. Helps him sleep better.* On top of all this, meat makes for better eating habits. Because the sooner your baby gets variety, the less "picky" he'll be later on. So next time you're shopping for baby food, think meat. Then you'll think of us. Swift and Company. We invented meats for babies. And we specialize in Strained Meats. High Meat Dinners. And Junior Meats. All are as digestible as milk. (*And just about as important.*) (Emphasis added.) (Newspaper Advertisement.)

2. It's a tough world out there, mom. Why not let Swift help you prepare your baby for it. Swift's *100% strained meats* are one of the best ways in the world to provide with *plenty of protein, plus plenty of iron* to supplement his limited supply. Go ahead, mom. Give, your baby all the love he needs. And let Swift's supply the meat in his life. (Emphasis added.) The last portion of the video depicts a woman carrying her baby and running towards a larger than life jar of Swift's Meats for Babies. (Television Commercial.)

3. It's a tough world out there, Mom. Let Swift help you prepare your baby for it. Swift's 100% Strained Meats are one of the best ways in the world to provide him with natural *protein.* Plus *plenty of iron* to supplement his limited supply. So give your baby all the love he needs. And let Swift supply the meat in his life. Swift's Strained Meats. High Meat Dinners. And Junior Meats. Swift's *Meats for Babies.* (Emphasis added.) (Magazine advertisement.)

PAR. 8. By and through the use of the above-quoted statements and representations, and others of similar import and meaning, but not expressly set out herein, respondents have represented and are now representing, directly or by implication:

1. That Swift's baby foods are foods with exclusive and unique dietary qualities necessary to promote health as distinguished from other baby foods.

2. That there is a direct, substantial, necessary and essential relationship between the ingestion of Swift's baby foods containing B vitamins with strong bones and strong teeth.

3. That there is substantial and adequate iron present in Swift's baby foods and by reason of the iron content, Swift's baby foods are adequate and effective in preventing anemia.

4. That the ingestion of Swift's baby foods are adequate and/or effective to fight germs and infections from entering the body to prevent colds. That Swift's baby foods are adequate and/or effective to promote a baby's appetite, and to promote sleep.

5. That Swift's baby foods are as important as milk consumed in the diets of babies.

6. That Swift's baby foods consist entirely (100 percent) of meat.

7. That Swift's baby foods contain as much vitamins, minerals and proteins as meats generally.

PAR. 9. In truth and in fact:

1. Swift's baby foods are not a food with exclusive and unique dietary qualities as distinguished from other foods for babies. And they are not adequate and/or effective to promote and produce health in babies.

2. The eating of Swift's baby foods containing B vitamins has no direct or uniquely substantial cause and effect upon the growth of strong bones and strong teeth.

3. The presence of iron in Swift's baby foods is not adequate and/or effective to prevent anemia.

4. Swift's baby foods have no unique or substantial properties that are adequate and/or effective to fight germs and infections from entering the body to prevent colds. Neither does Swift's baby foods have any qualities which are known to be adequate and/or effective to promote a baby's appetite or to promote sleep.

5. Swift's baby foods are not as important as milk as consumed in the diets of babies generally, since milk supplies some essential nutrients at substantially greater levels for the nutrition of babies.

6. Swift's baby foods contain substantially less than 100 percent meat.

7. Swift's baby foods do not contain as much vitamins, minerals and proteins as meats generally.

Therefore, the advertisements and promotional materials referred to in Paragraph Seven were and are misleading in material respects and constituted, and now constitute "false advertisements" as that term is defined in the Federal Trade Commission Act, and the statements and representations set forth in Paragraphs Seven and Eight were, and are, false, misleading and deceptive.

PAR. 10. The use by respondents of the aforesaid false, misleading and deceptive statements, representations, and practices and the dissemination of the aforesaid "false advertisements" has had and now has, the capacity and tendency to mislead members of the consuming public into the erroneous and mistaken belief that said statements and

representations were and are true and into the purchase of substantial quantities of Swift's baby food products by reason of said erroneous and mistaken belief.

PAR. 11. The aforesaid acts and practices of respondents including the dissemination of "false advertisements," as herein alleged, constituted and now constitute, false, misleading and deceptive acts and practices in commerce in violation of Sections 5 and 12 of the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondent named in the caption herein, and the respondent having been furnished thereafter with a copy of a draft of 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 have 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 agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in Section 2.34(b) of its rules, the Commission thereby issues its complaint, makes the following jurisdictional findings, and enters the following order.

1. Respondent Swift & Company, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware with its office and principal place of business located at 115 West Jackson Boulevard, in the city of Chicago, State of Illinois.

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

It is ordered, That the respondent Swift & Company, a corporation, and its directors, officers, agents, representatives, employees, successors and assigns, directly or indirectly, or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of Swift's Strained Meats, Junior Meats, Strained High Meat Dinners, Junior High Meat Dinners, collectively referred to in various promotional materials as Swift's Meats for Babies, or any other food product labeled or advertised specifically as a baby food, in commerce, as "commerce" is defined in the Federal Trade Commission Act, shall forthwith cease and desist from representing, directly or by implication, in any advertisements or promotional materials, or on the labeling, that:

(1) Any such product is a "health food" with special and exclusive dietary qualities necessary to promote health; provided that this provision shall not be deemed to prevent a representation that any such product is a healthy food;

(2) Because of its B vitamin content, any such product has a direct, substantial, necessary and essential relationship with strong bones and teeth;

(3) Any such product contains adequate iron, when consumed in normal or average quantities, to meet a baby's minimum daily iron requirements, or to prevent anemia;

(4) Any such product prevents germs and infections from entering the body, prevents colds, or possesses qualities or ingredients that are uniquely effective in promoting a baby's appetite or sleep;

(5) Any such product is as important as milk in the diets of babies;

(6) Any such product contains 100 percent meat, if water has been added;

(7) Any such product to which water has been added contains as much vitamins, minerals and proteins as an equivalent quantity of product which is all meat.

It is further ordered, That respondent Swift & Company, deliver a copy of this order to cease and desist to all present and future personnel of respondent having final and supervisory authority over all advertising copy for any such product and to the corporate officer signing this order and to secure from each of them a signed statement acknowledging receipt by them of a copy of this order.

It is further ordered, That respondent 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 this order.

It is further ordered, That the respondent herein shall within sixty (60) days after service upon it of this order, file with the Commission a report, in writing, setting forth in detail the manner and forms in which it has complied with this order.

IN THE MATTER OF

McCANN-ERICKSON, INC.

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

Docket C–1993. Complaint, Aug. 2, 1971—Decision, Aug. 2, 1971*

Consent order requiring a New York City advertising agency handling the promotion of Swift's baby foods to cease misrepresenting that any such product is a "health food" because it contains B vitamin or adequate iron content, prevents colds or is as important as milk in the diets of babies.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondent named in the caption herein, and the respondent having been furnished thereafter with a copy of a draft of 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 have 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

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*For complaint in this case, see consolidated complaint *In the Matter of Swift & Company*, Docket No. C–1992, 146 herein.

violated the said Act, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in Section 2.34(b) of its rules, the Commission thereby issues its complaint, makes the following jurisdictional findings, and enters the following order.

1. Respondent McCann-Erickson, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware with its principal office and place of business located at 485 Lexington Avenue, New York, New York.

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

It is ordered, That the respondent McCann-Erickson, Inc., a corporation, and its directors, officers, agents, representatives, employees, successors and assigns, directly, or indirectly, or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of Swift's Strained Meats, Junior Meats, Strained High Meat Dinners, Junior High Meat Dinners, collectively referred to in various promotional materials as Swift's Meats for Babies, or any other food product labeled or advertised specifically as a baby food, in commerce, as "commerce" is defined in the Federal Trade Commission Act, shall forthwith cease and desist from representing, directly or by implication, unless respondent neither knew nor had reason to know the falsity of any such representation, in any advertisements or promotional materials, or on the labeling, that:

(1) Any such product is a "health food" with special and exclusive dietary qualities necessary to promote health; provided that this provision should not deem to prevent a representation that any such product is a healthy food;

(2) Because of its B vitamin content, any such product has a direct, substantial, necessary and essential relationship with strong bones and teeth;

(3) Any such product contains adequate iron, when consumed in normal or average quantities, to meet a baby's minimum daily iron requirements, or to prevent anemia;

(4) Any such product prevents germs and infections from entering the body, prevents colds, or possesses qualities or ingredients that are uniquely effective in promoting a baby's appetite or sleep;

(5) Any such product is as important as milk in the diets of babies;

(6) Any such product contains 100 percent meat, if water has been added;

(7) Any such product to which water has been added contains as much vitamins, minerals, and proteins as an equivalent quantity of a product which is all meat.

It is further ordered, That respondent McCann-Erickson, Inc., deliver a copy of this order to cease and desist to all present and future personnel of respondent having final and supervisory authority over all advertising copy for any such product and to the corporate officer signing this order and to secure from each of them a signed statement acknowledging receipt by them of a copy of this order.

It is further ordered, That respondent 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 this order.

It is further ordered, That the respondent herein shall within sixty (60) days after service upon it 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 this order.

IN THE MATTER OF

SUNCREST HOUSEHOLD FURNISHINGS, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION AND THE TRUTH IN LENDING ACTS

Docket C-1994. Complaint, Aug. 2, 1971—Decision, Aug. 2, 1971

Consent order requiring a Rochester, N.Y., retail distributor of household furniture and other merchandise to cease violating the Truth in Lending Act by failing to use on its installment contracts the terms "cash downpayment," "total downpayment," "unpaid balance of cash price," "amount financed," "finance charge," "annual percentage rate," "total of payments," and other terms required by Regulation Z of said Act.

COMPLAINT

Pursuant to the provisions of the Truth in Lending Act and the implementing regulation promulgated thereunder, and the Federal

Trade Commission Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Suncrest Household Furnishings, Inc., a corporation, and Gary Harriman, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and regulation, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Suncrest Household Furnishings, Inc. is a corporation organized, existing, and doing business under and by virtue of the laws of the State of New York, with its principal office and place of business located at 1168 Clinton Avenue, North, Rochester, New York.

Gary Harriman is the president of the corporate respondent. He formulates, directs and controls its policies, acts and practices, including the acts and practices hereinafter set forth.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the offering for sale, sale and distribution of household furnishings and other merchandise to the public through their retail store located at 1168 Clinton Avenue, North, Rochester, New York.

PAR. 3. In the ordinary course and conduct of their business as aforesaid, respondents regularly extend, and for some time last past have regularly extended, consumer credit as "consumer credit" is defined in Regulation Z, the implementing regulation of the Truth in Lending Act, duly promulgated by the Board of Governors of the Federal Reserve System.

PAR. 4. Subsequent to July 1, 1969, respondents, in the ordinary course of their business as aforesaid, and in connection with their credit sales, as "credit sale" is defined in the Regulation Z, have caused and are causing customers to execute retail conditional sales contracts, hereinafter referred to as "the contract." Respondents make no other credit cost disclosures to their customers.

By and through the use of the contract, respondents:

1. Fail to use the term "cash downpayment" to describe any downpayment in money, as required by Section 226.8(c)(2) of Regulation Z.

2. Fail to use the term "total downpayment" to describe the sum of the cash downpayment and the trade-in, as required by Section 226.8 (c)(2).

3. Fail to use the term "unpaid balance of cash price" to describe the difference between the "cash price" and the "total downpayment," as required by Section 226.8(c)(3) of Regulation Z.

4. Fail to use the term "amount financed" to describe the amount financed, as required by Section 226.8(c)(7) of Regulation Z.

5. Fail to use the term "finance charge" to describe the finance charge, as required by Section 226.8(c)(8)(i) of Regulation Z, in print more prominant than the other prescribed terminology, as required by Section 226.6(a) of Regulation Z.

6. Fail to disclose the rate of the finance charge and to state it as an "annual percentage rate," as required in Section 226.8(b)(2) of Regulation Z, in print more prominent than the other prescribed terminology, as required by Section 226.6(a) of Regulation Z.

7. Fail to disclose the sum of the cash price, all other charges which are included in the amount financed but which are not part of the finance charge, and the finance charge, and to describe that sum as the "deferred payment price," as required by Section 226.8(c)(8)(ii) of Regulation Z.

8. Fail to disclose the "total of payments," using that term, as required by Section 226.8(b)(3) of Regulation Z.

9. Fail to disclose, prior to consummation of the credit sale, the due dates or periods of payments scheduled to repay the indebtedness, as required by Sections 226.8(a) and 226.8(b)(3) of Regulation Z.

PAR. 5. Pursuant to Section 103(q) of the Truth in Lending Act, respondents' aforesaid failures to comply with Regulation Z constitute a violation of that Act and, pursuant to Section 108 thereof, respondents thereby violated the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging respondents named in the caption hereof with violation of the Federal Trade Commission Act, the Truth in Lending Act and the implementing regulation promulgated thereunder, and respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

Respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by

respondents that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's rules; and

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

1. Respondent Suncrest Household Furnishings, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its principal office and place of business located at 1168 Clinton Avenue, North, Rochester, New York.

Respondent Gary Harriman is an officer of said corporation. He formulates, directs and controls the policies, acts and practices of said corporation, and his address is the same as that of said corporation.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That respondents Suncrest Household Furnishings, Inc., a corporation, and its officers, and Gary Harriman, individually and as an officer of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with any extension of consumer credit or any advertisement to aid, promote or assist directly or indirectly any extension of consumer credit, as "consumer credit" and "advertisement" are defined in Regulation Z (12 CFR Part 226) of the Truth in Lending Act (Public Law 90–321, 15 USC 1601 *et seq.*), do forthwith cease and desist from:

1. Failing to use the term "cash downpayment" to describe any downpayment in money, as required by Section 226.8(c)(2) of Regulation Z.

2. Failing to use the term "total downpayment" to describe the sum of the "cash downpayment" and the "trade-in," in any transaction in which a trade-in is accepted as part of the downpayment, as required by Section 226.8(c)(2) of Regulation Z.

3. Failing to use the term "unpaid balance of cash price" to describe the difference between the "cash price" and the "total

downpayment," as required by Section 226.8(c)(3) of Regulation Z.

4. Failing to use the term "amount financed" to describe the amount financed, as required by Section 226.8(c)(7) of Regulation Z.

5. Failing to use the term "finance charge" to describe the finance charge as required by Section 226.8(c)(8)(i) of Regulation Z, in print more prominent than the other prescribed terminology, as required by Section 226.6(a) of Regulation Z.

6. Failing to disclose the rate of the finance charge and to state it as an "annual percentage rate," as required in Section 226.8(b)(2) of Regulation Z, in print more prominent than the other prescribed terminology, as required by Section 226.6(a) of Regulation Z.

7. Failing to disclose the sum of the cash price, all other charges which are included in the amount financed but which are not part of the finance charge, and the finance charge, using the term "deferred payment price," as required by Section 226.8(c)(8)(ii) of Regulation Z.

8. Failing to use the term "total of payments" to describe the sum of the payments scheduled to repay the indebtedness, as required by Section 226.8(b)(3) of Regulation Z.

9. Failing to disclose the due date of the first payment, or otherwise failing to disclose the number, amount and due dates or periods of payments scheduled to repay the indebtedness, prior to the consummation of the transaction, as required by Section 226.8(b)(3) of Regulation Z.

10. Failing, in any consumer credit transaction or advertisement, to make all disclosures determined in accordance with Section 226.4 and Section 226.5 of Regulation Z, in the manner, form and amount required by Sections 226.6, 226.7, 226.8, 226.9, and 226.10 of Regulation Z.

It is further ordered, That respondent deliver a copy of this order to cease and desist to all present and future personnel of respondents engaged in the consummation of any extension of consumer credit or in any aspect of preparation, creation or placing of advertising, and that respondent secure a signed statement acknowledging receipt of said order from each such person.

It is further ordered, That respondents 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 this order.

It is further ordered, That respondents shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing, setting forth in detail the manner and form in which they have complied with the order to cease and desist contained herein.

IN THE MATTER OF

INTERNATIONAL SALES CO., ET AL.

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

Docket C-1995. Complaint, Aug. 2, 1971—Decision, Aug. 2, 1971

Consent order requiring a St. Louis, Mo., seller of automotive products, brushes and electrical accessories and franchises for sale of such products to cease misrepresenting that investors in respondents' franchises will receive any stated amount of money, profitable locations, training and other assistance, aid in resale of their dealerships, a return on their investment, exclusive sales territories, and that they need only service the locations chosen by the respondents. Respondents are also required to write into their contracts a provision that the contracts may be cancelled within three days and all monies be refunded to customers who cancel.

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 International Sales Co., a corporation, and Boyd Cohen, individually and as an officer of said corporation, and Automotive Marketing, Inc., a corporation, and Boyd Cohen, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. Respondent International Sales Co., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Missouri, with its principal office and place of business located at 8600 Delmar Boulevard, the city of St. Louis, State of Missouri.

Respondent Boyd Cohen is an individual and officer of International Sales Co. He formulates, directs, and controls the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. His address is the same as that of the corporate respondent.

PAR. 2. Respondent Automotive Marketing, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Missouri, with its principal office and place of business located at 8600 Delmar Boulevard, in the city of St. Louis, State of Missouri.

Respondent Boyd Cohen is an individual and officer of Automotive Marketing, Inc. He formulates, directs and controls the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. His address is the same as that of the corporate respondent.

PAR. 3. Respondents are now, and for more than one year last past have been, engaged in advertising, offering for sale, selling, and distributing automotive accessories, glue products, brushes, electrical accessories, and franchises and dealerships for the sale of such products to the public.

PAR. 4. In the course and conduct of their business as aforesaid, respondents now cause, and for some time last past have caused, their said products, when sold, to be shipped from their place of business in the State of Missouri to purchasers thereof located in various other States of the United States, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 5. Respondents' usual method of doing business is to insert advertisements in the classified advertisement section of newspapers and periodicals. Persons responding to said classified advertisements are then contacted by respondents or their employees, agents or representatives who display to the prospective purchaser a variety of promotional material and make various oral representations respecting the aforesaid devices and products, and the business opportunities afforded by franchises or dealerships using and selling such devices and products.

PAR. 6. In the course and conduct of their business as aforesaid, and for the purpose of inducing the purchase of their automotive accessories, glue products, brushes, electrical accessories, other products, and franchises and dealerships, respondents have made and are making numerous statements and representations concerning said articles

of merchandise and the business opportunities afforded through advertising and promotional material furnished by respondents to their employees, agents or representatives, and through advertisements inserted in newspapers and periodicals, and through letters and other advertising literature circulated generally among the purchasing public, and through oral representations made by respondents, their employees, agents, or representatives, with respect to earnings, locations of merchandise, business methods, training, security of investment, territory and qualifications.

Typical and illustrative of the newspaper advertisements used by respondents, but not all inclusive thereof, is the following:

DO YOU WANT TO EARN $144 PER WEEK IN YOUR SPARE TIME?

Experience Not Necessary

RESTOCK "HOUSEHOLD BRUSH" DEPTS.

Grocery, Drug, Hdwr. and Dept. Stores

Nationally Known Brand

NO SELLING—COMPANY CONTRACTS ALL LOCATIONS

INCOME STARTS IMMEDIATELY

GUARANTEED MONEY BACK OPPORTUNITY

Your $2,936 secured by Inventory, Can Earn $144 *Per Week or More in Your Spare Time*

FOR FULL DETAILS . . . ENCLOSE NAME, ADDRESS, PHONE NUMBER

MR. KELLY

INSCO

8600 Delmar, Suite 1, St. Louis, Mo. 63124

(314) 993-3475

PAR. 7. Through the use of the statements and representations set forth above, and others similar thereto but not specifically set out herein, and through said statements orally made by respondents, their employees, agents and representatives, respondents have represented and do now represent, directly or by implication to the purchasing public, that:

1. Persons investing from $1,522 up to $2,948 can earn up to $800 per month or more.

2. Respondents obtain top sales-producing locations for the placement of their merchandise.

3. Respondents set up the business completely and purchasers need only service the locations.

4. No selling or soliciting will be required, and no experience is necessary.

5. The purchasers of said merchandise, franchises, and dealerships will be trained by the respondents as to the operation of the dealerships and franchises, and respondents will furnish assistance to the purchasers of their products, franchises, and dealerships.

6. If the purchaser becomes dissatisfied, or for any reason wishes to go out of the business, the respondents will repurchase the merchandise or assist the purchaser in reselling it.

7. The purchaser's investment is secured and respondents guarantee the purchaser's investment will be refunded.

8. Persons purchasing respondents' franchises and merchandise will have an exclusive territory in which to operate.

9. The purchaser must decide whether to sign a contract at the time of respondents' first call or they will not have another opportunity to invest in respondents' merchandise, franchises, and dealerships.

PAR. 8. In truth and in fact:

1. Income in the foregoing amount will not be realized by persons investing the sums indicated. In fact, persons purchasing merchandise, franchises, and dealerships from respondents generally receive little or no net profit.

2. Respondents do not obtain top income-producing locations, but place most of their merchandise in retail establishments which have very little consumer traffic. The locations secured by respondents are usually undesirable, unsuitable, and unprofitable.

3. Respondents often do not set up the business completely, even initially. Purchasers must secure initial locations and frequently secure additional locations due to a lack of sales.

4. The purchasers of the franchises, dealerships, and merchandise are required to do selling and soliciting and to have experience since it is frequently necessary to place merchandise in other locations because of the unprofitable nature of the locations selected by the respondents, and like any other business venture, experience is required.

5. Respondents do not train the purchasers of their merchandise, franchises, and dealerships, and do not furnish assistance to their dealers.

6. Respondents do not repurchase the franchises, dealerships, and merchandise at a price comparable to the customer's investment and do not assist the purchaser in the resale of the franchises, dealerships and merchandise, regardless of the purchaser's reason for going out of business.

7. The purchaser's investment is not secured and many purchasers of respondents' merchandise, franchises, and dealerships lose their entire investment.

8. Persons purchasing respondents' merchandise, franchises, and dealerships do not have an exclusive territory in which to operate their businesses, and respondents will sell their franchises, dealerships, and merchandise to any purchaser, in any location, with the necessary capital.

9. If a prospective customer will not sign a contract at the time of respondents initial contact, respondents will call on the prospect at a future date and attempt again to sell their merchandise, franchises, and dealerships.

Therefore, the statements and representations as set forth in Paragraphs Six and Seven hereof were and are false, misleading and deceptive.

PAR. 9. In the course and conduct of their aforesaid business, and at all times mentioned herein, respondents have been in substantial competition in commerce, with corporations, firms, and individuals in the sale of franchises and dealerships for automotive accessories, glue products, brushes, electrical accessories, and other products of the same general nature and kind as sold by respondent.

PAR. 10. The use by respondents of the aforesaid false, misleading and deceptive statements, representations, and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were and are true and into the purchase of substantial quantities of respondents' franchises, dealerships, and merchandise by reason of such mistaken and erroneous belief.

PAR. 11. The aforesaid acts and practices of respondents as herein alleged were and are all to the prejudice and injury of the public and of respondents' competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

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

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

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

1. Respondents International Sales Co., and Automotive Marketing, Inc., are corporations organized, existing, and doing business under and by virtue of the laws of the State of Missouri with their principal office and place of business formerly located at 8600 Delmar Boulevard, St. Louis, Missouri.

Respondent Boyd Cohen is an individual and officer of said corporations. He formulates, directs, and controls the acts and practices of said corporations, and his address is the same as that of the corporations.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents and the proceeding is in the public interest.

ORDER

It is ordered, That respondents, International Sales Co., a corporation, and Boyd Cohen, individually and as an officer of said corporation; and Automotive Marketing, Inc., a corporation, and Boyd Cohen, individually and as an officer of said corporation, and respondents' agents, representatives, and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of automotive accessories, glue products, brushes, electrical accessories, or of any other products or of any franchises or dealerships, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication, that:

(a) Persons investing in respondents' products, franchises,

or dealerships will receive any stated amount of income or gross or net profits or other earnings.

(b) Any stated sums of money can be earned by investors or purchasers of respondents' products unless in fact the earnings represented are those of a substantial number of purchasers and accurately reflect the average earnings of these purchasers under circumstances similar to those of the purchaser to whom the representation is made.

(c) Persons investing in respondents' franchises, dealerships, or products are assured of profitable income from the franchises, dealerships, or products.

(d) Persons investing in respondents' franchises, dealerships, or products can expect an average sale of a certain specified amount of merchandise a day, or any other period of time, unless in fact the average number of sales represented is that of a substantial number of franchisees, dealers, or purchasers.

(e) Respondents, their agents, representatives, or employees will obtain profitable locations for their merchandise: *Provided, however*, That nothing herein shall be construed to prohibit respondents from truthfully representing the monetary returns realized by a substantial number of purchasers from locations obtained by respondents.

(f) Persons investing in respondents' franchises, dealerships, or products will receive training, or other advice and assistance in the operation of their dealerships or franchises unless in fact the respondents furnish the training, advice and assistance to each purchaser in conformity with the representations being made to that investor or purchaser.

(g) Selling, soliciting, or experience is not required in order to operate respondents' franchises or dealerships.

(h) Respondents or their representatives will repurchase their franchises, dealerships, and merchandise, or will assist in the resale of dealerships, franchises, or merchandise sold by them.

(i) Persons investing in respondents' franchises, dealerships, or merchandise will receive the return of their investments in any specified period of time.

(j) Persons investing in respondents' franchises, dealerships, or merchandise will be granted an exclusive territory in which to sell products purchased from respondents unless respondents actually give the exclusive territory to each customer as represented.

(k) A purchaser's or prospective purchaser's investment is secured.

(l) Purchasers or prospective purchasers need only service the locations secured by respondents in order to make a profit.

2. *It is further ordered*, That respondents:

(a) Deliver a copy of this order to cease and desist to all present and future salesmen or other persons engaged in the sale of respondents' products or services, franchises, or dealerships and secure from each such salesman or other person a signed statement acknowledging receipt of said order.

(b) After the acceptance by the Commission of respondents' initial report of compliance, submit to the Commission on June 1st of each of the succeeding three years a report: (1) describing every complaint involving the acts and practices prohibited by this order received by respondents from or on behalf of their customers during the twelve (12) months preceding the date of the report, and respondents' disposition of each such complaint.

(c) Provide in writing in all contracts that (1) the contract may be cancelled for any reason by notification to respondents in writing within three days from the date of execution and (2) that the contract is not final and binding until respondents have completely performed their obligations thereunder by placing the merchandise in locations satisfactory to the customer.

(d) Refund immediately all monies to customers who have requested contract cancellation in writing within three days from the execution thereof.

(e) 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 successor corporations, the creation or dissolution of subsidiaries or any other change in the corporation which may affect compliance obligations arising out of the order.

(f) File, within sixty (60) days after service upon them of this order, with the Commission a report, in writing, setting forth in detail the manner and form in which they have complied with this order.

IN THE MATTER OF

PERLE-YOUDENE CO., INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION AND THE FLAMMABLE FABRICS ACTS

Docket C-1996. Complaint, Aug. 3, 1971—Decision, Aug. 3, 1971

Consent order requiring a Los Angeles, Calif., seller and distributor of various fabrics and materials, including sheer fabrics of approximately 80 percent acetate and 20 percent nylon, to cease violating the Flammable Fabrics Act by importing and selling any fabric which fails to conform to the standards of said Act.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Flammable Fabrics Act, as amended, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Perle-Youdene Co., Inc., a corporation, and Arthur Cohen, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the rules and regulations promulgated under the Flammable Fabrics Act, as amended, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Perle-Youdene Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 2414 South Broadway, Los Angeles, California.

Respondent Arthur Cohen is the principal officer of the aforesaid corporation. He formulates, directs and controls the acts, practices and policies of said corporation. His address is the same as that of the corporate respondent.

Respondents sell and distribute various fabrics and materials.

PAR. 2. Respondents are now and for some time last past have been engaged in the sale and offering for sale in commerce, and in the importation into the United States, and have introduced, delivered for introduction, transported and caused to be transported in commerce, and have sold or delivered after sale or shipment in commerce, fabrics as the terms "commerce" and "fabric" are defined in the Flammable Fabrics Act, as amended, which fabrics failed to conform to an applicable standard or regulation continued in effect, issued or

amended under the provisions of the Flammable Fabrics Act, as amended.

Among such fabrics mentioned hereinabove were certain sheer fabrics with a fiber content of approximately 80 percent Acetate and 20 percent Nylon.

PAR. 3. The aforesaid acts and practices of respondents were and are in violation of the Flammable Fabrics Act, as amended, and the rules and regulations promulgated thereunder, and constituted and now constitute unfair methods of competition and unfair and deceptive acts and practices in commerce, within the intent and meaning of the Federal Trade Commission Act.

DECISION AND ORDER

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

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

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

1. Respondent Perle-Youdene Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 2414 South Broadway, Los Angeles, California.

Respondent Arthur Cohen is the principal officer of said corporation. He formulates, directs and controls the policies, acts and practices of said corporation.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That respondents Perle-Youdene Co., Inc., a corporation, and its officers, and Arthur Cohen, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from manufacturing for sale, selling, offering for sale, in commerce, or importing into the United States, or introducing, delivering for introduction, transporting or causing to be transported in commerce, or selling or delivering after sale or shipment in commerce, any fabric, product or related material as the terms "commerce," "fabric," "product" and "related material" are defined in the Flammable Fabrics Act as amended, which fabric, product or related material fails to conform to an applicable standard or regulations continued in effect, issued or amended under the provisions of the aforesaid Act.

It is further ordered, That the respondents herein shall, within ten (10) days after service upon them of this order, file with the Commission an interim special report in writing setting forth the respondents' intention as to compliance with this order. This interim special report shall also advise the Commission fully and specifically concerning the identity of the fabric which gave rise to the complaint, (1) the amount of such fabric in inventory, (2) any action taken to notify customers of the flammability of such fabric and the results thereof and (3) any disposition of such fabric since September 9, 1969. Such report shall further inform the Commission whether respondents have in inventory any fabric, product or related material having a plain surface and made of silk, rayon or cotton or combinations thereof in a weight of two ounces or less per square yard or with a raised fiber surface and made of cotton, rayon, acetate and nylon or combinations thereof. Respondents will submit samples of any such fabric, product or related material with this report. Samples of the fabric, product or related material shall be of no less than one square yard of material.

It is further ordered, That the respondents herein either process the fabrics which gave rise to this complaint so as to bring them within the applicable flammability standards of the Flammable Fabrics Act, as amended, or destroy said fabric.

It is further ordered, That respondents notify the Commission at least 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 effect compliance obligations arising out of the order.

It is further ordered, That the respondent corporation shall forthwith distribute a copy of this order to each of its operating divisions.

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

IN THE MATTER OF

EDWARD S. REITANO, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION AND THE FLAMMABLE FABRICS ACTS

Docket C-1997. Complaint, Aug. 3, 1971—Decision, Aug. 3, 1971

Consent order requiring a Mt. Vernon, N.Y., manufacturer and distributor of wearing apparel, including disposable face masks and disposable operating room hats, to cease violating the Flammable Fabrics Act by importing and selling any fabric which fails to conform to the standards of said Act.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Flammable Fabrics Act, as amended, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Edward S. Reitano, Inc., a corporation, and Victor C. Reitano, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts, and the rules and regulations promulgated under the Flammable Fabrics Act, as amended, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Edward S. Reitano, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York. Respondent Victor C. Reitano is an

officer of said corporate respondent. He formulates, directs and controls the acts, practices and policies of said corporation.

The respondents are engaged in the manufacture, sale and distribution of products, namely wearing apparel, including disposable face masks and disposable operating room hats, with their office and principal place of business located at 230 Fourth Avenue, Mount Vernon, New York.

PAR. 2. Respondents are now and for some time last past have been engaged in the manufacture for sale, the sale or offering for sale, in commerce, and have introduced, delivered for introduction, transported and caused to be transported in commerce, and have sold or delivered after sale or shipment in commerce, products; and have manufactured for sale, sold and offered for sale products made of fabric or related material which has been shipped and received in commerce, as "commerce," "product," "fabric" and "related material" are defined in the Flammable Fabrics Act, as amended, which products and fabrics failed to conform to an applicable standard or regulation continued in effect, issued or amended under the provisions of the Flammable Fabrics Acts, as amended.

Among such products mentioned hereinabove were disposable face masks and disposable operating room hats.

PAR. 3. The aforesaid acts and practices of respondents were and are in violation of the Flammable Fabrics Act, as amended, and the rules and regulations promulgated thereunder, and constituted, and now constitute, unfair methods of competition and unfair and deceptive acts and practices in commerce, within the intent and meaning of the Federal Trade Commission Act.

DECISION AND ORDER

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

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agree-

ment is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's rules; and

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

1. Respondent Edward S. Reitano, Inc., is a corporation organized existing and doing business under and by virtue of the laws of the State of New York.

Respondent Victor C. Reitano is an officer of the corporate respondent. He formulates, directs and controls the acts, practices and policies of said respondent.

Respondents are manufacturers of disposable face masks and disposable operating room hats with their office and principal place of business located at 230 Fourth Avenue, Mount Vernon, New York.

2. The Federal Trade Commission has jurisdiction of the subject matter of the proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That respondents Edward S. Reitano, Inc., a corporation, and its officers, and Victor C. Reitano, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from manufacturing for sale, selling or offering for sale, in commerce, or importing into the United States, or introducing, delivering for introduction, transporting or causing to be transported, in commerce, or selling or delivering after sale or shipment in commerce, any product, fabric, or related material; or manufacturing for sale, selling or offering for sale any product made of fabric or related material which has been shipped or received in commerce, as "commerce," "product," "fabric" and "related material" are defined in the Flammable Fabrics Act, as amended, which product, fabric or related material fails to conform to an applicable standard or regulation issued, amended, or continued in effect, under the provisions of the aforesaid Act.

It is further ordered, That respondents notify all of their customers who have purchased or to whom have been delivered the products which gave rise to the complaint of the flammable nature of said products, and effect recall of said products from such customers.

It is further ordered, That the respondents herein either process the products which gave rise to the complaint so as to bring them into conformance with the applicable standard of flammability under the Flammable Fabrics Act, as amended, or destroy said products.

It is further ordered, That the respondents herein shall, within ten (10) days after service upon them of this order, file with the Commission a special report in writing setting forth the respondents' intentions as to compliance with this order. This special report shall also advise the Commission fully and specifically concerning (1) the identity of the products which gave rise to the complaint, (2) the number of said products in inventory, (3) any action taken and any further actions proposed to be taken to notify customers of the flammability of said products and effect the recall of said products from customers, and of the results thereof, (4) any disposition of said products since January 16, 1970, and (5) any action taken or proposed to be taken to bring said products into conformance with the applicable standard of flammability under the Flammable Fabrics Act, as amended, or destroy said products and the results of such action. Such report shall further inform the Commission as to whether or not respondents have in inventory any product, fabric, or related material having a plain surface and made of paper, silk, rayon and acetate, nylon and acetate, rayon, cotton or any other material or combinations thereof in weight of two ounces or less per square yard, or any product, fabric or related material having a raised fiber surface. Respondents shall submit samples of not less than one square yard in size of any such product, fabric, or related material with this report.

It is further ordered, That respondents 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 this order.

It is further ordered, That the respondent corporation shall forthwith distribute a copy of this order to each of its operating divisions.

It is further ordered, That respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which they have complied with this order.

IN THE MATTER OF

INDIA INDUSTRIAL PRODUCTS, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION AND THE FLAMMABLE FABRICS ACTS

Docket C-1998. Complaint, Aug. 3, 1971—Decision, Aug. 3, 1971

Consent order requiring a New York City importer and seller of Indian-made goods, including ladies' scarves, to cease violating the Flammable Fabrics Act by importing and selling any fabric which fails to conform to the standards of said Act.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Flammable Fabrics Act, as amended, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that India Industrial Products, Inc., a corporation, and Harvinder Singh, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the rules and regulations promulgated under the Flammable Fabrics Act, as amended, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent India Industrial Products, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York. Its address is 80 Fifth Avenue, New York, New York.

Respondent Harvinder Singh is an officer of the corporate respondent. He formulates, directs and controls the acts, practices and policies of the said corporate respondent including those hereinafter set forth.

Respondents are engaged in the importation and sale of Indian made goods, including, but not limited to, ladies' scarves.

PAR. 2. Respondents are now and for some time last past have been engaged in the sale and offering for sale, in commerce, and the importation into the United States, and have introduced, delivered for introduction, transported and caused to be transported in commerce, and have sold or delivered after sale or shipment in commerce, products, as the terms "commerce" and "product" are defined in the Flammable Fabrics Act, as amended, which products failed to conform to an applicable standard or regulation continued in effect, issued or amended under the provisions of the Flammable Fabrics Act, as amended.

Among such products mentioned hereinabove were ladies' scarves.

PAR. 3. The aforesaid acts and practices of respondents were and are in violation of the Flammable Fabrics Act, as amended, and the rules and regulations promulgated thereunder, and as such constituted and now constitute unfair methods of competition and unfair and deceptive acts and practices in commerce, within the intent and meaning of the Federal Trade Commission Act.

DECISION AND ORDER

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

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

The Commission having thereafter considered the matter and having determined that it has reason to believe that the respondents have violated the said Acts, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in Section 2.34(b) of its rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent India Industrial Products, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Individual respondent Harvinder Singh, is an officer of corporate respondent. He formulates, directs and controls the acts, practices and policies of said corporate respondent.

Respondents are engaged in the importing and wholesaling of various Indian made products including, but not limited to, scarves, with

their office and principal place of business located at 80 Fifth Avenue, New York, New York.

2. The Federal Trade Commission has jurisdiction of the subject matter of the proceeding and of the respondents and the proceeding is in the public interest.

ORDER

It is ordered, That the respondents India Industrial Products, Inc., a corporation, and its officers, and Harvinder Singh, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from selling, offering for sale, in commerce, or importing into the United States, or introducing, delivering for introduction, transporting or causing to be transported in commerce, or selling or delivering after sale or shipment in commerce, any product, fabric, or related material; or selling or offering for sale, any product made of fabric or related material which has been shipped or received in commerce as "commerce," "product," "fabric" and "related material" are defined in the Flammable Fabrics Act, as amended, which product, fabric or related material fails to conform to an applicable standard or regulation issued, amended or continued in effect under the provisions of the aforesaid Act.

It is further ordered, That respondents notify all of their customers who have purchased or to whom have been delivered the products which gave rise to this complaint of the flammable nature of said products, and effect recall of said products from such customers.

It is further ordered, That the respondents herein either process the products which gave rise to the complaint so as to bring them into conformance with the applicable standard of flammability under the Flammable Fabrics Act, as amended, or destroy said products.

It is further ordered, That the respondents herein shall, within ten (10) days after service upon them of this order, file with the Commission a special report in writing setting forth the respondents' intentions as to compliance with this order. This special report shall also advise the Commission fully and specifically concerning (1) the identity of the products which gave rise to the complaint, (2) the number of said products in inventory, (3) any action taken and any further actions proposed to be taken to notify customers of the flammability of said products and effect the recall of said products from customers, and of the results thereof, (4) any disposition of said products since April 1970, and (5) any action taken or proposed to be taken to bring said products into conformance with the applicable standard of flam-

mability under the Flammable Fabrics Act, as amended, or destroy said products, and the results of such action. Such report shall further inform the Commission as to whether or not respondents have in inventory any products, fabric, or related material having a plain surface and made of paper, silk, rayon and acetate, nylon and acetate, rayon, cotton or any other material or combinations thereof in a weight of two ounces or less per square yard, or any product, fabric or related material having a raised fiber surface. Respondents shall submit samples of not less than one square yard in size of any such product, fabric, or related material with this report.

It is further ordered, That the respondents notify the Commission at least 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.

It is further ordered, That the respondent corporation shall forthwith distribute a copy of this order to each of its operating divisions.

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

In The Matter of

DAVID MORRIS CO., INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION AND THE FLAMMABLE FABRICS ACTS

Docket C-1999, Complaint, Aug. 3, 1971—Decision, Aug. 3, 1971

Consent order requiring a New York City manufacturer and distributor of wearing apparel, including bridal and formal gowns, to cease violating the Flammable Fabrics Act by importing and selling any fabric which fails to conform to the standards of said Act.

Complaint

Pursuant to the provisions of the Federal Trade Commission Act and the Flammable Fabrics Act, as amended, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that David Morris Co., Inc., a corporation, and

Morris Gerstler, and David P. Lowe, individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts, and the rules and regulations promulgated under the Flammable Fabrics Act, as amended, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. Respondent David Morris Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York. Respondents Morris Gerstler, and David P. Lowe, are officers of said corporate respondent. They formulate, direct and control the acts, practices and policies of said corporation.

The respondents are engaged in the business of the manufacture, sale and distribution of wearing apparel, including but not limited to bridal and formal gowns, with their office and principal place of business located at 525 Seventh Avenue, New York, New York.

PAR. 2. Respondents are now and for some time last past have been engaged in the manufacture for sale, the sale and offering for sale, in commerce, and have introduced, delivered for introduction, transported and caused to be transported in commerce, and have sold or delivered after sale or shipment in commerce, products as the terms "commerce" and "product," are defined in the Flammable Fabrics Act, as amended, which fail to conform to an applicable standard or regulation continued in effect, issued or amended under the provisions of the Flammable Fabrics Act, as amended.

Among such products mentioned hereinabove were women's formal gowns designated as model number 1278 with feathered ball cuffs at bottom of sleeves.

PAR. 3. The aforesaid acts and practices of respondents were and are in violation of the Flammable Fabrics Act, as amended, and the rules and regulations promulgated thereunder, and as such constituted and now constitute unfair methods of competition and unfair and deceptive acts and practices in commerce, within the intent and meaning of the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Division of Textiles and Furs, Bureau of Consumer Protection proposed to present to the Commission for its consideration and which, if issued by the Commis-

sion, would charge respondents with violation of the Federal Trade Commission Act and the Flammable Fabrics Act, as amended; and

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

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

1. Respondent David Morris Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondents Morris Gerstler and David P. Lowe are officers of the corporate respondent. They formulate, direct and control the acts, practices and policies of said corporate respondent.

Respondents are engaged in the business of manufacture, sale and distribution of wearing apparel, including but not limited to bridal and formal gowns, with their office and principal place of business located at 525 Seventh Avenue, New York, New York.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That respondents David Morris Co., Inc., a corporation, and its officers, and Morris Gerstler, and David P. Lowe, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from manufacturing for sale, selling or offering for sale, in commerce, or importing into the United States, or introducing, delivering for introduction, transporting or causing to be transported, in commerce, or selling or delivering after sale, or shipment in commerce any product, fabric or related material;

or manufacturing for sale, selling or offering for sale any product made of fabric or related material which has been shipped or received in commerce, as "commerce," "product," "fabric" and "related material" are defined in the Flammable Fabrics Act, as amended, which product, fabric or related material fails to conform to any applicable standard or regulation continued in effect, issued or amended under the provisions of the aforesaid Act.

It is further ordered, That respondents notify all of their customers who have purchased or to whom have been delivered the products which gave rise to this complaint of the flammable nature of said products and effect recall of said products from such customers.

It is further ordered, That the respondents herein either process the products which gave rise to the complaint so as to bring them into conformance with the applicable standard of flammability under the Flammable Fabrics Act, as amended, or destroy said products.

It is further ordered, That the respondents herein shall within ten (10) days after service upon them of this order, file with the Commission a special report in writing setting forth the respondents' intentions as to compliance with this order. This special report shall also advise the Commission fully and specifically concerning (1) the identity of the product which gave rise to the complaint, (2) the number of said products in inventory, (3) any action taken and any further action proposed to be taken to notify customers of the flammability of said products and effect the recall of said products and of the results thereof, (4) any disposition of said products since January 7, 1971, and (5) any action taken or proposed to be taken to bring said products into conformance with the applicable standard of flammability under the Flammable Fabrics Act, as amended, or destroy said products, and the results of such action. Such report shall further inform the Commission as to whether or not respondents have in inventory any product, fabric, or related material having a plain surface and made of paper, silk, rayon and acetate, nylon and acetate, rayon, cotton or any other material or combinations thereof in a weight of two ounces or less per square yard, or any product, fabric or related material having a raised fiber surface. Respondents shall submit samples of not less than one square yard in size of any such product, fabric or related material with this report.

It is further ordered, That respondents notify the Commission at least 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.

It is further ordered, That the corporate respondent shall forthwith distribute a copy of this order to each of its operating divisions.

It is further ordered, That respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which they have complied with this order.

IN THE MATTER OF

HENRI F. KAPLAN TRADING AS BENJAMIN KAPLAN AND COMPANY

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION AND THE FLAMMABLE FABRICS ACTS

Docket C-2000. Complaint, Aug. 4, 1971—Decision, Aug. 4, 1971

Consent order requiring a North Hollywood, Calif., importer and seller of women's and misses' wearing apparel, including ladies' scarves, to cease violating the Flammable Fabrics Act by importing and selling any fabric which fails to conform to the standards of said Act.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Flammable Fabrics Act, as amended, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Henri F. Kaplan, an individual trading and doing business as Benjamin Kaplan and Company, hereinafter referred to as respondent, has violated the provisions of said Acts and the rules and regulations promulgated under the Flammable Fabrics Act, as amended and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Henri F. Kaplan is an individual, trading and doing business under the name of Benjamin Kaplan and Company, with his principal office and place of business located at 12522 Burbank Boulevard, in the city of North Hollywood, State of California.

PAR. 2. Respondent is now, and for some time last past has been, engaged in the importation and sale of women's and misses' wearing apparel, including, but not limited to, ladies' scarves.

PAR. 3. Respondent is now and for some time last past has been engaged in the sale and offering for sale, in commerce, and has introduced, delivered for introduction, transported and caused to be transported in commerce, and has sold or delivered after sale or shipment in commerce, products, as the terms "commerce," and "product" are defined in the Flammable Fabrics Act, as amended, which products fail to conform to an applicable standard or regulation continued in effect, issued or amended under the provisions of the Flammable Fabrics Act, as amended.

Among such products mentioned hereinabove were scarves of 100 percent Rayon in two styles.

PAR. 4. The aforesaid acts and practices of respondent were and are in violation of the Flammable Fabrics Act, as amended, and the rules and regulations promulgated thereunder, and as such constituted, and now constitute unfair methods of competition and unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

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 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 Flammable Fabrics Act, as amended; 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 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 Acts, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in Section 2.34 (b) of its rules, the Commis-

sion hereby issues its complaint, makes the following jurisdictional findings and enters the following order:

1. Respondent Henri F. Kaplan is an individual, trading and doing business as Benjamin Kaplan and Company. He is engaged in the importation and sale of women's wearing apparel, including ladies scarves, with his office and principal place of business located at 12522 Burbank Boulevard, North Hollywood, California.

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

It is ordered, That the respondent, Henri F. Kaplan, individually, and trading and doing business as Benjamin Kaplan and Company, or under any other name or names, and the respondent's agents, representatives and employees, directly or through any corporate or other device, do forthwith cease and desist from selling, offering for sale, in commerce, or importing into the United States, or introducing, delivering for introduction, transporting, or causing to be transported in commerce, or selling or delivering after sale or shipment in commerce, any product, fabric or related material; or selling or offering for sale, any product made of fabric or related material which has been shipped or received in commerce as "commerce," "product," "fabric" and "related material" are defined in the Flammable Fabrics Act, as amended, which product, fabric, or related material fails to conform to an applicable standard or regulation issued, amended or continued in effect, under the provisions of the aforesaid Act.

It is further ordered, That respondent notify all of his customers who have purchased or to whom have been delivered the products which gave rise to the complaint, of the flammable nature of said products, and effect the recall of said products from such customers.

It is further ordered, That the respondent herein shall either process the products which gave rise to the complaint so as to bring them into conformance with the applicable standard of flammability under the Flammable Fabrics Act, as amended, or destroy said products.

It is further ordered, That the respondent herein shall, within ten (10) days after service upon him of this order, file with the Commission a special report in writing setting forth the respondent's intentions as to compliance with this order. This special report shall also advise the Commission fully and specifically concerning (1) the identity of the products which gave rise to the complaint, (2) the number of said products in inventory, (3) any action taken and any further actions proposed to be taken to notify customers of the flammability

of said products and effect the recall of said products from customers, and of the results thereof, (4) any disposition of said products since August 31, 1970, and (5) any action taken or proposed to be taken to bring said products into conformance with the applicable standard of flammability under the Flammable Fabrics Act, as amended, or destroy said products, and the results of such action. Such report shall further inform the Commission as to whether or not respondent has in inventory any product, fabric, or related material having a plain surface and made of paper, silk, rayon and acetate, nylon and acetate, rayon, cotton or any other material or combinations thereof in a weight of two ounces or less per square yard, or any product, fabric, or related material having a raised fiber surface. Respondent shall submit samples of not less than one square yard in size of any such product, fabric, or related material with this report.

It is further ordered, That the respondent herein shall, within sixty (60) days after service upon him of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which he has complied with this order.

IN THE MATTER OF

HAIRNET CORPORATION OF AMERICA TRADING AS JACOBI ACCESSORIES CO., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION AND THE FLAMMABLE FABRICS ACTS

Docket C-2001. Complaint, Aug. 4, 1971—Decision, Aug. 4, 1971

Consent order requiring a New York City importer and distributor of textile fiber products, including ladies' scarves, to cease violating the Flammable Fabrics Act by importing and selling any fabric which fails to conform to the standards of said Act.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Flammable Fabrics Act, as amended and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Hairnet Corporation of America, a corporation doing business under its own name and under the trade name Jacobi Accessories Co., a division of said corporation, and Edward Gard, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts

and the rules and regulations promulgated under the Flammable Fabrics Act, as amended, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Hairnet Corporation of America, is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York. Its office and principal place of business is located at 151 West 26th Street, New York, New York. Respondent does business under its own name and under the name Jacobi Accessories Co.

Respondent Edward Gard is an officer of the corporate respondent. He formulates, directs and controls the acts, practices and policies of the said corporate respondent including those hereinafter set forth.

Respondents are engaged in the importation, sale and distribution of textile fiber products, including, but not limited to, ladies' scarves.

PAR. 2. Respondents are now and for some time last past have been engaged in the sale and offering for sale, in commerce, and the importation into the United States, and have introduced, delivered for introduction, transported and caused to be transported in commerce, and have sold or delivered after sale or shipment in commerce, products, as the terms "commerce," and "product" are defined in the Flammable Fabrics Act, as amended, which fail to conform to an applicable standard or regulation continued in effect, issued or amended under the provisions of the Flammable Fabrics Act, as amended.

Among such products mentioned hereinabove were ladies' scarves.

PAR. 3. The aforesaid acts and practices of respondents were and are in violation of the Flammable Fabrics Act, as amended, and the rules and regulations promulgated thereunder, and constituted, and now constitute, unfair methods of competition and unfair and deceptive acts and practices in commerce, within the intent and meaning of the Federal Trade Commission Act.

DECISION AND ORDER

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

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

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

1. Respondent Edward Gard is an officer of the corporate respondent. He formulates, directs and controls the acts, practices and policies of the said corporate respondent including those hereinafter set forth.

Respondent Hairnet Corporation of America is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York. Its office and principal place of business is located at 151 West 26th Street, New York, New York. Respondent does business under its own name and under the name Jacobi Accessories Co.

Respondents are engaged in the importation, sale and distribution of textile fiber products, including, but not limited to, ladies' scarves.

2. The Federal Trade Commission has jurisdiction of the subject matter of the proceeding and of the respondents and the proceeding is in the public interest.

ORDER

It is ordered, That the respondents Hairnet Corporation of America, a corporation doing business under its own name and under the trade name Jacobi Accessories Co., a division of said corporation, or under any other name or names and its officers, and Edward Gard, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from manufacturing for sale, selling, offering for sale, in commerce, or importing into

the United States, or introducing, delivering for introduction, transporting or causing to be transported in commerce, or selling or delivering after sale or shipment in commerce, any product, fabric, or related material; or manufacturing for sale, selling or offering for sale, any product made of fabric or related material which has been shipped or received in commerce as "commerce," "product," "fabric" and "related material" are defined in the Flammable Fabrics Act, as amended, which product, fabric or related material fails to conform to an applicable standard or regulation issued, amended or continued in effect, under the provisions of the aforesaid Act.

It is further ordered, That respondents notify all of their customers who have purchased or to whom have been delivered the ladies' scarves which gave rise to the complaint, of the flammable nature of said scarves and effect the recall of said scarves from such customers.

It is further ordered, That the respondents herein either process the scarves which gave rise to the complaint so as to bring them into conformance with the applicable standard of flammability under the Flammable Fabrics Act, as amended, or destroy said scarves.

It is further ordered, That the respondents herein shall, within ten (10) days after service upon them of this order, file with the Commission an interim special report in writing setting forth the respondents' intentions as to compliance with this order. This special report shall also advise the Commission fully and specifically concerning (1) the identity of the scarves which gave rise to the complaint, (2) the number of said scarves in inventory, (3) any action taken and any further actions proposed to be taken to notify customers of the flammability of said scarves and effect the recall of said scarves from customers, and of the results thereof, (4) any disposition of said scarves since September 10, 1970, and (5) any action taken or proposed to be taken to bring said scarves into conformance with the applicable standard of flammability under the Flammable Fabrics Act, as amended, or destroy said scarves and the results of such action. Such report shall further inform the Commission as to whether or not respondents have in inventory any product, fabric, or related material having a plain surface and made of paper, silk, rayon and acetate, nylon and acetate, rayon, cotton or any other material or combinations thereof in a weight of two ounces or less per square yard, or any product, fabric, or related material having a raised fiber surface. Respondents shall submit samples of not less than one square yard in size of any such product, fabric, or related material with this report.

It is further ordered, That respondents notify the Commission at least 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 this order.

It is further ordered, That the respondent corporation shall forthwith distribute a copy of this order to each of its operating divisions.

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

IN THE MATTER OF

CHARLES L. CRANDALL DOING BUSINESS AS CARPETS UNLIMITED, ETC.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION AND THE TEXTILE FIBER PRODUCTS IDENTIFICATION ACTS

Docket C-2002. Complaint, Aug. 5, 1971—Decision, Aug. 5, 1971

Consent order requiring a Dalton, Ga., individual engaged in wholesaling of carpet yarns and manufacturing textile fiber carpeting to cease misbranding his textile fiber products and failing to maintain proper records.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Textile Fiber Products Identification Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Charles L. Crandall, individually and doing business as Carpets Unlimited and Crandall Yarn Company, hereinafter referred to as respondent, has violated the provisions of said Acts and the rules and regulations promulgated under the Textile Fiber Products Identification Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Charles L. Crandall is an individual doing business as Carpets Unlimited and Crandall Yarn Company with his office and principal place of business located on Rural Route 1, Carbondale Road, Dalton, Georgia.

Respondent is engaged in the wholesaling of carpet yarns and in the manufacture of textile fiber products, namely carpeting.

PAR. 2. Respondent is now and for some time last past has been engaged in the introduction, delivery for introduction, manufacture for introduction, sale, advertising, and offering for sale, in commerce, and in the importation into the United States, of textile fiber products; and has sold, offered for sale, advertised, delivered, transported and caused to be transported, textile fiber products, which have been advertised or offered for sale in commerce; and has sold, offered for sale, advertised, delivered, transported and caused to be transported after shipment in commerce, textile fiber products, either in their original state or contained in other textile fiber products, as the terms "commerce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act.

PAR. 3. Certain of said textile fiber products were misbranded by respondent within the intent and meaning of Section 4(a) of the Textile Fiber Products Identification Act and the rules and regulations promulgated thereunder in that they were falsely and deceptively stamped, tagged, labeled, invoiced, advertised, or otherwise identified as to the names and amounts of the constituent fibers contained therein.

Among such misbranded textile fiber products, but not limited thereto, was textile stock represented to be 100 percent Acrilan whereas in truth and in fact, such products contained substantially different amounts of fibers other than as represented.

PAR. 4. Certain of said textile products were further misbranded by respondent in that they were not stamped, tagged, labeled or otherwise identified as required under the provisions of Section 4(b) of the Textile Fiber Products Identification Act, and in the manner and form as prescribed by the rules and regulations promulgated under said Act.

Among such misbranded textile fiber products, but not limited thereto, were carpets which failed to disclose the true percentage of fibers by weight in the pile.

PAR. 5. Respondent has failed to maintain proper records showing the fiber content of the textile fiber products manufactured by them, in violation of Section 6 of the Textile Fiber Products Identification Act and Rule 39 of the regulations promulgated thereunder.

PAR. 6. The acts and practices of respondent as set forth above were, and are, in violation of the Textile Fiber Products Identification Act and the rules and regulations promulgated thereunder, and constituted, and now constitute, unfair methods of competition and unfair and deceptive acts and practices, in commerce, under the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondent named in the caption hereof, and the respondent having been furnished thereafter with a copy of a draft of complaint which the Division of Textiles and Furs 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 Textile Fiber Products Identification 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 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 Acts, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in Section 2.34(b) of its rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Charles L. Crandall is an individual doing business as Carpets Unlimited and Crandall Yarn Company with his office and principal place of business located on Rural Route 1, Carbondale Road, Dalton, Georgia.

Respondent is engaged in the wholesaling of carpet yarns and in the manufacture of textile fiber products, namely carpeting.

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

It is ordered, That respondent Charles L. Crandall, individually, and doing business as Carpets Unlimited and Crandall Yarn Company or under any other name or names, and respondent's representatives, agents and employees, directly or through any corporate or other device in connection with the introduction, delivery for introduction, manu-

facturing for introduction, sale, advertising or offering for sale, in commerce, or the transportation or causing to be transported in commerce, or the importation into the United States, of any textile fiber product; or in connection with the sale, offering for sale, advertising, delivery, transportation or causing to be transported, of any textile fiber product which has been advertised or offered for sale in commerce; or in connection with the sale, offering for sale, advertising, delivery, transportation, or causing to be transported, after shipment in commerce, of any textile fiber product, whether in its original state or contained in other textile fiber products, as the terms "commerce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act, do forthwith cease and desist from:

A. Misbranding textile fiber products by:

(1) Falsely or deceptively stamping, tagging, labeling, invoicing, advertising, or otherwise identifying such products as to the name or amount of constituent fibers contained therein as required by Section 4(a) of the Textile Fiber Products Identification Act.

(2) Failing to affix a stamp, tag, label or other means of identification to each such product showing in a clear, legible and conspicuous manner each element of the information required to be disclosed by Section 4(b) of the Textile Fiber Products Identification Act.

B. Failing to maintain and preserve proper records showing the fiber content of the textile fiber products manufactured by said respondent, as required by Section 6 of the Textile Fiber Products Identification Act and Rule 39 of the Regulations promulgated thereunder.

It is further ordered, That respondent herein shall, within sixty (60) days after service upon him of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which he has complied with this order.

IN THE MATTER OF

ERIE FOUNDRY COMPANY, ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION ACT AND SEC. 3 OF THE CLAYTON ACT

Docket C-2003. Complaint, Aug. 10, 1971—Decision, Aug. 10, 1971

Consent order requiring an Erie, Pa., manufacturer and distributor of compressed air dryers, oil scrubbers, filters and related air and gas treating