tives and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of courses of study and instruction in journalism, English, photography, sewing, beauty culture or any other subject, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using the name "American Cultural Interchange, Inc." or any other name or names of similar import or meaning to describe or designate his business; or representing, in any manner, that respondent's business is other than that of a private commercial venture engaged in the sale of correspondence courses for a profit.

2. Representing, directly or by implication, that respondent's school or his courses have been accredited, approved or recognized by any educational authority in the United States.

3. Misrepresenting in any manner the status, accreditation or approval of respondent's business, his school or his courses.

4. Representing, directly or by implication, that respondent provides scholarships.

5. Representing, directly or by implication, that the instructional material and equipment provided as a part of respondent's courses are free, or misrepresenting, in any manner, the cost or nature of respondent's courses.

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

LACONIA SHOE COMPANY, ET AL.

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

Docket C-1622. Complaint, Nov. 12, 1969—Decision, Nov. 12, 1969

Consent order requiring a Laconia, N.H., manufacturer and distributor of shoes to cease selling shoes made of simulated leather material without conspicuously disclosing by stamp, tag or label affixed to the shoes the true nature of the material.

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 Laconia Shoe Company, a corporation, and Eugene Brindis and Robert J. Selig, individually and as officers 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 Laconia Shoe Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Hampshire, with its principal office and place of business located at 59 Water Street, in the city of Laconia, State of New Hampshire, 03246.

Respondents Eugene Brindis and Robert J. Selig are officers of the corporate respondent. They formulate, direct and control the acts and practices of the corporate respondent including the acts and practices hereinafter set forth. Their 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 manufacturing, offering for sale, sale and distribution of shoes to retailers for resale to the public.

PAR. 3. In the course and conduct of their business, respondents now cause, and for some time last past have caused, their said products, when sold to be shipped and transported from their place of business in the State of New Hampshire 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. 4. In the course and conduct of their aforesaid business, some of respondents' shoes which are offered for sale, sold and distributed to retailers for resale to the public have the appearance of being composed either in whole or in part of leather or split leather, when in fact one or more of the visible or partly visible parts of such shoes are composed of non-leather materials processed to simulate the appearance of leather or split leather. The fact that such material is nonleather is not clearly and conspicuously disclosed on such shoes by a stamp, tag or label embed-

ded in or attached thereto and so affixed as to remain thereon until completion of the sale to retail customers.

Respondents' practice of offering for sale, selling and distributing shoes containing one or more visible or partly visible parts composed of non-leather material processed to simulate the appearance of leather or split leather, without clear and conspicuous disclosure of such fact on a stamp, tag or label embedded in or attached to such shoes is misleading and deceptive and has the capacity and tendency to lead members of the purchasing public to believe that the parts of shoes so composed, other than heels, are made of leather or split leather.

PAR. 5. In the conduct of their business at all times mentioned herein, respondents have been, and now are, in substantial competition, in commerce, with corporations, firms and individuals in the sale of shoes of the same general kind and nature as that sold by respondents.

PAR. 6. The use by respondents of the aforesaid misleading and deceptive acts and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the mistaken and erroneous belief that visible or partly visible parts of shoes composed of non-leather materials processed to resemble leather or split leather are, in fact, leather or split leather, and into the purchase of substantial quantities of respondents' shoes by reason of said mistaken and erroneous belief, and by reason of said misleading and deceptive acts and practices.

PAR. 7. 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 that draft of complaint which the Bureau of Industry Guidance 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, and admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the 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 described 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 Laconia Shoe Company is a corporation, organized, existing and doing business under and by virtue of the laws of the State of New Hampshire, with its principal office and place of business located at 59 Water Street, in the city of Laconia, State of New Hampshire.

Respondent Eugene Brindis is an individual and an officer of said corporation and his business address is the same as that of said corporation.

Respondent Robert J. Selig is an individual and an officer of said corporation and 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

It is ordered, That respondents Laconia Shoe Company, a corporation and its officers, and Eugene Brindis and Robert J. Selig, 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 manufacturing, offering for sale, sale or distribution of shoes or other footwear, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Offering for sale, selling, distributing or placing in the hands of others for distribution or sale purposes, footwear products containing one or more visible or partly visible parts, other than heels, which are composed of non-leather material having the appearance of leather or split leather, without clearly and conspicuously disclosing (1) the identity of the part or parts of such products so composed and (2) either that the material is simulated or imitation leather or the general nature of the material in such manner as will show it is not leather or split leather; such disclosures to appear on a stamp, tag or label embedded in or attached to such products, of such degree of permanency as to remain thereon until consummation of consumer sale of the products, and of such conspicuousness as to be likely observed and read by purchasers and prospective purchasers making casual inspection of the products.

2. Misrepresenting, in any manner, or by any means, directly or indirectly, the kind or type of leather or other materials used in the manufacture of respondents' products or any part thereof.

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

GEON INTERCONTINENTAL CORPORATION, ET AL.

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

*Docket C-1623. Complaint, Nov. 12, 1969—Decision, Nov. 12, 1969**

Consent order requiring two importers and distributors of replacement parts for foreign-made automobiles located in Melville and Woodbury, N.Y., to cease restricting competition in the foreign automotive parts business by threatening or coercing suppliers of such parts not to sell to potential new entrants into the field.

* Published as modified by Commission's order of Feb. 26, 1970, by modifying paragraph VI of the order.

COMPLAINT

The Federal Trade Commission has reason to believe that the parties listed in the caption hereof, and hereinafter more fully described, have violated and are now violating the provisions of Section 5 of the Federal Trade Commission Act, 15 U.S.C. Sec. 45, and it appears to the Commission that a proceeding by it in respect thereof would be in the public interest. Accordingly, the Commission hereby issues its complaint, stating its charges with respect thereto as follows:

PARAGRAPH 1. Respondent Geon Intercontinental Corporation, hereinafter referred to as Geon, is a corporation organized, existing and doing business under the laws of the State of New York, with its offices and principal place of business at 101 Crossways Park West, Woodbury, New York.

On January 3, 1969, respondent Geon acquired all the outstanding shares of British Auto Parts Inc., and on that date merged British Auto Parts Inc., into respondent Geon; as a result, British Auto Parts is now a division of Geon. Prior to the merger British Auto Parts engaged in the unlawful acts and practices described herein. The combined sales of Geon and British Auto Parts in 1968 were approximately $8,000,000.

PAR. 2. Respondent Beck/Arnley Corp., formerly Beck Distributing Corp., hereinafter referred to as Beck/Arnley, is a corporation organized, existing and doing business under the laws of the State of New York, with its principal office and place of business located at 548 Broad Hollow Road, Melville, Long Island, New York. In 1968, the combined sales of Beck/Arnley and its subsidiary Beck Distributing Corp., of California were approximately $8,000,000.

PAR. 3. Respondents are engaged in the business of importing and distributing replacement parts for foreign-made vehicles. Respondents distribute in the United States through jobbers, who resell to franchised foreign car dealers, independent garages, service stations, other jobbers, and end users. Respondents are among the nation's largest independent importers of foreign-made parts for foreign vehicles.

PAR. 4. In the course and conduct of their business, respondents are now and have been at all times referred to herein, engaged in commerce, as "commerce" is defined in the Federal Trade Commission Act. Respondents import substantial quantities of foreign automotive replacement parts into the United States, and cause

these products to be shipped from States wherein they do business with purchasers located in other States. There is and has been at all times mentioned herein, continuous and substantial current of trade in interstate commerce in automotive replacement parts by and between respondents and their customers located among the several States of the United States and the District of Columbia.

PAR. 5. Except to the extent that competition has been hindered, prevented, frustrated, lessened or eliminated as set forth in this complaint, respondents have been and are now in substantial competition with other corporations, individuals and partnerships engaged in the importation and distribution of foreign automotive replacement parts.

PAR. 6. Beginning in 1968 and continuing to the present time, respondents have and do now maintain, effectuate and carry out an agreement, understanding, combination, conspiracy, or planned course of action or course of dealing to prevent the entry of new companies into the business of importation and distribution of foreign automotive replacement parts.

PAR. 7. As part of, pursuant to and in furtherance of the aforesaid plan to eliminate competition, respondents have agreed, conspired, combined, acquiesced and cooperated between and among themselves to eliminate potential competition in the importation of foreign auto parts by various means of which the following are examples:

1. Threatened not to buy from any foreign supplier who sold to a potential new entrant.

2. Conditioned their future purchasers on the refusal of suppliers to sell to a potential new entrant.

3. Communicated with each other on plans and tactics for combining their efforts to eliminate a potential entrant.

PAR. 8. The acts and practices of respondents as alleged herein have had and do now have the tendency or effect of unduly hindering, lessening, restraining or eliminating competition in the importation and sale of foreign automotive parts; have deprived distributors, retailers and consumers of the benefits of full and free competition and have hampered their free choice in the selection of suppliers; are all to the prejudice and injury of the public, and constitute unfair methods of competition and unfair acts or 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 Restraint of Trade 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, their attorneys 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 is 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 Beck/Arnley Corporation is a corporation which has its office and principal place of business at 548 Broad Hollow Road, Mellville, Long Island, New York, and respondent Geon Intercontinental Corporation is a corporation which has its office and principal place of business at 101 Crossways Park West, Woodbury, 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

I. *It is ordered,* That respondents, Geon Intercontinental Corporation, a corporation, and Beck/Arnley Corp., a corporation,

their subsidiaries, successors, assigns, officers, directors, agents, representatives and employees, directly or through any corporate or other device, in connection with the importation, sale, or distribution of imported automotive parts in commerce as "commerce" is defined in the Federal Trade Commission Act, forthwith cease and desist from entering into, maintaining, effectuating, carrying out, cooperating in or continuing any agreement, understanding, combination, conspiracy, or planned course of action or course of dealing, between or among any of said respondents or between any one or more of the said respondents and one or more of respondents' competitors not parties hereto, to do or perform any of the following:

1. Refusing to buy or threatening to refuse to buy automotive parts from any manufacturer.
2. Inducing, persuading, compelling, or coercing any manufacturer from selling automotive parts to any particular person or group or class of persons.
3. Purchasing or offering to purchase automotive parts from any manufacturer under the condition or understanding that such manufacturer will not sell to any particular person or to any group or class of persons.
4. Communicating directly or indirectly with any manufacturer for the purpose of inducing such manufacturer not to sell automotive parts to any particular person or to any group or class of persons.
5. Suppressing, hindering, restricting or limiting competition in the importation or distribution of automotive parts.

II. *It is further ordered,* That each of the individual corporate respondents herein, their subsidiaries, successors, assigns, officers, directors, agents, representatives and employees, directly or through any corporate or other device, individually cease and desist from performing any of the following:

1. Inducing, persuading, threatening, compelling, coercing or attempting to induce, persuade, threaten, compel or coerce any manufacturer not to sell imported automotive parts to any competitor or potential competitor: *Provided, however,* Nothing contained herein shall prevent any respondent from unilaterally and independently exercising its legal right to maintain, select or terminate any supplier.
2. Seeking, negotiating or entering into, directly or indirectly, any exclusive distributorship arrangement with any

manufacturer listed on Attachments A or B of this order for five (5) years: *Provided, however,* Nothing contained herein shall prevent any respondent from continuing any exclusive distributorship arrangement in effect on March 1, 1968.

III. *It is further ordered,* That respondent Beck/Arnley Corp. shall within sixty (60) days after service upon it of this order, serve by mail on each company listed in Attachment A, a copy of this order and a copy of attached Letter C; and that respondent Geon Intercontinental Corporation shall within sixty (60) days after service upon it of this order, serve by mail on each company listed in Attachment B, a copy of this order and a copy of Letter C attached to this order. For respondent Beck/Arnley Corp.: *It is ordered,* That attached Letter C be signed by Franklin B. Beck, William M. Arnowitz and Randolph C. St. John. For respondent Geon Intercontinental Corporation: *It is ordered,* That attached Letter C be signed by Peter H. Neuwirth and Biarne Qvale.

IV. *It is further ordered,* That respondent corporation herein shall forthwith forward a copy of this order to all of their operating divisions.

V. *It is further ordered,* That respondents herein 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.

VI. *It is further ordered,* That respondents notify the Commission at least 30 days prior to any proposed change in the corporate respondent which may affect compliance obligations arising out of the order, such as: dissolution, assignment or sale resulting in the emergence of a successor corporation, or the creation or dissolution of subsidiaries.

ATTACHMENT A

1) AUTOMOTIVE PRODUCTS COMPANY, LTD.
Automotive House
19 Langham Street
London W-1, England

2) ASSOCIATED ENGINEERING, LTD.
Forster House—Forster Square
Bradford 1, Yorkshire
England

3) J. PAYEN LTD.
Edinburgh Ave., Slough, Bucks
England

4) RANSOM & MARLES BEARING CO., LTD.
Newark-on-Trent, England
5) W. G. JAMES LTD.
Kingsbury Works
Kingsbury Road
London NW., England
6) FICHTEL & SACHS VERKAUFS-KG
Schweinfurt, West Germany
7) SALERI ITALO & C.
25065 Lumezzane
Brescia, Italy
8) VANDERVELL CANADA LTD.
401 Kipling Avenue South
Toronto 18, Canada
9) QUINTON HAZELL LTD.
Colwyn Bay
North Wales, Gt. Britain

ATTACHMENT B

1) HEITMANN & BRUNN G.M.B.H.
Gerhart-Hauptmann-Platz 14
2 Hamburg 1, West Germany
2) QUINTON HAZELL LTD.
Colwyn Bay
North Wales, Gt. Britain
3) P. MITCHELL & CO. LTD.
135 Edmund St.
Birmingham 3, England
4) AUTOMOTIVE PRODUCTS COMPANY LTD.
Automobile House
19, Langham St.
London W-1, England
5) ASSOCIATED ENGINEERING, LTD.
Forster House—Forster Square
Bradford 1, Yorkshire
England
6) HALLS GASKET LTD.
Stirling Road
Slough, Bucks
England
7) RANSOM & MARLES BEARING CO. LTD.
Newark-on-Trent, England
8) FARNBOROUGH ENGINEERING CO. LTD.
Farnborough Orpington
Kent, England
9) FICHTEL & SACHS VERKAUFS-KG
Schweinfurt, West Germany

LETTER C

(Geon Intercontinental Corporation and Beck/Arnley Corp. official letterheads)

(Date)

Gentlemen:

The Federal Trade Commission, an Agency of the United States Government, has entered an order against Beck/Arnley Corp. and Geon Intercontinental Corporation prohibiting them from inducing, threatening, persuading, compelling or coercing your company from selling to any competitor or potential competitor in the United States. A copy of this order is attached. Furthermore, by its order, the Commission has prohibited Geon Intercontinental Corporation and Beck/Arnley Corp. from negotiating or entering into any form of exclusive distribution arrangement with your company for five (5) years subject to any exclusive distributorship arrangement in effect on March 1, 1968.

This is to advise you that despite any past communication from our company, we have no objection to your sale of automotive parts to any competitor or potential competitor in the United States. You are further advised that our future purchases from your company will in no way be conditioned on your refusal to sell to any other competitor or potential competitor in the United States. However, we reserve the right to make a unilateral determination on whether to maintain or terminate our relationship with your company for business reasons.

Very truly yours,

IN THE MATTER OF

McBRATNEY'S, INC.

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

Docket C-1624. Complaint, Nov. 17, 1969—Decision, Nov. 17, 1969

Consent order requiring a Monrovia, Calif., department store to cease falsely advertising its fur products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act and by virtue of the authority vested in it by said Acts, the Federal Trade Commission having reason to believe that McBratney's Inc., a corporation,

hereinafter referred to as respondent, has violated the provisions of said Acts and the Rules and Regulations promulgated under the Fur Products Labeling Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent McBratney's Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of California.

Respondent operates a department store and retails various commodities including fur products. Its office and principal place of business is located at 421-7, South Myrtle Avenue, Monrovia, California.

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

PAR. 3. Certain of said fur products were falsely and deceptively advertised in violation of the Fur Products Labeling Act in that certain advertisements intended to aid, promote and assist, directly or indirectly, in the sale and offering for sale of such fur products were not in accordance with the provisions of Section 5(a) of the said Act.

Among and included in the aforesaid advertisements but not limited thereto, were advertising flyers of respondent which were circulated in the State of California and other States of the United States.

Among such false and deceptive advertisements, but not limited thereto, were advertisements which failed to show that the fur contained in the fur products was bleached, dyed or otherwise artificially colored when such was the fact.

PAR. 4. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, respondent falsely and deceptively advertised fur products, in violation of Section 5(a)(5) of the Fur Products Labeling Act and Rule 44(a) of the Rules and Regulations. In the aforesaid adver-

tisements, fur products were offered for sale by the respondent at prices designated as being "Below Wholesale Cost." By means of the aforesaid respondent represented that the fur products were being offered to the consuming public at prices which were less than the prices paid by the respondent in acquiring the said fur products and that savings were afforded to the purchasers of said products. In truth and in fact, the designated prices were not "Below Wholesale Cost" but in fact were in excess of the prices paid for the products by the respondent and savings were not afforded to the purchasers thereof as represented.

PAR. 5. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, respondent falsely and deceptively advertised fur products in violation of the Fur Products Labeling Act in that the said fur products were not advertised in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) The term "natural" was not used to describe fur products which were not pointed, bleached, dyed, tip-dyed or otherwise artificially colored, in violation of Rule 19(g) of the said Rules and Regulations.

(b) All parts of the information required under Section 5(a) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder were not set forth in type of equal size and conspicuousness and in close proximity with each other, in violation of Rule 38(a) of the aforesaid Rules and Regulations.

PAR. 6. The aforesaid acts and practices of respondent, as herein alleged, are in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder and constitute unfair methods of competition and unfair and deceptive acts and practices in commerce under the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the 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 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 Fur Products Labeling 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 it charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent McBratney's, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of California with its office and principal place of business located at 421–7 South Myrtle Avenue, Monrovia, 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 respondent McBratney's, Inc., a corporation, and its officers, and respondent's representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce, of any fur product; or in connection with the sale, advertising, offering for sale, transportation or distribution, of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from falsely or deceptively advertising any fur product through the use of any advertisement, representation, public announcement or notice which is intended to aid, promote or assist, directly or indi-

rectly, in the sale, or offering for sale of any such fur product, and which:

1. Fails to set forth in words and figures plainly legible all the information required to be disclosed by each of the subsections of Section 5(a) of the Fur Products Labeling Act.

2. Falsely and deceptively represents, directly or by implication, by means of the phrase "Below Wholesale Cost" or any other phrase, term or word of similar import or meaning that such fur product is being offered for sale at less than the price paid for the product by respondent.

3. Falsely or deceptively represents that savings are afforded to the purchaser of such fur product or misrepresents in any manner the amount of savings afforded to the purchaser of such fur product.

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

5. Fails to set forth all parts of the information required under Section 5(a) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in type of equal size and conspicuousness and in close proximity with each other.

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 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 affect compliance obligations arising out of the 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

FAMOUS WOOL CORP., ET AL.

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

Docket C-1625. Complaint, Nov. 17, 1969—Decision, Nov. 17, 1969

Consent order requiring a New York City manufacturer of wool batting materials for use in interlining materials to cease misbranding and falsely invoicing its wool products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Famous Wool Corp., a corporation, and Harry Fram and Leon Holz, 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 Wool Products Labeling Act of 1939, 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 Famous Wool Corp. is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Individual respondents Harry Fram and Leon Holz are officers of said corporation. They formulate, direct and control the acts, practices and policies of the corporate respondent including the acts and practices hereinafter referred to.

Respondents are engaged in the manufacture and distribution of wool batting for use in interlining material. Their office and principal place of business is located at 1225 East 14th Street, Brooklyn, New York.

PAR. 2. Respondents, now and for some time last past, have manufactured for introduction into commerce, introduced into commerce, sold, transported, distributed, delivered for shipment, shipped, and offered for sale, in commerce, as "commerce" is de-

fined in said Wool Products Labeling Act of 1939, wool products as "wool product" is defined therein.

PAR. 3. Certain of said wool products were misbranded by the respondents within the intent and meaning of Section 4(a) (1) of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, in that they were falsely and deceptively stamped, tagged, labeled, or otherwise identified with respect to the character and amount of the constituent fibers contained therein.

Among such misbranded wool products, but not limited thereto, were interlining materials stamped, tagged, labeled, or otherwise identified as containing "90% Reprocessed Wool 10% Other Unknown Repr. Fibers" whereas in truth and in fact, such interlining materials contained substantially different fibers and amounts of fibers than represented.

PAR. 4. Certain of said wool products were further misbranded by respondents in that they were not stamped, tagged, labeled, or otherwise identified as required under the provisions of Section 4(a) (2) of the Wool Products Labeling Act of 1939 and in the manner and form as prescribed by the Rules and Regulations promulgated under said Act.

Among such misbranded wool products, but not limited thereto, were interlining materials with labels on or affixed thereto, which failed to disclose the percentage of the total fiber weight of the said wool product, exclusive of ornamentation not exceeding five per centum of said total fiber weight of (1) wool fibers; (2) reprocessed wool; (3) reused wool; (4) each fiber other than wool when said percentage by weight of such fiber was five per centum or more; and (5) the aggregate of all other fibers.

PAR. 5. The acts and practices of the respondents as set forth above were, and are, in violation of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, and constituted, and now constitue, unfair methods of competition and unfair and deceptive acts and practices in commerce, within the intent and meaning of the Federal Trade Commission Act.

PAR. 6. Respondents now and for some time last past have been engaged in the advertising, offering for sale, sale and distribution of products, namely interlining materials, to garment manufacturers in commerce. The respondents 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. 7. Respondents in the course and conduct of their business as aforesaid, have made statements on their invoices and shipping memoranda to their customers misrepresenting the character and amount of the constituent fibers present in such products. Among such statements, but not limited thereto, were statements on invoices setting forth certain interlining material as "90/10 Wool" thereby representing the material to contain 90% wool and 10% other fibers whereas, in truth and in fact, the said product contained substantially different fibers and amounts of fibers than were represented.

PAR. 8. The acts and practices of the respondents set out in Paragraphs Six and Seven have had, and now have, the tendency and capacity to mislead and deceive purchasers of said products as to the true content thereof and to cause them to misbrand products manufactured by them in which said materials are used.

PAR. 9. The acts and practices of the respondents as set forth above were, and are in violation of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, and constituted, and now constitute, 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 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 Wool Products Labeling Act of 1939; 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 vio-

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

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

1. Respondent Famous Wool Corp. is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 1225 East 14th Street, Brooklyn, New York.

Respondents Harry Fram and Leon Holz are officers of said corporation. They formulate, direct and control the policies, acts and practices of said corporation. Their address is the same as that of the 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 Famous Wool Corp., a corporation, and its officers, and Harry Fram and Leon Holz, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the manufacture for introduction into commerce, the introduction into commerce or the offering for sale, sale, transportation, distribution, delivery for shipment or shipment, in commerce, of wool products, as "commerce" and "wool product" are defined in the Wool Products Labeling Act of 1939, do forthwith cease and desist from misbranding wool products by:

1. Falsely and deceptively stamping, tagging, labeling, or otherwise identifying such products as to the character or amount of the constituent fibers contained therein.

2. Failing to securely affix to, or place on, each such product a stamp, tag, label, or other means of identification show-

ing in a clear and conspicuous manner, each element of information required to be disclosed by Section 4(a)(2) of the Wool Products Labeling Act of 1939.

It is further ordered, That respondents Famous Wool Corp., a corporation, and its officers, and Harry Fram and Leon Holz, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of wool batting materials or other products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from misrepresenting the character or amount of the constituent fibers contained in such products on invoices or shipping memoranda applicable thereto, or in any other manner.

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 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

THE FELDMAN CO., 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–1626. Complaint, Nov. 17, 1969—Decision, Nov. 17, 1969

Consent order requiring a New York City wholesaler of snythetic piece goods to cease misbranding its textile fiber 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 The Feldman Co., Inc., a corporation, and Joseph Feldman and Alfred Feldman, 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 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 The Feldman Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 375 Broadway, New York, New York.

Individual respondents Joseph Felman and Alfred Feldman are officers of said corporate respondent. They formulate, direct and control the acts, practices and policies of said corporate respondent, including the acts and practices hereinafter referred to. The office and principal place of business of said individual respondents is the same as that of the corporate respondent.

Respondents are wholesalers of synthetic piece goods.

PAR. 2. Respondents are now and for some time last past have been engaged in the introduction, delivery for introduction, sale, advertising, and offering for sale, in commerce, and in the transportation or causing to be transported in commerce, and in the importation into the United States, of textile fiber products; and have 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 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. 3. Certain of said textile fiber products were misbranded by respondent in that they were not stamped, tagged, labeled, or otherwise identified to show each element of information required

to be disclosed by Section 4(b) of the Textile Fiber Products Identification Act, 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 textile fiber products without labels.

PAR. 4. The acts and practices of respondents, 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 or practices, in commerce, under the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Textiles and Furs proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act and the 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 aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

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

1. Respondent The Feldman Co., Inc., is a corporation organized, existing and doing business under and by virtue of the

laws of New York, with its office and principal place of business located at 375 Broadway, New York, New York.

Respondents Joseph Feldman and Alfred Feldman are officers of said corporation. They formulate, direct and control the acts, policies and practices of said corporation and their 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 The Feldman Co., Inc., a corporation, and its officers, and Joseph Feldman and Alfred Feldman, individually and as officers 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, 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 misbranding textile fiber products by 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 information required to be disclosed by Section 4(b) of the Textile Fiber Products Identification Act.

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 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

MIAMI SPORTSWEAR CO., INC., TRADING AS CEEB OF MIAMI, 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-1627. Complaint, Nov. 17, 1969—Decision, Nov. 17, 1969

Consent order requiring an Opa Locka, Fla., sportswear and beachwear manufacturer to cease misbranding, falsely advertising, and deceptively guaranteeing its textile fiber 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 Miami Sportswear Co., Inc., a corporation, trading as Ceeb of Miami, and Jack L. Brasington and Clayton B. Brasington, Jr., 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 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 charges in that respect as follows:

PARAGRAPH 1. Respondent Miami Sportswear Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Florida. Respondent Miami Sportswear Co., Inc., trades, among others, under the name of Ceeb of Miami with its executive office and place of business located at 2600 Ali Baba Avenue, Opa Locka, Florida.

Individual respondents Jack L. Brasington and Clayton B. Brasington, Jr., are officers of said corporation. They formulate, direct and control the policies, acts and practices of said corporation and their address is the same as that of the corporate respondent.

Respondents are engaged in the manufacture and sale of sportswear and beachwear.

PAR. 2. 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, and in the importation into the United States, of textile fiber products; and have 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 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. 3. Certain of said textile fiber products were misbranded by the respondents 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 name or amount of the constituent fibers contained therein.

Among such misbranded textile fiber products, but not limited thereto, were textile fiber products (swimsuits) with labels which set forth the fiber content as "All Cotton," whereas, in truth and in fact, the said textile fiber products contained substantially different fibers and amounts of fibers than represented.

PAR. 4. Certain of such textile fiber products were further misbranded by respondents in that they were not stamped, tagged, labeled, or otherwise identified to show each element of information required to be disclosed by Section 4(b) of the Textile Fiber Products Identification Act, 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 textile fiber products with labels which failed:

1. To disclose the true generic names of the fibers present; and
2. To disclose the true percentage of such fibers.

PAR. 5. Certain of said textile fiber products were misbranded in violation of the Textile Fiber Products Identification Act in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder in the following respects:

A. Fiber trademarks were placed on labels without the generic names of the fibers appearing on such labels, in violation of Rule 17(a) of the aforesaid Rules and Regulations.

B. Fiber trademarks were used on labels without a full and complete fiber content disclosure appearing on such labels, in violation of Rule 17(b) of the aforesaid Rules and Regulations.

PAR. 6. Certain of said textile fiber products were falsely and deceptively advertised in that respondents in making disclosures or implications as to the fiber content of such textile fiber products in written advertisements used to aid, promote and assist, directly or indirectly, in the sale or offering for sale of said products, failed to set forth the required information as to fiber content as specified by Section 4(c) of the Textile Fiber Products Identification Act and in the manner and form prescribed by the Rules and Regulations promulgated under said Act.

Among such textile fiber products, but not limited thereto, were ladies' swimsuits which were falsely and deceptively advertised by means of a brochure, distributed by respondents throughout the United States in that the true generic names of the fibers in such articles were not set forth.

PAR. 7. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, respondents falsely and deceptively advertised textile fiber products in violation of the Textile Fiber Products Identification Act in that said textile fiber products were not advertised in accordance with the Rules and Regulations thereunder in the following respects:

A. A fiber trademark was used in advertising textile fiber products, namely ladies' swimsuits, without a full disclosure of the fiber content information required by the said Act and the Rules and Regulations thereunder in at least one instance in said advertisement, in violation of Rule 41(a) of the aforesaid Rules and Regulations.

B. A fiber trademark was used in advertising textile fiber products, namely ladies' swimsuits, containing more than one fiber and such fiber trademark did not appear in the required fiber content information in immediate proximity and conjunction with the generic name of the fiber in plainly legible type or lettering of equal size and conspicuousness, in violation of Rule 41 (b) of the aforesaid Rules and Regulations.

C. A fiber trademark was used in advertising textile fiber products, namely ladies' swimsuits, containing only one fiber and such fiber trademark did not appear, at least once in the said advertisement, in immediate proximity and conjunction with the generic name of the fiber, in plainly legible and conspicuous type, in violation of Rule 41 (c) of the aforesaid Rules and Regulations.

PAR. 8. Respondents have furnished false guaranties that their textile fiber products were not misbranded or falsely or deceptively invoiced or advertised in violation of Section 10(b) of the Textile Fiber Products Identification Act.

PAR. 9. The acts and practices of respondents, 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 or 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 or complaint which the Bureau of Textiles and Furs proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act and the 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 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 vio-

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

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

1. Respondent Miami Sportswear Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Florida, with its office and principal place of business located at 2600 Ali Baba Avenue, Opa Locka, Florida.

Respondents Jack L. Brasington and Clayton B. Brasington, Jr., are officers of said corporation and their 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 Miami Sportswear Co., Inc., a corporation, trading as Ceeb of Miami, or under any other name or names, and its officers, and Jack L. Brasington and Clayton B. Brasington, Jr., individually and as officers 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, 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 the constituent fibers contained therein.

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 information required to be disclosed by Section 4(b) of the Textile Fiber Products Identification Act.

3. Using a fiber trademark on labels affixed to such textile fiber products without the generic name of the fiber appearing on the said label.

4. Using a generic name or fiber trademark on any label, whether required or nonrequired, without making a full and complete fiber content disclosure in accordance with the Act and Regulations the first time such generic name or fiber trademark appears on the label.

B. Falsely and deceptively advertising textile fiber products by:

1. Making any representation, directly or by implication, as to the fiber content of any textile fiber product in any written advertisement which is used to aid, promote or assist, directly or indirectly, in the sale or offering for sale of such textile fiber product, unless the same information required to be shown on the stamp, tag, label or other means of identification under Section 4(b)(1) and (2) of the Textile Fiber Products Identification Act is contained in the said advertisement, except that the percentages of the fibers present in the textile fiber product need not be stated.

2. Using a fiber trademark in advertisements without a full disclosure of the required content information in at least one instance in the said advertisements.

3. Using a fiber trademark in advertising textile fiber products containing more than one fiber without such fiber trademark appearing in the required fiber content information in immediate proximity and conjunction

with the generic name of the fiber in plainly legible type or lettering of equal size and conspicuousness.

4. Using a fiber trademark in advertising textile fiber products containing only one fiber without such fiber trademark appearing at least once in the advertisement, in immediate proximity and conjunction with the generic name of the fiber, in plainly legible and conspicuous type.

It is further ordered, That respondents Miami Sportswear Co., Inc., a corporation, trading as Ceeb of Miami, or under any other name or names, and its officers, and Jack L. Brasington and Clayton B. Brasington, Jr., 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 furnishing a false guaranty that any textile fiber product is not misbranded or falsely or deceptively invoiced or advertised under the provisions of the Textile Fiber Products Identification Act.

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 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 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

HUDSON'S DEPARTMENT STORE, INC.

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

Docket C-1628. Complaint, Nov. 17, 1969—Decision, Nov. 17, 1969

Consent order requiring an Anniston, Ala., department store to cease falsely advertising its fur products and failing to keep required records.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Hudson's Department Store, Inc., a corporation, hereinafter referred to as respondent, has violated the provisions of said Acts and the Rules and Regulations promulgated under the Fur Products Labeling Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Hudson's Department Store, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Alabama with its office and principal place of business located at 1017 Noble Street, Anniston, Alabama.

Respondent operates a department store and retails various commodities including fur products.

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

PAR. 3. Certain of said fur products were falsely and deceptively advertised in violation of the Fur Products Labeling Act in

that certain advertisements intended to aid, promote and assist, directly or indirectly, in the sale and offering for sale of such fur products were not in accordance with the provisions of Section 5(a) of the said Act.

Among and included in the aforesaid advertisements, but not limited thereto, were advertisements of respondent which appeared in issues of the Anniston Star, a newspaper published in the city of Anniston, State of Alabama and having a wide circulation in Alabama and in other States of the United States.

Among such false and deceptive advertisements, but not limited thereto, were advertisements which failed:

1. To show the true animal name of the animal or animals which produced the fur used in such fur products.

2. To show that the fur contained in the fur products was bleached, dyed, or otherwise artificially colored, when such was the fact.

3. To show the country of origin of imported furs contained in any such fur product.

PAR. 4. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, respondent falsely and deceptively advertised fur products in that certain of said fur products were falsely or deceptively identified with respect to the name or designation of the animal or animals that produced the fur from which the said fur products had been manufactured, in violation of Section 5(a)(5) of the Fur Products Labeling Act.

Also among such falsely and deceptively advertised fur products, but not limited thereto, were fur products advertised as "Broadtail" thereby implying that the furs contained therein were entitled to the designation "Broadtail Lamb" when in truth and in fact the furs contained therein were not entitled to such designation.

PAR. 5. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, respondent falsely and deceptively advertised fur products in violation of the Fur Products Labeling Act in that the said fur products were not advertised in accordance with the Rules and Regulations promulgated thereunder inasmuch as the term "natural" was not used to describe fur products which were not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Rule 19(g) of the said Rules and Regulations.

PAR. 6. By means of the aforesaid advertisements and other advertisements of similar import and meaning not specifically referred to herein, respondent falsely and deceptively advertised fur products, in violation of Section 5(a)(5) of the Fur Products Labeling Act and Rule 44(a) of the Rules and Regulations promulgated thereunder by representing, directly or by implication, that the prices of such fur products were reduced from respondent's former prices and the amount of such purported reductions constituted savings to purchasers of respondent's fur products. In truth and in fact, the alleged former prices were fictitious in that they were not actual, bona fide prices at which respondent offered the products to the public on a regular basis for a reasonably substantial period of time in the recent regular course of business and the said fur products were not reduced in price as represented and savings were not afforded purchasers of respondent's said fur products, as represented.

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

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 Textiles and Furs proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act and the Fur Products Labeling Act; and

The 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 vio-

lated 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 § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Hudson's Department Store, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Alabama with its office and principal place of business located at 1017 Noble Street, Anniston, Alabama.

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 Hudson's Department Store, Inc., a corporation, and its officers, and respondent's representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce, of any fur product; or in connection with the sale, advertising, offering for sale, transportation or distribution of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

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

1. Fails to set forth in words and figures plainly legible all the information required to be disclosed by each

of the subsections of Section 5(a) of the Fur Products Labeling Act.

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

3. Falsely or deceptively identifies any fur product as to the name or designation of the animal or animals that produced the fur contained in the fur product.

4. Represents, directly or by implication, that any price whether accompanied or not by descriptive terminology is the respondent's former price of such fur product when such price is in excess of the price at which such fur product has been sold or offered for sale in good faith by the respondent on a regular basis for a resonably substantial period of time in the recent regular course of business, or otherwise misrepresents the price at which such fur product has been sold or offered for sale by respondent.

5. Falsely or deceptively represents that savings are afforded to the purchaser of any such fur product or misrepresents in any manner the amount of savings afforded to the purchaser of such fur product.

6. Falsely or deceptively represents that the price of any such fur product is reduced.

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

It is further ordered, That 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 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 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

AUTEUIL FABRICS, INC., ET AL.

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

Docket C-1629. Complaint, Nov. 17, 1969—Decision, Nov. 17, 1969

Consent order requiring two New York City importers of wearing apparel including ladies' scarves to cease marketing dangerously flammable articles of clothing and falsely guaranteeing their textile fiber products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, the Flammable Fabrics 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 Auteuil Fabrics, Inc., a corporation, Royale Accessories, Inc., a corporation, and David Schneider and Selma Schneider, individually and as officers of said corporation, hereinafter referred to as respondent have violated the provisions of said Acts and the Rules and Regulations promulgated under the Flammable Fabrics Act and 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. Respondents Auteuil Fabrics, Inc., and Royale Accessories, Inc., are corporations organized, existing and doing business under and by virtue of the laws of the State of New York. Respondents David Schneider and Selma Schneider are officers of said corporate respondents. They formulate, direct and control the acts, practices and policies of said corporation.

Respondents are engaged in the business of the importation and sale of textile fiber products, including wearing apparel in

the form of ladies' scarves, with their office and principal place of business located at 10 West 37th Street, New York, New York.

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, products as the terms "commerce" and "product" are defined in the Flammable Fabrics Act, 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 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.

PAR 4. Respondents are now and for some time last past have been engaged in the introduction, delivery for introduction, sale, advertising, and offering for sale, in commerce, and in the transportation or causing to be transported in commerce, and the importation into the United States, of textile fiber products; and have 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 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. 5. Respondents furnish false guaranties with respect to certain of their textile products by falsely representing in writing that respondents had a continuing guaranty on file with the Federal Trade Commission, in violation of Section 10(b) of the Textile Fiber Products Identification Act and Rule 38(d) of the Rules and Regulations promulgated thereunder.

PAR. 6. The acts and practices of the respondents as set forth in Paragraph Five 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 or 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 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, the Flammable Fabrics Act, as amended 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 aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

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

1. Corporate respondents are organized, existing and doing business under and by virtue of the laws of the State of New York with their office and principal place of business located at 10 West 37th Street, New York, New York.

Respondents David Schneider and Selma Schneider are officers of the corporate respondents and their address is the same as 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 Auteuil Fabrics, Inc., a corporation, and its officers, and Royale Accessories, Inc., a corporation, and its officers, and David Schneider and Selma Schneider, individually and as officers of said corporations, 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 as "commerce," "product," "fabric" and "related material" are defined in the Flammable Fabrics Act, as amended, which fails to conform to an applicable standard or regulation 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' intentions as to compliance with this order. This interim special report shall also advise the Commission fully and specifically concerning the identity of the product which gave rise to the complaint, (1) the amount of such product in inventory, (2) any action taken to notify customers of the flammability of such product and the results thereof and (3) any disposition of such product since February 26, 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 fabric with a raised fiber surface made of cotton or rayon 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 respondents Auteuil Fabrics, Inc., a corporation, and its officers, and Royale Accessories, Inc., a corpo-

ration, and its officers, and David Schneider and Selma Schneider, individually and as officers of said corporations, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from furnishing a false guaranty that any textile product is not misbranded or falsely invoiced when the respondents have reason to believe that such textile product may be introduced, sold, transported or distributed in commerce.

It is further ordered, That respondents notify the Commission at least 30 days prior to any proposed change in the corporate respondents 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 corporations which may affect compliance obligations arising out of the order.

It is further ordered, That the respondent corporations 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

DESIGN FABRICS, INC., TRADING AS DESIGN HOUSE, ET AL.

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

Docket C-1630. Complaint, Nov. 17, 1969—Decision, Nov. 17, 1969

Consent order requiring a Los Angeles, Calif., manufacturer of women's and misses' wearing apparel to cease marketing dangerously flammable products.

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 Design Fabrics, Inc., a corporation, trading as Design House and George Herooka and

Stephen Shinto, 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 Design Fabrics, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of California.

Respondents George Herooka and Stephen Shinto are officers of the corporate respondent. They formulate, direct and control the acts, practices and policies of the said corporate respondent including those hereinafter set forth.

Respondents are engaged in the manufacture, importation and sale of women's and misses' wearing apparel, including, but not limited to, ladies' scarves. The business address of the respondents is 3100 South Broadway, Los Angeles, California.

PAR. 2. Respondents are now and for some time last past have been engaged in the manufacturing for sale, 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, 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 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 there-

after with a copy of a draft of complaint which the Bureau of Textiles and Furs proposed to present to the Commission for its consideration and which, is 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 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 Design Fabrics, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of California with its office and principal place of business located at 3100 South Broadway, Los Angeles, California.

Respondents George Herooka and Stephen Shinto are officers of said corporate respondent. They formulate, direct and control the acts, practices and policies of said corporate respondent.

Respondents are engaged in the manufacture, importation and sale of women's and misses' wearing apparel, including, but not limited to, ladies' scarves.

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 the respondents Design Fabrics, Inc., a corporation, trading as Design House or under any other name or names, and its officers, and George Herooka and Stephen Shinto, 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, 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 as "commerce," "product," "fabric" and "related material" are defined in the Flammable Fabrics Act, as amended, which fails to conform to an applicable standard or regulation continued in effect, issued or amended under the provisions of the aforesaid Act.

It is further ordered, That 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 product which gave rise to the complaint, (1) the amount of such product in inventory, (2) any action taken to notify customers of the flammability of such product and the results thereof and (3) any disposition of such product since March 1969. Such report shall further inform the Commission whether respondents have in inventory any other 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 made of cotton or rayon or combinations thereof with a raised fiber surface. Respondents will submit samples of any such fabric, product 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 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

SALVATORE F. GRECO TRADING AS GRECO FURS

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

Docket C-1631. Complaint, Nov. 17, 1969—Decision, Nov. 17, 1969

Consent order requiring a New York City manufacturing and retailing furrier to cease misbranding, deceptively invoicing, and falsely advertising its fur products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Salvatore F. Greco, an individual, trading as Greco Furs, hereinafter referred to as respondent, has violated the provisions of said Acts and the Rules and Regulations promulgated under the Fur Products Labeling Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Salvatore F. Greco is an individual, trading as Greco Furs.

Respondent is a manufacturer and retailer of fur products with his office and principal place of business located at 363 Seventh Avenue, New York, New York.

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

PAR. 3. Certain of said fur products were misbranded in that they were falsely or deceptively labeled or otherwise falsely or de-

ceptively identified with respect to the fur contained therein by being represented as natural when in fact such fur was pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Section 4(1) of the Fur Products Labeling Act.

PAR. 4. Certain of said fur products were misbranded in that they were not labeled as required under the provisions of Section 4(2) of the Fur Products Labeling Act and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

Among such misbranded fur products, but not limited thereto, were fur products without labels required by the said Act.

PAR. 5. Certain of said fur products were misbranded in violation of the Fur Products Labeling Act in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) The term "natural" was not used on labels to describe fur products which were not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Rule 19(g) of said Rules and Regulations.

(b) Required item numbers were not set forth on labels, in violation of Rule 40 of said Rules and Regulations.

PAR. 6. Certain of said fur products were falsely and deceptively invoiced by the respondent in that they were not invoiced as required by Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated under such Act.

Among such falsely and deceptively invoiced fur products, but not limited thereto, were fur products covered by invoices which failed:

(1) To show the true animal name of the animal or animals which produced the fur used in such fur products.

(2) To disclose that the fur contained in the fur products was bleached, dyed, or otherwise artificially colored, when such was the fact.

(3) To show the country of origin of imported furs used in any such fur products.

PAR. 7. Certain of said fur products were falsely and deceptively invoiced in violation of the Fur Products Labeling Act in that they were not invoiced in accordance with the Rules and Regulations promulgated thereunder in as much as required identification numbers were not set forth on invoices, in violation of Rule 40 of said Rules and Regulations.

PAR. 8. Certain of said fur products were falsely and deceptively advertised in violation of the Fur Products Labeling Act in that certain advertisements intended to aid, promote and assist, directly or indirectly, in the sale and offering for sale of such fur products were not in accordance with the provisions of Section 5(a) of the said Act.

Among and included in the aforesaid advertisements, but not limited thereto, were oral representations of respondent relating to fur products which were made in whole or in part of furs which had been shipped and received in commerce.

By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein respondent falsely and deceptively advertised fur products in that certain of said fur products were advertised to show that the fur contained therein was natural, when in fact such fur was pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Section 5(a) (5) of the Fur Products Labeling Act.

PAR. 9. The aforesaid acts and practices of respondent, as herein alleged, are in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder and constitute unfair methods of competition and unfair and deceptive acts and practices in commerce under the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the 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 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 Fur Products Labeling 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 § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Salvatore F. Greco is an individual trading as Greco Furs with his office and principal place of business located at 363 Seventh Avenue, 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 Salvatore F. Greco, individually and trading as Greco Furs or 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, or manufacture for introduction, into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce, of any fur product; or in connection with the manufacture for sale, sale, advertising, offering for sale, transportation or distribution of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding any fur product by:

1. Falsely or deceptively labeling or otherwise falsely or deceptively identifying such fur product by representing, directly or by implication, that the fur contained in such fur product is natural when such fur is pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

2. Failing to affix a label to such fur product showing in words and in figures plainly legible all of the information required to be disclosed by each of the subsections of Section 4(2) of the Fur Products Labeling Act.

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

4. Failing to set forth on a label the item number or mark assigned to such fur product.

B. Falsely or deceptively invoicing any fur product by:

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

2. Failing to set forth on an invoice the item number or mark assigned to such fur product.

C. Falsely or deceptively advertising any fur product through the use of any advertisement, representation, public announcement or notice which is intended to aid, promote or assist, directly or indirectly, in the sale, or offering for sale of any such fur product, and which represents, directly or by implication, that the fur contained in such fur product is natural when the fur contained therein is pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

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

MEN'S WEAR, INC., ET AL.

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

Docket C-1632. Complaint, Nov. 17, 1969—Decision, Nov. 17, 1969

Consent order requiring a Seattle, Wash., manufacturer of men's and boys' clothing to cease misbranding its wool products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Men's Wear, Inc., a corporation, and Benjamin H. Genauer and Sheldon P. Steinberg, 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 Wool Products Labeling Act of 1939, 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 Men's Wear, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Washington.

Individual respondents Benjamin H. Genauer and Sheldon P. Steinberg are officers of said corporation. They formulate, direct and control the acts, practices and policies of said corporation, including the acts and practices hereinafter referred to.

Respondents are engaged in the manufacturing of men's and boys' apparel. Their office and principal place of business is located at 1103 Post Street, Seattle, Washington.

PAR. 2. Respondents now, and for some time last past, have manufactured for introduction into commerce, introduced into commerce, sold, transported, distributed, delivered for shipment, shipped, and offered for sale, in commerce, as "commerce" is defined in the Wool Products Labeling Act of 1939, wool products as "wool product" is defined therein.

PAR. 3. Certain of said wool products were misbranded within the intent and meaning of Section 4(a) (1) of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, in that they were falsely and deceptively stamped, tagged, labeled, or otherwise identified with respect to the character and amount of the constituent fibers contained therein.

Among such misbranded wool products, but not limited thereto, were wool products, namely jackets, stamped, tagged, labeled, or otherwise identified as containing 100% Virgin Wool, whereas in truth and in fact, such jackets contained substantially different amounts and types of fibers than as represented.

PAR. 4. Certain of said wool products were further misbranded by respondents in that they were not stamped, tagged, labeled, or otherwise identified as required under the provisions of Section 4(a)(2) of the Wool Products Labeling Act of 1939 and in the manner and form as prescribed by the Rules and Regulations promulgated under said Act.

Among such misbranded wool products, but not limited thereto, were certain wool products, namely jackets, with labels on or affixed thereto which failed to disclose the percentage of the total fiber weight of the wool product, exclusive of ornamentation not exceeding 5 per centum of said total fiber weight of (1) wool; (2) reprocessed wool; (3) reused wool; (4) each fiber other than wool, when said percentage by weight of such fiber was 5 per centum or more; and (5) the aggregate of all other fibers.

PAR. 5. Certain of said wool products, namely jackets, were misbranded in violation of the Wool Products Labeling Act of 1939 in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder, in that, in disclosing the required information, words or terms were abbreviated in violation of Rule 9 of the aforesaid Rules and Regulations.

PAR. 6. The acts and practices of the respondents as set forth above were, and are, in violation of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, and constituted, and now constitute, unfair and deceptive acts and practices and unfair methods of competition 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 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 Wool Products Labeling Act of 1939; 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 sign-

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

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

1. Respondent Men's Wear, Inc., is a coporation organized, existing and doing business under and by virtue of the laws of the State of Washington, with its office and principal place of business located at 1103 Post Street, Seattle, Washington.

Respondents Benjamin H. Genauer and Sheldon P. Steinberg are officers of said corporation. They formulate, direct and control the policies, acts and practices of said corporation and their 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 Men's Wear, Inc., a corporation, and its officers, and Benjamin H. Genauer and Sheldon P. Steinberg, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, or manufacture for introduction, into commerce, or the offering for sale, sale, transportation, distribution, delivery for shipment or shipment, in commerce, of wool products, as "commerce" and "wool product" are defined in the Wool Products Labeling Act of 1939, do forthwith cease and desist from misbranding such products by:

1. Falsely or deceptively stamping, labeling, or otherwise identifying such products as to the character or amount of the constituent fibers contained therein.

2. Failing to securely affix to, or place on, each product a stamp, tag, label, or other means of identification showing in a clear and conspicuous manner, each element of information required to be disclosed by Section 4(a) (2) of the Wool Products Labeling Act of 1939.

3. Setting forth information required under Section 4(a) (2) of the Wool Products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form on labels affixed to wool products.

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 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

BARUCH PETRANKER IMPORT COMPANY, INC., ET AL.

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

Docket C-1633. Complaint, Nov. 17, 1969—Decision, Nov. 17, 1969

Consent order requiring a San Francisco, Calif., importer of gift items including scarves and T-shirts to cease marketing dangerously flammable products.

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 Baruch Petranker Import

Company, Inc., a corporation, and Baruch Petranker and Ingeborg Petranker, 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 Baruch Petranker Import Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of California, with its office and principal place of business located at 1147 Howard Street, San Francisco, California.

Respondents Baruch Petranker and Ingeborg Petranker are officers of the aforesaid corporation. They formulate, direct and control the acts, practices and policies of said corporation. Their address is the same as that of the corporate respondent.

Respondents are importers and wholesalers of novelties and gift items including scarves and T-shirts.

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, 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 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 there-

after with a copy of the draft of complaint which the Bureau of Textiles and Furs proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act and the 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 § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Baruch Petranker Import Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of California, with its office and principal place of business located at 1147 Howard Street, San Francisco, California.

Respondents Baruch Petranker and Ingeborg Petranker are officers of said corporation and their 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 Baruch Petranker Import Company, Inc., a corporation, and its officers, and Baruch Petranker and Ingeborg Petranker, 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, 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 "commerce," "fabric," "product" and "related material" are defined in the Flammable Fabrics Act as amended, which fails to conform to an applicable standard or regulation 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, product or related material which gave rise to the complaint, (1) the amount of such fabric, product or related material in inventory, (2) any action taken to notify customers of the flammability of such fabric, product or related material and the results thereof and (3) any disposition of such fabric, product or related material since May 14, 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 made of cotton or rayon or combinations thereof. Respondents will submit samples of any such fabric, product or related material with this report.

It is further ordered, That respondents notify the Commission at least 30 days prior thereto of 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 of their compliance with this order.

IN THE MATTER OF

BAR V O CHINCHILLA COMPANY, INC., ET AL.

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

Docket 8782. Complaint, May 19, 1969—Decision, Nov. 19, 1969

Consent order requiring a Coats, Kansas, corporation selling chinchilla breeding stock to cease making exaggerated earning claims, misrepresenting the quality of its stock, deceptively guaranteeing the fertility of the stock, and misrepresenting its services to purchasers.

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 Bar V O Chinchilla Company, Inc., a corporation, and Grace Irene Gerstner and Michael J. Gerstner, individually and as officers of said corporation, and Ambrose J. Gerstner, individually and as a director 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 Bar V O Chinchilla Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Kansas, with its principal office and place of business located at Coats, Kansas.

Respondents Grace Irene Gerstner and Michael J. Gerstner are individuals and are officers of the corporate respondent and respondent Ambrose J. Gerstner is an individual and is a director of the corporate respondent. They formulate, direct and control the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. Their address is the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for some time last past, have been engaged in the advertising, offering for sale, sale and distribution of chinchilla breeding stock 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 chinchillas, when sold, to be shipped from their

place of business in the State of Kansas 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 chinchillas in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their aforesaid business, and for the purpose of obtaining the names of prospective purchasers and inducing the purchase of said chinchillas, the respondents have made, and are now making, numerous statements and representations by means of newspaper advertising, television broadcasts, direct mail advertising and through the oral statements and display of promotional material to prospective purchasers by their salesmen, with respect to the breeding of chinchillas for profit without previous experience, the rate of reproduction of said animals, the expected return from the sale of their pelts and the training and assistance to be made available to purchasers of respondents' chinchillas.

Typical and illustrative of the said statements and representations made in respondents' television and direct mail advertising, and promotional literature, but not all inclusive thereof, are the following:

PROSPECTIVE CHINCHILLA INCOME STATEMENT

ASSUMING: 450 females would litter 2 times per year and average 1.9 babies per litter—This would produce 1,715 babies. Allowing a casualty loss of 20%, this would reduce your prospective pelters to 1,372.

Depreciation costs	$1,125.00	----
Cost per pelt	--------	$0.82
Feed cost (pellets) per year (24 ton at $87): 450 females, 75 males, 1,372 pelters	2,088.00	----
Hay—Per year 15 ton at $45	675.00	----
Feed and hay costs per pelter	--------	2.01
Miscellaneous expense: Bath dust, wood shavings and medicine	1,440.60	----
Cost per pelt	--------	1.05
Freight for pelts (1,372)	109.76	----
Cost per pelt	--------	.08
Tanning costs	3,087.00	----
Cost per pelt	--------	2.25
Selling cost of pelts (10 percent)	2,744.00	----
Cost per pelt	--------	2.00

Total operating cost	11,269.36	----
Total cost per pelt	--------	8.21
Gross income from 1,372 pelts at $20 each	27,440.00	----
Less: Total operating costs	11,269.36	----
Total net profit	16,170.64	----
Net profit per pelt	--------	11.79

Chinchillas may be raised profitably on a part-time basis. However, for the above operation it will require the full time of one man. The EMPRESS quality average for 1965 was $30.90 per pelt.

* * * * * * *

* * * THE GREATEST NEED OF THE CHINCHILLA INDUSTRY IS MORE BREEDERS TO PRODUCE TOP QUALITY PELTS. * * *

* * * * * * *

CHINCHILLAS ARE VERY CLEAN, ODORLESS, FREE FROM VERMIN, TAME AND PLEASANT TO HAVE ABOUT.

* * * * * * *

Nature works with breeders, multiplying their assets every few months by normal process of reproduction.

* * * * * * *

* * * we can control the temperature and by controlling the temperature, we have a chance of a possible three litters a year, per female.

* * * * * * *

* * * they litter approximately 3 times a year. * * *

* * * * * * *

* * * the demand for your good quality pelts is, of course, great and it should continue to be as great as it is or, greater as a matter of fact.

* * * * * * *

* * * there is a ready market place for anyone who decides to go into the chinchilla industry.

* * * * * * *

* * * your national average is a little under two babies per litter. * * * you'll have right around three quality pelts per female per year.

* * * * * * *

* * * a spare room or basement or a garage, any, any building that is, that can be kept warm or cool would be fine to start out with.

* * * * * * *

* * * they can litter three times a year, however, I always figure on just two litters per female per year.

* * * * * * *

* * * the national average is 1.9 babies per litter. Now, my brother had one this last year that had five. * * * I'd rather have two and three all the time.

* * * * * * *

* * * depending upon the number that a person starts with, in five to ten years they can have an income of $500 to $1,000 per month without a whole lot of work.

* * * * * * *

* * * by keeping your females and selling nothing but your excess males, to where you'll start realizing some money and making some money after your fourth year's production.

* * * * * * *

A chinchilla now will litter three times; of course this is because of controlling temperature. * * * We can get three litters per female per year, where in the wild, they usually just littered once a year, depending upon the climate. * * *

* * * * * * *

Had you started out seven years ago with a unit, for instance, it'd be very likely that you'd have a net income of somewhere between twenty and twenty-five thousand dollars a year.

* * * * * * *

PAR. 5. By and through the use of the above-quoted statements and representations, and others of similar import and meaning but not expressly set out herein, made by respondents in their advertising and promotional material separately and in connection with the oral statements and representations made by their salesmen and representatives, the respondents have represented, and are now representing, directly or by implication, that:

1. It is commercially feasible to breed and raise chinchillas from breeding stock purchased from respondents in homes, basements, garages, closed-in porches, spare buildings or sheds, and large profits can be made in this manner.

2. The breeding of chinchillas from breeding stock purchased from respondents, as a commercially profitable enterprise, requires no previous experience in the breeding, raising and caring for such animals.

3. Chinchillas are hardy animals and are not susceptible to disease.

4. Purchasers of respondents' breeding stock receive select or choice quality chinchillas.

5. Each female chinchilla purchased from respondents and each female offspring will produce at least four live offspring per year.

6. Each female chinchilla purchased from respondents and each female offspring will produce several successive litters of from one to four live offspring at 111-day intervals.

7. The offspring referred to in Paragraph Five, subparagraph (6), above, will produce pelts selling for an average price of \$20 per pelt, and that pelts from offspring of respondents' breeding stock generally sell from \$20–\$30 each.

8. A purchaser starting with three females and one male of respondents' chinchilla breeding stock will have an income of $7,000 from the sale of pelts in the third year.

9. Chinchilla breeding stock purchased from respondents is unconditionally guaranteed to live one year and reproduce.

10. Purchasers of respondents' breeding stock will receive three service calls from respondents' service personnel each year.

11. Purchasers of respondents' breeding stock will be given guidance in the care and breeding of chinchillas.

12. Purchasers of respondents' breeding stock can expect a great demand for the offspring and for the pelts of the offspring of respondents' chinchillas.

13. Through the assistance and advice furnished to purchasers of respondents' breeding stock by respondents, purchasers are able to successfully breed and raise chinchillas as a commercially profitable enterprise.

PAR. 6. In truth and in fact:

1. It is not commercially feasible to breed or raise chinchillas from breeding stock purchased from respondents in homes, basements, garages, closed-in porches, spare buildings or sheds, and large profits cannot be made in this manner. Such quarters or buildings, unless they have adequate space and the requisite temperature, humidity, ventilation and other necessary environmental conditions, are not adaptable to or suitable for the breeding or raising of chinchillas on a commercial basis.

2. The breeding of chinchillas from breeding stock purchased from respondents, as a commercially profitable enterprise, requires specialized knowledge in the breeding, raising and care of said animals, much of which must be acquired through actual experience.

3. Chinchillas are not hardy animals and are susceptible to pneumonia and other diseases.

4. Purchasers of respondents' breeding stock do not receive select or choice quality chinchillas.

5. Each female chinchilla purchased from respondents and each female offspring will not produce at least four live offspring per year, but generally less than that number.

6. Each female chinchilla purchased from respondents and each female offspring will not produce several successive litters of from one to four live offspring at 111-day intervals, but generally less than that number.

7. The offspring referred to in subparagraph (6) of Paragraph Five above will not produce pelts selling for an average of $20 per pelt, but substantially less than that amount; and pelts from offspring of respondents' breeding stock will generally not sell for $20–$30 each since some of the pelts are not marketable at all and others would not sell for $20 but for substantially less than that amount.

8. A purchaser starting with three females and one male of respondents' breeding stock will not have an income of $7,000 from the sale of pelts in the third year, but substantially less than that amount.

9. Chinchilla breeding stock purchased from respondents is not unconditionally guaranteed to live one year and reproduce; but such guarantee as is provided is subject to numerous terms, limitations and conditions.

10. Purchasers of respondents' breeding stock do not receive the represented number of service calls from respondents' service personnel; but generally less than that number.

11. Purchasers of respondents' breeding stock are given little, if any, guidance in the care and breeding of chinchillas.

12. Purchasers of respondents' breeding stock cannot expect a great demand for the offspring of and pelts from respondents' chinchillas.

13. Purchasers of respondents' breeding stock are not able to successfully breed and raise chinchillas as a commercially profitable enterprise through the assistance and advice furnished them by respondents.

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

PAR. 7. In the course and conduct of their aforesaid business, and at all times mentioned herein, respondents have been, and now are, in substantial competition, in commerce, with corporations, firms and individuals in the sale of chinchilla breeding stock.

PAR. 8. 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' chinchillas by reason of said erroneous and mistaken belief.

PAR. 9. 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 and deceptive acts and practices in commerce in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having issued its complaint on May 19, 1969, charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act, and the respondents having been served with a copy of that complaint; and

The Commission having duly determined upon motion certified to the Commission that, in the circumstances presented, the public interest would be served by waiver here of the provision of Section 2.34(d) of its Rules that the consent order procedure shall not be available after issuance of complaint; and

The 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, 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 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 are made, and the following order is entered:

1. Respondent Bar V O Chinchilla Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Kansas, with its office and principal place of business located at Coats, Kansas.

Respondents Grace Irene Gerstner and Michael J. Gerstner are officers of said corporation, and respondent Ambrose J. Gerstner is a director of said corporation. They formulate, direct and control the policies, acts and practices of said corporation and their 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 Bar V O Chinchilla Company, Inc., a corporation, and its officers, and Grace Irene Gerstner and Michael J. Gerstner, individually and as officers of said corporation, and Ambrose J. Gerstner, individually and as a director 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 chinchilla breeding stock or any other products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

A. Representing, directly or by implication, that:

1. It is commercially feasible to breed or raise chinchillas in homes, basements, garages or attics, or other quarters or buildings unless in immediate conjunction therewith it is clearly and conspicuously disclosed that the represented quarters or buildings can only be adaptable to and suitable for the breeding and raising of chinchillas on a commercial basis if they have the requisite space, temperature, humidity, ventilation and other environmental conditions.

2. Breeding chinchillas as a commercially profitable enterprise can be achieved without previous knowledge or experience in the breeding, caring for and raising of such animals.

3. Chinchillas are hardy animals or are not susceptible to disease.

4. Purchasers of respondents' chinchilla breeding stock will receive select or choice quality chinchillas.

5. Each female chinchilla purchased from respondents and each female offspring will produce at least four live young per year.

6. The number of live offspring produced per female chinchilla is any number of range of numbers; or representing, in any manner, the past number or range of numbers of live offspring produced per female chinchilla

from respondents' breeding stock unless in fact the past number or range of numbers represented are those of a substantial number of purchasers and accurately reflect the number or range of numbers of live offspring produced per female chinchilla of these purchasers under circumstances similar to those of the purchaser to whom the representation is made.

7. Each female chinchilla purchased from respondents and each female offspring will produce successive litters of one to four live offspring at 111-day intervals.

8. The number of litters or sizes thereof produced per female chinchilla is any number or range thereof; or representing, in any manner, the past number or range of numbers of litters or sizes produced per female chinchilla from respondents' breeding stock unless in fact the past number or range of numbers represented are those of a substantial number of purchasers and accurately reflect the number or range of numbers of litters or sizes thereof produced per female chinchilla of these purchasers under circumstances similar to those of the purchaser to whom the representation is made.

9. Pelts from the offspring of respondents' chinchilla breeding stock sell for an average price of $20 per pelt; or that pelts from the offspring of respondents' breeding stock generally sell from $20 to $30 each.

10. Chinchilla pelts from respondents' breeding stock will sell for any price, average price, or range of prices; or representing, in any manner, the past price, average price or range of prices of purchasers of respondents' breeding stock unless in fact the past price, average price or range of prices represented are those of a substantial number of purchasers and accurately reflect the price, average price or range of prices realized by these purchasers under circumstances similar to those of the purchaser to whom the representation is made.

11. A purchaser starting with three females and one male will have, from the sale of pelts, an annual income, earnings or profits of $7,000 in the fourth year after purchase.

12. Purchasers of respondents' breeding stock will realize earnings, profits or income in any amount or range of amounts; or representing, in any manner, the past

earnings, profits or income of purchasers of respondents' breeding stock unless in fact the past earnings, profits or income represented are those of a substantial number of purchasers and accurately reflect the average earnings, profits or income of these purchasers under circumstances similar to those of the purchaser to whom the representation is made.

13. Breeding stock purchased from respondents is guaranteed or warranted without clearly and conspicuously disclosing the nature and extent of the guarantee, the manner in which the guarantor will perform thereunder and the identity of the guarantor.

14. Purchasers or respondents' chinchilla breeding stock will receive three or any other number of service calls from respondents' service personnel each year or at any other interval or frequency unless purchasers do in fact receive the represented number of service calls at the represented interval or frequency.

15. Purchasers of respondents' chinchilla breeding stock are given guidance in the care and breeding of chinchillas or are furnished advice by respondents as to the breeding of chinchillas unless purchasers are actually given the represented guidance in the care and breeding of chinchillas and are furnished the represented advice by respondents as to the breeding of chinchillas.

16. Chinchillas or chinchilla pelts are in great demand; or that purchasers of respondents' breeding stock can expect to be able to sell the offspring or the pelts of the offspring of respondents' chinchillas because said chinchillas or pelts are in great demand.

17. The assistance or advice furnished to purchasers of respondents' chinchilla breeding stock by respondents will enable purchasers to successfully breed or raise chinchillas as a commercially profitable enterprise.

B. 1. Misrepresenting, in any manner, the assistance, training, service or advice supplied by respondents to purchasers of their chinchilla breeding stock.

2. Misrepresenting, in any manner, the earnings or profits to purchasers or the quality or reproduction capacity of any chinchilla breeding stock.

C. Failing to deliver a copy of this order to cease and desist to all present and future salesmen and other persons engaged in the sale of the respondents' products or services and failing to secure from each such salesman or other person a signed statement acknowledging receipt of said 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 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 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

AARON STERN, INC., ET AL.

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

Docket C-1634. Complaint, Nov. 19, 1969—Decision, Nov. 19, 1969

Consent order requiring a New York City wholesale distributor of watches to cease preticketing its merchandise, misrepresenting the amounts of savings available to purchasers, furnishing others means to mislead retail customers, and failing to maintain required records.

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 Aaron Stern, Inc., a corporation, and Aaron Stern, 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 Aaron Stern, 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 66 West 47th Street, New York, New York 10036.

Respondent Aaron Stern is an individual and 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 offering for sale, sale and distribution of watches to wholesale and retail jewelers for resale to the purchasing 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 New York, to purchasers thereof located in various other States of the United States and in the District of Columbia, 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 aforesaid business, and at all times mentioned herein, respondents have been, and now are, in substantial competition in commerce, with corporations, firms and individuals in the sale of watches of the same general kind and nature as those sold by respondents.

PAR. 5. In the course and conduct of their aforesaid business respondents purchase watches directly from manufacturers already packaged and preticketed in individual display cases. Respondents in many instances remove price tags affixed in the said display cases by the manufacturers, bearing the manufacturer's suggested retail price, and replace said price tags with other price tags bearing amounts higher than the prices placed therein by the manufacturers. The watches with the changed price tags are then shipped to respondents' customers for ultimate resale to the public.

Typical and illustrative examples of such price changes, but not all inclusive thereof, are the following:

	Price tag affixed by Stern	Price tag affixed by manufacturer
Hamilton Andrew Model	$89.50	$55.00
Hamilton Martin Model	79.50	55.00
Hamilton Debbie Model	85.00	55.00
Hamilton Elinor Model	75.00	55.00
Hamilton Dorothy Model	85.00	45.00
Hamilton Martin Model	85.00	55.00
Hamilton Dorothy Model	69.50	45.00
Hamilton Martin Model	69.50	55.00
Hamilton Sea Rover Model	55.00	45.00
Hamilton Debbie Model	65.00	45.00
Hamilton Gary Model	55.00	45.00

PAR. 6. By and through the use of price tags as described in Paragraph Five the respondents have represented, and are now representing, directly or by implication that the amounts appearing on the price tags affixed by respondents are the manufacturers' suggested list prices and are the respondents' bona fide estimate of the actual retail prices of said products in respondents' trade area and that they do not appreciably exceed the highest prices at which substantial sales of said products are made at retail in the said trade area.

PAR. 7. In truth and in fact, the respondents' price tag amounts are not the manufacturers' suggested list prices and are not respondents' bona fide estimate of the actual retail prices of said products in respondents' trade area and they appreciably exceed the highest prices at which substantial sales of the said products are made at retail in the said trade area.

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

PAR. 8. By removing the price tag bearing the manufacturers' suggested retail price and replacing it with a price tag bearing a substantially higher price, as described in Paragraph Five, respondents have placed in the hands of retailers and others the means and instrumentalities to deceive purchasers and prospective purchasers of said watches by misleading them as to the amount of savings to be realized by the purchase of a particular watch at a price lower than that appearing on the price tag.

PAR. 9. In the course and conduct of the aforesaid business respondents also distributed price tags unaffixed to individual watches, bearing the manufacturers name and/or trademark and various dollar amounts to respondents' customers thereby supplying others with the means and instrumentalities whereby the purchasing public may be misled as to the price at which substantial numbers of said watches are sold in the trade areas where the price tags are used and as to the amount of savings able to be realized by the purchase of a particular watch at a price lower than that appearing on the price tag.

PAR. 10. The use by respondents of the aforesaid false, misleading and deceptive 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 watches distributed by respondents by reason of said erroneous and mistaken belief.

PAR. 11. The acts and practices of respondents, as herein alleged were, and are, all to the prejudice and injury of the public and 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 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 hav-

ing thereupon been placed 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 in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Aaron Stern, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York with its office and principal place of business located at 66 West 47th Street, New York, New York 10036.

Respondent Aaron Stern is an officer of said corporation. He formulates, directs and controls the policies, acts and practices of said corporation. His address is the same as that of the corporate respondent.

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 Aaron Stern, Inc., a corporation, and its officers, and Aaron Stern, 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 watches or any other products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Disseminating or distributing any purported retail price or preticketing merchandise with any stated price amount unless (a) it is respondents' bona fide estimate of the actual retail price of the product in the area where respondents do business and (b) it does not appreciably exceed the highest price at which substantial sales of said product are made in said trade area.

2. Using any tags, labels, words or any other representation which, directly or by implication, refer to any amount as manufacturer's list price or other price designed or suggested by the manufacturer unless the price amount so referred to was in fact provided by the manufacturer and is the price at which the merchandise is regularly offered for sale in the

trade area where respondents do business and does not appreciably exceed the highest price at which substantial sales of said product are made in said trade area.

3. Misrepresenting, in any manner, the prices at which respondents' merchandise is sold at retail.

4. Misrepresenting, in any manner, the amount of savings available to purchasers of respondents' merchandise at retail.

5. Furnishing to others any means or instrumentalities whereby the purchasing public may be misled or deceived as to the retail prices of respondents' merchandise or savings in connection with the purchase of said merchandise.

6. Failing to maintain adequate records (a) which disclose the facts upon which any savings claims, including former pricing claims, and comparative value pricing claims and similar representations of the type described in paragraphs 1–4 of this order, are based, and (b) from which the validity of any saving claims, including former pricing claims and comparative value claims, and similar representations of the type described in paragraphs 1–4 of the order can be determined.

It is further ordered, That respondents notify the Commission at least thirty (30) days prior to any proposed change in the corporate respondent, or any of them, 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

HI-GEAR TIRE & AUTO SUPPLY, INC., ET AL.

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

Docket C-1635. Complaint, Nov. 19, 1969—Decision, Nov. 19, 1969

Consent order requiring a Capitol Heights, Md., distributor of automobile tires, parts and accessories to cease making false pricing and savings claims in the sales promotion of its products and failing to maintain adequate records to support such 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 Hi-Gear Tire & Auto Supply, Inc., a corporation, and Murray Friedman, Stanley Love and Abe Shuster, individually and as officers 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 Hi-Gear Tire & Auto Supply, Inc., 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 110 Ritchie Road, Capitol Heights, Maryland.

Respondents Murray Friedman, Stanley Love and Abe Shuster are individuals and are officers of the corporate respondent. They formulate, direct and control the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. Their addresses are the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale and distribution of automobile tires, automobile parts and accessories and other articles of general merchandise to the public.

In connection therewith, respondents own, operate and control a substantial number of retail stores located in the States of Maryland and Virginia. In the course of their business, respond-

ents purchase automobile tires and other merchandise to be sold at retail in their stores. Such merchandise is stored in respondents' warehouse in Maryland until it is delivered to respondents' stores as required.

PAR. 3. In the course and conduct of their business as aforesaid, respondents now cause, and for some time last past have caused, their automobile tires and other merchandise to be shipped to and from their warehouse in the State of Maryland, as aforesaid, to their retail stores located in the States of Maryland and Virginia, and to be sold to the public in such stores. In the course and conduct of said business, respondents maintain, and at all times mentioned herein have maintained a substantial course of trade in said merchandise, in commerce as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business, and at all times mentioned herein, respondents have been in substantial competition in commerce with corporations, firms and individuals engaged in the advertising, offering for sale, sale or distribution of automobile tires and other merchandise of the same general kind and nature as that sold by respondents.

PAR. 5. In the course and conduct of their aforesaid business, and for the purpose of inducing the sale of their automobile tires and other products, respondents have made many statements in advertisements inserted in newspapers with respect to the prices at which their merchandise was being offered for sale.

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

VETERANS DAY SALE
Snow Tires $8.88 650x13 + 60¢ F.E.T.

TUES. & WED. SPECIALS AT Hi-Gear Discount
Auto Centers

Snow Tire Sale!
Tubeless . 13" - 14" - 15" - Blackwall
$9.95 750x14 + 60¢ F.E.T.

Christmas Gift Preview

* * * * * * *

* * * So shop our THURSDAY &
FRIDAY SALE DAYS for Solid Savings
on Quality Products!

Snow Tire Sale!

* * * * * * *

$9.95 775x14 + 60¢ F.E.T.
Christmas Savings Sale!
2-Day Sale! Fri. & Saturday

* * * * * * *

Snow Tires
$8.95 650x13 + F.E.T.

PAR. 6. By and through the use of the statements and representations as set forth in Paragraph Five hereof, and others of similar import and meaning but not expressly set out herein, respondents have represented, directly or by implication, that the advertised tires were being offered at prices which were significantly reduced from respondents' regular selling prices for such tires, and that purchasers buying the tires at the advertised prices would thereby realize significant savings.

PAR. 7. In truth and in fact, the advertised tires were not being offered at prices which were significantly reduced from respondents' regular selling prices for the advertised tires and purchasers buying the tires at the advertised prices would not thereby realize significant savings.

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

PAR. 8. 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' products by reason of said erroneous and mistaken belief.

PAR. 9. 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 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 respond-

ents 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, 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 Hi-Gear Tire & Auto Supply, Inc., 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 110 Ritchie Road, Capitol Heights, Maryland.

Respondents Murray Friedman, Stanley Love and Abe Shuster are individuals and officers of said corporation. They formulate, direct and control the acts and practices of said corporation and their address is the same as that of the 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 Hi-Gear Tire & Auto Supply, Inc., a corporation, and its officers, and Murray Friedman, Stanley Love and Abe Shuster, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of automobile tires, or any other product, in commerce, as "commerce"

is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using the words "sale," "special," "save" or any other word or words of similar import or meaning in connection with an offer to sell an automobile tire or otherwise representing, directly or by implication, that a person purchasing such tire at respondents' offering price will realize savings in an unspecified amount unless the price at which the tire is being offered is (a) significantly reduced from the actual bona fide price at which respondents recently and regularly sold the offered tire to the public for a reasonably substantial period of time prior to the offer, or (b) significantly reduced from the lowest price of the prices at which said tire was sold to the public by respondents in the recent regular course of their business prior to such offer.

2. (a) Representing, in any manner, that by purchasing any of respondents' merchandise, customers are afforded savings amounting to the difference between respondents' stated price and respondents' former price unless such merchandise has been sold at the former price by respondents for a reasonably substantial period of time in the recent, regular course of their business.

(b) Representing, in any manner, that by purchasing any of respondents' merchandise, customers are afforded savings amounting to the difference between respondents' stated price and a compared price for said merchandise in respondents' trade area unless a substantial number of the principal retail outlets in the trade area regularly sell said merchandise at the compared price or some higher price.

(c) Representing, in any manner, that by purchasing any of respondents' merchandise, customers are afforded savings amounting to the difference between respondents' stated price and a compared value price for comparable merchandise, unless substantial sales of merchandise of like grade and quality are being made in the trade area at the compared price or higher and unless respondents have in good faith conducted a market survey or obtained a similar representative sample of prices in their trade area which establishes the validity of said compared price and it is clearly and conspicuously dis-

closed that the comparison is with merchandise of like grade and quality.

3. Failing to maintain adequate records (a) which disclose the facts upon which any savings claims, including former pricing claims and comparative value claims and similar representations of the type are based, and (b) from which the validity of any savings claims, including former pricing claims and comparative value claims, and similar representations of the type described in paragraphs 1 and 2 of this order can be determined.

4. Misrepresenting, in any manner, the amount of savings available to purchasers or prospective purchasers of respondents' merchandise at retail.

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 respondents forthwith distribute a copy of this order to each of the operating divisions or departments of the corporate respondent and to the present and future manager of each of respondents' retail outlets.

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

NORMAN M. MORRIS CORPORATION, ET AL.

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

Docket C–1636. Complaint, Nov. 19. 1969—Decision, Nov. 19, 1969

Consent order requiring a New York City manufacturer, importer and distributor of wristwatches and other timepieces to cease misrepresenting that its watches have been used to time sporting events at the Pan American games, Olympics, or other sporting events, and falsely claiming endorsement or use of any nature.

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 Norman M. Morris Corporation, a corporation, and Norman M. Morris, 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 Norman M. Morris Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 301 East 57th Street, in the city of New York, State of New York 10021.

Respondent Norman M. Morris 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 business of manufacturing, importing, advertising, offering for sale, sale or distribution of wrist watches and other timepieces to retailers for resale to the public.

PAR. 3. In the course and conduct of their business as aforesaid, respondents cause, and for some time last past have caused their products, when sold, to be shipped and transported from their place of business in the State of New York 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. 4. In the conduct of their business at all times mentioned herein, respondents have been and are now in substantial competition, in commerce, with corporations, firms and individuals in the sale of watches of the same general kind and nature as those sold by respondents.

PAR. 5. In the course and conduct of their aforesaid business, and for the purpose of inducing others to purchase their watches, respondents have made, and are now making, directly or by implication, in advertisements which they have caused and cause to

be placed in brochures, newspapers and magazines, various statements and representations with respect to the use of Omega watches for timing sporting events in the 1967 Pan American Games in Canada and the 1968 Olympic Games in Mexico.

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

A depiction of the Omega Constellation and in immediate conjunction therewith the statement:

Official Watch of the 1968 Olympic Games, Mexico.

* * * * * * *

A depiction of the Omega Seamaster De Ville and in immediate conjunction therewith the statement:

As official watch for the Olympic Games (Mexico 1968) Omega decides the winners.

* * * * * * *

A depiction of the Omega Constellation and in immediate conjunction therewith the statement:

It is also the official watch for the 1967 Pan American Games, Canada and the 1968 Olympics, Mexico.

Typical and illustrative of the advertisements in which said statements and representations have appeared and appear, but not all inclusive thereof, are Exhibits A, B, and C, attached hereto.*

PAR. 6. By and through the use of the aforesaid statements and representations, and others of similar import and meaning but not specifically set out herein, respondents have represented, and now are representing, directly or by implication, that watches identical to those hereinabove described were used to time sporting events at the 1967 Pan American Games, Canada and at the 1968 Olympic Games, Mexico.

PAR. 7. In truth and in fact, watches identical to those hereinabove described were not used in timing sporting events at the 1967 Pan American Games or the 1968 Olympic Games.

PAR. 8. The use by the respondents of the aforesaid false, misleading and deceptive acts and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the mistaken and erroneous belief that said statements and representations were true and into the purchase of substantial quantities of respondents' watches by reason of said mistaken and erroneous belief, and by reason of said misleading and deceptive acts and practices.

* Exhibits A, B, and C omitted in printing.

PAR. 9. 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 Industry Guidance 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 fact 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 the respondents that the law has been violated as alleged in said complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having reason to believe that the respondents have violated the Federal Trade Commission Act, and having determined that complaint should issue stating its charges in that respect, hereby issues its complaint, accepts said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Norman M. Morris Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 301 East 57th Street, in the city of New York, State of New York.

Respondent Norman M. Morris is an officer of said corporation and his business address is the same as that of the corporate respondent.

2. The Federal Trade Commission has jurisdiction of the sub-

ject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That respondents Norman M. Morris Corporation, a corporation, and its officers, and Norman M. Morris, 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 watches or other products, 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 watches or other timepieces have been used to time sporting events at the Pan American Games, Olympics, or other special events unless watches identical to those so referred to have in fact been used as represented.

2. Misrepresenting, in any manner, the nature, extent, or circumstances of use or endorsement of its watches or timepieces.

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 respondent corporation shall forthwith distribute a copy of this order to each of its operating divisions.

It is further ordered, That each of 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

HOLIDAY CARPETS, INC., ET AL.

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

Docket 8784. Complaint, June 25, 1969—Decision, November 20, 1969

Order requiring a Wheaton, Md., seller and installer of custom-fitted home carpeting to cease misbranding and falsely advertising its textile fiber products, using bait tactics, false pricing and savings claims, failing to maintain adequate records, using deceptive guarantees, misrepresenting that it usually negotiates its sales contracts to a bank, misrepresenting the terms and conditions of its sales, and failing to include the right to cancel the sale within 3 days in its sales contracts.

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 Holiday Carpets, Inc., a corporation, and Robert M. Siegel, 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 Holiday Carpets, Inc., 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 11035 Viers Mill Road in the city of Wheaton, State of Maryland.

Respondent Robert M. Siegel is an individual and is an officer of the corporate respondent. He formulates, directs and controls the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. His 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 introduction, delivery for introduction, sale, advertising, and offering for sale, in commerce, and in the trans-

portation or causing to be transported in commerce, and in the importation into the United States, of textile fiber products; and have 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 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. 3. Certain of said textile fiber products were misbranded by respondents 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 name or amount of constituent fibers contained therein.

Among such misbranded textile fiber products, but not limited thereto, were floor coverings which were falsely and deceptively advertised in The Washington Post, The Evening Star and The Washington Daily News, newspapers published in the District of Columbia, and having a wide circulation in the District of Columbia and various other States of the United States, in that the respondents in disclosing the fiber content information as to floor coverings containing exempted backings, fillings, or paddings, failed to set forth such fiber content information in such a manner as to indicate that it applied only to the face, pile, or outer surface of the floor coverings and not to the exempted backings, fillings, or paddings.

PAR. 4. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, respondents falsely and deceptively advertised textile fiber products in violation of the Textile Fiber Products Identification Act in that said textile fiber products were not advertised in accordance with the Rules and Regulations promulgated thereunder in that in disclosing the required fiber content information as to floor coverings containing exempted backings, fillings, or paddings, such disclosure was not made in such a manner as to indicate that such required content information related only to the face, pile, or outer surface of the floor covering and not to the backing, filling, or padding in violation of Rule 11 of the aforesaid Rules and Regulations.

PAR. 5. Certain of said textile fiber products were misbranded in that they were not stamped, tagged, labeled or otherwise identified with any of the information required under the provisions of Section 4(b) of the Textile Fiber Products Identification Act.

PAR. 6. The acts and practices of respondents 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 in commerce and unfair and deceptive acts and practices, in commerce, under the Federal Trade Commission Act.

PAR. 7. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale, distribution and installation of carpeting and floor coverings to the public.

PAR. 8. In the course and conduct of their business as aforesaid, respondents now cause, and for some time last past have caused, their said merchandise, when sold, to be shipped from their places of business located in the District of Columbia and in the States of Maryland and Virginia, to purchasers thereof located in various other States of the United States and the District of Columbia, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 9. In the course and conduct of their aforesaid business, and for the purpose of inducing the purchase of their carpeting and floor coverings, the respondents have made, and are now making, numerous statements and representations by advertisements inserted in newspapers and by oral statements and representations of their salesmen to prospective purchasers with respect to their products and services.

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

100% CONTINUOUS FILAMENT NYLON
WALL-TO-WALL CARPET SALE

272 Sq. Ft. Includes
Padding & Installation
usually enough to carpet
Living Room, Dining Room,
Hall or Steps
$119
NO MONEY DOWN
AS LOW AS $5 MONTH
NO PAYMENTS 'TIL MAY

SPECIAL!

FHA Approved Dupont 501

35 Decorators Colors

24-HOUR ANSWERING SERVICE

949-1188

HOLIDAY CARPET, INC.
11212 Grandview Avenue, Wheaton, Maryland

We Service and
Guarantee
What We Sell

VISIT OUR SHOWROOM

The Sunday Star TV Magazine, Washington, D. C., March 5, 1967

FALL SALE
WALL TO WALL
CARPET
NYLON DUPONT "501" AT SPECIAL SALE PRICE

LOOK!

FREE VACATION
for 2 at the Fabulous
AMBASSADOR HOTEL
In Atlantic City
Dancing Pool Sauna Entertainment
2 NITES 3 DAYS
Offer Good Until June, 1968
Each Customer Purchasing Our
DuPont 501, 10 Yr. Guar. Carpet

NO MONEY DOWN
as low as $5 a month
BANK FINANCING
No Payment 'til Dec., 1967

Usually enough to carpet
Living Room, Dining Room,
Hall or Steps.

100% CONTINUOUS FILAMENT
272 SQ. FT.
INCLUDES PADDING
& INSTALLATION
"SHOP AT HOME"
SERVICE
Let our trained decorator help you
select the carpet that
fits your decor. NO OBLIGATION
$119

CALL NOW
24 HR. SERVICE
933-7700

VISIT OUR SHOWROOM

Deal with an established firm. Member Wash. Board of
Trade, etc. See our ad in Yellow Pages.

HOLIDAY CARPETS INC.
11212 GRANDVIEW AVE. WHEATON, MD.

We Service and Guarantee What We Sell

The Sunday Star TV Magazine, Washington, D. C., October 15, 1967

FALL DISCOUNTS

WALL TO WALL
CARPET

100% CONTINUOUS
FILAMENT NYLON

Visit Our
Showroom

272 SQ. FT.
USUALLY ENOUGH TO CARPET LIVING ROOM, DINING ROOM, HALL OR STEPS!
INCLUDES PADDING & INSTALLATION

FREE VACATION
FOR TWO
4 DAYS & 3 NIGHTS
IN MIAMI BEACH, ATLANTIS OR SEA ISLE
HOTEL OR LAS VEGAS, LA HACIENDA HOTEL

- 1st 100 Customers Purchasing our Special DuPont Wall to Wall Carpet
- 272 Sq. Ft. or More

SHOP-AT-HOME SERVICE
Let our trained decorator help you select the carpet that fits your decor. NO OBLIGATION!
CALL NOW 24-HR. SERVICE
933-7700
Deal with an established firm. Member Wash. Board of Trade, etc.
See our ad in Yellow Pages! Bank Financing

$119

272 SQ. FT. INCLUDES PADDING & INSTALLATION

NO DOWN PAYMENT

AS LOW AS 2.00 A WEEK NO PAYMENT 'TIL MAY

HOLIDAY CARPETS INC.

11212 GRANDVIEW AVE., WHEATON, MARYLAND

We Service and Guarantee What We Sell!!

PAR. 10. By and through the use of the above reproduced statements and representations, and others of similar import and meaning but not expressly set out herein, the respondents have represented, and are now representing, directly or by implication:

1. That respondents are making a bona fide offer to sell the advertised carpeting and floor coverings at the price and on the terms and conditions stated in the advertisement.

2. By and through the use of the words "SALE," "SPECIAL SALE PRICE" and other words of similar import and meaning, that respondents' carpeting and floor coverings are being offered for sale at special or reduced prices, and purchasers are thereby afforded savings from respondents' regular selling prices.

3. That purchasers of the advertised merchandise receive without any additional cost or obligation a "free" vacation for two in Atlantic City, Miami or Las Vegas.

4. That respondents' products are unconditionally guaranteed for a specified period of time.

5. By and through the used of the words "ALL BANK FINANCING," "BANK FINANCING" and words of similar import and meaning, that no finance company is involved in the financing of the customer's purchase and that the customer's account is discounted, negotiated or assigned to a bank.

6. By and through the statements "NO MONEY DOWN AS LOW AS $5 A MONTH," "NO MONEY DOWN AS LOW AS $2 A WEEK" and other similar statements and representations, that respondents regularly arrange financing of purchasers for no down payment and on the weekly and monthly terms stated.

7. By and through the use of the words "INCLUDES PADDING & INSTALLATION," and words of similar import and meaning, that all of the carpeting mentioned in such advertisements is installed with separate padding included at the advertised price.

8. By and through the use of the words "35 DECORATORS COLORS" and other words of similar import and meaning, that the advertised carpeting is available in thirty-five different colors from which the prospective purchasers may choose.

PAR. 11. In truth and in fact:

1. Respondents' offers were not bona fide offers to sell said carpeting and floor coverings at the price and on the terms and conditions stated in the advertisement, but were made for the purpose of obtaining leads to persons interested in the purchase of carpeting. After obtaining such leads through response to said advertisements, respondents or their salesmen called upon such persons, but made no effort to sell the advertised carpeting. Instead, they exhibited what they represented to be the advertised carpeting which, because of its poor appearance and condition was usually rejected on sight by the prospective purchaser. In some instances, respondents or their salesmen failed to have available or failed to show the advertised carpeting. Concurrently, higher priced carpeting or floor coverings of superior quality and texture were presented, which by comparison disparaged and demeaned the advertised carpeting. By these and other tactics, purchase of the advertised carpeting was discouraged, and respondents through their salesmen attempted to and frequently did sell the higher priced carpeting.

2. Respondents' products were not being offered for sale at special or reduced prices, and purchasers were not thereby afforded savings from respondents' regular selling prices. In fact, respondents do not have a regular selling price.

3. Purchasers of the advertised merchandise did not receive without any additional cost or obligation a "free" vacation for two in Atlantic City, Miami or Las Vegas. Transportation and meals were not included with the "free" vacation and during certain months of the year, the recipient of the "free" vacation had to pay a portion of the daily room rent. Among other conditions and obligations, in some instances after commencing the vacation the recipient was required to attend lectures of two to three hours duration about investment opportunities in land.

4. Respondents' carpets and floor coverings are not unconditionally guaranteed for the period of time specified. Such guarantees as they may have provided customers were subject to conditions and limitations not disclosed in respondents' advertising.

5. A finance company was involved in many instances in the financing of the customer's purchase and the customer's account was not customarily and usually discounted, negotiated or assigned to a bank.

6. Respondents did not regularly arrange financing of purchases for which no down payment was required or on the weekly and monthly terms stated.

7. Some of the carpeting mentioned in such advertisements had a rubberized backing and was not installed with separate padding included at the advertised price.

8. The advertised carpeting was not available in thirty-five different colors from which the prospective purchaser might choose.

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

PAR. 12. In the course and conduct of their aforesaid business, and at all times mentioned herein, respondents have been, and now are, in substantial competition, in commerce, with corporations, firms and individuals in the sale and distribution of rugs, carpets and floor covering products and services of the same general kind and nature as those sold by respondents.

PAR. 13. 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' products and services by reason of said erroneous and mistaken belief.

PAR. 14. 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.

Mr. Donald L. Bachman and *Mr. Edward D. Steinman* for the Commission.

Mr. Benjamin R. Civiletti, Washington, D.C., for respondents.

INITIAL DECISION BY WALTER R. JOHNSON, HEARING EXAMINER

OCTOBER 17, 1969

In the complaint which was issued on June 25, 1969, the respondents were charged with violating provisions of the Federal Trade Commission Act, the Textile Fiber Products Identification Act and the Rules and Regulations promulgated under the latter Act. Thereafter, the respondents filed their answer denying the allegations of the complaint in all material respects. On September 9, 1969, complaint counsel and counsel for the respondents met with the hearing examiner in a reported prehearing conference. As a result thereof, an agreed order was issued which would aid in the disposition of the case.

On September 26, 1969, counsel for both parties, for the purpose of effecting a settlement of the action pursuant to Section 2.34(d) of the Commission's Rules of Practice and Procedure, entered into an agreement containing a stipulation of facts and an agreed order wherein it was agreed that the hearing examiner and the Federal Trade Commission shall make findings of facts and conclusions of law on the basis of the stipulation and the record on which the decision shall be based shall consist solely of the Complaint and the Agreement. In the stipulation, respondents waive (a) any further procedural steps before the hearing examiner and the Commission; and (b) all rights to seek judicial re-

view or otherwise to challenge or contest the validity of the order entered pursuant to the agreement.

Upon consideration of the record herein, the hearing examiner makes the following findings of fact and conclusions:

Respondent Holiday Carpets, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Maryland, with its office and principal place of business located at 11035 Viers Mill Road in the city of Wheaton, State of Maryland.

Respondent Robert M. Siegel is the principal officer of said corporation. He formulates, directs and controls the acts and practices of the corporate respondent, including the acts and practices set forth in said complaint.

Respondents sell the majority of their carpets and floor coverings to customers who demand immediate delivery and installation. Said customers of respondents purchase carpeting and floor coverings custom fitted to their dwelling rooms which requires measurement, precutting and preseaming of all carpeting and floor coverings. Respondents require both spouses to sign all documents necessary to the credit transaction when a married person purchases respondents' carpet and floor coverings on credit terms and conditions.

Respondents are now, and for some time last past have been, engaged in the introduction, delivery for introduction, sale, advertising, and offering for sale, in commerce, and in the transportation or causing to be transported in commerce, and in the importation into the United States, of textile fiber products; and have 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 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.

Certain of said textile fiber products were misbranded by respondents 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 name or amount of constituent fibers contained therein.

Among such misbranded textile fiber products, but not limited thereto, were floor coverings which were falsely and deceptively advertised in The Washington Post, The Evening Star and The Washington Daily News, newspapers published in the District of Columbia, and having a wide circulation in the District of Columbia and various other States of the United States, in that the respondents in disclosing the fiber content information as to floor coverings containing exempted backings, fillings, or paddings, failed to set forth such fiber content information in such a manner as to indicate that it applied only to the face, pile, or outer surface of the floor coverings and not to the exempted backings, fillings, or paddings.

By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, respondents falsely and deceptively advertised textile fiber products in violation of the Textile Fiber Products Identification Act in that said textile fiber products were not advertised in accordance with the Rules and Regulations promulgated thereunder in that in disclosing the required fiber content information as to floor coverings containing exempted backings, fillings, or paddings, such disclosure was not made in such a manner as to indicate that such required content information related only to the face, pile, or outer surface of the floor covering and not to the backing, filling, or padding in violation of Rule 11 of the aforesaid Rules and Regulations.

Certain of said textile fiber products were misbranded in that they were not stamped, tagged, labeled or otherwise identified with any of the information required under the provisions of Section 4(b) of the Textile Fiber Products Identification Act.

The acts and practices of respondents 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 in commerce and unfair and deceptive acts and practices, in commerce, under the Federal Trade Commission Act.

Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale, distribution and installation of carpeting and floor coverings to the public.

In the course and conduct of their business as aforesaid, respondents now cause, and for some time last past have caused, their said merchandise, when sold, to be shipped from their places of business located in the District of Columbia and in the

States of Maryland and Vriginia, to purchasers thereof located in various other States of the United States and the District of Columbia, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said merchandise in commerce as "commerce" is defined in the Federal Trade Commission Act.

In the course and conduct of their aforesaid business, and for the purpose of inducing the purchase of their carpeting and floor coverings, the respondents have made, and are now making, numerous statements and representations by advertisements inserted in newspapers and by oral statements and representations of their salesmen to prospective purchasers with respect to their products and services. Typical and illustrative of said statements and representations, but not all inclusive thereof, are the advertisements hereto attached and identified as "Appendix A." *

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

1. That respondents are making a bona fide offer to sell the advertised carpeting and floor coverings at the price and on the terms and conditions stated in the advertisement.

2. By and through the use of the words "SALE," "SPECIAL SALE PRICE" and other words of similar import and meaning, that respondents' carpeting and floor coverings are being offered for sale at special or reduced prices, and purchasers are thereby afforded savings from respondents' regular selling prices.

3. That purchasers of the advertised merchandise receive without any additional cost or obligation a "free" vacation for two in Atlantic City, Miami or Las Vegas.

4. That respondents' products are unconditionally guaranteed for a specified period of time.

5. By and through the use of the words "ALL BANK FINANCING," "BANK FINANCING" and words of similar import and meaning, that no finance company is involved in the financing of the customer's purchase and that the customer's account is discounted, negotiated or assigned to a bank.

6. By and through the statements "NO MONEY DOWN AS LOW AS $5 A MONTH," "NO MONEY DOWN AS LOW AS $2 A WEEK" and other similar statements and representations, that respondents regularly arrange financing of purchasers for no down payment and

* Appendix A omitted in printing.

on the weekly and monthly terms stated.

7. By and through the use of the words "INCLUDES PADDING & INSTALLATION," and words of similar import and meaning, that all of the carpeting mentioned in such advertisements is installed with separate padding included at the advertised price.

8. By and through the use of the words "35 DECORATORS COLORS" and other words of similar import and meaning, that the advertised carpeting is available in thirty-five different colors from which the prospective purchasers may choose.

In truth and in fact:

1. Respondents' offers were not bona fide offers to sell said carpeting and floor coverings at the price and on the terms and conditions stated in the advertisement, but were made for the purpose of obtaining leads to persons interested in the purchase of carpeting. After obtaining such leads through response to said advertisements, respondents or their salesmen called upon such persons, but made no effort to sell the advertised carpeting. Instead, they exhibited what they represented to be the advertised carpeting which, because of its poor appearance and condition was usually rejected on sight by the prospective purchaser. In some instances, respondents or their salesmen failed to have available or failed to show the advertised carpeting. Concurrently, higher priced carpeting or floor coverings of superior quality and texture were presented, which by comparison disparaged and demeaned the advertised carpeting. By these and other tactics, purchase of the advertised carpeting was discouraged, and respondents through their salesmen attempted to and frequently did sell the higher priced carpeting.

2. Respondents' products were not being offered for sale at special or reduced prices, and purchasers were not thereby afforded savings from respondents' regular selling prices. In fact, respondents do not have a regular selling price.

3. Purchasers of the advertised merchandise did not receive without any additional cost or obligation a "free" vacation for two in Atlantic City, Miami or Las Vegas. Transportation and meals were not included with the "free" vacation and during certain months of the year, the recipient of the "free" vacation had to pay a portion of the daily room rent. Among other conditions and obligations, in some instances after commencing the vacation the recipient was required to attend lectures of two to three hours duration about investment opportunities in land.

4. Respondents' carpets and floor coverings are not uncondi-

tionally guaranteed for the period of time specified. Such guarantees as they may have provided customers were subject to conditions and limitations not disclosed in respondents' advertising.

5. A finance company was involved in many instances in the financing of the customer's purchase and the customer's account was not customarily and usually discounted, negotiated or assigned to a bank.

6. Respondents did not regularly arrange financing of purchases for which no down payment was required or on the weekly and monthly terms stated.

7. Some of the carpeting mentioned in such advertisements had a rubberized backing and was not installed with separate padding included at the advertised price.

8. The advertised carpeting was not available in thirty-five different colors from which the prospective purchaser might choose.

Therefore, the statements and representations as set forth hereinabove were and are false, misleading and deceptive.

In the course and conduct of their aforesaid business, and at all times mentioned herein, respondents have been, and now are, in substantial competition, in commerce, with corporations, firms and individuals in the sale and distribution of rugs, carpets and floor covering products and services of the same general kind and nature as those sold by respondents.

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' products and services by reason of said erroneous and mistaken belief.

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.

ORDER

I

It is ordered, That respondents Holiday Carpets, Inc., a corpo-

ration, and its officers, and Robert M. Siegel, 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, 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.

2. Failing to set forth that the required disclosure as to the fiber content of floor coverings relates only to the face, pile, or outer surface of such products and not to exempted backing, filling or padding, when such is the case.

B. Falsely and deceptively advertising textile fiber products by failing to set forth in disclosing the required fiber content information as to floor coverings containing exempted backings, fillings, or paddings, that such disclosure relates only to the face, pile or outer surface of such textile fiber products and not to the exempted backings, fillings or paddings.

II

It is further ordered, That respondents Holiday Carpets, Inc., a corporation, and its officers, and Robert M. Siegel, 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 carpeting and floor coverings, or any other articles of merchandise, in commerce, as "commerce" is de-

fined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using, in any manner, a sales plan, scheme or device wherein false, misleading or deceptive statements or representations are made in order to obtain leads or prospects for the sale of other merchandise or services.

2. Advertising or offering merchandise for sale for the purpose of obtaining leads or prospects for the sale of different merchandise when the advertised merchandise is inadequate to perform the functions for which it is offered and respondents do not maintain a reasonably adequate and readily available stock of said advertised merchandise.

3. Discouraging the purchase of or disparaging any merchandise or services which are advertised or offered for sale.

4. Representing, directly or by implication, that any merchandise or services are offered for sale when such offer is not a bona fide offer to sell such merchandise or services.

5. Representing, directly or by implication, that any price for respondents' products or services is a special or sale price, when such price does not constitute a significant reduction from an established selling price at which such products or services have been sold in substantial quantities by respondents in the recent, regular course of their business.

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

(b) Representing, in any manner, that by purchasing any of said merchandise, customers are afforded savings amounting to the difference between respondents' stated price and a compared price for said merchandise in respondents' trade area unless a substantial number of the principal retail outlets in the trade area regularly sell said merchandise at the compared price or some higher price.

(c) Representing, in any manner, that by purchasing any of said merchandise, customers are afforded savings

amounting to the difference between respondents' stated price and a compared value price for comparable merchandise, unless substantial sales of merchandise of like grade and quality are being made in the trade area at the compared price or a higher price and unless respondents have in good faith conducted a market survey or obtained a similar representative sample of prices in their trade area which establishes the validity of said compared price and it is clearly and conspicuously disclosed that the comparison is with merchandise of like grade and quality.

7. Failing to maintain adequate records (a) which disclose the facts upon which any savings claims, including former pricing claims and comparative value claims, and similar representations of the type described in paragraphs 5, 6(a)–(c) and 7 of this order are based, and (b) from which the validity of any savings claims, including former pricing claims and comparative value claims, and similar representations of the type described in paragraphs 5, 6(a)–(c) and 7 of this order can be determined.

8. Representing, directly or by implication, that a purchaser of respondents' products or services will receive a "free" vacation or any other prize or award unless all conditions, obligations or other prerequisites to the receipt of such vacation, prize, or award are clearly and conspicuously disclosed.

9. Representing, directly or by implication, that any product or service is guaranteed, unless the nature and extent of the guarantee, the identity of the guarantor, and the manner in which the guarantor will perform thereunder are clearly and conspicuously disclosed.

10. Misrepresenting, through the use of words such as "ALL BANK FINANCING," or "BANK FINANCING," or in any other manner, that respondents usually and customarily discount, negotiate, or assign customers' conditional sale contracts, promissory notes or other instruments of indebtedness to a bank, rather than to a finance company or other third party unless respondents do in fact, usually and customarily assign such customers' instruments of indebtedness to a bank.

11. Representing, directly or by implication, that respondents sell their products for "NO MONEY DOWN," or that respondents sell their merchandise without requiring a down payment, unless such is the fact.

12. Misrepresenting, in any manner, the credit arrangements made by respondents, or the amount or number of periodic credit installment payments necessary to pay the balance due on products or services purchased from respondents.

13. Representing, in any manner, that a stated price for floor covering includes the cost of a separate padding and the installation thereof, unless in every instance where it is so represented, the stated price for floor covering does in fact include the cost of such separate padding and installation thereof.

14. Misrepresenting, in any manner, the prices, terms or conditions under which respondents supply separate padding in connection with the sale of floor covering products.

15. Misrepresenting the number of colors available of the advertised carpeting.

16. Failing to 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, and failing to secure from each such salesman or other person a signed statement acknowledging receipt of said order.

III

It is further ordered, That the respondents herein shall, in connection with the offering for sale, sale or distribution of carpeting and floor coverings, or any other articles of merchandise, when the offer for sale or sale is made in the buyer's home, forthwith cease and desist from:

1. Contracting for any sale whether in the form of trade acceptance, conditional sales contract, promissory note, or otherwise which shall become binding on the buyer prior to midnight of the third day, excluding Sundays and legal holidays, after date of execution.

2. Failing to disclose, orally prior to the time of sale and in writing on any trade acceptance, conditional sales con-

tract, promissory note or other instrument executed by the buyer with such conspicuousness and clarity as likely to be observed and read by such buyer, that the buyer may rescind or cancel the sale by directing or mailing a notice of cancellation to respondents' address prior to midnight of the third day, excluding Sundays and legal holidays, after the date of the sale. Upon such cancellation the burden shall be on respondents to collect any goods left in buyer's home and return any payments received from the buyer. Nothing contained in this right-to-cancel provision shall relieve buyers of the responsibility for taking reasonable care of the goods prior to cancellation and during a reasonable period following cancellation.

3. Failing to provide a separate and clearly understandable form which the buyer may use as a notice of cancellation.

4. Negotiating any trade acceptance, conditional sales contract, promissory note, or other instrument of indebtedness to a finance company or other third party prior to midnight of the fifth day, excluding Sundays and legal holidays, after the date of execution by the buyer. This provision will not be applicable when there has been a waiver or modification of the customer's right to rescind the transaction and such waiver or modification was made pursuant to Paragraph 6 of Part III hereof.

5. *Provided, however,* That nothing contained in Part III of this order shall relieve respondents of any additional obligations respecting contracts made in the home required by federal law or the law of the state in which the contract is made. When such obligations are inconsistent respondents can apply to the Commission for relief from this provision with respect to contracts executed in the state in which such different obligations are required. The Commission, upon proper showing, shall make such modifications as may be warranted in the premises.

6. *Provided, however,* That nothing contained in Part III of this order to the contrary, a customer may modify or waive his right to rescind a transaction if the customer furnishes the seller with a separate dated and signed personal statement demanding immediate delivery and installation and ordering measurement, precutting and preseaming of carpeting or floor covering to the specifications of his dwelling. The use of printed forms for this purpose is prohibited.

IV

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 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 herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form of their compliance with this order.

FINAL ORDER

No appeal from the initial decision of the hearing examiner having been filed, and the Commission having determined that the case should not be placed on its own docket for review and that pursuant to Section 3.51 of the Commission's Rules of Practice (effective July 1, 1967), the initial decision should be adopted and issued as the decision of the Commission:

It is ordered, That the initial decision of the hearing examiner shall, on the 20th day of November, 1969, become the decision of the Commission.

It is further ordered, That Holiday Carpets, Inc., a corporation, and Robert M. Siegel, individually and as an officer of said corporation, shall, within sixty (60) days after service of this order upon them, file with the Commission a report in writing, signed by the respondent named in this order, setting forth in detail the manner and form of their compliance with the order to cease and desist.

IN THE MATTER OF

WILLIAM T. COLBERT TRADING AS TASTY FREEZER MEATS, ET AL.

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

Docket C-1637. Complaint, Nov. 21, 1969—Decision, Nov. 21, 1969

Consent order requiring a Richmond, Va., meat retailer to cease using bait tactics in its advertising, failing to disclose the weight loss of his meats due to cutting and trimming, and failing to disclose that his meat has not been graded by U.S. Department of Agriculture standards.

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 William T. Colbert trading and doing business as Tasty Freezer Meats, and under other names as herein set forth, hereinabove referred to as respondent, has violated the provisions of said Act, and it appearing to the Commission that a proceeding in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent William T. Colbert is an individual trading and doing business under the name of Tasty Freezer Meats. His office and principal place of business is located at 1010 West Cary Street, Richmond, Virginia. The said individual trades, and has traded and done business, under various other names in various States of the United States, including but not limited to, Cattlemen's Meats, Quality Freezer Meats and Beef Haven. He formulates, directs and controls the acts and practices of Tasty Freezer Meats, and of similar businesses under the trade names set forth above, and/or under other names, and at all times pertinent hereto has formulated, directed and controlled said acts and practices including those hereinafter set forth.

PAR. 2. Respondent is now, and for some time last past has been engaged in the advertising, offering for sale and distribution of beef and other meat products which come within the classification of food as the term "food" is defined in the Federal Trade Commission Act, to members of the purchasing public.

PAR. 3. In the course and conduct of this business, respondent has disseminated and does now disseminate certain advertisements by the United States mails and by various means in commerce as "commerce" is defined in the Federal Trade Commission Act, including advertisements in daily newspapers of general circulation, for the purpose of inducing and which are likely to induce, directly or indirectly, the purchase of food as the term "food" is defined in the Federal Trade Commission Act and has disseminated and caused the dissemination of advertisements by various means, including those aforesaid, for the purpose of inducing, and which are likely to induce, directly or indirectly, the purchase of food in commerce as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. Typical of the statements appearing in the advertisements disseminated as aforesaid are the following:

U.S. GOVT. INSPEC.
GUARANTEED TENDER DELICIOUS BEEF HALVES
33¢ lb.

TENDER DELICIOUS
USDA CHOICE
HEAVY BEEF HALVES
42¢ lb.

* * * * * * *

HEAVY BEEF HALVES
33¢ lb.
USDA INSPECTED
GUARANTEED TENDER AND DELICIOUS HEAVY BEEF

USDA CHOICE HEAVY BEEF HALVES
42¢ lb.

* * * * * * *

WE ALSO FEATURE
USDA PRIME

* * * * * * *

U.S. INSPECTED
HEAVY BEEF HALVES
300 lb. up
33¢ lb.

(Many of the above advertisements feature the picture of a beef steer and/or the picture of a lean T-bone steak.)

PAR. 5. Through the use of the aforesaid advertisements and others of similar import and meaning not specifically set out herein respondent has represented directly and by implication

that offers set forth therein are bona fide offers to sell U.S.D.A. Choice and U.S.D.A. Prime beef halves, at the advertised price per pound.

Said representations were and are contrary to the fact as the said offers set forth in said advertisements, and other offers not set forth in detail herein, were not, and are not, bona fide offers to sell the aforesaid beef halves at the advertised prices, but were, and are, made to induce prospective purchasers to visit respondent's store and place of business for the purpose of purchasing such products. When prospective purchasers in response to said advertisements attempt to purchase beef halves of the grade and quality advertised at the advertised prices respondent's salesmen display meat sections of unsightly appearance and poor quality as the advertised beef halves and make no effort to sell such products at the advertised prices, but, in fact disparage such displayed meat in a manner calculated to discourage the purchase thereof, and attempt to and frequently do sell much higher priced meats.

PAR. 6. Respondent by his advertisements disseminated as aforesaid has represented, and now represents, directly, and by implication, and by failure to disclose the average weight loss due to cutting, dressing and trimming, that the beef halves advertised and sold by respondent will on receipt by the purchaser weigh approximately their advertised and/or purchased weight; and that other meat purchases when ready for home freezer storage will equal or approximate their total purchase weight.

Such representations were, and are, contrary to the fact as respondent's beef sections are sold at their carcass or uncut weight. The cutting, trimming and removing of fat, bone and waste materials greatly reduces the total weight, and a meat section when cut, trimmed and ready for home storage is not equal to nor does it approximate the total weight of said meat at the time of purchase.

Therefore, the advertisements referred to in Paragraphs Four, Five and Six 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 representations referred to in Paragraphs Five and Six were and are false, misleading and deceptive.

PAR. 7. The use by respondent 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 such statements and representations were, and are, true and into the purchase of substantial quantities of the aforesaid products, including higher priced products because of said mistaken and erroneous belief.

PAR. 8. The aforesaid acts and practices of respondent, as herein alleged, including the dissemination by respondent of false advertisements as aforesaid, were, and are, all to the prejudice and injury of the public and constituted, and now constitute, unfair 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 hereof, and the respondent having been furnished thereafter with a copy of a draft of complaint which the Bureau of Deceptive Practices proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent with violation of the Federal Trade Commission Act; and

The respondent and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by 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, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent William T. Colbert is an individual trading and doing business under the name of Tasty Freezer Meats. His office

and principal place of business is located at 1010 West Cary Street, Richmond, Virginia.

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

ORDER

It is ordered, That respondent William T. Colbert, an individual, trading and doing business as Tasty Freezer Meats, or under any other name or names, and respondent's agents, representatives, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of beef or any other food product, do forthwith cease and desist from:

1. Disseminating or causing the dissemination of any advertisement by means of the United States mails, or by any means in commerce, as "commerce" is defined in the Federal Trade Commission Act which represents, directly or by implication:

(a) That any products are offered for sale when the purpose of such representation is not to sell the offered products, but to obtain prospects for the sale of other products at higher prices.

(b) That any product is offered for sale when such offer is not a bona fide offer to sell such product.

2. Disseminating or causing the dissemination of any advertisement by means of the United States mails, or by any means in commerce, as "commerce" is defined in the Federal Trade Commission Act, which fails to clearly and conspicuously disclose the average percentage of weight loss of such meat due to cutting, dressing and trimming.

3. Disseminating or causing the dissemination of any advertisement by means of the United States mails, or by any means in commerce, as "commerce" is defined in the Federal Trade Commission Act, which fails to clearly and conspicuously include:

(1) When United States Department of Agriculture graded meat is advertised which is below the grade of "U.S.D.A. Good," the statement "This meat is of a grade below U.S. Prime, U.S. Choice, and U.S. Good."

(2) When meat not graded by United States Department of Agriculture is advertised:

(a) The statement "This meat has not been graded by the United States Department of Agriculture" and,

(b) If such meat is a portion of the total meat offered a statement indicating the portion which is ungraded and the percentage, by weight, of the total meat offered.

4. Disseminating, or causing to be disseminated, by any means, for the purpose of inducing, or which is likely to induce, directly or indirectly the purchase of any meat or other food product in commerce, as "commerce" is defined in the Federal Trade Commission Act, any advertisement which contains any of the representations prohibited in Paragraph 1 of this order or fails to comply with the affirmative requirements of Paragraphs 2 and 3 hereof.

5. Discouraging the purchase of, or disparaging in any manner, or encouraging, instructing or suggesting that others discourage or disparage any meat or other food products which are advertised or offered for sale in advertisements, disseminated or caused to be disseminated by means of the United States mails, or by any means in commerce, as "commerce" is defined in the Federal Trade Commission Act.

6. Failing to deliver a copy of this order to cease and desist to all of respondent's salesmen, both present and future, and to any other person now engaged or who becomes engaged in the sale of meat or other food products as respondent's agent, representative, or employee, and to secure a signed statement from each of said persons acknowledging receipt of a copy thereof.

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.