IN THE MATTER OF

ART RICH MANUFACTURING CO., INC., ET AL.

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

Docket C-1838. Complaint, Jan. 4, 1971—Decision, Jan. 4, 1971

Consent order requiring a Dalton, Ga., manufacturer and distributor of wearing apparel, including chenille robes, to cease violating the Flammable Fabrics Act by selling, importing, or delivering any fabric which fails to conform to the standards of said Act.

COMPLAINT

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

PARAGRAPH 1. Respondent Art Rich Manufacturing Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Georgia. Respondent Martin S. Richman, is an officer of said corporate respondent. He formulates, directs and controls the acts, practices and policies of said corporation.

The respondents are engaged in the manufacture, sale and distribution of wearing apparel, including but not limited to chenille robes, with their principal place of business located at 204 Bishop Street, Dalton, Georgia.

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

Among such products mentioned hereinabove were chenille robes.

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

DECISION AND ORDER

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

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

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Acts, and that complaint should issue stating its charges in that respect, 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 Art Rich Manufacturing Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Georgia.

Respondent Martin S. Richman is an officer of the corporate respondent. He formulates, directs and controls the acts, practices and policies of said corporate respondent.

Respondents are engaged in the business of the manufacture, sale and distribution of wearing apparel, including but not limited to chenille robes, with their office and principal place of business located at 204 Bishop Street, Dalton, Georgia.

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

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

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

It is further ordered, That the respondents herein shall, within ten (10) days after service upon them of this order, file with the Commission an interim special report in writing setting forth the respondents' intentions as to compliance with this order. This interim special report shall also advise the Commission fully and specifically concerning the identity of the product which gave rise to the complaint, (1) the amount of such product in inventory, (2) any action

taken and any further actions proposed to be taken to notify customers of the flammability of such products and to effect recall of such products from said customers, and of the results of such actions, (3) any disposition of such product since September 11, 1969, (4) any action taken or proposed to be taken to flameproof or destroy such products and the results of such action. 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 paper, silk, rayon and acetate, nylon and acetate, rayon, cotton or combinations thereof, in a weight of two ounces or less per square yard, or having a raised fiber surface made of cotton or rayon or combinations thereof. Respondents will submit samples of any such fabric, product or related material with this report. Samples of the fabric, product or related material shall be of no less than one square yard of material.

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

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

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

IN THE MATTER OF

THE PAWLEY COMPANY, 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–1839. Complaint, Jan. 4, 1971—Decision, Jan. 4, 1971

Consent order requiring a Denver, Colo., wholesaler of upholstery and drapery fabrics to cease and desist from misbranding its textile fiber products.

COMPLAINT

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

the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that the Pawley Company, a corporation, and Max Weisbly and Ben Hailpern, individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Textile Fiber Products Identification Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent The Pawley Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Colorado.

Respondents Max Weisbly and Ben Hailpern are officers of the corporate respondent. They formulate, direct and control the acts, practices and policies of said corporate respondent, including the acts and practices hereinafter set forth.

Respondents are wholesalers of upholstery and drapery fabrics, with their office and principal place of business located at 2601 Walnut Street, Denver, Colorado.

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

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

Among such misbranded textile fiber products but not limited thereto, were textile fiber products, namely upholstery fabrics, containing more than one fiber with labels attached to samples which set forth the generic name of a particular fiber, namely nylon, in

such a manner as to over emphasize the nylon content of the product, to detract from the required fiber content disclosure and to represent or imply, that the products were composed entirely of nylon when in truth and in fact the products contained fibers other than nylon.

PAR. 4. Certain of such textile fiber 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(b) of the Textile Fiber Products Identification Act, and in the manner and form prescribed by the Rules and Regulations promulgated under said Act.

Among such misbranded textile fiber products, but not limited thereto, were textile fiber products without labels and with labels which failed:

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

2. To disclose the true percentage of such fibers.

3. To disclose the name of the country where imported textile fiber products were processed or manufactured.

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

A. Generic names of fibers were used in non-required information on labels attached to samples in such a manner as to be false, deceptive or misleading as to fiber content, and to indicate, directly or indirectly, that such textile fiber products were composed wholly or in part of a particular fiber, when such was not the case, in violation of Rule 17(d) of the aforesaid Rules and Regulations.

B. Samples, swatches and specimens of textile fiber products subject to the aforesaid Act, which were used to promote or effect sales of such textile fiber products, were not labeled to show their respective fiber content and other information required by Section 4(b) of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder, in violation of Rule 21(a) of the aforesaid Rules and Regulations.

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

DECISION AND ORDER

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

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

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

1. Respondent The Pawley Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Colorado.

Respondents Max Weisbly and Ben Hailpern are officers of the corporate respondent. They formulate, direct and control the acts, practices and policies of said corporate respondent.

Respondents are wholesalers of upholstery and drapery fabrics with their office and principal place of business located at 2601 Walnut Street, Denver, Colorado.

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 Pawley Company, a corporation, and its officers, and Max Weisbly and Ben Hailpern, indi-

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

Misbranding textile fiber products by:

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

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

3. Using the generic names of fibers in non-required information on any label in such a manner as to be false, deceptive or misleading as to fiber content or to indicate, directly or indirectly, that such textile fiber products are composed wholly or in part of a particular fiber, when such is not the case.

4. Failing to affix labels showing the respective fiber content and other required information to samples, swatches, and specimens of textile fiber products subject to the aforesaid Act which are used to promote or effect sales of such textile fiber products.

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

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

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

IN THE MATTER OF

MURIEL'S, INC., DOING BUSINESS AS TROPIC TIES, 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-1840. Complaint, Jan. 4, 1971—Decision, Jan. 4, 1971

Consent order requiring a Miami Beach, Fla., manufacturer and retailer of men's neckties to cease and desist from misbranding and furnishing false guaranties on its textile fiber products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Textile Fiber Products Identification Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Muriel's, Inc., a corporation, doing business under its own name, and under the trade name Tropic Ties, and Paul Turner, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Textile Fiber Products Identification Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Muriel's, 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 620 Lincoln Road Mall, Miami Beach, Florida. Respondent Muriel's, Inc., also does business under the trade name Tropic Ties.

Individual respondent Paul Turner 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 manufacturing and retailing of men's neckties.

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

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

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

PAR. 4. Certain of such textile fiber products were further misbranded by respondents in that they were not stamped, tagged, labeled, or otherwise identified to show each element of information required to be disclosed by Section 4(b) of the Textile Fiber Products Identification Act, and in the manner and form prescribed by the Rules and Regulations promulgated under said Act.

Among such misbranded textile fiber products, but not limited thereto, were textile fiber products with labels which failed:

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

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

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

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

PAR. 6. Respondents have failed to maintain and preserve proper records showing the fiber content of the textile fiber products manufactured by them in violation of Section 6(a) of the Textile Fiber Products Identification Act and Rule 39 of the Regulations promulgated thereunder.

PAR. 7. The respondents have furnished false guaranties that textile fiber products were not misbranded or falsely or deceptively invoiced or advertised in violation of Section 10(b) of the Textile Fiber Products Identification Act.

PAR. 8. The acts and practices of respondents as set forth above were, and are, in violation of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder, and constituted, and now constitute, unfair methods of competition and unfair and deceptive acts and practices, in commerce, under the Federal Trade Commission Act.

DECISION AND ORDER

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

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the 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 Muriel's, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Florida.

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

Tropic Ties is a trade name used by the respondent Muriel's, Inc.

Respondents are engaged in the manufacturing and retailing of men's neckties with their office and principal place of business located at 620 Lincoln Road Mall, Miami Beach, Florida.

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 Muriel's, Inc., a corporation, doing business under its own name and under the trade name Tropic Ties, or any other name, and its officers, and Paul Turner, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, delivery for introduction, manufacture for introduction, sale, advertising, or offering for sale, advertising, delivery, transportation, in commerce, 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 de-

fined in the Textile Fiber Products Identification Act, do forthwith cease and desist from:

A. Misbranding textile fiber products by:

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

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

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

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

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

It is further ordered, That respondents Muriel's, Inc., a corporation, doing business under its own name and under the trade name Tropic Ties, or any other name, and its officers, and Paul Turner, 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 textile fiber product is not misbranded or falsely or deceptively invoiced or advertised under the provisions of the Textile Fiber Products Identification Act.

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

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

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

IN THE MATTER OF

CHRISTIAN DIOR-NEW YORK, INCORPORATED

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

Docket C-1841. Complaint, Jan. 4, 1971—Decision, Jan. 4, 1971

Consent order requiring a New York City manufacturer and seller of women's and misses' wearing apparel, including ladies' dresses, to cease violating the Flammable Fabrics Act by selling, importing, or deliverying any fabric which fails to conform to the standards of said Act.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Flammable Fabrics Act, as amended, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Christian Dior-New York, Incorporated, a corporation hereinafter referred to as respondent, has violated the provisions of the 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 Christian Dior-New York, Incorporated, is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondent is engaged in the manufacture and sale of women's and misses' wearing apparel including, but not limited to, ladies' dresses.

The office and principal place of business of the respondent is 498 Seventh Avenue, New York, New York.

PAR. 2. Respondent is now and for some time last past has been engaged in the manufacturing for sale, sale and offering for sale, in

commerce, and in the importation into the United States, and has introduced, delivered for introduction, transported and caused to be transported in commerce, and has sold or delivered after sale or shipment in commerce, products; and has manufactured for sale, sold, and offered for sale products made of fabric or related material which has been shipped and received in commerce, as the terms "commerce," "product," "fabric" and "related material" are defined in the Flammable Fabrics Act, as amended, which products and fabrics failed to conform to an applicable standard or regulation continued in effect issued or amended under the provisions of the Flammable Fabrics Act, as amended.

Among such products mentioned hereinabove were ladies' dresses.

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

DECISION AND ORDER

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

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

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

for a period of thirty (30) days, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings and enters the following order:

1. Respondent Christian Dior-New York, Incorporated, is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondent is engaged in the manufacture and sale of women's and misses' wearing apparel, including, but not limited to, ladies' dresses with its office and principal place of business located at 498 Seventh Avenue, New York, New York.

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

ORDER

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

It is further ordered, That respondent herein shall, within ten (10) days after service upon it of this order, file with the Commission an interim special report in writing setting forth the respondent's intention as to compliance with this order. This interim special report shall also advise the Commission fully and specifically concerning the identity of the product which gave rise to the complaint, (1) the amount of such product in inventory, (2) any action taken to notify cutomers of the flammability of such product and the results thereof and (3) any disposition of such product since March 9, 1970. Such report shall further inform the Commission whether respondent has in inventory any other fabric, product or related material having a plain surface and made of silk, paper, rayon and ace-

weight of two ounces or less per square yard or with a raised fiber surface and made of cotton or rayon or combinations thereof. Respondent will submit samples of any such fabric, product or related material with this report. Samples of the fabric, product or related material shall be not less than the square yard of material.

It is further ordered, That the respondent herein either process the fabrics which gave rise to this complaint and any wearing apparel made from said fabrics so as to bring them within the applicable flammability standards of the Flammable Fabrics Act, as amended, or destroy said fabrics or any wearing apparel made therefrom.

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

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

It is further ordered, That the respondent shall maintain full and adequate records concerning all products, fabrics or related materials subject to the Flammable Fabrics Act, as amended, which are sold or distributed by it.

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

IN THE MATTER OF

GOLDEN-VENET, 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-1842. Complaint, Jan. 4, 1971—Decision, Jan. 4, 1971

Consent order requiring a Millburn, N.J., retailer of furs to cease and desist from misbranding and deceptively invoicing any fur product.

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 Golden-Venet, Inc., a corporation, and Arthur Goldenberg, 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 Golden-Venet, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey.

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

Respondents are retailers of fur products with their office and principal place of business located at 217 Millburn Avenue, Millburn, New Jersey.

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

PAR. 3. Certain of said fur products were misbranded in that they were not labeled as required under the provisions of Section 4(2) of the Fur Products Labeling Act and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

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

PAR. 4. Certain of said fur products 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 fur products, but not limited thereto, were fur products covered by invoices which failed to disclose that the fur products were bleached, dyed or otherwise artificially colored, when such was the fact.

PAR. 5. Certain of said fur products were falsely and deceptively invoiced in that certain of said fur products were invoiced to show

that the fur contained therein was "natural" when in fact such fur was pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Section 5(b)(2) of the Fur Products Labeling Act.

PAR. 6. 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 Division of Textiles and Furs proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act and the 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 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 the Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Golden-Venet, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey with its office and principal place of business located at 217 Millburn Avenue, Millburn, New Jersey.

Respondent Arthur Goldenberg is an officer of the said corporation. He formulates, directs and controls the policies, acts and prac-

tices 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 Golden-Venet, Inc., a corporation, and its officers, and Arthur Goldenberg, 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 product; or in connection with the sale, advertising, offering for sale, transportation or distribution of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

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

2. Falsely or deceptively invoicing any fur product by failing to furnish an invoice, as the term "invoice" is defined in the Fur Products Labeling Act, showing in words and figures plainly legible all the information required to be disclosed by each of the subsections of Section 5(b)(1) of the Fur Products Labeling Act.

3. Representing directly or by implication on an invoice that the fur contained in such fur product is "natural," when such fur is pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

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

WOLVERINE SUPPLY & MFG. CO.*

ORDER OF DISMISSAL, ETC., IN REGARD TO THE ALLEGED VIOLATION OF SEC. 2(d) OF THE CLAYTON ACT

Docket 7972. Complaints, June 24, 1960, Aug. 25, 1960, Dec. 22, 1960—Decision, Jan. 6, 1971

Order and decision reopening 27 orders charging toy manufacturers with violations of Section 2(d) of the Clayton Act issued in 1962, 61 F.T.C. 629, rescinding the orders and dismissing the complaints.

ORDER AND DECISION REOPENING PROCEEDINGS RESCINDING ORDERS AND DISMISSING COMPLAINTS

The Commission having issued its orders to cease and desist against respondents on September 19, 1962 [61 F.T.C. 629], November 19, 1962, November 27, 1962, December 5, 1962, and December 13, 1962, and having issued on October 7, 1970, its order to show cause why these proceedings should not be reopened for the purpose of rescinding its said orders to cease and desist and dismissing its complaints; and having served its said order to show cause upon the respondents; and

The Commission being of the opinion that the order to show cause raises no substantial issue of fact requiring resolution; and

The Commission for the reasons set forth in its order to show cause being of the opinion that the public interest will best be served

*and the following related cases: Emence Industries, Inc., Docket No. 7974; Bilnor Corp., Docket No. 7975; Parker Bros., Inc., Docket No. 7976; American Machine & Foundry Co., Docket No. 7977; Transogram Co., Inc., Docket No. 7978; Ideal Toy Corp., Docket No. 7979; Tonka Toys, Inc., Docket No. 8242; Fisher-Price Toys, Inc., Docket No. 8243; Radio Steel & Mfg. Co., Docket No. 8244; Wen-Mac Corp., Docket No. 8245; The Hubley Manufacturing Co., Docket No. 8254; Milton Bradley Co., Docket No. 8256; Hamilton Steel Products, Inc., Docket No. 8257; Hassenfeld Bros., Inc., Docket No. 8258; Knickerbocker Toy Co., Inc., Docket 8101; Alexander Miner Sales Corp., Docket No. 8102; Remco Industries, Inc., Docket No. 8103; The A. C. Gilbert Co., Docket No. 8104; Revell, Inc., Docket No. 8224; Aurora Plastics Co., Docket No. 8225; Kohner Bros., Inc., Docket No. 8226; Mattel, Inc., Docket No. 8227; The Porter Chemical Co., Docket No. 8228; Multiple Products Corp., Docket No. 8229; Halsam Products, Co., Docket No. 8230; Horsman Dolls, Inc., Docket No. 8241.

by reopening the proceedings herein, rescinding its orders to cease and desist, and dismissing its complaints,

It is ordered, That these matters be, and they hereby are, reopened as to the respondents named herein.

It is further ordered, That the Commission's orders to cease and desist issued September 19, 1962, November 19, 1962, November 27, 1962, December 5, 1962, and December 13, 1962, be, and they hereby are, rescinded as to all respondents and that the complaints as to such respondents be, and they hereby are, dismissed.

IN THE MATTER OF

SUPERMARKET BROADCASTING NETWORK, INC., ET AL.

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

Docket C-1843. Complaint, Jan. 6, 1971—Decision, Jan. 6, 1971

Consent order requiring a Chicago, Ill., corporation operating a system of sound broadcasts in retail outlet stores to cease failing to offer or furnish its services to competitors of its retail store customers on a proportionally equal basis, failing to offer its services to all firms supplying its retail store customers, and acting as an intermediary between suppliers and retail stores without making all advantages offered available to all other retail customers.

COMPLAINT

The Federal Trade Commission, pursuant to the provisions of the Federal Trade Commission Act (15 U.S.C. Section 45), by virtue of the authority vested in it by said Act, having reason to believe that the parties named in the caption hereof and hereinafter more particularly described and referred to as respondents, have violated and are now violating the provisions of Section 5 of the Federal Trade Commission Act, as hereinafter more particularly described, 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. Supermarket Broadcasting Network, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois with its principal office located at 360 North Michigan Avenue, Chicago, Illinois. Respondent Super-

market Broadcasting Network, Inc., is known as and referred to herein as "SBN."

Respondent Robert E. Potter, Sr., is an individual and is now and during the times referred to herein has been the president and principal stockholder of the corporate respondent, Supermarket Broadcasting Network, Inc., with his principal office and place of business located at 360 North Michigan Avenue, Chicago, Illinois, and, as such, has directed, managed, and controlled the activities of the respondent corporation and has formulated the policies under which the acts and practices referred to herein have been conducted.

PAR. 2. DEFINITIONS. As used herein, the following words and phrases shall have the principal meanings and definitions indicated.

PARTICIPATING SUPPLIER-ADVERTISERS—include those engaged in the manufacture, packaging, sale and distribution of products and commodities, both edible and nonedible, normally sold in grocery stores, including supermarkets, and who contract with respondent SBN for the services and facilities provided by respondent SBN in broadcasting commercial announcements as hereinafter more particularly described.

WHOLESALER GROUPS—a central wholesaler who buys products from suppliers and who sells and distributes said products to retailers who in turn resell to consumers, and the retailers who have affiliated with the central wholesaler for the purposes of cooperative buying and cooperative merchandising.

PARTICIPATING NETWORK UNIT—any wholesaler group, as hereinbefore defined, or any unaffiliated retailer contracting with respondent SBN for the services, facilities, and payments as hereinafter more particularly described.

PARTICIPATING NETWORK OUTLET—a retail store, physically equipped with and using the broadcast equipment of the respondent SBN in the manner hereinafter described.

PAR. 3. Respondent SBN is now and for many years has been engaged in the operation of a system of sound broadcasts in participating network outlets (retail stores), by which music, news, public interest announcements and, particularly, commercial messages are disseminated to shoppers.

In connection with its business, respondent SBN solicits, enters into and executes contracts and agreements with wholesaler groups and sometimes with independent, non-affiliated retailers (participating network units), which contracts and agreements provide that SBN supplies the following services and facilities in connection with

the sale and offering for sale of participating supplier-advertisers' products:

1. SBN installs the sound broadcasting equipment in participating network outlets.

2. SBN arranges for and provides the in-store sound broadcasts by radio transmissions or audio tapes of background music, news, public interest announcements, and, particularly, commercial messages featuring the products of participating supplier-advertisers.

Said contracts also provide that the participating network outlet operators shall promote the products of participating supplier-advertisers by newspaper advertisements, hand bills, and in-store displays, in addition to permitting commercial messages on the sound broadcasts.

In addition to the foregoing the contracts and agreements with the participating network units typically provide that the participating network units will receive payment of money as consideration for the services or facilities furnished by or through the participating network unit in connection with the SBN program.

In connection with its business, respondent SBN solicits, enters into, and executes contracts and agreements with participating supplier-advertisers whose products are sold in the participating network outlets, which contracts and agreements provide that said participating supplier-advertisers pay SBN for the aforementioned services and facilities furnished by SBN, through SBN and by the participating network units.

Typically, the contracts between SBN and the participating supplier-advertisers provide that SBN will offer its services to all wholesalers and retail food outlets in the areas in which it has contracted to perform with the participating network units.

Respondent SBN's business is substantial. In 1966 it received approximately $896,000 from suppliers for advertising their products in about 1300 participating network outlets located in about 25 States of the United States.

PAR. 4. In the course and conduct of its business, respondent SBN has engaged and is now engaged in commerce, as "commerce" is defined in the Federal Trade Commission Act. Respondent SBN sends or causes to be sent, equipment, advertising materials, payments, communications, contracts, invoices and other items to and from its home offices in the State of Illinois to and from the many other States of the United States in which the participating network units and outlets are located. Respondent SBN's officers, employees and agents travel extensively from many of the States in the United

States to many other States of the United States in the course of the business of respondent SBN, and respondent SBN receives at its home offices in the State of Illinois, communications, payments of money, advertising copy and other items from many of its participating supplier-advertisers located in many of the other States of the United States.

In addition, many of the products sold and promoted in the participating network outlets under the SBN program and contracts as hereinbefore described have been transported from many States of the United States in which said products were manufactured, or prepared, or warehoused to many other States of the United States in which said participating network outlets are located.

PAR. 5. Many of the participating network outlets are in competition with other retailers, and many of the wholesalers participating with respondent SBN as participating network units are in competition with other wholesalers in the purchase, sale and distribution of food, grocery, and non-edible household products.

PAR. 6. In the course and conduct of its business in commerce and particularly since 1962, respondent SBN has been the principal instrumentality and factor in negotiating and executing promotional and advertising arrangements between participating supplier-advertisers and participating network units, as hereinbefore defined wherein:

A. Participating supplier-advertisers have paid or contracted for the payment of something of value to respondent SBN for the benefit of customers of such participating supplier-advertisers as compensation or in consideration for services and facilities furnished by or through said customers in connection with the sale or offering for sale of such participating supplier-advertisers' products by such customers, and wherein

B. Participating supplier-advertisers have contracted to furnish, have furnished, and contributed to the furnishing to customers, through respondent SBN of services and facilities connected with the sale or offering for sale of such participating supplier-advertisers' products

when respondents knew or should have known that the said payments for, or the said furnishing of, services and facilities were discriminatory in that neither SBN nor the participating supplier-advertisers offered and other wise made available or accorded such payments, for, or the furnishing of, services and facilities to all of said participating supplier-advertisers' customers, in-

cluding those who do not purchase directly, competing with those so favored.

PAR. 7. By conceiving, authorizing and initiating the contracts with the participating network units and with the participating supplier-advertisers as aforesaid, respondent SBN controlled and determined the terms, conditions, rates, amounts, times and territories of promotional arrangements between participating supplier-advertisers and their participating customers.

Although respondent SBN in many instances agreed with participating supplier-advertisers to offer the SBN program to all of the participating supplier-advertisers' customers competing with the participating network outlets in the distribution of said participating supplier-advertisers' products, respondent SBN failed to offer and otherwise make available on proportionally equal terms the SBN program to all of said participating supplier-advertisers' other customers, including those who do not purchase directly, who, in fact, competed with the favored.

In addition respondent SBN, knew or should have known that many of SBN's participating supplier-advertisers did not themselves offer and otherwise make available on proportionally equal terms the benefits of the payments, services and facilities of the SBN program to all of their other customers, including those who do not purchase directly, competing with their SBN participating customers in the distribution of such participating supplier-advertisers' products.

As a result, respondent SBN knew or should have known that the benefits of the payments, services and facilities of the SBN program were not offered, accorded and otherwise made available to all of said participating supplier-advertisers' customers, including those who do not purchase directly, competing in the distribution of said participating supplier-advertisers' products.

PAR. 8. The acts and practices of respondents, as herein alleged, are all to the prejudice of the public and constitute unfair methods of competition in commerce and unfair acts and practices in commerce within the intent and meaning and in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

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

Trade proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of Section 5 of the Federal Trade Commission Act; and

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

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

1. Respondent Supermarket Broadcasting Network, Inc., is a corporation organized and doing business under and by virtue of the laws of the State of Illinois, with its office and principal place of business located at 360 North Michigan Avenue, Chicago, Illinois.

Respondent Robert E. Potter, Sr., is an officer of said corporation and his address is 360 North Michigan Avenue, Chicago, Illinois.

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

ORDER

It is ordered, That respondent Supermarket Broadcasting Network, Inc., a corporation, and its officers, and respondent Robert E. Potter, Sr., individually and as an officer of respondent corporation, and their representatives, agents, and employees, directly, indirectly, or through any corporate or other device, in or in connection with their business in commerce, as "commerce" is defined in the Federal Trade Commission Act do forthwith cease and desist from:

1. Inducing and receiving, receiving or contracting for the receipt of anything of value from any supplier for the benefit of such supplier's customer, for the purpose of compensating such

supplier's customer for display and promotional services or facilities furnished by or through said supplier's customers, or for the purpose of furnishing display or promotional services and facilities, including background music and promotional announcements to said supplier's customers, in connection with the processing, handling, sale or offering for sale of such supplier's products by such customer, when respondents know or should know that such compensation, consideration, services, or facilities are not affirmatively offered, accorded, and otherwise made available by such supplier or respondents on proportionally equal terms to all the supplier's customers, including those who do not purchase directly from such supplier, competing with he favored customer in the sale and distribution of such supplier's products.

2. Paying or contracting for the payment of anything of value to or for the benefit of any customer of a supplier, as compensation or in consideration for any services or facilities furnished by or through such customer, or furnishing, contracting to furnish, or contributing to the furnishing of any service or facility, including background music and promotional announcements, to any customer of such supplier, in connection with the processing, handling, sale or offering for sale of any of such supplier's products, unless such payment, compensation, consideration, services or facilities are affirmatively offered, accorded, and otherwise made available to all of such supplier's customers, including those who do not purchase directly from such supplier, competing with the favored customer in the sale and distribution of such supplier's products.

3. Acting as an intermediary in transactions between suppliers and their customers as described in the complaint unless respondents affirmatively inform all such suppliers of such supplier's primary responsibility for seeing that the allowances they grant, or the services or facilities they furnish directly or indirectly in connection with the promotion of their products, to or for the benefit of some of their customers, are made available to all other customers, including those buying indirectly, who compete in the resale of their products with customers so favored.

It is further ordered, That respondents notify the Commission at least thirty (30) days prior to any proposed change in the corporate respondent such as dissolution, assignment, or sale resulting in the emergence of a successor corporation, the creation or dissolution of

subsidiaries or any other change in the corporation which may affect compliance obligations arising out of the order.

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

It is further ordered, That the respondents herein shall, within sixty (60) days of the effective date 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

VARIETY FROCKS, ET AL.

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

Docket C-1844. Complaint, Jan. 6, 1971—Decision, Jan. 6, 1971

Consent order requiring a New York City manufacturer and importer of women's wear, including maternity dresses, to cease violating the Flammable Fabrics Act by importing and selling any fabric which fails to conform to the standards of said Act.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Flammable Fabrics Act, as amended, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Variety Frocks, a partnership, and Irving Edelman and Benjamin Laub, individually and as copartners trading as Variety Frocks, 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 Variety Frocks is a partnership 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 1359 Broadway, New York, New York.

Individual respondents Irving Edelman and Benjamin Laub are copartners in said partnership. They formulate, direct and control

the acts, practices and policies of said partnership. Their address is the same as that of the partnership.

PAR. 2. Respondents are now and for some time last past have been engaged in the manufacture for sale, sale, offering for sale, in commerce, and in the importation into the United States, and have introduced, delivered for introduction, transported and caused to be transported in commerce, and have sold or delivered after sale or shipment in commerce, products; and have manufactured for sale, sold and offered for sale, products made of fabrics or related materials which have been shipped or received in commerce, as the terms "commerce," "product," "fabric" and "related material" 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 products mentioned hereinabove were maternity dresses.

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

DECISION AND ORDER

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

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute and 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 Variety Frocks is a partnership. The said partnership is organized, exists and does business in the State of New York with its office and principal place of business located at 1359 Broadway, New York, New York.

Respondents Irving Edelman and Benjamin Laub are copartners in said partnership. They formulate, direct and control the acts, practices, and policies of said partnership.

Respondents are manufacturers of women's apparel and their address is the same as that of the partnership.

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

ORDER

It is ordered, That respondents Variety Frocks, a partnership, and Irving Edelman and Benjamin Laub, individually and as copartners trading as Variety Frocks, or under any other name, 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; or manufacturing for sale, selling or offering for sale any product made of fabric or related material, which has been shipped or received in commerce as the terms "commerce," "product," "fabric" or "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 Acts.

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 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 February 19, 1970. 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 paper, silk, rayon, cotton, rayon and acetate, or nylon and acetate or combinations thereof in a weight of two ounces or less per square yard or with a raised fiber surface made of cotton or rayon or combinations thereof. Respondents will submit samples of any such fabric, product or related material with this report. Samples of the fabric, product or related material shall be of not less than one square yard of material.

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

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

MANNEQUIN ORIGINALS, INC., ET AL.

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

Docket C-1845. Complaint, Jan. 6, 1971—Decision, Jan. 6, 1971

Consent order requiring a New York City manufacturer and distributor of women's wearing apparel, including ladies' dresses, to cease violating the Flammable Fabrics Act by selling or importing any fabric which fails to conform to the standards of said Act.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Flammable Fabrics Act, as amended, and by virtue of the

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

PARAGRAPH 1. Respondent Mannequin Originals, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York. Its address is 498 Seventh Avenue, New York, New York.

Respondent Hugh S. Waltzer is an officer of the corporate respondent. He formulates, directs and controls the acts, practices and policies of the said corporate respondent including those hereinafter set forth and his address is the same as that of the corporate respondent.

Respondents are engaged in the manufacture, sale and distribution of women's wearing apparel, including, but not limited thereto, ladies' dresses.

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

Among such products mentioned hereinabove were ladies' dresses.

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

DECISION AND ORDER

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

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

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Acts, and that complaint should issue stating its charges in that respect, 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 Mannequin Originals, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Individual respondent Hugh S. Waltzer is an officer of corporate respondent. He formulates, directs and controls the acts, practices and policies of the said corporate respondent.

Respondents are engaged in the manufacture, sale and distribution of women's wearing apparel, including, but not limited thereto, ladies' dresses with their office and principal place of business located at 498 Seventh Avenue, New York, New York.

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

ORDER

It is ordered, That the respondents Mannequin Originals, Inc., a [illegible] and Hugh S. Waltzer, individually and

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

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

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

It is further ordered, That the respondents herein shall, within ten (10) days after service upon them of this order, file with the Commission an interim special report in writing setting forth the respondents' intentions as to compliance with this order. This interim report shall also advise the Commission fully and specifically concerning the identity of the products which gave rise to the complaint and (1) the number of such products in inventory, (2) any action taken and any further actions proposed to be taken to notify customers of the flammability of such products and to effect the recall of such products from customers, and of the results of such actions, (3) any disposition of such products since March 5, 1970, and (4) any action taken or proposed to be taken to flameproof or destroy such products and the results of such action. 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 paper, silk, rayon and acetate, nylon and acetate, rayon, cotton or combinations thereof in a weight of two ounces or less per square yard, or having a raised fiber surface made of cotton

or rayon or combinations thereof. Respondents will submit samples of any such fabric, product or related material with this report. Samples of the fabric, product or related material shall be of no less than one square yard of material.

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

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

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

IN THE MATTER OF

KURT LEDERER TRADING AS E. K. FASHION MFG. CO.

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

Docket C-1846. Complaint, Jan. 6, 1971—Decision, Jan. 6, 1971

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

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Flammable Fabrics Act, as amended, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Kurt Lederer, individually and trading as E. K. Fashion Mfg. Co., hereinafter referred to as respondent, has violated the provisions of said Acts, and the Rules and Regulations promulgated under the Flammable Fabrics Act, as amended, and it appearing to the Commission that a proceeding by

it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Kurt Lederer is an individual trading under the name of E. K. Fashion Mfg. Co., with his office and principal place of business located at 37 East 28th Street, New York, New York.

The respondent is engaged in the sale and distribution of products including, but not limited to, ladies' scarves.

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

Among such products mentioned hereinabove were ladies' scarves.

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

DECISION AND ORDER

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

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

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondent has violated the said Acts, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed 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 Kurt Lederer is an individual trading under the name of E. K. Fashion Mfg. Co. He is engaged in the business of selling and distributing products, including ladies' scarves, with his office and principal place of business located at 37 East 28th Street, New York, New York.

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

ORDER

It is ordered, That respondent Kurt Lederer, individually and trading as E. K. Fashion Mfg. Co., or 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 manufacturing for sale, selling, offering for sale, in commerce, or importing into the United States, or introducing, delivering for introduction, transporting or causing to be transported in commerce, or selling or delivering after sale or shipment in commerce, any product, fabric or related material; or manufacturing for sale, selling or offering for sale, any product made of fabric or related material which has been shipped or received in commerce, as "commerce," "product," "fabric" or "related material" are defined in the Flammable Fabrics Act, as amended, which product, fabric or related material, fails to conform to any applicable standard or regulation continued in effect, issued or amended under the provisions of the aforesaid Act.

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

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

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

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

IN THE MATTER OF

CROWN CHINCHILLA ASSOCIATES, ET AL.

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

Docket C-1847. Compalint, Jan. 8, 1971—Decision, Jan. 8, 1971

Consent order requiring a Salina, Kans., partnership engaged in selling and distributing chinchilla breeding stock to cease making exaggerated earning claims, misrepresenting that it is feasible to breed chinchilla stock in garages and basements, that their animals are hardy and not susceptible to diseases, and misrepresenting the fertility of their stock and their 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 Crown Chinchilla Associates, a partnership, and James D. Herman and Jerry Skinner, individually and as copartners trading and doing business as Crown Chinchilla Associates, 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 Crown Chinchilla Associates is a partnership comprised of the following named individuals who formulate, direct and control the acts and practices hereinafter set forth. The principal office and place of business of said partnership is located at 1200 West Crawford, Salina, Kansas.

Respondents James D. Herman and Jerry Skinner are individuals and copartners trading and doing business as Crown Chinchilla Associates, with their principal office and place of business located at the above-stated address.

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

PAR. 4. In the course and conduct of their business and for the purpose of inducing the sale of their chinchillas, the respondents have made, and are now making, numerous statements and representations in direct mail advertising and through the oral statements and display of promotional material to prospective purchasers by salesmen, with respect to the breeding of chinchillas in the home for profit without previous experience, the rate of reproduction of said animals, the expected income from the sale of their pelts and their hardiness and freedom from disease.

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

95% of all ranchers beginning operation use their own homes.

Any room of your house, such as spare room, enclosed porch, garage or base-

ment will do for a start the first few years.

Chinchillas are odor free—can be raised indoors in a spare bedroom or garage.

They can produce litters every 111 days. Litters vary from 1 to 5.

THE MARKET DEMAND IS GROWING!

Quality pelts bring from up to $60 cash on today's market, and the demand for pelts increases every year! We market your pelts—or—live production. Chinchilla pelts are in constant short supply—which means a consistent, increasing market demand. The profit is unequalled, considering your investment, time and space required to raise select quality chinchillas. There is nothing you can raise or grow on a part time basis that can equal raising quality chinchillas.

GUARANTEED PRODUCTION A GUARANTEED MARKET NO COMPETITION

Fun and Profit for the whole family . . . Raising Chinchillas.

One male and six females are recommended to start a money-making herd. These animals will produce an estimated 150% gain each year, in other words from a start of seven animals in a five year period you should have up to 250 breeding chinchillas. Using this illustration it is possible you can produce 550 offspring per year. Industry figures indicate you should *net* $10.00 or more per pelt.

The Crown complete program includes personal visits to your ranch for help and supervision. . . .

We urge you to join the hundreds of other successful Crown Chinchilla Ranchers.

We place a herd of 6 females and one male with a rancher. This person, through proper care, diet and up breeding, can develop this into a business that will net him a yearly income of $6,000—$8,000 or more.

PAR. 5. By and through the use of said statements and representations made by respondents in their advertising and promotional material and in oral representations made by their salesmen, and others of similar import and meaning, but not expressly set out herein, respondents represent, directly or indirectly, that:

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

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

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

4. Each female chinchilla purchased from respondents, and each female offspring will average at least two litters per year with an average of at least two offspring per litter.

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

6. The pelts from the offspring of respondents' breeding stock sell for an average price of $30 per pelt.

7. There is a great demand for pelts of offspring of chinchilla breeding stock purchased from respondents.

8. A purchaser starting with six females and one male of respondents' breeding stock will recover his original investment in three years and earn at least $5,000 per year after five years of operation.

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 spare rooms, enclosed porches, garages or basements and large profits cannot be made in this manner. Such quarters or buildings, unless they have adequate space and the requisite temperature, humidity, ventilation and other necessary environmental conditions are not adaptable to or suitable for the breeding or raising of chinchillas on a commercial basis.

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

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

4. Each female chinchilla purchased from respondents and each female offspring will not produce an average of at least two litters each year nor an average of at least two offspring per litter, but generally less than that number, since respondents' figures do not allow for factors which reduce chinchilla production such as stillbirths, those that die after birth, culls unfit for breeding, fur chewers and sterile animals.

5. 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.

6. The pelts from offspring of respondents' chinchilla breeding stock could not expect to receive an average price per pelt of $30, but substantially less than that amount.

7. There is not a great demand for the offspring nor for pelts of offspring of chinchilla breeding stock purchased from respondents.

8. A purchaser of six females and one male of respondents' chinchilla breeding stock cannot reasonably expect to recover his investment in three years nor earn profits of at least $5,000 per year after five years of operation but substantially less than those amounts.

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.

PAR. 8. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has, the tendency and capacity 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 Consumer Protection proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the 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 Crown Chinchilla Associates is a partnership comprised of the following named individuals who formulate, direct and control the acts and practices hereinafter set forth. The principal office and place of business of said partnership is located at 1200 West Crawford, Salina, Kansas.

Respondents James D. Herman and Jerry Skinner are individuals and copartners trading and doing business as Crown Chinchilla Associates, with their principal office and place of business located at the above-stated address.

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 Crown Chinchilla Associates, a partnership, and James D. Herman and Jerry Skinner, individually and as copartners trading and doing business as Crown Chinchilla Associates, or under any other name or names, 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 spare rooms, enclosed porches, garages or basements 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 and that large profits can be made in this manner.

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

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

4. Each female chinchilla purchased from respondents and each female offspring will average at least two litters per year with an average of at least two offspring per litter.

5. The number of litters or 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.

6. 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.

7. Pelts from the offspring of respondents' chinchilla breeding stock sell for an average price of $30 per pelt.

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

9. 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.

10. A purchaser starting with six females and one male of respondents' breeding stock will recover his original in-

vestment in three years and earn at least $5,000 per year after five years of operation.

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.

B. Misrepresenting in any manner the earnings or profits to purchasers 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 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 partnership 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 partnership such as dissolution, assignment or sale resulting in the emergence of a successor partnership, the creation or dissolution of subsidiaries or any other change in the partnership 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

SIDLIS SALES CORPORATION, ET AL.

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

Docket C-1848. Complaint, Jan. 13, 1971—Decision, Jan. 13, 1971

Consent order requiring a District Heights, Md., seller and distributor of electronic products and household furnishings to cease using the words "Sale"

constitute an actual reduction, using such words in conjunction with non-sale items, using the words "Regular" and "Reg." for any price in excess of prices realized in earlier sales, misrepresenting that purchasers will be afforded savings between present and earlier prices, failing to maintain records adequate to disclose the basis of savings claims, and failing to disclose the nature, conditions and extent of its guarantees.

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 Sidlis Sales Corporation, a corporation, and Sidney Liss and Burton Liss, 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. Sidlis Sales Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of Maryland, with its principal office and place of business located at 6421 Marlboro Pike, District Heights, Maryland, having moved to the above said location in 1968, from 745 15th Street, N.E., Washington, D.C.

Respondents Sidney Liss and Burton Liss are officers of said corporation. Said respondents are now, and for some time last past have been, individually and in concert, formulating, directing and controlling the acts and practices of the corporate respondent, including the acts and practices set forth herein. They have a business address the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale, and distribution of a variety of merchandise, including new and used television sets, and new stereos, stereo tape players, eight-track stereo cartridge tapes, and other similar electronic products for car and home use and, to a lesser extent, household furnishings, including furniture and carpeting, to the public at retail.

PAR. 3. In the course and conduct of their business as aforesaid, respondents now cause, and for some time last past have caused, their said merchandise, when sold, to be shipped from their place of business in the State of Maryland and from their former place of business located in the District of Columbia, to purchasers thereof located in various States of the United States and in the District of

Columbia, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business as aforesaid, and for the purpose of inducing the purchase of their merchandise, the respondents have made, and are now making, numerous statements and representations in advertisements inserted in newspapers of general interstate circulation. Typical and illustrative of the foregoing but not all inclusive thereof, are the following:

WE HAVE GUARANTEED TRADE-INS
RECONDITIONED AND GUARANTEED

PAR. 5. By and through the use of the above-quoted statements and representations, and other of similar import and meaning but not expressly set out herein, the respondents have represented, and are now representing, directly or by implication, that their product guarantee is unconditional.

PAR. 6. In truth and in fact, respondents' product guarantees are not unconditional, but are subject to limitations and conditions which are not revealed in the advertising of said guarantees.

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 as aforesaid and for the purpose of inducing the purchase of their merchandise, the respondents have made, and are now making, numerous statements and representations in advertisements inserted in newspapers of general interstate circulation, or by means of radio broadcasts. typical and illustrative of the foregoing, but not all inclusive thereof, are the following:

8-Track Stereo Tapes
Reg. $6.95; Sale $4.95
PRE-CHRISTMAS SALE—3 DAYS ONLY.
72" Stereo 12 Speaker System
120 Watts I.P.P.
96" Stereo 16 Speaker System
120 Watts I.P.P. $429
"Sound Around" Speakers
100 Watts I.P.P. $199
Built In Eight Track Tape Player
100 Watts I.P.P. $229
60" Stereo 80 Watts I.P.P.
Walnut Cabinet $199
2000 Latest Releases 8 Track Tapes
Reg. $6.96 Our Price $4.99

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

1. The higher prices, accompanied by the words "Regular," "Reg.," or words of similar import or meaning, were the prices at which the advertised merchandise was offered for sale or sold by the respondents in good faith for a reasonably substantial period of time in the recent, regular course of their business. Purchasers of such merchandise would save an amount equal to the difference between respondents' higher selling prices and the corresponding advertised lower selling prices.

2. During the period of the advertised "Sale" or "Pre-Christmas Sale," or words of similar import and meaning, the advertised price of any merchandise represents a reduction from the price at which respondents have made a bona fide offer to sell or have sold said merchandise on a regular basis for a reasonably substantial period of time in the recent, regular course of their business.

3. The represented reduced prices are offered only during the limited period of the sale and such reduced prices will be returned to respondents' pre-sale bona fide offering price or to some other substantially higher amount immediately after completion of the sale.

PAR. 9. In truth and in fact:

1. The higher prices, accompanied by the words "Regular," "Reg.," or words of similar import and meaning, were not the prices that advertised merchandise was offered for sale or sold by respondents in good faith for a reasonably substantial period of time in the recent, regular course of their business, and purchasers thereof would not save amounts equal to the difference between respondents' higher selling prices and the corresponding advertised lower selling prices.

2. During the period of the advertised "Sale" or "Pre-Christmas Sale," or words of similar import and meaning, the advertised price of any merchandise did not represent a reduction from the price at which respondents have made a bona fide offer to sell or have sold said merchandise on a regular basis for a reasonably substantial period of time in the recent, regular course of their business.

3. The represented reduced prices are not offered for a limited period of time, but are the prices at which respondents sell or offer to sell their merchanidse on a regular basis for a resonably substantial period of time in the recent, regular course of their business.

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

PAR. 10. In the course and conduct of their aforesaid business at all times mentioned herein, respondents have been in substantial competition, in commerce, with corporations, firms and individuals engaged in the sale of merchandise of the same general kind and nature as the aforesaid merchandise sold by the respondents.

PAR. 11. The use by respondents of the aforesaid false, misleading and deceptive statements, representations, acts and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were and are true, and into the purchase of substantial quantitites of respondents' merchandise by reason of said erroneous and mistaken belief.

PAR. 12. The acts and practices of the respondents as set forth above 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 volation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

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

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

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Act, and that complaint should issue stating its charges in that respect, and having thereupon accepted the exe-

cuted consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in Section 2.34(b) of its Rules, the Commission issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Sidlis Sales Corporation is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Maryland with its office and place of business located at 6821 Marlboro Pike, District Heights, Maryland.

Respondents Sidney Liss and Burton Liss are individuals and officers of said corporation. They formulate, direct and control the acts and practices of said corporation, and their address is the same as that of the corporation.

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

ORDER

It is ordered, That respondents Sidlis Sales Corporation, a corporation, and its officers, and Sidney Liss and Burton Liss, 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 television sets, radios, stereos, radio-television-stereo combinations, stereo tape players, 8-track cartridge tapes, or other articles of merchandise, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using the words "Sale," or "Pre-Christmas Sale," or any other word or words of similar import or meaning unless the price of such merchandise being offered for sale constitutes a reduction, in an amount not so insignificant as to be meaningless, from the actual bona fide price at which such merchandise was sold or offered for sale to the public on a regular basis by respondents for a reasonably substantial period of time in the recent, regular course of their business.

2. Using the words "Sale," or "Pre-Christmas Sale," or any other word or words of similar import or meaning, in advertising or other promotional material containing non-sale items, without clearly and conspicuously revealing in immediate conjunction with said representations that non-sale items are contained therein, and distinctly identifying said non-sale items.

3. Using the words "Regular," "Reg.," or any other words of similar import or meaning to refer to any price 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 misrepresenting, in any manner, the usual or regular selling price of respondents' merchandise.

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

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

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

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

6. Failing to maintain adequate records (a) which disclose the facts upon which any savings claims, including former pricing claims and comparative value claims, and similar representations of the type described in Paragraphs 1–5 of this order are based, and (b) from which the validity of any savings claims, including former pricing claims and comparative value claims, and similar representations of the type described in Paragraphs 1–5 of this order can be determined.

7. Representing, directly or by implication, that any article of merchandise is guaranteed, without clearly and conspicuously disclosing the nature, conditions and extent of the guarantee, the identity of the guarantor, and the manner in which the guarantor will perform thereunder.

It is further ordered, That the respondents shall forthwith distribute a copy of this order to each of their respective operating divisions or departments.

It is further ordered, That respondents notify the Commission at least thirty (30) days prior to any proposed changes in the corporate respondent such as dissolution, assignment or sale resulting in the emerging 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 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

SHARP ELECTRONICS CORPORATION, ET AL.

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

Docket C-1849. Complaint, Jan. 13, 1971—Decision, Jan. 13, 1971

Consent order requiring a Carlstadt, N.J., distributor of television and radio sets and other electronic appliances to cease misrepresenting that the repair rate of respondent's products is based on data of the United States Department of Commerce, using an asterisk to refer to a footnote stating that the size of the picture is a diagonal measurement, and using any size measurement of the picture other than the viewable picture area measured on a single plane basis. Respondent's New York City advertising agency is also ordered to cease making the above misrepresentations, provided that it shall be a defense that it did not know that the data not sustain such representations.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by that Act, the Federal Trade Commission, having reason to believe that Sharp Electronics Corporation, a corporation, Wisser & Sanchez Inc., a corporation,

and Lawrence Wisser, as an officer of Wisser & Sanchez Inc., hereinafter referred to as respondents, have engaged in acts and practices contrary to the Commission's Trade Regulation Rule relating to Deceptive Advertising as to Sizes of Viewable Pictures Shown by Television Receiving Sets (16 CFR 410), and, by this and other means, have violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Sharp Electronics Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its principal office and place of business located at 178 Commerce Road in the city of Carlstadt, State of New Jersey.

Wisser & Sanchez 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 223 East 48th Street, in the city of New York, State of New York.

Respondent Lawrence Wisser is an individual and an officer of Wisser & Sanchez Inc. His address is the same as that of Wisser & Sanchez Inc.

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

PAR. 2. Respondent Sharp Electronics Corporation is now, and for some time last past has been, engaged in the advertising, offering for sale, sale and disbribution of televisions, radios, and other appliances and electronic products to distributors, jobbers or others, for resale to the public.

Respondents Wisser & Sanchez Inc., and its officer Lawrence Wisser are in the advertising business. They are now, and for some time last past have been, engaged in formulating, preparing and placing for publication advertising copy for dissemination in publications of general circulation concerning televisions and other products of respondent Sharp Electronics Corporation.

PAR. 3. In the course and conduct of its business as aforesaid, respondent Sharp Electronics Corporation now causes, and for some time last past has caused, its said products, when sold, to be shipped from their State of origin or distribution to purchasers thereof located in various other States of the United States and in the District of Columbia, and maintains, and at all times mentioned herein has maintained, a substantial course of trade in said products in

commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of its aforesaid business, and at all times mentioned herein, respondent Sharp Electronics Corporation has been, and now is, in substantial competition, in commerce, with corporations, firms and individuals in the sale of products of the same general kind and nature as that sold by said respondent.

In the course and conduct of their aforesaid business and at all times mentioned herein respondents Wisser & Sanchez Inc., and its officer Lawrence Wisser have been, and now are, in substantial competition, in commerce, with corporations, firms, and individuals engaged in the advertising business.

PAR. 5. In the course and conduct of their respective businesses, and for the purpose of inducing the purchase of Sharp Electronics Corporation's products, the respondents have made, and are now making, statements and representations in advertisements disseminated in publications of general circulation with respect to the repair rate of "Sharp" products.

Typical and illustrative of said statements and representations, but not all inclusive thereof, is the following: "Sharp's repair rate is much lower than the industry's. Based on U. S. Department of Commerce TV-Radio repair rate figures."

PAR. 6. By and through the use of the above-quoted statements and representations, and others of similar import and meaning but not expressly set out herein, the respondents have represented, and are now representing, directly or by implication, that their claim that "Sharp" products have a lower repair rate than the industry's is based upon and supported by official data or statistics of the United States Department of Commerce.

PAR. 7. In truth and in fact, respondents' said claim is neither based upon nor supported by official data or statistics of the United States Department of Commerce.

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

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

PAR. 9. The aforesaid acts and practices of respondents, as alleged in Paragraphs Five through Seven hereof 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.

PAR. 10. In the further course and conduct of their respective businesses, and for the purpose of inducing the purchase of Sharp Electronics Corporation's products, the respondents have made, and are now making, numerous statements and representations in advertisements disseminated in publications of general circulation with respect to the size of the picture shown by "Sharp" televisions.

Typical and illustrative of said statements and representations, but not all inclusive thereof, is the following: ". . . like our 12 inch portable shown here. And our 14 inch portable, and our 18 inch table model.*" On the bottom of the page, in print that is neither clear and conspicuous nor in close connection and conjunction with the size designations, the following notation appears: "*Diagonal measurements."

PAR. 11. On February 24, 1966, after due notice and hearing, the Commission promulgated, effective July 1, 1967, its Trade Regulation Rule Relating to Deceptive Advertising as to Sizes of Viewable Pictures Shown by Television Receiving Sets (16 CFR 410). On the basis of its findings, as set out in the "Accompanying Statement of Basis and Purpose" of the said Trade Regulation Rule, the Commission determined that:

> [I]t is an unfair method of competition and an unfair and deceptive act or practice to use any figure or size designation to refer to the size of the picture shown by a television receiving set or the picture tube contained therein unless such indicated size is the actual size of the viewable picture area measured on a single plane basis. If the indicated size is other than the horizontal dimension of the actual viewable picture area such size designation shall be accompanied by a statement, in close connection and conjunction therewith, clearly and conspicuously showing the manner of measurement.

PAR. 12. Notice is hereby given that the presentation of evidence in the course of a hearing in this proceeding may be required to dispose of the issues that may arise as a result of the allegations contained in Paragraphs One, Two, Three, Four, and Ten herein, and that if the issues presented as a result of the allegations contained in those paragraphs should be resolved in substantiation of such allegations, then the above Trade Regulation Rule is relevant to the alleged practices of the respondents. Therefore, the respondents are given further notice that they may present evidence, according to

Section 1.12(c) of the Commission's Procedures and Rules of Practice, to show that the above Trade Regulation Rule is not applicable to the alleged acts or practices of respondents. And if the Commission should find that the above Rule is applicable to alleged acts or practices of the respondents, then it will proceed to make its findings, conclusions, and final order in this proceeding on the basis of that Rule. A copy of the Rule and Accompanying Statement of Basis and Purpose, marked Appendix A,* is attached hereto and made a part of this pleading.

PAR. 13. The aforesaid methods of competition and acts and practices of respondents, as alleged in Paragraph Ten hereof, were and are contrary to the provisions and requirements of the Commission's Trade Regulation Rule Relating to Deceptive Advertising as to Sizes of Viewable Pictures Shown by Television Receiving Sets (16 CFR 410), and thereby constituted and now constitute unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce, in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

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

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the 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

* Appendix A was omitted in printing. Trade Regulation Rule relating to Deceptive Advertising as to Sizes of Viewable Pictures Shown by Television Receiving Sets effective January 1, 1967, appears in Title 16 of the Code of Federal Regulations Section 410.

record for a period of thirty (30) days, now in further conformity with the procedure prescribed in Section 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Sharp Electronics Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its principal office and place of business located at 178 Commerce Road in the city of Carlstadt, State of New Jersey.

Wisser & Sanchez 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 223 East 48th Street, in the city of New York, State of New York.

Respondent Lawrence Wisser is an individual and an officer of Wisser & Sanchez Inc. His address is the same as that of Wisser & Sanchez Inc.

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

ORDER

It is ordered, That respondent Sharp Electronics Corporation, 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 radios, televisions or other products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication, that any claim respecting the repair rate of respondent's products is based on data or statistics of the United States Department of Commerce, or that any claim respecting the repair rate or any other attribute or characteristic of respondent's products or any other product is based upon, supported, or established by data or statistics from any source, unless such data or statistics are competent to sustain and do in fact sustain such representation and unless respondent shall retain and make readily available such data or statistics for not less than three years following the publication or dissemination of such representation.

2. Using an asterisk referral to indicate that the measurement of the size of the picture shown by a television receiving set is a diagonal measurement.

3. Using any figure or size designation to refer to the size of the picture shown by a television receiving set or the picture tube contained therein unless such indicated size is the actual size of the viewable picture area measured on a single plane basis. If the indicated size is other than the horizontal dimension of the actual viewable picture area such size designation shall be accompanied by a statement, in close connection and conjunction therewith, clearly and conspicuously showing the manner of measurement.

It is further ordered, That respondent Wisser & Sanchez Inc., a corporation, its officers, and respondent Lawrence Wisser, as an officer of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of radios, televisions or other products, in commerce, as "commerce" is defined by the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication, that any claim respecting the repair rate of "Sharp" products is based on data or statistics of the United States Department of Commerce, or that any claim respecting the repair rate or any other attribute or characteristic of "Sharp" products or any other product is based upon, supported or established by data or statistics from any source, unless such data or statistics are competent to sustain and do in fact sustain such representation and unless respondent shall retain and make readily available such data or statistics for not less than three years following the publication or dissemination of such representation: *Provided, however*, That it shall be a defense hereunder that respondents neither knew or had reason to know that the data or statistics do not sustain such representation.

2. Using an asterisk referral to indicate that the measurement of the picture shown by a television receiving set is a diagonal measurement.

3. Using any figure or size designation to refer to the size of the picture shown by a television receiving set or the picture tube contained therein unless such indicated size is the actual size of the viewable picture area measured on a single plane basis. If the indicated size is other than the horizontal dimension of the actual viewable picture area such size designation shall be accompanied by a statement, in close connection and conjunction therewith, clearly and conspicuously showing the

manner of measurement: *Provided, however*, That it shall be a defense hereunder that respondents neither knew nor had reason to know that the size indicated was other than the horizontal dimension of the actual viewable picture area.

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

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

It is further ordered, That the 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

EXIMIL SALES CO., INC., ET AL.

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

Docket C-1850 Complaint, Jan. 14, 1971—Decision, Jan. 14, 1971

Consent order requiring a Brooklyn, N.Y.; seller of furniture and electrical appliances to cease violating the Truth in Lending Act by failing to make required cost disclosures to customers before sales were completed, failing to identify the creditor in credit transactions, and failing to disclose to customers the annual percentage rate in credit transactions.

COMPLAINT

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

PARAGRAPH 1. Respondent Eximil Sales Co., Inc., is a corporation organized, existing and doing business under and by virtue of the

laws of the State of New York, with its principal office and place of business located at 187–189 Graham Avenue, Brooklyn, New York.

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

PAR. 2. Respondents are now, and for some time last past have been, engaged in the sale of furniture and electrical appliances to the public, and in the purchase of consumer credit accounts receivable from itinerant peddlers.

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

PAR. 4. Subsequent to July 1, 1969, in the ordinary course of their business as aforesaid respondents have caused and are causing their customers to enter into contracts for the sale of respondents' goods, hereinafter referred to as "the contract." Respondents provide these customers with no evidence of or information concerning transactions, other than on the contract.

PAR. 5. By and through the use of the retail credit contract set forth in Paragraph Four, respondents have:

1. Failed to make disclosures to customers prior to consummation of the transaction, as required by Section 226.8(a) of Regulation Z.

2. Failed to identify the creditor in any credit transaction, as required by Section 226.8(a) of Regulation Z.

3. Failed to disclose the annual percentage rate with an accuracy at least to the nearest quarter of one percent, in accordance with Section 226.5 of Regulation Z, as required by Section 226.8(b)(2) of Regulation Z.

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

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging respondents named in the caption hereof with violation of the Federal Trade Commission Act, the Truth in Lending

Act and the implementing Regulation promulgated thereunder, and respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

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

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

1. Respondent Eximil Sales Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its principal office and place of business located at 187–189 Graham Avenue, in the County of Kings, New York, New York.

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

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

ORDER

It is ordered, That respondents Eximil Sales Co., Inc., a corporation, and its officers, and Exio Dominguez, individually and as an officer of said corporation, and respondents' agents, representatives, and employees, directly or through any corporate or other device, in connection with any extension or arrangement for the extension of consumer credit, as "consumer credit" is defined in Regulation Z (12 CFR Part 226) of the Truth in Lending Act (Public Law 90–321, 15 U.S.C. 1601 *et seq.*), do forthwith cease and desist from:

1. Failing to make disclosures to customers prior to consum-

mation of the transaction, as required by Section 226.8(a) of Regulation Z.

2. Failing to identify the creditor in any credit transaction, as required by Section 226.8(a) of Regulation Z.

3. Failing to disclose the annual percentage rate with an accuracy at least to the nearest quarter of one percent, in accordance with Section 226.5 of Regulation Z, as required by Section 226.8(b)(2) of Regulation Z.

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

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

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

IN THE MATTER OF

GOLDEN GRAIN MACARONI COMPANY, ET AL.

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

Docket 8737. Complaint, May 23, 1967—Decision, Jan. 18, 1971

Order requiring a San Leandro, California, Manufacturer of macaroni and related paste products to divest within one year all assets of three previously acquired competitors in the Pacific Northwest and not to acquire for the next 10 years without prior approval of the Federal Trade Commission all or part of any firm manufacturing macaroni products in the Pacific Northwest.

COMPLAINT

The Federal Trade Commission having reason to believe that Golden Grain Macaroni Company, a corporation, and Paskey DeDomenico, individually and as an officer of said corporation, herein-