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or indirectly, by any device or through subsidiaries or otherwise, the whole or any part of the stock, share capital or assets of any firm engaged in the manufacture or sale of cabinet hardware products without the prior approval of the Federal Trade Commission. Within thirty (30) days following the effective date of this order, and annually thereafter, Stanley shall furnish a verified written report setting forth the manner and form in which it intends to comply, is complying, or has complied with this paragraph."

* * * * *

It is further ordered, That the hearing examiner's initial decision and order to cease and desist, as above modified and as modified by the accompanying opinion, be and they hereby are, adopted as the decision and order of the Commission.

 IN THE MATTER OF

CASCADE HAT & CAP CO., ET AL.

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

Docket C-1921. Complaint, May 18, 1971—Decision, May 18, 1971

Consent order requiring a Portland, Ore., marketer of textile fiber products, including scarves, to cease violating the Flammable Fabrics Act by importing and selling any fabric which fails to conform to the standards of said Act.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Flammable Fabrics Act, as amended, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Cascade Hat & Cap Co., a corporation, and Hyman Stein, 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 Cascade Hat & Cap Co. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Oregon. Respondent Hyman Stein is an officer

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

The respondents are engaged in marketing and handling textile fiber products, including scarves, with their office and principal place of business located at 303 NW. Park Avenue, Portland, Oregon.

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

Among such products mentioned hereinabove were scarves.

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

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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

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

1. Respondent Cascade Hat & Cap Co. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Oregon.

Respondent Hyman Stein is an officer of said corporation, and formulates, directs, and controls the acts, practices and policies of said corporation.

Respondents are engaged in marketing and handling textile fiber products, including scarves, with their office and principal place of business located at 303 NW. Park Avenue, Portland, Oregon.

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 Cascade Hat & Cap Co., a corporation, and its officers, and Hyman Stein, 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 an applicable standard or regulation continued in effect, issued or amended under the provisions of the aforesaid Act.

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

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

It is further ordered, That the respondents herein shall, within ten (10) days after service upon them of this order, file with the Commission a special report in writing setting forth the respondents' intentions as to compliance with this order. This special report shall also advise the Commission fully and specifically concerning (1) the identity of the products which gave rise to the complaint, (2) the number of said products in inventory, (3) any action taken and any further actions proposed to be taken to notify customers of the flammability of said products and effect the recall of said products from customers, and of the results thereof, (4) any disposition of said products since February 27, 1970, and (5) any action taken or proposed to be taken to bring said products into conformance with the applicable standard of flammability under the Flammable Fabrics Act, as amended, or destroy said products, and the results of such action. Such report shall further inform the Commission as to whether or not respondents have in inventory any product, fabric, or related material having a plain surface and made of paper, silk, rayon and acetate, nylon and acetate, rayon, cotton or any other material or combinations thereof in a weight of two ounces or less per square yard, or any product, fabric or related material having a raised fiber surface. Upon request of the Commission respondents shall submit samples of not less than one square yard in size of any such product, fabric, or related material with this report.

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

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

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

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IN THE MATTER OF

CITY STORES COMPANY

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT*Docket C-1922. Complaint, May 18, 1971—Decision, May 18, 1971*

Consent order requiring a New York City chainstore corporation to cease using collection documents which simulate official documents and falsely representing that an independent attorney will imminently file suit against the alleged debtor.

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 City Stores Company, a corporation, hereinafter referred to as respondent, through its Franklin Simon division, has violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. City Stores Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its principal office and place of business located at 500 Fifth Avenue, New York, New York.

PAR. 2. Respondent is now, and for some time last past has been, engaged in operating a diversified group of approximately 133 retail stores, including the collection of delinquent accounts. Franklin Simon, a division of respondent, operates approximately 60 apparel specialty stores in 15 States and Washington, D.C.

PAR. 3. In the course and conduct of its business as aforesaid, respondent is now, and for some time last past has been, engaged in the transmission and receipt of goods, monies, checks, collection forms and letters and other written instruments among and between the various States of the United States and the District of Columbia and maintains, and at all times mentioned herein has maintained, a substantial course of trade in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of its business and for the purpose of collecting delinquent accounts, respondent's Franklin Simon division mails or causes to be mailed to alleged debtors various form letters, demands for payment, and other printed material.

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Typical and illustrative of Franklin Simon's forms, but not all inclusive thereof, is the following:¹

Said "Final Notice and Demand" document is mailed in a gray manila envelope carrying a return address, G.P.O. Box 8740, Philadelphia, Pennsylvania.

By and through the use of the aforesaid form and envelope, including the statements and representations thereon, respondent's Franklin Simon division represented, and now represents, directly or by implication that said "Final Notice and Demand" documents and envelope in form and content are official documents.

In truth and in fact, said "Final Notice and Demand" form and envelope are not official documents, but on the contrary are wholly private in origin.

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

PAR. 5. In the course and conduct of its business, respondent's Franklin Simon division often causes to be mailed to alleged debtors a letter from an independent attorney, Irwin J. Harrison, Esquire. Said letter reads in part as follows:

"As a result of your failure to make payment of the above amount, your account has been referred to me by Franklin Simon.

Unless payment is promptly made to Franklin Simon, it will be necessary to commence legal action and to obtain a judgment in the amount due with court costs and with the attendant expenses and time loss.

Such legal action can only be avoided by your immediate payment of the balance due on your account."

By and through the use of the aforesaid letter including the statements and representations contained therein, respondent's Franklin Simon division caused to be represented and now causes to be represented, directly or by implication, that the account has been placed with an independent attorney, Irwin J. Harrison, Esquire, for collection and that he has been instructed by Franklin Simon to file suit against the alleged debtor unless the alleged debt is immediately paid in full.

In truth and in fact, said attorney's services are limited to forwarding letters to alleged debtors, receiving telephone replies and the processing of alleged debtors answering letters, including the forwarding of monies received by him to Franklin Simon and said attorney does not institute collection suits for Franklin Simon. In the event that said attorney's letter is unsuccessful in collecting the

¹ Two pictorial forms were omitted in printing.

alleged debt, Franklin Simon refers the account to an independent collection agency which in turn repeats a series of individual dunning letters before any legal action is contemplated.

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

PAR. 6. In the course of its aforesaid business, and at all times mentioned herein, respondent's Franklin Simon division has been, and now is, in substantial competition, in commerce, with corporations, firms and individuals engaged in the business of the same general kind and nature of the business of Franklin Simon.

PAR. 7. The use by respondent's Franklin Simon division 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 to make payments on accounts by reason of said erroneous and mistaken belief.

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

DECISION AND ORDER

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

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

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondent has violated the said Act, and that complaint should issue stating its

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

1. Respondent City Stores Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 500 Fifth Avenue, New York, New York.

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

ORDER

It is ordered, That the respondent City Stores Company, a corporation, and its officers, representatives, agents and employees, directly or through any corporate device, in connection with the collection of delinquent accounts by its Franklin Simon division, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using any document, form or envelope which simulates an official document, form or envelope authorized, issued or approved by any governmental authority.

2. Falsely representing or causing to be falsely represented that respondent corporation intends to imminently file suit against the debtor unless the alleged debt is immediately paid in full.

3. Falsely representing or causing to be falsely represented that respondent has instructed an independent attorney to file suit against an alleged debtor unless the alleged debt is immediately paid in full.

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

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

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IN THE MATTER OF

OSAGE HANDKERCHIEF 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-1923. Complaint, May 18, 1971—Decision, May 18, 1971*

Consent order requiring a New York City importer and distributor of textile fiber products, including ladies' scarves, to cease violating the Flammable Fabrics Act by importing and selling any fabric which fails to conform with 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 Osage Handkerchief Co., Inc., a corporation, and Edward Debowsky, 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 Osage Handkerchief Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York. Its office and principal place of business is located at 40 West 37th Street, New York, New York.

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

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

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

to an applicable standard or regulation continued in effect, issued or amended under the provisions of the Flammable Fabrics Act, as amended.

Among such products mentioned hereinabove were ladies' scarves.

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

DECISION AND ORDER

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

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

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

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

Respondent Osage Handkerchief Co., Inc., is a corporation or-

ganized, existing and doing business under and by virtue of the laws of the State of New York. Its office and principal place of business is located at 40 West 37th Street, New York, New York.

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

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

ORDER

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

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

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

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

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of said scarves from customers, and of the results thereof, (4) any disposition of said scarves since September 2, 1970 and (5) any action taken or proposed to be taken to bring said scarves into conformance with the applicable standard of flammability under the Flammable Fabrics Act, as amended, or destroy said scarves and the results of such action. Such report shall further inform the Commission as to whether or not respondents have in inventory any product, fabric, or related material having a plain surface and made of paper, silk, rayon and acetate, nylon and acetate rayon, cotton or any other material or combinations thereof in a weight of two ounces or less per square yard, or any product, fabric, or related material having a raised fiber surface. Respondents shall submit samples of not less than one square yard in size of any such product, fabric, or related material with this report.

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

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

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

 IN THE MATTER OF

WARREN-REED, INC., ET AL.

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

Docket C-1924. Complaint, May 18, 1971—Decision, May 18, 1971

Consent order requiring a Birmingham, Ala., millinery shop which sells and distributes millinery, handbags and accessories, including scarves, to cease violating the Flammable Fabrics Act by importing and selling any fabric which fails to conform to the standards of said Act.

COMPLAINT

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

authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Warren-Reed, Inc., a corporation, and Armistead C. Warren, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts, and 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 Warren-Reed, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Alabama. Respondent Armistead C. Warren is an officer of said corporate respondent. He formulates, directs and controls the acts, practices and policies of said corporation.

Respondents are engaged in the business of the sale and distribution of products, namely millinery, handbags and accessories, including but not limited to scarves. Their office and principal place of business is located at 2215 First Avenue, Birmingham, Alabama.

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

Among such products mentioned hereinabove were scarves.

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

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the captioned hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Division of Textiles and Furs, Bureau of Consumer Protection proposed to present to the

Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act and the Flammable Fabrics Act, as amended; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said 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 Warren-Reed, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Alabama.

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

Respondents are engaged in the business of the sale and distribution of products, namely millinery, handbags and accessories, including but not limited to scarves. Their office and principal place of business is located at 2215 First Avenue, Birmingham, Alabama.

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 Warren-Reed, Inc., a corporation, and its officers and Armistead C. Warren, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from selling, offering for sale, in commerce or importing into the United States, or introducing, delivering for introduction, transporting or causing to be transported in com-

merce, 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 have been delivered the products which gave rise to the complaint, of the flammable nature of said products, and effect recall of said products from such customers.

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

It is further ordered, That the respondents herein shall, within ten (10) days after service upon them of this order, file with the Commission a special report in writing setting forth respondents' intentions as to compliance with this order. This special report shall also advise the Commission fully and specifically concerning (1) the identity of the product which gave rise to the complaint, (2) the number of said products in inventory, (3) any action taken and any further actions proposed to be taken to notify customers of the flammability of said products and effect the recall of said products and of the results thereof, (4) any disposition of said products since August 25, 1970 and (5) any action taken to bring said products into conformance with the applicable standard of flammability under the Flammable Fabrics Act, as amended, or destroy said products, and the results of such action. Such report shall further inform the Commission as to whether or not respondents have in inventory any product, fabric or related material having a plain surface and made of paper, silk, rayon and acetate, nylon and acetate, rayon, cotton or any other material or combinations thereof in a weight to two ounces or less per square yard, or any product, fabric or related material having a raised fiber surface. Upon request of the Commission respondents shall submit samples of not less than one square yard in size of any such product, fabric, or related material with this report.

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

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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

FABERGE, INC., ET AL.

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

Docket C-1925. Complaint, May 18, 1971—Decision, May 18, 1971

Consent order requiring a New York City seller and distributor of a device designated as a "Tone-O-Matic" belt to cease advertising that any such device can be an effective substitute for physical exercise and offering for sale its "Tone-O-Matic" belt without furnishing a warning that it may be physically injurious to some persons.

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

PARAGRAPH 1. Respondent Faberge, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Minnesota, with its principal office and place of business located at 1345 Avenue of the Americas, in the city of New York, State of New York.

Respondent Tone-O-Matic Products, 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 2436 30th Avenue in the city of St. Petersburg, State of Florida. Tone-O-Matic Products, Inc., is a wholly-owned subsidiary of Faberge, Inc.

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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 device which falls within the classification of "device," as said term is defined in the Federal Trade Commission Act. The device is designated by respondents as "Tone-O-Matic" belt. Said device is a weighted belt which consists of a leatherette covering with several compartments containing lead granules, and "Velcro" fastening strips at both ends of the belt which when pressed together hold the belt in place around the waist. Respondents instruct the wearers of said device to wear it while in the conduct of their normal activities or while participating in various sporting activities.

PAR. 3. Respondents cause the said device when sold, to be transported from their place of business in the State of Florida to purchasers thereof located in various other States of the United States and in the District of Columbia. Respondents maintain, and at all times mentioned herein have maintained, a course of trade in such device in commerce, as "commerce" is defined in the Federal Trade Commission Act. The volume of business in such commerce has been, and is substantial.

PAR. 4. In the course and conduct of their business as aforesaid, respondents have disseminated, and caused the dissemination of, certain advertisements concerning the said device by the United States mails and by various means in commerce, as "commerce" is defined in the Federal Trade Commission Act, including but not limited to, advertisements inserted in magazines and other advertising media, and by means of television and radio broadcasts transmitted by television and radio stations located in various States of the United States and in the District of Columbia, having sufficient power to carry such broadcasts across state lines, for the purpose of inducing and which were likely to induce, directly or indirectly, the purchase of said device; and have disseminated, and caused the dissemination of, advertisements concerning said device by various means, including but not limited to the aforesaid media, for the purpose of inducing and which were likely to induce, directly or indirectly, the purchase of said device in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 5. Typical of the statements and representations contained in said advertisements, disseminated, as aforesaid, but not all inclusive thereof, are the following:

Tone up * * * Trim Down. New and easy way while you work or play. Good news! Now you can recapture that lean waist look without long hours of monotonous exercise. Wear the Tone-O-Matic, and normal body movements pro-

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vide the exercise by forcing inactive muscles to carry the weight * * * all you do is wear it.

Trim your waistline while you work or play.

WEAR THE TONE-O-MATIC and firm up your waist without exercise and strengthen slack muscles. And all that effortless exercise can whittle inches off your waist (firm up your thighs and hips, too).

TONE-O-MATIC SCIENTIFICALLY WEIGHTED BELT

Good news * * * if you lack the time or will power for regularly scheduled exercise don't despair * * * here is your answer. Just wrap the Tone-O-Matic around your waist and go about your normal activities. No fuss * * * no strain * * * you are exercising in your own everyday movements. Wear the Tone-O-Matic and normal body movements provide the exercise by forcing inactive muscles to carry the weight.

You can trim inches off your waistline simply by wearing this scientifically weighted belt.

* * * if you don't have the time or the inclination to get that much needed exercise solve the problem . . . by wearing a Tone-O-Matic belt. Wait until you see what it can do for your waistline.

PAR. 6. Through the use of said advertisements, and others similar thereto, not specifically set out herein, respondents have represented and are now representing, directly or by implication that:

- 1. The Tone-O-Matic is effective as a substitute for exercise, in keeping physically fit, causing weight reduction, reduction of waistline and in firming abdominal muscles.
2. The Tone-O-Matic is safe for use.

PAR. 7. In truth and in fact:

- 1. The Tone-O-Matic is not effective as a substitute for exercise, in keeping physically fit, causing weight reduction, reduction of waistline and in firming abdominal muscles.
2. The Tone-O-Matic is not safe for use for all individuals. In fact, the wearing of the said device can cause physical injury to some individuals who wear it.

Therefore, the advertisements referred to in Paragraph Five and Six hereof were, and are, misleading in material respects and constituted, and now constitute "false advertisements" as that term is defined in the Federal Trade Commission Act.

PAR. 8. The dissemination by the respondents of the false advertisements, as aforesaid, constituted, and now constitutes, unfair and deceptive acts and practices in commerce, in violation of Sections 5 and 12 of the Federal Trade Commission Act.

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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 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 Faberge, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Minnesota, with its principal place of business located at 1345 Avenue of the Americas, in the city of New York, State of New York.

Respondent Tone-O-Matic Products, 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 2436 30th Avenue in the city of St. Petersburg, State of Florida. Tone-O-Matic Products, Inc., is a wholly-owned subsidiary of Faberge, 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 respondents Faberge, Inc., a corporation, and its officers, and Tone-O-Matic Products, Inc., a corporation, and its

officers, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of Tone-O-Matic belts, or any other device of similar composition or possessing substantially similar attributes, do forthwith cease and desist from directly or indirectly:

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

a. Any such device is or can be effective as a substitute for exercise.

b. Any such device is or can be effective in keeping physically fit.

c. Any such device is or can be effective in causing weight reduction or reduction of waistline.

d. Any such device is or can be effective in toning or firming abdominal muscles.

2. Advertising, offering for sale, selling or distributing the Tone-O-Matic or any other such device unless the following statement is disclosed clearly and conspicuously in all such advertisements and on the outside of all containers or packages in which the said product is sold:

"WARNING: This product may be physically injurious to some individuals. Consult your physician before purchase and use."

3. Disseminating, or causing the dissemination of, any advertisement, by any means, for the purpose of inducing or which is likely to induce, directly or indirectly, the purchase of respondents' devices in commerce, as "commerce" is defined in the Federal Trade Commission Act, which contains any of the representations prohibited in Paragraph 1 hereof.

4. Disseminating, or causing the dissemination of, any advertisement, by any means, for the purpose of inducing, or which is likely to induce, directly or indirectly, the purchase of respondents' devices, in commerce, as "commerce" is defined in the Federal Trade Commission Act, which contains statements which are inconsistent with, negate or contradict the affirmative disclosure required by Paragraph 2 of this order, or which in any way obscures the meaning of such disclosure.

It is further ordered, That the respondent corporations shall forth-

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with distribute a copy of this order to each of their operating divisions.

It is further ordered, That respondents submit to the Commission within sixty (60) days after the order becomes final all advertising for products covered by this order to show the manner of compliance therewith, and thereafter will submit samples of all such advertising each six months to show continued compliance.

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

IN THE MATTER OF

ITHACA GUN COMPANY, INC.

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

Docket C-1926. Complaint, May 26, 1971—Decision, May 26, 1971

Consent order requiring an Ithaca, N.Y., manufacturer and seller of sporting firearms and firearm accessories to cease requiring its retail dealers to agree to sell at resale prices fixed by respondent, harassing and threatening dealers to observe its resale prices, requesting dealers to report dealers who do not observe the established prices, preventing independent dealers from selling its products to any other distributor, and distributing list or documents indicating resale prices without stating such prices are only suggested.

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 Ithaca Gun Company, Inc., a corporation, and more particularly described and referred to hereinafter as respondent, has violated and is now violating the provisions of Section 5 of said Act (15 U.S.C. 45), and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges in respect thereto as follows.

PARAGRAPH 1. Respondent Ithaca Gun Company, Inc., is a corporation organized, existing and doing business under and by virtue

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of the laws of the State of New York, with its office and principal place of business located at 123 Lake Street, Ithaca, New York.

PAR. 2. Respondent has been and is now engaged in the manufacture, sale and distribution of sporting firearms and firearm accessories, with net sales in 1969 in excess of \$11,000,000. Respondent manufactures sporting firearms and firearms accessories at its plant located in Ithaca, New York, and sells such products directly to approximately 7,000 authorized dealers located throughout the United States.

PAR. 3. In the course and conduct of its business as aforesaid, respondent has been and is now engaged in commerce, as "commerce" is defined in the Federal Trade Commission Act, in that respondent has caused and now causes its various products to be shipped from the state of manufacture thereof to other States of the United States for resale and distribution through its authorized dealers.

PAR. 4. Except to the extent that competition has been hindered, frustrated, lessened and eliminated as set forth in this complaint, respondent has been and is now in competition with other persons, firms and corporations engaged in the manufacture, sale and distribution of sporting firearms and firearm accessories.

PAR. 5. Respondent, in combination, agreement, understanding and conspiracy with some of its authorized dealers, or with the cooperation or acquiescence of other of its dealers, has for the last several years been engaged in a planned course of action to fix, establish and maintain certain specified uniform prices at which its products are resold. In furtherance of said planned course of action, respondent has for the past several years engaged in the following acts and practices, among others:

- (a) Regularly furnishing all its dealers with price lists and necessary supplements thereto containing the established resale prices;
- (b) Establishing agreements, understandings and arrangements with its dealers, some of whom are located in states which do not have fair trade laws, as a condition precedent to the granting of a dealership, that such dealers will maintain its resale prices;
- (c) Informing its dealers, by direct and indirect means, that it expects and requires all of its dealers to maintain and enforce its resale prices, or such dealerships will be terminated;
- (d) Requiring its dealers to agree not to sell or otherwise supply its firearms and firearm accessories to anyone who is not an authorized dealer of the respondent;
- (e) Soliciting and obtaining from its dealers, cooperation and assistance in identifying and reporting dealers who advertise, offer

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to sell or sell respondent's products at prices lower than its established resale prices;

(f) Directing its salesmen, representatives, and other employees to secure and report information identifying any dealer who fails to adhere to and maintain its established resale prices; and,

(g) Threatening to terminate and terminating the authorization certificates of its dealers who fail or refuse to observe and maintain respondent's established resale prices.

PAR. 6. By means of the aforesaid acts and practices, and more, respondent, in combination, agreement, understanding and conspiracy with certain of its authorized dealers and with the acquiescence of other of its authorized dealers, has established, maintained and pursued a planned course of action to fix and maintain certain specified uniform prices at which respondent's products will be re-sold.

PAR. 7. The acts and practices of respondent as hereinabove described, have been and are now having the effect of hindering, lessening, restricting, restraining and eliminating competition in the resale and distribution of respondent's firearms and firearm accessories, and constitute unfair methods of competition in commerce, all in derogation of the public interest and in violation of Section 5 of the Federal Trade Commission Act.

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

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

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondent has violated the said Act, and that complaint should issue stating

its charges in that respect, having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, and having fully considered comments received from the public during said period, 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 Ithaca Gun Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 123 Lake Street, Ithaca, 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, Ithaca Gun Company, Inc., a corporation, its subsidiaries, successors, assigns, officers, directors, agents, representatives, and employees, individually or in concert, directly or through any corporate or other device, in connection with the manufacture, distribution, offering for sale or sale of firearms and firearm accessories, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from hindering, suppressing, or eliminating competition or from attempting to hinder, suppress, or eliminate competition between or among dealers handling respondent's products by:

1. Requiring dealers, through a franchise agreement or other means, to agree that they will resell at prices specified by respondent or that they will not resell below or above specified prices;

2. Requiring prospective dealers to agree, through direct or indirect means, that they will maintain respondent's specified resale prices as a condition of buying respondent's products;

3. Requesting dealers, either directly or indirectly, to report any person or firm who does not observe the resale prices suggested by respondent, or acting on reports so obtained by refusing or threatening to refuse sales to the dealers so reported;

4. Harassing, intimidating, coercing or threatening dealers, either directly or indirectly, to observe, maintain, or advertise established resale prices;

5. Directing or requiring respondent's salesmen, or any other agents, representatives, or employees, directly or indirectly, as part of any plan or program of requiring its dealers to adhere

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to its suggested resale prices, to report dealers who do not observe such suggested resale prices, or to act on such reports by refusing or threatening to refuse sales to dealers so reported;

6. Requiring from dealers charged with price cutting or failure to observe suggested resale prices, promises or assurances of the observance of respondent's resale prices as a condition precedent to future sales to said dealers;

7. Publishing, disseminating or circulating to any dealer, any price lists, price books, price tags or other documents indicating any resale or retail prices without stating on such lists, books, tags or other documents that the prices are suggested or approximate;

8. Utilizing any other cooperative means of accomplishing the maintenance of resale prices established by respondent;

9. Requiring or inducing by any means, dealers or prospective dealers to refrain, or to agree to refrain from reselling respondent's products to any other dealers or distributors;

Provided, however, Nothing hereinabove shall be construed to waive, limit or otherwise affect the right of respondent to enter into, establish, maintain and enforce in any lawful manner any price maintenance agreement excepted from the provisions of Section 5 of the Federal Trade Commission Act by virtue of the McGuire Act amendments to said Act and any other applicable statutes, whether, now in effect or hereafter enacted.

It is further ordered, That the respondent herein shall within sixty (60) days after service upon it of this order, mail a copy of this order to each of its dealers in the States of Alabama, Alaska, Hawaii, Kansas, Mississippi, Missouri, Montana, Nebraska, Nevada, Rhode Island, Texas, Utah, Vermont, Wyoming and Puerto Rico and the District of Columbia under cover of the letter annexed hereto as Exhibit A, and furnish the Commission proof of the mailing thereof.

It is further ordered, That the respondent herein shall:

1. Within sixty (60) days after service upon it of this order send each dealer terminated between January 1, 1966, and the date hereof and listed in Exhibit B annexed hereto (such list of terminated dealers having been previously verified by the staff of the Federal Trade Commission) a letter advising him that he may apply within thirty (30) days from receipt of that letter for reinstatement as a certified dealer;

2. Upon receipt of such application promptly reinstate any such dealer as a certified dealer; and

3. Within one hundred and twenty (120) days after service upon it of this order submit to the Commission a list of all

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dealers on Exhibit B who have not been reinstated and the reason or reasons therefor.

It is further ordered, That the respondent corporation shall forthwith distribute a copy of this order to each of its operating divisions, and to all of its sales personnel and shall instruct each sales person employed by it now or in the future to read this order and to be familiar with its provisions.

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

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.

EXHIBIT A

[Letterhead of Ithaca Gun Company, Inc.]

Dear Dealer: Ithaca Gun Company, Inc. has entered into an agreement with the Federal Trade Commission relating to the distributional activities and pricing policy of Ithaca Gun. A copy of the consent order entered into pursuant to that agreement is enclosed herewith.

Ithaca Gun has entered into this agreement solely for the purpose of settling a dispute with the Commission, and the agreement and order is not to be construed as an admission by Ithaca Gun that it has violated any of the laws administered by the Commission. Instead, the order merely relates to the activities of Ithaca Gun in the future.

In order that you may readily understand the terms of the order we have set forth the essentials of the agreement with the Commission although you must realize that the order itself is controlling rather than the following explanation of its provisions:

(1) While Ithaca Gun may suggest resale prices for its products, distribute suggested resale price lists, and preticket with suggested prices, Ithaca Gun will not solicit the agreement of its dealers in your state to adhere to those suggested prices or take any other action to induce such dealers to follow those suggested prices since they are not binding.

(2) Ithaca Gun will not solicit, invite or encourage dealers in your state to report any person not following its suggested prices, and furthermore will not act on any such reports sent to it.

(3) Ithaca Gun will not require or induce its dealers in your state to refrain from advertising Ithaca Gun products at any price they choose or from selling Ithaca Gun products at any price to any person of their choice.

Yours sincerely,

JERALD T. BALDRIDGE,
President.

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EXHIBIT B

Keith's Hardware
3625 Parkway Ave.
Birmingham, Ala. 35226

J. O. Callahan & Son
Black Rock, Arkansas 72415

Jim Shepard Guns
1521 West Magnolia Blvd.
Burbank, Calif. 91506

San Gabriel Valley Gun Club
4001 Fish Canyon Road
Duarte, Calif. 91010

Sam Luis Sport Shop
542 Packeco Blvd.
Los Banos, Calif. 93635

Ship Ahoy Country Store
5676 Holt Blvd.
Ontario, Calif. 91762

Suburban Sportsman, Inc.
2720 Summer St.
Stamford, Conn. 06901

T. R. Brown Co.
11 South Railroad Ave.
Camden-Wyoming, Del. 19934

O'Daniels Grocery & Gun Store
1122 North Main
Acworth, Georgia 30101

Dean's, Inc.
1126 West Peachtree St., N.E.
Atlanta, Georgia 30309

The Outdoorsman
370 Shoup Ave.
Idaho Falls, Idaho 83401

Canton Sporting Goods
120 South Main St.
Canton, Illinois 61520

Witvoet Gun Shop
179th & Corchester
South Holland, Ill. 60473

Cantrell Lumber & Hardware Co.
Xenia, Illinois 62399

Bait King
116 South 10th & ½ St.
Terre Haute, Indiana

Mile Zero
2605 Rhomberg Ave., Box 876
Dubuque, Iowa

Dick's Gun Repair
Fareside Road
Topsham, Maine 04086

Airport Sales
180 Crawford St.
Leominster, Mass. 01453

Detra Sporting Goods
71-2 Union Square
Somerville, Mass 02143

Nicks Sporting Goods
23833 John R
Hazel Park, Mich. 48030

Allen's Sports Center
Route 3, North on M-66
Ionia, Mich. 48846

Dave's
911 Military St.
Port Huron, Mich. 48060

Smith's Hardware
106 Main St.
Starkville, Miss.

Brown's Sports Center
16th St. West at Alpine Ave.
Billings, Montana 59102

Reiter's Marina
450 Main Highway 10E
Billings, Montana 59101

The Sportsman of Butte
18 North Main
Butte, Montana 59701

M. L. Brown Co.
812 North Main
Helena, Mont. 59601

Wolf Enterprises
27 Main St.
Denville, New Jersey 07834

Roth-Schlenger, Inc.
Sayre Woods Shopping Center
Parlin, New Jersey 08859

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Roth-Schlenger, Inc. Route 22 & West Chestnut St. Union, New Jersey 07083	Sunset Sporting Goods 4625 North Detroit Ave. Toledo, Ohio 43612
Furr's Family Center No. 22 Central & San Pedro Albuquerque, New Mexico 87108	Thomson Hardware & Sporting Goods 116 North Main Altus, Oklahoma 73521
Morley's Sporting Goods 52-54 Division St. Amersterdam, New York 12010	Hales Sporting Goods P. O. Box 693 Blackwell, Okla. 74631
Avoca Pharmacy 12 Main St. Avoca, New York 14809	Lampus Company 2656 Northeast Union Portland, Oregon 97212
Johnny Jo Stores, Inc. Camillus Plaza Camillus, New York 13031	Don Williams Hardware Co. P. O. Box 193 The Dallas, Oregon 97058
Owego-Murray Co., Inc. 181 Front St. Owego, New York 13827	M. C. Ebbecke Hardware Co., Inc. 606 Hamilton St. Allentown, Penna. 18100
Ray's Gun Shop R. D. 3, Route 22 Plattsburgh, New York 12901	S. L. Spotto 804 West Crawford Connellsville, Penna. 15425
Marjax Enterprises, Inc. 2720 West Henrietta Road Rochester, New York 14620	Mike Sahlaney Estate, Inc. Main St. Houtzdale, Penna. 16651
Badgley & Wheeler Hardware Main St. Schoharie, New York 12157	Froff's Fishing Equip. 62 Landis Ave. Millersville, Penna. 17551
Dom's Sports Shop 2467 Niagara Falls Blvd. Tonawanda, New York 14150	Jerrys Sport Center R. D. No. 1, Route 347 Olyphant, Penna. 18447
Albert Coppotelli 2103 Genesee St. Utica, New York 13501	Nulls General Store R. D. 2, Route 15 S. Gettysburg, Penna. 17325
Sportsman's Supply Co. 600 North Cherry St. Winston-Salem, North Carolina 27100	Lenny's Sport Center 15 West Third St. Williamsport, Penna. 17701
Dakota Firearms 24 North Main Minot, North Dakota 58701	Royal Arms 846 Pine Abilene, Texas 79600
F & G Police Equip. Co. 860 Broad Road Bedford, Ohio 44146	Bargain Fair of Denton, Inc. 1620 University Drive Denton, Texas 76201
Southern Ohio Distributors 3700 Redbank Road Cincinnati, Ohio 45200	Don's Tackle Box 333 Highway 64 Henderson, Texas 75652

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Texas Gun Clinic
3450 Gulf Freeway
Houston, Texas 77004

Stewart Hardware
North Side Square
Kaufman, Texas 75142

The Gift House
120 25th St.
Ogden, Utah

Village Barber & Sport Shop
2603 West Albany
Kennewick, Wash. 99336

Al Kreideman
548 Janich Circle, W.
Stevens Point, Wisconsin 54481

 IN THE MATTER OF

RADIGAN BROTHERS, INCORPORATED, ET AL.

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

Docket C-1927. Complaint, June 1, 1971—Decision, June 1, 1971

Consent order requiring a Gary, Ind., retailer of furniture to cease violating the Truth in Lending Act by failing to disclose in its credit transactions the annual percentage rate, the total of payments, the cash price, the cash downpayment, the unpaid balance, the amount financed, the deferred payment price, and other disclosures required by Regulation Z of said Act.

COMPLAINT

Pursuant to the provisions of the Truth in Lending Act and the implementing regulation promulgated thereunder, and the Federal Trade Commission Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission having reason to believe that Radigan Brothers, Incorporated, a corporation, and John B. Radigan, William J. Radigan and Joseph B. Radigan, individually, and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and implementing regulation, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Radigan Brothers, Incorporated, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Indiana, with its principal office and place of business located at 637 Broadway Street, Gary, Indiana.

Respondents John B. Radigan, William J. Radigan and Joseph B. Radigan are officers of the corporate respondent. They formulate.

direct and control the acts and practices hereinafter set forth. Their address is the same as that of the corporate respondent.

PAR. 2. Respondents are now and for some time last past have been engaged in the sale of furniture to the public.

PAR. 3. In the ordinary course and conduct of their business, as aforesaid, respondents, in order to facilitate the sale of furniture, regularly extend or 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, respondents, in the ordinary course and conduct of their business and in connection with their credit sales, as "credit sale" is defined in Regulation Z, have caused and are causing their customers to execute Radigan Conditional Sale Contracts, hereafter referred to as "the contract." Respondents make no consumer credit cost disclosures other than on the contract.

PAR. 5. By and through the use of the contract, respondents:

(1) Failed to disclose the "Finance Charge" and the "Annual Percentage Rate" more conspicuously than other required terminology, as required by Section 226.6(a) of Regulation Z.

(2) Failed to use the term "Total of Payments" to describe the sum of payments scheduled to repay the indebtedness, and in a number of instances fail to disclose the number, amount and due dates of periods of payments, scheduled to repay the indebtedness, as required by Section 226.8(b) (3) of Regulation Z.

(3) Failed to use the term "Cash Price" to describe the price of the goods and services which are the subject of the transaction, as required by Section 226.8(c) (1) of Regulation Z.

(4) Failed to use the terms, "Cash Down Payment," "Trade-In" and "Total Down Payment" to describe the down payment in money, the down payment in property, and the sum of those two items, respectively, as required in Section 226.8(c) (2), of Regulation Z.

(5) Failed to use the term "Unpaid Balance of Cash Price" to describe the difference between the cash price and the total down payment, as required in Section 226.8(c) (3), of Regulation Z.

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

(7) Failed to use the term "Deferred Payment Price" to describe the sum of the cash price, the finance charge, and all other charges, as required in Section 226.8(c) (8) (ii) of Regulation Z.

(8) In a number of instances understated that Annual Percentage

Rate by amounts ranging from 1 percent to 7.75 percent, and thereby failed to disclose the Annual Percentage Rate with an accuracy at least to the nearest quarter of 1 percent, computed in accordance with Section 226.5(b)(1) of Regulation Z, as required by Section 226.8(b)(2) of Regulation Z.

PAR. 6. Pursuant to Section 103(q) 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 thereby violated the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the 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 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 Radigan Brothers, Incorporated, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Indiana, with its office and principal place of business located at 637 Broadway, Gary, Indiana.

Respondents John B. Radigan, William J. Radigan and Joseph B. Radigan are officers of the corporate respondent. They formulate, direct and control the policies, acts and practices of said corpora-

tion and their addresses are the same as that of the corporate respondent.

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

ORDER

It is ordered, That respondent, Radigan Brothers, Incorporated, a corporation, and its officers, and respondents John B. Radigan, William J. Radigan, and Joseph B. Radigan, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with any extension of consumer credit or any advertisement to aid, promote or assist directly or indirectly any extension of consumer credit, as "consumer credit" and "advertisement" are defined in Regulation Z (12 CFR Part 226) of the Truth in Lending Act (Public Law 90-321, 15 U.S.C. 1601 *et seq.*) do forthwith cease and desist from:

1. Failing to disclose the terms "Finance Charge" and "Annual Percentage Rate," where required to be used, more conspicuously than other required terminology, as required by Section 226.6(a) of Regulation Z.

2. Failing to use the term "Total of Payments" to describe the sum of payments scheduled to repay the indebtedness, or failing to disclose the number, amount, and due dates of periods of payments scheduled to repay the indebtedness, as required by Section 226.8(b)(3) of Regulation Z.

3. Failing to use the term "Cash Price" to describe the price of the goods and services which are the subject of the transaction, as required by Section 226.8(c)(1) of Regulation Z.

4. Failing to use the terms "Cash Down Payment," "Trade-In" and "Total Down Payment," to describe any down payment in money, any down payment in property and the sum of these two items, respectively, as required by Section 226.8(c)(2) of Regulation Z.

5. Failing to use the term "Unpaid Balance of Cash Price" to describe the difference between the cash price and the total down payment, as required by Section 226.8(c)(3) of Regulation Z.

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

7. Failing to use the term "Deferred Payment Price" to de-

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scribe the sum of the cash price, the finance charge, and all other charges, as required by Section 226.8(c)(8)(ii) of Regulation Z.

8. Failing to disclose the Annual Percentage Rate with an accuracy at least to the nearest quarter of one percent, computed in accordance with Section 226.5 of Regulation Z, as required by Section 226.8(b)(2) of Regulation Z.

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

It is further ordered, That respondents shall deliver a copy of this order to cease and desist to all present and future salesmen or other persons engaged in the sale of respondents' products or services, and shall secure from each such salesman or other person a signed statement acknowledging receipt of a copy of this order.

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

JOHN MULLINS & SONS, 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-1928. Complaint, June 2, 1971—Decision, June 2, 1971

Consent order requiring a Brooklyn, N.Y., corporation selling furniture, electrical appliances and other merchandise to cease violating the Truth in Lending Act by failing to use in installment contracts the terms, finance charge, annual percentage rate, cash price, cash downpayment, unpaid balance of cash price, deferred payment price, total of payments, amount financed, and failing to make other disclosures required by Regulation Z of said Act.

COMPLAINT

Pursuant to the provisions of the Truth in Lending Act and the implementing regulation promulgated thereunder, and the Federal Trade Commission Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that John Mullins & Sons, Inc., a corporation and Irving Sable, 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 John Mullins & Sons, 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 84 Myrtle Avenue, Brooklyn, New York.

Respondent Irving Sable is the assistant secretary in charge of credit of the corporate respondent. He formulates, directs and controls the consumer credit 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, electrical appliances, and other merchandise to the public.

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 the credit transactions, other than on the contract and the payment book.

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

1. Failed to obtain new contract forms or to alter their existing stock of contract forms prior to, during and subsequent to the period beginning July 1, 1969 and ending December 31, 1969, as required by Section 226.6(k) of Regulation Z.

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

3. Failed to use the term "annual percentage rate" to describe the annual rate of the finance charge, as required by Section 226.8(b)(2) of Regulation Z, in more prominent print than the other prescribed terminology, as required by Section 226.6(a) of Regulation Z.

4. Failed to use the term "cash price" to describe the price at which the respondents offered, in the ordinary course of business, to sell for cash the property or services, which were the subject of consumer credit transactions, as required by Section 226.8(c)(1) of Regulation Z.

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

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

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

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

9. Failed to use the term "amount financed" to describe the amount of credit which the customer had the actual use of, as required by Section 226.8(c)(7) of Regulation Z.

10. Failed to render consumer credit cost disclosure statements before the transactions were consummated, as required by Section 226.8(a) of Regulation Z.

11. Failed to render consumer credit cost disclosure statements to mail order and telephone customers, as indicated in the prior allegations of this complaint, not later than the date the first payment was due, as required by Section 226.8(g)(1) of Regulation Z.

12. 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(q) 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(e) 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, and the Commission having determined that comments received and considered showed no changes in the proposed order to be necessary or appropriate, now and 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. Proposed respondent John Mullins & Sons, 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 84 Myrtle Avenue, in the county of Kings, New York, New York.

Proposed respondent Irving Sable is the assistant secretary in charge of credit of said corporation. He formulates, directs and controls the consumer credit 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 John Mullins & Sons, Inc., a corporation, and its officers, and Irving Sable, individually and as an officer of said corporation, and respondents' agents, representatives, and employees, directly or through any corporate or other device, in connection with any extension of consumer credit or any advertisement to aid, promote or assist directly or indirectly any extension of consumer credit, as "consumer credit" and "advertisement" are defined in Regulation Z (12 CFR Part 226) of the Truth in Lending Act (Public Law 90-321, 15 U.S.C. 1601 *et seq.*), do forthwith cease and desist from:

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

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

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

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

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

6. Failing to use the term "deferred payment price" to disclose and describe the sum of the cash price, all the other charges which are included in the amount financed but which are not

part of the finance charge, and the finance charge, as required by Section 226.8(c)(8)(ii) of Regulation Z.

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

8. Failing to use the term "amount financed" to disclose and describe the amount of credit which the customer has the actual use of, as required by Section 226.8(c)(7) of Regulation Z.

9. Failing to render consumer credit cost disclosure statements before the transactions are consummated, as required by Section 226.8(a) of Regulation Z.

10. Failing to render consumer credit cost disclosure statements to mail order and telephone customers not later than the date the first payment is due, as required by Section 226.8(g)(1) of Regulation Z.

11. 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.

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

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

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

It is further ordered, That 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.

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IN THE MATTER OF
SIDNEY GILBERT & CO., INC., ET AL.

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

Docket C-1929. Complaint, June 2, 1971—Decision, June 2, 1971

Consent order requiring Charlotte, N.C., dealers in wholesale yarn and fabrics to cease misbranding their 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 Sidney Gilbert & Co., Inc., a corporation, and Sidney H. Goldberg and David D. Berson, 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 Sidney Gilbert & Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Rhode Island, with its office and principal place of business located at 4804 Rozzells Ferry Road, Charlotte, North Carolina.

Individual respondents Sidney H. Goldberg and David D. Berson are officers of said corporation. They formulate, direct and control the policies, acts and practices of said corporation and their address is the same as that of the corporate respondent.

Respondents are wholesale yarn and fabric dealers.

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

offered for sale, in commerce; and have sold, offered for sale, advertised, delivered, transported, and caused to be transported, after shipment in commerce, textile fiber products, either in their original state or contained in other textile fiber products, as the terms "commerce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act.

PAR. 3. Certain of said textile fiber products were misbranded by 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 (cones of yarn) invoiced as 100 percent Acrylic Fiber, 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 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.

PAR. 5. 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 Sidney Gilbert & Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Rhode Island, with its office and principal place of business located at 4804 Rozzells Ferry Road, Charlotte, North Carolina.

Individual respondents Sidney H. Goldberg and David D. Berson are officers of said corporation. They formulate, direct and control the policies, acts and practices of said corporation and their address is the same as that of the corporate respondent.

Respondents are wholesale yarn and fabric dealers.

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 Sidney Gilbert & Co., Inc., a corporation, and its officers, and Sidney H. Goldberg and David D. Berson, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, delivery for introduction, sale, advertising, or offering for sale in commerce, or the transportation or causing to be transported in commerce, or

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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 product showing in a clear, legible and conspicuous manner each element of information required to be disclosed by Section 4(b) of the Textile Fiber Products Identification Act.

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

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

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

IN THE MATTER OF

DAN BRECHNER & COMPANY, INC., ET AL.

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

Docket C-1930. Complaint, June 2, 1971—Decision, June 2, 1971

Consent order requiring a New York City importer and seller of party items, including wood chip leis, to cease violating the Flammable Fabrics Act by selling any fabric which fails to conform with the standards of said Act.

Complaint

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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 Dan Brechner & Company, Inc., a corporation, and Daniel Brechner, Milton Brechner and George Mann, individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Flammable Fabrics Act, as amended, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Dan Brechner & Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York. Respondents Daniel Brechner, Milton Brechner and George Mann are officers of said corporate respondent. They formulate, direct and control the acts, practices and policies of said corporation.

Respondents are engaged in the importation and wholesaling of novelty hardgoods and party items, including wood chip leis, with their office and principal place of business located at 43 West 23rd Street, New York, New York.

PAR. 2. Respondents are now and for some time last past have been engaged in the sale, and offering for sale, in commerce, and in the importation into the United States, and have introduced, delivered for introduction, transported and caused to be transported in commerce, and have sold or delivered after sale or shipment in commerce, products as the terms "commerce," and "product" are defined in the Flammable Fabrics Act, 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 were wood chip leis.

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

PAR. 4. Respondents are now and for sometime last past have

been engaged in the advertising, offering for sale, sale and distribution of wood chip leis, in commerce. The aforesaid leis are shipped by respondents from respondents' place of business in the State of New York to customers located in various other States of the United States. Respondents maintained, and at all times mentioned have maintained, a substantial course of trade in said leis in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 5. Said leis, sold and distributed in commerce by respondents, exhibited characteristics of such rapid and intense burning as to render the leis dangerous and unsafe for use by individuals.

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

PAR. 7. The aforesaid acts and practices of respondents as herein alleged were and are all to the prejudice and injury of the public and constitute unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the 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 charge in that respect, and having thereupon accepted the exe-

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cut 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 Dan Brechner & Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York with its office and principal place of business located at 43 West 23rd Street, New York, New York.

Individual respondents Daniel Brechner, Milton Brechner and George Mann are officers of said corporation. They formulate, direct and control the acts, practices and policies of said corporation. Their office is the same as that of the corporate respondent.

Respondents are engaged in the importation and wholesaling of novelty hardgoods and party items, including wood chip leis.

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 Dan Brechner & Company, Inc., a corporation, and its officers, and Daniel Brechner, Milton Brechner and George Mann, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from manufacturing for sale, selling, offering for sale, in commerce, or importing into the United States, or introducing, delivering for introduction, transporting or causing to be transported in commerce, or selling or delivering after sale or shipment in commerce any product, fabric or related material; 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 the respondents notify all of their customers who have purchased or to whom have been delivered the products which gave rise to the complaint, of the flammable nature of said products and effect the recall of said products from such customers.

Decision and Order

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

It is further ordered, That the respondents herein shall within ten (10) days after service upon them of this order, file with the Commission a special report in writing setting forth the respondents' intentions as to compliance with this order. This special report shall also advise the Commission fully and specifically concerning (1) the identity of the products which gave rise to the complaint, (2) the number of said products in inventory, (3) any action taken and any further actions proposed to be taken to notify customers of the flammability of said products and effect the recall of said products from customers, and of the results thereof, (4) any disposition of said products since October 2, 1969 and (5) any action taken or proposed to be taken to bring said products into conformance with the applicable standard of flammability under the Flammable Fabrics Act, as amended, or destroy said products and the results of such action. Such report shall further inform the Commission as to whether or not respondents have, in inventory any product, fabric, or related material having a plain surface and made of paper, silk, rayon and acetate, nylon and acetate, rayon, cotton or any other material or combinations thereof in a weight of two ounces or less per square yard, or any product, fabric, or related material having a raised fiber surface. Respondents shall submit samples of not less than one square yard in size of any such product, fabric, or related material with this report.

It is further ordered, That respondents Dan Brechner & Company, Inc., a corporation, and its officers, and Daniel Brechner, Milton Brechner and George Mann, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from the advertising, offering for sale, sale or distribution of leis in commerce, as "commerce" is defined in the Federal Trade Commission Act, unless and until said leis are flame proofed to such an extent that they will not ignite, burn or glow.

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

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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

ROSENBLUM BROS., 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-1931. Complaint, June 2, 1971—Decision, June 2, 1971

Consent order requiring a New York City manufacturer of fur products to cease misbranding and deceptively invoicing its furs.

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 Rosenblum Bros., Inc., a corporation, and Samuel Rosenblum, Solomon Rosenblum and Ralph Rosenblum, 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 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 Rosenblum Bros., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondents Samuel Rosenblum, Solomon Rosenblum and Ralph Rosenblum are officers of the corporate respondent. They formulate, direct and control the acts, practices and policies of the said corporate respondent, including those hereinafter set forth.

Respondents are manufacturers of fur products with their office and principal place of business located at 214 West 29th Street, New York, New York.

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

PAR. 3. Certain of said fur products were misbranded in that they were falsely and deceptively labeled to show that fur contained therein was natural, when in fact such fur was pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Section 4(1) of the Fur Products Labeling Act.

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

Among such misbranded fur products, but not limited thereto, were fur products with labels which failed to disclose that the fur contained in the fur products was bleached, dyed, or otherwise artificially colored, when such was the fact.

PAR. 5. Certain of said fur products were falsely and deceptively invoiced in violation of the Fur Products Labeling Act in that they were not invoiced in accordance with the Rules and Regulations promulgated thereunder inasmuch as required item numbers were not set forth on invoices, in violation of Rule 40 of said Rules and Regulations.

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 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 Fur Products Labeling Act; and

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

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

1. Respondent Rosenblum Bros., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York with its office and principal place of business located at 214 West 29th Street, New York, New York.

Respondents Samuel Rosenblum, Solomon Rosenblum and Ralph Rosenblum are officers of the said corporation. They formulate, direct and control the policies, acts and practices of said corporation and their address is the same as that of said corporation.

Respondents are manufacturers of fur products.

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 Rosenblum Bros., Inc., a corporation, and its officers, and Samuel Rosenblum, Solomon Rosenblum and Ralph Rosenblum, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, or manufacture for introduction, into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce, of any fur product; or in connection with the manufacture for sale, sale, advertising, offering for sale,

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transportation or distribution, of any fur product which is made in whole or in part of fur which has been shipped and received in commerce; as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding any fur product by:

1. Representing directly or by implication on a label that the fur contained in such fur product is natural when such fur is pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

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

B. Falsely or deceptively invoicing any fur product by failing to set forth on an invoice the item number or mark assigned to such fur product.

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

PAUL SHUMAN MFG. 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-1932. Complaint, June 2, 1971—Decision, June 2, 1971

Consent order requiring a Los Angeles, Calif., manufacturer of women's and misses' apparel, including aprons, to cease violating the Flammable Fabrics Act by importing and selling any fabric which fails to conform to the standards of said Act.

Complaint

78 F.T.C.

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 Paul Shuman Mfg. Co., Inc., a corporation, and Paul Shuman, 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 Paul Shuman Mfg. Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of California with its office and principal place of business located at 746 South Los Angeles Street, Los Angeles, California.

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

Respondents are manufacturers of women's and misses' apparel.

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

Among such products mentioned hereinabove were aprons.

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

DECISION AND ORDER

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

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

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

1. Respondent Paul Shuman Mfg. Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of California, with its office and principal place of business located at 746 South Los Angeles Street, Los Angeles, California.

Respondent Paul Shuman is an officer 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 the respondents Paul Shuman Mfg. Co., Inc., a corporation, and its officers and Paul Shuman individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, do

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

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

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

It is further ordered, That the respondents herein, shall, within ten (10) days after service upon them of this order, file with the Commission a special report in writing setting forth the respondents' intentions as to compliance with this order. This special report shall also advise the Commission fully and specifically concerning (1) the identity of the products, which gave rise to the complaint, (2) the number of said products, in inventory (3) any action taken and any further actions proposed to be taken to notify customers of the flammability of said products, and effect the recall of said products from customers, and of the results thereof, (4) any disposition of said products since December 12, 1969, and (5) any action taken or proposed to be taken to bring said products, into conformance with the applicable standard of flammability under the Flammable Fabrics Act, as amended, or destroy said products, and the results of such action. Such report shall further inform the Commission as to whether or not respondents have, in inventory any product, fabric, or related material having a plain surface and made of paper, silk, rayon and acetate, nylon and acetate, rayon, cotton or any other material or combinations thereof in a weight of two ounces or less per square yard, or any product, fabric or related material having a raised fiber surface. Respondents shall submit samples of not less than one square yard in size of any such product, fabric, or related material with this report.

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Complaint

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

It is further ordered, That 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

COMMERCIAL PAPER BOX COMPANY, ET AL.

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

Docket C-1933. Complaint, June 2, 1971—Decision, June 2, 1971

Consent order requiring a Los Angeles, Calif., manufacturer of wearing apparel, including disposable face masks, to cease violating the Flammable Fabrics Act by importing and selling any fabric which fails to conform with 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 Commercial Paper Box Company, a partnership, and Max Minsky and David H. Minsky, individually and as co-partners trading as Commercial Paper Box Company, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Flammable Fabrics Act, as amended, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Commercial Paper Box Company is a partnership. The said partnership is organized, exists and does business in the State of California with its office and principal place of business located at 1130 East 108th Street, Los Angeles, California.

Individual respondents Max Minsky and David H. Minsky are co-partners in said partnership. They formulate, direct and control the acts, practices and policies of said partnership and their office and principal place of business is the same as that of the partnership.

Respondents are engaged in the business of manufacture and sale of wearing apparel in the form of disposable face masks.

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

Among such products mentioned hereinabove were disposable paper face masks.

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 ad-

mission 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 Commercial Paper Box Company is a partnership organized, existing and doing business in the State of California.

Respondents Max Minsky and David H. Minsky are copartners in said partnership. They formulate, direct and control the acts, practices and policies of said partnership.

Respondents are engaged in the manufacture and sale of wearing apparel, in the form of disposable face masks, with their office and principal place of business located at 1130 East 108th Street, Los Angeles, California.

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 Commercial Paper Box Company, a partnership, and Max Minsky and David H. Minsky, individually and as copartners trading as Commercial Paper Box Company, and respondents' representatives, agents and employees, directly or through any company 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 and 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 the respondents herein shall, within ten (10) days after service upon them of this order, file with the Commission an interim special report in writing, setting forth the respondents' intentions as to compliance with this order. This interim special report shall also advise the Commission fully and specifically concerning the identity of the product which gave rise to the complaint, (1) the amount of such product in inventory, (2) any action taken to notify customers of the flammability of such product and the results thereof and (3) any disposition of such product since February 24, 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, acetate and nylon, acetate and rayon or combinations thereof in a weight of two ounces or less per square yard or fabric with a raised fiber surface made of cotton or rayon or combinations thereof. Respondents will submit samples of any such fabric, product or related material with this report. Samples of the fabric, product or related material shall be of not less than one square yard of material.

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 shall maintain complete and adequate records concerning all products subject to the Flammable Fabrics Act, as amended, which are sold or distributed by them.

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

ART-MAX FABRICS, INC., ET AL.

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

Docket C-1934. Complaint, June 2, 1971—Decision, June 2, 1971

Consent order requiring a New York City retailer and wholesaler of fabrics to cease violating the Flammable Fabrics Act by importing and selling any fabric which fails to conform to the standards of said Act.

Decision and Order

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-Max Fabrics, Inc., a corporation, and Arthur Kahn and Nathan Farbstein, individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts, and the Rules and Regulations promulgated under the Flammable Fabrics Act, as amended, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Art-Max Fabrics, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York. Respondents Arthur Kahn and Nathan Farbstein are officers of said corporate respondent. They formulate, direct and control the acts, practices and policies of said corporation.

The respondents are retailers and wholesalers of fabrics, with their office and principal place of business located at 250 West 40th Street, New York, New York.

PAR. 2. Respondents now and for some time last past have sold and offered 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, fabrics, as the terms "commerce" and "fabric" are defined in the Flammable Fabrics Act, as amended, which fabrics fail to conform to an applicable standard or regulation continued in effect, issued or amended under the provisions of the Flammable Fabrics Act, as amended.

Among such fabrics mentioned hereinabove was Style 9800 100% cotton white organdy fabric and Style 11375 lace fabric, both imported by Stern & Stern, Inc.

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

DECISION AND ORDER

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

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

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

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Acts, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in § 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-Max Fabrics, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondents Arthur Kahn and Nathan Farbstein are officers of said corporate respondent. They formulate, direct and control the acts, practices and policies of said corporate respondent.

Respondents are retailers and wholesalers of fabrics with their office and principal place of business located at 250 West 40th Street, New York, New York.

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

ORDER

It is further ordered, That respondents Art-Max Fabrics, Inc., a corporation, and its officers, and Arthur Kahn and Nathan Farbstein, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from 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 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" 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 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 fabrics which gave rise to this complaint of the flammable nature of said fabrics, and effect recall of said fabrics from such customers.

It is further ordered, That the respondents herein either process the fabrics 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 fabrics.

It is further ordered, That the respondents herein shall, within ten (10) days after service upon them of this order file with the Commission a special report in writing setting forth the respondents' intentions as to compliance with this order. This special report shall also advise the Commission fully and specifically concerning (1) the identity of the fabrics which gave rise to the complaint, (2) the amount of said fabrics in inventory, (3) any action taken and any further actions proposed to be taken to notify customers of the flammability of said fabrics and effect the recall of said fabrics from customers, and of the results thereof, (4) any disposition of said fabrics since April 13, 1970, and (5) any action taken or proposed to be taken to bring said fabrics into conformance with the applicable standard of flammability under the Flammability Fabrics Act, as amended, or destroy said fabrics, and the results of such action. Such report shall further inform the Commission as to whether or not respondents have in inventory any product, fabric, or related material having a plain surface and made of paper, silk, rayon and acetate, nylon and acetate, rayon, cotton or any other material or combinations thereof in a weight of two ounces or less per square yard, or any product, fabric or related material having a raised fiber surface. Respondents shall submit samples of not less than one square yard in size of any such product, fabric, or related material with this report.

It is further ordered, That the respondents notify the Commission

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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

SCHWERZLER & SONS, INC., ET AL.

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

Docket C-1935. Complaint, June 2, 1971—Decision, June 2, 1971

Consent order requiring a Union City, N.J., importer and seller of fabrics, including a lightweight white cotton organdy fabric, 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 Schwerzler & Sons, Inc., a corporation, and Allie Feldman and George L. Violick, individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Flammable Fabrics Act, as amended, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Schwerzler & Sons, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey. Its office and principal place of business is located at 809 22nd Street, Union City, New Jersey.

Respondents Allie Feldman and George L. Violick are officers of the corporate respondent. They formulate, direct and control the acts, practices and policies of the said corporate respondent including those hereinafter set forth.

Respondents are engaged in the manufacture for sale, and the importation and sale, of fabrics and products made therefrom, including, but not limited to, a lightweight white cotton organdy fabric, designated as "Style Sanosa."

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

Among such fabric mentioned hereinabove was a lightweight white cotton organdy fabric, designated as "Style Sanosa," imported by corporate respondent from Switzerland.

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 agree-

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

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

1. Respondents Allie Feldman & George L. Violick are officers of the corporate respondent. They formulate, direct and control the acts, practices and policies of said corporate respondent.

Respondents are engaged in the manufacture for sale, and the importation and sale, of fabrics and products made therefrom, including, but not limited to, a certain lightweight white cotton organdy fabric, designated as "Style Sanosa," with their office and principal place of business located at 809 22nd Street, Union City, New Jersey.

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

ORDER

It is ordered, That the respondents Schwerzler & Sons, Inc., a corporation, and its officers, and Allie Feldman and George L. Violick, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from manufacturing for sale, selling, offering for sale, in commerce, or importing into the United States, or introducing, delivering for introduction, transporting or causing to be transported in commerce, or selling or delivering after sale or shipment in commerce, any product, fabric or related material; 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 respondents notify all of their customers who have purchased or to whom has been delivered the fabric which gave rise to this complaint, of the flammable nature of said fabric, and effect the recall of said fabric from such customers.

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

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 (1) the identity of the fabric which gave rise to the complaint, (2) the amount of such fabric in inventory, (3) any action taken and any further actions proposed to be taken to notify customers of the flammability of such fabric and effect the recall of such fabric from customers, and of the results of such actions, (4) any disposition of such fabric since July 31, 1970, and (5) any action taken or proposed to be taken to flameproof or destroy such fabric 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 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 respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

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IN THE MATTER OF

JACK FRANK TRADING AS JACK FRANK & CO.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION AND THE FLAMMABLE FABRICS ACTS*Docket C-1936. Complaint, June 2, 1971—Decision, June 2, 1971*

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

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Flammable Fabrics Act, as amended, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Jack Frank, individually and trading as Jack Frank & 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 Jack Frank is an individual trading under the name of Jack Frank & Co., with his office and principal place of business located at 49 West 37th 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 or delivered after sale or shipment in commerce, products, as the terms "commerce" and "product," are defined in the Flammable Fabrics Act, as amended, which products failed to conform to an applicable standard or regulation 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

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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.

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

1. Respondent Jack Frank is an individual trading under the name of Jack Frank & Co.

Respondent is engaged in the business of selling and distributing products, including ladies' scarves, with his office and principal place of business located at 49 West 37th Street, New York, New York.

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

ORDER

It is ordered, That the respondent Jack Frank, individually and trading as Jack Frank & 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, selling or delivering after sale or shipment in commerce, any product, fabric, or related material; or manufacturing for sale, selling or offering for sale, any product made of fabric or related material which has been shipped or received in commerce as "commerce," "product," "fabric" and "related material" are defined in the Flammable Fabrics Act, as amended, which product, fabric, or related material fails to conform to an applicable standard or regulation issued, amended or continued in effect, under the provisions of the aforesaid Act.

It is further ordered, That the 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 the 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 an interim special report in writing setting forth the respondent's intentions as to compliance with this order. This special report shall also advise the Commission fully and specifically concerning (1) the identity of the products which gave rise to the complaint, (2) the number of said products in inventory, (3) any action taken and any further actions proposed to be taken to notify customers of the flammability of said products and effect the recall of said products from customers, and of the results thereof, (4) any disposition of said products since September 3, 1970, and (5) any action taken or proposed to be taken to bring said products into conformance with the applicable standard of flammability under the Flammable Fabrics Act, as amended, or destroy said products and the results of such action. Such report shall further inform the Commission as to whether or not respondent has in inventory any product, fabric, or

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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

CHATEAU ET CIE, LTD., ET AL.

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

Docket C-1937. Complaint, June 2, 1971—Decision, June 2, 1971

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

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Flammable Fabrics Act, as amended, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Chateau Et Cie, Ltd., a corporation, and Cyril Marcus, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and 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 Chateau Et Cie, Ltd., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York. Its address and principal place of business is 431 Fifth Avenue, New York, New York.

Respondent Cyril Marcus is an officer of the corporate respondent.

He formulates, directs and controls the acts, practices and policies of the said corporate respondent including those hereinafter set forth.

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

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

Among such products mentioned hereinabove were women's scarves.

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

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

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

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents

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

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

Respondent Chateau Et Cie, Ltd., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York. Its office and principal place of business is located at 431 Fifth Avenue, New York, New York.

Respondents are engaged in the business of selling and distributing textile fiber products, including, but not limited to, women's scarves.

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

ORDER

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

It is further ordered, That respondents notify all of their customers who have purchased or to whom have been delivered the women's scarves which gave rise to the complaint, of the flammable

nature of said products and effect the recall of said products from such customers.

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

It is further ordered, That the respondents herein shall, within ten (10) days after service upon them of this order, file with the Commission an interim special report in writing setting forth the respondents' intentions as to compliance with this order. This special report shall also advise the Commission fully and specifically concerning (1) the identity of the products which gave rise to the complaint, (2) the number of said products in inventory, (3) any action taken and any further actions proposed to be taken to notify customers of the flammability of said products and effect the recall of said products from customers, and of the results thereof, (4) any disposition of said products since September 29, 1970, and (5) any action taken or proposed to be taken to bring said products into conformance with the applicable standard of flammability under the Flammable Fabrics Act, as amended, or destroy said products and the results of such action. Such report shall further inform the Commission as to whether or not respondents have in inventory any product, fabric, or related material having a plain surface and made of paper, silk, rayon and acetate, nylon and acetate, rayon, cotton or any other material or combinations thereof in a weight of two ounces or less per square yard, or any product, fabric, or related material having a raised fiber surface. Respondents shall submit samples of not less than one square yard in size of any such product, fabric, or related material with this report.

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

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

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

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IN THE MATTER OF

MRS. JUNE DOUGLAS TRADING AS JUNE'S APPAREL

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION AND THE FLAMMABLE FABRICS ACTS*Docket C-1938. Complaint, June 2, 1971—Decision, June 2, 1971*

Consent order requiring a Bellingham, Wash., individual selling various consumer goods, including scarves, to cease violating the Flammable Fabrics Act by importing and selling any fabric which fails to conform to the standards of said Act.

COMPLAINT

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

PARAGRAPH 1. Respondent Mrs. June Douglas is an individual trading as June's Apparel. Respondent is engaged in the sale of various consumer goods, including, but not limited to, scarves. The business address of the respondent is 109 W. Magnolia Street, Bell-

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

Among such products mentioned hereinabove were scarves.

PAR. 3. The aforesaid acts and practices of respondent were and are in violation of the Flammable Fabrics Act, as amended, and the Rules and Regulations promulgated thereunder, and constituted and now constitute unfair methods of competition and unfair and decep-

tive 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;

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

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

1. Respondent Mrs. June Douglas is an individual trading as June's Apparel.

Respondent is engaged in the sale of various textile products, including, but not limited to, scarves with her office and principal place of business located at 109 West Magnolia Street, Bellingham, Washington.

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

ORDER

It is ordered, That respondent Mrs. June Douglas, individually and trading as June's Apparel, or under any other name, 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, 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 respondent notify all of her customers who have purchased or to whom have been delivered the products which gave rise to this complaint of the flammable nature of said products, and effect recall of said products from such customers.

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

It is further ordered, That the respondent herein shall, within ten (10) days after service upon her of this order, file with the Commission a special report in writing setting forth the respondent's intentions as to compliance with this order. This special report shall also advise the Commission fully and specifically concerning (1) the identity of the products which gave rise to the complaint, (2) the number of said products in inventory, (3) any action taken and any further actions proposed to be taken to notify customers of the flammability of said products and effect the recall of said products from customers, and of the results thereof, (4) any disposition of said products since September 30, 1970, and (5) any action taken or proposed to be taken to bring said products into conformance with the applicable standard of flammability under the Flammable Fabrics Act, as amended, or destroy said products, and the results of such action. Such report shall further inform the Commission as to whether or not respondent has in inventory any product, fabric, or related material having a plain surface and made of paper, silk, rayon and acetate, nylon and acetate, rayon, cotton or any other material or combinations thereof in a weight of two ounces or less per square yard, or any product, fabric or related material having a raised fiber surface. Respondent shall submit samples of not less

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than one square yard in size of any such product, fabric, or related material with this report.

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

IN THE MATTER OF

AMERICAN CANDLE COMPANY, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF SECS.
2(d) AND 2(e) OF THE CLAYTON ACT

Docket C-1939. Complaint, June 7, 1971—Decision, June 7, 1971

Consent order requiring a Haskell, N.J., corporation manufacturing and selling religious, household and decorative candles to cease violating Sections 2(d) and 2(e) of the Robinson-Patman Act by discriminating among competing resellers of its products in paying promotional allowances, and furnishing services and facilities to some customers and not to their competitors.

COMPLAINT

The Federal Trade Commission having reason to believe that the parties named in the caption hereof, and hereinafter more particularly designated and described, have violated and are now violating the provisions of subsections (d) and (e) of Section 2 of the Clayton Act, as amended by the Robinson-Patman Act, (U.S.C., Title 15, Section 13), hereby issues its complaint, stating its charges in respect thereto as follows:

COUNT I

PARAGRAPH 1. Respondent American Candle Company, 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 63 Fourth Avenue, Haskell, New Jersey.

Amelia de Augustinas is president of the said corporate respondent. Respondent Howard Golub, vice president, and respondent Jacob Finck, treasurer, of the corporate respondent formulate, direct and control the policies, acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. Their address is the same as that of the corporate respondent.

PAR. 2. Respondents manufacture and sell religious, household and decorative candles. The latter category includes colored candles, citronella and Christmas candles which are regarded as seasonal merchandise. Included also in the seasonal merchandise is a line of Electric Patio Lanterns which is sold but not manufactured by the respondents.

Respondents' total annual sales in 1968 and 1969 were in excess of \$1,000,000. During the same period, the total sales of decorated seasonal merchandise were in excess of \$500,000.

PAR. 3. In the course and conduct of their business, respondents are engaged and are now engaging in commerce, as "commerce" is defined in the Clayton Act, as amended, in that respondents sell and cause their products to be transported from their place of business, located in the State of New Jersey, to customers located in other states of the United States and in the District of Columbia. There has been at all times mentioned herein a continuous course of trade in commerce in said products across state lines between said respondents and their customers.

PAR. 4. In the course and conduct of their business in commerce, respondents paid or contracted for the payment of something of value to or for the benefit of some of their customers as compensation or in consideration for services or facilities furnished by or through such customers in connection with their offering for sale of products sold to them by respondents, and such payments were not made available on proportionately equal terms to all other customers competing in the sale and distribution of respondents' products.

PAR. 5. Included among the payments alleged in Paragraph Four are credits, or sums of money, paid either directly or indirectly by way of discounts, allowances, rebates or deductions, as compensation or in consideration for promotional services or facilities furnished by customers in connection with the offering for sale, or sale of respondents' products, including newspaper advertising.

Illustrative of such practices, but not limited thereto, respondents during the year 1969, made payments and allowances to various customers in various areas including the Metropolitan New York area, for advertising services furnished by such customers in connection with the sale or offering for sale of respondents' products.

In the Metropolitan New York area two customers were allowed 10 percent of net purchases for advertising allowances in their stores in Manhattan, Brooklyn, Staten Island and Suffolk County. A third

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purchaser was allowed 5 percent as an advertising allowance on his purchases for a store located in Queens, New York.

Respondents did not offer and otherwise make available such promotional allowances on proportionally equal terms to all other customers in said areas, competing with those who received such allowances.

PAR. 6. The acts and practices of respondents as alleged are in violation of subsection (d) of Section 2 of the Clayton Act, as amended by the Robinson-Patman Act (U.S.C., Title 15, Section 13).

COUNT II

PARAGRAPH 1. Paragraphs One through Three of COUNT I are hereby adopted and made part of this COUNT as fully as if herein set out verbatim.

PAR. 2. In the course and conduct of their business in commerce, respondents discriminated in favor of some purchasers against other purchasers of their products bought for resale, by contracting to furnish or furnishing or by contributing to the furnishing of services or facilities connected with the handling, sale or offering for sale of such products so purchased upon terms not accorded to all competing purchasers on proportionately equal terms.

PAR. 3. Included among the services or facilities furnished some purchasers, as alleged in Paragraph Two of COUNT II, is the prepayment of freight to various purchasers in various areas while requiring purchasers competing with said favored purchasers to pay freight from the respondents' plant in Haskell, New Jersey.

Illustrative of such practices, but not limited thereto, respondents, during the year 1969, prepaid freight to some purchasers in Massachusetts and Connecticut, which service was not made available to competing purchasers in the same areas.

PAR. 4. Included among the services or facilities furnished some purchasers as alleged in Paragraph Two of COUNT II is that of crediting various purchasers in various areas for unsold seasonal merchandise, which service or facility was not offered to competing purchasers.

Illustrative of such practices, but not limited thereto, respondents during the year 1969 granted three purchasers in New York City credits for unsold merchandise but did not offer the same service to competing purchasers.

PAR. 5. Included among the services or facilities furnished some purchasers as alleged in Paragraph Two of COUNT II, is that of offer-

ing various purchasers in various areas more favorable credit terms than the published terms of 1 percent 10 days, net 30 days.

Illustrative of such practices, but not limited thereto, respondents, during the year 1969, offered some purchasers in New York City, Connecticut, Massachusetts, and Rhode Island, more favorable credit terms than those offered to competing purchasers. These terms varied as to the amount of discount, the time within which the discount was allowed and the time within which net payment was due. In the areas of Norfolk, Connecticut; Fall River, Springfield and Worcester, Massachusetts; Providence, Rhode Island and Brooklyn, New York, only two purchasers paid the published credit terms.

PAR. 6. During the same period of time respondents sold their products to purchasers competing with said favored purchasers and have not furnished or offered to furnish the services or facilities as set forth in Paragraphs Three, Four and Five of COUNT II, herein, to said non-favored purchasers on proportionately equal terms.

PAR. 7. The acts and practices of respondents as alleged above violate subsection (e) of Section 2 of the Clayton Act, as amended by the Robinson-Patman Act (U.S.C., Title 15, Section 13).

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 Competition proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of subsections (d) and (e) of Section 2 of the Clayton Act, as amended; 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 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

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in Section 2.34(b) of its Rules, the Commission hereby issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings and enters the following order:

1. Respondent American Candle 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 63 4th Avenue, Haskell, N.J.

Amelia De Augustinas is president of the said corporate respondent. Respondent Howard Golub, vice president and respondent Jacob Finck, treasurer of the corporate respondent formulate, direct and control the policies, acts and practices of the corporate respondent, including the acts and practices herein set forth. Their address is the same as that of the corporate respondent.

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

ORDER

It is ordered, That the respondents American Candle Company, Inc., a corporation, and its officers, and Howard Golub and Jacob Finck individually and as officers of said corporation and respondents' agents, representatives and employees, successors and assigns, directly, indirectly or through any corporate or other device, in or in connection with the sale of candles in commerce, as "commerce" is defined in the Clayton Act, as amended, do forthwith cease and desist from:

1. Paying or contracting for the payment of anything of value to, or for the benefit of, any customer of the respondents as compensation for or in consideration of advertising or promotional services, or any other service or facility furnished by or through such customer in connection with the handling, sale, or offering for sale of respondents' products, unless such payment or consideration is made available on proportionally equal terms to all other customers, including customers who do not purchase directly from respondents, who compete with such favored customer in the distribution or resale of such products.

2. Furnishing, contracting to furnish, or contributing to the furnishing of services or facilities in connection with the handling, processing, sale or offering for sale of respondents' products to any purchaser of such products bought for resale when such services or facilities are not accorded on proportionally equal terms to all other purchasers, including purchasers who do

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not purchase directly from respondents, who resell such products in competition with any purchaser who received such services or facilities.

It is further ordered, That respondent corporation deliver a copy of this order to cease and desist to each of its operating divisions and to all present and future personnel of respondents engaged in the sale of respondents' products in commerce, as "commerce" is defined in the Clayton Act, as amended.

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 resultant in the emergence of a successor corporation, the creation or dissolution of subsidiaries, or any other change in the corporation which may affect compliance obligations arising out of the order.

It is further ordered, That respondents shall, within sixty (60) days after service upon them of this order, file with the Commission their 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

SMITH SETZER AND SONS, INC., ET AL.

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

Docket C-1940. Complaint, June 7, 1971—Decision, June 7, 1971

Consent order requiring three related respondents manufacturing and distributing various types of concrete well casings located in Catawba, N.C., Stoney Creek, Va., and Watkinville, Ga., to cease harassing and coercing purchasers of their products, refusing to sell to parties who have purchased from competitors, requiring that purchasers not deal with other suppliers, and requiring that respondent furnish their customers with copies of this order.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act (15 U.S.C. 45) and by virtue of the authority vested in it by said Act, the Federal Trade Commission having reason to believe that the above-captioned corporations and individuals, more particularly described and referred to hereinafter as respondents, have violated the provisions of Section 5 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 names the above-captioned corporations and individuals as respondents herein, and issues its complaint against the named parties stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Smith Setzer and Sons, Inc., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of North Carolina with an office and plant located at Catawba, North Carolina. Respondent Smith Setzer and Sons of Virginia, Incorporated, is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Virginia with an office and plant located at Stony Creek, Virginia. Respondent Smith Setzer & Sons, Inc., of Georgia is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Georgia with an office and plant located at Watkinsville, Georgia.

PAR. 2. Respondents Ted L. Setzer, W. Neil Setzer, and Jerry Setzer are individuals and are officers of the corporate respondents. They formulate, direct, and control the acts and practices of the corporate respondents, including the acts and practices hereinafter set forth. Their address is Catawba, North Carolina.

PAR. 3. Respondents manufacture and distribute various types of concrete products. The combined annual volume of sales of all corporate respondents is approximately \$600,000.

PAR. 4. The principal product manufactured and sold by respondents is concrete well casings. These concrete well casings are usually sold to persons engaged in the business of boring wells. Respondents' sale and distribution of concrete well casings are generally confined to the Piedmont areas of Virginia, North Carolina, South Carolina, Georgia, and Alabama; that is, the nonmountainous and noncoastal plain areas of said states. Within this territory, wells are the only source of water for household or agricultural use available to persons residing outside of counties, towns, or municipalities which have public water systems. Wells constitute an expensive home improvement, usually costing several hundred dollars to construct.

Within the mentioned geographical area, concrete well casings are the only practical means for lining most of the holes which are dug for wells. Well casings make up the principal item of materials costs in boring wells.

PAR. 5. Respondents manufacture concrete well casings at plants located in Catawba, North Carolina; Watkinsville, Georgia; and Stony Creek, Virginia; and cause said products to be shipped to cus-

tomers at various locations within the States of Virginia, North Carolina, South Carolina, Georgia, and Alabama. There has been, and is now, a pattern and course of interstate commerce in concrete well casings by respondents within the intent and meaning of the Federal Trade Commission Act.

PAR. 6. Respondents are engaged in competition on a limited basis with a few small firms engaged in the manufacture and sale of concrete well casings in various trading areas within respondents' marketing territory, and would be in substantial competition in the manufacture and sale of such products except for certain unfair methods of competition and unfair acts or practices of the respondents as hereinafter set forth.

PAR. 7. In the course and conduct of their business in commerce as above described, respondents have engaged in, and are now engaging in, certain unfair methods of competition and unfair acts or practices in the sale and distribution of concrete well casings. Among the acts or practices which have been employed, and are now being employed, by respondents, but not limited thereto, are the use of intimidation, threats, coercion, and harassment directed at purchasers of concrete well casings to induce them to purchase all, or substantially all, of their concrete well casing requirements from respondents.

PAR. 8. Examples of unfair acts or practices engaged in by respondents, but not limited thereto, are the following:

(A) Respondents have established a procedure to inform themselves of any sales made by competitors to well-borer customers of respondents, requiring respondents' truck drivers to report the presence of any competing concrete well casings observed in the course of making deliveries. Respondents have also maintained surveillance of deliveries of such products leaving the plants of competing manufacturers.

(B) Respondents contacted well borers who purchased competitive concrete well casings and expressed their disapproval of such purchases. When such preliminary contacts proved unsuccessful in obtaining discontinuance of such purchases, respondent Ted L. Setzer contacted such well borers and threatened that if they did not discontinue such purchases, respondents would drive them out of business or cause them economic harm. These threats had the capacity to coerce and intimidate the threatened well borers because they had learned of, or were advised by respondents of, previous incidents wherein such threats had been carried out by respondents.

(C) Additional threats were made by respondents that well borers would not be permitted to purchase concrete well casings from re-

spondents if they did not purchase all of their requirements of such products from respondents. Such threats also had the capacity to coerce and intimidate well borers because alternative sources of supply of concrete well casings were, and are, practically unavailable or severely limited.

PAR. 9. The acts and practices of respondents, as herein alleged, have had, and do have, the effect of hindering, lessening, restricting, restraining, and eliminating competition in the production, sale and distribution of concrete well casings; deny to purchasers of such products the opportunity to buy from suppliers of their choice; are to the detriment of actual or potential competitors of respondents and to the public; and constitute each and all unfair methods of competition and unfair acts or practices in commerce within the intent of the Federal Trade Commission Act.

DECISION AND ORDER

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

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

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

1. Respondent Smith Setzer and Sons, Inc., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of North Carolina with an office and plant located at Catawba, North Carolina. Respondent Smith Setzer and Sons of Virginia, Incorporated, is a corporation organized, existing, and

doing business under and by virtue of the laws of the State of Virginia with an office and plant located at Stony Creek, Virginia. Respondent Smith Setzer & Sons, Inc., of Georgia is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Georgia with an office and plant located at Watkinsville, Georgia.

Respondents Ted L. Setzer, W. Neil Setzer, and Jerry Setzer are officers of the corporate respondents. They formulate, direct, and control the policies, acts and practices of the corporate respondents. Their address is Catawba, North Carolina.

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

ORDER

It is ordered, That respondents Smith Setzer and Sons, Inc., Smith Setzer and Sons of Virginia, Incorporated, and Smith Setzer & Sons, Inc. of Georgia, corporations, their officers, representatives, agents and employees, successors and assigns, directly or through any corporate or other device, and Ted L. Setzer, W. Neil Setzer, and Jerry Setzer, individually and as officers of said corporations, in connection with the manufacture, sale, or distribution of concrete well casings, in commerce, as "commerce" is defined in the Federal Trade Commission Act, shall forthwith cease and desist from:

(A) Inducing, or attempting to induce, the purchase of such products by harassing, threatening, coercing, or intimidating purchasers, or prospective purchasers thereof, including but not limited to, making threats to purchasers, or prospective purchasers, to run them out of business, or to cause them harm, financial, economic, or otherwise, or from taking affirmative steps to carry out such threats.

(B) Boycotting or refusing to sell to purchasers or prospective purchasers who have purchased any of their requirement of such products from competitors.

(C) Selling or making any contract, agreement, or understanding for the sale of such products on the condition, agreement, or understanding that the purchaser thereof shall not use, deal in, sell, or distribute products supplied by any other seller.

(D) Enforcing, or continuing in operation or effect, any requirement, condition, agreement, or understanding with any purchaser which is to the effect that such purchaser shall not use, deal in, sell, or distribute such products supplied by any other seller.

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It is further ordered, That respondents notify all customers of concrete well casings, both present customers as well as others who have made purchases from respondents within the past three (3) years (or have communicated with respondents for that purpose), that they are free to purchase such products from respondents or from any other supplier, in any proportion or proportions they see fit, by means of a letter of notice enclosing a copy of this order and the decision relating thereto and containing the following wording, and, apart from the address of the customer and the signature of respondents, only such wording:

(Date)

Dear Sir:

The Federal Trade Commission has reason to believe that Smith Setzer & Sons, Inc. has denied to purchasers of concrete well casings the opportunity to buy such products from suppliers of their choice. While we do not admit that we have engaged in these activities, we have entered into a consent decree with the Commission.

As part of this decree, we have been directed to notify you that your firm is free to purchase concrete well casings from Smith Setzer & Sons, Inc., *or from any other supplier*, as you see fit. We stand ready to supply you whether or not you purchase all of your requirements from our firm. Any previous agreement or understanding to the contrary is hereby cancelled.

We are sending you this notice by order of the Federal Trade Commission. We are also enclosing a copy of the Commission's Decision and Order concerning this matter.

Any violation of this Order which is reported by anyone to the Federal Trade Commission, 6th & Pennsylvania Avenue, N.W., Washington, D.C., 20580, will result in prompt corrective action by the Commission.

Signed

(Respondents)

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

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

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IN THE MATTER OF

NORTH AMERICAN PHILIPS CORPORATION

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

Docket C-1941. Complaint, June 8, 1971—Decision, June 8, 1971.

Consent order requiring a New York City manufacturer and distributor of transistorized radios to cease overstating the number of transistors in its transistorized radios.

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 North American Philips Corporation, a corporation, hereinafter referred to as respondent, has engaged in acts and practices contrary to the Commission's Trade Regulation Rule relating to Deception as to Transistor Count in Radio Receiving Sets, Including Transceivers (16 CFR 414) and by this and other means has violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent North American Philips Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 100 East 42nd Street, New York, New York.

PAR. 2. Respondent is now, and for some time last past has been, engaged in the manufacturing of transistorized radios and distributing these radios to wholesale and retail purchasers for resale to the purchasing public.

PAR. 3. In the course and conduct of its business as aforesaid, respondent now causes, and for some time last past has caused, its products, when sold, to be shipped from its place of business in the State of New York to purchasers thereof located in various other States of the United States, and maintains, and at all times mentioned herein has maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of its business, respondent has

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made representations in advertisements and other promotional materials and on labels attached to the radios concerning the number of transistors contained in the radios manufactured and distributed by it in the United States in the manner above described.

PAR. 5. In the course and conduct of its business, respondent has made representations in advertisements and other promotional materials and on labels attached to the radios concerning the number of "Solid State" devices contained in the radios manufactured and distributed by it and thereby represents, directly or by implication, that a particular set so described contains that number of transistors.

PAR. 6. In representing the number of transistors or "Solid State" devices contained in its radios, respondent has included in the count, transistors that do not perform the recognized and customary functions of radio set transistors in the detection, amplification and reception of radio signals.

PAR. 7. On May 14, 1968, after due notice and hearing, the Commission promulgated its Trade Regulation Rule relating to Deception as to Transistor Count of Radio Receiving Sets, Including Transceivers (16 CFR 414), effective December 10, 1968. 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 it constitutes an unfair method of competition and an unfair and deceptive act or practice to:

Represent, directly or by implication, that any radio set contains a specified number of transistors when one or more of such transistors: (1) are dummy transistors; (2) do not perform the recognized and customary functions of radio set transistors in the detection, amplification and reception of radio signals; or (3) are used in parallel or cascade applications which do not improve the performance capabilities of such sets in the reception, detection and amplification of radio signals.

PAR. 8. 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 through Seven 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 respondent. Therefore, the respondent is given further notice that it 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

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acts or practices of respondent. And if the Commission should find that the above Rule is applicable to the alleged acts or practices of the respondent, 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,¹ is attached hereto and made a part of this pleading.

PAR. 9. The aforesaid methods of competition and acts and practices of respondent, as alleged in Paragraph Eight hereof, were contrary to the provisions and requirements of the Commission's Trade Regulation Rule relating to Deception as to Transistor Count of Radio Receiving Sets, Including Transceivers (16 CFR 414), and thereby constituted, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce, in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

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

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

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondent has violated the said Act, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the

¹ Appendix A was omitted in printing. Trade Regulation Rule relating to Deception as to Transistor Count of Radio Receiving Sets, including Transceivers effective December 10, 1968, appears in Title 16 of the Code of Federal Regulations Section 414.

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 North American Philips Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 100 East 42nd 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 North American Phillips Corporation, a corporation, and its officers, agents, representatives and employees, directly or through any corporate or other device, in connection with the manufacturing, advertising, offering for sale, sale or distribution of radio receiving sets, including transceivers, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication, through the use of the terms transistor or "Solid State" that any radio set contains a specified number of transistors when one or more such transistors: (1) are dummy transistors; (2) do not perform the recognized and customary functions of radio set transistors in the detection, amplification and reception of radio signals; or (3) are used in parallel or cascade applications which do not improve the performance capabilities of such sets in the reception, detection and amplification of radio signals: *Provided however*, That nothing herein shall be construed to prohibit in connection with a statement as to the actual transistor count (computed without inclusion of transistors which do not perform the functions of detection, amplification and reception of radio signals), a further statement to the effect that the sets in addition contain one or more transistors acting as diodes or performing auxiliary or other functions when such is the fact.

2. Misrepresenting, in any manner, the number of transistors in respondent's radio receiving sets and transceivers.

It is further ordered, That the respondent corporation shall forthwith distribute a copy of this order to each of its operating divisions engaged in the manufacturing, advertising, offering for sale, sale or distribution of radio receiving sets and transceivers.

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

spondent relating to operating divisions or subsidiaries engaged in the manufacture, advertising, offering for sale, sale or distribution of radio receiving sets, including transceivers 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 when any such change may affect compliance obligations arising out of this order.

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

IN THE MATTER OF
YORK RADIO CORPORATION, ET AL.

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

Docket C-1942. Complaint, June 8, 1971—Decision, June 8, 1971

Consent order requiring a South Hackensack, N.J., importer and distributor of imported transistorized radios from foreign manufacturers to cease overstating the number of transistors in its transistorized radios.

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 York Radio Corporation, a corporation, and Morris Feldman, individually and as an officer of said corporation, hereinafter referred to as respondents, have engaged in acts and practices contrary to the Commission's Trade Regulation Rule relating to Deception as to Transistor Count in Radio Receiving Sets, Including Transceivers (16 CFR 414) 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. Respondent York Radio Corporation 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 15 Empire Boulevard, South Hackensack, New Jersey.

Respondent Morris Feldman is an individual and officer of the corporate respondent. He formulates, directs and controls the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. His 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 importing transistorized radios from foreign manufacturers and distributing these radios to wholesale and retail purchasers for resale to the purchasing public.

PAR. 3. In the course and conduct of their business as aforesaid, respondents now cause, and for some time last past have caused, their products to be imported into the United States and, when sold, to be shipped from their place of business in the State of New Jersey 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, respondents make representations in advertisements and other promotional materials and on labels attached to the radios concerning the number of transistors contained in the radios imported and distributed by them in the United States in the manner above described.

PAR. 5. In the course and conduct of their business, respondents make representations in advertisements and other promotional materials and on labels attached to the radios concerning the number of "Solid State" devices contained in the radios imported and distributed by them and thereby represent, directly or by implication, that a particular set so described contains that number of transistors.

PAR. 6. In representing the number of transistors or "Solid State" devices contained in their radios, respondents have included in the count, transistors that do not perform the recognized and customary functions of radio set transistors in the detection, amplification and reception of radio signals.

PAR. 7. On May 14, 1968, after due notice and hearing, the Commission promulgated its Trade Regulation Rule relating to Deception as to Transistor Count of Radio Receiving Sets, Including Transceivers (16 CFR 414), effective December 10, 1968. 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 it constitutes an unfair method of competition and an unfair and deceptive act or practice to:

Represent, directly or by implication, that any radio set contains a specified number of transistors when one or more of such transistors: (1) are dummy transistors; (2) do not perform the recognized and customary functions of radio set transistors in the detection, amplification and reception of radio signals; or (3) are used in parallel or cascade applications which do not improve the performance capabilities of such sets in the reception, detection and amplification of radio signals.

PAR. 8. 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 through Seven 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 the 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,¹ is attached hereto and made a part of this pleading.

PAR. 9. The aforesaid methods of competition and acts and practices of respondents, as alleged in Paragraph Eight hereof, were and are contrary to the provisions and requirements of the Commission's Trade Regulation Rule relating to Deception as to Transistor Count of Radio Receiving Sets, Including Transceivers (16 CFR 414), 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.

¹ Appendix A was omitted in printing. Trade Regulation Rule relating to Deception as to Transistor Count of Radio Receiving Sets, Including Transceivers effective December 10, 1968, appears in Title 16 of the Code of Federal Regulations Section 414.

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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 respondent 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 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 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 York Radio Corporation 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 15 Empire Boulevard, South Hackensack, New Jersey.

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

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

ORDER

It is ordered, That respondent York Radio Corporation, a corporation, and its officers, and Morris Feldman, individually and as an

officer of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the manufacturing, advertising, offering for sale, sale or distribution of radio receiving sets, including transceivers, or any other product, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication, through the use of the terms transistor or "Solid State" or any other word or phrase that any radio set contains a specified number of transistors when one or more such transistors: (1) are dummy transistors; (2) do not perform the recognized and customary functions of radio set transistors in the detection, amplification and reception of radio signals; or (3) are used in parallel or cascade applications which do not improve the performance capabilities of such sets in the reception, detection and amplification of radio signals: *Provided however*, That nothing herein shall be construed to prohibit in connection with a statement as to the actual transistor count (computed without inclusion of transistors which do not perform the functions of detection, amplification and reception of radio signals), a further statement to the effect that the sets in addition contain one or more transistors acting as diodes or performing auxiliary or other functions when such is the fact.

2. Misrepresenting, in any manner, the number of transistors or other components in respondents' products or the functions of any such component.

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

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

It is further ordered, That the respondents herein shall within sixty (60) days after service upon them 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.