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

It is further ordered, That the complaint served on American Management and Business Service Corporation and Richard B. Rosenkeimer, hereinbefore named as respondents in the caption to this proceeding, said complaint having been withdrawn from adjudication by the Commission by order dated November 10, 1970, be and the same is hereby dismissed, without prejudice to the Commission to institute such future proceedings against said named parties as the Commission in its discretion may deem warranted.

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

BULOVA WATCH COMPANY, INC.

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

Docket C-1887. Complaint, Apr. 1, 1971—Decision, Apr. 1, 1971

Consent order requiring a New York City manufacturer and distributor of watch and clock products to cease fixing the resale prices of its products, refusing to extend guarantees to certain purchasers, refusing to sell to retailers who discount, refusing to sell Bulova brand watches to retailers who refuse to handle other respondent products, and requesting its customers in nonfair trade States to report discounting dealers.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act (Title 15 U.S.C. Section 41 *et seq.*) and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that the party identified in the caption hereof and more particularly described and referred to hereinafter as respondent, has violated the provisions of Section 5 of the Federal Trade Commission Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the interest of the public, hereby issues its complaint stating its charges as follows:

PARAGRAPH 1. Respondent Bulova Watch Company, Inc. (hereafter sometimes referred to as "Bulova"), is a corporation organized

under the laws of the State of New York, with its executive office at 630 Fifth Avenue, New York, New York.

PAR. 2. For the purposes of this complaint, the following definitions shall apply:

(a) The term "watch and clocks products" means any timing mechanism.

(b) The term "Bulova watch and clock products" means any timing mechanism manufactured, assembled, distributed or sold by the Bulova Watch Company, Inc., or any of its subsidiaries.

(c) The terms "Bulova brand," "Caravelle brand" and "Accutron brand" mean any Bulova watch or clock product, the face of which bears the trade name or trademark of "Bulova," "Caravelle" or "Accutron" respectively.

(d) The term "retailer" means any person who buys a watch or clock product for resale, primarily, to consumers.

(e) The term "dealer" means any person to whom respondent sells Bulova watch or clock products for resale primarily to consumers.

(f) The term "United States" means the fifty States of the United States of America, any territory or insular possession thereof, the District of Columbia and the Commonwealth of Puerto Rico.

PAR. 3. Respondent is engaged in the manufacture, assembly, distribution and sale of watch and clock products, among other merchandise, through a dealer organization located throughout the United States. The annual sales volume of Bulova watch and clock products distributed principally under the trade names or trademarks Bulova, Caravelle, or Accutron, was approximately one hundred million dollars in 1968.

PAR. 4. In the course and conduct of its business of distributing Bulova watch and clock products, respondent ships or causes to be shipped said products from the States in which they are manufactured, assembled, or warehoused to dealers located throughout the United States. There is now and has been for several years last past a constant, substantial, and increasing flow of such products in "commerce" as that term is defined in the Federal Trade Commission Act.

PAR. 5. Except to the extent that competition has been hampered and restrained by reason of the practices hereinafter alleged, respondent's dealers, in the course and conduct of their business of offering for sale watch and clock products purchased from respondent, are in substantial competition in commerce with one another and with other firms or persons engaged in the distribution and sale of similar products, and respondent is likewise in substantial competition with other firms engaged in the manufacture, assembly, and distribution of watch and clock products.

PAR. 6. In the course and conduct of its business, respondent Bulova has engaged and is continuing to engage in the following unfair methods of competition and unfair acts and practices in commerce, among others, enumerated in this Paragraph:

1. For several years, at least since 1964, respondent has pursued a plan or policy throughout the United States, the purpose of which was to fix, control, establish and maintain the retail prices at which retailers and Bulova dealers advertise, offer for sale and sell Bulova watch and clock products.

2. In furtherance of this policy, respondent has and continues to the present time to engage in one or more of the following acts and practices, but not necessarily limited thereto, in the United States:

(a) It issues suggested retail price lists to its dealers in which the retail prices for Bulova watch and clock products are set forth;

(b) It pretickets with the suggested retail prices all Bulova watch products, which it ships to its dealers;

(c) It caused advertisements to be placed in various trade journals, which stated respondent's policy of preventing its watch and clock products from being sold by discounters or at discount prices. In some of these advertisements, Bulova dealers were invited to report to Bulova the names of retailers selling Bulova watch and clock products at less than the suggested retail or pre-ticketed price;

(d) In States where it could not fair trade its products, it directed its salesmen to find a sound legal reason for discontinuing sales to price cutting dealers;

(e) It told its chain store accounts that if the chain advertises or sells Bulova watch and clock products below the suggested retail or pre-ticketed prices, it reserved the right to refuse to deal with them, even though there were no fair trade agreements with these chain stores and many of the chain stores operated in nonfair trade States or in States where nonsigners were not bound;

(f) It discontinued sales to many "upstairs accounts," who are dealers without first floor showrooms, because such dealers are frequently discounters; and

(g) It discontinued and refused further sales to dealers, which its salesmen identified as discounters.

3. In addition to the foregoing, respondent Bulova has established a policy of prohibiting its dealers from selling Bulova watch and clock products otherwise than at retail.

4. In furtherance of this policy, Bulova engaged in one or more of the following acts and practices:

(a) It informed its dealers of this policy;

(b) It discontinued and refused further sales to its dealers, who were reported to have violated this policy;

(c) It instructed its salesmen to report the names of its dealers who violated this policy; and

(d) It refused to guarantee Bulova watch and clock products sold to consumers by anyone other than an authorized Bulova dealer.

5. In addition to the foregoing, respondent Bulova has established a policy of refusing to sell or refusing to continue selling Accutron brand watches to a retailer or dealer unless the retailer, or dealer also buys and sells Bulova brand watches and in some instances has refused to sell Bulova brand and Accutron brand watches to a dealer who buys and sells the Caravelle brand of Bulova watches.

6. In addition to the foregoing, from time to time respondent Bulova has entered into agreements with one or more Bulova dealers not to sell or to discontinue sales of Bulova watch and clock products to retailers or dealers who compete with the dealer.

PAR. 7. The above acts and practices have the capacity and tendency of hindering, suppressing or eliminating competition with the following effects, among others:

a. Dealers have discontinued or de-emphasized the sale of watch and clock products manufactured, assembled, or distributed by other companies;

b. Dealers are required to resell Bulova watch and clock products at prices fixed by the respondent;

c. Price competition between Bulova dealers has been eliminated;

d. Dealers have been prevented from selling Bulova watch and clock products to customers of their own choice; and

e. Some retailers have been unlawfully prevented from buying and selling Bulova watch and clock products, thus eliminating additional competition among dealers selling Bulova products.

PAR. 8. The aforesaid acts and practices of respondent have the tendency to unduly hinder competition and have injured, hindered, suppressed, lessened or eliminated actual and potential competition, and, thus, are to the prejudice and injury of the public, constitute unfair methods of competition in commerce or unfair acts and practices in commerce, within the intent and meaning of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondent named in the caption hereof, and the respondent having been furnished thereafter with

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

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

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondent has violated the said Act, and that complaint should issue stating its charges in that respect, and having thereupon provisionally accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days; and having received and duly considered comments from interested members of the public, 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 Bulova Watch Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its executive offices at 630 Fifth Avenue, New York, New York.

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

ORDER

I

It is ordered, That respondent Bulova Watch Company, Inc., and its subsidiaries, successors, assigns, officers, directors, agents, representatives and employees individually or in concert with others, directly or through any corporate or other device, in connection with the distribution, offering for sale, or sale of watch or clock products in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Entering into, maintaining or enforcing any contract, agreement, combination, understanding or course of conduct

which has as its purpose the fixing, maintaining, establishing or setting of the prices at which its dealers must resell Bulova watch or clock products: *Provided, however*, That nothing contained in this order shall be construed to prevent respondent from engaging in a legitimate fair trade program in those States having fair trade laws.

2. Entering into, maintaining, or enforcing any contract, agreement, combination, understanding, or course of conduct which has as its purpose restricting the persons to whom any Bulova dealer or other person may resell Bulova watch or clock products.

3. Refusing to extend the terms of the Bulova watch or clock guarantee to consumer purchasers of Bulova watch or clock products from any retailer: *Provided*, That the watch or clock product has not been tampered with or damaged by anyone in the line of sale between Bulova and the consumer.

4. Refusing to sell Bulova watch or clock products to any dealer

A. because the dealer has in the past or might in the future discount Bulova watch or clock products or advertise Bulova watch or clock products at less than the suggested retail price, in non-fair trade states, territories, the District of Columbia, or the Commonwealth of Puerto Rico;

B. because the dealer transshipped or sold Bulova watch or clock products to a retailer.

5. Refusing to sell Bulova watch or clock products to any retailer because Bulova agreed or reached an understanding with one or more retailers not to continue to sell Bulova watch or clock products to another retailer.

6. Refusing to sell Bulova watch or clock products to any retailer because the retailer or the dealer refuses to purchase the Bulova, the Accutron, or the Caravelle brand of watches, along with the retailer's or the dealer's desired brand or brands of Bulova watch or clock products.

7. Requesting its dealers to report to it the names of discounting dealers in nonfair trade states, territories, or the District of Columbia, or discounters in fair trade states where nonsigners are not bound and in which the discounter is a nonsigner, except that nothing contained in this order shall be interpreted so as to prohibit respondent's salesmen, agents, representatives or employees from observing and reporting pricing information to respondent.

8. Refusing to inform any retailer or dealer in writing of:

A. the reason or reasons for its refusal to sell to the retailer or dealer; and

B. the sales standards that the retailer or dealer is expected to meet.

9. Advertising that it is Bulova's policy to maintain suggested retail prices in nonfair trade States, territories, the District of Columbia, or the Commonwealth of Puerto Rico.

It is further ordered, That the respondent corporation shall forthwith distribute a copy of this order to each of its operating divisions, to its present and future salesmen, to its present and to all future dealers for five years from the entry of this order at the time that the dealer is opened as an account.

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

It is further ordered, That respondent 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

AMERICAN BOOK CLUB, ET AL.

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

Docket C-1888. Complaint, Apr. 1, 1971—Decision, Apr. 1, 1971

Consent order requiring a Philadelphia, Pa., mail-order book club to cease misrepresenting that its customers will save money on the purchase of books from respondents, listing remainder books with original prices, misrepresenting that respondents have automatic data processing connections with publishers of books, misrepresenting that certain of its printed matter is limited to certain purchases, failing to make refunds or shipments of books within a reasonable time, and failing to keep adequate records to back its savings claims.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal

Trade Commission, having reason to believe that American Book Club, a partnership, and American Book Club, a corporation, and Cletus P. Lyman and J. Roger Williams, Esq., individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of said Act and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent American Book Club, hereinafter sometimes referred to as ABC, is a partnership organized, existing and doing business under and by virtue of the laws of the Commonwealth of Pennsylvania with its office and place of business located at 1612 Latimer Street, in the city of Philadelphia, Commonwealth of Pennsylvania. The individual partners are L Club Corp. and American Book Club, both of which are corporations organized, existing and doing business under and by virtue of the laws of the State of Delaware.

Respondent American Book Club (corporation) is the managing partner having complete authority and responsibility with respect to the conduct of the business of the said partnership. Its office and place of business is the same as that of the said partnership.

Cletus P. Lyman and J. Roger Williams, Esq., are officers of the corporate respondent American Book Club. They formulate, direct and control the acts and practices of the corporate respondent including the acts and practices hereinafter set forth. Their business addresses are the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the operation of a mail-order book club and in the advertising, offering for sale, sale and distribution of memberships, books and other printed matter 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 the sale of memberships in said book club to purchasers thereof, located in various other States of the United States, and have caused their books and other printed matter, when sold, to be shipped from their place of business in the Commonwealth of Pennsylvania to purchasers thereof, located in various other States of the United States, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said products in commerce as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business, and at all times mentioned herein, respondents have been and now are in sub-

stantial competition in commerce with corporations, firms and individuals engaged in the sale of books and other printed matter of the same general kind and nature as that sold by respondents.

PAR. 5. In the course and conduct of their aforesaid business, and for the purpose of inducing the purchase of their memberships, books, and other printed matter, the respondents have made, and in most cases are now making, numerous statements and representations in advertisements inserted in newspapers, magazines and other publications of general interstate circulation, and by means of such statements and representations in direct mail solicitations. Typical and illustrative of the foregoing, but not all inclusive thereof, are the following:

Order any and all books in print at discounts up to 81%. Even newest releases, NO EXCEPTIONS! Your discount always based directly on wholesale price. You never pay list price for any book, ever! . . . , the price you formerly paid for just *one* book can now get you up to *five*.

Order any book in print through club from warehouse. No exceptions. No middleman.

Never the 5- to 6-week delay that is standard with other clubs. Even ('special requests') are processed as fast as best sellers. And that means—the same day received.

We just programmed those 100 booklovers into our IBM–S/360 computer. Connected that to our new Computer Control Network. And connected *that* to just about every publisher in the continental United States. Electronically . . . we just punched a button. And got it for him straight from the publisher Direct.

You just have to have $5. That's your Registration Fee. We don't pocket it. It goes to defray the (considerable) cost of programming your name and order number into our Computer Control Network.

Please request your complimentary Master Catalog at once. Quantities earmarked for trade houses, publishers, schools and libraries are *severely limited.*

__________ Initial here. I am not a book dealer, and will not resell books purchased through this service at a higher price. All-Book/All-Publisher Discount Card. Not available to dealers, wholesalers, retail book establishments or their representatives or sales agents.

But we never give you ('club editions.') Never give you cheaper paper, smaller type, or bindings that stain your hands and fall apart. You receive only the GENUINE PUBLISHER'S EDITION, brand-new and bindery fresh.

Money-back guarantee is unconditional. If after joining you don't agree the American Book Club is all we said and more—or even if you've simply changed your mind—just let us know within 10 days after receiving your catalog and your membership will be cancelled without obligation. Your membership fee, of course, will be refunded at once.

DATED MAIL, FIRST CLASS DATED MAIL. Must be answered by addressee within twenty-one (21) days of U.S. Post Office Meter Date stamped at right.

No orders accepted at enclosed PDOL prices unless mailed and postmarked within twenty-one (21) days of U.S. Post Office Meter Date shown above.

PAR. 6. By and through the use of the above-quoted statements and representations, and others of similar import and meaning not expressly set out herein, respondents have represented and are now representing, directly or by implication, that:

1. A substantial number of books is available at the 81 percent discount rate, and that there are at least five books available at that rate.

2. A member will never pay the full price for any book.

3. ABC has warehouse facilities within which every book in print is stocked.

4. Books will be shipped to the purchaser within 24 hours from the time ABC receives the purchaser's order.

5. ABC owns an IBM-S/360 computer which in some manner is directly connected to almost every publisher in the continental United States.

6. That the $5 membership fee is used entirely for computer programming.

7. That the available number of Master Catalogs is limited.

8. That book dealers, wholesalers, and retail book establishments cannot purchase books at the same prices or from the same sources which are available to ABC.

9. That a member will receive only the original publisher's edition of books and not a reprint edition.

10. That a member who is not satisfied with the services of the book club may immediately receive a cancellation of his membership and an automatic return of his fee providing he communicates such request to the book club within 10 days of the receipt of his membership card or other notification that his application has been accepted.

11. That a member cannot order books from the PDOL [Publisher's Discount Option List] after 21 days from the date stamped on the envelope.

PAR. 7. In truth and in fact:

1. There were only two books available at the 81 percent discount rate during the year 1969. There are not at least five books available at the 81 percent discount rate;

2. Respondents fail to initially disclose a $.40 charge for the handling and postage of each book ordered, which charge results in a number of books costing more than the list price;

3. ABC has only limited storage space available and does not stock every book in print.

4. A large percentage of books ordered must be obtained from the

publisher, and such books cannot be shipped to the purchaser within 24 hours from the time ABC receives the purchaser's order. In fact, deliveries of books frequently take five to six weeks and even longer.

5. ABC pays for automatic data processing services and does not own an IBM-S/360 computer. There is no direct connection between ABC and any publisher other than through the usual means of communication;

6. Only a small part of the $5 membership fee is used for computer programming of a member's name and order number;

7. The available number of Master Catalogs is not limited;

8. Book dealers, wholesalers and retail book establishments can purchase books from the same sources and at the same prices as ABC;

9. A number of books offered to ABC members are reprint editions and not the original publisher's edition;

10. In numerous instances membership fees are not refunded upon demand of the purchaser, or are refunded only after a delay of several months and after repeated requests to American Book Club and pleas for assistance to Better Business Bureaus and governmental agencies and substantial inconvenience; irritation and hardships to the purchaser;

11. A member can order books from the PDOL [Publisher's Discount Option List] at any time as long as the books are available.

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

Par. 8. In the course and conduct of their mail-order business, as aforesaid, respondents, on numerous occasions and in a substantial number of instances either have failed altogether to deliver prepaid books or have delivered such books after a long lapse of time and after several demands therefor have been made to respondents and pleas for assistance have been made to Better Business Bureaus and to governmental agencies. Such practices have resulted in substantial inconvenience, hardship and irritation to purchasers.

Therefore, the said practice was, and is, unfair and is misleading and deceptive.

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 into the erroneous and mistaken belief that said statements and representations were, and are, true and into the purchase of substantial numbers of memberships and books from respondents by reason of said erroneous and mistaken belief.

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

DECISION AND ORDER

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

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not violate 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 and having duly considered the comments filed thereafter pursuant to Section 2.34(b) of its Rules, now, in further conformity with the procedure prescribed in such Rule, the Commission hereby issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent American Book Club is a partnership organized, existing and doing business under and by virtue of the laws of the State of Pennsylvania with its office and place of business located at 1612 Latimer Street, Philadelphia, Pennsylvania.

Respondent American Book Club is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware with its office and place of business located at 1612 Latimer Street, Philadelphia, Pennsylvania.

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Respondents Cletus P. Lyman and J. Roger Williams, Esq., are individuals and officers of said corporation. They formulate, direct and control the acts and practices of said partnership and corporation and their address is the same as that of the partnership and 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 American Book Club, a partnership, and American Book Club, a corporation, and its officers, and Cletus P. Lyman and J. Roger Williams, Esq., individually and as officers of said corporation, and respondents' agents and employees, directly or indirectly, by corporate or any other device, in connection with the advertising, offering for sale, sale or distribution of book club memberships, books, printed matter, or any other articles of merchandise or services in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing that customers will save money or be able to purchase books at prices below the regular price of such books without disclosing in immediate conjunction therewith, the basis for such savings representations.

2. Representing, directly or by implication, that purchasers of respondents' memberships or books will save any stated dollar or percentage amount unless in fact the amount represented applies to a substantial number of available books and accurately reflects the average savings for all books sold by respondents.

3. Failing to disclose in connection with any representations concerning discounts, reduced prices, or savings, that postage, handling, shipping and/or other charges must be paid by the purchaser.

4. Representing, directly or by implication, the list price of reprints or remainders without clearly disclosing that the list price was that of the original publisher and is not the current retail price of such reprints or remainders.

5. Representing, directly or by implication, that respondents' warehouse or otherwise stock books unless the average number of books actually stocked or warehoused by respondents is disclosed in immediate conjunction therewith.

6. Representing, directly or by implication, that books or

other printed matter will be received by purchasers within a stated period of time unless in fact the stated period is the maximum length of time within which the majority of such books are received by purchasers.

7. Representing, directly or by implication, that respondents own or employ automatic data processing equipment which provides a direct channel of communication linking them with publishers of books.

8. Representing, directly or by implication, that membership fees or other charges are used solely for computer programming, advertising, or any other specified purpose.

9. Representing, directly or by implication, that the sale or distribution of catalogs, books, or other printed matter is limited to certain purchasers or unavailable to certain classes of persons unless such represented limitation was actually imposed and in good faith adhered to.

10. Representing, directly or by implication, that book dealers, wholesalers, and retail book establishments cannot purchase books at the same price or from the same sources which are available to respondents.

11. Representing, directly or by implication, that a purchaser will receive only the original publisher's edition of books when any of such books are not the original publisher's edition.

12. Failing to insure that employees, when requested pursuant to a guarantee of satisfaction for a full refund, refund the purchase price in full of books membership fees, or other merchandise together with all charges paid by purchasers in connection with such purchase voluntarily and within the time specified in respondents' advertisements, or if no time specified, within a reasonable time not to exceed 10 working days; or failing to insure that employees make any other refunds to which a purchaser is entitled within 10 working days from the date of the receipt of the request for such refund.

13. Representing, directly or by implication, that offers of catalogs, books, or other printed matter are limited in point of time or available quantities, unless such represented limitation or restriction was actually imposed and in good faith adhered to.

14. Failing to insure that employees make shipments of advertised books, catalogs, printed matter, or other merchandise within the time specified in respondents' advertisements, or if no time specified, within a reasonable time or to return the full purchase price therefor to the purchaser.

15. Failing to maintain adequate records (a) which disclose the facts upon which any savings claims, including comparable value claims, and similar representations of the types described in Paragraphs 1, 2, 3, and 4 of this order are based, and (b) from which the validity of any savings claims and comparative value claims, and similar representations of the types described in Paragraphs 1, 2, 3, and 4 of this order can be determined.

It is further ordered, That respondents shall forthwith distribute a copy of this order to each of its operating divisions, and to any agency or individual employed by respondents for the purpose of originating or otherwise preparing advertising of any nature.

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

It is further ordered, That respondent maintain for at least a two (2) year period, copies of all advertisements, direct mail solicitations, and any other such written representations made to secure the sale of memberships, books, or other printed matter.

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

IN THE MATTER OF

HARRY STROIMAN TRADING AS EMPIRE BUILDERS COMPANY

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

Docket C-1889. Complaint, Apr. 1, 1971—Decision, Apr. 1, 1971

Consent order requiring a Des Moines, Iowa, individual engaged in the sale and distribution of residential aluminum siding products to cease misrepresenting that any price for respondent's products is a special or reduced price, failing to maintain records supporting his savings claims, misrepresenting that a customer's home will be used as a model, failing to disclose the nature and extent of the guarantee, and failing to include on all notes a Notice that "Any holder takes this instrument subject to the terms and conditions of the contract which gave rise to the debt evidenced hereby"; and failing to make certain disclosures required by Regulation Z of the Truth in Lending Act.

Complaint

Pursuant to the provisions of the Federal Trade Commission Act, and of the Truth in Lending Act and the regulations promulgated thereunder, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Harry Stroiman, an individual trading as Empire Builders Company, hereinafter referred to as respondent, has violated the provisions of said Acts, and of the regulations promulgated under the Truth in Lending 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 Harry Stroiman is an individual trading as Empire Builders Company, with his office and principal place of business located at 4024 Fleur Drive, Des Moines, Iowa.

PAR. 2. Respondent is now, and for some time last past has been, engaged in the advertising, offering for sale, sale and distribution of residential aluminum siding products to the general public and in the installation thereof.

COUNT I

Alleging violations of Section 5 of the Federal Trade Commission Act, the allegations of Paragraphs One and Two hereof are incorporated by reference in Count I as if fully set forth verbatim.

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

PAR. 4. In the course and conduct of his business, and for the purpose of inducing the purchase of his products, respondent and his salesmen or representatives have represented, and now represent, directly or by implication, in advertising and promotional material and in oral solicitations to prospective purchasers, that:

1. Respondent's siding materials and installations are being offered for sale at special or reduced prices, and that savings are thereby afforded purchasers from respondent's regular selling price.

2. Homes of prospective purchasers have been specially selected as model homes for the installation of the respondent's products; that after installation such homes will be used for demonstration and advertising purposes by respondent.

3. Respondent's siding materials and installations are unconditionally guaranteed in every respect without condition or limitation for a period of 20 years or more.

4. All purchasers of respondent's siding materials and installations will realize a substantial savings on their heating bills.

PAR. 5. In truth and in fact:

1. Respondent's siding materials and installations are not being offered for sale at special or reduced prices, and savings are not thereby afforded respondent's customers because of a reduction from respondent's regular selling prices. In fact, respondent does not have a regular selling price but the prices at which respondent's said products are sold vary from customer to customer depending on the resistance of the prospective purchasers.

2. Homes of prospective purchasers are not specially selected as model homes for the installation of respondent's products; after installation such homes are not used for demonstration and advertising purposes by respondent.

3. Respondent's siding materials and installations are not unconditionally guaranteed in every respect without conditions or limitations for a period of 20 years or for any other period of time. Such guarantee as may be provided is subject to numerous terms, conditions and limitations, and fails to set forth the nature and extent of the guarantee, the identity of the guarantor and the manner in which the guarantor will perform thereunder. Furthermore, in a substantial number of cases, respondent or his salesmen fail to furnish any written guarantee to the customer.

4. All purchasers of respondent's residential siding materials and installations will not realize a substantial savings on their heating bills.

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

PAR. 6. In the further course and conduct of his business, and in furtherance of a sales program for inducing the purchase of his residential siding materials, respondent and his salesmen or representatives have engaged in the following additional unfair and false, misleading and deceptive acts and practices:

In a substantial number of instances and in the usual course of his business, respondent sells and transfers his customers' obligations, procured by the aforesaid unfair, false, misleading and deceptive means, to various financial institutions. In any subsequent legal action to collect on such obligations, these financial institutions or other third parties, as a general rule, have available and can interpose

various defenses which may cut off certain valid claims customers may have against respondent for his failure to perform or for certain other unfair, false, misleading or deceptive acts and practices.

Therefore, the acts and practices as set forth in Paragraph Six hereof, were and are unfair and false, misleading and deceptive acts and practices.

PAR. 7. In the course and conduct of his aforesaid business, and at all times mentioned herein, respondent has been, and now is, in substantial competition, in commerce, with corporations, firms and individuals engaged in the sale of products of the same general kind and nature as those sold by respondent.

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

PAR. 9. The aforesaid acts and practices of respondent as herein alleged were, and are, all to the prejudice and injury of the public and of respondent's competitors and constituted, and now constitute, unfair 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.

COUNT II

Alleging violations of the Truth in Lending Act and the implementing regulation promulgated thereunder, and of the Federal Trade Commission Act, the allegations of Paragraphs One and Two hereof are incorporated by reference in Count II as if fully set forth verbatim.

PAR. 10. In the ordinary course and conduct of his business, as aforesaid, respondent regularly extends, and for some time in the past has regularly extended, consumer credit as "consumer credit" is defined in Regulation Z, the implementing regulation of the Truth in Lending Act, duly promulgated by the Board of Governors of the Federal Reserve System.

PAR. 11. Subsequent to July 1, 1969, respondent, in the ordinary course and conduct of his business and in connection with credit sales as "credit sale" is defined in Regulation Z, has caused, and is causing, his customers to enter into retail installment contracts, hereinafter referred to as "the contract."

PAR. 12. By and through the use of the contract, respondent:

1. Fails to disclose the "unpaid balance," using that term, as required by Section 226.8(c)(5) of Regulation Z.

2. Fails to disclose the date the finance charge begins to accrue when different from the date of the transaction, as required by Section 226.8(b)(1) of Regulation Z.

3. Fails, in some instances, to include the amount of insurance charges which are charged to the customer in the "amount financed," as required by Section 226.8(c)(4) of Regulation Z.

4. Fails to describe the type of security interest in property held, retained or acquired in connection with extensions of credit, as required by Section 226.8(b)(5) of Regulation Z.

PAR. 13. By and through use of the contract referred to in Paragraphs Eleven and Twelve, respondent retains or acquires a security interest in real property which is or is expected to be used as the principal residence of the customer. The customer thereby has the right to rescind the transaction, as provided in Section 226.9(a) of Regulation Z. Having consummated a rescindable consumer credit transaction, respondent includes the following language in the contract:

> If this order is countermanded before application, there will be a charge of 25% of the contract price for liquidated damages, and not considered a penalty.

By and through the use of this quoted language, respondent:

1. Represents, directly or by implication, that customers will or may be liable for damages, penalties or any other charges if they exercise the right to rescind provided by Section 226.9 of Regulation Z, contrary to the provisions of Section 226.9(d) of Regulation Z.

2. Supplies additional information not required by Regulation Z, which is stated so as to mislead or confuse the customer concerning his right to rescind the credit transaction provided by Section 226.9 of Regulation Z, contrary to the provisions of Section 226.6(c) of Regulation Z.

PAR. 14. Pursuant to Section 103 of the Truth in Lending Act, respondent's aforesaid failures to comply with the provisions of Regulation Z constitute violations of that Act and, pursuant to Section 108 thereof, respondent has thereby violated the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondent named in the caption hereof with violation of the Federal Trade Commission Act, 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 Harry Stroiman is an individual trading as Empire Builders Company, with his office and principal place of business located at 4024 Fleur Drive, Des Moines, Iowa.

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

ORDER

I

It is ordered, That Harry Stroiman, an individual trading as Empire Builders Company, or under any other name or names, and respondent's representatives, agents and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale, distribution or installation of residential aluminum siding or other home improvement products or services, or any other products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication, that any price for respondent's products and/or services is a special or reduced price, unless such price constitutes a significant reduction from an established selling price at which such products and/or services have been sold in substantial quantities by respondent in the

recent regular course of his business; or misrepresenting, in any manner, the savings available to purchasers.

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

3. Representing, directly or by implication, that the home of any of respondent's customers or prospective customers has been selected to be used or will be used as a model home, or otherwise, for advertising purposes.

4. Representing, directly or by implication, that any of respondent's 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 in immediate conjunction therewith; or making any direct or implied representation that any of respondent's products are guaranteed unless in each instance a written guarantee is given to the purchaser containing provisions fully equivalent to those contained in such representations and unless respondent promptly fulfills all of his obligations under the represented terms of such guarantee.

5. Representing, directly or by implication, that purchasers of respondent's residential siding materials will realize a substantial savings on their heating bills; or misrepresenting, in any manner, the amount of savings afforded to respondent's customers on their heating bills.

6. Failing to clearly and conspicuously incorporate the following statement on the face of all sales contracts, all notes or other evidence of indebtedness executed by or on behalf of respondent's customers:

"NOTICE"

> "Any holder takes this instrument subject to the terms and conditions of the contract which gave rise to the debt evidenced hereby."

II

It is further ordered, That respondent Harry Stroiman, an individual trading as Empire Builders Company, and respondent's agents, representatives and employees, directly or through any corporate or other device, in connection with any extension of consumer credit, as "consumer credit" is defined in Regulation Z (12 CFR Part 226) of the Truth in Lending Act (Public Law 90–321, 15 U.S.C. 1601 *et. seq.*), do forthwith cease and desist from:

1. Failing to disclose the date on which the finance charge begins to accrue when that date is different from the date of the transaction, as required by Section 226.8(b)(1) of Regulation Z; or when this date is unknown, failing to estimate that date, pursuant to Section 226.6(f) of Regulation Z.

2. Failing to indicate all charges which are not part of the cash price or the finance charge but are included in the amount financed, and to itemize each such charge individually, as required by Section 226.8(c)(4) of Regulation Z.

3. Providing information to any customer which states, directly or indirectly, that the customer will or may be liable for damages, penalties or any other charges for exercising the right to rescind which is accorded pursuant to Section 226.9(a) of Regulation Z.

4. Providing any information other than that required to be disclosed by Section 226.8 or Section 226.9 of Regulation Z which misleads the customer or which contradicts, obscures or detracts attention from the information concerning the right to rescind required to be disclosed by Regulation Z.

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

III

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

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

IN THE MATTER OF

JACOBS BROTHERS INDUSTRIES, INC., ET AL.

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

Docket C-1890. Complaint, Apr. 2, 1971—Decision, Apr. 2, 1971

Consent order requiring South Hackensack, N.J., manufacturers of children's wearing apparel to cease misbranding their wool products and falsely guaranteeing their 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 Jacobs Brothers Industries, Inc., a corporation, and Bernard Jacobs, David Janco and Robert Jacobs, 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 Jacob Brothers Industries, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey with its office and principal place of business located at 11-C Empire Boulevard, South Hackensack, New Jersey.

Respondents Bernard Jacobs, David Janco and Robert Jacobs 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.

Respondents are engaged in the manufacturing of children's apparel. They ship and distribute such products to various customers throughout 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 the Wool Products Labeling Act of 1939, wool products as "wool product" is defined therein.

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

Among such misbranded wool products, but not limited thereto, were wool products stamped, tagged, labeled or otherwise identified as containing "92% Reprocessed wool and 8% Nylon" whereas, in truth and in fact, such wool products contained substantially different fibers and amounts of fibers than represented.

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

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

PAR. 5. 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. The respondents have furnished false guaranties that their textile fiber products were not misbranded nor falsely nor deceptively advertised or invoiced by falsely representing in writing that respondents had filed a continuing guaranty under the Textile Fiber Products Identification Act with the Federal Trade Commission, in violation of Section 10(b) of the Textile Fiber Products Identification Act and Rule 38(d) of the Rules and Regulations promulgated under said Act.

PAR. 7. The acts and practices of respondents, as set forth above in Paragraph Six, were and are, in violation of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder, and constituted, and now constitute unfair methods of competition and unfair and deceptive acts or practices in commerce, under the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Division of Textiles and Furs, Bureau of Consumer Protection proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act, 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 Jacobs Brothers Industries, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey with its office and principal place of business located at 11-C Empire Boulevard, South Hackensack, New Jersey.

Respondents Bernard Jacobs, David Janco and Robert Jacobs 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.

Respondents are engaged in the manufacturing of children's apparel. They ship and distribute such products to various customers throughout the United States.

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 Jacobs Brothers Industries, Inc., a corporation, and its officers, and Bernard Jacobs, David Janco and Robert Jacobs, 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 products" 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 Jacobs Brothers Industries, Inc., a corporation, and its officers, and Bernard Jacobs, David Janco and Robert Jacobs, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from furnishing a false guaranty that any textile fiber product is not misbranded or falsely or deceptively invoiced or advertised under the provisions of the Textile Fiber Products Identification Act.

It is further ordered, That respondents notify the Commission at lease 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

SMITH BROS. FURS, 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-1891. Complaint, Apr. 2, 1971—Decision, Apr. 2, 1971

Consent order requiring New York City manufacturers and wholesalers of furs to cease misbranding and deceptively invoicing their fur products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Labeling Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Smith Bros. Furs, Inc., a corporation, and Ben Smith and Al Smith, 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 Smith Bros. Furs, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondents Ben Smith and Al Smith are officers of the corporate respondent. They formulate, direct and control the policies, acts and practices of the said corporate respondent including those hereinafter set forth.

Respondents are manufacturers and wholesalers of fur products with their office and principal place of business located at 345 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 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 the said Act and Rules and Regulations.

PAR. 4. Certain of said fur products were falsely and deceptively invoiced by the respondents in that they were not invoiced as required by Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated under such Act.

Among such falsely and deceptively invoiced fur products, but not limited thereto, were fur products covered by invoices which failed to show the true animal name of the animal or animals which produced the fur used in such fur products.

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

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

DECISION AND ORDER

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

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

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

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

1. Respondent Smith Bros. Furs, 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 345 Seventh Avenue, New York, New York.

Respondents Ben Smith and Al Smith are officers of the said corporation. They formulate, direct and control the acts, practices and policies of said corporation and their address is the same as that of said corporation.

Respondents are manufacturers and wholesalers 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 Smith Bros. Furs., Inc., a corporation, and its officers, and Ben Smith and Al Smith, 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 products which is made in whole or in part of fur which has been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

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

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

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

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

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

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

IN THE MATTER OF

L'ENFANT DRESS CO., INC., ET AL.

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

Docket C-1892. Complaint, Apr. 2, 1971—Decision, Apr. 2, 1971

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

Complaint

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

PARAGRAPH 1. Respondent L'Enfant Dress Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York. Respondent Theodore Halper is an officer of said corporate respondent. He formulates, directs and controls the acts, practices and policies of said corporation.

The respondents are engaged in the business of the manufacture, sale and distribution of wearing apparel, including but not limited to children's party dresses, with their office and principal place of business located at 520 Eighth Avenue, New York City, New York.

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

Among such products mentioned hereinabove were children's party dresses.

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

Decision and Order

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

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

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

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

1. Respondent L'Enfant Dress Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondent Theodore Halper is an officer of the corporate respondent. He formulates, directs and controls the acts, practices and policies of said respondent.

Respondents are engaged in the business of the manufacture, sale and distribution of products, namely wearing apparel, including but not limited to children's party dresses, with their office and principal place of business located at 520 Eighth Avenue, New York City, New York.

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

ORDER

It is ordered, That respondent L'Enfant Dress Co., Inc., a corporation, and its officers and Theodore Halper, individually and as an officer of said corporation, and respondents' representatives,

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

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

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

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

a raised fiber surface. Respondents shall submit samples of not less than one square yard in size of any such product, fabric, or related material with this report.

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

GOVERNMENT EMPLOYEES' EXCHANGE, INC., ET AL.

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

Docket C-1893. Complaint, Apr. 6, 1971—Decision, Apr. 6, 1971

Consent order requiring a Washington, D.C., publisher and distributor of a biweekly newspaper for government employees to cease publishing advertisements for any firm without prior authorization, failing to discontinue such advertisements after being notified, and seeking to collect for such unauthorized advertisements.

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 Government Employees' Exchange, Inc., a corporation, and Sidney Goldberg and Barbara Goldberg, a/k/a Barbara Harlos, individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Government Employees' Exchange, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its principal office and place of business located at 1913 I Street, N.W., Washington, D.C.

Respondents Sidney Goldberg and Barbara Goldberg, a/k/a Barbara Harlos, are officers of said corporation. They formulate, direct, and control the acts and practices of the corporate respondent, including the acts and practices herein set forth. Their address is Box 90 A8, Glenelg, Maryland.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the publishing, offering for sale, sale, and distribution of *The Government Employees' Exchange*, a biweekly newspaper, and in the solicitation of advertisements for inclusion therein.

PAR. 3. In the course and conduct of their business as aforesaid, respondents now cause, and for some time past have caused, their said newspaper, when sold, to be transported from their place of business located in the District of Columbia, or from the places of business of their consignees, to purchasers thereof located in various States of the United States and the District of Columbia, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said newspaper in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business aforesaid, respondents solicit buyers for advertising space in the said newspaper by telephone and other means.

As a result of such solicitations, respondents publish advertisements in their said newspaper, sometimes under authority of an executed written contract and at other times under authority of an oral contract.

In a substantial number of instances, however, respondents have engaged in the unfair and deceptive practice of placing advertisements of various persons and firms in their newspaper without having received authorization from such persons or firms. Respondents have in other instances obtained authorization from persons or firms for publication of advertisements but have published such advertisements for a period of time in excess of that which was authorized.

Respondents have then sought to exact payment from such persons and firms for such unauthorized advertisements. This unfair and deceptive practice engaged in by respondents of publishing unauthorized advertisements and seeking to exact payment therefor has subjected firms and individuals to harrassment and unlawful demands for the payment of non-existent debts.

Therefore, the acts and practices as set forth in Paragraph Four hereof were and are unfair, false, misleading and deceptive acts and practices.

PAR. 5. In the course and conduct of their business, and at all times mentioned herein, respondents have been, and are now, in substantial competition, in commerce, with corporations, firms, and individuals, engaged in the sale of advertising space in newspapers and other publications.

PAR. 6. The use by respondents of the aforesaid unfair and false, misleading and deceptive acts and practices, statements and representations has had, and now has, the capacity and tendency to mislead and deceive members of the public into the erroneous and mistaken belief that said statements and representations were, and are true and into the payment of substantial sums of money by reason of said erroneous and mistaken belief.

PAR. 7. The aforesaid acts and practices of repondents, as herein alleged, were and are all to the prejudice and injury of the public and of respondents' competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

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

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

The Commission having considered the agreement and having accepted same, and the agreement containing consent order having thereupon been placed on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in Section 2.34(b) of its Rules, the Commission hereby issues its

complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Government Employees' Exchange, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York with its principal office and place of business located at 1913 I Street, NW., Washington, D.C.

Respondents Sidney Goldberg and Barbara Goldberg, a/k/a Barbara Harlos, are officers of said corporation and their address is Box 90 A8, Glenelg, Maryland.

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 Government Employees' Exchange, Inc., a corporation, and its officers, and Sidney Goldberg and Barbara Goldberg, a/k/a Barbara Harlos, individually and as officers of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the solicitation, offering for sale or the sale of advertising, in any newspaper or other publication in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Placing, printing or publishing, or causing to be placed, printed or published, any advertisement on behalf of any person, firm or corporation, in any publication without a prior authorization, order or agreement to purchase said adertisement.

2. Placing, printing or publishing any advertisement after being notified by the advertiser, or his duly authorized representative, that the advertisement is to be discontinued.

3. Sending, or causing to be sent, bills, letters or notices to any person, firm or corporation with regard to any advertisement which has been or is to be printed, inserted or published on behalf of said person, firm or corporation, or in any manner seeking to exact payment for any such advertisement, without a prior and specific authorization, order or agreement to purchase the said advertisement.

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

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

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

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

IN THE MATTER OF

SWAN ELECTRONICS CORPORATION, ET AL.

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

Docket C-1894. Complaint, Apr. 6, 1971—Decision, Apr. 6, 1971

Consent order requiring Oceanside, Calif., manufacturers and distributors of amateur radio equipment through franchised dealers throughout the United States to cease discriminating in the price of their products by selling to certain purchasers at net prices higher than they sell to other competing purchasers, and furnishing certain services and facilities to some customers and not to competing customers on proportionally equal terms.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that the parties named in the caption hereof, and hereinafter more fully described, have violated and are now violating the provisions of Section 2(a) and 2(d) of the Clayton Act, as amended (U.S.C., Title 15, Section 13), and it appearing to the Commission that a proceeding by it in respect thereof would be in the interest of the public, hereby issues its complaint, stating its charges as follows:

COUNT I

Charging a violation of Section 2(a) of the Clayton Act, as amended, the Commission alleges:

PARAGRAPH 1. Respondent Swan Electronics Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of California, with its principal office and place of business located at 305 Airport Road, Oceanside, California.

Respondents Herbert G. Johnson and David R. Howard are officers of the corporate respondent. As such these respondents formulate, direct and control the acts and practices of said respondent, including the acts and practices hereinafter set forth.

The corporate respondent and the individual respondents are hereinafter referred to as respondents.

PAR. 2. Respondents are now and have been for many years engaged in the manufacture, distribution and sale of amateur radio equipment including but not limited to transceivers, VFO's, power supplies, linear amplifiers, antennas and accessories by means of a network of franchised dealers located throughout the United States. These dealers offer such merchandise for resale to the public.

PAR. 3. In the course and conduct of their business, respondents are now and have been at all times referred to herein engaged in commerce as "commerce" is defined in the Clayton Act, as amended. Respondents ship their products, or cause such products to be shipped from their factory in Oceanside, California, wherein they do business, to purchasers located in other states. The dollar volume of net sales of products of like grade and quality sold by respondents is substantial and in calendar year 1969 was approximately $2,139,000. There is and has been at all times mentioned herein a continuously and increasingly substantial current of trade in commerce in such products between and among the several States of the United States.

PAR. 4. In the course and conduct of their business in commerce, respondents sell their products of like grade and quality, including, but not limited to transceivers, VFO's, power supplies, linear amplifiers, antennas and accessories to purchasers who are in substantial competition with each other in the resale and distribution of respondents' like products.

PAR. 5. In the course and conduct of their said business in commerce the respondents have discriminated in price in the sale of their products by selling such products of like grade and quality at different prices to different and competing purchasers.

The respondents have established a system of granting rebates on the total six months volume of sales of its products, ranging from 2 percent to 8 percent of such volume.

As an example, the following is a schedule of rebates used by the respondents since 1968 in the sale of their products. This particular example covers the time period January 1, 1969, to June 30, 1969.

SWAN REBATE SCHEDULE

Total Purchases, January 1st–June 30th, 1969:	*Percent of rebate*
$10,000 to $15,000	2
$15,000 to $20,000	3
$20,000 to $25,000	4
$25,000 to $35,000	5
$35,000 to $50,000	6
$50,000 to $70,000	7
Over $70,000	8

Rebates will not be allowed, unless the account is current at the end of the rebate period. Since invoices dated June 30th, 1969, are not due until July 31st, 1969, all rebates will be calculated on August 1st, 1969. Credit will be given only for those invoices which have been paid within the 30 day term.

PAR. 6. The effect of the discrimination in price, as alleged in Paragraph Five herein, may be substantially to lessen competition or tend to create a monopoly in the line of commerce in which the purchasers receiving the preferential prices are engaged, or to prevent, injure or destroy competition between and among the purchasers of such products from respondents.

PAR. 7. The discriminations in price as hereinbefore alleged, are in violation of the provisions of Section 2(a) of the Clayton Act, as amended.

COUNT II

Charging a violation of Section 2(d) of the aforesaid Clayton Act, as amended, the Commission alleges:

PAR. 8. Paragraphs One through Four inclusive of Count I of this complaint are hereby set forth by reference and made a part of this count as fully and with the same effect as if quoted here verbatim.

PAR. 9. In the course and conduct of their business in commerce as aforesaid, respondents have paid or authorized payment of money, goods or other things of value to or for the benefit of some of their customers as compensation or in consideration for services or facilities furnished or agreed to be furnished by or through such customers in connection with the handling, sale or offering for sale of respondents' products and respondents have not made or offered to make such payments, allowances or consideration available on proportionately equal terms to all of their other customers competing with the customers so favored in the sale and distribution of their products.

PAR. 10. Illustrative of the conduct alleged in Paragraph Nine, above, are the following acts and practices of the respondents:

(1) Respondents are now paying and for several years last past have paid advertising allowances to certain of their franchised dealers in accordance with the terms of a cooperative advertising plan they had devised. This plan has been made known to the franchised dealers by means of a form letter. The plan offers to pay 50 percent of the cost of each approved magazine or other approved ad, based on a total amount not to exceed 2 percent of annual purchases. One franchised dealer has received an advertising allowance for the above type of advertising not based on the above plan. The amount received by this dealer was greater than the amount the dealer would have received under the plan.

(2) In addition to the advertising plan mentioned in subparagraph (1), above, respondents have also offered to pay and have paid an advertising allowance for sales catalogues printed and distributed by a franchised dealer. The total amount allowed was to be based on total purchases by the dealer. The actual amount paid was subject to negotiations with the franchised dealer so favored.

PAR. 11. Respondents' acts and practices as alleged in paragraphs Nine and Ten, above, are in violation of Section 2(d) of the aforesaid Clayton Act as amended.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Competition proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of subsections (a) and (d) of Section 2 of the Clayton Act, as amended.

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. Proposed respondent Swan Electronics Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of California, with its office and principal place of business located at 305 Airport Road, Oceanside, California.

Proposed respondents Herbert G. Johnson and David R. Howard 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.

ORDER

It is ordered, That respondents Swan Electronics Corporation, a corporation, and Herbert G. Johnson and David R. Howard, individually and as officers of said corporation, and the subsidiaries, officers, directors, successors, assigns, agents, representatives and/or employees of said corporation, individually or in concert, directly or indirectly through any corporate or other device, in connection with the manufacture, sale, or distribution of amateur radio equipment including but not limited to transceivers, VFO's, power supplies, linear amplifiers, antennas and accessories, in commerce, as "commerce" is defined in the Clayton Act, as amended, do forthwith cease and desist from:

A. Discriminating, directly or indirectly, 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 in the resale and distribution of such products.

B. Making or contracting to make to or for the benefit of any customer, any payment of anything of value as compensation or in consideration for any advertising or any other services or facilities furnished by or through such customers, in connection with the handling, offering for resale, or resale of respondents' products, unless such payment is in fact made available on proportionally equal terms to all other customers competing in the distribution of such products.

It is further ordered, That respondents shall forthwith distribute a copy of this order to all directors and officers of Swan Electronics Corporation and to any operating divisions if and when they are established.

It is further ordered, That respondents shall, within 60 days after service upon them of this order mail a copy of this order by registered mail, return receipt requested, to all franchised dealers of the products of the Swan Electronics Corporation.

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 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

GALAXY ELECTRONICS, INC.

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

Docket C-1895. Complaint, Apr. 6, 1971—Decision, Apr. 6, 1971

Consent order requiring a Council Bluffs, Iowa, manufacturer and distributor of assembled amateur radio equipment to cease discriminating in the price of its products by selling to certain purchasers at new prices higher than it sells to other competing purchasers, and furnishing certain services and facilities to some customers and not to competing customers on proportionally equal terms.

COMPLAINT

The Federal Trade Commission, having reason to believe that Galaxy Electronics, Inc., a corporation, has violated and is now violating the provisions of subsections (a) and (d) of Section 2 of the Clayton Act, as amended (15 U.S.C. Sec. 13), hereby issues its complaint stating its charges with respect thereto as follows:

COUNT I

Charging a violation of subsection (a) of Section 2 of the aforesaid Clayton Act, as amended, the Commission alleges:

PARAGRAPH 1. Respondent, Galaxy Electronics, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Nebraska with its headquarters and principal place of business located at 10 South 34th Street, Council Bluffs, Iowa.

PAR. 2. Respondent is now, and for some time last past has been a manufacturer, distributor and seller of assembled amateur radio equipment, including, but not limited to transmitters, receivers and transceivers. Respondent manufactures its said products at its plant located at Council Bluffs, Iowa.

Respondent distributes and sells its products of like grade and quality to a large number of purchasers located throughout many States of the United States for use and resale therein.

Respondent's sales of its products are substantial, exceeding $800,000 for the fiscal year 1970.

PAR. 3. Respondent sells and causes its products to be transported from its principal place of business in the State of Iowa to purchasers located in other States of the United States. There is now, and for some time last past has been, a continuous course of trade in said products in commerce, as "commerce" is defined in the Clayton Act, as amended.

PAR. 4. In the course and conduct of its business in commerce, respondent sells its products of like grade and quality to purchasers who are in substantial competition with each other in the resale and distribution of respondent's like products.

PAR. 5. In the course and conduct of its business in commerce, respondent has been, and is now discriminating in price between different purchasers of its products of like grade and quality by selling said products to some purchasers at higher and less favorable prices than the prices charged competing purchasers for such products of like grade and quality.

For example, respondent is now using, and for some time last past has used the following rebate schedule in connection with its sales of its amateur radio equipment of like grade and quality which it sells to retail dealers, many of whom compete with each other in the resale of such equipment, said schedule being based upon the semiannual volume of purchases of such dealers:

470-536—73——39

Semi-annual purchases:	Percent of rebate
$70,000	8
$50,000	7
$35,000	6
$25,000	5
$20,000	4
$15,000	3
$10,000	2
$5,000	1

Pursuant to such rebate schedule, some retail dealer purchasers have been charged higher and less favorable prices than the prices charged competing retail dealer purchasers for such products of like grade and quality, in that their semi-annual volume of purchases has been insufficient to qualify them for the higher percentages of rebate attained by the favored purchasers.

PAR. 6. The effect of such discriminations in price made by respondent in the sale of its products, as hereinbefore set forth, may be substantially to lessen competition or tend to create a monopoly in the lines of commerce in which the favored purchasers from respondent are engaged, or to injure, destroy or prevent competition with the favored purchasers from respondent who receive the discriminatory lower prices.

PAR. 7. The discriminations in price made by respondent in the sale of its products, as hereinbefore alleged, are in violation of subsection (a) of Section 2 of the Clayton Act, as amended.

COUNT II

Charging a violation of subsection (d) of Section 2 of the aforesaid Clayton Act, as amended, the Commission alleges:

PAR. 8. Paragraphs One through Four of Count I hereof are hereby set forth by reference and made a part of this Count II as fully and with the same effect as if quoted here verbatim.

PAR. 9. In the course and conduct of its business in commerce as aforesaid, respondent has paid or authorized payment of money, goods or other things of value to or for the benefit of some of its customers as compensation or in consideration for services or facilities furnished or agreed to be furnished by or through such customers in connection with the handling, sale or offering for sale of respondent's products and respondent has not offered to make or made such payments, allowances or consideration available on proportionally equal terms to all of its other customers competing with the customers so favored in the sale and distribution of its products.

For example, respondent is now using, and for several years last past has used, an advertising announcement which it has devised, in which respondent has stated:

CO-OP ADVERTISING . . . sure . . . and very liberal, just contact me, and we will negotiate; or

We will be glad to consider requests for one-time or unusual Ad requirements on an individual basis.

Pursuant to said announcement, respondent has granted advertising allowances to some of its retail dealer customers, which allowances were not made available on proportionally equal terms to all of its other retail dealer customers competing with the customers so favored in the sale and distribution of its products.

PAR. 10. The acts and practices of respondent as alleged herein, are in violation of subsection (d) of Section 2 of the Clayton Act, as amended by the Robinson-Patman Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondent named in the caption hereof, and the respondent having been furnished thereafter with a copy of a draft of complaint which the Bureau of Competition proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent with violation of subsections (a) and (d) of Section 2 of the Clayton Act, as amended.

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

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondent has violated the said 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, Galaxy Electronics, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Nebraska, with its office and principal place of business located at 10 South 34th Street, Council Bluffs, Iowa.

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

ORDER

It is ordered, That respondent Galaxy Electronics, Inc., a corporation, its officers, employees, agents and representatives, directly or through any corporate or other device, in or in connection with the sale of its amateur radio equipment in commerce, as "commerce" is defined in the Clayton Act, as amended, forthwith cease and desist from dscriminating directly or indirectly, in the price of such amateur radio equipment of like grade and quality, by selling to any purchaser at net prices higher than the net prices charged any other purhcaser competing in fact with such unfavored purchaser in the resale and distribution of such amateur radio equipment.

It is further ordered, That respondent Galaxy Electronics, Inc., a corporation, its officers, employees, agents and representatives, directly or through any corporate device, in or in connection with the sale of its amateur radio equipment in commerce, as "commerce" is defined in the aforesaid Clayton Act, as amended, do forthwith cease and desist from making or contracting to make to or for the benefit of any customer, any payment of anything of value as compensation or in consideration for any advertising or any other services or facilities furnished by or through such customer, in connection with the handling, offering for resale, or resale of respondent's amateur radio equipment, unless such payment is in fact made available on proportionally equal terms to all other customers competing in the distribution of such products.

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

It is further ordered, That within thirty (30) days after service

upon it of this order respondent herein shall deliver to all persons purchasing its amateur radio equipment for resale a letter to such persons describing the manner and form of respondent's compliance with this order.

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

IN THE MATTER OF

HOWARD-GIBCO CORPORATION

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

Docket C-1896. Complaint, Apr. 8, 1971—Decision, Apr. 8, 1971

Consent order requiring a Texarkana, Texas, operator of retail chain stores in four Southwestern States to cease selling its fluid milk at a price less than the cost thereof to respondent.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act (U.S.C., Title 15, Section 41) and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that Howard-Gibco Corporation, a corporation, hereinafter referred to as "Respondent," has violated the provisions of Section 5 of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges with respect thereto as follows:

PARAGRAPH 1. Respondent 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 104 Smelser Street, Texarkana, Texas.

PAR. 2. Respondent, as of May 11, 1970, owned and operated 26 retail stores in the States of Arkansas, Oklahoma, Missouri and Texas. Under a franchise agreement with Gibson Products Company, 1228 Ledbetter Avenue, Dallas, Texas, Respondent is permitted to use certain trademarks and service marks owned by said Gibson Products Company. Such trademarks and service marks include: Gibson, Gibson's, Gibson Products Company (sometimes expressed "Co.") and Gibson Discount Center. Respondent's gross sales for its fiscal years ending January 31 were: $17,763,481, in 1967; $25,219,018, in 1968; and $37,481,632 in 1969.

PAR. 3. Respondent's retail stores are now, and for many years past have been, offering for sale and selling to the general public in the four state area a variety of items, including: sporting goods, drugs, dry goods, jewelry, toys, hardwares, automotive supplies, housewares, stationery, cameras and grocery products. Included among the grocery products respondent offers for sale and sells to the general public are fluid milk and other dairy products. As used in this complaint, fluid milk is limited to regular milk and such variations of low-fat milks as two percent butterfat and skim milks. It does not include such byproducts as chocolate milk and buttermilk.

PAR. 4. In its sale of fluid milk from its various retail stores, respondent is now, and for many years past has been, causing the same to be transported from the state where such fluid milk is processed or stored in anticipation of sale to respondent's retail stores in different states. Respondent also causes, and has caused, fluid milk to be transported from processing plants and storage depots to respondent's stores located in the same state.

Respondent is now, and for many years past has been, causing many of the other items mentioned in Paragraph Three to be transported from manufacturing and processing plants to its retail stores located in different States. The purpose of respondent's below cost selling practices, as described in Paragraph Five, is to encourage the general public to patronize its retail stores and purchase such other items.

All of the matters and things, including the acts, practices, sales and distribution involving respondent's retail stores, were and are performed and done in a constant current of commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 5. In the course and conduct of its business in commerce, respondent has, on a recurring basis, offered to sell and sold fluid milk to the general public at below cost prices with the intent and purpose, or under circumstances where the effect may be to injure, restrain, suppress or destroy competition in the sale of fluid milk between respondent's retail grocery stores and competing retail grocery stores and home delivery dairies and also under circumstances where the effect may be to substantially lessen competition or tend to create a monopoly among wholesale dairies.

For example, during the period November 24–29, 1969, respondent's retail store in Arkadelphia, Arkansas purchased dairy products at a net acquisition cost of $3,377 and sold them $422 below said acquisition cost. The loss was caused by respondent's offering to sell

and selling fluid milk at below cost prices. Regular milk, for example, costing respondent 46 cents per half gallon unit, was advertised and sold to the general public for as low as 39 cents. Such below cost sales injured, or had a tendency to injure: competing grocery retail stores, dairies forced to reduce their wholesale prices to assist grocery retailers in their attempt to compete with respondent, and home delivery dairies selling directly to the general public.

PAR. 6. The effect and result of the pricing practices of respondent, as alleged above, has been or may be to substantially lessen competition in the distribution and sale of fluid milk: to the injury and prejudice of the general public; to the injury and prejudice of retail grocery stores competing directly with respondent's stores; and to the injury and prejudice of wholesale and home delivery dairies selling in the same markets, as described above. Such pricing practices constitute unfair methods of competition and unfair acts and practices in commerce within the intent and meaning of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

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

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

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondent has violated the said Act, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, and having received and considered comments regarding the decision, now in further conformity with the procedure prescribed in § 2.34 (b) of its Rules, the Com-

mission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent, Howard-Gibco Corporation, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 104 Smelser Street, Texarkana, Texas.

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

ORDER

It is ordererd, That respondent, Howard-Gibco Corporation, a corporation, its officers, directors, agents, representatives, and employees, directly or through any corporate or other device, in connection with the offering for sale or sale of its fluid milk in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

> Selling or offering to sell its fluid milk at a price less than the cost thereof to respondent with the purpose or intent, or where the effect may be, substantially to lessen competition or tend to create a monopoly in the sale of fluid milk.

It is further ordered, That respondent shall forthwith distribute a copy of this order to each of the managers and assistant managers of each of its retail stores.

It is further ordered, That respondent notify the Commission at least thirty (30) days prior to any proposed change in its corporate structure 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 respondent herein shall within sixty (60) days after service upon it of this order, file with the Commission a report in writing setting forth in detail the manner and form of its compliance with this order.

IN THE MATTER OF

McDONALD'S CORPORATION, ET AL.

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

Docket C-1897. Complaint, Apr. 12, 1971—Decision, Apr. 12, 1971

Consent order requiring a major chain of hamburger restaurants with headquarters in Chicago, Ill., to cease failing to award its prizes as repre-

sented, failing to disclose that holders of winning numbers might be asked additional questions, failing to disclose the exact number, nature and value of prizes available, distributing winning numbers in States where such contests are illegal, failing to furnish lists of winners of prizes over $5, failing to maintain records and engaging in any contest or game of chance without disclosing the total number and exact nature of the prizes, and other significant details.

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 McDonald's Corporation, McDonald's Systems, Inc., D'Arcy Advertising Company, corporations, and D. L. Blair Corporation, a corporation, and its wholly-owned subsidiary corporations, D. L. Blair Sales Company, Inc., D. L. Blair Service Corporation, D. L. Blair Visuals, Ltd., D. L. Blair Contest Corporation, Audit Bureau of Mailing, Inc., The Stock Game, Inc., Incentive Consultants, Incorporated, Promotion Audit Corporation, and Cy Draddy, individually and as an officer of D. L. Blair Corporation, and of each of its wholly owned subsidiary corporations, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceding 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 McDonald's Corporation 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 221 North LaSalle Street, Chicago, Illinois.

Respondent McDonald's Systems, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois, with its principal office and place of business located at 221 North LaSalle Street, Chicago, Illinois. It is a wholly owned subsidiary of respondent McDonald's Corporation.

Respondent D'Arcy Advertising Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Missouri, with its principal office and place of business located at Gateway Tower, 1 Memorial Drive, St. Louis, Missouri.

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*Consolidated complaint *In the Matter of McDonald's Corporation et al.*, Docket No. C-1897 and *In the Matter of D'Arcy Advertising Company*, Docket No. C-1898, p. 616 herein.

Respondent D. L. Blair Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its principal office and place of business located at 575 Lexington Avenue, New York, New York. Respondents D. L. Blair Sales Company, Inc., D. L. Blair Service Corporation, D. L. Blair Visuals, Ltd., D. L. Blair Contest Corporation, Audit Bureau of Mailing, Inc., The Stock Game, Inc., Incentive Consultants, Incorporated, and Promotion Audit Corporation are corporations organized, existing and doing business under and by virtue of the laws of the State of New York with their principal offices and places of business located at 575 Lexington Avenue, New York, New York. They are wholly-owned subsidiaries of respondent D. L. Blair Corporation.

Respondent Cy Draddy is an individual and officer of respondents D. L. Blair Corporation; D. L. Blair Sales Company, Inc.; D. L. Blair Service Corporation; D. L. Blair Visuals, Ltd.; D. L. Blair Contest Corporation; Audit Bureau of Mailing, Inc.; The Stock Game, Inc.; Incentive Consultants, Incorporated; and Promotion Audit Corporation. He formulates, directs and controls the acts and practices of the corporate respondents of which he is an officer, including the acts and practices herein set forth. His address is the same as that of respondent D. L. Blair Corporation.

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

PAR. 2. Respondents McDonald's Corporation and McDonald's Systems, Inc., hereinafter referred to as McDonald's, are now and for some time past have been engaged in the operation of a number McDonald's restaurants, and engaged in the sale and lease to the public of facilities and licensed franchises to operate McDonald's restaurants, which are located in the various States of the United States and in the District of Columbia. These restaurants sell hamburgers and other food products.

Respondent D'Arcy Advertising Company is now and for some time past has been an advertising agency retained by respondents McDonald's; it prepares and places and for some time past has prepared and placed advertising material, including but not limited to the advertising referred to herein, for the purpose of promoting the sale of hamburgers and other food products in restaurants operated by respondents McDonald's and their lessees and franchisees.

Respondent D. L. Blair Corporation is now and for some time past has been engaged in the preparation and operation of contests, games, "sweepstakes" and other sales promotional devices. Respond-

ent D. L. Blair Corporation, together with its wholly-owned subsidiary corporations, respondents, herein, furnish various services in connection with such sales promotional devices including, but not limited to, administering and judging, procuring prizes, packaging and mailing services, printing and designing, brokerage services and research on sales promotion activities.

In connection with the above-described business, respondent D. L. Blair Corporation entered into an agreement with respondent D'Arcy Advertising Company to prepare and operate a sales promotional device for and on behalf of respondents McDonald's. This sales promotional device known as "McDonald's $500,000 Sweepstakes" was prepared and operated by respondent D. L. Blair Corporation and its wholly-owned subsidiary corporations with the aid and assistance of respondent D'Arcy Advertising Company.

"McDonald's $500,000 Sweepstakes" was prepared and operated in the following manner.

Approximately 18,900,000 copies of an advertising insert entitled "Mini-Trips for Maxi-Fun" were printed and inserted into the June 1968 issue of Reader's Digest magazine. Attached to each insert was a coupon bearing one of eleven different numbers. Five of these numbers, before printing and distribution of the inserts, were designated as winning numbers and were printed on 15,610 coupons. Six other numbers were selected and designated as losing numbers and were printed repeatedly on the remaining millions of coupons. Purchasers of the magazine were instructed to compare the number on the coupon with a list of winning numbers on display in restaurants operated by respondents McDonald's and their lessees and franchisees. If the numbers matched, the holder of the coupon was entitled to one of the 15,610 prizes.

The above-described promotional devices in which winning numbers are designated before their distribution is commonly known as a "matching" or "pre-selected 'sweepstakes'."

In the course and conduct of their respective businesses, respondents have acted separately and in concert for the purpose and with the result of bringing about the use of the above-described "McDonald's $500,000 Sweepstakes."

PAR. 3. In the course and conduct of their aforesaid businesses, and at all times mentioned herein, respondents have been and now are in substantial competition in commerce with corporations, firms and individuals in the sale and distribution of their respective products or services.

PAR. 4. In the course and conduct of their aforesaid businesses,

respondents cause their respective products and services to be sold, placed and distributed throughout the United States. Respondents further engage in commerce by the transmission and receipt of letters, invoices, reports, contracts and other documents of a commercial nature between New York, New York, and Chicago, Illinois, and their respective offices and restaurants and restaurants operated by their lessees and franchisees in the various states and maintain and at all times mentioned herein have maintained a substantial course of trade in commerce as "commerce" is defined in the Federal Trade Commission Act.

PAR. 5. In the course and conduct of their businesses, and for the purpose of inducing others to patronize restaurants operated by respondents McDonald's and their lessees and franchisees, the respondents have acted separately and in concert to prepare and place or to cause to be prepared and placed advertising relating to the "McDonald's $500,000 Sweepstakes" promotion in *Reader's Digest*, a magazine sold and distributed in various States of the United States and in the District of Columbia.

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

PAR. 6. By and through the use of the above-quoted statements and representations, and others of similar import and meaning but not expressly set out herein, respondents represented, directly or by implication, that:

(a) 15,610 prizes worth $500,000 at retail, consisting of 10 Ford Country Squire Station Wagons, 100 Magnavox 23″ color television sets, 1,500 Kodak Mini-Super 8 Hawkeye Instamatic movie cameras with Super 8 Instamatic projector, 4,000 Aurora Mini-Electric trains and 10,000 Tensor Mini-High Intensity lamps were to be awarded to individuals who held winning coupons in "McDonald's $500,000 Sweepstakes."

(b) Individuals who submitted coupons bearing winning numbers in accordance with the rules stated on the back of the coupon would be awarded a prize and had only to sign such winning coupon and mail it to respondent D. L. Blair Corporation by registered mail in order to claim and obtain a prize.

(c) Individuals participating in "McDonald's $500,000 Sweepstakes" were afforded a reasonable opportunity to win the represented prizes.

*Pictorial material omitted in printing.

(d) Respondents distributed 15,610 winning coupons to individuals eligible to participate in and win prizes in "McDonald's $500,000 Sweepstakes."

(e) 15,610 prizes had been purchased or "reserved" for individuals who held winning coupons in respondents "McDonald's $500,000 Sweepstakes."

PAR. 7. In truth and in fact:

(a) 15,610 prizes worth $500,000 were not awarded to individuals who participated in the "sweepstakes." Approximately 227 prizes, consisting of 1 Ford Country Squire Station Wagon, 2 Magnavox 23″ color television sets, 31 Kodak Mini-Super 8 Hawkeye Instamatic movie cameras with Super 8 Instamatic projector, 71 Aurora Mini-Electric trains and 122 Tensor Mini-High Intensity lamps were in fact awarded. The approximate retail value of prizes actually awarded was $13,000.

(b) Respondents do not always award prizes to individuals who submit coupons bearing winning numbers in accordance with the rules. Some individuals were denied prizes even though they submitted coupons bearing winning numbers. Further, individuals who mail coupons bearing winning numbers to respondent D. L. Blair Corporation are informed that they are only "potential winners," and that in order to determine the participant's eligibility for a prize the participant must submit a notarized affidavit which gives respondents McDonald's, *inter alia*, the right to use the participant's name, photograph and any statement the participant may make about respondents McDonald's products. In addition, individuals who obtain winning numbers for prizes valued at $1,000 or more are subjected to interviews concerning personal matters by private detectives before they can obtain a prize.

(c) Individuals who participated in "McDonald's $500,000 Sweepstakes" were not afforded a reasonable opportunity to win the represented prizes. Respondents distributed approximately 18,900,000 coupons to the public. Winning numbers were printed on 15,610 of the coupons. All other coupons contained a non-winning number. Of the 15,610 winning number coupons, ten were first prizes; 100 were second prizes; 1,500 were third prizes; 4,000 were fourth prizes; and 10,000 were fifth prizes. As a result of such distribution of winning coupons, participants in "McDonald's $500,000 Sweepstakes" had one chance in approximately 1.9 million to win a first prize; one chance in approximately 190,000 to win a second prize; one chance in approximately 12,500 to win a third prize; one chance in

approximately 4,700 to win a fourth prize; and one chance in approximately 1,800 to win a fifth prize.

(d) Respondents did not distribute 15,610 coupons to individuals eligible to participate in and win prizes in "McDonald's $500,000 Sweepstakes." A number of coupons bearing winning numbers were inserted into *Reader's Digest* magazines distributed in the States of Nebraska and Wisconsin where "sweepstakes" and other promotional devices are prohibited. As a result of such insertion, the number of potential prizes to be awarded was fewer and the approximate retail value of the prizes was less than the represented number and value.

(e) 15,610 prizes were not purchased or "reserved" by the respondents either before or during the time "McDonald's $500,000 Sweepstakes" was in progress. Prizes were purchased only after the termination of the "sweepstakes."

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

PAR. 8. By and through the use of the aforesaid acts and practices, respondents place in the hands of licensees and others the means and instrumentalities by and through which they may mislead and deceive the public in the manner and as to the things herein alleged.

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 public into the erroneous and mistaken belief that said statements and representations were and are true and has induced many members of the public to participate in "McDonald's $500,000 Sweepstakes" and into the purchase of substantial quantities of respondents McDonald's products 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 respondent named in the caption hereof, and the respondent having been furnished thereafter

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

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

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

1. Respondent McDonald's Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 221 North LaSalle Street, Chicago, Illinois.

Respondent McDonald's Systems, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois, with its office and principal place of business located at 221 North LaSalle Street, Chicago, Illinois.

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

ORDER

It is ordered, That McDonald's Corporation, a corporation, and McDonald's System, Inc., a corporation, and their officers, agents, representatives and employees, directly or through any corporate or other device, in connection with the preparation, promotion, sale, distribution or use of any "sweepstakes," contests or games of chance, or similar promotional devices in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

A. (1) Failing to award and distribute all prizes of the value and type represented.

(2) Failing to award and distribute to individuals submitting winning numbers, coupons, tickets, symbols or other entries, any prize or award to which they are entitled.

(3) Failing to disclose, clearly and conspicuously, in all advertising that individuals who hold winning coupons might be asked for an interview or an affidavit; and failing to disclose all terms or conditions which individuals will be asked to or have to comply with in order to obtain a prize.

(4) Failing to disclose, clearly and conspicuously, in all advertising and promotional material, the exact number of prizes in each category or denomination to be made available, the exact nature of the prizes, their approximate retail value, and the odds of winning each such prize: *Provided, however*, That in those promotional devices in which the odds cannot be determined with reasonable accuracy, respondents shall clearly and conspicuously disclose the approximate number of individuals to whom the promotional device is being disseminated.

(5) Distributing winning numbers, coupons, tickets, symbols, or other entries to states in which such sweepstakes, contests or games of chance, or similar promotional devices have been voided or prohibited by law: *Provided, however*, That this subparagraph shall not apply to those distributions the respondents have neither participated in nor directed, authorized, ratified or condoned.

(6) Representing, directly or by implication, that prizes have been purchased unless they have in fact been purchased before or during the time the promotional device is in progress.

(7) Failing to furnish to requesting individuals a complete list of the names of winners of all prizes having a retail value of $5 or more, together with the address of and prize won by each.

(8) Failing to maintain adequate records (a) which disclose the facts upon which any of the representations of the type described in Paragraphs 1–7 of this order are based, and (b) from which the validity of the representations of the type described in Paragraphs 1–7 of this order can be determined.

(9) Failing to furnish upon the request of the Federal Trade Commission:

(a) A complete list of the names and addresses of the winners of each prize, having a retail value of $5 or more,

and a description of the prize, including its approximate retail value;

(b) A list of the winning numbers or symbols, if utilized, for each prize;

(c) The total number of coupons or other entries distributed;

(d) The total number of known participants in the promotion;

(e) The total number of prizes in each category or denomination which were made available; and

(f) The total number of prizes in each category or denomination which were awarded.

B. Engaging in the preparation, promotion, sale, distribution, or use of any "sweepstakes," contests or games of chance, or similar promotional devices unless the following are disclosed clearly and conspicuously in all advertising and promotional material concerning such devices:

(1) The total number of prizes to be awarded;

(2) The exact nature of the prizes, their approximate retail value and the number of each;

(3) All of the terms, conditions and obligations with which individuals will be asked to or have to comply with in order to obtain a prize; and

(4) The odds of winning each prize: *Provided, however*, That in those promotional devices in which odds cannot be determined with reasonable accuracy respondents shall clearly and conspicuously disclose the approximate number of individuals to whom the promotional device is being disseminated.

For the purpose of this order, the phrase "directly or through any corporate or other device," insofar as it imposes responsibility upon respondents for acts and practices engaged in by respondents' licensees and said licensees' representatives, shall be construed to impose such responsibility upon respondents for only those said acts or practices which have been participated in, or directed, authorized, ratified or condoned by respondents.

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

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

ing in the emergence of successor corporations, or any other change in the corporations which may affect compliance with this order.

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

IN THE MATTER OF

D'ARCY ADVERTISING COMPANY

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

Docket C-1898. Complaint, Apr. 12, 1971—Decision, Apr. 12, 1971*

Consent order requiring a St. Louis, Mo., advertising agency retained by McDonald's Corporation in preparing its advertising to cease participating in any advertising promotion if it knows that all the prizes will not be awarded, failing to disclose that holders of winning coupons must submit to personal interviews, failing to disclose the number and nature of the prizes available, distributing winning numbers in states where they have been prohibited by law, and engaging in any contest or game of chance without disclosing the total number and exact nature of the prizes, and other significant details.

DECISION AND ORDER

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

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

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*For complaint in this case, see consolidated complaint *In the Matter of McDonald's Corporation et al.*, Docket No. C-1897, p. 606 herein.

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

1. Respondent D'Arcy Advertising Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Missouri, with its office and principal place of business located at Gateway Tower, One Memorial Drive, St. Louis, Missouri.

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

ORDER

It is ordered, That D'Arcy Advertising Company, a corporation, and its officers, agents, representatives and employees, directly or through any corporate or other device, in connection with its participation in the preparation, promotion, sale, distribution or use of any "sweepstakes," contest, game, or any other promotional device, in commerce, as "Commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

A. (1) Participating in promotional devices if it knows, has reason to know or should have known that all prizes of the value and type represented will not be awarded or distributed.

(2) Participating in promotional devices if it knows, has reason to know or should have known that individuals submitting winning numbers, coupons, tickets, symbols or other entries, will not be awarded any prize or award to which they are entitled.

(3) Failing to disclose, clearly and conspicuously, in all printed advertising that individuals who hold winning coupons will be asked to submit an affidavit and to submit to a personal interview; and failing to disclose all terms or conditions which individuals will be asked to or have to comply with in order to obtain a prize.

(4) Failing to disclose, clearly and conspicuously, in all printed advertising and promotional material the exact number

of prizes which will be available, the exact nature of the prizes, their approximate retail value, and the odds of winning each such prize: *Provided, however*, That in those promotional devices in which the odds cannot be determined with reasonable accuracy, respondent shall clearly and conspicuously disclose the approximate number of individuals to whom the promotional device is being disseminated.

(5) Distributing winning numbers, coupons, tickets, symbols, or other entries to states in which "sweepstakes," games, contests or any other promotional devices have been voided or prohibited by law.

(6) Representing, directly or by implication, that prizes have been purchased unless they have in fact been purchased before or during the time the promotional device is in progress.

(7) Failing to furnish or make reasonable arrangements with others to furnish to requesting individuals a complete list of the names of winners together with the address of and prize won by each.

(8) Failing to maintain or make reasonable arrangements with others to maintain adequate records (a) which disclose the facts upon which any of the representations of the type described in Paragraphs 1–7 of this order are based, and (b) from which the validity of the representations of the type described in Paragraphs 1–7 of this order can be maintained for a period of four (4) years after completion of the promotional device to which they pertain.

(9) Failing to furnish upon the request of the Federal Trade Commission:

(a) A complete list of the names and addresses of the winners of each prize, and a description of the prize, including its retail value;

(b) A list of the winning numbers or symbols, if utilized, for each prize;

(c) The total number of coupons or other entries distributed;

(d) The total number of participants in the promotion;

(e) The total number of prizes in each category or denomination which were made available; and

(f) The total number of prizes in each category or denomination which were awarded.

B. Engaging in the preparation, promotion, sale, distribution, or use of any "sweepstakes," contest, game, or other promotional device unless the following are disclosed clearly and conspicu-

ously in all printed advertising and promotional material concerning such devices:

(1) The total number of prizes to be awarded;

(2) The exact nature of the prizes, their approximate retail value and the number of each;

(3) All of the terms, conditions and obligations with which individuals will be asked to or have to comply with in order to obtain a prize; and

(4) The odds of winning each prize: *Provided, however,* That in those promotional devices in which odds cannot be determined with reasonable accuracy respondent shall clearly and conspicuously disclose the approximate number of individuals to whom the promotional device is being disseminated.

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

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

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

IN THE MATTER OF

LEVER BROTHERS COMPANY, INC., ET AL.

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

Docket C-1899. Complaint, Apr. 12, 1971—Decision, Apr. 12, 1971

Consent order requiring a New York City seller and distributor of home laundry preparations containing enzymes to cease misrepresenting that any such product will remove all types of stains, or that any specific ingredient will remove stains, and that for a period of one year disclose on all consumer packages the types of stains which the product can remove and those which it cannot remove, and that such disclosures be made on appropriate radio and television advertising of the product; it is further ordered that respondents' advertising agencies cease misrepresenting that respondents' product will remove all types of stains where such representation is known to be false.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that the Lever Brothers Company, a corporation, SSC&B, Inc., a corporation, and J. Walter Thompson Company, a corporation, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Lever Brothers Company, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Maine with its principal office and place of business located at 390 Park Avenue, in the city of New York, State of New York.

Respondent SSC&B, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York with its principal office and place of business located at 575 Lexington Avenue, in the city of New York, State of New York.

Respondent J. Walter Thompson Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York with its principal office and place of business located at 420 Lexington Avenue, in the city of New York, State of New York.

PAR. 2. Respondent Lever Brothers now, and for some time past, has been engaged in the sale and distribution of home laundry preparations containing enzymes, which, when sold, are shipped to purchasers located in various States of the United States. Thus respondent maintains, and at all times mentioned herein has maintained, a substantial course of trade in said home laundry preparations in commerce, as "commerce" is defined in the Federal Trade Commission Act.

Respondents SSC&B, Inc., and J. Walter Thompson Company, now and for some time last past, have been advertising agencies of Lever Brothers Company, Inc., and now, and for some time last past, have prepared and placed for publication advertising material, including but not limited to the advertising referred to herein, to promote the sale of certain Lever Brothers' home laundry products.

PAR. 3. Respondent Lever Brothers at all times mentioned herein has been, and now is, in substantial competition in commerce with

individuals, firms and corporations engaged in the sale and distribution of home laundry preparations of the same general kind and nature as those sold by respondent.

PAR. 4. In the course and conduct of its business and for the purpose of inducing the sale of its said enzyme-containing home laundry products, respondent Lever Brothers employs advertising in national and regional magazines and other publications and on network and local television and through various other outlets.

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

1. Drive's exclusive formula has this professional stain remover . . . En-Zolve. Hungry En-Zolve has a huge appetite for stains.

2. Get out impossible stains with bio-active Amaze. Amaze lifts stains off biologically.

PAR. 5. Through the use of the aforesaid advertising respondents represent directly or by implication that the enzyme(s) in respondent Lever Brothers' home laundry products is the active ingredient in such products responsible for the removal of all types of stains from stained fabrics.

PAR. 6. In truth and in fact such home laundry products with enzyme(s) do not remove all types of stains from fabrics and many of the stains that such products do remove are removed by ingredients other than the enzyme(s) such as the detergent itself or by a bleach ingredient.

Therefore, the aforementioned advertising and representations made in connection therewith are unfair, false, misleading and deceptive.

PAR. 7. The use by the respondents of the aforesaid false, misleading and deceptive advertising and representations used in connection therewith has had, and now has, the tendency and capacity to mislead and deceive a substantial portion of the purchasing public into the erroneous and mistaken belief that said advertising and representations were and are true, and into the purchase of a substantial quantity of respondent Lever Brothers' enzyme-containing home laundry products because of such erroneous and mistaken belief.

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

DECISION AND ORDER

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

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

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

1. Respondent Lever Brothers Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Maine with its principal office and place of business located at 390 Park Avenue, New York, New York.

Respondent SSC&B, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York with its principal office and place of business located at 575 Lexington Avenue, in the city of New York, New York.

Respondent J. Walter Thompson Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York with its principal office and place of business located at 420 Lexington Avenue, New York, New York.

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

ORDER

I

It is ordered, That respondent, Lever Brothers Company, a corporation, its officers, representatives, agents and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale and distribution of any home laundry products containing enzymes, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication, that any such product will remove all types of stains. "Stains" as used herein means spot or local discolorations caused by other than dirt or body soil.

2. Representing, directly or by implication, that any specific ingredient in any such product removes any stain if such stain can reasonably be expected to be removed satisfactorily under normal washing procedures by such product without such ingredient.

3. Representing, directly or by implication, in advertising, that any such product has the ability to remove stains unless:

(A) For a period of not more than six months subsequent to the date this order becomes effective and until such time that respondent complies with the provisions of paragraph (B) below, respondent clearly and conspicuously discloses in each such radio, television and printed advertisement that such product will not remove all types of stains; and

(B) Beginning at a date not later than six months after this order becomes effective and for a period of one year thereafter:

(a) Respondent clearly and conspicuously discloses on all consumer packages of such product which it sells (1) the types of stains which the product can reasonably be expected to remove satisfactorily, (2) the recommended procedures for obtaining such removal, and (3) the types of stains likely to be found in fabrics subject to home laundry cleaning, which the product cannot reasonably be expected to remove satisfactorily, and

(b) Respondent clearly and conspicuously discloses in each such radio, television and printed advertise-

ment that the types of stains the product will not remove appear on the product's package.

4. The required disclosures, as set forth above, need appear only once in the audio and once in the video of every commercial specified in Paragraph 3 of the order. The audio and visual portions of such disclosure, where applicable, shall be in reasonable concurrence with each other and the usual portion of the disclosure required by Paragraph 3(B)(b) of the order may consist either (1) of a showing of the package disclosure simultaneously with the audio disclosure, or (2) of a superimposed statement.

II

It is ordered, That respondent SSC&B, Inc., a corporation, and J. Walter Thompson Company, a corporation, their officers, representatives, agents and employees, directly or through any corporate or other device in connection with the advertising, offering for sale, sale and distribution of any home laundry products containing enzymes in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

Representing, directly or by implication, that any such product will remove all types of stains when respondents knew or should have known that such representation was false or deceptive.

III

It is further ordered, That all respondent corporations shall forthwith distribute a copy of this order to each of their operating divisions involved in the advertising, promotion, distribution, or sale of consumer products.

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

It is further ordered, That Parts I and II of this order shall become effective ninety (90) days after the order is final.

It is further ordered, That all respondents shall, within sixty (60) days and at the end of six (6) months after the effective date of the order served upon them, file with the Commission a report, in writing, signed by such respondents, setting forth in detail the manner and form of their compliance with the order to cease and desist.

IN THE MATTER OF

COLGATE-PALMOLIVE COMPANY, ET AL.

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

Docket C-1900. Complaint, Apr. 12, 1971—Decision, Apr. 12, 1971

Consent order requiring a New York City seller and distributor of home laundry preparations containing enzymes to cease misrepresenting that any such product will remove all types of stains, or that any specific ingredient will remove stains, and that for a period of one year disclose on all consumer packages the types of stains which the product can remove and those which it cannot remove, and that such disclosures be made on appropriate radio and television advertising of the product; it is further ordered that respondent's advertising agencies cease misrepresenting that respondent's product will remove all types of stains where such representation is known to be false.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that the Colgate-Palmolive Company, a corporation, Masius, Wynne-Williams, Street & Finney, Inc., a corporation, Norman, Craig & Kummell, Inc., a corporation, and William Esty Company, a corporation, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Colgate-Palmolive 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 300 Park Avenue, in the city of New York, State of New York.

Masius, Wynne-Williams, Street & Finney, Inc., is a corporation, organized, existing and doing business under and by virtue of the laws of the State of New York, with its principal office and place of business located at 535 Fifth Avenue, in the city of New York, State of New York.

Norman, Craig & Kummell, Inc., is a corporation, organized, existing and doing business under and by virtue of the laws of the State of New York, with its principal office and place of business located at 488 Madison Avenue, in the city of New York, State of New York.

William Esty Company, is a corporation, organized, existing and doing business under and by virtue of the laws of the State of New

York, with its principal office and place of business located at 100 East 42nd Street, in the city of New York, State of New York.

PAR. 2. Respondent Colgate-Palmolive Company now, and for some time past, has been engaged in the sale and distribution of home laundry preparations containing enzymes, which, when sold, are shipped to purchasers located in various States of the United States. Thus respondent maintains, and at all times mentioned herein has maintained, a substantial course of trade in said home laundry preparations in commerce as "commerce" is defined in the Federal Trade Commission Act.

Respondents Masius, Wynne-Williams, Street & Finney, Inc., Norman, Craig & Kummell, Inc., and William Esty Company, now and for some time last past, have been advertising agencies of the Colgate-Palmolive Company, and now and for some time last past, have prepared and placed for publication advertising material, including but not limited to the advertising referred to herein, to promote the sale of certain Colgate-Palmolive laundry products.

PAR. 3. Respondent Colgate-Palmolive Company at all times mentioned herein has been, and now is, in substantial competition in commerce with individuals, firms and corporations engaged in the sale and distribution of home laundry preparations of the same general kind and nature as those sold by respondent.

PAR. 4. In the course and conduct of its business and for the purpose of inducing the sale of its said enzyme-containing home laundry products, respondent Colgate-Palmolive Company employs advertising in national and regional magazines and other publications and on network and local television and through various other outlets.

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

1. Punch combines pre-soak enzymes and active water conditioners in a special formula that does more than just wash. Punch enzymes knock out even tough stains, like blood, ketchup, grape drink, etc.

2. Axion is Colgate's Enzyme Active pre-soak. Active—millions of enzymes that actually . . . eat the dirt stains out of clothes. . . .

3. Ajax Laundry Detergent has two kinds of power, not one. Enzymes for stains and more detergent power for dirt.

PAR. 5. Through the use of the aforesaid advertising respondents represent directly or by implication, that the enzyme(s) in respondent Colgate's home laundry products is the active ingredient in such products responsible for the removal of all types of stains from stained fabrics.

PAR. 6. In truth and in fact such home laundry products with enzyme(s) do not remove all types of stains from fabrics and many of the stains that such products do remove are removed by ingredients other than the enzyme(s), such as the detergent itself or by a bleach ingredient.

Therefore, the aforementioned advertising and representations made in connection therewith are unfair, false, misleading and deceptive.

PAR. 7. The use by the respondents of the aforesaid false, misleading and deceptive advertising and representations used in connection therewith has had, and now has, the tendency and capacity to mislead and deceive a substantial portion of the purchasing public into the erroneous and mistaken belief that said advertising and representations were and are true, and into the purchase of a substantial quantity of respondent Colgate-Palmolive's enzyme-containing home laundry products because of such erroneous and mistaken belief. As a result thereof, substantial trade has been and is being unfairly diverted to respondent Colgate-Palmolive from its competitors and substantial injury has been done and is being done to competition in commerce.

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

DECISION AND ORDER

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

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

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

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

1. Respondent Colgate-Palmolive 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 300 Park Avenue, New York, New York.

Respondent Masius, Wynne-Williams, Street & Finney, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York with its principal office and place of business located at 235 Fifth Avenue, New York, New York.

Respondent Norman, Craig & Kummel, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its principal office and place of business located at 919 Third Avenue, New York, New York.

Respondent William Esty Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its principal office and place of business located at 100 East 42nd Street, New York, New York.

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

ORDER

I

It is ordered, That respondent Colgate-Palmolive Company, a corporation, its officers, representatives, agents and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale and distribution of any home

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

1. Representing, directly or by implication, that any such product will remove all types of stains. "Stains" as used herein means spots or local discolorations caused by other than dirt or body soil.

2. Representing, directly or by implication, that any specific ingredient in any such product removes any stain if such stain can reasonably be expected to be removed satisfactorily under normal washing procedures by such product without such ingredient.

3. Representing, directly or by implication, in advertising, that any such product has the ability to remove stains unless:

(A) For a period of not more than six months subsequent to the date this order becomes effective and until such time that respondent complies with the provisions of Paragraph (B) below, respondent clearly and conspicuously discloses in each such radio, television and printed advertisement that that such product will not remove all types of stains; and

(B) Beginning at a date not later than six months after this order becomes effective and for a period of one year thereafter:

(a) Respondent clearly and conspicuously discloses on all consumer packages of such product which it sells (1) the types of stains which the product can reasonably be expected to remove satisfactorily, (2) the recommended procedures for obtaining such removal, and (3) the types of stains likely to be found in fabrics subject to home laundry cleaning, which the product cannot reasonably be expected to remove satisfactorily, and

(b) respondent clearly and conspicuously discloses in each such radio, television and printed advertisement that the types of stains the product will not remove appear on the product's package.

4. The required disclosures, as set forth above, need appear only once in the audio and once in the video of every commercial specified in Paragraph 3 of the order. The audio and video

portions of such disclosure, where applicable, shall be in reasonable concurrence with each other and the visual portion of the disclosure required by Paragraph 3 (B)(b) of the order may consist either (1) of a showing of the package disclosure simultaneously with the audio disclosure, or (2) of a superimposed statement.

II

It is ordered, That respondents Masius, Wynne-Williams, Street & Finney, Inc., a corporation; Norman, Craig & Kummel Inc., a corporation; and William Esty Company, Inc., a corporation, their officers, representatives, agents and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale and distribution of any home laundry products containing enzymes in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

Representing, directly or by implication, that any such product will remove all types of stains when respondents knew or should have known that such representation was false or deceptive.

III

It is further ordered, That all respondent corporations shall forthwith distribute a copy of this order to each of their operating divisions involved in the advertising, promotion, distribution, or sale of consumer products.

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

It is further ordered, That Parts I and II of this order shall become effective ninety (90) days after the order is final.

It is further ordered, That all respondents shall, within sixty (60) days and at the end of six (6) months after the effective date of the order served upon them, file with the Commission a report, in writing, signed by such respondents, setting forth in detail the manner and form of their compliance with the order to cease and desist.

Complaint

IN THE MATTER OF

THE PROCTER & GAMBLE COMPANY, ET AL.

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

Docket C-1901. Complaint, Apr. 12, 1971—Decision, Apr. 12, 1971

Consent order requiring a Cincinnati, Ohio, seller and distributor of home laundry preparations containing enzymes to cease misrepresenting that any such product will remove all types of stains, or that any specific ingredient will remove stains, and that for a period of one year disclose on all consumer packages the types of stains which the product can remove and those which it cannot remove, and that such disclosures be made on appropriate radio and television advertising of the product; it is further ordered that respondent's advertising agencies cease misrepresenting that respondent's product will remove all types of stains where such representation is known to be false.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that the Procter & Gamble Company, a corporation, and Tatham-Laird & Kudner, Inc., a corporation, and Grey Advertising, Inc., a corporation, and Compton Advertising, Inc., a corporation, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent the Procter & Gamble Company, 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 301 East Sixth Street, in the city of Cincinnati, State of Ohio.

Respondent Tatham-Laird & Kudner, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York with its principal office and place of business located at 605 Third Avenue, in the city of New York, State of New York.

Respondent Grey Advertising, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York with its principal office and place of business located at 777 Third Avenue, in the city of New York, State of New York.

Respondent Compton Advertising, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York with its principal office and place of business located at 625 Madison Avenue, in the city of New York, State of New York.

PAR. 2. Respondent, the Procter & Gamble Company, now, and for some time past, has been engaged in the sale and distribution of home laundry preparations containing enzymes, which, when sold, are shipped to purchasers located in various States of the United States. Thus respondent maintains, and at all times mentioned herein has maintained, a substantial course of trade in said home laundry preparations in commerce, as "commerce" is defined in the Federal Trade Commission Act.

Respondents, Tatham-Laird & Kudner, Inc., Grey Advertising, Inc., and Compton Advertising, Inc., now, and for some time last past, have been advertising agencies of the Procter & Gamble Company, and now, and for some time last past, have prepared and placed for publication advertising material, including but not limited to the advertising referred to herein, to promote the sale of certain Procter & Gamble home laundry products.

PAR. 3. Respondent, the Procter & Gamble Company, at all times mentioned herein has been, and now is, in substantial competition in commerce with individuals, firms and corporations engaged in the sale and distribution of home laundry preparations of the same general kind and nature as those sold by respondent.

PAR. 4. In the course and conduct of its business and for the purpose of inducing the sale of its said enzyme-containing home laundry products, respondent, the Procter & Gamble Company, employs advertising in national and regional magazines and other publications, on network and local television and through various other outlets.

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

1. GAIN, with Micro-Enzyme Action . . . Stains are locked into fabric fibers. But GAIN's enzyme act like little keys to unlock stains.

2. BIZ is Procter & Gamble's totally new invention for pre-soaking laundry. America's first biological weapon for soaking dirt and

stains into submission. BIZ with Bio-Enzim breaks them down biologically so you can easily wash them away.

3. TIDE XK . . . with stain-removing XK Enzyme! It's a miracle!

PAR. 5. Through the use of the aforesaid advertising respondents represent directly or by implication, that the enzyme(s) in respondent Procter & Gamble's home laundry products is the active ingredient in such products responsible for the removal of all types of stains from stained fabrics.

PAR. 6. In truth and in fact such home laundry products with enzyme(s) do not remove all types of stains from fabrics and many of the stains that such products do remove are removed by ingredients other than the enzyme(s), such as the detergent itself or by a bleach ingredient.

Therefore, the aforementioned advertising and representations made in connection therewith are unfair, false, misleading and deceptive.

PAR. 7. The use by the respondents of the aforesaid false, misleading and deceptive advertising and representations used in connection therewith has had, and now has, the tendency and capacity to mislead and deceive a substantial portion of the purchasing public into the erroneous and mistaken belief that said advertising and representations were and are true, and into the purchase of a substantial quantity of respondent Procter & Gamble's enzyme-containing home laundry products because of such erroneous and mistaken belief. As a result thereof, substantial trade has been and is being unfairly diverted to respondent the Procter & Gamble Company from its competitors and substantial injury has been done and is being done to competition in commerce.

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

DECISION AND ORDER

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

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

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

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

1. Respondent the Procter & Gamble Company 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 300 East Sixth Street, Cincinnati, Ohio.

Tatham-Laird & Kudner, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York with its principal office and place of business located at 605 Third Avenue, New York, New York.

Grey Advertising, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York with its principal office and place of business located at 777 Third Avenue, New York, New York.

Compton Advertising Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York with its principal office and place of business located at 625 Madison Avenue, New York, New York.

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

ORDER

I

It is ordered, That respondent the Procter & Gamble Company, a corporation, and its officers, agents, representatives and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale and distribution of any home laundry products containing enzymes, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication, that any such product will remove all types of stains. "Stains" as used herein means spots or local discolorations caused by other than dirt or body soil.

2. Representing, directly or by implication, that any specific ingredient in any such product removes any stain if such stain can reasonably be expected to be removed satisfactorily under normal washing procedures by such product without such ingredient.

3. Representing, directly or by implication, in advertising, that any such product has the ability to remove stains unless:

(A) For a period of not more than six (6) months subsequent to the date this order becomes effective and until such time that respondent complies with the provisions of Paragraph (B) below, respondent clearly and conspicuously discloses in each such radio, television and printed advertisement that such product will not remove all types of stains; and

(B) Beginning at a date not later than six (6) months after this order becomes effective and for a period of one year thereafter:

(a) Respondent clearly and conspicuously discloses on all consumer packages of such product which it sells (1) the types of stains which the product can reasonably be expected to remove satisfactorily, (2) the recommended procedure for obtaining such removal, and (3) the types of stains likely to be found in fabrics subject to home laundry cleaning, which the product cannot reasonably be expected to remove satisfactorily, and

(b) Respondent clearly and conspicuously discloses in each such radio, television and printed advertisement that the types of stains the product will not remove appear on the product's package.

4. The required disclosures, as set forth above, need appear only once in the audio and once in the video of every commercial specified in Paragraph 3 of the order. The audio and visual portions of such disclosure, where applicable, shall be in reasonable concurrence with each other and the visual portion of the disclosure required by Paragraph 3(B)(b) of the order may consist either (1) of a showing of the package disclosure simultaneously with the audio disclosure or (2) of a superimposed statement.

II

It is ordered, That respondents Tatham-Laird & Kudner, Inc., a corporation; Grey Advertising, Inc., a corporation; and Compton Advertising, Inc., a corporation, their officers, representatives, agents and employees, directly or through any corporate or other devices, in connection with the advertising, offering for sale, sale and distribution of any home laundry products containing enzymes in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

Representing, directly or by implication, that any such product will remove all types of stains when respondents knew or should have known that such representation was false or deceptive.

III

It is further ordered, That all respondent corporations shall forthwith distribute a copy of this order to each of their operating divisions involved in the advertising, promotion, distribution or sale of consumer products.

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

It is further ordered, That Parts I and II of this order shall become effective ninety (90) days after the order is final.

It is further ordered, That all respondents shall, within sixty (60) days and at the end of six (6) months after the effective date of

the order served upon them, file with the Commission a report, in writing, signed by such respondents, setting forth in detail the manner and form of their compliance with the order to cease and desist.

IN THE MATTER OF

VERRAZZANO TRADING CORPORATION TRADING AS LAN ETRURIA, ET AL.

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

Docket 8801. Complaint, Oct. 17, 1969—Decision, Apr. 13, 1971*

Order dismissing the complaint which charged a New York City importer and seller of Italian woolen and textile fabrics with misbranding, falsely invoicing, and deceptively guaranteeing its wool and 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 Verrazzano Trading Corporation, a corporation, trading under its own name or as Lan Etruria; Francesco Datini, Inc., a corporation, and Walter Banci, individually and as agent for said corporations, and for Lanificio Tuscania, a foreign entity which trades under its own name and as Lan Etruria, 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 Verrazzano Trading Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, trading under its own name or as Lan Etruria, with its office and principal place of busi-

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*Reporting as amended by Hearing Examiner's order of July 16, 1970, by amending Paragraph One.