IN THE MATTER OF

FINGERHUT MANUFACTURING COMPANY, ET AL.

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

Docket C-1642. Complaint, Dec. 4, 1969—Decision, Dec. 4, 1969

Consent order requiring a Minneapolis, Minn., distributor of miscellaneous merchandise to cease misrepresenting foreign made goods as domestic, making deceptive free offers, and shipping substitute articles without prior notice.

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 Fingerhut Manufacturing Company and Fingerhut Products Company, corporations, and Manny Fingerhut, Herman Schwartz, Stanley H. Nemer, and Meyer Nemer, individually and as officers of said corporations, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondents Fingerhut Manufacturing Company and Fingerhut Products Company, are corporations organized, existing and doing business under and by virtue of the laws of the State of Minnesota with their principal office and place of business located at 3104 West Lake Street, in the city of Minneapolis, State of Minnesota.

Respondents Manny Fingerhut, Herman Schwartz, Stanley H. Nemer and Meyer Nemer 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 the same as that of the corporate respondents.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale and distribution of wearing apparel, tableware, dinnerware, tools and other merchandise to the public.

PAR 3. In the course and conduct of their business as aforesaid, respondents now cause and for some time last past have caused

their said products, when sold, to be shipped from their place of business in the State of Minnesota to purchasers thereof located in various other States of the United States, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their aforesaid business and for the purpose of inducing the purchase of their said products, respondents have made, and are now making, numerous statements and representations in circulars, brochures, form letters and other promotional material disseminated through the United States Mails with respect to the origin, source, free trial offers, type and kind of their merchandise and to offers of free merchandise.

PAR. 5. By and through the use of the statements and representations and by depictions in their advertisements, the respondents have represented, and are now representing, directly or by implication, that:

1. All of the merchandise depicted and described as "All American Made" and "Made in U.S.A." was manufactured in the United States of America.

2. The merchandise being offered on a freee trial basis may be simply and unconditionally returned to the respondents at the election of the purchaser within the free trial time.

3. The merchandise ordered in response to respondents' advertisements would in all respects conform to the merchandise depicted and described therein.

4. When certain featured merchandise was ordered by prospective purchasers, the respondents would send a free gift of other described and depicted merchandise.

PAR. 6. In truth and in fact:

1. The merchandise depicted, described and offered for sale by respondents as being manufactured in the United States of America in some instances consisted in whole or in part of pieces that were of a foreign origin.

2. The merchandise being offered on a free trial basis may not be simply and unconditionally returned to respondents within the free trial time. Only after receipt of the merchandise were purchasers notified and by a wholly inadequate disclosure that within the trial period they must systematically write and secure from the respondents special labels to facilitate the return of the merchandise.

3. In some instances respondents substituted other and different merchandise from that ordered by purchasers. In such cases the merchandise did not conform to the depiction and description of the respondents' advertisements in all respects, but was of a different pattern, design, style, manufacture, origin or source.

4. In some instances purchasers have not received the free bonus or gift of merchandise as represented.

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

PAR. 7. In the course and conduct of their aforesaid business, and at all times mentioned herein respondents have been, and now are, in substantial competition, in commerce, with corporations, firms and individuals in the sale of wearing apparel, tableware, dinnerware, tools and other merchandise, of the same general kind and nature as that sold by the respondents.

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

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

DECISION AND ORDER

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

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law had 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 its orders:

1. Respondents Fingerhut Manufacturing Company and Fingerhut Products Company are corporations organized, existing and doing business under by virtue of the laws of the State of Minnesota, with their offices and principal place of business located at 3104 West Lake Street, Minneapolis, Minnesota.

Respondents Manny Fingerhut, Herman Schwartz, Stanley H. Nemer and Meyer Nemer are officers of said corporation and their principal offices and place of business are located at the above stated address.

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

ORDER

It is ordered, That respondents Fingerhut Manufacturing Company and Fingerhut Products Company, corporations, and their respective officers, and Manny Fingerhut, Herman Schwartz, Stanley H. Nemer and Meyer Nemer, individually and as officers of said corporations, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of wearing apparel, tableware, dinnerware, tools or any

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

1. Using the terms "All American Made" or "Made In U.S.A." or any other word, terms or phrases of similar import or meaning to describe or refer to products not made in the United States.

2. Misrepresenting, in any manner, the country of origin of any products offered for sale or sold by respondents.

3. Representing, directly or by implication, that merchandise is being offered on a free trial basis or a conditional trial basis, unless all conditions or obligations imposed for and the procedures or prerequisites necessary for the return of the merchandise on the represented basis are clearly and conspiculously disclosed at the time of and in immediate connection with such offer.

4. Delivering or shipping, without prior notice which affords the prospective purchaser the right of acceptance or rejection, substitute merchandise that is different in design, style, pattern, manufacture or source, or in any other manner, than the merchandise depicted or described in any advertisements, mailings, literature or other media that offer for sale or solicit the purchase or respondents' merchandise.

5. Representing, directly or by implication that prospective purchasers will receive a free bonus, gift or anything of value, upon ordering or purchasing other merchandise unless such gift or bonus is shipped free of any additional cost to each person qualifying therefor; and in any instance in which the customer informs respondents that such free gift has not been received, respondents make immediate delivery of the represented free gift or bonus.

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

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

IN THE MATTER OF

KNOLL ASSOCIATES, INC.

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

Docket 8549. Complaint, Dec. 27, 1962—Decision, Dec. 8, 1969

Order withdrawing the complaint issued Dec. 27, 1962, 70 F.T.C. 311, which charged a New York City furniture company with discriminating in price in violation of Sec. 2(a) of the Clayton Act. This matter was settled by consent order Docket No. C–1643, p. 847 herein, order withdrawing proceeding from adjudication dated July 25, 1969, p. 1060 herein.

ORDER WITHDRAWING COMPLAINT

The Commission having accepted an agreement containing a consent order in Docket No. C–1643 [p. 847 herein] which provided that, upon acceptance of such agreement, the complaint against Knoll Associates, Inc., in Docket No. 8549, issued December 27, 1962 [70 F.T.C. 311], would be withdrawn. Accordingly,

It is ordered, That the complaint issued against Knoll Associates, Inc., on December 27, 1962, be, and it hereby is, withdrawn.

By the Commission, with Commissioner Elman not participating.

IN THE MATTER OF

JENS RISOM DESIGN, INC., ET AL.

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

Docket 8740. Complaint, July 21, 1967—Decision, Dec. 8, 1969

Order setting date of compliance of modified cease and desist order of March 20, 1968, 73 F.T.C. 120, 123.

ORDER SETTING DATE OF COMPLIANCE WITH CEASE AND DESIST ORDER

By order dated March 20, 1968 [73 F.T.C. 123], the Commission ruled that its cease and desist order herein shall become final within the meaning of the Clayton Act, as amended, upon the dis-

position of the proceedings Docket No. 8549, *In the Matter of Knoll Associates, Inc.* [p. 835 herein]. On July 25, 1969 [p. 1060 herein], the Commission withdrew that matter from adjudication and authorized complaint counsel to enter into an agreement containing a consent order to cease and desist with Art Metal—Knoll Corp., the successor to Knoll Associates, Inc. That consent order appears in Docket No. C—1643 [p. 847 herein] which we issue today.

Since by the terms of aforesaid cease and desist order Art Metal-Knoll has until January 1, 1970, to be in compliance, and in the interest of treating all competitors fairly and equitably,

It is ordered, That respondents herein shall, within sixty (60) days after January 1, 1970, 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 issued on March 20, 1968.

IN THE MATTER OF

DIRECTIONAL CONTRACT FURNITURE CORP.

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

Docket 8741. Complaint, July 21, 1967—Decision, Dec. 8, 1969

Order setting date of compliance of cease and desist order of February 23, 1968, 73 F.T.C. 436.

ORDER SETTING DATE OF COMPLIANCE WITH CEASE AND DESIST ORDER

By order dated February 23, 1968 [73 F.T.C. 436], the Commission ruled that its cease and desist order herein shall become final within the meaning of the Clayton Act, as amended, upon the disposition of the proceedings in Docket No. 8549, *In the Matter of Knoll Associates, Inc.* [p. 835 herein]. On July 25, 1969 [p. 1060 herein], the Commission withdrew that matter from adjudication and authorized complaint counsel to enter into an agreement containing a consent order to cease and desist with Art Metal-Knoll Corp., the successor to Knoll Associates, Inc. That consent order appears in Docket No. C–1643 [p. 847 herein], which we issue today.

Since by the terms of aforesaid cease and desist order Art Metal-Knoll has until January 1, 1970, to be in compliance, and in the interest of treating all competitors fairly and equitably,

It is ordered, That respondent herein shall, within sixty (60) days after January 1, 1970, 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 issued on February 23, 1968.

IN THE MATTER OF

CHINCHILLA INTERNATIONAL BREEDERS ASSOCIATES, ET AL.

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

Docket 8780. Complaint, Apr. 24, 1969—Decision, Dec. 8, 1969

Consent order requiring a Grants Pass, Oreg., seller of chinchilla breeding stock to cease making exaggerated earning claims, misrepresenting the quality of its stock, deceptively guaranteeing the fertility of its stock, misrepresenting its services to purchasers, and using a name which implies that it is a trade association.

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 Chinchilla International Breeders Associates, a partnership, and Theodore R. Wood and Theodore C. Wood, individually and as copartners trading and doing business as Chinchilla International Breeders Associates, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Chinchilla International Breeders Associates is a partnership comprised of the following named individuals who formulate, direct and control the acts and practices hereinafter set forth. The principal office and place of business of said partnership is located at 2300 Williams Highway, Grants Pass, Oregon, 97526.

Respondents Theodore R. Wood and Theodore C. Wood are in-

dividuals and copartners trading and doing business as Chinchilla International Breeders Associates with their principal office and place of business at the above-stated address.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale and distribution of chinchilla breeding stock to the public.

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

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

Typical and illustrative of the statements and representations contained in said advertising and promotional material, but not all inclusive thereof, are the following:

The chinchilla industry offers spectacular opportunity to all investors. * * *

Every day delayed represents tremendous loss in production and profit!

Using an average of two litters a year and two babies per female, a rancher could have 21 pair at the end of a three-year period, starting with one pair.

The Chinchilla International Breeders Associates (CIBA) was formed as a trade association for Chinchilla ranchers. The functions of CIBA include promoting the Chinchilla industry, conducting a registery, performing research and encouraging the improvement in the quality of chinchillas, and bringing together people interested in raising chinchillas.

ARE YOU

An employed person wanting a money-making sideline which will become a

profitable, independent business at some future date without loss of present salaried income?

* * * * * * *

A handicapped or partially disabled person needing some light, interesting work with short hours and good income to enjoy complete independence?

* * * * * * *

Chinchillas are naturally hardy and do not require elaborate housing. A basement, spare bedroom built-in porch, garage or out building is satisfactory.

People Have Asked

* * * * * * *

Are Chinchillas susceptible to many diseases?

No. They are very hardy animals, contrary to uninformed popular belief. * * * They are practically disease free.

* * * * * * *

Is experience necessary to raise chinchillas?

No. Because CIBA's exceptional technical assistance and advice are always available to the rancher * * * no prerequisite other than a natural liking of animals and a sincere desire to succeed is necessary.

1 Male and 3 Females—$2,400

CIBA Membership—$50

1. Guaranteed production.
2. Exchange of herd sires.
3. Free instruction at CIBA Ranch.

YOUR INCOME OVER 5 YEARS

Year:	Extra males at $25:	
2	4	$100
3	10	250
4	24	600
5	252	6,300
		7,250

1. Guarantee animals to live.
2. Guarantee number to double 1st year.

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

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

2. The breeding of chinchillas from breeding stock purchased

from respondents as a commercially profitable enterprise requires no previous experience in the breeding, raising and caring for such animals.

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

4. Purchasers of respondents' breeding stock receive top quality chinchillas.

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

6. The breeding stock of three females and one male chinchilla purchased from respondents will result in live offspring as follows: 12 the first year, 32 the second year, 84 the third year.

7. The pelts from the offspring of respondents' breeding stock sell for an average price of $25 per pelt.

8. A purchaser starting with three females and one male of respondents' chinchilla breeding stock will have a gross income of $6,300 from the sale of pelts in the fifth year.

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

10. The "Imperial Quality" standards of live chinchilla evaluation is an accepted standard in the chinchilla industry for determining the quality of chinchilla breeding stock.

11. The term "Imperial Quality" is a designation widely recognized throughout the chinchilla industry as denoting high quality chinchilla breeding stock.

12. Chinchilla breeding stock purchased from respondents is unconditionally guaranteed to live and to double their number the first year after purchase.

13. All pelts sold by CIBA and CIBA members are sold under or are nationally advertised under the "Aurora" trademark.

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

15. Through the use of the words "Chinchilla International Breeders Associates" separately and as a part of respondents' tradename, respondents: (a) have branches or ranches in countries other than the United States; (b) are associated with other individuals or firms engaged in the breeding and raising of chinchilla breeding stock.

16. Chinchilla International Breeders Associates is an association formed for the mutual aid and protection of purchasers of respondents' chinchilla breeding stock.

PAR. 6. In truth and in fact:

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

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

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

4. Chinchilla breeding stock sold by respondents is not of top quality.

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

6. The initial chinchilla breeding stock of three females and one male purchased from respondents will not result in the number of offspring specified in subparagraph (6) of Paragraph Five above since these figures do not allow for factors which reduce chinchilla production such as those born dead or which die after birth, the culls which are unfit for reproduction, fur chewers and sterile animals.

7. A purchaser of respondents' chinchillas could not expect to receive an average price of $25 for each pelt but substantially less than that amount.

8. A purchaser starting with three females and one male of respondents' breeding stock will not have a gross income of $6,300 from the sale of pelts in the fifth year but substantially less than that amount.

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

10. The "Imperial Quality" standard of live chinchilla evaluation is not an accepted standard in the industry of determining the quality of chinchilla breeding stock.

11. The term "Imperial Quality" is not a designation widely recognized throughout the chinchilla industry as denoting high quality chinchilla breeding stock. Said term is unknown throughout most of the chinchilla industry.

12. Chinchilla breeding stock purchased from respondents is not unconditionally guaranteed to live and to double its number the first year after purchase. Said guarantee is subject to numerous terms, limitations and conditions.

13. All pelts sold by CIBA and CIBA members are not sold under or nationally advertised under the "Aurora" trademark. Few, if any, of the said pelts are sold or advertised under the "Aurora" trademark.

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

15. Chinchilla International Breeders Associates does not have branches or ranches in countries other than the United States nor is it associated with other individuals or firms engaged in the breeding and raising of chinchilla breeding stock.

16 Chinchilla International Breeders Associates in not an association formed for the mutual aid and protection of purchasers or respondents' chinchilla breeding stock but is a business formed for the purpose of selling respondents' chinchilla breeding stock for a profit.

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

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

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

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

DECISION AND ORDER

The Commission having issued its complaint on April 24, 1969, charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act, and the respondents having been served with a copy of that complaint; and

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

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

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

1. Respondent Chinchilla International Breeders Associates is a partnership comprised of the following named individuals who formulate, direct and control the acts and practices hereinafter set forth. The principal office and place of business of said partnership is located at 2300 Williams Highway, Grants Pass, Oregon, 97526.

Respondents Theodore R. Wood and Theodore C. Wood formulate, direct and control the policies, acts and practices of the abovenamed enterprise.

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

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

ORDER

It is ordered, That respondents Chinchilla International Breeders Associates, a partnership, and Theodore R. Wood and Theodore C. Wood, individually and as copartners trading and doing business as Chinchilla International Breeders Associates, or trading and doing business under any other name or names, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of chinchilla breeding stock or any other products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

A. Representing, directly or by implication, that:

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

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

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

4. Purchasers of respondents' chinchilla breeding stock will receive top quality chinchillas.

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

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

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

7. The breeding stock of three females and one male chinchilla purchased from respondents will produce live offspring of 12 the first year, 32 the second year, 84 the third year.

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

9. Offspring of chinchilla breeding stock purchased from respondents will produce pelts selling for the average price of $25 each.

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

11. A purchaser starting with three females and one male will have, from the sale of pelts, a gross income, earnings or profits of $6,300 in the fifth year after purchase.

12. Purchasers of respondents' breeding stock will re-

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

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

14. The "Imperial Quality" standards of live chinchilla evaluation is an accepted standard in the chinchilla industry for determining the quality of chinchilla breeding stock; or that animals bearing such designation are recognized as being high quality chinchilla breeding stock; or misrepresenting, in any manner, the standards or the acceptance or recognition of standards or designations in the chinchilla industry for the evaluation or grading of chinchillas or the pelts therefrom.

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

16. All or any pelts sold by CIBA or CIBA members are sold under or are nationally advertised under the "Aurora" label or under any other label or designation unless, in fact, the represented number of or percentage of CIBA or CIBA members' pelts are actually sold under or advertised under the represented label or designation.

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

18. Chinchilla International Breeders Associates or

respondents are an association formed for the mutual aid and protection of purchasers of respondents' chinchilla breeding stock; or misrepresenting, in any manner, the nature or status of respondents' business.

B. Using the words "International Breeders Associates" or any other words of similar import or meaning in or as a part of respondents' trade or corporate name or in any other manner; or representing, directly or by implication, that respondents' business organization has branches or ranches in countries other than the United States or is associated with other individuals or firms engaged in the breeding or raising of chinchilla breeding stock.

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

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

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

It is further ordered, That the 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 METAL-KNOLL CORPORATION

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

Docket C-1643. Complaint, Dec. 8, 1969—Decision, Dec. 8, 1969 *

Consent order requiring a furniture products manufacturer of Jamestown, N.Y., to cease discriminating in price among competing resellers of its products of the Knoll Division in violation of Sec. 2(a) of the Clayton Act.

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* See related proceeding Docket No. 8549, *In the Matter of Knoll Associates, Inc.*, dated Dec. 8, 1969, p. 835 herein.

COMPLAINT

The Federal Trade Commission, having reason to believe that Art Metal-Knoll Corporation, the party respondent named in the caption hereof and hereinafter more particularly designated and described, has violated and is now violating the provisions of subsection (a) of Section 2 of the Clayton Act (U.S.C., Title 15, Section 13) as amended by the Robinson-Patman Act, approved June 19, 1936, hereby issues its complaint, stating its charges with respect thereto as follows:

PARAGRAPH 1. Respondent Art Metal-Knoll Corporation, a subsidiary of Walter E. Heller & 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 Jones and Gifford Avenues, Jamestown, New York.

PAR. 2. Respondent is now, and for some years last past has been, engaged in the manufacture, sale and distribution of furniture and furniture products through its Knoll Division. These products are sold to a large number of customers located throughout the United States. Its sales of these products are substantial, and in excess of $9 million per annum.

PAR. 3. In the course and conduct of its business, respondent through its Knoll Division has engaged and is now engaged in commerce as "commerce" is defined in the Clayton Act. Respondent employs interstate means of communication with its customers in the consummation of sales and in the settling of accounts. Respondent ships, or causes to be shipped, its products from the States in which said products are manufactured to its customers, or to purchasers from its customers, located in other States of the United States and the District of Columbia. Thus, there is and has been, at all times mentioned herein, a continuous course of trade in commerce in said products across State lines between respondent and its customers.

PAR. 4. In the course and conduct of its business in commerce through its Knoll Division, respondent has been and now is discriminating in price, directly or indirectly, between different purchasers of its furniture and furniture products of like grade and quality by selling said products at higher prices to some purchasers than it sells said products to other purchasers, many of whom have been and now are in competition with the purchasers paying the higher prices.

PAR. 5. Included among, but not limited to, the aforesaid discriminations in price as above alleged, are the following:

For several years last past respondent through its Knoll Division has priced its line of products in terms of list prices. One class of respondent's customers purchases at said list prices less a discount of 40 percent while other classes of customers purchase at list prices less discounts of 50 percent. Various members of each class of customers compete with each other and with various members of each of the other classes.

PAR. 6. The effect of respondent's discriminations in price through its Knoll Division as alleged herein has been or may be substantially to lessen competition or tend to create a monopoly in the line of commerce in which respondent's customers are engaged, or to injure, destroy, or prevent competition with purchasers from respondent's Knoll Division who receive the benefit of such discriminations.

PAR. 7. The aforesaid acts and practices constitute violations of the provisions of subsection (a) of Section 2 of the Clayton Act (U.S.C., Title 15, Section 13) as amended by the Robinson-Patman Act, approved June 19, 1936.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondent named in the caption hereof with violation of subsection (a) of Section 2 of the Clayton Act, as amended, and the respondent 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 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 complaint to issue herein, 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 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 § 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 Art Metal-Knoll Corporation, (a wholly owned subsidiary of Walter E. Heller & 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 Jones and Gifford Avenues, Jamestown, New York.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent.

ORDER

It is ordered, That with respect to the products of its Knoll Division respondent Art Metal-Knoll Corporation (the successor to Knoll Associates, Inc.) and its officers, representatives, agents and employees, directly or through any corporate or other device, in the sale of furniture and furniture products in commerce, as "commerce" is defined in the Clayton Act, as amended, do on and after January 1, 1970, cease and desist from:

> Discriminating directly or indirectly in the price of such products of like grade and quality by selling such products to any purchaser at net prices higher than the net prices charged any other purchaser who, in fact, competes in the resale of such products with the purchaser paying the higher price.

It is further ordered, That the respondent corporation shall forthwith distribute a copy of this order to each of its operating divisions and to its parent corporation, Walter E. Heller & Company.

It is further ordered, That respondent notify the Commission at least thirty (30) days prior to any proposed change in its or its parent's corporate structure which materially affects its Knoll Division 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 January 1, 1970, 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

VORNADO, INC.

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

Docket C-1644. Complaint, Dec. 8, 1969—Decision, Dec. 8, 1969

Consent order requiring a Garfield, N.J., corporation which operates or controls a chain of 45 department and retail stores in 7 States to cease making false pricing, savings, and guarantee claims, and failing to maintain adequate pricing records.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that Vornado, Inc., a corporation, and certain subsidiary corporations of said Vornado, Inc., hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Vornado, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business at 174 Passaic Street, Garfield, New Jersey. Respondent from its aforementioned principal place of business is responsible for all the acts and practices of the aforementioned subsidiary corporations hereinbefore referred to as respondents in this complaint.

PAR. 2. Respondent Vornado, Inc., owns, operates, and controls, directly or through the aforementioned wholly owned and controlled subsidiary corporations, a chain of more than forty-five (45) department stores and other retail stores, located in approx-

imately seven (7) States of the United States. Respondent Vornado, Inc., and its aforementioned subsidiary corporations have been and are now engaged in the advertising, offering for sale, sale and distribution of cameras, clothing, tires, toys, automobiles batteries, vitamins, hardware and other articles of merchandise to the general public located in said States. Said department stores and all of the departments contained therein are advertised and represented to the general public under the several trade names of its subsidiary corporations.

PAR. 3. Respondent Vornado, Inc., and its aforementioned subsidiary corporations have in a number of the aforementioned department and other retail stores certain leased departments. Respondent Vornado, Inc., and its aforementioned subsidiary corporations are responsible for and control the advertising and offering for sale to the general public of the merchandise of the aforesaid leased departments.

PAR. 4. In the course and conduct of its business as aforesaid, respondents formulate, direct and control the acts and practices of said department stores and leased departments, including, but not limited to the purchasing, pricing, advertising, personnel, accounting and financial activities of said department stores and leased departments. In the course and conduct of their business, respondents cause advertising mats, advertising circulars, checks, sales memoranda, policy directives, and other documents and communications to be transmitted by the United States mails and by other interstate mechanisms, to and from respondents' said principal office and place of business to said department stores located in said other States of the United States.

In the further course and conduct of their business, respondents sell and distribute said merchandise in commerce by causing said merchandise to be shipped to and from their warehouses, and from the places of business of their various suppliers, located in the several States of the United States, to said department stores for purchase at retail by the general public, located in States other than the States from which such shipments originate.

All of the aforesaid acts and practices have been engaged in, in the course and conduct of respondents' business, and all such acts and practices have a close and substantial relationship to the interstate flow of respondents' business. There is now, and has been, at all times mentioned herein, a substantial and continuous

course of trade in said merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 5. In the course and conduct of their business, and for the purpose of inducing the sale of said merchandise it has been, and is now, respondents' policy to use in their advertising comparative pricing claims, price reduction claims, comparable value claims, savings claims, and list price claims wherein a lower offering or selling price appears accompanied by a higher or comparative price representation such as, for example, "COMP. VALUE," "REG.," "REGULAR PRICE," "SAVE," or "LIST." Said lower and higher comparative price representations are established at the said main offices of the respondents and are now, and have been, distributed by said main offices to said department stores and to purchasers and potential purchasers by direct mail advertisements and advertisements inserted in newspapers.

Among and typical of the statements contained in respondents' newspaper advertisements, newspaper supplements and brochures mailed directly to purchasers and potential purchasers announcing said comparative pricing policy, but not all inclusive thereof, are the following:

TWO GUYS JANUARY CLEARANCE
SAVE AN EXTRA 28% TO 66% OFF OUR REGULAR LOW DISCOUNT PRICES

1. Keystone Dual 8 Movie Projector
   Reg. 64.85
   $59.99
2. Ansco Vision 388 Dual Movie Projector
   Reg. 59.85
   Val. 74.95
   $54.85
3. Men's Short Sleeve Permanent Press Dress Shirts
   3 for $5
   Comp. Value 2.50 ea.
4. Men's Suburban Coat
   Comp. Value 29.95
   Reg. Price 24.88
   Save $17.66
5. DeLuxe Winterking or Superlux Tires
   Size 650/700 x 13
   Reg. 2 for 36.94
   2 for 24.00
6. Premium Winterlux or Superlux Tires
   Size 760/845 x 15
   Reg. Price 1st Tire 28.47

Price at 50% off 2nd Tire 14.24
Sale Price 2 Tires 42.71

7. Transogram's Pretzel Jetzel
Reg. 6.79
Save 2.82
3.97

8. Transogram's Pretzel Jetzel
Reg. 6.79
Sale 2.97
Save 56%

9. Vornado 24 Month Automobile Battery
Comp. Val. 14.95
9.77 exch.

10. Vornado Standard Battery
Reg. Price 16.88 ea. exch.
9.88 ea. exch.

11. Harrison Multiple Vitamins
Regular 2.99 ea.
2 for 2.99

12. Weller Electric Soldering Gun Kit
LIST 9.95
4.75

PAR. 6. Through the use of the aforesaid statements and representations and other similar thereto, but not specifically set forth, as used variously by respondents in effectuating said comparative pricing policy:

(a) Respondents have represented directly or indirectly, that purchasers of said merchandise realize savings to the amounts or percentages claimed as reductions from respondents regular prices.

(b) Respondents have represented, directly or indirectly, that said higher price amounts accompanied by the words "REG.," "REGULAR," or "REGULAR PRICE" are the prices at which such articles of merchandise were sold or offered for sale in good faith for a reasonably substantial period of time by respondents in the recent regular course of their business;

(c) Respondents have represented, directly or indirectly, that said higher price amounts accompanied by the words "VAL." or "VALUE" are not appreciably in excess of the highest price at which substantial sales of such merchandise have been made in the recent regular course of business in the trade area where such representations appeared;

(d) Respondents have represented, directly or indirectly, that said higher price amounts accompanied by the term "LIST" are not appreciably in excess of the highest price at which such mer-

chandise has been regularly offered for sale in the recent regular course of business by a substantial number of the principal retail outlets in the trade area where such representations appeared;

(e) Respondents have represented, directly or indirectly, that said higher price amounts accompanied by the term "Comp. Value," or words of similar report, are not appreciably in excess of the highest price at which merchandise of like grade and quality has been regularly offered for sale in the recent course of business by a substantial number of the principal retail outlets in the trade where such representations appeared;

PAR. 7. In truth and in fact:

(a) The amounts and percentages claimed as deductions from respondents regular prices do not represent reductions from the prices at which said merchandise was sold or offered for sale in good faith for a reasonably substantial period of time in the recent regular course of their business;

(b) The higher price amounts accompanied by the words "REG.," "REGULAR," or "REGULAR PRICE" are not the prices at which such articles of merchandise were sold or offered for sale in good faith for a reasonably substantial period of time by repondents in the recent regular course of their business;

(c) The higher price amounts accompanied by the words "VAL." or "VALUE" are appreciably in excess of the highest price at which substantial sales of such merchandise have been made in the recent regular course of business in the trade area where such representations appeared;

(d) The higher price amounts accompanied by the word "LIST" are appreciably in excess of the highest price at which such merchandise has been regularly offered for sale in the recent regular course of business by a substantial number of the principal retail outlets in the trade area where such representations appeared;

(e) The higher price amounts accompanied by the words "Comp. Value," or words of similar import are appreciably in excess of the highest price at which merchandise of like grade and quality has been regularly offered for sale in the recent course of business by a substantial number of the principal retail outlets in the trade area where such representations appeared;

Said statements and representations were, therefore, false, misleading and deceptive.

PAR. 8. In the further course and conduct of their business, and for the purpose of inducing the sale of said merchandise it has

been, and is now, respondents' policy to use in their advertising guarantee claims wherein merchandise is advertised as having a guarantee for a stated period of time. Said guarantee claims are established at the said main offices of the respondents and are now, and have been, distributed by said main offices to said department stores and to purchasers and potential purchasers by direct mail advertisements and advertisements inserted in newspapers.

Among and typical of the statements contained in respondents' newspaper advertisements, newspaper supplements and brochures mailed directly to purchasers and potential purchasers announcing said guarantee claims, but not all inclusive thereof, are the following:

(a) In the tire department;

1. 4 Ply Nylon Tubeless Safetylux Tires 24 Mo. Guarantee+
2. 4 Ply Nylon Tubeless Superlux Tires 30 Mo. Guarantee+
3. 4 Ply Nylon Tubeless Premium Superlux Tires 40 Mo. Guarantee+.

In the same advertisements in which the aforementioned claims are made, the following appears as a separate statement:

5 WAY GUARANTEE

1. 30-day free replacement.
2. Lifetime Quality guarantee.
3. Lifetime Road Hazard guarantee.
4. Wear-Out guarantee.
5. Nationwide guarantee.

PAR. 9. Through the use of the aforesaid statements and representations and others similar thereto, but not specifically set forth, as used variously by respondents in effectuating said guarantee policy:

(a) Respondents have represented, directly or indirectly, that purchasers of said merchandise, for the period of the guarantee, receive the following protection:

1. 30-day free replacement;
2. Lifetime Quality guarantee;
3. Lifetime Road Hazard guarantee;
4. Wear-Out guarantee; and,
5. Nationwide guarantee.

PAR. 10. In truth and in fact:

(a) The guarantee representations are limited as follows and the limitations are not disclosed until a purchase is made:

The 30-day free replacement of a tire covers cuts, bruises, fabric ruptures, blowouts and rim cuts or separations resulting from usual wear and tear in road use under normal conditions only when the tire is used in FAMILY PASSENGER SERVICE.

2. The Lifetime Quality guarantee relates to tread lifetime and purports to guarantee against defects in workmanship and materials. However, respondents retain the right to repair or replace the tire at respondents' option. If a replacement is made, the purchaser is charged for the amount of tread used.

3. The Lifetime Road Hazard guarantee is limited in that repairable punctures or any other condition which respondents feel do not render the tire unserviceable are excluded from guarantee coverage.

4. The Wear-Out guarantee provides that if a tire tread wears out in less than the period specified when said tire is purchased then an allowance will be granted toward the purchase of a new tire. The customer is required to pay any State, federal or local taxes in effect at the time of purchase of said new tire.

5. The Nationwide guarantee does not furnish complete protection to a purchaser since the listing of service centers which honor the guarantee show that such centers exist in approximately twenty-nine (29) States of the United States.

Said statements and representations were, therefore, false, misleading and deceptive.

PAR. 11. In the course and conduct of their business, and at all times mentioned herein, respondents have been in substantial competition in commerce, with corporations, firms and individuals engaged in the sale of merchandise of the same general kind and nature as sold by respondents.

PAR. 12. The use by the respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that such statements were and are true and into the purchase of substantial quantities of respondents' said merchandise by reason of said erroneous and mistaken belief.

PAR. 13. The aforesaid acts and practices of the respondents were and all to the prejudice and injury of the public and of respondents' competitors and constituted, and now constitute, unfair methods of competition in commerce, and unfair and deceptive acts and practices in commerce, in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investiga-

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

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

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

1. Respondent Vornado, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 174 Passaic Street, city of Garfield, State of New Jersey.

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, Vornado, Inc., a corporation, and its officers, and its subsidiaries and their officers, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of clothing, cameras, vitamins, toys, tires, automobile batteries, hardware or any

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

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

2. Using the words "Value" or "Val" or words of similar import to refer to any amount which is appreciably in excess of the highest amount at which substantial sales of such merchandise had been made in the recent regular course of business in the trade area where such representations are made; or otherwise misrepresenting the price at which such merchandise has been sold in the trade area where such representations are made.

3. Using the words "COMPARABLE VALUE," "COMP. VALUE" or any word, or words, of similar import, unless substantial sales of merchandise of like grade and quality are being made in the trade area at the compared price or a higher price and unless respondents have in good faith conducted a market survey or obtained a similar representative sample of prices in their trade area which establishes the validity of said compared price and it is clearly and conspicuously disclosed that the comparison is with merchandise of like grade and quality.

4. Using the words "MFG. LIST," "LIST" or "LIST PRICE" or any word or words of similar import, unless the merchandise so described is regularly offered for sale at this or a higher price by a substantial number of the principal retail outlets in the trade area, where the representations are made: *Provided, however,* That this order shall not apply to point-of-sale offering and display of merchandise which is preticketed by the manufacturer or distributor thereof and the obliteration or removal of which preticketed price is impossible or impractical: *And further provided,* That such preticketing is performed by the manufacturer or distributor on merchandise sold to all customers and that the same preticketed price is used on identical products sold to all customers.

5. Representing in advertising that any price is a "REDUCED" or "SALE" price unless the amount of the reduction is

not so insignificant as to be meaningless; or otherwise misrepresenting in advertising that any price is a "SALE" price.

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

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

8. Representing directly or by implication that any merchandise sold or offered for sale is guaranteed, unless the nature and extent of the guarantee, the name of the guarantor and the manner in which the guarantor will perform thereeunder are clearly and conspicuously disclosed.

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

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

It is further ordered, That respondents distribute a copy of this order to all operating divisions of said corporations and also distribute a copy of this order to all personnel concerned with the promotion, sale or distribution of merchandise at the retail level.

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

KRR, INC., ET AL.

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

Docket C-1645. Complaint, Dec. 8, 1969—Decision, Dec. 8, 1969

Consent order requiring a Toledo, Ohio, seller of meat products to cease using bait advertising, making deceptive guarantees, misrepresenting the grade and quality of its meat, and furnishing others with means to deceive purchasers.

COMPLAINT

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

PARAGRAPH 1. Respondent KRR, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Ohio, with its principal office and place of business located at 1928 Sylvania Avenue, Toledo, Ohio.

Respondent William Richards, Jr., is an officer of the corporate respondent. Said individual respondent formulates, directs and controls the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. His business address is 1549 Western Avenue, Toledo, Ohio.

PAR. 2. Respondents, for some time last past, have been engaged in the advertising, offering for sale, sale and distribution of meat and meat products, to members of the purchasing public. Said meat and meat products come within the classification of food, as "food" is defined in the Federal Trade Commission Act.

PAR. 3. In the course and conduct of their business and at all times mentioned herein, respondents have disseminated advertising by various means in commerce, as "commerce" is defined in the Federal Trade Commission Act, including advertising mate-

rial for use in newspapers of general circulation, for the purpose of inducing, or which was likely to induce, the purchase of meat and meat products.

PAR. 4. Among and typical of the statements and representations contained in said advertisement disseminated as hereinabove set forth were the following:

"Lean" U.S.D.A. choice Black Angus beef sides 49¢ per lb.
Top of the Beef Tender Delicious Beef Sides 35¢ per lb.
"Lean" U.S.D.A. choice Black Angus steak hinds 69¢ per lb.
Lean U.S.D.A. choice Chuck-A-Loin includes: Porterhouse, T-Bone, Sirloin, Roast, Bar-B-Q, Steaks 55¢ per lb.
Petite Black Angus beef orders include: Steaks, Roasts, Ground Beef, Example—100 lbs. $58.00.
Satisfaction Guaranteed.
Guaranteed to Satisfy. If not satisfied return within ten days. Your purchase will be replaced or money refunded.
Lean U.S.D.A. choice beef sides 250 pounds. Example: 41¢ per day. $3.29 per week.
You may purchase NOW—freezer and meat for only 98¢ per day.

PAR. 5. By and through the use of the aforesaid statements, and others of similar import and meaning not specifically set forth herein, respondents have represented directly or by implication that:

(1) Offers set forth in said advertisements were bona fide offers to sell products of the kind therein described at the prices stated therein.

(2) The advertised meats were guaranteed and a purchaser who was not satisfied with the product purchased by him would, upon request, receive a full refund of the purchase price or a different order of meat upon tendering the unsatisfactory order.

(3) Beef offered for sale was obtained from the Black Angus breed of cattle, and was high quality meat.

(4) Meat advertised, including "Chuck-A-Loin" and "Steak Hinds" consisted entirely or primarily of high quality graded cuts of meat including steaks.

(5) "Top of the Beef" sides consisted of a complete side of beef.

(6) Persons purchasing at a stated price per day or per week were paying a significantly lower total price than that which they had been paying.

PAR. 6. In truth and in fact:

(1) The offers set forth in said advertisement and other offers

not set forth in detail herein were not bona fide offers to sell said meat products but to the contrary were made to induce prospective purchasers to visit respondents' place of business for the purpose of purchasing said advertised meat. When prospective purchasers, in response to said advertisements attempted to purchase the advertised products, respondents informed them that the advertised prices applied only to very low quality meat and respondents made no effort to sell such low quality advertised meat but in fact disparaged it in a manner calculated to discourage the purchase thereof, and attempted to and frequently did sell much higher-priced meats.

(2) The advertised guarantee failed to clearly and conspicuously set forth the nature and extent of said guarantee. Contrary to the representation appearing therein that the order would be replaced at the request of an unsatisfied purchaser, any replacement was subject to limitations and conditions which were not revealed in their advertising of said guarantees.

(3) Beef offered for sale by respondents did not necessarily come from the Black Angus breed of cattle.

(4) "Top of the Beef" sides did not consist of a complete side of beef but were less than a complete side.

(5) The meat advertised did not consist of high quality graded cuts of meat, including steaks, but was meat of very low quality.

(6) The stated prices per day or per week did not represent a significant saving to prospective purchasers over the price of similar meat available to such purchasers. Furthermore, respondents failed to disclose the number of days or weeks which such payments were required to be made in order to complete a purchaser's obligation.

PAR. 7. Respondents by their advertising disseminated as aforesaid have represented directly or by implication and by failure to disclose the average weight loss in meat due to cutting, dressing and trimming that the meat advertised and sold by respondents would weigh approximately its advertised or purchased weight, and that other meat purchases when ready for home freezer storage would equal or approximate their total purchase weight. Said representations were contrary to the fact as respondents' beef sides were sold by the pound at their carcass or uncut weight. The cutting, dressing and removal of fat, bone and waste material greatly reduced the total weight, and a meat order when

ready for home freezer storage was neither equal to nor did it approximate the total weight of said meat at the time of purchase.

Therefore the advertisements referred to in Paragraphs Four and Seven were and have been misleading in material respects and have constituted "false advertisements" as that term is defined in the Federal Trade Commission Act, and the representations referred to in Paragraphs Five and Seven were and have been false, misleading and deceptive.

PAR. 8. Use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices have had the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were true and into the purchase of substantial quantities of the aforesaid products, including higher priced products than those advertised because of said mistaken and erroneous belief.

PAR. 9. The aforesaid acts and practices of respondents, as herein alleged, including the dissemination by respondents of false advertisements as aforesaid, were all to the prejudice and injury of the public and constituted unfair and deceptive acts and practices in commerce in violation of Sections 5 and 12 of the Federal Trade Commission Act.

DECISION AND ORDER

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

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

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

1. Respondent, KRR, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Ohio, with its office and principal place of business located at 1928 Sylvania Avenue, Toledo, Ohio.

Respondent, William Richards, Jr., is an officer of said corporation. He formulates, directs and controls the policies, acts and practices of said corporation and his address is 1549 Western Avenue, Toledo, Ohio.

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 KRR, Inc., a corporation, and its officers, and William Richards, Jr., 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 offering for sale, sale or distribution of meat and other food products, do forthwith cease and desist from:

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

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

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

(c) That any product is guaranteed unless the nature, conditions and extent of the guarantee and the manner in which the guarantor will perform thereunder are clearly and conspicuously disclosed in immediate conjunction therewith.

(d) That beef offered for sale comes entirely or primarily from the Black Angus breed of cattle.

(e) That beef offered for sale consists entirely or primarily of top quality cuts of meat or steak.

(f) That beef offered for sale may be purchased at any stated price per day, per week, or for any other specified period of time unless in immediate conjunction with any such representation it is clearly and conspicuously disclosed the total number of payments, and the total sum which the purchaser will be required to pay pursuant to any time payment plan so advertised.

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

(a) Fails to clearly and conspicuously disclose:

(1) That beef sides, hindquarters and other untrimmed pieces of meat offered for sale are sold subject to weight loss due to cutting, dressing and trimming.

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

(3) The average percentage of weight loss of such meat due to cutting, dressing and trimming.

(b) Fails to clearly and conspicuously include:

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

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

(a) The statement "This meat has not been

graded by the United States Department of agriculture," and

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

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

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

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

6. Supplying or placing in the hands of any salesman or agent sales manuals, brochures, advertising mats, or any other advertising or sales aid materials for the purpose of inducing or which are likely to induce, directly or indirectly, the purchase of meat or other food products in commerce, as "commerce" is defined in the Federal Trade Commission Act, and which contain any of the false, misleading or deceptive representations prohibited in this order, or which are designed for use, or could be used, to carry out or enhance the practices prohibited in this order.

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

8. Failing to make any of the disclosures required in the Truth in Lending Act (P.L. 90–321; 82 Stat. 146, *et seq.*) and the Act's implementing Regulation Z (12 CFR 226) in the manner and form prescribed therein.

It is further ordered, That respondent corporation 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 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 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

HOFFMANN UPHOLSTERERS, INC., ET AL.

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

Docket C–1646. Complaint, Dec. 8, 1969—Decision, Dec. 8, 1969

Consent order requiring a Washington, D.C., furniture upholstering firm to cease using bait advertising, making false pricing and savings claims, failing to keep adequate price records, making deceptive limited offers and false guarantees, implying that certain of its furniture is imported, failing to refund down-payments, and failing to disclose its sales contracts may be sold to a finance company.

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 Hoff-

mann Upholsterers, Inc., a corporation, and Zoltan A. Hoffmann and Lillian Hoffmann, individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Hoffmann Upholsterers, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the District of Columbia, with its principal office and place of business located at 2447 18th Street, NW., in the city of Washington, D.C.

Respondents Zoltan A. Hoffmann and Lillian Hoffmann are individuals and are officers of the corporate respondent. They formulate, direct and control the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. Their address is the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale and distribution of new and used furniture and other mechandise and of furniture repair and upholstering services to the public at retail.

PAR. 3. In the course and conduct of their business as aforesaid, respondents now cause, and for some time last past have caused, their said merchandise and articles left for repair or upholstering, to be shipped from their place of business in the District of Columbia to purchasers thereof located in various other States of the United States and in the District of Columbia, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said merchandise and services in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their aforesaid business, and for the purpose of inducing the purchase of their merchandise and services, the respondents have made, and are now making, numerous statements and representations in advertisements inserted in newspapers and promotional materials of which the following are typical and illustrative but not all inclusive thereof:

SALE

UNCLAIMED

Everything in Store Reduced Player piano, $95; Fr. Prov. full size cane back bed, $25; Fireplace, $35; chaise lounge, $40 * * *

* * * * * * *

FURN.

Italian Provincial	Reg.	Now
Coffee Tables	$59	$20
Club Chairs	$79	$26
Table Lamps 31" high	$40	$12
Side Chairs	$80	$60
Armchairs	$135	$100

* * * * * * *

MODEL HOME STYLE FURNITURE SALE * * *
SAVE 30% to 58%
From Prices You
Would Normally
Pay in Stores.

* * * * * * *

Reupholstered
SOFA or 2 CHAIRS
INCLUDING LABOR AND
MATERIALS—NEW SPRINGS
AND FILLING WHERE
NECESSARY AS LOW AS $89—PICK-UP
AND DELIVERY—3-YEAR GUARANTEE.
Danish Modern 3 Complete Rooms $297
Bedroom, Living Room, Dining Room.

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

1. The offers set forth in said advertisements are bona fide offers to sell the advertised merchandise at the prices and on the conditions stated.

2. The respondents have sufficient quantities of the advertised merchandise available for purchase.

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

4. Purchasers of merchandise advertised under the phrase "SAVE 30% to 58%," or terms of similar import and meaning, will realize a savings of the stated percentage amount from the actual prices at which substantial sales of such merchandise were made in respondents' trade area.

5. The higher prices, accompanied by the word "Reg." or other word or words of similar import and meaning, are the prices at

which the advertised merchandise is being offered for sale or sold by the respondents in good faith for a reasonably substantial period of time in the recent, regular course of their business. Purchasers of such merchandise will save an amount equal to the difference between respondents' higher selling prices and the corresponding advertised lower selling prices.

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

7. Furniture reupholstered by respondents is unconditionally guaranteed for a period of three years.

8. Furniture advertised under the phrase "Danish Modern," or other words of similar import and meaning, is manufactured in the country of Denmark.

PAR. 6. In truth and in fact:

1. The offers set forth in said advertisements are not bona fide offers to sell the advertised merchandise at the prices and on the conditions stated, but are made for the purpose of attracting prospective purchasers into respondents' place of business. When prospective purchasers enter respondents' store, respondents' salesmen make no effort to sell the advertised merchandise. In addition, in some instances the salesmen refuse to assist prospective purchasers in locating the advertised merchandise. In other instances, they display merchandise represented as the advertised merchandise that is of such poor appearance and condition the prospective purchasers reject it on sight. Concurrently, the salesmen show other articles of merchandise selling at higher prices than the advertised merchandise which by visual comparison demeans and disparages the advertised merchandise. By such and other tactics, respondents discourage the sale of the advertised merchandise and are successful in obtaining sales of the higher priced merchandise.

2. Respondents, in a number of instances, fail to have sufficient quantities of the advertised merchandise on hand to meet reasonably anticipated demands.

3. During the period of the advertised "Sale," or any period described by another word or words of similar import and meaning, the advertised price of any item of merchandise does not represent a reduction from the price at which respondents have made a bona fide offer to sell or have sold said merchandise on a regu-

lar basis for a reasonably substantial period of time in the recent, regular course of their business.

4. Purchasers of merchandise advertised under the phrase "SAVE 30% to 58%" or terms of similar import and meaning, will not realize a savings of the stated percentage amount from the actual prices at which substantial sales of such merchandise were made in respondents' trade area.

5. The higher prices, accompanied by the word "Reg." or other word or words of similar import and meaning, are not the prices at which the advertised merchandise is being offered for sale or sold by the respondents in good faith for a reasonably substantial period of time in the recent, regular course of their business; and purchasers thereof, will not realize a savings equal in amount to the difference between respondents' higher selling prices and the corresponding advertised lower selling prices.

6. The prices represented as being reduced are not offered only during the limited period of the sale. Such reduced prices will not be returned to respondents' pre-sale bona fide prices or to some other substantially higher amounts immediately after completion of the sale period.

7. Furniture reupholstered by respondents is not unconditionally guaranteed for a period of three years. Such guarantees as may be provided are subject to numerous conditions and limitations not disclosed in respondents' advertising. Furthermore, respondents have failed to disclose in their advertising the nature and extent of the guarantee, the identity of the guarantor and the manner in which the guarantor will perform thereunder.

8. Furniture advertised under the phrase "Danish Modern," or words of similar import and meaning, is not manufactured in the country of Denmark.

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

PAR. 7. In the further course and conduct of their business as aforesaid, respondents have engaged in and are now engaging in the following unfair and deceptive acts and practices:

1. Respondents, in a substantial number of instances, require purchasers of their merchandise and services to sign a purchase agreement containing the following provision: "* * * I hereby agree that no refund or cancellation will be made on any orders. Deposit required on all orders* * *." Said purchasers are required in such instances to tender all or a substantial portion of the purchase price at the time of the sale, with the balance, if

any, to be paid upon delivery of the merchandise or completion of the services. However, in some instances, respondents have failed to perform their contractual obligations according to the purchase agreement by unreasonably delaying in delivering merchandise, or by substituting merchandise for goods specified in the agreement, or by failing to perform upholstering or other services according to the agreed terms. When respondents have failed to perform their contractual obligations pursuant to the purchase agreement, respondents in some instances have refused to return deposits to customers.

2. Respondents have failed to disclose to purchasers of their merchandise the material fact that promissory notes, or any other instruments of indebtedness, executed by said purchasers may, at the option of respondents, be negotiated or assigned to a finance company to which such purchasers will be indebted and against which certain defenses or claims may not be asserted.

PAR. 8. In the course and conduct of their aforesaid business, and at all times mentioned herein, respondents have been, and now are, in substantial competition, in commerce, with corporations, firms and individuals in the sale of merchandise and services of the same general kind and nature as that sold by respondents.

PAR. 9. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public concerning the savings available to them on respondents' merchandise or services and, more generally, to mislead them into the erroneous and mistaken belief that said statements and representations were and are true and into the purchase of substantial quantities of respondents' merchandise or services by reason of said erroneous and mistaken belief.

PAR. 10. The aforesaid acts and practices of respondents, as herein alleged, were and are all to the prejudice and injury of the public and of respondents' competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished there-

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

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

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

1. Respondent Hoffmann Upholsterers, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the District of Columbia, with its office and principal place of business located at 2447 18th Street, N.W., in the city of Washington, D.C.

Respondents Zoltan A. Hoffmann and Lillian Hoffmann are officers of said corporation and their address is the same as that of said corporation.

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

ORDER

It is ordered, That respondents Hoffmann Upholsterers, Inc., a corporation, and its officers, and Zoltan A. Hoffmann, individually and as an officer of said corporation, and Lillian Hoffmann, individually and as an officer of said corporation, and respondents' agents, representatives and employees, directly or through any

corporate or other device, in connection with the advertising, offering for sale, sale, and distribution of new and used furniture or any other merchandise and of furniture repair and upholstering services or any other service, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication, that merchandise or services are offered for sale when such offers are not bona fide offers to sell said merchandise or services.

2. Using any advertising, sales plan or procedure involving the use of false, misleading or deceptive statements or representations to encourage the sale of other merchandise or services at higher prices.

3. Making representations purporting to offer merchandise or services for sale when the purpose of the representations are not to sell the offered merchandise or services but to encourage the sale of other merchandise or services at higher prices.

4. Disparaging the advertised merchandise or services, or discouraging in any manner the purchase of any merchandise or services.

5. Advertising any item of merchandise for sale when such items of merchandise are not available in sufficiently substantial quantities to meet reasonably anticipated demands: *Provided however,* That items available only in limited supply may be advertised, if such advertising clearly and conspicuously discloses the number of units of the advertised merchandise available.

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

7. Using the word "Save" or any other word or words of similar import and meaning in conjunction with a stated dollar or percentage amount of savings, unless the stated dollar or percentage amount of savings actually represents the difference between the offering prices and the actual prices at

which substantial sales of the same merchandise or services have been made in respondents' trade area and unless respondents have in good faith conducted a market survey which establishes the validity of the trade area prices.

8. Using the word "Reg.," or any other word or words of similar import and meaning, to refer to any price amount which is in excess of the price at which such merchandise or services have been sold or offered for sale in good faith by respondents for a reasonably substantial period of time in the recent, regular course of their business and unless respondents' business records establish that said amount is the price at which such merchandise or services have been sold or offered for sale in good faith by respondents for a reasonably substantial period of time in the recent, regular course of their business.

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

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

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

trade area which establishes the validity of said compared price and it is clearly and conspicuously disclosed that the comparison is with merchandise or services of like grade and quality.

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

11. Failing to maintain adequate records:

(a) Which disclose the facts upon which any savings claims, including former pricing claims and comparative value claims, and similar representations of the types described in paragraphs 6–10 of this order are based, and

(b) From which validity of any savings claims, including former pricing claims and comparative value claims, and similar representations of the type described in paragraphs 6–10 of this order can be determined.

12. Representing, directly or by implication, that any offer is limited in point of time or restricted in any manner, unless the represented limitation or restriction is actually imposed and in good faith adhered to by respondents.

13. Representing, directly or by implication, that furniture reupholstered by respondents is guaranteed, unless the nature, conditions and extent of the guarantee, identity of the guarantor and the manner in which the guarantor will perform thereunder are clearly and conspicuously disclosed, and unless all such guarantees are in fact honored and the terms thereof promptly fulfilled.

14. Representing, directly or by implication, by the use of the words "Danish Modern" or any other word or words of similar import and meaning, or in any other manner, that domestically manufactured furniture is manufactured in the country of Denmark; or misrepresenting in any other manner the country of origin of respondents' merchandise.

15. Failing to refund in cash any deposit or down payment on a purchase or on an agreement to purchase or to perform a service when respondents:

(a) Fail to deliver the merchandise or complete the services within the agreed time period;

(b) Fail to deliver the ordered merchandise without unauthorized substitutions;

(c) Fail to perform upholstering or any other service according to the terms of the purchase agreement; or

(d) Fail to perform in any other manner.

16. Failing to orally disclose prior to the time of sale, and in writing on any conditional sale contract, promissory note, or any other instrument of indebtedness, executed by a purchaser and with such conspicuousness and clarity as is likely to be observed and read by such purchaser, that:

Any such instrument, at respondents' option and without notice to the purchaser, may be discounted, negotiated or assigned to a finance company or any other third party to whom the purchaser will be thereafter indebted and against whom the purchaser's claims or defenses may not be available.

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

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

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

IN THE MATTER OF

DIAMOND CRYSTAL SALT CO.

ORDER, OPINION, ETC., IN REGARD TO THE ALLEGED VIOLATION OF SEC. 7 OF THE CLAYTON ACT

Docket 7323. Complaint, Dec. 2, 1958—Decision, Dec. 9, 1969

Order reopening an earlier order, 56 F.T.C. 818, dated February 4, 1960, which prohibited a major dry salt producer from making certain acquisitions, and modifying said order to permit the respondent to acquire stock in a Panamanian corporation which has title to salt deposits in Chile.

OPINION OF THE COMMISSION

DECEMBER 9, 1969

In January 1957, the respondent herein, a major dry salt producer, acquired control and ownership of another substantial dry salt producer, the Jefferson Island Salt Company. On December 2, 1958, the Commission issued a complaint against respondent charging that the acquisition violated Section 7 of the Clayton Act. On November 16, 1959, there was submitted to the hearing examiner an agreement between respondent and complaint counsel providing for entry of a consent order to cease and desist and to divest. The hearing examiner accepted the proposed order in an initial decision which was adopted as the decision of the Commission on February 4, 1960. In addition to the provisions for divestiture and other provisions, the order prohibited respondent from acquiring for a ten-year period "any * * * interest in any corporation, in commerce, engaged in the business of producing and/or distributing salt in any form * * * ." [1] Respondent now petitions the Commission to reopen this proceeding and modify the order so as to permit respondent to acquire a substantial interest in Compania Minera Santa Adriana, S.A. (Comisa), a Panamanian corporation, which "as its only significant asset holds marketable title to a vast, but largely undeveloped, rock salt deposit near Patillos, Chile." [2]

Respondent's request was placed on the public record and each salt producer in the United States was notified of the request by direct mailing. One of these producers, the Cayuga Rock Salt Company, Inc. (Cayuga), a competitor of respondent, has protested the proposed reopening and modification and requested that respondent's petition be denied. Complaint counsel, however, does not oppose granting respondent's request and has treated Cayuga's objections as not controlling. We agree with the result reached by complaint counsel; however, we believe that the objec-

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[1] This provision, contained in paragraph (4) of the order, was modified by the Commission on July 11, 1961, to permit respondent to make certain acquisitions the details of which are not relevant to the present petition.

[2] Respondent's letter to the Commission dated September 23, 1969, received by the Commission on October 1, 1969, and treated herein as respondent's petition, p. 1. Specifically, respondent wishes to acquire "at a cost of $3.00 per share, 189,000 shares of the authorized but unissued common capital stock" of Comisa, which amounts to approximately 42 percent of the company's then issued and outstanding capital stock. Respondent also intends to purchase, at par, up to $750,000 worth of Comisa's convertible, subordinated debentures.

tion raised against the request warrants a statement by the Commission of the reasons for its decision approving the request notwithstanding Cayuga's objection.

I

Respondent is the third largest American salt company.[3] However, it controls only one rock salt (as distinguished from evaporated salt) production facility; this facility is located in Louisiana. Respondent alleges, and complaint counsel does not dispute, that it is unable, in these circumstances, to supply significant amounts of rock salt to customers located in the East Coast and Great Lakes areas of the United States. These markets are served, however, by respondent's two larger competitors, International Salt Company and Morton Salt Company, which own or control nearby rock salt production facilities. To enable respondent to compete more effectively in the East Coast rock salt market, respondent has consummated a rock salt requirements contract with Comisa under which respondent has agreed to purchase up to 1.95 million tons of rock salt produced at Comisa's Chilean mine for resale along the East Coast of the United States.[4]

Respondent's interest in the Comisa mines is not, however, restricted to its desire to compete more effectively in the East Coast and Midwestern markets. According to respondent, the absence of any rock salt deposits west of Kansas has heretofore been a bar to distribution of rock salt (as opposed to solar salt) to West Coast markets. Respondent believes, however, that:

> The great and ever increasing demand for snow and ice removal rock salt in the eastern and mid-western states of the United States leads Diamond Crystal to believe that public acceptance of rock salt for this purpose on the west coast could be won if an intensive marketing effort was attempted. However, the time period required to obtain such market acceptance—and the costs and other risks involved—impel Diamond Crystal's management to the conclusion that the effort should not be made unless an equity position in Comisa can first be obtained.[5]

In short, acquisition by respondent of an equity interest in Comisa would provide respondent with certain access to Chilean

[3] Petition, p. 2.

[4] *Id.*, at p. 3.

[5] *Id.*, at p. 5.

rock salt supplies which would in turn enable it to become a more effective competitor in the East Coast market and open up the West Coast market for the first time to rock salt in competition with other products.

On the basis of the facts now before the Commission, we find no substantial objection to respondent's proposed acquisition insofar as it will enable respondent to distribute its product for the first time to the West Coast market. The objection which has been raised to respondent's petition relates to the East Coast market. At the present time there are, according to respondent, only three major suppliers of rock salt to the East Coast market (International Salt, Morton Salt, and respondent) and three lesser suppliers (Cayuga, Cargill, Inc., and Carey Salt Company).[6] Cayuga has objected to respondent's petition on the ground that if respondent is able to "bring in and ship Foreign salt into [the] Eastern Seaboard at such low costs * * * Cayuga * * * will be faced with serious loss of tonnage to our Eastern Atlantic Coast destinations." Cayuga goes further in its claim and states that if respondent engages in an anticipated "extended sales effort" on the basis of its low cost foreign salt, Cayuga "will be forced to discontinue mining rock salt; [sic] as we can not meet these low costs."[7] In view of the small number of participants in this particular market and the apparently high concentration which prevails in the dry salt industry generally,[8] such a claim warrants careful consideration. The possible elimination of one out of six participants in a given market is a factor which must be given weight in assessing the legality of a transaction which might lead to such a material reduction in the number of market forces. The Commission has, accordingly, weighed the potential risk to Cayuga incident to its granting respondent's request and concluded that, notwithstanding that risk, respondent's petition should be granted.

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[6] *Id.*, at p. 6. It is worth noting the allegation in paragraph five (a) of the Commission's complaint herein that "The dry salt industry in the United States is highly concentrated in that the six largest dry salt producers, including Diamond Crystal and Jefferson Island, shipped in excess of three-fourths of the total dry salt sold or used in the United States in 1955 * * *.

[7] Letter from Cayuga to the Commission dated October 28, 1969. Cayuga also apparently has requested the Commission to undertake "an early review of present ever increasing imports of salt" into the United States. However, as complaint counsel suggests in the answer to respondent's petition, the desirability *vel non* of governmental regulation of salt imports is a matter which goes beyond the issues raised by respondent's petition and is not relevant to those issues or to any concern of the Commission in the present matter.

[8] See note 6, *supra*.

II

The gist of Cayuga's objection is that if respondent's petition is granted, respondent will be assured a low cost supply of foreign rock salt which will enable respondent to compete more effectively in the East Coast to the possible injury of Cayuga's participation in the market. No claim is made that respondent is seeking to obtain (or has the power to obtain) exclusive access to low cost rock salt. Indeed, Cayuga has provided the Commission with a table of imports of rock salt into the Eastern market for the past three years which indicates that the sources for foreign rock salt are numerous and that respondent is only one of many companies with access to imported salt in significant quantities. Moreover, there is nothing in the record before the Commission to suggest that, by obtaining an equity interest in Comisa, respondent will be foreclosing its competitors from a substantial share of any substantial market; see *Brown Shoe Co.* v. *U.S.* 370 U.S. 294, at 323–324 (1962); *U.S.* v. *E. I. duPont de Nemours*, 353 U.S. 586, at 595 (1957). The rock salt deposits controlled by Comisa are, at the present time, largely undeveloped and respondent's proposed purchases will provide Comisa with the additional capital needed to exploit these deposits.[9] In short, except for Cayuga's expressed fear that it may be unable to withstand the rigors of a legitimate competitive effort by respondent and may therefore be eliminated as a competitor in an already concentrated market, every aspect of the proposed transaction suggests palpable benefits to the competitive process. It will permit the development of a largely unexploited resource; enable respondent to compete more effectively in the East Coast market and enter a wholly new market on the West Coast; and it will have no foreseeable substantial adverse competitive impact on the production or distribution of rock salt or any other type of salt in the United States.

Against these benefits, the possible elimination of Cayuga from the marketplace, while warranting the consideration of the Commission, cannot be a decisive factor since it would spring, by Cayuga's own account, from wholly lawful competitive factors. Cauyga's objection to respondent's petition cannot be sustained. No other reason appearing why respondent's petition should be denied, it is granted.

[9] Petition, p. 2.

ORDER REOPENING PROCEEDING AND MODIFYING PREVIOUS ORDER

The respondent having filed a petition on October 1, 1969, which requests the Commission to reopen the proceeding herein and to modify its order so as to permit the respondent to purchase 189,000 shares of the authorized but unissued common capital stock of Compania Minera Santa Adriana, S.A., a Panamanian corporation, along with up to $750,000 of said company's convertible subordinated debentures; and

The Commission having issued its decision in this proceeding on February 4, 1960 [56 F.T.C. 818], containing its order to divest and to cease and desist, which order, among other things and subject to an exception contained in a modification of the order made by the Commission on July 11, 1961, prohibits the respondent from acquiring at any time during the ten years succeeding February 4, 1960, any interest in any corporation, in commerce, engaged in the business of producing and/or distributing salt; and

It appearing, for the reasons stated in the accompanying opinion and from the facts stated in the petition and in the answer filed by complaint counsel, who join in the request that the petition be granted, that there is no reasonable probability that any proscribed anticompetitive effects will result from the proposed purchase, and the Commission having further determined that the public interest will be served by reopening this proceeding solely for the purpose of altering and modifying the order so that it shall not prohibit the respondent from effectuating such acquisitions:

It is ordered, That this proceeding be, and it hereby is reopened and that Paragraph (4) of the order to divest and to cease and desist be, and it hereby is, modified to read as follows:

> "(4) *It is further ordered,* That for a period of ten years from February 4, 1960, the respondent shall cease and desist from acquiring, directly or indirectly, through subsidiaries or otherwise, by merger, consolidation, or purchase, the physical assets, stock, share capital of, or any other interest in any corporation, in commerce, engaged in the business of producing and/or distributing salt in any form, specifically including salt in a dry state produced by any dry mining method, or produced by any evaporation method, and salt in brine: *Provided, however,* That the respondent shall not be prohibited hereby from effectuating the proposed purchase of the assets referred to in the first paragraph of the Commis-

sion's order ruling on the petition filed by the respondent on June 7, 1961: *Provided further,* That the respondent shall not be prohibited hereby from effectuating the proposed purchases referred to in the first paragraph of the Commission's order ruling on the petition filed by the respondent on October 1, 1969."

IN THE MATTER OF
TRI VALLEY GROWERS FORMERLY TRI-VALLEY PACKING ASSOCIATION

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

Dockets 7225 and 7496. Complaints, Aug. 6, 1958 and May 15, 1959—Decision, Dec. 12, 1969

Order modifying an earlier order dated July 28, 1966, 70 F.T.C. 223, pursuant to a decision of the United States Court of Appeals, 411 F. 2d 985 (8 S.&D. 915), by inserting the words, "including customers who do not purchase directly from respondent," in paragraph 2 of the Commission's final order.

MODIFIED ORDER

Respondent, Tri Valley Growers, formerly known as Tri-Valley Packing Association, a corporation, having filed in the United States Court of Appeals for the Ninth Circuit a petition to review and set aside the order to cease and desist issued against it by the Commission on July 28, 1966 [70 F.T.C. 223]; and the Court on May 13, 1969 [8 S. & D. 915], having rendered its decision, and, on May 29, 1969, having entered its final decree modifying and, as modified, affirming and enforcing the said order to cease and desist; and the Supreme Court of the United States having denied a petition filed by respondent, Tri Valley Growers, for writ of certiorari to the said Court of Appeals for review of the said decision and final decree;

Now, therefore, it is ordered, That the aforesaid order to cease and desist be modified, in accordance with the said final decree of the said Court of Appeals, to read as follows:

It is ordered, That respondent, Tri Valley Growers, a corporation, and its officers, representatives, agents and employees, directly or through any corporate or other devise in, or in connection with, the sale of food products in commerce, as "commerce"

is defined in the amended Clayton Act, do forthwith cease and desist from:

1. Discriminating in the price of such products of like grade and quality by selling to any purchaser at net prices higher than the net prices charged any other purchaser who, in fact, competes with the purchaser paying the higher price or with customers of such purchaser.

2. Paying or contracting for the payment of anything of value to or for the benefit of any customer of respondent, pursuant to a specially tailored or negotiated arrangement, as compensation or in consideration for any service furnished by or through such customer, in connection with the offering for sale, sale or distribution of any of respondent's products, unless such payment or consideration is made available on proportionally equal terms to all other customers of respondent, including customers who do not purchase directly from respondent, who compete in the distribution of such products with the favored customer.

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

IN THE MATTER OF
BILL'S MOTORS, INC., DOING BUSINESS AS ORUSIN MOTORS, ET AL.

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

Docket C-1647. Complaint, Dec. 16, 1969—Decision, Dec. 16, 1969

Consent order requiring a Falls Church, Va., dealer in used Volkswagens and other used automobiles to cease misrepresenting that it is an authorized Volkswagen dealer, that its used cars are new, failing to disclose that odometers on its used cars have been replaced, claiming that its Volkswagens carry manufacturer's guarantees, and failing to disclose that component parts of certain of its cars differ from those produced for sale in the domestic American market.

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 Bill's Motors, Inc., a corporation, doing business as Orusin Motors, and William H. Burnett, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Bill's Motors, Inc., doing business as Orusin Motors, is a corporation organized, existing and doing busiess under and by virtue of the laws of the State of Virginia, with its principal office and place of business loated at 624 South Washington Street in the city of Falls Chruch, State of Virginia.

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

PAR. 2. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale and distribution, and service and repair of used Volkswagen automobiles, as well as other used automobiles, to the public.

PAR. 3. In the course and conduct of their business as aforesaid, respondents now advertise, and for some time last past have advertised their said products in newspapers of interstate circulation published in the District of Columbia and circulated in the District of Columbia and in Virginia and Maryland thereby inducing persons in the District of Columbia and Maryland to travel to respondents' place of business in Virginia and to purchase respondents' products which were thereafter returned to the District of Columbia and to Maryland, and at all times mentioned herein respondents have maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their aforesaid business, and for the purpose of inducing the purchase of their used Volkswagen automobiles, the respondents have made, and are now making, numerous statements and representations in advertisements inserted in newspapers respecting respondents' dealership, the warranty for their automobiles, and the quality and characteristics of their automobiles.

Typical and illustrative of such advertising representations, but not all inclusive thereof, is the following:

Volkswagens
IMMEDIATE DELIVERY—
BRAND-NEW 1968 DELUXE SEDANS
AND SQUARE BACKS, AUTOMATIC
OR STAND., ANY COLOR. FULL
FACTORY WARRANTY. ALSO MANY
LIKE-NEW 1967's, 4000 MILES,
100% WARRANTY. BANK-RATE
FINANCING, TINY DOWN PAYMENT,
TRADES ACCEPTED. USED VW's,
FROM $395.
Orusin Motors
624 S. Wash. St. (Lee Hwy.)
Falls Church, Va. JE 4-2422

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

1. The respondents are an authorized Volkswagen dealer franchised by the manufacturer to sell Volkswagen automobiles.

2. The respondents have in stock and sell new and unused Volkswagen automobiles to the public.

3. The Volkswagen automobiles sold by the respondents are fully guaranteed by the manufacturer and therefore such guarantee will be honored by any and all authorized Volkswagen dealers.

PAR. 6. In truth and in fact:

1. The respondents are not an authorized Volkswagen dealer and are not franchised by the manufacturer to sell Volkswagen automobiles.

2. The respondents do not have in stock and do not sell new and unused Volkswagen automobiles to the public. The respondents sell only used automobiles. A number of used Volkswagen automobiles advertised and sold by respondents have previously been reconditioned by, among other things, the replacement of the odometer so that purchasers are unable to tell from the indicated mileage or the appearance of used Volkswagen automobiles that the automobiles had been used. Because of respondents' advertisements, the oral representations of respondents' employees

and the appearance of the aforesaid automobiles, purchasers have failed to note the terms of the respondents' bill of sale form which refer to the car as used, and said purchasers have been deceived and were likely to be deceived into purchasing respondents' used Volkswagen automobiles in the erroneous and mistaken belief that such automobiles were new.

3. The Volkswagen automobiles sold by the respondents are not guaranteed in any manner by the manufacturer. Such guarantee as is provided by the respondents is neither a full guarantee nor will it be honored by any dealer other than the respondents.

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

PAR. 7. In the further course and conduct of their business as aforesaid and for the purpose of inducing the purchase of their products, by and through oral statements of respondents or their salesmen, the respondents have represented to customers and prospective customers that Volkswagen automobiles which respondents offered for sale had been used solely as demonstrators or had been driven only a limited number of miles, when in fact, the respondents did not have knowledge of the prior use of the automobiles or the number of miles the automobile had been driven.

Therefore, respondents' representations, as aforesaid, were and are false, misleading and deceptive.

PAR. 8. In the further course and conduct of their business, as aforesaid, the respondents have failed to disclose to purchasers of Volkswagen automobiles that said automobiles had been manufactured specifically for sale in a foreign market rather than the United States and that therefore the specifications of the Volkswagen automobiles sold by respondents differed, among other ways, in components, such as engine size, from new and unused Volkswagen automobiles of the same year manufactured specifically for, and sold by authorized Volkswagen dealers in the United States. These differences, which are not readily apparent to the public and would be recognized only by trained and experienced persons, affected the performance of the automobile, the purchaser's convenience and the cost and time for repair.

Therefore, respondents' failure to disclose such material facts,

as aforesaid, was and is a false, misleading and deceptive act and practice.

PAR. 9. In the course and conduct of their aforesaid business, and at all times mentioned herein, respondents have been, and now are, in substantial competition, in commerce, with corporations, firms and individuals in the sale of used Volkswagen automobiles of the same general kind and nature as that sold by respondents.

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

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

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act, and the respondents having been served with notice of said determinations and with a copy of the complaint the Commission intended to issue, together with a proposed form or 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 § 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 Bill's Motors, Inc., doing business as Orusin Motors, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Virginia, with its office and principal place of business located at 624 South Washington Street in the city of Falls Church, State of Virginia.

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

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

ORDER

It is ordered, That respondents Bill's Motors, Inc., a corporation, and its officers, doing business as Orusin Motors, or under any other name, and William H. Burnett, individually and as an officer of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of used Volkswagen automobiles or any other product or service, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication, that respondents are an authorized Volkswagen dealer or are a franchised dealer of the Volkswagen factory; or misrepresenting, in any manner, respondents' trade or business connections, associations, affiliations or status.

2. Representing, directly or by implication, that respondents have in stock or sell new or unused Volkswagen automobiles; or misrepresenting, in any manner, the vehicles which respondents stock or sell.

3. Advertising any used vehicle or group of used vehicles without clearly and conspicuously disclosing in any and all advertising thereof that the vehicle or vehicles are used.

4. Offering for sale or selling any Volkswagen automobile which has been used or reconditioned without clearly and conspicuously disclosing by decal or sticker attached thereto that the vehicle is used and the nature of reconditioning.

5. Failing orally to disclose to prospective customers prior to the showing of any vehicle to a prospective customer in which the odometer has been replaced, that the mileage indicated thereon does not reflect the actual miles the vehicle has been driven.

6. Offering for sale or selling any used Volkswagen automobile in which the odometer has been replaced without clearly and conspicuously disclosing by decal or sticker attached thereto that the mileage indicated on the vehicle does not reflect the actual miles the vehicle has been driven.

7. Representing, directly or by implication, that the used Volkswagen automobiles sold by respondents are guaranteed by the manufacturer; or that any guarantee afforded by respondents will be honored by any party other than the respondents.

8. Representing, directly or by implication, that any of respondents products are unconditionally guaranteed when in fact such guarantee is not an unconditional guarantee; or misrepresenting, in any manner, the nature, terms, or conditions of any guarantee.

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

10. Representing, in any manner, the nature or extent of previous use of any vehicle offered for sale unless in each such instance respondents have on hand and maintain records which will establish the nature and extent of previous use of each such vehicle offered for sale.

11. Failing to disclose orally and in specific detail to a prospective customer, if a vehicle being offered for sale to that customer differs, in any of its components or in any other manner, from new and unused vehicles of the same make and year produced for sale in the domestic American market.

12. Offering for sale, or selling, any vehicle which differs in any of its components or in any other manner, from new and unused vehicles of the same make and year produced for sale

in the domestic American market, without clearly and conspicuously disclosing by decal or sticker attached thereto that there are such differences and itemizing them in detailed and specific terms.

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

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

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

IN THE MATTER OF

ABE GOLOMB, 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-1648. Complaint, Dec. 19, 1969—Decision, Dec. 19, 1969

Consent order requiring manufacturers of fur products of New York City, to cease misbranding artificially colored fur as natural, falsely invoicing, and furnishing false guaranties that their furs were not misbranded, falsely invoiced or falsely advertised.

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 Abe Golomb, Inc., a corporation, Abe Golomb Furs, Inc., a corporation, and Abraham Golomb, individually and as a former officer of said corporations, 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. Respondents Abe Golomb, Inc., and Abe Golomb Furs, Inc., are corporations organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondent Abraham Golomb is a former officer of the corporate respondents. He formulated, directed and controlled the acts, practices and policies of the said corporate respondents including those hereinafter set forth.

Respondents are manufacturers of fur products with their office and principal place of business located at 330 Seventh Avenue, 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 by the respondents in that they were not invoiced as required by Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated under such Act.

Among such falsely and deceptively invoiced fur products, but not limited thereto, were fur products covered by invoices which failed to disclose that the fur contained in the fur products was bleached, dyed, or otherwise artificially colored when such was the fact.

PAR. 6. Certain of said fur products were falsely and deceptively invoiced in that said fur products were invoiced to show that the fur contained therein was natural, when in fact such fur was pointed, bleached, dyed, tip-dyed or otherwise artificially colored, in violation of Section 5(b)(2) of the Fur Products Labeling Act.

PAR. 7. Respondents furnished false guaranties that certain of their fur products were not misbranded, falsely invoiced or falsely advertised when respondents in furnishing such guaranties had reason to believe that fur products so falsely guarantied would be introduced, sold, transported or distributed in commerce, in violation of Section 10(b) of the Fur Products Labeling Act.

PAR. 8. The aforesaid acts and practices of respondents, as herein alleged, are in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder and constitute unfair methods of competition and unfair and deceptive acts and practices in commerce under the Federal Trade Commission Act.

DECISION AND ORDER

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

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

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

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

1. Respondents Abe Golomb, Inc., and Abe Golomb Furs, Inc., are corporations organized, existing and doing business under and by virtue of the laws of the State of New York with their offices and principal place of business located at 330 Seventh Avenue, New York, New York.

Respondent Abraham Golomb is a former officer of said corporations. He formulated, directed and controlled the policies, acts and practices of said corporations and his address is the same as that of said corporations.

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

ORDER

It is ordered, That respondents Abe Golomb, Inc., a corporation, and its officers, Abe Golomb Furs, Inc., a corporation, and its officers, and Abraham Golomb, individually and as a former officer of said corporations, 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, transportation or distribution, of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding any fur product by:

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

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

B. Falsely or deceptively invoicing fur products by:

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

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

It is further ordered, That respondents Abe Golomb, Inc., a corporation, and its officers, Abe Golomb Furs, Inc., a corporation, and its officers, and Abraham Golomb, individually and as a former officer of said corporations, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from furnishing a false guaranty that any fur product is not misbranded, falsely invoiced or falsely advertised when the respondents have reason to believe that such fur product may be introduced, sold, transported, or distributed in commerce.

It is further ordered, That respondents notify the Commission at least 30 days prior to any proposed change in the corporate respondents such as dissolution, assignment or sale resulting in the emergence of 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.

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

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

the Commission a report, in writing, setting forth in detail the manner and form in which they have complied with this order.

IN THE MATTER OF

SCHAFFER-WEINER, 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-1649. Complaint, Dec. 19, 1969—Decision, Dec. 19, 1969

Consent order requiring manufacturers of ladies' mink garments of New York City, to cease misbranding artificially colored fur as natural, falsely invoicing, and furnishing false guaranties that their fur products were not misbranded, falsely invoiced or advertised.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and 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 Schaffer-Weiner, Inc., a corporation, and Harry Weiner and Jack Schaffer, 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 Schaffer-Weiner, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

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

Respondents are manufacturers of ladies' mink garments with their office and principal place of business located at 227 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 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 by the respondents in that they were not invoiced as required by Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated under such Act.

Among such misbranded fur products, but not limited thereto, were fur products covered by invoices which failed to show that the said fur products contained or were composed of bleached, dyed, or otherwise artificially colored fur, when such was the fact.

PAR. 6. Certain of said fur products were falsely and deceptively invoiced in that said fur products were invoiced to show that the fur contained therein was natural, when in fact such fur was pointed, bleached, dyed, tip-dyed or otherwise artificially colored, in violation of Section 5(b)(2) of the Fur Products Labeling Act.

PAR. 7. Respondents furnished false guaranties that certain of their fur products were not misbranded, falsely invoiced or falsely advertised when respondents in furnishing such guaran-

ties had reason to believe that fur products so falsely guaranteed would be introduced, sold, transported or distributed in commerce, in violation of Section 10(b) of the Fur Products Labeling Act.

PAR. 8. The aforesaid acts and practices of respondents, as herein alleged, are in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder and constitute unfair methods of competition and unfair and deceptive acts and practices in commerce under the Federal Trade Commission Act.

DECISION AND ORDER

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

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

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

bsuiness is located at 227 West 29th Street, New York, New York.

Respondents Harry Weiner and Jack Schaffer are officers of said corporation. They formulate, direct and control the policies, acts and practices of said corporation, and their address is the same as that of said corporation.

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

ORDER

It is ordered, That respondents Schaffer-Weiner, Inc., a corporation, and its officers, and Harry Weiner and Jack Schaffer, 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 the 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 sale, advertising, offering for sale, transportation or distribution, of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding any fur product by:

1. 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 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:

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

2. Representing directly or by implication on an in-

voice that the fur contained in such fur product is natural when such fur is pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

It is further ordered, That respondents Schaffer-Weiner, Inc., a corporation, and its officers, and Harry Weiner and Jack Schaffer, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from furnishing a false guaranty that any fur product is not misbranded, falsely invoiced or falsely advertised when the respondents have reason to believe that such fur product may be introduced, sold, transported, or distributed in commerce.

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

TERRI-ARNOLD INC., ET AL.

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

Docket C–1650. Complaint, Dec. 19, 1969—Decision, Dec. 19, 1969

Consent order requiring manufacturers of women's and misses' wearing apparel of New York City, to cease misbranding the fiber content of wool products, namely women's jumpers, and failing to maintain proper records showing the fiber content of textile fiber products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, the Wool Products Labeling Act of 1939 and the Textile Fiber Products Identification Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Terri-Arnold Inc., a corporation, and Reuben Berliner and Albert Berliner, individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Wool Products Labeling Act of 1939, and 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 Terri-Arnold 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 141 West 36 Street, New York, New York.

Respondents Reuben Berliner and Albert Berliner are officers of said corporation. They formulate, direct and control the policies, acts and practices of said corporation, and their address is the same as that of the corporate respondent.

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

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

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

Among such misbranded wool products, but not limited thereto, were wool products, namely women's jumpers, labeled "80% Wool, 20% Nylon" whereas, in truth and in fact, the said prod-

ucts contained substantially different amounts and types of fibers than as represented.

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

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

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

PAR. 6. Respondents are now and for some time last past have been engaged in the introduction, delivery for introduction, manufacture for introduction, sale, advertising, and offering for sale in commerce, and in the transportation or causing to be transported in commerce, and in the importation into the United States of textile fiber products; and have sold, offered for sale, advertised, delivered, transported and caused to be transported, textile fiber products, which have been advertised or offered for sale in commerce; and have sold, offered for sale, advertised, delivered, transported and caused to be transported, after shipment in commerce, textile fiber products, either in their original state or contained in other textile fiber products, as the terms "commerce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act.

PAR. 7. Respondents have failed to maintain proper records showing the fiber content of the textile fiber products manufactured by them, in violation of Section 6 of the Textile Fiber Prod-

ucts Identification Act and Rule 39 of the Regulations promulgated thereunder.

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

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Textiles and Furs proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act, the Wool Products Labeling Act of 1939, 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 Terri-Arnold 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 141 West 36th Street, New York, New York.

Respondents Reuben Berliner and Albert Berliner are officers of said corporation. They formulate, direct and control the policies, acts and practices of said corporation and their address is the same as that of said corporation.

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

ORDER

It is ordered, That respondents Terri-Arnold Inc., a corporation, and its officers, and Reuben Berliner and Albert Berliner, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, or manufacture for introduction, into commerce, or the offering for sale, sale, transportation, distribution, delivery for shipment or shipment, in commerce, of wool products, as "commerce" and "wool product" are defined in the Wool Products Labeling Act of 1939, do forthwith cease and desist from misbranding such products by:

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

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

It is further ordered, That respondents Terri-Arnold Inc., a corporation, and its officers, and Reuben Berliner and Albert Berliner, 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, manufacture for introduction, sale, advertising, or offering for sale, in commerce, or the transportation or causing to be transported in commerce, or the importation into the United States, of any textile fiber products; 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, transporta-

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

It is further ordered, That 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

WEINTRAUB & ROTHBLAT, ET AL.

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

Docket C-1651. Complaint, Dec. 19, 1969—Decision, Dec. 19, 1969

Consent order requiring manufacturers of fur products of New York City, to cease misbranding and falsely invoicing their products by deceptively labeling and invoicing dyed fur "as color added."

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 Weintraub & Rothblat, a partnership, and Jacob H. Weintraub and John Rothblat, individually

and as copartners trading as Weintraub & Rothblat, 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 Weintraub & Rothblat is a partnership existing and doing business under and by virtue of the laws of the State of New York.

Respondents Jacob H. Weintraub and John Rothblat are copartners in the said partnership. Respondents are manufacturers of fur products with their office and principal place of business located at 208 West 30th Street, New York, New York.

PAR. 2. Respondents are now and for some time last past have been engaged in the introduction into commerce, 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 the fur contained therein was "color added" when in fact such fur was dyed, 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 by the respondents in that they were not invoiced as required by Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated under such Act.

Among such falsely and deceptively invoiced fur products, but not limited thereto, were fur products covered by invoices which failed to disclose that the fur contained in the fur products was bleached, dyed or otherwise artificially colored, when such was the fact.

PAR. 6. Certain of said fur products were falsely and deceptively invoiced in that certain of said fur products were invoiced to show that the fur contained therein was "color added" or "natural" when in fact such fur was "dyed," in violation of Section 5(b) (2) of the Fur Products Labeling Act.

PAR. 7. The aforesaid acts and practices of respondents, as herein alleged, are in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder and constitute unfair methods of competition and unfair and deceptive acts and practices in commerce under the Federal Trade Commission Act.

DECISION AND ORDER

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

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

The Commission having thereafter considered the matter and having determined that it has reason to believe that the respondents have violated the said Acts, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public records 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 Weintraub & Rothblat, is a partnership 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 208 West 30th Street, New York, New York.

Respondents Jacob H. Weintraub and John Rothblat are individual copartners trading as Weintraub & Rothblat and their address is that of the said partnership.

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 Weintraub & Rothblat, a partnership, and Jacob H. Weintraub and John Rothblat, individually and as copartners trading as Weintraub & Rothblat or any other name, 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 sale, transportation or distribution in commerce, of any fur product; or in connection with the manufacture for sale, sale, advertising, offering for sale, transportation or distribution of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding any fur product by:

1. Representing, directly or by implication on a label that the fur contained in such fur product is "color added" when such fur is dyed.

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:

1. Failing to furnish an invoice, as the term "invoice" is defined in the Fur Products Labeling Act, showing in

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

2. Representing directly or by implication on an invoice that the fur contained in such fur product is "color added" or "natural" when such fur is dyed.

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

A. H. SCHECHNER & SON, 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-1652. Complaint, Dec. 19, 1969—Decision, Dec. 19, 1969

Consent order requiring manufacturers of fur products of New York City, to cease falsely advertising and invoicing furs, and failing to maintain adequate records to support pricing claims.

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 A. H. Schechner & Son, Inc., a corporation, and Emanuel Greenfield, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Fur Products Labeling Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

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

Respondent Emanuel Greenfield is an officer of the corporate

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

Respondents are manufacturers of fur products with their office and principal place of business located at 330 Seventh Avenue, 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 sale, advertising, and offering for sale in commerce, and in the transportation and distribution in commerce, of fur products; and have sold, advertised, offered for sale, transported and distributed fur products which have been made in whole or in part of furs which have been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act.

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

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

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

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

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

PAR. 4. Certain of said fur products were falsely and deceptively invoiced with respect to the name or designation of the animal or animals that produced the fur from which the said fur products had been manufactured, in violation of Section 5(b) (2) of the Fur Products Labeling Act.

Among such falsely and deceptively invoiced fur products, but not limited thereto, were fur products which were invoiced as "B'tail" thereby implying that the furs contained therein were entitled to the designation "Broadtail Lamb" when in truth and in fact the furs contained therein were not entitled to such designation.

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

(a) Information required under Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth on invoices in abbreviated form, in violation of Rule 4 of said Rules and Regulations.

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

(c) The term "Dyed Broadtail-processed Lamb" was not set forth on invoices in the manner required by law, in violation of Rule 10 of said Rules and Regulations.

PAR. 6. Certain of said fur products were falsely and deceptively advertised in violation of the Fur Products Labeling Act in that certain advertisements intended to aid, promote and assist directly and indirectly in the sale and offering for sale of such fur products were not in accordance with the provisions of Section 5(a) of the said Act.

Among and included in the advertisements, but not limited thereto, were advertisements of a retail department store which appeared in issues of the Anniston Star, a newspaper published in the city of Anniston, State of Alabama and having a wide circulation in Alabama and in other States of the United States. Respondents together with the retail advertisers of the fur products, cooperated, participated and assisted in the preparation of said advertisements.

By means of the aforesaid advertisements and other advertisements of similar import and meaning not specifically referred to herein respondents cooperated, participated and assisted in the preparation of false and deceptive advertisements and falsely and deceptively advertised fur products, in violation of Section 5(a)(5) of the Fur Products Labeling Act and Rule 44(a) of the Rules and Regulations promulgated thereunder by representing, directly or by implication, that the prices of said fur products were reduced from the purported former prices at which such fur products were offered for sale by the retail advertiser and the amounts of such purported reductions constituted savings to purchasers of such fur products. In truth and in fact the purported

former prices were fictitious in that they were not actual bona fide prices at which such fur products were offered for sale by the retail advertiser to the public on a regular basis for a reasonable substantial period of time in the recent regular course of business and the said fur products were not reduced in price as represented and savings were not afforded purchasers of said fur products as represented.

PAR. 7. In advertising fur products for sale as aforesaid respondents represented through such statements as "20% to 40% off on all furs" that prices of fur products were reduced in direct proportion to the percentage stated from purported former prices at which the fur products were offered for sale to the public at retail on a regular basis for a reasonably substantial period of time in the recent regular course of business and that the amount of said reduction afforded savings to the purchasers of such products when in fact such prices were not reduced in direct proportion to the percentages stated and the represented savings were not thereby afforded to the said purchasers, in violation of Section 5(a) (5) of the Fur Products Labeling Act.

PAR. 8. In advertising fur products for sale, as aforesaid respondents made pricing claims and representations of the types covered by subsections (a), (b), (c) and (d) of Rule 44 of the Regulations under the Fur Products Labeling Act. Respondents in making such claims and representations failed to maintain full and adequate records disclosing the facts upon which such claims and representations were based, in violation of Rule 44(e) of said Rules and Regulations.

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

DECISION AND ORDER

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

charge respondents with violation of the Federal Trade Commission Act and the Fur Products Labeling Act; and

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

The Commission having thereafter considered the matter and having determined that it has reason to believe that the respondents have violated the said Acts, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public records 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 A. H. Schechner & Son, 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 330 Seventh Avenue, New York, New York.

Respondent Emanuel Greenfield 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.

Respondents are manufacturers of fur products.

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 A. H. Schechner & Son, Inc., a corporation, and its officers, and Emanuel Greenfield, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce, of any fur product;

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

A. Falsely or deceptively invoicing any fur product by:

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

2. Setting forth on an invoice pertaining to such fur product any false or deceptive information with respect to the name or designation of the animal or animals that produced the fur contained in such fur product.

3. Setting forth information required under Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form on an invoice pertaining to such fur product.

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

5. Failing to set forth the term "Dyed Broadtail-processed Lamb" in the manner required where an election is made to use that term instead of the words "Dyed Lamb."

B. Participating, cooperating or assisting in the preparation of any false or deceptive advertisement or falsely or deceptively advertising any fur product through any advertisement, representation, public announcement or notice which is intended to aid, promote or assist, directly or indirectly, in the sale, or offering for sale of any such fur product, and which:

1. Represents, directly or by implication, that any price whether accompanied or not by descriptive terminology is the former price of such fur product when

such price is in excess of the prices at which such fur product has been sold or offered for sale at retail in good faith by the advertiser on a regular basis for a reasonably substantial period of time in the recent regular course of business, or otherwise misrepresents the price at which such fur product has been sold or offered for sale by the advertiser.

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

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

4. Misrepresents directly or by implication through percentage savings claims that prices of fur products are reduced to afford purchasers of the fur products the percentage of savings stated.

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

It is further ordered, That 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

FURS BY TSISTINAS, LTD., ET AL.

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

Docket C–1653. Complaint, Dec. 19, 1969—Decision, Dec. 19, 1969

Consent order requiring manufacturing furriers of New York City, to cease misbranding and falsely invoicing artificially colored fur products as natural, and furnishing false guaranties that their furs were not misbranded, falsely invoiced or advertised.

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 Furs by Tsistinas, Ltd., a corporation, and Jerome Magnus, Theodore Tsistinas and Harry Tsistinas, 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 Furs by Tsistinas, Ltd., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondents Jerome Magnus, Theodore Tsistinas and Harry Tsistinas 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 by the respondents in that they were not invoiced as required by Section 5(b) (1) of the Fur Products Labeling Act and the Rules and Regulations promulgated under such Act.

Among such falsely and deceptively invoiced fur products, but not limited thereto, were fur products covered by invoices which failed to disclose that the fur contained in the fur products was bleached, dyed, or otherwise artificially colored when such was the fact.

PAR. 6. Certain of said fur products were falsely and deceptively invoiced in that said fur products were invoiced to show that the fur contained therein was natural, when in fact such fur was pointed, bleached, dyed, tip-dyed or otherwise artificially colored, in violation of Section 5(b) (2) of the Fur Products Labeling Act.

PAR. 7. Respondents furnished false guaranties that certain of their fur products were not misbranded, falsely invoiced or falsely advertised when respondents in furnishing such guaranties had reason to believe that fur products so falsely guarantied would be introduced, sold, transported or distributed in commerce, in violation of Section 10(b) of the Fur Products Labeling Act.

PAR. 8. The aforesaid acts and practices of respondents, as herein alleged, are in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder and constitute unfair methods of competition and unfair and deceptive acts and practices in commerce under the Federal Trade Commission Act.

DECISION AND ORDER

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

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

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Acts, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public 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 Furs by Tsistinas, Ltd., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York with its office and principal place of business located at 214 West 29th Street, New York, New York.

Respondents Jerome Magnus, Theodore Tsistinas and Harry Tsistinas are officers of said corporation. They formulate, direct

and control the policies, acts and practices of said corporation and their address is the same as that of said corporation.

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

ORDER

It is ordered, That respondent Furs by Tsistinas, Ltd., a corporation, and its officers, and Jerome Magnus, Theodore Tsistinas and Harry Tsistinas, 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, transportation or distribution, of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding any fur product by:

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

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

B. Falsely or deceptively invoicing any fur product by:

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

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

It is further ordered, That respondents Furs by Tsistinas, Ltd., a corporation, and its officers, and Jerome Magnus, Theodore Tsistinas and Harry Tsistinas, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any other corporate device, do forthwith cease and desist from furnishing a false guaranty that any fur product is not misbranded, falsely invoiced or falsely advertised when respondents have reason to believe that such fur product may be introduced, sold, transported, or distributed in commerce.

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

It is further ordered, That respondents herein shall, within forthwith distribute a copy of this order to each of its operating divisions.

It is further ordered, That the respondent corporation shall 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

ROSENBAUM, BURTON & ROSENBAUM, 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-1654. Complaint, Dec. 19, 1969—Decision, Dec. 19, 1969

Consent order requiring manufacturing furriers of New York City, to cease misbranding and falsely invoicing artificially colored furs as natural, and furnishing false guaranties that furs were not misbranded, falsely invoiced or advertised.

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 Rosenbaum, Burton & Rosenbaum, Inc., a corporation, trading under its own name and as Bernardi Originals, and Ted Rosenbaum, Dan Burton and Martin Rosenbaum, 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 Rosenbaum, Burton & Rosenbaum, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondents Ted Rosenbaum, Dan Burton and Martin Rosenbaum 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 352 Seventh Avenue, 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 by the respondents in that they were not invoiced as required by Section 5(b) (1) of the Fur Products Labeling Act and the Rules and Regulations promulgated under such Act.

Among such falsely and deceptively invoiced fur products, but not limited thereto, were fur products covered by invoices which failed to disclose that the fur contained in the fur products was bleached, dyed, or otherwise artificially colored when such was the fact.

PAR. 6. Certain of said fur products were falsely and deceptively invoiced in that said fur products were invoiced to show that the fur contained therein was natural, when in fact such fur was pointed, bleached, dyed, tip-dyed or otherwise artificially colored, in violation of Section 5(b) (2) of the Fur Products Labeling Act.

PAR. 7. Respondents furnished false guaranties under Section 10(b) of the Fur Products Labeling Act with respect to certain of their fur products by falsely representing in writing that respondents had a continuing guaranty on file with the Federal Trade Commission when respondents in furnishing such guaranties had reason to believe that the fur products so falsely guaranteed would be introduced, sold, transported and distributed in commerce, in violation of Rule 48(c) of said Rules and Regulations under the Fur Products Labeling Act and Section 10(b) of said Act.

PAR. 8. The aforesaid acts and practices of respondents, as herein alleged, are in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder and constitute unfair methods of competition and unfair and deceptive acts and practices in commerce under the Federal Trade Commission Act.

DECISION AND ORDER

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

its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act and the Fur Products Labeling Act; and

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

The Commission having thereafter considered the matter and having determined that it has reason to believe that the respondents have violated the said Acts, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public records 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 Rosenbaum, Burton & Rosenbaum, 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 352 Seventh Avenue, New York, New York.

Respondents Ted Rosenbaum, Dan Burton and Martin Rosenbaum are officers of the said corporation. They formulate, direct and control the policies, acts and practices of said corporation and their address is 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 Rosenbaum, Burton & Rosenbaum, Inc., a corporation, trading under its own name or under any other name, and its officers, and Ted Rosenbaum, Dan Burton and Martin Rosenbaum, 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, offereing for sale, transportation or distribution, of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding any fur product by:

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

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

B. Falsely or deceptively invoicing any fur product by:

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

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

It is further ordered, That respondents Rosenbaum, Burton & Rosenbaum, Inc., a corporation, trading under its own name or under any other name, and its officers, and Ted Rosenbaum, Dan Burton and Martin Rosenbaum, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from furnishing a false guaranty that any fur product is not misbranded, falsely invoiced or falsely advertised when the respondents have reason to believe that such

fur product may be introduced, sold, transported, or distributed in commerce.

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

WEISS FURS, ET AL.

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

Docket C-1655. Complaint, Dec. 19, 1969—Decision, Dec. 19, 1969

Consent order requiring manufacturers and retailers of fur products of St. Louis, Mo., to cease misbranding by failing to use the term "natural" on labels to describe fur products which are not artificially colored and by failing to disclose on labels when fur is composed of second-hand fur, and falsely invoicing by omitting required information.

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 Weiss Furs, a partnership, and Eugene Weiss and Elliott Wilbur Weiss, individually and as co-partners trading as Weiss Furs, 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 Weiss Furs is a partnership, existing and doing business in the State of Missouri. Respondents Eugene Weiss and Elliott Wilbur Weiss are individual copartners in the said partnership.

Respondents are manufacturers and retailers of fur products with their office and principal place of business located at 919 Locust Street, St. Louis, Missouri.

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 not labeled as required under the provisions of Section 4(2) of the Fur Products Labeling Act and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

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

PAR. 4. Certain of said fur products were misbranded in violation of the Fur Products Labeling Act and that they were not labeled in accordance with the Rules and Regulations promulgated thereunder in the following respects:

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

(b) The disclosure "second-hand," where required, was not set forth on labels, in violation of Rule 23 of said Rules and Regulations.

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

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

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

PAR. 6. Certain of said fur products were falsely and deceptively invoiced in violation of the Fur Products Labeling Act in that they were not invoiced in accordance with the Rules and Regulations promulgated thereunder in the following respects:

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

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

PAR. 7. The aforesaid acts and practices of respondents, as herein alleged, are in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder and constitute unfair methods of competition and unfair and deceptive acts and practices in commerce under the Federal Trade Commission Act.

DECISION AND ORDER

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

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an ad-

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

The Commission having thereafter considered the matter and having determined that it has reason to believe that the respondents have violated the said Acts, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public records 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 Weiss Furs is a partnership, existing and doing business in the State of Missouri with its office and principal place of business located at 919 Locust Street, St. Louis, Missouri.

Respondents Eugene Weiss and Elliott Wilbur Weiss are individual copartners in the said partnership and their address is the same as said partnership.

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 Weiss Furs, a partnership, and Eugene Weiss and Elliott Wilbur Weiss, individually and as copartners trading as Weiss Furs or under any other name, 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, 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. Failing to affix a label to such fur product showing in words and in figures plainly legible all of the information required to be disclosed by each of the subsections of Section 4(2) of the Fur Products Labeling Act.

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

3. Failing to disclose that such fur product contains or is composed of second-hand used fur.

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

B. Falsely or deceptively invoicing any fur product by:

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

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

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

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

BECKER & SHILLING, 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-1656. Complaint, Dec. 19, 1969—Decision, Dec. 19, 1969

Consent order requiring manufacturers of fur products located in New York City, to cease misbranding artificially colored fur as natural, falsely invoicing, and furnishing false guaranties that furs were not misbranded, falsely invoiced or advertised.

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 Becker & Shilling, Inc., a corporation, and Harold Shilling and Paul Becker, 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 Becker & Shilling, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondents Harold Shilling and Paul Becker are officers of the said 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 330 Seventh Avenue, 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 artifically 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 artifically colored, when such was the fact.

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

(a) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was not completely set out on one side of the label, in violation of Rule 29(a) of said Rules and Regulations.

(b) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth in handwriting on labels, in violation of Rule 29(b) of said Rules and Regulations.

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

Among such falsely and deceptively invoiced fur products, but not limited thereto, were fur products covered by invoices which failed to disclose that the fur contained in the fur products was bleached, dyed, or otherwise artifically colored, when such was the fact.

PAR. 7. Respondents furnished false guarantees that certain of their fur products were not misbranded, falsely invoiced or falsely advertised when respondents in furnishing such guaranties had reason to believe that fur products so falsely guarantied would be introduced, sold, transported or distributed in commerce, in violation of Section 10(b) of the Fur Products Labeling Act.

PAR. 8. The aforesaid acts and practices of respondents, as herein alleged, are in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder and constitute unfair methods of competition and unfair and deceptive acts and practices in commerce under the Federal Trade Commission Act.

DECISION AND ORDER

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

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

The Commission having thereafter considered the matter and having determined that it has reason to believe that the respondents have violated the said Acts, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public records 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 Becker & Shilling, 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 330 Seventh Avenue, New York, New York.

Respondents Harold Shilling and Paul Becker are officers of said corporation. They formulate, direct and control the policies, acts and practices of said corporation and their address is the same as that of said corporation.

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

ORDER

It is ordered, That respondents Becker & Shilling, Inc., a corporation, and its officers, and Harold Shilling and Paul Becker, 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, 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 the fur contained therein is pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

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

3. Failing to completely set out information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder on one side of the label affixed to such fur product.

4. Setting forth information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in handwriting on a label affixed to such fur product.

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

It is further ordered, That respondents Becker & Shilling, Inc., a corporation, and its officers, and Harold Shilling and Paul Becker, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from furnishing a false guaranty that any fur product is not misbranded, falsely invoiced or falsely advertised when the respondents have reason to believe that such fur product may be introduced, sold, transported, or distributed in commerce.

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