

Order

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aries 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

KING-SEELEY THERMOS CO.

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

Docket C-1712. Complaint, Mar. 24, 1970—Decision, Mar. 24, 1970

Consent order requiring an Ann Arbor, Mich., manufacturer of tents, sleeping bags, cot pads, camp pads and sleeping bag mattresses to cease using exaggerated retail prices of its products as regular and customary in any trade area, furnishing means of deception to others, and failing to maintain pricing 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 King-Seeley Thermos Co., a Michigan corporation hereinafter referred to as "Predecessor" which Predecessor has been acquired by a new corporate subsidiary of Household Finance Corporation created for that specific purpose under the laws of Delaware, hereinafter referred to as respondent, has violated the provisions of said Act, and it appearing to the Commission that 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 King-Seeley Thermos Co. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its principal office and place of business located at 3853 Research Park Drive, Ann Arbor, Michigan.

PAR. 2. Respondent or Predecessor is now and for some time last

past has been engaged in the manufacture, advertising, offering for sale, sale and distribution of tents, sleeping bags, cot pads, camp pads and sleeping bag mattresses, hereinafter referred to as "Products," to retailers for resale to the public.

PAR. 3. In the course and conduct of its business, respondent or Predecessor now causes, or for some time last past has caused, Products, when sold, and related advertising copy and catalogues, to be shipped from its places of business in the State of Connecticut to retailers thereof located in various other States of the United States and maintains, and at all times mentioned herein has maintained, a substantial course of trade in Products and advertising in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. Respondent or Predecessor, for the purpose of inducing the purchase of Products, has engaged in the practice of using fictitious prices in connection therewith by the following method and means:

By distributing, or causing to be distributed to retailers and others, catalogs which depict and describe the Products and contain a stated price for each.

In the manner aforesaid respondent or Predecessor thereby represents, directly, or indirectly, that the amounts shown are a *bona fide* estimate of the actual retail prices of Products in respondent's trade area and that they do not appreciably exceed the highest prices at which substantial sales of Products are made at retail in said trade area.

In truth and in fact said amounts shown are not a *bona fide* estimate of the actual retail prices of Products in respondent's trade area and they appreciably exceed the highest prices at which substantial sales of Products are made at retail in said trade area.

Therefore, the statements and representations set forth above are false, misleading and deceptive.

PAR. 5. By the aforesaid acts and practices, respondent or Predecessor places in the hands of retailers the means and instrumentalities by and through which they may mislead the public as to the usual and regular retail price of Products.

PAR. 6. In the course and conduct of its business and at all times mentioned herein, respondent or Predecessor has been engaged in substantial competition, in commerce, with corporations, firms and individuals in the sale of products of the same general kind and nature as those sold by respondent or Predecessor.

PAR. 7. The use by the respondent or Predecessor of the aforesaid false, misleading and deceptive statements, representations and prac-

tices, 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 Products by reason of said erroneous and mistaken belief.

PAR. 8. The aforesaid acts and practices of respondent or Predecessor, as herein alleged, were and are all to the prejudice and injury of the public and of respondent's competitors and constituted, and now constitute, unfair 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 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 the respondent of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

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

1. Respondent King-Seeley Thermos Co. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its principal office and place of business located at 3853 Research Park Drive, Ann Arbor, Michigan.

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 King-Seeley Thermos Co., a corporation, and its officers, agents, representatives and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of tents, sleeping bags, cot pads, camp pads or sleeping bag mattresses (hereinafter referred to as "Products"), in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Advertising, disseminating or distributing any purported retail price of Products unless (a) it is respondent's *bona fide* estimate of the actual retail price of the Products in the area where respondent does business and (b) it does not appreciably exceed the highest price at which substantial sales of those products are made in said trade area.

2. Misrepresenting in any manner either the prices at which Products are sold at retail or the amount of savings available to purchasers or prospective purchasers of Products at retail.

3. Furnishing to others any means or instrumentalities whereby the purchasing public may be misled as to the retail prices of Products.

It is further ordered, That respondent maintain full and adequate records supporting claims as to the price at which Products are sold at retail or the amount of savings available to purchasers or prospective purchasers of Products at retail for a period of three (3) years after making any such claim and that respondent notify the Commission at least thirty (30) days prior to any proposed change in the corporate respondent such as dissolution, assignment or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries or any other change in the corporation which may affect compliance obligations arising out of this order.

It is further ordered, That the respondent 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.

Complaint

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IN THE MATTER OF

DONAHUE SALES CORPORATION

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION ACT*Docket C-1713. Complaint, Mar. 25, 1970—Decision, Mar. 25, 1970*

Consent order requiring a New York City sales corporation which is the exclusive distributor of "Talon products," consisting of packaged zippers, spooled thread, tape, and braid, to cease preticketing its merchandise, making agreements with purchasers prescribing minimum prices for a period of three years, effectuating any plan involving resale price maintenance, restricting the classes of retailers to whom its wholesalers may sell, and buying up retail stocks of home sewing products manufactured or distributed by any competitor.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act (U.S.C., Title 15, Sec. 41), and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that the party named in the caption hereof, and more particularly described and referred to hereinafter as respondent, has violated the provisions of Section 5 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 respect thereto as follows:

PARAGRAPH 1. Respondent Donahue Sales Corporation (hereafter sometimes referred to as "Donahue") is incorporated under the laws of the State of New York having its executive offices located at 41 East 51st Street, New York City, New York. In 1968, Donahue's sales were approximately \$48,000,000.

PAR. 2. Respondent Donahue Sales Corporation entered into a contractual arrangement with Talon, Inc. (hereafter sometimes referred to as "Talon") in 1946, whereby Donahue agreed to sell Talon packaged zippers to retail and wholesale outlets for resale in the home sewing market. In the 1960's, spooled thread, tape and braid, bearing the "Talon" trademark were sold by Talon to Donahue and resold by Donahue pursuant to the Talon-Donahue contractual arrangement. Since 1946, Donahue has purchased "Talon" trademarked products and has been the exclusive distributor of said products to retailers and wholesalers serving the home sewing market.

Unless specifically stated otherwise, "Talon products" will be used hereafter to refer to packaged zippers, spooled thread, tape and braid, bearing the "Talon" trademark.

The Donahue Sales Corporation also distributes other products produced by other companies. However, a predominant amount of Donahue's business involves the sale and distribution of Talon products.

PAR. 3. At the inception of the Talon-Donahue contractual arrangement, Talon, Inc., was an independent company, incorporated in the State of Pennsylvania, with its principal offices located in Meadville, Pennsylvania. Talon is now a division of Textron, Inc., of Providence, Rhode Island.

Talon is the leading producer of zippers in the United States. It manufactures and distributes more than 1500 types, sizes and colors of zippers. Talon does not sell packaged zippers, spooled thread, tape or braid, directly to the retail trade for resale in the home sewing market.

Talon owns approximately 10 percent of the stock of Donahue. Between 1948 and August 1968, one or more Talon officers was a member of the board of directors of Donahue.

PAR. 4. Respondent Donahue distributes and sells Talon products to the home sewing trade through the following sources:

- (a) 95 retail chains having 13,208 branches;
- (b) 3,000 retail stores, many of which are large, independently-owned department stores;
- (c) 300 wholesalers or notions jobbers who, in turn, resell to small department stores, variety stores, and fabric shops.

Donahue prepares and submits a report to Talon each quarter of every year which reflects its sales of Talon products to the home sewing trade.

PAR. 5. In the course and conduct of respondent's business, there has been at all times mentioned herein, and is now, a continuous and current movement of said zippers, spooled thread, braid and tape in interstate commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 6. Except to the extent that competition has been hindered and suppressed by virtue of the acts and practices described below, respondent Donahue is engaged in substantial competition with other distributors of zippers, spooled thread, tape and braid.

PAR. 7. In the course and conduct of its business, respondent Donahue has engaged and is continuing to engage in the following un-

fair methods of competition and unfair acts or practices in commerce, among others, enumerated herein in this Paragraph:

(1) Between the years 1946 to December 1965, Donahue and Talon, Inc., entered into several written agreements to fix the prices at which Talon zippers were to be sold.

More particularly, such written contracts entered into by Donahue and Talon specifically provided: "Donahue will resell such packaged slide fasteners at prices approved by Talon."

This agreement has been implemented over a period of at least twenty years and has been applied to other home sewing products in addition to zippers.

(2) In order to carry out a plan of policy, whereby the resale prices for Talon products are observed and maintained by retailers and wholesalers purchasing such products, and as a part of said plan or policy, Donahue has adopted and employed, and still employs, in the States of Nebraska, Texas, Minnesota and other States of the United States, the following means, among others, of maintaining the resale prices charged by retailers and wholesalers for Talon products:

(a) It issues resale price lists to the trade in which the various resale prices for said products are set forth and explained;

(b) It enters into informal agreements, understandings and arrangements with such retailers and wholesalers that said resale prices are required to be maintained as a condition of opening or selling to such accounts;

(c) It instructs its wholesale customers to refrain from selling Talon products to so-called discount stores;

(d) It solicits cooperation from wholesalers handling Talon products in obtaining reports or letters from potential discounting customers that such customers will not cut the resale prices on Talon products;

(e) It directs Donahue salesmen and other employees and solicits wholesalers to secure information as to retailers and wholesalers who fail to observe said resale prices;

(f) It uses information received through Donahue salesmen and other employees to induce and coerce such retailers and wholesalers who have failed to observe said resale prices to maintain the same in the future by exacting promises, assurances or agreements from them to that effect;

(g) It has used, and now uses, other equivalent means and methods for the enforcement of said system of resale price maintenance with the result that said prices have been and are generally observed

and maintained by retailers and wholesalers handling Talon products.

PAR. 8. In addition to the foregoing, respondent Donahue has engaged in the unfair method of competition and unfair act and practice of purchasing and offering to purchase stocks of zippers and spooled thread sold and distributed by competitors by agreeing or arranging for valuable consideration to lift or remove from the channels of trade such stocks of zippers and spooled thread distributed to retail outlets by competitors.

PAR. 9. In addition to the foregoing, respondent Donahue has engaged in the following unfair methods of competition and unfair acts and practices, among others:

(a) Established a policy whereby certain large chain stores and department stores are treated as the reserved accounts of Donahue;

(b) Instructed, advised or otherwise informed wholesalers purchasing Talon products for resale that Donahue's reserved accounts are to be sold and serviced only by Donahue, and

(c) Refused to sell and threatened to refuse to sell Talon products to wholesalers soliciting or attempting to solicit Donahue's reserved accounts as their own customers.

PAR. 10. The above acts and practices have had and still have the capacity and tendency of hindering, suppressing or eliminating competition with the following effects, among others:

(a) Retailers and wholesalers of Talon products are required to resell at the prices fixed by respondent;

(b) Retailers and wholesalers of Talon products are prevented from selling these products at the prices they deem to be warranted;

(c) Price competition in the resale of Talon products has been eliminated and other forms of competition have been sharply curtailed in Nebraska, Texas, Minnesota and other States of the United States;

(d) Competing manufacturers have had their zipper or spooled thread products entirely removed from the shelves of their customers and have lost such customers as their retail accounts;

(e) Wholesalers of Talon products have been prevented from selling such products to customers of their own choice.

PAR. 11. The aforesaid acts and practices of the respondent have the tendency to unduly hinder competition and have injured, hindered, suppressed, lessened or eliminated actual and potential competition, and, thus, are to the prejudice and injury of the public, constitute unfair methods of competition in commerce or unfair acts and practices in commerce, within the intent and meaning of Section 5 of the Federal Trade Commission Act.

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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 Restraint of Trade proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent with violation of the Federal Trade Commission Act; and

The respondent and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent of all the jurisdictional facts set forth in the aforesaid draft of 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 § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Donahue Sales 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 41 East 51st Street, New York City, 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, Donahue Sales Corporation, a corporation, and its officers, agents, representatives, employees, successors and assigns, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of packaged zippers, spooled threads, or tapes and braids for home sewing purposes and bearing the trademark "Talon" or manufactured by the Talon Division of Textron Inc., in commerce, as "commerce" is

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

1. Accepting for resale from Textron Inc., or any division or subsidiary thereof, any of the above products, with pricing information affixed to said products or imprinted on the packages or containers of said products, unless prior to such acceptance:

(a) Donahue Sales Corporation has independently determined the pricing information to be imprinted on or affixed to said products, without prior consultation with respect to the pricing information to be imprinted on or affixed to said products; and

(b) Donahue Sales Corporation has communicated in writing this pricing information to Textron Inc., or any of its divisions or subsidiaries, requesting them to affix or imprint the pricing information on the said products, packages or containers;

2. Entering into any contract or agreement or continuing the effectiveness of any contract or agreement prescribing minimum or stipulated prices for the above products, when contracts or agreements of that description are lawful as applied to intrastate transactions under any statute, law or public policy in any state, territory or the District of Columbia, in which such resale is to be made or to which the products are to be transported for such resale, for a period of three years following the effective date of this order;

3. Adopting or placing into effect any plan, policy or scheme to fix or maintain the resale price of the above products, by any device or method. In particular, respondent shall cease and desist from:

(a) Requiring purchasers or prospective purchasers to agree that they will resell at prices specified by respondent, or that they will not resell below or above such specified prices;

(b) Threatening to refuse or refusing to sell respondent's products to any purchaser or prospective purchaser, because such purchaser fails to observe and maintain suggested resale prices or will not agree to observe and maintain suggested resale prices;

(c) Requesting or encouraging purchasers, either directly or through salesmen, agents, representatives or employees, to report any persons or firms who do not observe the resale prices suggested by respondent;

(d) Utilizing salesmen, agents, representatives or employees, directly or indirectly, to report purchasers who do not observe suggested resale prices, as part of any plan, policy or scheme to maintain suggested resale prices, except that nothing in this provision shall be interpreted so as to prohibit respondent's salesmen, agents, representatives or employees, from observing and reporting pricing information, when not a part of such a plan, policy or scheme;

4. Entering into, maintaining, adhering to, enforcing or claiming any rights under any contract, agreement, understanding, plan, policy or program to fix, establish, limit or restrict the persons or classes of persons to whom any distributor or wholesaler may sell the above products in the United States.

5. Offering to buy or buying or taking over stock of packaged zippers, spooled threads or tapes and braids used for home sewing purposes, sold and distributed by competitors, for the purpose of lifting or removing such stock from the channels of trade, or agreeing or arranging with retail sellers for any consideration whatsoever, to lift or remove from the channels of trade any of the above products, distributed to such retail outlets by competitors, except that nothing in this order shall be interpreted so as to restrict the respondent's right to agree to or arrange for acceptance of damaged, soiled or defective Talon trademarked products.

Provided, however, That after a period of three years following the effective date of this order, nothing contained in Paragraphs 2 through 5 of this order shall be interpreted as prohibiting any act or practice excepted from the provisions of the Federal Trade Commission Act by virtue of the McGuire Act, the amendments to said Act, or any other applicable statute, whether now in effect or hereafter enacted, or from complying with the requirements of any law or ordinance.

It is further ordered, That respondent shall, within sixty (60) days after service upon it of this order, serve a copy of this order by mail, (1) on all of its jobber customers who sell Talon products to the home sewing market, along with a copy of Letter "A" attached hereto, and (2) on all of its retailer and chain store customers who sell Talon products to the home sewing market, along with a copy of Letter "B" attached hereto, both letters to be on respondent's official company stationery and signed by the president of respondent corporation.

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It is further ordered, That 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.

LETTER A

(Official Donahue Sales Corporation Letterhead)

(Date)

Dear _____:

Donahue Sales Corporation has agreed to the entry of an order by the Federal Trade Commission which among other things permits you freely to determine the prices at which you will sell "Talon" trademarked products. The preticketed price, which will continue to appear on all Talon products, is simply a suggested price, placed thereon for your convenience. Furthermore, under this order, you are free to sell "Talon" trademarked products to any customer of your own choice, without regard to the type of business in which such customer is engaged or whether or not such customers are or were sold directly by Donahue Sales Corporation.

Furthermore, Donahue Sales Corporation wants to make it perfectly clear that the purpose of entering into an agreement with the Federal Trade Commission was to reach an amicable settlement and in no sense constitutes an admission on the part of Donahue Sales Corporation that it has violated any law or regulation.

A copy of the order is enclosed.

Very truly yours,

(President of Donahue Sales Corporation)

LETTER B

(Official Donahue Sales Corporation Letterhead)

(Date)

Dear _____:

Donahue Sales Corporation has agreed to the entry of an order from the Federal Trade Commission, which among other things permits you freely to determine the prices at which you may sell "Talon" trademarked products. The preticketed price, which will continue to appear on all Talon products, is simply a suggested price, placed thereon for your convenience.

Furthermore, Donahue Sales Corporation wants to make it perfectly clear that the purpose of entering into an agreement with the Federal Trade Commission was to reach an amicable settlement and in no sense constitutes an admission on the part of Donahue Sales Corporation that it has violated any law or regulation.

A copy of the order is enclosed.

Very truly yours,

(President of Donahue Sales Corporation)

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IN THE MATTER OF

SILVER PRIDE CHINCHILLAS, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION ACT*Docket C-1714. Complaint, Mar. 25, 1970—Decision, Mar. 25, 1970*

Consent order requiring a Nashville, Tenn., distributor of chinchilla breeding stock to cease making exaggerated earning claims for purchasers of its chinchillas, misrepresenting the quality of its stock, deceptively guaranteeing the fertility of its 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 Silver Pride Chinchillas, Inc., a corporation, and Jay F. Meyers and I. T. Sturges, 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 Silver Pride Chinchillas, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Tennessee, with its principal office and place of business located at 1040 Murfreesboro Road, Nashville, Tennessee.

Respondents Jay F. Meyers and I. T. Sturges are officers of Silver Pride Chinchillas, Inc. 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 corporation.

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 aforesaid business, 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 Tennessee 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, 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 television broadcasts, direct mail advertising, newspaper publications, 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 assistance to be made available to purchasers of respondents' chinchillas.

Typical and illustrative, but not all inclusive of the said statements and representations made in respondents' newspaper advertisements, television broadcasts and promotional literature, are the following:

We think you can raise a herd of 50 pair of animals in a room about 9x12 and can adequately take care of them in just a couple hours a day.

. . . All you need is a spare room in your house. . .

Any arrangement is satisfactory which protects the animals from elements. Garages, basements, spare rooms, porches, sheds, etc.

PERHAPS YOU CAN QUALIFY.

Can you answer "yes" to the following questions? Do you love animals? Will you follow instructions? Do you have patience? Do you want a business of your own?

Here's a profitable business you can start at home.

The myth that chinchillas are delicate has been completely exploded.

Chinchillas are tenacious of life and reflect the vigor of their ancestors. As a consequence farm mortality is comparatively low.

. . . they are . . . an exceptionally good and hardy animal.

Well, since we know that SILVER PRIDE deals only with quality chinchillas

Silver Pride has spent thousands of dollars in research and development . . . so contact SILVER PRIDE CHINCHILLAS. They will supply you with registered animals.

. . . every animal in our organization has a pedigree and is a fully registered animal.

And, in about three years, by starting with 3 pairs, you could build up a herd of fifty pairs . . . which would be very profitable for you.

Litters vary from one to five young and females may produce several successive litters at 111 day intervals without taking a rest.

It would be very possible to have three litters a year. But in our overall program of building up 3 or 4 pairs of chinchillas to about 50 pairs in three years, we base it on just two litters a year and 2 animals to a litter. They will have from 1 to 5 in a litter and very frequently will have a third litter in a year. . . . But based on two litters a year and two animals to a litter and

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starting with three pair, there should be about 50 pair, a good sized herd, in three years.

A 50 pair ranch . . . that would be a pretty profitable ranch, wouldn't it?

Yes, it would be a very profitable ranch. Ranchers that start out small like this and build their herd up in about 3 years could expect under normal circumstances to get their investment back in three to five years.

IF YOU NEED RETIREMENT INCOME EXTRA INCOME . . .
FULLTIME INCOME INVESTIGATE CHINCHILLA RANCHING.

Can chinchillas be a sound investment? We feel that there is no other known industry which will show such tremendous and continued earning power.

Now this Chinchilla Expert . . . will he make periodic checks on the herd?

Yes, he will.

. . . . We have men in the field helping ranchers with the mating of chinchillas, as we don't expect everyone to be an expert in chinchilla husbandry.

We guarantee that the chinchillas WILL live and breed for the first year.

. . . they will guarantee production and that your chinchillas will live for a year.

SILVER PRIDE OFFERS THESE SERVICES

Complete financing. Marketing services.

Replacement warranties. Professional assistance.

Thorough Training Program.

PAR. 5. By and through the use of the aforesaid statements and representations and others of similar import and meaning, but not expressly set out herein, separately and in connection with statements and representations made by their salesmen and representatives, respondents 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, porches, garages 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, caring for and raising of such animals.

3. Chinchillas are hardy animals, and are not susceptible to diseases.

4. Purchasers of respondents' breeding stock receive pedigreed or top 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 five live offspring at 111 day intervals.

7. The offspring referred to in Paragraph Five subparagraph (6) above will have pelts selling for an average price of \$30 per pelt, and that pelts from offspring of respondents' breeding stock generally sell from \$25 to \$45 each.

8. A purchaser starting with four mated pairs of respondents' chinchilla breeding stock will from the sale of pelts, recover his purchase money of \$2,120 in three years and have an annual income of \$7,000 in the fifth year.

9. Chinchilla breeding stock purchased from respondents is unconditionally guaranteed to live, breed and litter.

10. Purchasers of respondents' breeding stock will receive periodic service calls from respondents' personnel.

11. Purchasers of respondents' breeding stock are 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 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, porches, garages 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, caring for and raising 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. Chinchilla breeding stock sold by respondents is not pedigreed or top quality.

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 five 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 price of \$30 per pelt but substantially less than that amount; and pelts from offspring of respondents' breeding stock will generally not sell for \$25 to \$45 each since some of the pelts are not marketable at all and others would not sell for \$25 but for substantially less than that amount.

8. A purchaser starting with four mated pairs of respondents' breeding stock will not recover his purchase money in three years or have an annual income of \$7,000 in the fifth year from the sale of pelts but substantially less than these amounts.

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

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

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 and for the pelts of offspring of respondents' chinchillas.

13. Purchasers of respondents' breeding stock are not able to successfully breed and raise chinchillas as a commercially profitable enterprise through and 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 business; and at all times mentioned herein, respondents have been in substantial competition, in commerce, with corporations, firms and individuals in the sale of chinchilla breeding stock of the same general kind and nature as that sold by respondents.

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 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 Deceptive Practices proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act; and

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

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

1. Respondent Silver Pride Chinchillas, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Tennessee, with its office and principal place of business located at 1040 Murfreesboro Road, Nashville, Tennessee.

Respondents Jay F. Meyers and I.T. Sturges are individuals and officers of Silver Pride Chinchillas, Inc. They formulate, direct and control the acts and practices of said corporation, and their address is the same as that of said corporation.

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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 Silver Pride Chinchillas, Inc., a corporation, and its officers, and Jay F. Meyers and I. T. Sturges, individually and as officers of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device in connection with the advertising, offering for sale, sale or distribution of 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, porches, garages, sheds, 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 pedigreed or top quality chinchillas.

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

6. The number of live offspring produced per female chinchilla is any number or range of numbers; or representing, in any manner, the past number or range of numbers of live offspring produced per female chinchilla of purchasers of 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 five 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 of purchasers of 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 \$30 per pelt; or that pelts from the offspring of respondents' breeding stock generally sell from \$25 to \$45 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 that 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 four mated pairs of respondents' chinchilla breeding stock will, from the sale of pelts, recover his purchase money in three years or have an annual income, earnings or profits of \$7,000 in the fifth 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 in-

come 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. Respondents' chinchillas are guaranteed unless respondents do in fact promptly fulfill all of their obligations and requirements set forth in or represented, directly or by implication, to be contained in any guarantee or warranty applicable to each and every chinchilla.

15. Purchasers of respondents' chinchilla breeding stock will receive advice from a chinchilla expert at any interval or frequency unless purchasers do in fact receive the represented number of service calls at the represented interval or frequency.

16. 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.

17. 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.

18. 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, services 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 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 in which they have complied with this order.

IN THE MATTER OF

ROYAL MIST, LTD., ET AL.

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

Docket C-1715. Complaint, Mar. 26, 1970—Decision, Mar. 26, 1970

Consent order requiring a New York City manufacturer of women's and misses' apparel to cease misbranding and falsely guaranteeing 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 Royal, Mist Ltd., a corporation, and Philip Epstein, 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 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 interests, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Royal Mist, Ltd., is a corporation organized, existing and doing business under and by virtue of the laws

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of the State of New York with its office and principal place of business located at 512 Seventh Avenue, New York, New York.

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

Respondents are engaged in the manufacture and sale of women's and misses' apparel. They ship and distribute such products to various customers in the United States.

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 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 the 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 ladies' coats which were stamped, tagged, labeled, or otherwise identified by respondents as containing "50% wool and 50% nylon" whereas, in truth and in fact, said wool products contained substantially different fibers and amounts of fiber 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 wool products, namely women's and misses' apparel, with labels on or affixed thereto, which failed to disclose the percentage of the total fiber weight of the said wool products, 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 were misbranded in viola-

tion of the Wool Products Labeling Act of 1939 in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder in the following respects:

1. Samples, swatches or specimens of wool products used to promote or effect sales of such wool products in commerce, were not labeled or marked to show the information required under Section 4(a)(2) of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, in violation of Rule 22 of the aforesaid Rules and Regulations.

2. The respective percentages of fibers contained in the face and in the back of pile fabrics were not set out in such a manner as to give the ratio between the face and the back of such fabrics where an election was made to separately set out the fiber content of the face and back of the said pile fabrics, in violation of Rule 26 of the aforesaid Rules and Regulations.

PAR. 6. The respondents furnished false guaranties that certain of their said wool products were not misbranded, when respondents in furnishing such guaranties had reason to believe that the wool products so falsely guaranteed might be introduced, sold, transported, or distributed in commerce, in violation of Section 9(b) of the Wool Products Labeling Act of 1939.

PAR. 7. 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 methods of competition and unfair and deceptive acts and practices in commerce, within the intent and meaning of the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of 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

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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 Royal Mist, Ltd., 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 512 Seventh Avenue, New York, New York.

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

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

ORDER

It is ordered, That respondents Royal Mist, Ltd., a corporation, and its officers, and Philip Epstein, 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, 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:

A. Misbranding such 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 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. Failing to affix labels to samples, swatches or specimens of wool products used to promote or effect the sale of wool products, showing in words and figures plainly legible all of the information required to be disclosed by each of the subsections of Section 4(a)(2) of the Wool Products Labeling Act of 1939.

4. Failing to set forth the respective percentages of fibers contained in the face and back of pile fabrics in such a manner as to give the ratio between the face and back of each such fabric where an election is made to separately set out the fiber content of the face and back of such pile fabrics.

It is further ordered, That respondents, Royal Mist, Ltd., a corporation, and its officers, and Philip Epstein, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from furnishing a false guaranty that their wool products are not misbranded under the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder when there is reason to believe that any wool product so guaranteed may be introduced, sold, transported or distributed in commerce as the term "commerce" is defined in the aforesaid 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.

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IN THE MATTER OF

JACK A. HARTLEY TRADING AS
JAY HART ORIGINALS, 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-1716. Complaint, Mar. 26, 1970—Decision, Mar. 26, 1970*

Consent order requiring a Miami, Fla., manufacturer of women's and misses' dresses and swimwear to cease misbranding and falsely guaranteeing his textile fiber products and failing to maintain required fiber content records.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Textile Fiber Products Identification Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Jack A. Hartley, individually and trading as Jay Hart Originals, also trading as Jay Hart, Jaykini, and JH, hereinafter referred to as respondent, has violated the provisions of said Acts and the Rules and Regulations promulgated under the Textile Fiber Products Identification Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Jack A. Hartley is an individual trading as Jay Hart Originals, with his office and principal place of business located at 675 NW. 29th Street, Miami, Florida. Respondent also has offices located at 670 West 20th Street, Hialeah, Florida. Respondent also trades as Jay Hart, Jaykini and JH.

Respondent is engaged in the manufacture of women's and misses' dresses and swimwear.

PAR. 2. Respondent is now and for some time last past has been engaged in the introduction, delivery for introduction, manufacture for introduction, sale, advertising, and offering for sale, in commerce, and in the transportation or causing to be transported in commerce, and in the importation into the United States, of textile fiber products; and has sold, offered for sale, advertised, delivered, transported and caused to be transported, textile fiber products which have been advertised or offered for sale in commerce; and has sold, offered for sale, advertised, delivered, transported and caused

to be transported, after shipment in commerce, textile fiber products, either in their original state or contained in other textile fiber products, as the terms "commerce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act.

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

Among such misbranded textile fiber products, but not limited thereto, were ladies' dresses with labels stating "100% Cotton," thereby representing the said dresses to be composed entirely of cotton, whereas, in truth and in fact, such products contained substantially different fibers and amounts of fibers than as represented.

PAR. 4. Certain of the textile fiber products were misbranded by the 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 products were garments with labels which failed:

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

PAR. 5. Respondent has failed to maintain and preserve proper records showing the fiber content of the textile fiber products manufactured by him, in violation of Section 6(a) of the Textile Fiber Products Identification Act and Rule 39 of the Rules and Regulations promulgated thereunder.

PAR. 6. The respondent has furnished false guaranties that his textile fiber products were not misbranded by falsely representing in writing that respondent had filed a continuing guaranty under the Textile Fiber Product Identification Act with the Federal Trade Commission, when such was not the fact, in violation of Section 10(b) of the Textile Fiber Products Identification Act and Rule 38(d) of the Rules and Regulations promulgated under said Act.

PAR. 7. The acts and practices of the respondent as set forth above were and are in violation of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder,

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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 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 Textile Fiber Products Identification Act; and

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

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

1. Respondent Jack A. Hartley is an individual trading as Jay Hart Originals, with his office and principal place of business located at 675 NW. 29th Street, Miami, Florida. Respondent also has offices located at 670 West 20th Street, Hialeah, Florida. Respondent also trades as Jay Hart, Jaykini and JH.

Respondent is engaged in the manufacture of women's and misses' dresses and swimwear.

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.

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ORDER

It is ordered, That respondent Jack A. Hartley, individually and trading as Jay Hart Originals, also trading as Jay Hart, Jaykini and JH, or trading under any other name or names, and respondent's representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, delivery for introduction, 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 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.

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

It is further ordered, That respondent Jack A. Hartley, individually and trading as Jay Hart Originals, also trading as Jay Hart, Jaykini and JH, or trading under any other name or names, and respondent's representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from furnishing false guaranties that textile fiber products are not mis-

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branded or falsely or deceptively invoiced or advertised under the provisions of the Textile Fiber Products Identification Act.

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 complied with this order.

IN THE MATTER OF

ROSEN WOOL STOCK COMPANY, ET AL.

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

Docket C-1717. Complaint, Mar. 26, 1970—Decision, Mar. 26, 1970

Consent order requiring a Philadelphia, Pa., manufacturer of wool products including garnetted fiber stock to cease misbranding and falsely guaranteeing its woolen merchandise.

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 Rosen Wool Stock Company, a corporation, and Martin Rosen, 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 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 Rosen Wool Stock Company is a corporation organized, existing and doing business under and by virtue of the laws of the Commonwealth of Pennsylvania.

Individual respondent Martin Rosen is an officer of said corporation. He formulates, directs and controls the acts, practices and policies of said corporation, including the acts and practices hereinafter referred to.

Respondents are engaged in the manufacture and sale of wool products including, but not limited to, garnetted fiber stock. Their

office and principal place of business is located at 610 North American Street, Philadelphia, Pennsylvania.

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 garnetted fiber stock, stamped, tagged, labeled, or otherwise identified as containing 70 percent Polyester, 30 percent Wool, whereas in truth and in fact, such garnetted fiber stock 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 garnetted fiber stock, 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. Respondents have furnished false guaranties that their wool products were not misbranded in violation of Section 9(b) of the Wool Products Labeling Act.

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 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 Rosen Wool Stock Company is a corporation organized, existing and doing business under and by virtue of the laws of the Commonwealth of Pennsylvania.

Respondent Martin Rosen is an officer of said corporation. He formulates, directs, and controls the acts, practices and policies of said corporation.

Respondents are engaged in the manufacture and sale of wool products including, but not limited to, garnetted fiber stock. Their office and principal place of business is located at 610 North American Street, Philadelphia, Pennsylvania.

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 Rosen Wool Stock Company, a corporation, and its officers, and Martin Rosen, 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, 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, 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 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.

It is further ordered, That respondents Rosen Wool Stock Company, a corporation, and its officers, and Martin Rosen, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from furnishing a false guaranty that any wool product is not misbranded, under the Wool Products Labeling Act of 1939, and the Rules and Regulations promulgated thereunder when there is reason to believe that any such wool product so guaranteed 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 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 obligation 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.

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IN THE MATTER OF

GITLER & CO., INC., ET AL.

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

Docket C-1718. Complaint, Mar. 26, 1970—Decision, Mar. 26, 1970

Consent order requiring a New York City wholesale furrier to cease deceptively invoicing 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 Gitler & Co., Inc., a corporation, and Monroe Gitler, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Fur Products Labeling Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

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

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

Respondents are wholesalers of furs with their office and principal place of business located at 216 West 30th Street, New York, New York.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the introduction into commerce, the sale, advertising, and offering for sale in commerce, and the transportation and distribution in commerce, of furs, as the terms "commerce" and "fur" are defined in the Fur Products Labeling Act.

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

Among such falsely and deceptively invoiced furs, but not limited thereto, were imported furs covered by invoices which failed to show the country of origin of such imported furs.

PAR. 4. Certain of said furs were falsely and deceptively invoiced with respect to the name of the country of origin of imported furs, in violation of Section 5(b)(2) of the Fur Products Labeling Act.

Among such falsely and deceptively invoiced furs, but not limited thereto, were imported furs covered by invoices which failed to show the country of origin of such imported furs. The omission of the required material fact as to the country of origin of the imported furs implied that the said furs were of domestic origin when in truth and in fact the said furs were of foreign origin, in violation of Section 5(b)(2) of the Fur Products Labeling Act.

PAR. 5. The aforesaid acts and practices of respondents as herein alleged are in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder and constitute unfair methods of competition and unfair and deceptive acts and practices in commerce under the Federal Trade Commission Act.

DECISION AND ORDER

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

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

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Acts, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public

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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 Gitler & Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondent Monroe Gitler is an officer of said corporation. He formulates, directs and controls the acts, practices and policies of said corporation.

Respondents are wholesalers of furs with their office and principal place of business located at 216 West 30th Street, New York, New York.

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

ORDER

It is ordered, That respondents Gitler & Co., Inc., a corporation, and its officers, and Monroe Gitler, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce, of any fur, as the terms "commerce" and "fur" are defined in the Fur Products Labeling Act do forthwith cease and desist from falsely or deceptively invoicing furs 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 Section (5) (b) (1) of the Fur Products Labeling Act.

2. Misrepresenting in any manner on an invoice, directly or by implication, the country of origin of any imported fur.

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

JOSEPH L. PORTWOOD ET AL TRADING AS
THE PORTWOOD COMPANY

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

Docket 8681. Complaint, Apr. 14, 1966—Decision, Mar. 27, 1970

Order modifying, pursuant to a decision of the U.S. Court of Appeals Tenth Circuit, dated November 14, 1969, 418 F.2d 419, an earlier order dated January 19, 1968, 73 F.T.C. 68, which prohibited an Albuquerque, N. Mex., mail-order philatelic stamp business from sending unordered stamps to prospective customers and using coercive tactics to collect for such merchandise, by deleting from Paragraph (5) of the order the affirmative statement that the recipient need not preserve the stamps, and adding the provision that payment for used merchandise is required, unless the law of recipient's State permits use of unsolicited articles without payment.

ORDER MODIFYING ORDER TO CEASE AND DESIST

Respondents, Joseph L. Portwood and Betty Portwood, having filed in the United States Court of Appeals for the Tenth Circuit a petition for review of the order to cease and desist issued herein on January 19, 1968 [73 F.T.C. 68]; and the court, on November 14, 1969 [8 S.&D. 1053], having issued its opinion and entered its judgment affirming the Commission's finding of violation of Section 5 of the Federal Trade Commission Act but modifying the order to cease and desist;

Now, therefore, it is hereby ordered, That the aforesaid order of the Commission to cease and desist be, and it hereby is, modified in accordance with the said opinion and judgment of the court of appeals to read as follows:

It is ordered, That respondents Joseph L. Portwood and Betty Portwood, individually and trading and doing business as The Portwood Company, or under any other trade name or names, or through any corporate or other device, their agents, representatives, or employees, in connection with stamps, philatelic supplies, or any

other product in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

(1) Misrepresenting, directly or by implication, the legal relationship, if any, that exists between respondents and the mailees to whom respondents send their philatelic stamps, philatelic supplies, or other merchandise;

(2) Misrepresenting, directly or by implication, the legal obligation, if any, that exists between respondents and the mailees to whom respondents send their philatelic stamps, philatelic supplies, or other merchandise;

(3) Using threats, intimidation, or coercion (including the threat of legal action) to compel respondents' mailees to perform any act or to refrain from any act that such mailees are under no legal obligation to perform or to forego;

(4) Resorting to any subterfuge or coercion to sell their merchandise;

(5) Sending any communication (including bills, invoices, reminders, letters, or notices) to, or making any demands or requests of, any person that seeks to obtain payment for or the return of merchandise sent without a prior express written request by the recipient, unless such communication clearly and conspicuously states all of the following:

(a) that the merchandise is being sent to the recipient unsolicited,

(b) that the recipient is not obligated to return the merchandise, and

(c) that he is required to pay for the merchandise only if he decides to purchase it or uses it, and not then if the law of the recipient's State permits him to use unsolicited merchandise without payment.

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

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

(8) Sending merchandise without first obtaining a specific order therefor after respondents have been notified by the mail-

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ees that shipments of unordered merchandise are to be discontinued.

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

IN THE MATTER OF
CUSTOM CARPET SHOP OF VIRGINIA, ET AL.

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

Docket C-1173. Complaint, February 17, 1967—Decision, March 27, 1970

Order modifying an earlier order dated February 17, 1967, 71 F.T.C. 182, which prohibited an Arlington, Va., carpet dealer from deceptively advertising, pricing and misbranding its textile fiber products, by adding to the order a new paragraph numbered 7 which requires respondent to maintain records adequate to support its pricing claims.

ORDER MODIFYING ORDER TO CEASE AND DESIST

The Commission on February 17, 1967 [71 F.T.C. 182], having issued its order in this matter requiring respondents, in connection with the offering for sale, and sale and distribution of merchandise, in commerce, to cease and desist from:

1. Representing, directly or by implication, by use of the words "Sale," "Clearance," "special event," "factory closeout," "limited time only" or any other word or words of similar import that the price of any merchandise is a reduction from respondents' former offering price for said merchandise: *Provided, however,* That it shall be a defense in any enforcement proceeding instituted hereunder for the respondents to establish that the price at which said merchandise is being offered for sale constitutes a reduction, in an amount not so insignificant as to be meaningless, from the actual bona fide price at which such merchandise was offered to the public on a regular basis by respondents for a reasonably substantial period of time in the recent regular course of their business;

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2. Representing, directly or by implication, that any offer is limited in point of time or in any manner: *Provided, however,* That it shall be a defense in any enforcement proceeding instituted hereunder for the respondents to establish that any represented limitation or restriction was actually imposed and in good faith adhered to;

3. Using the words "Save," "Savings," "reduced" or any other word or words of similar import in conjunction with a stated dollar or percentage amount of savings: *Provided, however,* That it shall be a defense in any enforcement proceeding instituted hereunder for the respondents to establish as a fact that the stated dollar or percentage amount of savings actually represents the difference between the offering price and the actual bona fide price at which such merchandise had been sold or offered for sale on a regular basis to the public by the respondents for a reasonably substantial period of time in the recent regular course of their business;

4. Using the words "Regular," "Reg" or any other word or words of similar import to refer to any amount which is in excess of the price at which such merchandise has been sold or offered for sale in good faith by respondents for a reasonably substantial period of time in the recent regular course of their business; or otherwise misrepresenting the price at which such merchandise has been sold or offered for sale by respondents;

5. Using the words "Special Package," "Package," "Combination" or any other word or words of similar import, either alone or in conjunction with an offering price: *Provided, however,* That it shall be a defense in any enforcement proceeding instituted hereunder for the respondents to establish that the offering price of said "Special Package," "Package" or "Combination" is a reduction, not so insignificant as to be meaningless, from the sum of the actual bona fide prices at which the items of the said package or combination were sold separately by the respondents on a regular basis for a reasonably substantial period of time in the recent regular course of their business;

6. Falsely representing, in any manner, that savings are available to purchasers or prospective purchasers of respondents' merchandise; or misrepresenting in any manner, the amount of savings available to purchasers or prospective purchasers of respondents' merchandise at retail.

And the Commission on February 19, 1970, having issued its order to show cause why this proceeding should not be reopened and its

order of February 17, 1967, modified by the addition of a new paragraph numbered 7 which would read:

7. Failing to maintain adequate records which disclose the facts upon which representations as to former prices, and the usual and customary retail prices of merchandise, and as to savings afforded to purchasers, and similar representations of the type dealt with in Paragraph 1 and Paragraphs 3 through 6 of this order, are based, and from which the validity of any such claim can be established.

Respondents having filed an answer in which the order to show cause is not opposed; and

The Commission being of the opinion that the public interest will be best served by modifying its order of February 17, 1967:

It is ordered, That this proceeding be, and it hereby is, reopened.

It is further ordered, That the Commission's order of February 17, 1967 [71 F.T.C. 182], be and it hereby is, modified by adding thereto as Paragraph 7 the following:

7. Failing to maintain adequate records which disclose the facts upon which representations as to former prices, and the usual and customary retail prices of merchandise, and as to savings afforded to purchasers, and similar representations of the type dealt with in Paragraph 1 and Paragraphs 3 through 6 of this order, are based, and from which the validity of any such claim can be established.

IN THE MATTER OF

THE GREAT SOUTHERN CHINCHILLA RANCH, INC.,
ET AL.

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

Docket C-1719. Complaint, Apr. 3, 1970—Decision, Apr. 3, 1970

Consent order requiring a Cayce, S.C., seller of chinchilla breeding stock to cease making exaggerated earning claims, misrepresenting the quality of its stock, deceptively guaranteeing the fertility of its stock, using the word "ranch" deceptively, 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 The Great Southern Chinchilla Ranch, Inc., a corporation, and William W. Cope, Glenn E. Deese, Hamp D. Smoak, Jr., and Lewis Way, individually and as officers and directors of said corporation and Pat Vella, individually and as a former officer and 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 The Great Southern Chinchilla Ranch, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of South Carolina, with its principal office and place of business located at 829 Knox Abbott Drive, Cayce, South Carolina.

Respondents William W. Cope, Glenn E. Deese, Hamp D. Smoak, Jr., and Lewis Way are individuals and officers and directors of said corporation and they cooperate and act together to formulate, direct and control the acts and practices thereof including the acts and practices hereinafter set forth. Respondent William W. Cope's address is Route 3, Box X, Orangeburg, South Carolina. Respondent Hamp D. Smoak, Jr.'s address is Route 1, Box 46, Cordova, South Carolina. Respondents Glenn E. Deese and Lewis Way's addresses are the same as that of said corporation.

Respondent Pat Vella formerly cooperated and acted together with said respondents to formulate, direct and control said acts and practices. Respondent Pat Vella's address is 918 Beth Drive, West Columbia, South Carolina.

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 aforesaid business, 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 South Carolina to purchasers thereof located in South Carolina and various States other than South Carolina, 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 continue to make numerous statements and representations

by means of advertising in newspapers, magazines, and through oral statements and display of promotional material to prospective customers by their salesmen, with respect to the raising, breeding, and pelting of chinchillas for profit without previous experience, the rate of reproduction of said animals, their quality, their freedom from disease, the expected return from the sale of their pelts, and the training, assistance and services to be made available to purchasers of respondents' chinchillas.

Typical and illustrative, but not all inclusive of the statements and representations made in respondents' advertisements and promotional material are the following:

Make money in the chinchilla ranching business.

Become chinchilla ranchers with less than \$400 cash. With chinchilla fur coats the most expensive on the market, chinchilla fur farming offers growing opportunity.

We furnish cages, feed, medication, and a complete training program on the care and breeding of these clean, odorless animals.

We guarantee all chinchillas to live.

Start in a spare room in basement, garage, tobacco barn, utility or storage house.

WE GUARANTEE to buy all off-spring!

A small investment can earn you from \$2,000 to \$15,000 per year!

The chinchilla is naturally hardy and does not require elaborate housing. A basement, unused bedroom, or built-in back porch may be used as a starter.

An outside building such as a barn, shed, chicken house, or garage is also satisfactory.

. . . A rancher cannot depend on three litters a year but on approximately two litters a year and approximately two babies per litter. On a basis of two litters per year and two babies per litter and the sex breaking even and barring any unforeseen and unpredictable casualties, one female should produce 16 females over a three-year period, of which these 16 on the above basis would produce 64 offspring a year. You can readily see how this pyramids as the years go by, especially if one saves almost all of the females born.

. . . Give them an abundance of fresh air which in itself with good clean surroundings normally will prevent most diseases.

When the new rancher is accepted under The Great Southern Chinchilla Ranch, Inc. program, he is taught the business of raising chinchillas profitably. Service calls are made periodically at each ranch for a period of at least one year. A staff is always available to advise the chinchilla rancher at no cost to the rancher.

Here's the reason for our optimism. . . . A market that is growing . . . and growing. Every year more fur manufacturers use chinchillas.

The Great Southern Chinchilla Ranch, Inc. guarantees a market for all of your chinchilla pelts if you do not wish to sell your chinchillas live.

. . . our price guarantees you a profit. The Great Southern Chinchilla Ranch, Inc. guarantees your stock to live and reproduce.

Should you start with five females and one male on the basis of two litters

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per year and two babies per litter, with the sex breaking even (barring any unforeseen and unpredictable casualties), this chart will give you an example of your profits:

Year	Females	Males	Offspring	Females	Males	Males to sell
1.....	5	1	20	10	10	8
2.....	15	3	60	30	30	25
3.....	45	8	180	90	90	68
4.....	135	31	540	270	270	216
5.....	405					317

Over a four year period of time you have built your herd up to 405 females, and have sold 317 males for pelting. Last year Empress quality pelts sold for approximately \$31.00 each. Figuring the average, you would have taken in over \$9,000 while you were building your herd up to over 400 females.

PAR. 5. By and through the use of the aforesaid statements and representations and others of similar import and meaning, but not expressly set out herein, separately and in connection with the oral statements and representations made by their salesmen and representatives to prospective purchasers and purchasers, respondents represent, and have represented, directly or by implication, that:

1. It is commercially feasible to breed and raise chinchillas from breeding stock purchased from respondents in homes, basements, or outbuildings, 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, caring for and raising of such animals.

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

4. Purchasers of respondents' breeding stock receive top quality or "Empress Certified" 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 successive litters of from one to five 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 \$30 per pelt and that pelts from offspring of respondents' breeding stock generally sell from \$20 to \$75 each.

8. A purchaser starting with five females and one male will have from the sale of pelts, an annual income, earnings or profits of \$9,000 in the fifth year after purchase.

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

10. Purchasers or respondents' breeding stock receive service calls from respondents' service personnel for the first one to three years or for a period after purchase of the animals.

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

12. Purchasers of respondents' breeding stock are given guidance in the priming and pelting of chinchillas.

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

14. 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.

15. Respondents will purchase all live healthy offspring between the ages of 6 to 12 months raised by purchasers of respondents' breeding stock for \$25 per female or \$100 for a group of three males and one female or at the current wholesale market price.

16. Respondents maintain facilities for and provide priming, pelting and marketing services to purchasers of their chinchilla breeding stock.

17. Respondents own and operate a chinchilla ranch whereon they breed and raise the breeding stock sold by their customers.

18. Respondents' servicemen are experts and have had extensive experience in chinchilla raising, pelting and priming.

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 or outbuildings, 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 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, caring for and raising 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 breeding stock sold by respondents do not receive top quality or "Empress Certified" quality breeding stock.

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 successive litters of from one to five 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 price of \$30 per pelt but substantially less than that amount; and pelts from offspring of respondents' breeding stock will generally not sell for \$20 to \$75 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 with five females and one male of respondents' breeding stock will not have a yearly income, earnings or profits of \$9,000 in the fifth year after purchase.

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

10. Purchasers of respondents' breeding stock seldom, if ever, receive service calls from respondents' service personnel.

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 are not given guidance in the priming and pelting of chinchillas.

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

14. 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.

15. Respondents have not purchased any offspring raised by purchasers of respondents' breeding stock.

16. Respondents do not maintain facilities for and do not provide priming, pelting or marketing services to purchasers of their chinchilla breeding stock.

17. Respondents do not own or operate a chinchilla ranch whereon

they breed and raise the breeding stock sold to their customers but they buy such breeding stock from others for resale to purchasers.

18. Respondents' servicemen have had little, if any, experience in chinchilla raising, pelting and priming.

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 business, and at all times mentioned herein, respondents have been in substantial competition, in commerce, with corporations, firms and individuals in the sale of chinchilla breeding stock of the same general kind and nature as that sold by respondents.

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 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 Deceptive Practices proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act; and

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

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The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Act, and that complaint should issue stating its charges in that respect and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in § 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 Great Southern Chinchilla Ranch, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of South Carolina, with its office and principal place of business located at 829 Knox Abbott Drive, Cayce, South Carolina.

Respondents William W. Cope, Glenn E. Deese, Hamp D. Smoak, Jr., and Lewis Way are individuals and officers and directors of said corporation. They cooperate and act together to formulate, direct and control the policies, acts and practices of said corporation, including the acts and practices under investigation. Respondent William W. Cope's address is Route 3, Box X, Orangeburg, South Carolina. Respondent Hamp D. Smoak, Jr.'s address is Route 1, Box 46, Cordova, South Carolina. Respondents Glenn E. Deese and Lewis Way's addresses are the same as that of said corporation.

Respondent Pat Vella has formerly cooperated and acted together with said respondents to formulate, direct and control said acts and practices. Respondent Pat Vella's address is 918 Beth Drive, West Columbia, South Carolina.

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 Great Southern Chinchilla Ranch, Inc., a corporation, and its officers, and William W. Cope, Glenn E. Deese, Hamp D. Smoak, Jr., and Lewis Way, individually and as officers and directors of said corporation, and Pat Vella, individually and as a former officer and 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, spare rooms, enclosed porches, chicken coops, barns or other quarters or buildings or that large profits can be made in this manner 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 top quality or "Empress Certified" quality chinchillas or any other grade or quality of chinchillas unless purchasers do actually receive chinchillas of the represented grade or quality.
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 successive litters of from one to five live offspring at 111-day intervals.
7. The live offspring or 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 live offspring or litters or sizes produced per female chinchilla of purchasers of 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 or 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.
8. The offspring of chinchilla breeding stock purchased from respondents will produce pelts selling for an average

price of \$30 per pelt or that pelts from offspring of respondents' breeding stock generally sell from \$20 to \$75 each.

9. Chinchilla pelts produced 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.

10. A purchaser starting with five females and one male will have from the sale of pelts, an annual income, earnings or profits of \$9,000 in the fifth year after purchase.

11. 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.

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

13. 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 or are furnished the represented advice by respondents as to the breeding of chinchillas.

14. Purchasers of respondents' breeding stock will receive service calls from respondents' service personnel for the first one to three years or any other interval or frequency after purchase unless the service calls as represented are actually furnished.

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15. Purchasers of respondents' chinchilla breeding stock are given guidance in the priming and pelting of chinchillas unless the represented guidance in the priming and pelting of chinchillas is actually furnished.

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' breeding stock by respondents will enable purchasers to successfully breed or raise chinchillas as a commercially profitable enterprise.

18. Respondents will purchase all or any of the chinchilla offspring raised by purchasers of respondents' breeding stock for \$25 per female or \$100 for a group of three males and one female, or for any other price or prices, unless respondents do, in fact, so purchase all of the offspring offered by said purchasers at the represented prices and on the terms and conditions represented.

19. Respondents maintain facilities for and provide priming, pelting and marketing services to purchasers unless they do, in fact, maintain facilities and provide services as represented.

20. Respondents raise their own breeding stock; or misrepresenting, in any manner, the source of their products.

21. Using the word "ranch" or any other word of similar import or meaning in or as part of respondents' corporate or trade name unless and until respondents own and operate premises whereon they breed and raise the chinchilla breeding stock sold by them.

22. Respondents' service personnel are qualified to service purchasers of their chinchilla breeding stock in raising, priming and pelting such animals; or misrepresenting, in any manner, the qualifications, experience or training of such personnel.

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

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

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3. Misrepresenting, in any manner, the status of respondents' business, the source of their products or the facilities available to purchasers of their products.

C. 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.

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 in which they have complied with this order.

IN THE MATTER OF

KEN-CHILLA, INC., ET AL.

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

Docket C-1720. Complaint, Apr. 7, 1970—Decision, Apr. 7, 1970

Consent order requiring a Nampa, Idaho, seller of chinchilla breeding stock and its subsidiary located in Portland, Oregon, to cease making exaggerated earning claims, misrepresenting the quality of its stock, deceptively guaranteeing the fertility of its stock, falsely using the word "association," 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 Ken-Chilla, Inc., and Chinchilla Producers Association, Inc., corporations, and Ken-

neth R. Sadler and Jeannine E. Sadler, individually and as officers of said corporations, and Alfred G. Glessing, individually and as a former salesman for said corporations, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Ken-Chilla, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Idaho, with its principal office and place of business located at 1720 Amity Avenue, Nampa, Idaho.

Respondent Chinchilla Producers Association, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Idaho, with its principal office and place of business located at 1720 Amity Avenue, Nampa, Idaho. It is a wholly owned subsidiary of Ken-Chilla, Inc., and maintains its principal sales office at 7315 Northeast Glisan Street, Portland, Oregon.

Respondents Kenneth R. Sadler and Jeannine E. Sadler are individuals and are officers and directors of both corporate respondents. They own 90 percent of the capital stock of Ken-Chilla, Inc., and formulate, direct, and control the acts and practices of both corporate respondents, including the acts and practices hereinafter set forth.

Respondent Alfred G. Glessing is an individual and former salesman for Chinchilla Producers Association, Inc. He was the manager of its said sales office and as such has cooperated in and effectuated the acts, policies, and practices of said corporation, including acts and practices hereinafter set forth.

The address of respondents Kenneth R. and Jeannine E. Sadler is 1720 Amity Avenue, Nampa, Idaho. Respondent Alfred G. Glessing's address is 917 Northeast 125th Avenue, Vancouver, Washington.

In December 1964, respondents Kenneth R. Sadler and Jeannine Sadler and two other individuals organized and incorporated said Ken-Chilla, Inc., which for some 21½ years engaged directly in the acts and practices hereinafter described and continues to be an integral factor therein. On or about June 8, 1966, the Sadlers and another individual organized and incorporated in Idaho one Quali-Chin Producers, Inc., which did business under such name and style until respondents Kenneth R. Sadler and Jeannine E. Sadler, acting as its sole shareholders, caused its name to be changed to Chinchilla Producers Association, Inc., on April 26, 1967.

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 aforesaid business, 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 Idaho 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 direct mail advertising, television broadcasts, newspaper advertising, and through the oral statements and display of promotional material by their salesmen to prospective purchasers, 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, the market value of such animals as breeding stock, their quality, hardiness, and warranty, and the training assistance to be made available to purchasers.

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

IF YOU NEED MONEY FOR . . .

- ... Education
- New Car
- Travel
- New Home
- Retirement

Chinchilla Ranchers are earning Thousands of Dollars a year, in their SPARE TIME. Turn that extra space in your garage—spare bedroom—basement or what have you . . . into:

\$\$ DOLLARS \$\$

A small investment of time and money could put you into this Fascinating business that is bringing hundreds of families that EXTRA INCOME for College Fund—Travel—Retirement—New Car or Home!!!

* * * * *

Friends, here is your opportunity to earn additional income in a fast growing fur industry that is yielding thousands of dollars in profits each year to part-time chinchilla ranchers.

* * * * *

. . . take a close look at the Chinchilla Producers Association Ranching Program

CHINCHILLA [one pictured] . . .

Produces 3 to 4 chinchillas
which bring \$100 per year.

* * * * *
 . . . It could have been *you* who received this check showing an average net
 price of \$25.85 for 16 pelts before commission and dressing charges.
 * * * * *

QUALITY PLUS

- *Warranted Satisfaction
- *Guaranteed Life
- *Guaranteed Production
- *Pedigreed Foundation stock (Five Generation)
- *Specializing in Mutations. . . .

* * * * *
 Gestation period of the chinchilla is only 111 days. Thus, it's possible to ob-
 tain up to three litters per year with litters of from one to six babies.

. . . despite increasing numbers of ranchers, the supply of top quality pelts
 cannot meet the demand in the foreseeable future. . . . Large commercial
 ranches are not the answers to the problems of supply. Due to the sensitivity
 and response of chinchillas to individual human contact and care, the bulk of
 quality animals and pelts are bred and raised in small home units by inter-
 ested individuals. These are tucked away in odd spare space, and provide both
 the environment and personal attention to which chinchillas respond best.

The CPA and its affiliates are the largest producers of beige mutations in
 the world. This new color lavishly complements virtually any complexion and
 hair color of the wearer, and will be in tremendous demand for years to come.
 * * * * *

WOULD YOU LIKE . . . To be assured an adequate retirement income. . . .
 THIS PROVEN FORMULA HAS MADE AMBITIOUS FAMILIES FINAN-
 CIALLY INDEPENDENT

QUALI-CHIN . . . Starts you with pedigreed select quality foundation breed-
 ing stock.

- Guarantees your animals to live and reproduce.
- Teaches you all phases of Chinchilla ranching at our school. . . .
- Maintains priming, pelting and marketing facilities. . . .
- Provides one year membership in a chinchilla association.

Q.P. HAS HUNDREDS OF HAPPY AND SUCCESSFUL
 RANCHERS—SOME LIVE IN YOUR AREA. . . .

Q.P. is a local association operated by local people.
 * * * * *

Mutation Development Is The Latest Breakthrough—Which Opens A Whole
 New Market To The Chinchilla Industry

The Market Demand Is Tremendous. . . .

QUALITY PELTS (Natural Color)
 BRING AS HIGH AS \$60.00 EACH
 ON TODAY'S MARKET!!!
 MUTATIONS???

This animal is naturally hardy and can be raised by nearly anyone with the
 proper training. . . .

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THE FINEST PELTS ARE FROM HERDS RAISED BY THE SMALL
PART TIME RANCHER

* * * * *

When interested in Chinchillas, "don't trust individual promoters". Check thru your local recognized assocn listed in the yellow pages . . .

* * * * *

Our association is unique, as we are a group of ranchers that get together for the benefit of ourselves and the industry as a whole. We do things for the small rancher that he couldn't do unless he had a lot of money.

* * * * *

We train you, provide financing, guarantee producing animals and take your live animals for pelting and marketing.

PAR. 5. By and through the use of the aforesaid statements and representations, and others of similar import and meaning but not expressly set out herein, separately and in connection with oral statements and representations made by their salesmen and representatives, respondents represent and have represented, 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 or spare buildings, and that 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, caring for and raising of such animals.

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

4. Purchasers of respondents' breeding stock receive select or top quality or "Empress" quality chinchillas, or chinchillas which will produce "Empress" quality offspring or offspring yielding "Empress" quality pelts.

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

6. Each female chinchilla purchased from respondents and each female offspring will produce two or three litters of one to six live offspring per year.

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

8. The offspring of breeding stock purchased from respondents will have pelts selling for an average price of \$25 per pelt, and that pelts from offspring of respondents' breeding stock generally sell for from \$15 to \$60 each.

9. A purchaser starting with three females and three males of respondents' chinchilla breeding stock will have, from the sale of pelts, a gross annual income in excess of \$4,800 during and after the fourth year.

10. Purchasers of respondents' chinchilla breeding stock can expect to realize therefrom a net income sufficient for financial independence, retirement, college education or a new home, or sufficient to replace the earnings of a working wife.

11. Chinchilla breeding stock purchased from respondents is unconditionally guaranteed to live, breed, and litter.

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

13. Through the use of the word "association" in respondents' trade name, that Chinchilla Producers Association is an association or group formed for the mutual aid, benefit, and protection of chinchilla ranchers.

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 or spare buildings, 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, caring for and raising 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 top quality chinchillas, and few if any of the pelts produced from said stock by such purchasers are of "Empress" quality. The term "Empress" is not a designation accepted and widely recognized in the chinchilla industry as denoting a specific grade or quality standard for breeding stock.

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

6. Each female chinchilla purchased from respondents and each

female offspring will not produce two or three litters of one to six offspring per year, but generally less than that number.

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

8. The offspring of breeding stock purchased from respondents will not produce pelts selling for an average price of \$25 per pelt; and pelts from offspring of respondents' breeding stock will generally not sell for \$15 to \$60 each since some of the pelts are not marketable at all and others would not sell for \$15 but for substantially less than that amount.

9. A purchaser starting with three females and three males of respondents' breeding stock will not have a gross annual income of \$4,800 from the sale of pelts in the fourth year, but substantially less than that amount.

10. Purchasers of respondents' breeding stock cannot expect to realize therefrom a net income sufficient for financial independence, retirement, college education or a new home, or sufficient to replace the earnings of a working wife.

11. Chinchilla breeding stock purchased from respondents is not unconditionally guaranteed to live, breed, and litter; but such guarantee as is provided is subject to numerous terms, limitations, and conditions.

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

13. Respondent Chinchilla Producers Association, Inc. is not an association or group formed for the mutual aid, benefit and protection of chinchilla ranchers, but is a business formed for the purpose of selling respondents' chinchilla breeding stock for a profit.

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 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 had had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said state-

ments 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 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 Deceptive Practices proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act; and

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

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

1. Respondent Ken-Chilla, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Idaho, with its office and principal place of business located at 1720 Amity Avenue, Nampa, Idaho.

Respondent Chinchilla Producers Association, Inc., is a corporation organized, existing and doing business under and by virtue of

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the laws of the State of Idaho, with its office and principal place of business located at 1720 Amity Avenue, Nampa, Idaho.

Respondents Kenneth R. Sadler and Jeannine E. Sadler are officers of each of said corporations. They formulate, direct and control the policies, acts and practices of said corporations and their address is the same as that of said corporations.

Respondent Alfred G. Glessing is a former salesman for each of said corporations, and was manager of the principal sales office of Chinchilla Producers Association, Inc. He cooperated in and effectuated the acts, policies and practices of said corporations. His address is 917 Northeast 125th, Vancouver, Washington.

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 Ken-Chilla, Inc., and Chinchilla Producers Association, Inc., corporations, and their officers, and Kenneth R. Sadler and Jeannine E. Sadler, individually and as officers of said corporations, and Alfred G. Glessing, individually and as a former salesman for said corporations, 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 spare buildings, 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 in spare time or without 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 top quality or "Empress" quality chinchillas, or chinchillas which will produce "Empress" quality offspring or offspring yielding "Empress" quality pelts.

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

6. The number of live offspring produced per female chinchilla is any number or range of numbers; or representing, in any manner, the past number or range of numbers of live offspring produced per female chinchilla of purchasers of 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. Female chinchillas purchased from respondents and female offspring thereof will produce two or three litters of one to six offspring per year.

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 of purchasers of proposed 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. Chinchillas or chinchilla pelts are in great demand, that the demand exceeds the supply, 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.

10. Pelts from the offspring of chinchilla breeding stock sell for an average price of \$25 per pelt, or that they generally sell for from \$15 to \$60 each.

11. Chinchilla pelts from respondents' breeding stock will sell for any price, average price, or range of prices; or rep-

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.

12. Purchasers of respondents' breeding stock will realize earnings, profits, or income in any amount or range of amounts, or sufficient for financial independence, retirement, college education or a new home; 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. The assistance, advice, or guidance furnished to purchasers of respondents' chinchilla breeding stock by respondents will enable purchasers successfully to breed or raise chinchillas as a commercially profitable enterprise.

B. Using the word "association" or any other word of similar import or meaning in or as a part of respondents' trade or corporate name, or representing directly or by implication that respondents are an association or group formed for the mutual aid, benefit and protection of chinchilla ranchers; or misrepresenting in any manner the nature or character of respondents' business.

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

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

E. 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 respondents' products or services, and failing to secure from each such individual a signed statement acknowledging receipt of said order.

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

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

KNITS INTERNATIONALE, INC., ET AL.

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

Docket C-1721. Complaint, Apr. 8, 1970—Decision, Apr. 8, 1970

Consent order requiring a Miami Beach, Fla., importer and seller of ladies' ready-to-wear knitwear to cease misbranding its woolen and textile products and falsely advertising and deceptively guaranteeing its textile fiber products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, the Wool Products Labeling Act of 1939 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 Knits Internationale, Inc., a corporation, and David Brandy and Joy Brandy, individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provision of said Acts and the Rules and Regulations promulgated under the Wool Products Labeling Act of 1939 and the Textile

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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 Knits Internationale, 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 1800 Bay Road, Miami Beach, Florida.

Individual respondents David Brandy and Joy Brandy 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 importation and sale of ladies' ready-to-wear knitwear. Sales are mostly at the retail level, but some wholesale business is done.

PAR. 2. Respondents, now and for some time last past, have 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 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 wool products, namely ladies' garments, stamped, tagged, labeled, or otherwise identified as containing "100% Wool," whereas in truth and in fact, such garments contained substantially different fibers and amounts 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.

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 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. 6. 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. 7. 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, was a textile fiber product, namely a coat, advertised as "Silky Knit," whereas in truth and in fact said coat was composed of acetate.

PAR. 8. 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 by means of written advertisements distributed by respondents in interstate commerce and used to aid, promote, or to 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 the aforesaid disclosures and implications as to fiber content, but not limited thereto was the term "Silky Knit."

PAR. 9. The respondents have furnished false guaranties that their textile fiber products were not misbranded by falsely invoicing and writing on invoices that respondents had filed a continuing guaranty under the Textile Fiber Products Identification Act with the Fed-

eral Trade Commission, when such was not the fact, in violation of Section 10(b) of the Textile Fiber Products Identification Act and Rule 38(d) of the Rules and Regulations promulgated under said Act.

PAR. 10. The acts and practices of respondents as set forth in Paragraphs Seven, Eight and Nine above, were, and are, in violation of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder, and constituted and now constitute unfair and deceptive acts and practices 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 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 has reason to believe that the respondents have violated the said Acts, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed 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 Knits Internationale, 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 1800 Bay Road, Miami Beach, Florida.

Individual respondents David Brandy and Joy Brandy 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.

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 Knits Internationale, Inc., a corporation, and its officers, and David Brandy and Joy Brandy, 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 into commerce, or 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 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.

It is further ordered, That respondents Knits Internationale, Inc., a corporation, and its officers, and David Brandy and Joy Brandy, 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, deliv-

ery, 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 such products by falsely or deceptively stamping, tagging, labeling, invoicing, advertising, or otherwise identifying such products as to the name or amount of constituent fibers contained therein.

B. Falsely and deceptively advertising textile fiber products by making any representations, by disclosure 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 Sections 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.

It is further ordered, That respondents Knits Internationale, Inc., a corporation, and its officers, and David Brandy and Joy Brandy, 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 false guaranties that textile fiber products are not misbranded or falsely invoiced under the provisions of the Textile Fiber Products 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.

Complaint

IN THE MATTER OF

PARTY TIME MFG. COMPANY, ET AL.

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

Docket C-1722. Complaint, Apr. 8, 1970—Decision, Apr. 8, 1970

Consent order requiring a Pittston, Pa., manufacturer of party favors including wearing apparel in the form of paper leis to cease marketing dangerously flammable products and paper leis not flame proofed.

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 Party Time Mfg. Company, a partnership, and James J. Rosentel and Ruth Rosentel, individually and as copartners trading as Party Time Mfg. Company, 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 Party Time Mfg. Company is a partnership. The said partnership is organized, exists and does business in the State of Pennsylvania with its office and principal place of business located at 11 Tunnell Street, Pittston, Pennsylvania.

Individual respondents James J. Rosentel and Ruth Rosentel are copartners in said partnership. They formulate, direct and control the acts, practices and policies of said partnership and their office and principal place of business is the same as that of the partnership.

Respondents are engaged in the business of manufacture and sale of party favors, including wearing apparel, in the form of paper leis.

PAR. 2. Respondents are now and for some time last past have been engaged in the manufacture for sale, the sale, and offering for sale, in commerce, and in the importation into the United States, and have introduced, delivered for introduction, transported and caused to be transported in commerce, and have sold or delivered after sale or shipment in commerce, fabrics and products as the

terms "commerce," "fabric" and "product" are defined in the Flammable Fabrics Act, as amended, which fabrics and 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 fabrics were paper and among such products were paper leis manufactured from such paper.

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 advertising, offering for sale, sale and distribution of paper leis in commerce. Said paper leis are manufactured by the respondents and are shipped and sold in commerce. The aforesaid paper leis when manufactured by respondents are shipped from respondents' place of business in the State of Pennsylvania to customers located in various other States of the United States. Respondents maintained, and at all times mentioned, have maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 5. The respondents in manufacturing these leis have used paper which exhibited characteristics of rapid and intense burning and which, when used in the manufacture of the aforesaid leis, imparted to those products the same characteristics of rapid and intense burning so as to render such products dangerous and unsafe for use by individuals.

PAR. 6. The manufacture, sale and distribution of the aforesaid paper leis has had and now has the tendency and capacity to lead the purchasing public into the erroneous assumption that the said paper leis had been treated so as to make them safe for ordinary use. In truth and in fact the said leis have not been so treated.

PAR. 7. The aforesaid acts and practices of respondents as herein alleged were and are all to the prejudice and injury to the public and 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 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 Party Time Mfg. Company, is a partnership organized, existing and doing business under and by virtue of the laws of the State of Pennsylvania with its office and principal place of business located at 11 Tunnel Street, Pittston, Pennsylvania.

Respondents James J. Rosentel and Ruth Rosentel are copartners in said partnership and their address is the same as that of said partnership.

Respondents are engaged in the manufacture and sale of party favors including wearing apparel, in the form of paper leis, with their office and principal place of business located at 11 Tunnel Street, Pittston, Pennsylvania.

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 Party Time Mfg. Company, a partnership, and James J. Rosentel and Ruth Rosentel, individually and as copartners trading as Party Time Mfg. Company, and re-

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spondents' 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 fabric, product or related material 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 September 8, 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.

It is further ordered, That respondents Party Time Mfg. Company, a partnership, and James J. Rosentel, and Ruth Rosentel, individually and as copartners trading as Party Time Mfg. Company, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from the advertising, offering for sale, sale or distribution of paper leis in commerce, as "commerce" is defined in the Federal Trade Commission Act, unless and until said paper leis are flame proofed to such an extent that they will not ignite, burn or glow.

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.

Complaint

IN THE MATTER OF

JET PARTY FAVORS, INC., ET AL.

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

Docket C-1723. Complaint, Apr. 8, 1970—Decision, Apr. 8, 1970

Consent order requiring a Stamford, Conn., manufacturer of party favors including wearing apparel in the form of paper leis to cease marketing dangerously flammable products and paper leis not flame proofed.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, the Flammable Fabrics Act and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Jet Party Favors, Inc., a corporation, and Louis Schneider and Joel Cohen, 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 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 Jet Party Favors, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Connecticut. Respondents Louis Schneider and Joel Cohen are officers of said corporate respondent. They formulate, direct and control the acts, practices and policies of said corporation.

Respondents are engaged in the business of manufacture and sale of party favors, including wearing apparel, in the form of paper leis, with their office and principal place of business located at 114 Manhattan Street, Stamford, Connecticut.

PAR. 2. Respondents are now and for some time last past have been engaged in the manufacture for sale, the sale, and offering for sale, in commerce, and in the importation into the United States, and have introduced, delivered for introduction, transported and caused to be transported in commerce, and have sold or delivered after sale or shipment in commerce, fabrics and products as the terms "commerce," "fabric" and "product" are defined in the Flammable Fabrics Act, as amended, which fabrics and 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 fabrics were crepe paper and among such products were paper leis manufactured from such crepe paper.

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 constitute, 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 advertising, offering for sale, sale and distribution of paper leis, in commerce. Said paper leis are manufactured by the respondents and are shipped and sold in commerce. The aforesaid paper leis when manufactured by respondents are shipped from respondents' place of business in the State of Connecticut to customers located in various other States of the United States. Respondents maintained, and at all times mentioned, have maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 5. The respondents in manufacturing these leis have used paper which exhibited characteristics of rapid and intense burning and which, when used in the manufacture of the aforesaid leis, imparted to those products the same characteristics of rapid and intense burning so as to render such products dangerous and unsafe for use by individuals.

PAR. 6. The manufacture, sale and distribution of the aforesaid paper leis has had and now has the tendency and capacity to lead the purchasing public into the erroneous assumption that the said paper leis had been treated so as to make them safe for ordinary use. In truth and in fact the said leis have not been so treated.

PAR. 7. The aforesaid acts and practices of respondents as herein alleged were and are all to the prejudice and injury to the public and 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 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 Jet Party Favors, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Connecticut with its office and principal place of business located at 114 Manhattan Street, Stamford, Connecticut.

Respondents Louis Schneider, and Joel Cohen 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 Jet Party Favors, Inc., a corporation, and its officers, and Louis Schneider, and Joel Cohen, 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 September 8, 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 of 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.

It is further ordered, That respondents Jet Party Favors, Inc., a corporation, and its officers, and Louis Schneider, and Joel Cohen, 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 the advertising, offering for sale, sale or distribution of paper leis in commerce, as "commerce" is defined in the Federal Trade Commission Act, unless and until said paper leis are flame proofed to such an extent that they will not ignite, burn or glow.

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.

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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
WESTERN STAR BEEF, INC., ET AL.

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

Docket C-1479. Complaint, Jan. 21, 1969—Decision, Apr. 10, 1970

Order modifying an earlier order dated Jan. 21, 1969, 75 F.T.C. 139, prohibiting three Massachusetts meat retailers from using various deceptive practices in the sale of their products, by requiring the respondents to affirmatively disclose by a notice on the face of each installment sales contract that subsequent holders of the instrument shall be subject to all defenses which the customer has against the respondents.

DECISION AND ORDER REOPENING THE PROCEEDING AND
MODIFYING ORDER TO CEASE AND DESIST

The Federal Trade Commission's order to cease and desist in this proceeding became final on January 21, 1969 [75 F.T.C. 139]. On January 20, 1970, the Commission issued its Show Cause Order, requiring the named respondents to show cause, if there be any, why the Commission should not reopen this proceeding and alter and modify a portion of its said order. Service of said order to show cause was completed on February 7, 1970, and no answers were filed on behalf of said respondents within thirty days thereof. Pursuant to Section 3.72(b)(1) of the Commission's Rules of Practice, the respondents, having indicated no objection, are deemed to have consented to the proposed changes.

Therefore, the proceedings herein have been reopened, and the Commission's order to cease and desist herein is altered and modified to read as follows:

ORDER

It is ordered, That respondents Western Star Beef, Inc., a corporation, Great Western Beef Provisioners, Inc., a corporation, and Western Star Beef of Worcester, Inc., a corporation, and their officers, and James J. Kintigos and James J. Weldon, Jr., individu-

ally and as officers of said corporations, and respondents' 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:

(a) That under respondents' sales policy, meat advertised as "beef halves" will be sold only as two fore quarters of a beef carcass; that such sections of beef are subject to much waste by way of fat and bone, and contain the least desirable cuts of beef.

(b) Charges for cutting, trimming, wrapping or for any other service or process performed by respondents which are not included in the advertised prices, and which are required to be paid by the purchaser.

(c) That interest and/or carrying charges will be included in the installment payments if an account is not paid within either 105 days, or any other specified period of time, said time period to appear in purchasers' installment contracts.

(d) That beef halves and other untrimmed meats are sold subject to weight loss due to cutting, dressing and trimming.

(e) That the price charged for such meat is based on the weight thereof before cutting, dressing and trimming occurs.

(f) The average percentage of weight loss of such meat due to cutting, dressing and trimming, or, in the alterna-

tive, the range of percentages, minimum to maximum, of weight lost due to cutting, dressing, and trimming.

3. Disseminating, or causing the dissemination of any advertisement by means of United States mails, or by any means in commerce, as "commerce" is defined in the Federal Trade Commission Act, which misrepresents in any manner the price, quantity, or quality of any such products, or the terms, conditions and requirements of installment payment contracts executed by purchasers thereof.

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, which fails to comply with the affirmative requirements of Paragraph 2 or which contains any of the misrepresentations prohibited in Paragraph 3 hereof.

5. Discouraging the purchase of, or disparaging in any manner, 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 operating divisions of the corporate respondents and to all officers, managers and 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 respondents' 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 respondents Western Star Beef, Inc., a corporation, Great Western Beef Provisioners, Inc., a corporation, Western Star Beef of Worcester, Inc., a corporation and, their officers, and James J. Kintigos and James J. Weldon, Jr., individually and as officers of said corporations, and respondents' agents, representatives, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale, or distribution of meat or other products in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

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Failing to include the following legend on the face of any note or other instrument of indebtedness executed by respondents' customers in connection with the purchase of any meat or other food products.

Notice

Any holder of this instrument shall take it subject to any and all defenses which the maker hereof has against Western Star Beef, Inc., or any of its affiliates, which arise out of any representations or other conduct in connection with the contract giving rise to this instrument which violates the Federal Trade Commission Act or any other statute administered by the Federal Trade Commission.

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

BISHOP INDUSTRIES, INC.

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

Docket C-1724. Complaint, Apr. 10, 1970—Decision, Apr. 10, 1970

Consent order requiring a Union, N.J., manufacturer of beauty aids to cease the deceptive use of "before and after" photographs and other tests and demonstrations as proof of any fact or product feature of its cosmetic preparations.

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

PARAGRAPH 1. Respondent Bishop Industries, 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 2345 Vauxhall Road, in the city of Union, State of New Jersey.

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

PAR. 3. Respondent at all times mentioned herein has been and now is in substantial competition in commerce with individuals, firms and corporations engaged in the sale and distribution of beauty aids of the same general kind and nature.

PAR. 4. In the course and conduct of its business, and for the purpose of inducing the sale of its said facial lotion, respondent extensively employs advertising in newspapers and in national and regional magazines. Respondent's major advertising theme consists of a so-called "before and after" demonstration.

PAR. 5. The so-called "before and after" demonstration consists of two photographs of a woman's face placed side by side. Under one photograph, in small print, appears the legend "Un-retouched photo before Sudden Change." Under the other photograph, in equally small print, appears the legend "Un-retouched photo after Sudden Change using Hazel Bishop makeup."

PAR. 6. Through the use of the aforesaid pictorial demonstration and statements used in connection therewith, respondent represents, directly or by implication that such demonstration is evidence of how Sudden Change conceals embarrassing facial areas such as heavy lines, wrinkles, puffs and bags and improves the user's overall facial appearance.

PAR. 7. In truth and in fact, the aforementioned "before" photograph depicts a woman's face entirely devoid of all makeup and the aforementioned "after" photograph depicts a woman's face with Sudden Change lotion and additional makeup, including eye liner, eye shadow, lipstick, cream and powder complexion base and compact powder.

Therefore, the said pictorial demonstration, including the statement and representations used in connection therewith, is not evidence of the efficacy of Sudden Change lotion in concealing embarrassing facial areas, or improving the user's overall facial appearance, and therefore is false, misleading and deceptive.

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

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

DECISION AND ORDER

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

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

1. Respondent Bishop Industries, 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 2345 Vauxhall Road, in the city of Union, State of New Jersey.

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 Bishop Industries, Inc., a corporation, and its officers, agents, representatives and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of Sudden Change lotion or any other product in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

Advertising any such product by presenting a test, experiment or demonstration or part thereof that is presented as actual proof of any fact or product feature that is material to inducing the sale of the product, but which does not actually prove such fact or product feature.

It is further ordered, That respondent shall file a report of Compliance with the Commission within sixty (60) days from the date the order becomes final.

It is further ordered, That 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 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.

IN THE MATTER OF

STAR OFFICE SUPPLY CO., ET AL.

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

Docket 8749. Complaint, Nov. 27, 1967—Decision, Apr. 16, 1970

Order requiring a New York City distributor of stationery and office supplies to cease allowing their salesmen to falsely imply they have been recommended by officials of prospective purchasers' firms, falsely claiming connection with Government agencies, padding quantities of ordered merchandise, failing to furnish firm unit prices, substituting merchandise, refusing to accept cancellation of orders, and falsely claiming that overdue accounts have been assigned to a third party collection agency.