IN THE MATTER OF

U.S. ELECTRONICS, INC., ET AL.

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

Docket 8747. Complaint, Nov. 8, 1967—Decision, Nov. 4, 1968

Consent order requiring a Pine Lawn, Mo., distributor of radio and TV tube testing devices and supplies to cease misrepresenting the earnings of purchasers of its machines, the services furnished therewith, and the assistance in resale of the machines.

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 U.S. Electronics, Inc., a corporation, and Jerry Librach, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent U.S. Electronics, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Missouri. Respondent Jerry Librach is an individual and an officer of said corporation. He formulates, directs and controls the acts, practices and policies of the said corporate respondent including the acts and practices hereinafter set forth. The principal office and place of business of the respondents is located at 6267 Natural Bridge Road, Pine Lawn, Missouri.

PAR. 2. Respondents are now, and for more than one year last past have been, engaged in the business of advertising, offering for sale, sale and distribution of radio and television tube testing devices, tubes and the supplies and equipment used in connection therewith to purchasers. Said devices are located by the respondents in various places such as service stations, hardware stores and the like where the public will be induced to test the tubes from their radio and television sets and purchase replacements for defective tubes.

PAR. 3. In the course and conduct of their business, as aforesaid, respondents now cause, and for some time last past have caused, said products, when sold, to be shipped and transported from their aforesaid place of business in the State of Missouri,

and from various places of business of their suppliers 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. Respondents' method of doing business is to insert advertisements in the classified advertisement section of newspapers and periodicals. Persons responding to said classified advertisements are then contacted by respondents or their employees, agents or representatives who display to the prospective purchaser a variety of promotional material and make various oral representations respecting the aforesaid articles of merchandise.

PAR. 5. In the course and conduct of their business as aforesaid, and for the purpose of inducing the purchase of said articles of merchandise, respondents have made various statements and representations concerning said articles of merchandise and the business opportunity afforded. Such representations have been made and continue to be made by respondents, their employees, agents or representatives, through advertising and promotional material furnished by respondents to said employees, agents or representatives, through advertisements inserted in newspapers and periodicals, through letters and other advertising literature circulated generally among the purchasing public and through oral representations made by respondents, their employees, agents or representatives.

Typical and illustrative of the newspaper advertisements used by respondents, but not all inclusive thereof, is the following:

Reliable Party for Added Income for Part or Full Time Work.

We Secure Locations for Testers. Male or Female, wanted for this area to service route for Sylvania & R.C.A. television and radio tubes sold through our latest modern method free self-service tube testing and merchandising units. Will not interfere with your present employment. To qualify you must have $1,476.60 to $2,953.20 cash available immediately for inventory and equipment, investment secured. Car, 5 spare hours weekly, could net up to $6,000.00 per year in your spare time, should be able to start at once. This company will extend financial assistance to full time if desired. Do not answer unless fully qualified for time and investment. Income should start immediately. Business set up for you. Selling, soliciting, or experience is not necessary. For personal interview in your city—please include your Phone Number and Write

U.S. ELECTRONICS CORP.
6267 Natural Bridge
Pine Lawn 20, Mo.

PAR. 6. Through the use of the aforesaid statements and representations and others of similar import and meaning, but not specifically set out herein, and through statements and representations orally made by respondents, their employees, agents and representatives to prospective purchasers, respondents have represented, and do now represent, directly or by implication, to the purchasing public, that:

1. Persons investing $2,953.20 in said articles of merchandise will receive a net income of $6,000 per year.

2. Respondents obtain top sales producing locations for the placement of tube testing machines purchased from them.

3. The purchasers of said machines will be trained by the respondents as to the operation of the machines and the methods to be used in servicing them.

4. No selling or soliciting will be required.

5. If the purchaser becomes dissatisfied, or for any reason wishes to go out of the business, the respondents will either accept a return of the machines and tube stock or will help the purchaser to resell them.

6. The purchaser's investment in the machines and tube stock is secured.

PAR. 7. In truth and in fact:

1. Income in the foregoing amount will not be realized by persons investing the sum indicated. Persons investing the foregoing amount in said articles purchased from respondents receive appreciably smaller returns on their investments.

2. Respondents do not obtain top income producing locations, but place most of the machines in retail establishments such as service stations which have very little consumer traffic. The locations secured by respondents are usually undesirable, unsuitable and unprofitable.

3. Respondents do not train the purchasers of the tube testing machines in the operation of the machines or the methods to be used in servicing the locations where the machines are installed.

4. The purchasers of the machines are required to do selling and soliciting since it is frequently necessary to place machines in other locations because of the unprofitable nature of the locations selected by the respondents.

5. Respondents do not accept the return of the machines or tube stock and do not help the purchaser to resell them regardless of the purchaser's reasons for going out of business.

6. The purchaser's investment is not secured and if the purchaser finds it necessary to resell his machines, he will realize

very little, if anything, on such transaction.

Therefore, the statements and representations as set forth in Paragraphs 5 and 6 hereof, were and are false, misleading and deceptive.

PAR. 8. In the course and conduct of their business, and at all times mentioned herein, respondents have been in substantial competition in commerce, with corporations, firms and individuals engaged in the sale of the same or similar products.

PAR. 9. The use by respondents of the aforesaid false, misleading and deceptive statements and representations has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were and are true and into the purchase of substantial quantities of respondents' products by reason of such mistaken and erroneous 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 Commission having issued its complaint in this proceeding on November 8, 1967, charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act, and the respondents having been served with a copy of that complaint; and

Upon motion of respondents and for good cause shown, the Commission, having on February 5, 1968, pursuant to § 2.34(d) of its Rules, withdrawn the matter from adjudication and granted respondents opportunity to negotiate, under Subpart C of Part 2 of its Rules, a settlement by the entry of a consent order; and

Respondents and counsel supporting complaint having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts alleged in the complaint, a statement that the signing of the 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 30 days, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby makes the following jurisdictional findings, and enters the following order to cease and desist in disposition of the proceeding:

1. Respondent U.S. Electronics, Inc., 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 6267 Natural Bridge Road, Pine Lawn, Missouri.

Respondent Jerry Librach is an officer of said corporation and his address is the same as that of said corporation.

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

ORDER

It is ordered, That respondents U.S. Electronics, Inc., a corporation, and its officers, and Jerry Librach, individually and as an officer of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of radio and television tube testing devices and the tubes, supplies and equipment for use in connection therewith, or any other products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, directly or by implication, that:

1. Persons investing $2,953.20 in respondents' tube testing devices and the tubes, supplies and equipment for use in connection therewith will earn a net income of $6,000 per year.

2. Persons investing in respondents' products will derive any stated amount or gross or net profits or other earnings; or representing, in any manner, the past earnings of purchasers of respondents' products unless in fact the past earnings represented are those of a substantial number of purchasers and accurately reflect the average earnings of these purchasers under circumstances similar to those of the purchaser to whom the representation is made.

3. Respondents, their agents, representatives or employees will obtain satisfactory or profitable locations for the

machines purchased from them: *Provided, however,* That nothing herein shall be construed to prohibit respondents from truthfully and nondeceptively representing that they have obtained locations or assisted in obtaining locations if respondents clearly and conspicuously disclose, in immediate conjunction therewith, the average net or gross earnings realized by a substantial number of purchasers from machines in locations obtained by respondents or through their assistance under circumstances similar to those of the purchaser to whom the representation is made.

4. Purchasers of respondents' machines or other products will receive training, or other advice and assistance, in the operation of and the methods to be used in servicing respondents' said machines or any other products: *Provided, however,* That it shall be a defense in any enforcement proceeding instituted hereunder for respondents to establish that training, advice and assistance in the operation of and the methods to be used in servicing respondents' machines or other products were afforded to each purchaser to the extent of and in conformity with the representations made to the purchaser.

5. Selling, soliciting or experience is not required to establish, operate or maintain a route of respondents' machines, or other products; or misrepresenting in any manner, the amount of selling, soliciting or experience required to establish and operate or maintain the route.

6. Respondents or their representatives will accept return of, or will obtain or assist in obtaining a purchaser for, or will assist in the resale of machines or other products sold by them.

7. That the investment in respondents' machines, or other products, is secured or cannot be lost.

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

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

IN THE MATTER OF

OSCAR FINKEL

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

Docket C-1443. Complaint, Nov. 4, 1968—Decision, Nov. 4, 1968

Consent order requiring a New York City fur manufacturer to cease issuing false invoices on the sale of his fur products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Oscar Finkel, individually and trading as Oscar Finkel, hereinafter referred to as respondent, has 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 Oscar Finkle is an individual trading as Oscar Finkel.

Respondent is a manufacturer of fur products including fur collars and trim with his office and principal place of business located at 150 West 28th Street, New York, New York.

PAR. 2. Respondent is now and for some time last past has 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 has 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 falsely and deceptively invoiced by the respondent in that they were not invoiced as required by Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated under such Act.

Among such falsely and deceptively invoiced fur products, but not limited thereto, were fur products covered by invoices which failed to disclose that the fur contained in the fur products was

bleached, dyed, or otherwise artificially colored, when such was the fact.

PAR. 4. Certain of said fur products were falsely and deceptively invoiced by the respondent in that they were not invoiced in accordance with the Rules and Regulations promulgated thereunder in the following respects:

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

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

PAR. 5. The aforesaid acts and practices of respondent, 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 respondent named in the caption hereof, and the respondent having been furnished thereafter with a copy of a draft of complaint which the Bureau of Textiles and Furs proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent with violation of the Federal Trade Commission Act and the Fur Products Labeling Act; and

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

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

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

1. Respondent Oscar Finkel is an individual trading as Oscar Finkel, with his principal office and place of business located at 150 West 28th Street, New York, New York.

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

ORDER

It is ordered, That respondent Oscar Finkel, individually and trading as Oscar Finkel or under any other trade name, and respondent's representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, or manufacture for introduction, into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce, of any fur product; or in connection with the manufacture for sale, sale, advertising, offering for sale, transportation or distribution of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from falsely and deceptively invoicing fur products by:

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

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

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

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

MASTERSON, INC.

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-1444. Complaint, Nov. 4, 1968—Decision, Nov. 4, 1968

Consent order requiring a Chicago, Ill., manufacturer of men's and boys' outerwear to cease misbranding the fiber content of its wool and textile fiber products and falsely advertising its textile fiber products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, the Wool Products Labeling Act of 1939 and the Textile Fiber Products Identification Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that MasterSon, Inc., a corporation, hereinafter referred to as respondent, has 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 MasterSon, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Mississippi with its office and principal place of business located at 847 West Jackson Boulevard, Chicago, Illinois.

The respondent is engaged in the manufacture and sale of men's and boys' outerwear.

PAR. 2. Respondent, now and for some time last past, has 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 respondent 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 men's and boys' jackets stamped, tagged, labeled or otherwise identified as containing 90% reprocessed wool and 10% other fibers whereas in truth and in fact, such men's and boys' jackets contained substantially different fibers and amounts of fibers than represented.

PAR. 4. Certain of said wool products were further misbranded by the respondent 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 men's and boys' jackets, 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 respondent as set forth above in Paragraphs Three and Four 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. Respondent is now and for sometime last past has been engaged in the introduction, delivery for introduction, manufacturing for introduction, sale, advertising, and offering for sale, in commerce, and in the transportation or causing to be transported in commerce, and in the importation into the United States, of textile fiber products; and has sold, offered for sale, advertised, delivered, transported and caused to be transported, textile fiber products, which have been advertised or offered for sale, in commerce; and has sold, offered for sale, advertised, delivered, transported and caused to be transported, after shipment in commerce, textile fiber products, either in their original state or contained in their textile fiber products; as the terms

"commerce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act.

PAR. 7. Certain of such textile fiber products were misbranded by the respondent in that they were not stamped, tagged, labeled, or otherwise identified to show each element of information required to be disclosed by Section 4(b) of the Textile Fiber Products Identification Act, and in the manner and form prescribed by the Rules and Regulations promulgated under said Act.

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

1. To disclose the true percentage of the fibers present by weight;

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

3. To disclose the name, or other identification issued and registered by the Commission, of the manufacturer of the product or one or more persons subject to Section 3 of the said Act, with respect to such product.

PAR. 8. Certain of said textile fiber products were misbranded in violation of the Textile Fiber Products Identification Act in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder in the following respects:

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

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

PAR. 9. Certain of said textile fiber products were falsely and deceptively advertised in that respondent in making disclosures or implications as to the fiber content of such textile fiber products in written advertisements used to aid, promote and assist, directly or indirectly, in the sale or offering for sale of said products failed to set forth the required information as to fiber content as specified by Section 4(c) of the Textile Fiber Products Identification Act and in the manner and form prescribed by the Rules and Regulations promulgated under said Act.

Among the aforesaid advertisements, but not limited thereto, were advertisements of the respondent which appeared in issues of a catalogue, printed and distributed by respondent throughout the United States.

Among such falsely and deceptively advertised textile fiber

products, but not limited thereto, were textile fiber products which were advertised by means of fiber implying terms such as "corduroy," "denim" and "madras" among others but not limited thereto, without setting forth the true generic names of the fibers present in the said textile fiber products.

PAR. 10. The acts and practices of the respondent, as set forth above, in Paragraphs Seven, Eight and Nine, were and are, in violation of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder, and constituted, and now constitute unfair methods of competition and unfair and deceptive acts and practices, in commerce, under the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondent named in the caption hereof, and the respondent having been furnished thereafter with a copy of a draft of complaint which the Bureau of Textiles and Furs proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent with violation of the Federal Trade Commission Act, the Wool Products Labeling Act of 1939 and the Textile Fiber Products Identification Act; and

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

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

1. Respondent MasterSon, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of

the State of Mississippi, with its office and principal place of business located at 847 West Jackson Boulevard, Chicago, Illinois.

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

ORDER

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

1. Falsely and deceptively stamping, tagging, labeling, or otherwise identifying such products as to the character or amount of the constituent fibers contained therein.
2. Failing to securely affix to, or place on, each such product a stamp, tag, label, or other means of identification showing in a clear and conspicuous manner each element of information required to be disclosed by Section 4(a)(2) of the Wool Products Labeling Act of 1939.

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

A. Misbranding textile fiber products by:

1. Failing to affix labels to such textile fiber products showing in a clear, legible and conspicuous manner each element of information required to be disclosed by Section 4(b) of the Textile Fiber Products Identification Act.

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

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

B. Falsely and deceptively advertising textile fiber products by making any representations, directly or by implication, as to the fiber content of any textile fiber product in any written advertisement which is used to aid, promote or assist directly or indirectly, in the sale or offering for sale of such textile fiber product, unless the same information required to be shown on the stamp, tag, or label or other means of identification under Section 4(b)(1) and (2) of the Textile Fiber Products Identification Act is contained in the said advertisement, except that the percentages of the fibers present in the textile fiber product need not be stated.

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

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

IN THE MATTER OF

GLENCOE CARPET MILLS, INC., ET AL.

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

Docket C-1445. Complaint, Nov. 4, 1968—Decision, Nov. 4, 1968

Consent order requiring a Burlington, North Carolina, carpet manufacturer to cease misbranding, falsely advertising and guaranteeing its textile fiber products, and failing to keep required records.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Textile Fiber Products Identification Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Glencoe Carpet Mills, Inc., a corporation, and Clarence R. Shepherd, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Textile Fiber Products Identification Act and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Glencoe Carpet Mills, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of North Carolina.

Respondent Clarence R. Shepherd is an officer of said corporate respondent. He formulates, directs and controls the acts, practices and policies hereinafter set forth.

Respondents are engaged in the manufacture and sale of textile fiber products, including floor coverings, with their office and principal place of business located on Route 1, Burlington, North Carolina. Respondents' mailing address is Post Office Box 567, Route 1, Burlington, North Carolina.

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

PAR. 3. Certain of said textile fiber products were misbranded by respondents in that they were not stamped, tagged, labeled, or otherwise identified to show each element of information required to be disclosed by Section 4(b) of the Textile Fiber Products Identification Act, and in the manner and form as prescribed by the Rules and Regulations promulgated under said Act.

Among such textile fiber products, but not limited thereto, were numerous rolls of carpeting which contained no labels.

PAR. 4. Certain of said textile fiber products were misbranded in violation of the Textile Fiber Products Identification Act in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder in that in disclosing the required fiber content information as to floor coverings containing exempted backings, fillings, or paddings, such disclosure was not made in such a manner as to indicate that such required fiber content information related only to the face, pile or outer surface of the floor covering and not to the backing, filling or padding, in violation of Rule 11 of the aforesaid Rules and Regulations.

PAR. 5. Certain of said textile fiber products were falsely and deceptively advertised in that respondents in making disclosure or implications as to the fiber content of such textile fiber products in written advertisements used to aid, promote and to assist, directly or indirectly, in the sale or offering for sale of said products, failed to set forth the required information as to fiber content as specified by Section 4(c) of the Textile Fiber Products Identification Act and in the manner and form prescribed by the Rules and Regulations promulgated under said Act.

Among such textile fiber products, but not limited thereto, were carpets which were falsely and deceptively advertised by means of printed matter, in price list form, distributed by the respondents throughout the United States to customers and salesmen. The aforementioned carpets were described by such fiber connoting terms among which, but not limited thereto was "acrilan," and the true generic name of the fiber contained in such products was not set forth.

PAR. 6. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, respondents have falsely and deceptively advertised textile fiber products in violation of the Textile Fiber Products Identification Act in that said textile fiber products were not advertised in accordance with the Rules and Regulations promulgated there-

under in the following respects:

(a) In disclosing the fiber content information as to floor coverings containing exempted backings, fillings, or paddings, such disclosure was not made in such a manner as to indicate that such fiber content information related only to the face, pile or outer surface of the floor covering and not to the backing, filling or padding, in violation of Rule 11 of the aforesaid Rules and Regulations.

(b) A fiber trademark was used in advertising textile fiber products, without a full disclosure of the fiber content information required by said Act, and the Regulations thereunder in at least one instance in said advertisement, in violation of Rule 41(a) of the aforesaid Rules and Regulations.

(c) Fiber trademarks were used in advertising textile fiber products, containing more than one fiber, other than permissive ornamentation, and such fiber trademarks did not appear in the required fiber content information in immediate proximity and conjunction with the generic name of the fiber in plainly legible type or lettering of equal size and conspicuousness, in violation of Rule 41(b) of the aforesaid Rules and Regulations.

PAR. 7. Respondents have failed to maintain proper records showing the fiber content of the textile fiber products manufactured by them, in violation of Section 6 of the Textile Fiber Products Identification Act and Rule 39 of the Regulations promulgated thereunder.

PAR. 8. Respondents have furnished their customers with false guaranties that certain of the textile fiber products were not misbranded or falsely invoiced by falsely representing in writing on invoices that respondents have filed a continuing guaranty under the Textile Fiber Products Identification Act with the Federal Trade Commission, in violation of Rule 38(d) of the Rules and Regulations under said Act and Section 10(b) of such Act.

PAR. 9. The acts and practices of respondents, as set forth above, were and are in violation of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder and constituted and now constitute unfair methods of competition and unfair and deceptive acts or practices, in commerce, under the Federal Trade Commission Act.

DECISION AND ORDER

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

the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Textiles and Furs proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act and the Textile Fiber Products Identification Act; and

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

The Commission having thereafter considered the matter and having determined that it 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 Glencoe Carpet Mills, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of North Carolina, with its principal place of business located on Route 1, Burlington, North Carolina. Respondent's mailing address is Post Office Box 567, Route 1, Burlington, North Carolina.

Respondent Clarence R. Shepherd is an officer of said corporation and his address is the same as that of said corporation.

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

ORDER

It is ordered, That respondents Glencoe Carpet Mills, Inc., a corporation, and its officers, and Clarence R. Shepherd, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, sale, advertising, or offering for sale, in commerce, or the transporta-

tion or causing to be transported in commerce, or the importation into the United States of any textile fiber product) or in connection with the sale, offering for sale, advertising, delivery, transportation or causing to be transported, of any textile fiber product which has been advertised or offered for sale, in commerce; tising, delivery, transportation, or causing to be transported, after shipment in commerce, of any textile fiber product, whether in its original state or contained in other textile fiber products, as the terms "commerce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act, do forthwith cease and desist from:

A. Misbranding textile fiber products by:

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

2. Failing to disclose on labels the required fiber content information as to floor coverings containing exempted backings, fillings, or paddings, in such manner as to indicate that it relates only to the face, pile, or outer surface of the floor covering and not to the exempted backing, filling or padding.

B. Falsely and deceptively advertising textile fiber products by:

1. Making any representations, by disclosure or by implication, as to fiber content of any textile fiber product in any written advertisement which is used to aid, promote or assist, directly or indirectly, in the sale, or offering for sale of such textile fiber product unless the same information required to be shown on the stamp, tag, label or other means of identification under Sections 4(b) (1) and (2) of the Textile Fiber Products Identification Act is contained in the said advertisement, except that the percentages of the fibers present in the textile fiber product need not be stated.

2. Failing to set forth in disclosing fiber content information as to floor coverings containing exempted backings, fillings or paddings, that such disclosure relates only to the face, pile or outer surface of such textile

fiber products and not to the exempted backings, fillings, or paddings.

3. Using a fiber trademark in advertising textile fiber products without a full disclosure of the required fiber content information in at least one instance in said advertisement.

4. Using a fiber trademark in advertising textile fiber products containing more than one fiber without such fiber trademark appearing in the required fiber content information in immediate proximity and conjunction with the generic name of the fiber in plainly legible type or lettering of equal size and conspicuousness.

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

It is further ordered, That respondents Glencoe Carpet Mills, Inc., a corporation, and its officers, and Clarence R. Shepherd, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from furnishing a false guaranty that any textile fiber product is not misbranded or falsely invoiced under the provisions of the Textile Fiber Products Identification Act.

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

SLIMAKER DRESS CORPORATION TRADING AS FASHIONMAKER ET AL.

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

Docket C-1446. Complaint, Nov. 5, 1968—Decision, Nov. 5, 1968

Consent order requiring two affiliated Kansas City, Mo., manufacturers of

ladies' dresses to crease misbranding and falsely advertising their textile fiber products, and furnishing false guaranties.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Textile Fiber Products Identification Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission having reason to believe that Slimaker Dress Corporation, a corporation trading as Fashionmaker, and Jane Compton, Inc., a corporation, and Harry A. LeVine and Harold B. Kessler, individually and as officers of said corporations, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Textile Fiber Products Identification Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Slimaker Dress Corporation, trading as Fashionmaker, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Kansas, with its office and principal place of business located at 819 Broadway, Kansas City, Missouri.

Respondent Jane Compton, Inc., 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 819 Broadway, Kansas City, Missouri.

Individual respondents Harry A. LeVine and Harold B. Kessler are officers of proposed corporate respondents. They formulate, direct and control the acts, practices and policies of said corporations. Their address is the same as that of said corporations.

Respondents are manufacturers of textile fiber products, namely, ladies' dresses.

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

ment in commerce, textile fiber products, either in their original state or contained in other textile fiber products; as the terms "commerce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act.

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

Among such misbranded textile fiber products, but not limited thereto, were textile fiber products, namely dresses, with labels on or affixed thereto on which the generic names of fibers appeared in such a manner as to falsely and deceptively imply the presence of such fibers.

Among such further misbranded textile fiber products, but not limited thereto, were textile fiber products, namely dresses, which were falsely and deceptively advertised by means of interstate circulation of advertising mats and "Descriptive Lists" wherein respondents, in disclosing the fiber content information as to said dresses, failed to set forth all of the required information, including generic names of fibers.

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

Among such misbranded textile fiber products, but not limited thereto, were dresses with labels affixed thereto which failed to disclose the true generic name of the fibers present.

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

(a) Fiber trademarks were used on labels in conjunction with the required information, without the generic name appearing in immediate conjunction therewith, and in type or lettering of equal size and conspicuousness, in violation of Rule 17(a) of the aforesaid Rules and Regulations.

(b) Generic names and fiber trademarks were used on labels

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

(c) Words, symbols or depictions constituting or implying the name or designation of a fiber which was not present in the said products appeared on labels in violation of Rule 18 of the aforesaid Rules and Regulations.

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

(e) Sectional disclosure of textile fiber products was not used on required labels in such a manner as to show the fiber composition of each section; where the products were composed to two or more sections of different fiber composition and such sectional disclosure was necessary to avoid deception, in violation of Rule 25(b) of the aforesaid Rules and Regulations.

PAR. 6. Certain of said textile fiber products were falsely and deceptively advertised in that respondents in making disclosures or implications as to the fiber content of such textile fiber products in written advertisements used to aid, promote and assist, directly or indirectly, in the sale or offering for sale of said products, failed to set forth the required information as to fiber content as specified by Section 4(c) of the Textile Fiber Products Identification Act and in the manner and form prescribed by the Rules and Regulations promulgated under said Act.

Among the aforesaid advertisements, but not limited thereto, were advertisements of respondents in the form of advertising mats and "Descriptive Lists" which were distributed in interstate commerce, wherein terms, such as, crepe and linen look, among others, were used, which are descriptive of a method of manufacture, construction or weave or which are indicative of a textile fiber or fibers and imply fiber content under Section 4(c) of the Act, without setting forth the true generic name of the fiber or fibers present in said products.

PAR. 7. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, respondents falsely and deceptively advertised textile fiber products in violation of the Textile Fiber Products Identification Act

in that said textile fiber products were not advertised in accordance with the Rules and Regulations thereunder in the following respects:

(a) Fiber trademarks were used in advertising textile fiber products, namely dresses, without a full disclosure of the fiber content information required by Section 4(c) of the Act and the Rules and Regulations thereunder, in at least one instance in said advertisement, in violation of Rule 41(a) of the aforesaid Rules and Regulations.

(b) Fiber trademarks were used in advertising textile fiber products, namely dresses, containing more than one fiber and such fiber trademarks did not appear in the required fiber content information in immediate proximity and conjunction with the generic name of the fiber in plainly legible type or lettering of equal size and conspicuousness in violation of Rule 41(b) of the aforesaid Rules and Regulations.

PAR. 8. Respondents furnished false guaranties that certain of their textile fiber products were not misbranded or falsely invoiced in violation of Section 10(b) of the Textile Fiber Products Identification Act.

PAR. 9. The acts and practices of respondents, as set forth above were, and are, in violation of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder, and constituted, and now constitute, unfair methods of competition and unfair and deceptive acts or practices, in commerce, under the Federal Trade Commission Act.

DECISION AND ORDER

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

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

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

The Commission having thereafter considered the matter and having determined that it 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 Slimaker Dress Corporation, trading as Fashionmaker, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Kansas, with its office and principal place of business located at 819 Broadway, Kansas City, Missouri.

Respondent Jane Compton, Inc., 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 819 Broadway, Kansas City, Missouri.

Respondents Harry A. LeVine and Harold B. Kessler are officers of said corporations and their address is the same as that of said corporations.

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

ORDER

It is ordered, That respondents Slimaker Dress Corporation, a corporation trading as Fashionmaker, or under any other name or names, and its officers, and Jane Compton, Inc., a corporation, and its officers, and Harry A. LeVine and Harold B. Kessler, individually and as officers of said corporations, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, delivery for introduction, manufacture for introduction, sale, advertising, or offering for sale, in commerce, or the transportation or causing to be transported in commerce, or the importation into the United States, of any textile fiber product; or in connection with the sale, offering for sale, advertising, delivery, transportation, or causing to be transported, of any textile fiber product which has been advertised or offered for sale in com-

merce; or in connection with the sale, offering for sale; advertising, delivery, transportation, or causing to be transported, after shipment in commerce, of any textile fiber product, whether in its original state or contained in other textile fiber products, as the terms "commerce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act, do forthwith cease and desist from:

A. Misbranding textile fiber products by:

1. Falsely or deceptively stamping, tagging, labeling, invoicing, advertising or otherwise identifying any textile fiber product as to the name or amount of constituent fibers contained therein.

2. Failing to affix labels to textile fiber products showing each element of information required to be disclosed by Section 4(b) of the Textile Fiber Products Identification Act.

3. Using a fiber trademark on labels affixed to such textile fiber products without the generic name of the fiber appearing on said label in immediate conjunction therewith and in type or lettering of equal size and conspicuousness.

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

5. Setting forth on labels affixed to textile fiber products words, symbols or depictions which constitute or imply the name or designation of a fiber, which fiber is not present in said products.

6. Failing to affix labels to samples, swatches or specimens of textile fiber products used to promote or effect the sale of such textile fiber products showing in words and figures plainly legible all the information required to be disclosed by Section 4(b) of the Textile Fiber Products Identification Act.

7. Failing to make a disclosure on the required label on or affixed to textile fiber products composed of two or more sections of different fiber composition, in such a manner as to show the fiber composition of each section in all instances where such disclosure is necessary to avoid deception.

B. Falsely or deceptively advertising textile fiber products by:

1. Making any representations, by disclosure or by implication, as to the fiber contents of any textile fiber product in any written advertisement which is used to aid, promote, or assist, directly or indirectly, in the sale or offering for sale of such textile fiber product, unless the same information required to be shown on the stamp, tag, label or other means of identification under Sections 4(b)(1) and (2) of the Textile Fiber Products Identification Act is contained in the said advertisement, except that the percentages of the fibers present in the textile fiber product need not be stated.

2. Using fiber trademarks in advertisements without a full disclosure of the required content information in at least one instance in the said advertisement.

3. Using fiber trademarks in advertising textile fiber products containing more than one fiber without such fiber trademarks appearing in the required fiber content information in immediate proximity and conjunction with the generic name of the fiber in plainly legible type or lettering of equal size and conspicuousness.

It is further ordered, That respondents Slimaker Dress Corporation, a corporation trading as Fashionmaker, or under any other name or names, and its officers, and Jane Compton, Inc., a corporation, and its officers, and Harry A. LeVine and Harold B. Kessler, individually and as officers of said corporations, and respondents' representatives, agents and empolyees, 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 invoiced.

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

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

IN THE MATTER OF

HI-LINE, INC., ET AL.

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

Docket C-1447. Complaint, Nov. 5, 1968—Decision, Nov. 5, 1968

Consent order requiring a Westville, N.J., distributor of custom-built residential houses and leisure shell homes to cease using bait tactics, misrepresenting prices, terms, and conditions of its homes, using deceptive guarantee offers, neglecting to disclose that many of its houses are shells only, misrepresenting that "no down payment" is required, and furnishing means of such deception to others.

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 Hi-Line, Inc., a corporation, and Sam Gross, individually and as an officer of said corporation, and Grant S. Smith, individually and as a former officer of said corporation, and Louis A. Veronica, individually and as business manager 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 Hi-Line, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business formerly located at R.D. #2, Chadds Ford, Pennsylvania, with present address Box 281, Westville, New Jersey.

Respondent Sam Gross is an officer of the corporate respondent, and respondent Grant S. Smith is a former officer of the corporate respondent. Respondent Louis A. Veronica is business manager of the corporate respondent. Said individual respondents formulated, directed and controlled the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. The address of respondents Gross and Veronica is the same as that of the corporate respondent. The address of respondent Smith is 711 Potter Drive, Kennett Square, Pennsylvania.

PAR. 2. Respondents have engaged in the advertising, offering for sale, sale, construction and distribution of custom-built resi-

dential houses and leisure shell houses to the public.

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

PAR. 4. In the course and conduct of their aforesaid business, and for the purpose of inducing the purchase of their products, respondents have made numerous statements and representations in newspaper advertisements and in the oral representations made by their representatives, agents or employees with respect to the nature of their offer, the terms and conditions of sale, financing requirements, degree of completion, and other characteristics of their products.

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

LOT OWNERS!
WHY WAIT?

(Picture of stone-front ranch styled house)

HI-LINE CAN BUILD THE
HOME YOU WANT—AT
A PRICE YOU CAN AFFORD!

Many beautifully modern designs from which to choose. More favorable and convenient financing than ever before! Closer personal attention by expert designers and builders. Plan now for your high quality, low-cost year-round or leisure home!

COMPLETE ON YOUR LOT OR OURS LOW as $8,995

Leisure Lots and Homes Available In The Poconos

LOT OWNERS
MAIL THIS COUPON
TODAY!

(Picture of stone-front ranch style house with built-in garage)
Many beautiful designs from which to choose including this lovely stone-front rancher. Custom built homes on your lot or ours * * * from $8,995

(Picture of Cabana model leisure house)

Inexpensive, but luxurious leisure homes in the Poconos or at the shore (lots available from $3,695) * * *

Hi-Line has developed even more modern styles and designs * * * more favorable and convenient financing * * * closer personal attention by expert designers and builders. Plan now for your high-quality, low-cost leisure or year-round home!

PLEASE RUSH A PICTURE OF MY NEW HOME!

Hi-Line Homes, R.D. 2, Box 293,
Chadds Ford, Pennsylvania.

Name______________________________
Address______________________________
City________________ State________ Phone______

Style Preferred____Ranch____Split Level____Bi-Level____ Two-Story____
We would like to spend $____________
We can afford payments of $____________
____We Own A Lot____We Need A Lot
____We are interested in a leisure Home

BUILD ON YOUR OWN LOT AND SAVE THOUSANDS!

HI-LINE OFFERS THIS

Custom-Built House On Your Lot For $14,990

The Webster Model

- Hi-Line GIVES A *5 YEAR* WARRANTY
- Fully Financed before construction begins. Up to 30 years at bank rates.
- No mortgage payments charged until you move into your new Hi-Line home.
- Your lot can be used as down payment.

Luxurious Homes in a choice location

School House Lane in picturesque Concord Township

(Picture of home with two-car garage)

Individual in design, spacious in plan, ideally located Custom built homes with 3, 4, and 5 bedrooms including 2 stories, ranchers, split levels, contemporaries.

Priced from $23,500
No cash required in most cases

PAR. 5. By and through the use of the aforesaid pictures, statements and representations, and others of similar import and meaning, but not specifically set out herein, separately and in connection with oral statements and representations by their representatives, agents and employees to customers and prospec-

tive customers, respondents have represented, directly or by implication, that:

1. The offer set forth in such advertisements was a genuine and bona fide offer to sell houses of the kind illustrated and described at the prices and on the terms and conditions therein stated.

2. Houses of the kind illustrated and described were offered for sale at prices as low as $8,995.

3. Houses of the kind illustrated and described were offered for sale in School House Lane at prices ranging from $23,500.

4. A complete, custom-built house of the kind illustrated and described was offered for sale at the prices stated; and that respondents' leisure houses were custom-built and entirely complete when purchased.

5. Respondents offered a house of the kind illustrated and described and respondents' other houses at the prices and on the terms and conditions stated to the owner of an unimproved lot or parcel of real estate upon which said house was to be built.

6. A house of the kind illustrated and described and respondents' other houses were sold and financed without a down payment or other initial payment of money.

7. Respondents' houses were unconditionally guaranteed for a period of 5 years.

PAR. 6. In truth and in fact:

1. Said offer set forth was not a genuine or bona fide offer to sell houses of the kind illustrated and described in said advertisements and at the prices and on the terms and conditions stated. Said offer was made for the purpose of obtaining leads as to persons interested in the purchase of respondents' products. After obtaining such leads, respondents' representatives called upon such prospective purchasers or negotiated with such purchasers in the offices or places of business of respondents, and at such times and places made no effort to sell the houses at the prices and on the terms and conditions stated but induced such purchasers to purchase their houses at higher prices and under terms and conditions different from the stated terms and conditions.

2. Houses of the kind illustrated and described were not offered for sale at prices as low as $8,995. Respondents' least expensive house was sold at a substantially higher price.

3. Houses of the kind illustrated and described were not offered for sale in School House Lane at prices ranging from $23,500.

Respondents' houses in School House Lane were sold at no less than $25,200.

4. A complete, custom-built house of the kind illustrated and described was not offered for sale at the prices stated. The illustrated and described house which was offered for sale did not include all of the various items normally included in a complete home, such as interior painting, driveways, front walks, sidewalks and landscaping. Such items were obtained at extra cost to the purchaser thereof which fact respondents failed to reveal.

Respondents' leisure houses were not custom-built or entirely complete when purchased. Respondents' leisure houses were shell houses which required additional items and fixtures at extra cost to the purchaser thereof which fact respondents failed to reveal.

Respondents' failure to reveal to the purchasing public the fact that the leisure houses were shell homes had the tendency and capacity to mislead and deceive the purchasing public into the erroneous and mistaken belief that said homes were custom-built homes.

5. Respondents did not offer a house of the kind illustrated and described and respondents' other houses at the prices and on the terms and conditions stated to the owner of an unimproved lot or parcel of real estate upon which the houses were to be built. Respondents required that said lot or real estate parcel be improved in certain respects or otherwise meet certain requirements imposed by respondents before it could be used to meet respondents' requirements for purchasing and financing said houses.

6. A house of the kind illustrated and described and respondents' other houses were not sold and financed without a down payment or other initial payment of money. Responents' customers were required to make a down payment of $200.

7. Respondents' houses were not unconditionally guaranteed for a period of 5 years. Such guarantee as might be provided was subject to numerous terms, conditions and limitations and failed to set forth the nature and extent of the guarantee and the manner in which the guarantor would perform thereunder. Furthermore, for a considerable period respondents had no guarantee in existence.

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

PAR. 7. By and through the use of the aforesaid acts and practices, respondents have placed in the hands of others the means and instrumentalities by and through which they may mislead

and deceive the public in the manner and as to the acts and practices hereinabove alleged.

PAR. 8. In the conduct of their business, and at all times mentioned herein, respondents have been in substantial competition, in commerce, with corporations, firms and individuals in the sale of products of the same general kind and nature as those sold by the respondents.

PAR. 9. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were and are true and into the purchase of substantial quantities of respondents' products 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 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 30 days, now is 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 Hi-Line, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business formerly located at R.D. #2, Chadds Ford, Pennsylvania, with present address Box 281, Westville, New Jersey.

Respondent Sam Gross is an officer of said corporation and respondent Grant S. Smith is a former officer of said corporation. Respondent Louis A. Veronica is business manager of said corporation. The address of respondents Gross and Veronica is the same as that of said corporation. The address of respondent Smith is 711 Potter Drive, Kennett Square, Pennsylvania.

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

ORDER

It is ordered, That respondents Hi-Line, Inc., a corporation, and its officers, and Sam Gross, individually and as an officer of said corporation, and Grant S. Smith, individually and as a former officer of said corporation, and Louis A. Veronica, individually and as business manager of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution or construction of houses, or other structures, or products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using, in any manner, a sales plan, scheme or device wherein false, misleading or deceptive statements or representations are made in order to obtain leads or prospects for the sale of houses or other products.

2. Making representations purporting to offer houses or other products for sale when the purpose of the representation is not to sell the offered house or other product but to obtain leads or prospects for the sale of other houses or other products.

3. Representing, directly or by implication, that any houses or other products are offered for sale when such offer is not a bona fide offer to sell such houses or other products.

4. Representing, directly or by implication, that houses or other products are offered for sale for certain prices or on stated terms: *Provided, however*, That it shall be a defense

in any enforcement proceeding instituted hereunder for respondents to establish that such house or other product may be purchased at the represented price, terms or conditions.

5. Illustrating or describing a higher priced home in conjunction with the price of a lower priced home.

6. Failing to quote and to disclose in advertising and promotional material the price of an illustrated or described home with equal size and conspicuousness as the price quoted for any other home.

7. Representing, directly or by implication, that respondents' houses are complete, or finished to any degree of completeness: *Provided, however,* That it shall be a defense in any enforcement proceeding instituted hereunder for respondents to establish that the house is completed or finished to the extent or degree represented.

8. Failing to disclose, clearly and conspicuously, in advertising and promotional material, the fact that a house is a shell house.

9. Quoting prices, terms or conditions in advertising which does not include all of the features of the house or other products illustrated or described.

10. Representing, directly or by implication, that respondents' offers are made available to owners of lots or parcels of real estate without clearly and conspicuously revealing any requirements, conditions or limitations applicable to said property such as but not limited to, value, location, size or improvements.

11. Representing, directly or by implication, that houses or other products may be purchased without a down payment or other initial payment.

12. Representing, directly or by implication, that any of respondents' products are guaranteed unless the nature, extent and duration of the guarantee, the identity of the guarantor and the manner in which the guarantor will perform thereunder are clearly and conspicuously disclosed and respondents do, in fact, deliver to each purchaser of their products a written copy of said guarantee setting forth each of the terms, conditions and limitations thereof.

13. Furnishing any means or instrumentalities to others whereby the public may be misled or deceived as to any of the matters or things prohibited by this order.

14. Failing to deliver a copy of this order to cease and de-

sist to all present and future salesmen or other persons engaged in the sale of respondents' products or services, and failing to secure from each such salesman or other person a signed statement acknowledging receipt of said order.

15. Failing, after the acceptance of the initial report of compliance, to submit a report to the Commission, once every year during the next three years, describing all complaints respecting unauthorized representations, all complaints received from customers respecting representations by salesmen which are claimed to be deceptive, the acts uncovered by respondents in their investigation thereof and the action taken by respondents with respect to each such complaint.

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

FRANK C. CANADA TRADING AS C & M AUTOMATIC TRANSMISSION SERVICE

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

Docket C-1448. Complaint, Nov. 7, 1968—Decision, Nov. 7, 1968

Consent order requiring a Bladensburg, Md., auto transmission repair shop operator to cease neglecting to disclose the possibility of extra costs in transmission overhauls, making deceptive guarantees, and misrepresenting the terms under which repair services are financed.

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 Frank C. Canada, an individual trading and doing business as C & M Automatic Transmission Service, hereinafter referred to as respondent, has violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent, Frank C. Canada, is an individual, trading and doing business as C & M Automatic Transmission Service, with his office and principal place of business at 4808 Annapolis Road, Bladensburg, Maryland.

PAR. 2. Respondent is now, and for some time last past has been, engaged in the advertising, repairing, overhauling, rebuilding, offering for sale, sale and distribution of automobile transmissions to the public.

PAR. 3. In the course and conduct of his business, respondent now causes, and for some time last past has caused, his said products and services, to be sold to purchasers thereof located in various other States of the United States and in the District of Columbia, and respondent has caused advertisements for the aforesaid products and services to be published in newspapers of interstate circulation, 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 aforesaid business, and for the purpose of inducing the purchase of his said automobile transmissions and transmission repair services, respondent has made, and is now making, numerous statements and representations in advertisements inserted in newspapers with respect to his products and services, of which the following is typical and illustrative, but not all inclusive thereof:

C & M AUTOMATIC TRANSMISSION

The Only Transmission Shop In P.O. County Indorsed By NAMCO

NAMCO APPROVED

Free Estimate—All Work Guaranteed In Writing
"Put your transmission in good hands"

Overhaul $65—Includes Oil & Labor Consists of
Bands Rings Clutches Seals Gaskets (as required)

No Money Down—One Day Service—All Major Credit Cards Accepted

C & M 4808 Annapolis Rd. Bladensburg, Md.
(Next to D.C. Line)
CALL 779–4470
Open 7 a.m.–7 p.m.

PAR. 5. By and through the use of the above reproduced statements and representations, and others of similar import and meaning but not expressly set out herein, the respondent has represented, and is now representing, directly or by implication, that:

1. Respondent is making a bona fide offer to overhaul automobile transmissions for $65.

2. Respondent unconditionally guarantees all of his transmission repair services.

3. No down payment is required by respondent if the repair work is financed.

PAR. 6. In truth and in fact:

1. Respondent is not making a bona fide offer to overhaul automobile transmissions for $65. In most instances in the overhaul of automobile transmissions certain "hard" parts and repairs are necessary for which respondent charges an additional amount, and consequently the cost is considerably higher than $65.

2. Respondent does not provide an unconditional guarantee on all of his transmission repair services. Respondent's guarantee for transmission repair services is in most instances limited to 90 days or 4000 miles.

3. Respondent does require a down payment in a substantial number of instances when the repair work is financed.

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

PAR. 7. In the course and conduct of 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 in the sale of automotive parts and services 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 said statements and representations were and are true and into the purchase of substantial quantities of respondent's products and services 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.

DECISION AND ORDER

The Federal Trade Commission having initiated an investiga-

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

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

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondent has violated the said Act, and that complaint should issue stating its charges in the 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 Frank C. Canada is an individual trading and doing business as C & M Automatic Transmission Service, with his principal place of business at 4808 Annapolis Road, Bladensburg, Maryland.

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

ORDER

It is ordered, That respondent Frank C. Canada, an individual, trading and doing business as C & M Automatic Transmission Service or under any name or names, and respondent's agents, representatives and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of any transmission, motor or other automotive component, or any other product or any service in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Advertising the price of particular services such as an

overhaul, unless in conjunction therewith disclosure is made, in a prominent place and in a type size that is easily legible, that there are many possible defects in an automobile transmission, other automotive component, or other product, for which the advertised service is ineffective and which require additional parts and labor to repair and that such repairs will cost substantially more than the advertised price.

2. Representing, directly or by implication, that any merchandise or service is offered for sale when such offer is not a bona fide offer to sell said merchandise or service.

3. Using the term "overhaul," or any term or words of similar import, to refer to any transmission service which does not include the removal, disassembly and replacement of all worn parts, hard or soft, and the reassembly and reinstallation of the transmission in the vehicle, unless in conjunction with the use of the term "overhaul," in a prominent place and in type that is easily legible, disclosure is made of:

(a) the parts that will be replaced in connection with the "overhaul" and are included in the overhaul price, as well as their price if purchased separately, and

(b) the parts that will not be replaced as part of the overhaul and their price, and/or

(c) the fact that in many cases substantial additional costs will be incurred if parts other than those regularly included in the overhaul must be replaced in order to repair the transmission.

4. Representing, directly or by implication, that any article of merchandise or service is guaranteed, unless all of the terms and conditions of the guarantee, the identity of the guarantor, and the manner in which the guarantor will in good faith perform thereunder are clearly and conspicuously disclosed.

5. Using the term "NO MONEY DOWN," or any term or words of similar import, in connection with respondent's offer to sell any merchandise or services or misrepresenting, in any manner, the terms upon which respondent finances his merchandise or services.

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

BRODLIE & BUCKBERG, 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-1449. Complaint, Nov. 7, 1968—Decision, Nov. 7, 1968

Consent order requiring a New York City manufacturing furrier to cease misbranding, falsely invoicing and guaranteeing its fur products.

COMPLAINT

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

Respondents Ben Brodlie and Louis Buckberg 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 of fur products with their office and principal place of business located at 208 West 30th Street, New York, New York.

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

PAR. 3. Certain of said fur products were misbranded in that

they were falsely and deceptively labeled or otherwise falsely or deceptively identified with respect to the name of the country of origin of furs contained in such fur products, in violation of Section 4(1) of the Fur Products Labeling Act.

Among such misbranded fur products, but not limited thereto, were fur products labeled to show the country of origin of furs used in such fur products as Norway when the country of origin of such furs was, in fact, Poland.

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

Among such misbranded fur products, but not limited thereto, were fur products with labels which failed to show the country of origin of the imported furs contained in the fur products.

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

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

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

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

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

PAR. 7. Certain of said fur products were falsely and deceptively invoiced with respect to the name of the country of origin of imported furs used in fur products in violation of Section 5(b)(2) of the Fur Products Labeling Act.

Among such falsely and deceptively invoiced fur products, but not limited thereto, were fur products invoiced to show the name of the country of origin of furs contained in such fur products as Norway when the country of origin of such fur products was, in fact, Poland.

PAR. 8. 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. 9. Respondents furnished false guaranties that certain of their fur products were not misbranded, falsely invoiced or falsely advertised when respondents in furnishing such guaranties had reason to believe that fur products so falsely guarantied would be introduced, sold, transported or distributed in commerce, in violation of Section 10(b) of the Fur Products Labeling Act.

PAR. 10. The aforesaid acts and practices of respondents, as herein alleged, are in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder and constitute unfair methods of competition and unfair and deceptive acts and practices in commerce under the Federal Trade Commission Act.

DECISION AND ORDER

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

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the laws 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 Brodlie & Buckberg, 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 208 West 30th Street, New York, New York.

Respondents Ben Brodlie and Louis Buckberg are officers of said corporation and their address is the same as that of said corporation.

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

ORDER

It is ordered, That respondents Brodlie & Buckberg, Inc., a corporation, and its officers, and Ben Brodlie and Louis Buckberg, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, or manufacture for introduction, into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce, of any fur product; or in connection with the manufacture for sale, sale, advertising, offering for sale, transportation or distribution, of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as the terms "commerce", "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding any fur product by:

1. Falsely or deceptively labeling or otherwise falsely and deceptively identifying such fur product as to the country of origin of furs contained in such fur product.

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

3. Failing to set forth the term "natural" as part of the information required to be disclosed on a label under the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe such fur prod-

uct which is not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

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

B. Falsely or deceptively invoicing any fur product by:

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

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

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

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

It is further ordered, That 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

OCCIDENTAL PETROLEUM CORPORATION

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

Docket C-1450. Complaint, Nov. 7, 1968—Decision, Nov. 7, 1968

Consent order requiring a California corporation, principally engaged in

exploring and developing natural resources, to divest an acquired business selling diammonium phosphate and blended fertilizers and forbidding it to acquire any domestic competitor in any line of business for the next 5 years without prior approval of the Commission.

COMPLAINT

The Federal Trade Commission, having reason to believe that the above-named respondent has violated the provisions of Section 7 of the Clayton Act (15 U.S.C., Sec. 18), issues this complaint, stating its charges as follows:

I. RESPONDENT

Occidental Petroleum Corporation

1. Respondent, Occidental Petroleum Corporation ("Occidental"), is a corporation organized and existing under the laws of the State of California, with its office and principal place of business at 10889 Wilshire Boulevard, Los Angeles, California, 90024.

2. Occidental, in 1967, was approximately the 102nd largest industrial corporation in the United States in terms of sales and approximately the 96th largest in terms of assets. Its total sales during 1967 amounted to over $825 million, while its total assets approximated $800 million.

3. Occidental is principally engaged in the exploration for and development of natural resources, including oil, gas, coal, sulfur, and phosphate rock, the marketing and transportation of crude oil produced by others, and the manufacture and sale of fertilizers and other agricultural chemicals.

4. Occidental is the fifth largest of twelve companies now mining phosphate rock in Florida. Its mining facilities, located in Hamilton County, have a design capacity of three million short tons. In addition to the Hamilton County facilities, Occidental owns substantial reserves of phosphate rock located in Florida.

5. In September 1966, Occidental commenced operation of a new $32 million phosphate chemical complex located approximately one mile from its Hamilton County mining facilities. This complex is designed to produce 225,000 tons of phosphorus pentoxide ("P_2O_5") annually in the form of phosphoric acid. This P_2O_5 can be used to produce up to 400,000 tons per year of ammoniated phosphates and/or triple superphosphates, or it can be sold as superphosphoric acid and as merchant grade phosphoric acid. Much of the phosphate rock mined by Occidental is used internally at this complex; the remainder is marketed primarily

to fertilizer companies.

6. At all times relevant herein, Occidental has sold and shipped products in interstate commerce throughout the United States and engaged in "commerce" within the meaning of the Clayton Act.

II. THE ACQUIRED COMPANY

Hooker Chemical Corporation

7. Hooker Chemical Corporation ("Hooker") is a corporation organized and existing under the laws of the State of New York, with its office and principal place of business located at 277 Park Avenue, New York, New York, 10017.

8. Hooker, in 1967, was approximately the 244th largest industrial corporation in the United States in terms of sales and approximately the 191st largest in terms of assets. Its total sales during 1967 were $364.5 million, while its total assets amounted to $366 million.

9. Hooker is a major diversified producer of farm chemicals, industrial chemicals, and plastics. For the fiscal period ending December 31, 1967, approximately 19% of Hooker's consolidated sales were accounted for by fertilizers and other agricultural chemicals, 10% by pulp and paper chemicals, 7% by detergent and dry cleaning chemicals, 21% by metal treating chemicals, 15% by chemicals and specialties for other industrial uses, 20% by plastics, and 8% by international sales.

10. Hooker's Farm Chemical Division produces diammonium phosphate ("DAP"), a concentrated high analysis ammonium phosphate fertilizer which is sold for domestic and foreign use, to other producers, to distributors, and to farmers through its fifteen retail bulk blending plants. Hooker is the second or third largest DAP producer in the United States. In addition, Hooker produces a variety of other agricultural chemicals.

11. At all times relevant herein, Hooker has sold and shipped products in interstate commerce and engaged in "commerce" within the meaning of the Clayton Act.

III. TRADE AND COMMERCE

Diammonium Phosphates

12. Diammonium phosphate is a high nitrogen-phosphate content fertilizer which was introduced in 1955. It has since become one of the most widely used plant nutrients, being employed both as a direct application fertilizer and as an ingredient in blended fertilizers.

13. The DAP industry is currently growing at a rate of 14–15% per year and long-term growth possibilities are excellent in light of the projected world food shortage. Presently, there is a temporary overcapacity situation because of: (1) Agency For International Development contract reductions; and (2) a recent invasion of the industry by petroleum companies.

14. Forty-one companies are presently producing DAP. Total industry capacity is estimated to be 7,850,000 short tons per year. The four largest producers of DAP account for 25% of total capacity, while the top eight account for 43%.

IV. THE ACQUISITION

15. On March 21, 1968, directors of Occidental and Hooker agreed in principal on the acquisition of Hooker by Occidental; a definitive agreement was reached on May 7, 1968 ("The Agreement"). The Agreement was approved by the stockholders of both companies on July 18, 1968. The acquisition was consummated on July 24, 1968.

V. VIOLATION CHARGED

16. The effect of the acquisition of Hooker by Occidental may be substantially to lessen competition or to tend to create a monopoly in the production and sale of diammonium phosphate and blended fertilizers in the United States in the following ways, among others:

(a) Actual competition in the manufacture and sale of DAP and blended fertilizers will be eliminated; and

(b) Concentration in the production and sale of DAP and blended fertilizers will be substantially increased and the possibility of deconcentration lessened.

17. The acquisition of the diammonium phosphate and blended fertilizer business of Hooker by Occidental, as alleged above, constitutes a violation of Section 7 of the Clayton Act (15 U.S.C., Sec. 18).

DISSENTING STATEMENT

NOV. 7, 1968

By JONES, *Commissioner*:

I cannot agree with the Commission's final acceptance of the consent order entered into with Occidental Petroleum Corp. as an adequate disposition of the anticompetitive impact which I believe inheres in Occidental's acquisition of Hooker Chemical

Corp. In so doing the Commission ignored the documented protest of one member of the public writing in support of small chemical competitors who detailed a series of anticompetitive results which he believed would flow from the merger. The consent order leaves this acquisition in large part untouched with only minor divestiture required and in addition contains a wholly inadequate ban on future acquisitions which I believe has serious anticompetitive overtones.

To require the relatively incidental divestiture of Hooker's diammonium phosphate fertilizer facilities as the order does in no way restores the actual and potential competition which Hooker as an independent company represented in the broader fertilizer and agricultural chemical industry.

Moreover, the merger eliminates Hooker as a small actual—and potentially major—factor in the highly oligopolistic sulphur industry which has been experiencing a growing demand, undercapacity, and increasing prices over the past few years. The top two producers of sulphur have about 72 percent of the U.S. market with Occidental in third position with four percent. Hooker is the only major phosphate fertilizer producer without its own developed sulphur producing facilities. Available evidence documents the strong likelihood that Hooker was on the edge of significant entry into the sulphur industry and would have developed its own sulphur production if it had not been acquired by Occidental. Hooker had been wholly dependent on long-term supply contracts for its sulphur requirements. Such dependence, in light of demonstrable previous excess demand, rising prices over the past few years, and the possibility of future acute shortage, led Hooker to take steps to establish its own independent position. As one of many sulphur projects it had constructed a sulphur plant at Bryan Mound, Texas in July of 1966, which was just beginning to develop, and which it has been estimated may eventually yield up to 20 percent of the sulphur that was available to the U. S. market in 1967. It had undertaken a joint venture in Mexico to produce sulphur there; it was in the process of obtaining survey permits for further exploration in the Gulf Coast area; and it had been offered a 50% interest in what it regarded as a "prime sulphur prospect" in Vinton Dome, Louisiana. Its Texas and Mexican properties looked attractive enough so that before the Hooker merger, Occidental had tried to obtain for itself an interest in them.[1]

[1] It was announced Nov. 4 that Occidental has made a new sulphur discovery in three wells on the Hooker Mexican property "which appear to be amenable to mining."

The anticompetitive impact of this acquisition was not, therefore, confined simply to the phosphate fertilizer production of these two companies. An even more significant impact of Hooker's acquisition by Occidental was to prevent the development of a more competitive structure for an already highly concentrated sulphur industry very much in need of new firms and new sources of sulphur. Failure to require Occidental to undo the merger and re-establish Hooker as an independent company has deprived the users of sulphur of a much needed increase in sulphur capacity. Specifically it has deprived users like the smaller phosphate fertilizer producers of the benefits of a more competitively priced sulphur which could have been anticipated to result from an increase in sulphur capacity. At the same time this acquisition confronts these users with a decreasing sulphur supply situation since the one-eighth portion of Occidental's sulphur production which was formerly available to them will in all probability now be diverted to Hooker's phosphate production.[2] Moreover, Occidental, already the third largest U.S. sulphur producer in a highly oligopolistic industry, will now acquire Hooker's incipient significant market share and the benefits flowing from it.

Except for diammonium phosphate capacity, therefore, this consent order permits the swallowing up of a leading, vigorous producer of agricultural and other chemicals with sales in 1967 of $364 million into a firm with 1967 sales of over $825 million. And even with respect to diammonium phosphate capacity, there is no guarantee that the firm to whom it is divested can possibly insure the restoration of the same level of competitive viability to this industry which existed when these resources were in the hands of Hooker with its strong research, technical, managerial and marketing experience in agricultural chemicals. One can only surmise the other areas of potential competition which might have developed if Hooker, which was vigorously engaged as a matter of policy in adding new chemistry products to its lists, had been allowed to continue its independent existence.[3]

The second aspect of this consent order which I find very

[2] It has been estimated by Commission staff that Hooker requires up to 55,000 long tons of sulphur per year for its non-fertilizer phosphate chemical needs. Occidental in 1967 produced 429,000 long tons.

[3] This merger may have created other anticompetitive effects in the areas of phosphate rock and petroleum and natural gas production, and it may have created an impediment to the development of a promising new technology respecting a sulphur saving method of phosphate production through the use of electric furnace phosphoric acid. However, these aspects of the merger were not even explored because of the Commission's decision instead to dispose of this matter without further investigation.

disturbing is the narrowly limited acquisition ban which the Commission has accepted in lieu of its usual broad ban on future acquisitions. The limited ban agreed to in this order in my judgment raises more problems than it can ever solve. It will inevitably encourage the incidence of anticompetitive conglomerate mergers and, even more serious, may present companies with a ready made method of debilitating their competition with the virtual sanction of the Federal Trade Commission.

Under the novel ban agreed to in this order, instead of being barred from acquiring any *company* engaged in the same line of commerce, Occidental-Hooker can make any future acquisition it chooses provided no competing line of *assets* is acquired. To my knowledge this concept of permissible acquisitions has never before been advanced much less accepted by any antitrust enforcement agency. Its import is extremely serious, for it can put into the hands of acquisition minded companies such as Occidental a virtually invulnerable instrument with which to weaken seriously the viability of their conglomerate competitors without necessarily running afoul of the antitrust laws. Furthermore, it cannot fail to accelerate the already accelerating movement into non-competing line acquisitions.

There are many ways in which an acquisition by a firm like Occidental of a competitor's non-competing lines could damage that firm's competing lines, and the order takes account of none of them. If this is to become the pattern of such acquisition bans in the future, nothing in such orders will prevent a firm like Occidental from being able to use its acquisition power to debilitate or even emasculate its smaller competitors by buying up all their product lines except those with which the buying firm directly competes. Nothing in the order will prevent a firm like Occidental from buying up as part of a deal for a specific non-competing line a disproportionate share of common overhead facilities, such as common advertising, marketing, production, accounting, or managerial resources, which might be jointly used by all product lines, competing as well as non-competing, thereby depriving the competing lines of optimal use of these common facilities and putting them at a disadvantage with Occidental's product lines. Management skills extend beyond a single product line, and such permitted acquisitions could deprive a company of essential managerial skills and thus leave other, possibly competing lines less well-managed. It is not unlikely that in multi-product firms, cost savings of large scale buying might, for instance, have come from the high volume purchase of chemi-

cal inputs used in common by several product lines. When some of these lines are sold to firms like Occidental, such economies and cost savings for the non-acquired firm may disappear as well. Other possible anticompetitive consequences which might flow to the competitive business as a result of the acquisition of non-competitive lines of that business might include such factors as the cost advantage from joint advertising of competing and non-competing lines which might no longer exist for a competing line when a non-competitor is sold to Occidental or a firm like it; and the "deep pocket" of the high profits of a non-competing line which might have served to strengthen the position in the marketplace of some other line competitive with an acquiring firm like Occidental, but which may no longer do so when that non-competing line is acquired. All of these and more are possible competitive advantage situations for competing product lines which could easily be sacrificed in a non-competing line merger by putting the competing line at a pronounced cost disadvantage vis-a-vis Occidental or an acquiring firm in a similar situation. Yet the order, by permitting non-competing line mergers, takes no cognizance of these or any other sources of possible competitive injury.

A further objectionable feature of the ban in its present form is the failure of the order to provide an operational way of separating non-competing line asset acquisitions which hinder competition in other lines from those which do not. The order does not require Occidental to inform the Commission of non-competing asset acquisitions and hence it puts Occidental in the position of determining what constitutes a competing or non-competing line of commerce for purposes of deciding whether mergers are eligible for notification to the Commission. When in case after case the question of what constitutes the relevant line of commerce for purposes of defining competition has been shown to be a matter of real controversy, the ban contained in this order surrenders to Occidental the power to decide this vital question in an industry—chemicals—where common processes and common end uses can make the dividing lines a matter of real disagreement.

The terms of the order thus effectively result in an emasculation of the Commission's power to enforce any ban on Occidental. One can imagine other firms in future consent negotiations wanting these same non-competing line exemptions and the same self-policing powers as Occidental has here. This ban, by permitting this type of acquisition, in effect can act as a stimulant to objectionable non-competing line mergers and provides a virtually unassailable method of weakening a competitor by virtually au-

thorizing acquisitions of its non-competing lines.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondent named in the caption hereof, and the respondent having been furnished thereafter with a copy of a draft of complaint which the Bureau of Restraint of Trade proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent with violation of Section 7 of the Clayton Act, as amended; and

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

The Commission having thereafter considered the matter and having determined that it has reason to believe that the respondent has violated the said 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 Occidental Petroleum 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 10889 Wilshire Boulevard, Los Angeles, California, 90024.

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

ORDER

I

It is ordered, That respondent, Occidental Petroleum Corporation ("Occidental"), its officers, directors, agents, representatives, employees, subsidiaries, affiliates, successors, and assigns, within three (3) years from the effective date of this Order, shall

divest, absolutely and in good faith, subject to the approval of the Federal Trade Commission, all of the assets, properties, rights, and privileges, tangible and intangible, formerly used by Hooker Chemical Corporation in the manufacturing, marketing, distribution, and/or sale of diammonium phosphate and blended fertilizers, including, but not limited to, all plants located at Taft, Louisiana, Marseilles, Illinois, and elsewhere, equipment, machinery, inventory, customer lists, accounts receivable, trade names, trademarks, patents, technology, know-how, and goodwill, to the end that such divestiture will be accomplished in such manner that the divested assets will be operated as a going concern and effective competitor in the manufacturing and sale of diammonium phosphate and blended fertilizers.

II

It is further ordered, That, pending divestiture, Occidental shall not make or permit any deterioration in any of the plants, machinery, buildings, equipment, or other property or assets to be divested pursuant to this Order which may impair their present capacity or market value, unless such capacity or value is restored prior to divestiture.

III

It is further ordered, That Occidental and its subsidiaries for a period of five (5) years from the effective date of this Order, shall cease and desist from acquiring, directly or indirectly, without the prior approval of the Federal Trade Commission, the whole or any part of the stock, share capital, or assets or any domestic concern (which includes any foreign corporation doing business within the United States) where both Occidental or one of its subsidiaries and such concern are both engaged in either the manufacturing, mining, marketing, distribution, or sale of any product in the same line of commerce and where the proposed acquisition includes assets used in a competing line of business: *Provided,* That the prior approval of the Federal Trade Commission shall not be required in connection with routine purchases in the ordinary course of business of such items as materials, supplies, equipment, machinery, real estate, or interests in the oil, gas, or mineral deposits therein, except, that Occidental shall notify the Federal Trade Commission of any such acquisitions of interests in oil, gas, or mineral deposits from a domestic concern, in the ordinary course of business, within ten (10) days after the consummation date if the consideration paid for such interests exceeds $250,000.

IV

It is further ordered, That

(1) Within sixty (60) days from the effective date of this Order, and every sixty (60) days thereafter until the divestiture required by this Order has been completed, Occidental shall report in writing to the Federal Trade Commission its actions and progress in complying with the provisions of and in fulfilling the objectives of this Order and its plans for effecting such divestiture and the actions it has taken in implementation thereof, including, in addition to such other information as may be required, (a) the name, address and official capacity of the individual or individuals designated to carry out such divestiture and to negotiate with interested parties, (b) a brochure, presentation or other writing containing all of the essential information necessary to permit an interested party to evaluate the business to be divested, including a description and listing of its assets, (c) the efforts made and to be made in advertising and affirmatively announcing the availability of the business to be divested, (d) the particular efforts made to locate and interest prospective purchasers not previously engaged in the industry, (e) a summary of contacts and negotiations relating to the sale of the facilities ordered to be divested, including the identities of all parties expressing interest in the acquisition of the business to be divested and, subject to any legally recognized privilege, copies of all written communications pertaining to negotiations, offers to buy or indications of interest in the acquisition of the whole or any part of the business to be divested, and (f) copies of all agreements and forms of agreement relating directly or indirectly to proposed sale of the whole or any part of the business to be divested; and

(2) The respondent shall report in writing within sixty (60) days from the effective date of this Order, and every six (6) months thereafter setting forth in detail the manner and form in which it has complied, and is complying with Paragraph III of this Order.

It is further ordered, That Occidental shall forthwith distribute a copy of this Order to each of their operating divisions.

Commissioner Jones dissented and filed a statement.

IN THE MATTER OF

RHEALEE STORES, INC.

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

Docket C-1451. Complaint, Nov. 8, 1968—Decision, Nov. 8, 1968

Consent order requiring a Dallas, Texas, millinery retailer to cease falsely invoicing its fur products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Rhealee Stores, Inc., a corporation, hereinafter referred to as respondent, has violated the provisions of said Acts and the Rules and Regulations promulgated under the Fur Products Labeling Act, and it now 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 Rhealee Stores, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware.

Respondent is a retailer of millinery including fur products with its office and principal place of business located at 2040 Farrington, Dallas, Texas.

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

PAR. 3. Certain of said fur products were falsely and deceptively invoiced by the respondent 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 fur used in any such

fur product.

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

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

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

PAR. 5. The aforesaid acts and practices of respondent, 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 respondent named in the caption hereof, and the respondent having been furnished thereafter with a copy of a draft of complaint which the Bureau of Textiles and Furs proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent with violation of the Federal Trade Commission Act and the Fur Products Labeling Act; and

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

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

the following jurisdictional findings, and enters the following order:

1. Respondent Rhealee Stores, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 2040 Farrington, Dallas, 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 ordered, That respondent Rhealee Stores, Inc., a corporation, and its officers, and respondent's representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce, of any fur product; or in connection with the sale, advertising, offering for sale, transportation or distribution, of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from falsely or deceptively invoicing any fur product by:

1. Failing to furnish an invoice, as the term "invoice" is defined in the Fur Products Labeling Act, showing in words and figures plainly legible all the information required to be disclosed by each of the subsections of Section 5(b) (1) of the Fur Products Labeling Act.
2. Failing to set forth the term "natural" as part of the information required to be disclosed on an invoice under the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe such fur product which is not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.
3. Failing to set forth on an invoice the item number or mark assigned to such fur product.

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

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

IN THE MATTER OF

BELLEVUE LABORATORIES, INC., ET AL.

ORDER DISMISSING A COMPLAINT IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION ACT

Docket 8758. Complaint, March 6, 1968—Decision, Nov. 12, 1968

Order dismissing a complaint against a former Bellevue, Iowa, distributor of electric broilers and equipment charging use of deceptive means to recruit franchised dealers, the corporate respondent being dissolved and the individuals no longer in business.

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 Bellevue Laboratories, Inc., a corporation, and Leo P. Reistroffer, individually and as an officer of said corporation, and William B. Rice, individually and as a salesman for 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 Bellevue Laboratories, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Iowa, with its office and principal place of business located at 108 North Second Street, in the city of Bellevue, State of Iowa.

Respondent Leo P. Reistroffer is president and principal stockholder of the corporate respondent and maintains business offices at the same address as the corporate respondent. This individual respondent formulates, directs and controls the acts, policies and practices of the corporate respondent, including the acts and practices hereinafter set forth.

Respondent William B. Rice was a salesman of the corporate respondent. His address is 195 Roscoe Boulevard, Ponte Vedra, Florida, 32082. He cooperated in and effectuated the acts, policies and practices of the corporate respondent, including the acts and practices hereinafter set forth.

PAR. 2. Respondents Bellevue Laboratories, Inc., and Leo P. Reistroffer are now, and for some time last past have been, and respondent William B. Rice, during the time he was in the employ of corporate respondent, was engaged in the advertising, offering for sale, sale and distribution of electric broilers called "Charcoal-

Quartz Cook-Outs" and routes, licenses and franchises in relation thereto and food, supplies and equipment for use in connection therewith to members of the general public.

PAR. 3. In the course and conduct of their business respondents have caused said products, when sold, to be shipped from their place of business in the State of Iowa to purchasers thereof located in various other States of the United States and in the District of Columbia, and have maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their aforesaid business, and for the purpose of inducing the purchase of the "Charcoal-Quartz Cook-Out" and the other aforesaid business opportunities and products, respondents have made numerous statements and representations in oral sales presentations to prospective purchasers and in newspaper advertisements and promotional literature respecting profits, location of routes, character of business, selection of persons, nature of employment and investment and security of investment.

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

Everyone must eat. The food business is one of the safest, surest businesses on earth. It is permanent and depression proof.

Very unique and attractive cooking equipment is being used and locations will ask for this equipment. Locations will be plentiful.

There will be no need to wait six months or a year to build up your business. You start making a profit the very minute your "Cook-Outs" go on location.

Your mark-ups and your net profits are exceptionally high. Your average mark-up will be approximately 100 percent. Most businesses do not have such a large mark-up * * *.

Spare time: $400 extra per month opportunity for local man with car, for service route in spare time along with prssent job or business or full time with unlimited earnings. NO SELLING. All accounts established by us. $650 cash investment required for inventory and supplies.

Franchise distributor: Man or woman with car and $1,000 for inventory can make up to $200 per week and over. Spare time, parley [sic] to full time can make up to $50,000 per year and over, delivering our frozen foods to establish accounts. No selling or franchise fee.

Spare time—Full time: $400 to $800 per month possible for man with car to service route on weekends or evenings. NO SELLING. Can be worked full time with unlimited income. $590 to $1,475 cash required for inventory and supplies. Only honest, reliable person who can make and give decisions considered. Immediate income. No waiting or delays. Investigate this if you want something real good. NOT VENDING.

PAR. 5. By and through the use of the above quoted statements and representations, and others of similar import and meaning, but not specifically set forth herein, and through oral statements and representations to prospective purchasers, respondents have represented, directly or by implication, that:

1. Purchasers of respondents' products will obtain a business which is permanent and depression proof.

2. Purchasers will have no difficulty establishing or maintaining locations.

3. Persons investing $650 will earn $400 per month in their spare time, and those investing $1,000 will earn $200 per week and over and those investing $595 to $1,475 will earn $400 to $800 per month and other equally substantial earnings are assured to persons who purchase respondents' products and engage in business.

4. Respondents offer employment to persons responding to their advertisements.

5. In certain instances respondents have established accounts and routes for their products at the time the offer is made and in other instances respondents will establish profitable accounts and routes.

6. Any amount invested is secured by an inventory worth the amount invested and there is no risk of losing any part of the investment.

7. Persons selected by the respondents will not be required to engage in any kind of selling activity.

8. The offer is made only to selected persons.

PAR. 6. In truth and in fact:

1. The business opportunity offered by the respondents is not permanent and is not depression proof.

2. In most instances, purchasers of respondents' products who engage in business are unable to establish or maintain locations.

3. Persons investing $650 will not earn $400 per month in their spare time, and those investing $1,000 will not earn $200 per week and over, and those investing $595 to $1,475 will not earn $400 to $800 per month and substantial earnings are not assured to persons who purchase respondents' products and engage in business. Actually, persons purchasing respondents' products and engaging in business have made little or no profits.

4. Respondents do not offer employment to persons responding to their advertisments. Respondents' sole purpose and intent is to sell their products to such persons.

5. The respondents do not have established accounts or routes

at the time of the making of the offer of sale or at any time thereafter and do not establish profitable accounts or routes.

6. Invested sums of money are not secured by an inventory worth the amount invested and there is a real and substantial risk assumed by the purchaser of losing all or a substantial portion of the money invested.

7. Persons purchasing respondents' products are required to engage in extensive selling or soliciting in order to establish, operate and maintain locations for said products.

8. The offer is not made only to selected persons, but is open to anyone who has the money to purchase respondents' products.

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

PAR. 7. By and through the use of the corporate name, "Bellevue Laboratories, Inc.," separately and in conjunction with the above quoted statements and representations and others of similar import and meaning but not expressly set out herein, respondents have represented, directly or by implication, that they own, operate or control an appropriately equipped laboratory in which their products are developed and tested, or where research work in connection with their business is conducted by trained technicians, a fact of which the Commission takes official notice.

PAR. 8. In truth and in fact, the respondents do not own, operate or control any appropriately equipped laboratory in which their products are developed or tested, or where research work in connection with their business is conducted by trained technicians.

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

PAR. 9. By the aforesaid practices, respondents have placed in the hands of jobbers, retailers, dealers 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 hereinbefore alleged.

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

PAR. 11. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had the capacity and tendency to mislead members of the purchas-

ing public into the erroneous and mistaken belief that said statements and representations were and are true and into the purchase of substantial quantities of respondents' products by reason of said erroneous and mistaken belief.

PAR. 12. 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.

ORDER DISMISSING COMPLAINT

The hearing examiner having on October 24, 1968, certified the motion of complaint counsel, dated October 21, 1968, to dismiss the complaint in this matter on the grounds that further proceedings are not in the public interest; and the hearing examiner having determined that the corporate respondent has been legally dissolved, that the individual respondents are no longer engaged in the business referred to in the complaint, and that the resumption of the sale of the commodity involved in the complaint by the individual respondents appears to be remote; and it appearing to the Commission, in view of the factors mentioned and all the circumstances, that further proceedings in this matter would not be in the public interest:

It is ordered, That the complaint be, and it hereby is, dismissed.

IN THE MATTER OF

THE CHILD'S WORLD, INC., ET AL.

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

Docket C-1452. Complaint, Nov. 14, 1968—Decision, Nov. 14, 1968

Consent order requiring a Chicago, Ill., door-to-door seller of children's books and encyclopedias and its collection affiliate to cease misrepresenting that it is conducting surveys relating to children, that its reading programs are created by university training centers, and that its prices are reduced for a limited time, and to cease using collection letters which simulate court documents.

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 Child's World, Inc., a corporation, and Warren H. Ward, Jr., and J. Robert Coffield, individually and as officers or directors of said corporation, and Publishers Collection Service, 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 Child's World, 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 300 West Washington Street in the city of Chicago, State of Illinois.

Respondents Warren H. Ward, Jr., and J. Robert Coffield are individuals and are officers or directors of the corporate respondent, including the acts and practices hereinafter set forth. Their business address is the same as that of the corporate respondent, The Child's World, Inc.

Respondent Publishers Collection Service, 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 130 North Wells Street in the city of Chicago, State of Illinois.

PAR. 2. Respondents The Child's World, Inc., Warren H. Ward, Jr. and J. Robert Coffield are now, and for some time last past have been, engaged in the advertising, offering for sale, sale and distribution of children's books, encyclopedias and other books and a consultation service in connection therewith to the public.

Respondent Publishers Collection Service is now, and for some time last past have been, engaged in the business of operating a data processing center. Among other services rendered to its clients, it now, and at all times mentioned herein, has operated a collection service for and in conjunction with the respondents The Child's World, Inc., Warren H. Ward, Jr., and J. Robert Coffield.

PAR. 3. In the course and conduct of their business, as aforesaid, respondents The Child's World, Inc., Warren H. Ward, Jr., and J. Robert Coffield now cause, and for some time last past have caused, their said products, when sold, to be shipped from their suppliers, located in the State of Illinois, to purchasers thereof located in various other States of the United States, and maintain, and at all times mentioned herein have main-

tained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

In the course and conduct of its business, as aforesaid, respondent Publishers Collection Service for and in conjunction with respondents The Child's World, Inc., Warren H. Ward, Jr., and J. Robert Coffield, has engaged, and is now engaged, in extensive commercial intercourse in commerce among and between the various States of the United States, including the transmission and receipt of monies, checks, collection letters, forms, demands for payment, contracts and other written instruments and maintains, and at all times mentioned herein has maintained a substantial course of trade in commerce as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their aforesaid business, at all times mentioned herein, respondents have been in substantial competition in commerce with corporations, firms and individuals in the sale of encyclopedias, children's books and other books of the same general kind and nature as those sold by respondents and in the business of collecting delinquent accounts.

PAR. 5. In the course and conduct of their business, as aforesaid, respondents The Child's World, Inc., Warren H. Ward, Jr., and J. Robert Coffield sell said books at retail to the general public. Sales are made by the said respondents' agents, representatives or employees who contact prospective purchasers in their homes.

Said respondents have formulated, developed and carried out a plan for the purpose of selling said books. In furtherance of this plan, the said respondents supply their agents, representatives or employees with a "sales pitch" and material in connection therewith and instruct them to use and follow same. Said agents, representatives or employees employ said sales presentation and material in orally soliciting the purchase of respondents' books.

Said respondents, in said sales presentation and in advertising and promotional literature and other printed materials, and respondents' agents, representatives or employees, in the course of their sales talks, make many statements and representations concerning their own status and employment, the quality and characteristics, the offer and price of respondents' books. Some of these statements and representations are made orally by said agents, representatives or employees to prospective purchasers and some are contained in advertising and promotional literature displayed by said agents, representatives or employees to prospec-

tive customers.

PAR. 6. Through the use of such statements and representations and others similar thereto, but not specifically set forth herein, separately or in connection with the oral sales presentations of respondents' sales personnel as used variously by the said respondents in the advertising and promotion of their products, said respondents represent, and have represented, directly or by implication:

1. That respondents' sales personnel are visiting the homes of families who have small children for the purpose of conducting tests or surveys relating to children.

2. That respondents' sales personnel are "educational consultants" or "educational representatives."

3. That respondents' books, described as an Educational Program, was created by leading educators "in university training centers."

4. That the prices at which respondents' books and services are offered for sale are reduced, special, or introductory prices.

5. That respondents' offer of books and services at the claimed reduced, special or introductory price is limited as to time.

6. That an extra book, to be selected by the purchaser, is to be given free with the purchase of the Child's World Program, provided that the customer purchase said books and services at the first visit of the sales personnel.

7. That the sales personnel are instructed not to make return calls.

PAR. 7. In truth and in fact:

1. Respondents' sales personnel are not visiting the homes of families who have small children for the purpose of conducting tests or surveys, but for the purpose of selling respondents' books. Furthermore, respondents are not engaged in the conduct of surveys or tests in any manner.

2. Respondents' sales personnel are not "educational consultants" or "educational representatives" but sales personnel selling respondents' products.

3. Respondents' books, described as an Educational Program, were not created by leading educators "in university training centers" but were the work product of individual writers who dealt directly with the representatives of the respondents' organization.

4. The prices at which respondents' books and services are offered for sale are not reduced, special or introductory prices but are the usual and regular prices at which these books have been

sold by the respondents in the recent regular course of their business.

5. Respondents' offer of books and services at the claimed reduced, special or introductory price is not limited as to time; but can be obtained from the respondent at the same prices at any time.

6. An extra book, selected by the purchaser is given "free" regardless of whether the purchase of respondents' books and services are made on the first visit or a subsequent visit.

7. Respondents' sales personnel are not instructed that they should not make return calls. This representation is made to the prospective purchaser merely as a part of the "sales pitch" to close a quick sale. Respondents' representatives will return to complete a sale.

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

PAR. 8. In the course and conduct of their collection business, and for the purpose of inducing the payment of alleged delinquent accounts, respondents transmit and mail, and cause to be transmitted and mailed, to alleged delinquent debtors, various form letters, demands for payment and other printed materials.

Typical and illustrative of certain of respondents' collection forms, but not all inclusive thereof, are the following:

FINAL NOTICE BEFORE SUIT

Re: Claim of { The Child's World, Inc. ________________________ Creditor
vs.
____ Debtor }

TO THE ABOVE NAMED DEBTOR:

You will take notice that the above named creditor has a valid claim against you to the sum of ___________________ Dollars, for Child's World Books.

That although long overdue and duly demanded, the same has not been paid.

Now, therefore, unless you remit to the office of Publishers Collection Service, Inc., Chicago, Illinois, on or before the _______________ day of _______________, 19____ and make payment of said claim, suit will be brought immediately for the full amount with interest, together with the costs of said suit.

Dated at CHICAGO, ILLINOIS 60606 this _______________ day of _______________, 19____

PUBLISHERS COLLECTION SERVICE, INC.
130 No. Wells St.
Chicago, Ill.

AFFIDAVIT OF ACCOUNT

STATE OF ILLINOIS }
County of Cook }

I hereby certify that I am the Manager for the above mentioned Creditor, and that the above statement regarding this Debtor's account is correct to the best of his knowledge and belief.

R. J. TAYLOR
MANAGER

Subscribed and sworn to before me this ---------- day of ----------, 19----

LOUIS S. EARING
Notary Public

No.--------------------

FINAL NOTICE BEFORE SUIT

THE CHILD'S WORLD, INC.
Creditor

vs.

Debtor

NOTICE TO DEBTOR

Amount-------------------------------------- $-------------------

Interest____ $____________________

Total____ $____________________

PUBLISHERS COLLECTION SERVICE

130 No. Wells Street

Chicago, Ill.

DEMAND FOR PAYMENT

THE CHILD'S WORLD, INC., 300 W. Washington St., Chicago, Illinois 60606	CREDITOR
	vs.
	DEBTOR

TO THE ABOVE NAMED DEBTOR

TAKE NOTICE! That the above named CREDITOR hereby makes demand for the sum of $_______________with interest at the rate of 6 per cent per Annum.

NOW THEREFORE, unless said amount is paid to the creditor in the City of Chicago, County of Cook, State of Illinois, within 10 days from the date hereof; or you SHOW REASON why said claim is unpaid and make satisfactory adjustment thereof. Legal action will be necessary, incurring COSTS and EXPENSES in addition to amount of said claim. Dated at Chicago, Illinois 60606, this__________ day of _______________A.D., 19____

FINAL NOTICE

Publishers Collection Service, Inc., 130 North Wells Street, Chicago, Ill. 60606.

PAR. 9. By and through the use of the aforesaid forms and statements and representations set forth therein and others of similar import and meaning but not expressly set out herein, respondents represented, and now represent, directly or by implication that said "Final Notice Before Suit" and "Demand For Payment" documents in form and content are official documents duly issued or approved by a court of law.

PAR. 10. In truth and in fact, said "Final Notice Before Suit" and "Demand For Payment" forms are not official documents

duly issued or approved by a court of law, but on the contrary are wholly private in their origin.

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

PAR. 11. 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 such statements and representations were and are true and to enter into contracts for the purchase of and to purchase respondents' products because of such erroneous and mistaken belief.

Further, the use by respondents of the foregoing false, misleading and deceptive statements, representations and practices has had, and now has, the capacity and tendency to mislead a substantial number of debtors into the erroneous and mistaken belief that said statements and representations were, and are true and into the payment of monies because of such mistaken and erroneous belief.

PAR. 12. 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 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 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 The Child's World, 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 300 West Washington Street, in the city of Chicago, State of Illinois.

Respondents Warren H. Ward, Jr., and J. Robert Coffield are officers or directors of said corporation and their address is the same as that of said corporation.

Respondent Publishers Collection Service, 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 130 North Wells Street, in the city of Chicago, State of Illinois.

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

ORDER

It is ordered, That respondents The Child's World, Inc., a corporation, and its officers, and Warren H. Ward, Jr., and J. Robert Coffield, individually and as officers or directors of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of encyclopedias, children's books or any other books 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:

(a) Respondents' agents, representatives or employees are visiting the homes of families for the purpose of conducting tests or surveys or for any other purpose, other than the sale of books;

(b) Respondents' sales agents, representatives or employees are "educational consultants" or "educational representatives" or representing, in any manner, that

said personnel are anything other than sales personnel;

(c) Respondents' books, supplements, publications or supplementary services are an Educational Program created in or with the cooperation of "university training centers"; or misrepresenting, in any manner, the persons, organizations or educational institutions which assisted or participated in the formulation of the program, books or publications offered by respondents to prospective purchasers;

(d) Any price at which respondents' books, supplements, publications or supplementary services or other products are offered for sale is a special, reduced or introductory price: *Provided, however,* That it shall be a defense in any enforcement proceeding instituted hereunder for respondents to establish that said special or reduced price constitutes a substantial reduction from the price at which the aforesaid books, supplements, publications or supplementary services or other products were sold or offered for sale in good faith for a reasonably substantial period of time by respondents in the recent regular course of their business or that said introductory price applies to new material or a new combination of material and is less than the price to which the respondents in good faith expect to increase the price at a later date;

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

(f) An extra book, or any other product or service, is offered "Free" with the purchase of respondents' books or services provided the customer purchase said books or services at the first visit of the sales personnel or for any other reason: *Provided, however,* That it shall be a defense in any enforcement proceeding instituted hereunder for respondents to establish that "free" merchandise is offered only in connection with the said provision or reason and in good faith is adhered to.

(g) Sales personnel are instructed not to make return calls.

2. Misrepresenting, in any manner, the purpose, number, conditions or manner of salesmen's calls or return calls on purchasers or prospective purchasers.

3. Failing to deliver a copy of this order to cease and desist to all present and future supervisors or other persons engaged in the supervision or training of respondents' salesmen, failing to secure from each such supervisor or other person a signed statement acknowledging receipt of said order, failing to fully inform by a letter all present and future salesmen or other persons engaged in the sale of respondents' products or services of the terms and conditions of said order and failing to secure from each such sales person a signed statement acknowledging receipt of said letter.

It is further ordered, That respondents The Child's World, Inc., a corporation, and its officers, and Warren H. Ward, Jr., and J. Robert Coffield, individually and as officers or directors of said corporation, and Publishers Collection Service, Inc., a corporation, and its officers, and respondents' agents, representatives and employees, directly or through any corporate or other device in connection with the collection of, or attempts to collect, accounts, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

Using any unofficial or unauthorized document which simulates or is represented to be a document authorized, issued or approved by a court of law or any other official or legally constituted or authorized authority; or misrepresenting, in any manner, the source, authorization or approval of any document.

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

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

IN THE MATTER OF

ASSOCIATED SCHOOLS, INC., ET AL.

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

Docket C-1453. Complaint, Nov. 15, 1968—Decision, Nov. 15, 1968

Consent order requiring a school for training operators of bulldozers, cranes, and other heavy equipment located in Dade County, Fla., to cease misrepresenting that its courses are recognized industrywide, and graduates will qualify as operators of heavy equipment, obtain immediate employment at exaggerated earnings, and membership in labor unions without a period of apprenticeship.

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 Associated Schools, Inc., formerly known as Associated Heavy Equipment Schools, Inc., a corporation, and Joseph J. Miles, Charles L. Craig, and Elaine P. (Mrs. Joseph J.) Miles 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. Associated Schools, Inc., formerly known as Associated Heavy Equipment Schools, Inc., is a corporation, organized, existing and doing business under and by virtue of the laws of the State of Florida, with its principal office and place of business located at 9999 NE. Second Avenue in Miami, Dade County, State of Florida.

Respondents Joseph J. Miles, Charles L. Craig and Elaine P. (Mrs. Joseph J.) Miles are individuals and are officers of the corporate respondent. They formulate, direct and control the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. Their business address is the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale and distribution of courses of study and instruction purporting to train students thereof for employment as operators of bulldozers, cranes, graders, and other heavy equipment, said courses being pursued in part by correspondence through the United States mails and in part through resident training.

PAR. 3. In the course and conduct of their business, as aforesaid, respondents now cause, and for some time last past have caused, the home study portions of their said courses to be sent from their place of business in the State of Florida to purchasers thereof located in various other States of the United States.

Also in the course and conduct of their business, respondents now cause and for some time last past have caused their sales representatives to visit prospective purchasers of their courses in various States other than the State of Florida for the purpose of soliciting enrollments in respondents' courses. In the course of solicitation of purchasers of said courses, respondents sales representatives transmit enrollment contracts, checks, and other commercial instruments through the United States mails and by other means to respondents' place of business in the State of Florida from various other States. Respondents maintain, and at all times mentioned herein have maintained, a substantial course of trade in said study courses and business documents in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. Respondents obtain leads to prospective purchasers of their courses in various ways including advertisements in newspapers, magazines, and other periodicals, commercial solicitations broadcast over radio stations, and display cards placed in various business establishments. These various advertisements invite inquiries regarding respondents' courses. Persons responding to such advertisements are furnished by respondents with advertising and promotional material pertaining to their said courses, and subsequently such interested persons are solicited by respondents' sales representatives to enroll in the courses. In their sales presentation, representations are made orally by respondents' sales representatives and in advertising and promotional material displayed by said representatives to prospective students. These representations allegedly describe the nature and caliber of training of respondents' courses, the opportunities for employment available to persons completing said courses, the earnings of persons who obtain employment as a result of completing respondents' courses, and the assistance furnished by respondents to enrollees in obtaining employment. Said advertising and promotional material is furnished to said sales representatives by respondents.

PAR. 5. In and through the foregoing manner and means, respondents now represent and have represented, directly or by implication, that:

(1) Upon completion of respondents' courses, enrollees will be qualified for employment as operators of bulldozers, graders, draglines, cranes and other heavy equipment.

(2) Substantially all of the time spent by an enrollee in resident training will be devoted to the actual operation of the aforesaid heavy equipment by the enrollee.

(3) Respondents' training program is recognized and approved throughout the construction industry.

(4) By virtue of completing respondents' courses, enrollees qualify for admission to memberships in the various labor unions having jurisdiction over such skills, and that such training will entitle and enable such enrollees to be admitted by such unions as heavy equipment journeymen operators without the necessity of undergoing a union proficiency examination or a period of apprenticeship.

(5) By virtue of completing respondents' courses, enrollees can expect to obtain regular employment as heavy equipment operators at earnings of $165 a week. In other instances, respondents have represented that enrollees completing respondents' courses can earn $10,000 per annum.

(6) By virtue of completing respondents' courses, enrollees enter a labor market in which their services are in great demand.

(7) Persons completing respondents' courses can expect immediate and regular employment opportunities throughout the United States and foreign countries as a result of respondents' extensive nationwide contacts with employers seeking heavy equipment operators.

(8) Respondents receive numerous bona fide employment requests for heavy equipment operators from employers seeking persons who have completed respondents' courses.

(9) Persons completing respondents' courses can expect significant assistance from respondents in obtaining immediate and regular employment as heavy equipment operators.

(10) Respondents' salesmen are "field registrars."

PAR. 6. In truth and in fact,

(1) Upon completion of respondents' courses, enrollees will not be qualified for employment as operators of bulldozers, graders, draglines, cranes, and other heavy equipment.

(2) Enrollees who attend resident training programs conducted by respondents, do not spend substantially all of the time at the resident programs in the actual operation of heavy equipment. The time spent in the actual operations of such equipment is very limited and significantly less than respondents represent.

(3) Respondents' training program is not recognized or approved throughout the construction industry.

(4) By virtue of completing respondents' courses, enrollees do not qualify for admission to membership in various labor unions having jurisdiction over such skills. Furthermore, such training does not entitle and enable such enrollees to be admitted by such

unions as heavy equipment journeymen operators without undergoing a union proficiency examination or a period of apprenticeship.

(5) Upon completion of respondents' courses, enrollees cannot expect to obtain regular employment as heavy equipment operators at earnings of $165 a week or $10,000 per annum.

(6) By virtue of completing respondents' courses, enrollees do not enter a labor market in which their services are in great demand.

(7) Persons completing respondents' courses cannot expect immediate and regular employment opportunities throughout the United States and foreign countries as a result of respondents' extensive nationwide contacts with employers seeking heavy equipment operators. Actually respondents maintain few, if any, contacts with such employers.

(8) Respondents do not receive numerous bona fide employment requests for heavy equipment operators from employers seeking persons who have completed respondents' courses.

(9) Persons completing respondents' courses cannot expect significant assistance from respondents in obtaining immediate and regular employment as heavy equipment operators.

(10) Salesmen of respondents' courses are not "field registrars".

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

PAR. 7. In the course and conduct of their business, at all times mentioned herein, respondents have been in substantial competition in commerce with corporations, firms and individuals engaged in the sale of courses of study and instruction covering the same or similar subjects.

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

PAR. 9. The aforesaid acts and practices of respondents, as herein alleged, were and are all to the prejudice and injury of the

public and of respondents' competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce, in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

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

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

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

1. Respondent Associated Schools, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Florida, with its office and principal place of business located at 999 N.E. Second Avenue, Miami, Dade County, State of Florida. Respondent was formerly known as Associated Heavy Equipment Schools, Inc.

Respondents Joseph J. Miles, Charles L. Craig and Elaine P. (Mrs. Joseph J.) Miles are officers of said corporation and their address is the same as that of said corporation.

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

ORDER

It is ordered, That respondents Associated Schools, Inc., formerly known as Associated Heavy Equipment Schools, Inc., a corporation, and its officers, and Joseph J. Miles, Charles L. Craig and Elaine P. (Mrs. Joseph J.) Miles, individually and as officers of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of courses of study or instruction in heavy equipment operation or any other subject, trade or vocation, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

A. Representing, directly or by implication, that:

1. Upon completion of respondents' courses enrollees will be qualified for employment as operators of bulldozers, graders, draglines, cranes, or other heavy equipment; or misrepresenting, in any manner, the qualifications, training, or skill of persons completing respondents' courses of instruction.

2. Enrollees will spend substantially all of the time in the resident programs in the actual operation of heavy equipment; or misrepresenting, in any manner, the kind or amount of resident or other training afforded to purchasers of respondents' courses of instruction.

3. Respondents' training program is recognized or approved throughout the construction industry; or misrepresenting, in any manner, the recognition, approval or accreditation of respondents' school or courses or business.

4. By virtue of completing respondents' courses, enrollees will qualify for admission to membership in the various labor unions having jurisdiction over operators of heavy equipment; or that the training of respondents' courses will entitle and enable enrollees to be admitted to membership in labor unions as heavy equipment journeymen operators without the necessity of undergoing a union proficiency examination or a period of apprenticeship; or misrepresenting, in any manner, the opportunities of persons completing respondents' courses of instruction to become members of labor unions by virtue of having completed said courses.

5. Persons completing respondents' courses can expect to obtain employment by virtue of completing said courses as heavy equipment operators at earnings of $165 a week or $10,000 per annum; or that persons completing any of respondents' courses of training or instruction can expect to receive or will receive any amount of income or earnings: *Provided, however,* That it shall be a defense in any enforcement proceedings instituted hereunder for respondents to establish that persons completing respondents' courses of training or instruction in a certain occupation generally receive the represented amount by virtue of such training.

6. By virtue of completing respondents' courses, enrollees enter a labor market in which their services are in great demand; or misrepresenting, in any manner, the demand for heavy equipment operators; or misrepresenting, in any manner, the demand for employment of persons who complete respondents' courses.

7. Persons completing respondents' courses can expect immediate or regular employment opportunities throughout the United States and foreign countries as a result of respondents' extensive nationwide contacts with employers seeking heavy equipment operators; or misrepresenting, in any manner, the opportunities for employment in the United States and foreign countries of persons who complete respondents' courses; or misrepresenting, in any manner, respondents' contacts, connections, or affiliations with employers.

8. Respondents receive numerous bona fide employment requests for heavy equipment operators from employers seeking persons who have completed respondents' courses; or misrepresenting, in any manner, the number or kind of requests received by respondents for persons who have completed their courses of training or instruction.

9. Persons completing respondents' courses can expect significant assistance from respondents in obtaining immediate or regular employment as heavy equipment operators; or misrepresenting, in any manner, the kind, amount, or effectiveness of the assistance furnished to persons completing respondents' courses in seeking employment.

10. Salesmen of respondents' courses are "field regis-

trars"; or misrepresenting, in any manner, the title or status or position of respondents' salesmen or other representatives.

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

C. Furnishing to others the means, instrumentalities, services or facilities to mislead or deceive prospective purchasers of respondents' courses of instruction.

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

GEMINI ENTERPRISES, INC., ET AL.

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

Docket C-1454. Complaint, Nov. 20, 1968—Decision, Nov. 20, 1968

Consent order requiring a Brentwood, Mo., distributor of radio and television tube-testing machines and supplies to cease securing dealerships for its machines by making exaggerated earning claims, and misrepresenting location, service, and resale of its machines.

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 Gemini Enterprises, Inc., a corporation, and Richard Misemer, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Gemini Enterprises, Inc., 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 1750 Brentwood Boulevard, in the city of Brentwood, State of Missouri.

Respondent Richard Misemer is an individual and an officer of said corporation. He formulates, directs and controls the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. His address is the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale and distribution of radio and TV tube testing machines, tubes and the supplies and equipment used in connection therewith to purchasers at retail.

Said machines are intended to be located in various places such as service stations, grocery and drug stores where the public will test the tubes from their radio and television sets and purchase replacements for defective tubes.

PAR. 3. In the course and conduct of their business, as aforesaid, respondents now cause, and for some time last past have caused, said products, when sold, to be shipped from their place of business in the State of Missouri, and from the places of business of their suppliers to purchasers thereof located in various other States other than the State of origination, 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. Respondents' method of doing business is to insert newspaper advertisements in the classified advertisement section of newspapers and periodicals. Persons responding to said classified advertisements are then contacted by respondents or their employees, agents or representatives who display to the prospective purchaser a variety of promotional material and make various oral representations respecting the aforesaid articles of merchandise.

PAR. 5. In the course and conduct of their business as aforesaid, and for the purpose of inducing the purchase of said articles of merchandise, respondents have made, and are now making, numerous statements and representations in advertisements inserted in newspapers, in promotional material and in oral statements and representations by salesmen concerning the location and relocation of said testers, the profits, the training

and assistance and resale of the investment.

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

DISTRIBUTOR
For This Area

Recession—Depression Proof Business

Part-Time Work—For Extra Income Now! A chance to enter the multi-million dollar Electronics Replacement field. No experience required! Merely restock locations with world famous SYLVANIA or RCA radio, TV, and color tubes; sold through our new (1967 Model) self-service tube testers. Company guaranteed discounts in this repeat business assures exceptional and profitable income for our dealers. All accounts contracted for and set up, plus training and operating instructions by Company. Will not interfere with present business or occupation, as accounts can be serviced evenings or on weekends! Color TV creating enormous demand and surge in future sales throughout the industry.

Earning potential up to $500.00 per month or more, depending on size of route.

INVESTMENT OF $2,290.00 UP TO $3,600.00 IS REQUIRED. Also, a good car and 4 to 8 spare hours a week. If you are interested and meet these requirements: have a genuine desire to be self-sufficient and successful in an ever expanding business of your own, then write us today! U-TEST DIV. of GEMINI ENTERPRISES, Inc., 1750 Brentwood Blvd., Brentwood, Missouri 63144. Include phone number in resume.

OUR COMPANY INTEGRITY CAN WITHSTAND
THOROUGH INVESTIGATION.

PAR. 6. By and through the use of the above-quoted statements and representations, and others of similar import, but not expressly set out herein, separately and in connection with the oral statements and representations made by respondents or their representatives, respondents have represented, and are now representing, directly or by implication, that:

1. Respondents already have established routes or machines located at profitable locations at the time the offer of sale is made;

2. Respondents obtain top sales producing locations for the placement of tube testing machines purchased from them;

3. Persons investing $2,290 or more in said articles of merchandise can expect earnings of $500 or more per month;

4. A machine purchased from respondents will return the purchaser's complete investment therein within eight months to a year from the date of purchase;

5. Purchasers of respondents' machines will receive frequent and regular visits from respondents or their representatives;

and that they will provide training as to the operation of the machines and the methods to be used in servicing them;

6. Respondents will promptly relocate machines for purchasers at any time they prove unprofitable in their original locations;

7. If the purchaser becomes dissatisfied, or for any reason wishes to go out of business, the respondents will either accept a return of the machines and tube stock charging only a small percentage of their original cost or will help the purchaser to resell them.

PAR. 7. In truth and in fact:

1. Respondents do not have routes established or machines located at profitable locations at the time the offer of sale is made, but ship and locate machines only after final payment for said articles of merchandise is received.

2. Respondents do not obtain top income producing locations, but place most of the machines in small grocery or drugstores which have very little consumer traffic. The locations secured by respondents are usually undesirable, unsuitable and unprofitable.

3. Earnings in the amount $500 or more per month will not be realized by persons investing $2,290.00 or more. Persons investing the foregoing amounts in said articles purchased from respondents receive appreciably smaller returns on their investments;

4. In most instances, a machine purchased from respondents will not return the purchaser's complete investment within eight months to a year from the date of purchase, but will usually require a substantially longer period of time;

5. Purchasers of respondents' machines do not receive frequent or regular visits from respondents or their representatives; and the training received during such visits is limited;

6. In most instances, respondents do not relocate unprofitable machines for their purchasers. Relocation of said machines, if any, occurs only after a substantial delay;

7. Respondents do not accept the return of the machines or tube stock and do not help the purchaser to resell them regardless of the purchaser's reasons for going out of business. In fact, the purchaser must advertise for prospective leads, while respondents merely check out leads received. Such efforts may prove unsuccessful, or result in a sale at much less than the original investment.

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

and deceptive.

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

PAR. 9. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has, the tendency and capacity to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were and are true and into the purchase of substantial quantities of respondents' products 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 Bureau of Deceptive Practices proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act; and

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

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

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

1. Respondent Gemini Enterprises, Inc., 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 1750 Brentwood Boulevard, Brentwood, Missouri.

Respondent Richard Misemer is an officer of said corporation and his address is the same as that of said corporation.

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

ORDER

It is ordered, That respondents Gemini Enterprises, Inc., a corporation, and its officers, and Richard Misemer, individually and as an officer of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of radio and television tube testing devices or the tubes, supplies and equipment for use in connection therewith, or any other products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

A. Representing, directly or by implication, that:

1. Respondents' already have established routes or machines located at profitable locations at the time the offer of sale is made;

2. Respondents, their agents, representatives or employees will obtain chain store, top traffic or similar highly profitable locations for the machines purchased from them.

3. Purchasers investing $2,290 or more in respondents' tube testing devices and the tubes, supplies and equipment for use in connection therewith can expect earnings of $500 or more per month;

4. Persons investing in respondents' products will derive gross or net profits or other earnings in any stated amount or range of amounts: *Provided, however,*

That it shall be a defense in any enforcement proceeding instituted hereunder for respondents to establish that such represented profits or earnings were not in excess of those which have been usually and customarily earned by purchasers of said products who invest equivalent amounts.

5. A machine purchased from respondents will return the purchaser's complete investment therein within eight months to a year from the date of purchase; or misrepresenting in any manner the time within which a purchaser's investment will be returned.

6. Purchasers of respondents' machines or other products will receive frequent or regular visits from respondents or their representatives; or that respondents or their representatives will provide training, or other advice and assistance, in the operation of and the methods to be used in servicing respondents' said machines or any other products: *Provided, however,* That it shall be a defense in any enforcement proceeding instituted hereunder for respondents to establish that training, advice and assistance in the operation of and the methods to be used in servicing respondents' machines or other products were afforded to each purchaser to the extent of and in conformity with the representations made to the purchaser.

7. Respondents will relocate machines for purchasers at any time they prove unprofitable in their original locations: *Provided, however,* That it shall be a defense in any enforcement proceeding instituted hereunder for respondents to establish that said machines were relocated promptly for purchasers to the extent of and in conformity with the representations made to the purchaser.

8. If the purchaser becomes dissatisfied, or for any reason wishes to go out of the business, the respondents will accept a return of the machines and tube stock or will help the purchaser to resell them.

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

It is further ordered, That the respondent corporation shall

forthwith distribute a copy of this order to each of its operating divisions.

It is further ordered, That 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

WILLIAM SCHWARTZ & SON ET AL.

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

Docket C-1455. Complaint, Nov. 20, 1968—Decision, Nov. 20, 1968

Consent order requiring a New York City manufacturing furrier to cease misbranding, deceptively invoicing and falsely guaranteeing its fur products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that William Schwartz & Son, a partnership, and William Schwartz, Arthur Schwartz and Milton Schwartz, individually and as copartners trading as William Schwartz & Son, 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 William Schwartz & Son is a partnership organized, existing and doing business in the State of New York. Respondents William Schwartz, Arthur Schwartz and Milton Schwartz are copartners in the said partnership.

Respondents are manufacturers of fur products with their office and principal place of business located at 245 West 29th Street, New York, New York.

PAR. 2. Respondents are now and for some time last past have been engaged in the introduction into commerce, and in the manufacture for introduction into commerce, and in the sale,

advertising and offering for sale in commerce, and in the transportation and distribution in commerce, of fur products; and have manufactured for sale, sold, advertised, offered for sale, transported and distributed fur products which have been made in whole or in part of furs which have been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act.

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

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

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

PAR. 5. Certain of said fur products were misbranded in violation of the Fur Products Labeling Act in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder inasmuch as information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth on labels in abbreviated form, in volation of Rule 4 of said Rules and Regulations.

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

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

PAR. 7. Certain of said fur products were falsely and deceptively invoiced with respect to the name of the country of origin of imported furs used in such fur products, in violation of Section 5(b)(2) of the Fur Products Labeling Act.

Among such falsely and deceptively invoiced fur products, but not limited thereto, were fur products invoiced to show the

name of the country of origin as U.S.A. when the country of origin of such furs was, in fact, in some instances Denmark and in other instances Norway.

PAR. 8. 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 information required under Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth on invoices in abbreviated form, in violation of Rule 4 of said Rules and Regulations.

PAR. 9. Respondents furnished false guaranties that certain of the said fur products were not misbranded, falsely invoiced or falsely advertised when respondents in furnishing such guaranties had reason to believe that fur products so falsely guarantied would be introduced, sold, transported or distributed in commerce in violation of Section 10(b) of the Fur Products Labeling Act.

PAR. 10. The aforesaid acts and practices of respondents, as herein alleged, are in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder and constitute unfair methods of competition and unfair and deceptive acts and practices in commerce under the Federal Trade Commission Act.

DECISION AND ORDER

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

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

The Commission having thereafter considered the matter and

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

1. Respondent William Schwartz & Son is a partnership organized, existing and doing business in the State of New York, with its office and principal place of business located at 245 West 29th Street, New York, New York.

Respondent William Schwartz, Arthur Schwartz and Milton Schwartz are copartners in said partnership and their address is the same as that of said partnership.

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

ORDER

It is ordered, That respondents William Schwartz & Son, a partnership, and William Schwartz, Arthur Schwartz and Milton Schwartz, individually and as copartners of said partnership, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, or manufacture for introduction, into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce, of any fur product; or in connection with the manufacture for sale, sale, advertising, offering for sale, transportation or distribution of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding any fur product by:

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

2. Failing to affix labels to fur products showing in words and in figures plainly legible all the information required to be disclosed by each of the subsections of

Section 4(2) of the Fur Products Labeling Act.

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

B. Falsely or deceptively invoicing any fur product by:

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

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

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

It is further ordered, That respondents William Schwartz & Son, a partnership, and William Schwartz, Arthur Schwartz and Milton Schwartz, individually and as copartners of said partnership, and respondents' representatives, agents and employees, directly or through any corporate or other device do forthwith cease and desist from furnishing a false guaranty that any fur product is not misbranded, falsely invoiced or falsely advertised when the respondents have reason to believe that such fur product may be introduced, sold, transported or distributed in commerce.

It is further ordered, That 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

KIM FASHIONS, INC., ET AL.

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

Docket C-1456. Complaint, Nov. 20, 1968—Decision, Nov. 20, 1968

Consent order requiring three affiliated New York City clothing manufac-

turers to cease misbranding and falsely invoicing their fur and wool products and falsely guaranteeing their fur products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act and the Wool Products Labeling Act of 1939 and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Kim Fashions, Inc., a corporation, Styles By Heidi, Inc., a corporation, and Corette By Heidi, Inc., a corporation, and Hyman Deutchman, individually and as an officer of said corporations, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Fur Products Labeling Act and the Wool Products Labeling Act of 1939, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondents Kim Fashions, Inc., Styles By Heidi, Inc., and Corette By Heidi, Inc., are integrated corporations organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondent Hyman Deutchman is an officer of said corporations. He formulates, directs and controls the acts, practices and policies of the said corporations.

Respondents are manufacturers of fur products and wool products with their office and principal place of business located at 230 West 38th Street, New York, New York.

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

PAR. 3. Certain of said fur products were misbranded in that they were falsely and deceptively labeled to show that fur contained therein was natural, when in fact such fur was pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in vio-

lation of Section 4(1) of the Fur Products Labeling Act.

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

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

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

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

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

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

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

PAR. 9. 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. 10. 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 coats stamped, tagged, labeled, or otherwise identified by respondents as 100% Wool, whereas in truth and in fact, said products contained substantially different fibers and amounts of fibers than represented.

PAR. 11. Certain of said wool products were further misbranded by respondents in that they were not stamped, tagged, labeled, or otherwise identified as required under the provisions of Section 4(a) (2) of the Wool Products Labeling Act of 1939 and in the manner and form as prescribed by the Rules and Regulations promulgated under said Act.

Among such misbranded wool products, but not limited thereto, was a wool product with a label on or affixed thereto which failed to disclose the percentage of the total fiber weight of the said wool product, exclusive of ornamentation not exceeding 5 per centum of the 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. 12. The acts and practices of the respondents as set forth in Paragraphs Ten and Eleven 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 meaning of the Federal Trade Commission Act.

DECISION AND ORDER

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

Textiles and Furs proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act, the Fur Products Labeling Act and the Wool Products Labeling Act of 1939; and

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

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

1. Respondents Kim Fashions, Inc., Styles By Heidi, Inc., and Corette By Heidi, Inc., are corporations organized, existing and doing business under and by virtue of the laws of the State of New York, with their office and principal place of business located at 230 West 38th Street, New York, New York.

Respondent Hyman Deutchman is an officer of said corporations and his address is the same as that of said corporations.

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

ORDER

It is ordered, That respondents Kim Fashions, Inc., a corporation, and its officers, Styles By Heidi, Inc., a corporation, and its officers, and Corette By Heidi, Inc., a corporation, and its officers, and Hyman Deutchman, individually and as an officer of said corporations, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, or manufacture for introduction, into commerce, or the sale, advertising or offering for sale

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

A. Misbranding any fur product by:

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

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

B. Falsely or deceptively invoicing any fur product by:

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

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

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

It is further ordered, That respondents Kim Fashions, Inc., a corporation, and its officers, Styles By Heidi, Inc., a corporation,

and its officers, and Corette By Heidi, Inc., a corporation, and its officers, and Hyman Deutchman, individually and as an officer of said corporations, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, or manufacture for introduction, into commerce, or the offering for sale, sale, transportation, distribution, delivery for shipment or shipment, in commerce, of wool products, as "commerce" and "wool product" are defined in the Wool Products Labeling Act of 1939, do forthwith cease and desist from misbranding such products by:

1. Falsely and deceptively stamping, tagging, labeling, or otherwise identifying such products as to the character or amount of the constituent fibers contained therein.
2. Failing to securely affix to, or place on, each such product a stamp, tag, label, or other means of identification showing in a clear and conspicuous manner each element of information required to be disclosed by Section 4(a)(2) of the Wool Products Labeling Act of 1939.

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

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

IN THE MATTER OF

BEN W. COHEN FINERFUR, INC., ET AL.

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

Docket C–1457. Complaint, Nov. 21, 1968—Decision, Nov. 21, 1968

Consent order requiring a New York City manufacturing and retailing furrier to cease misbranding and falsely invoicing its fur products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Ben W. Cohen Finerfur, Inc., a

corporation, and Rae Cohen, Frances Feinberg and Moses Rosenberg, 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 Ben W. Cohen Finerfur, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondents Rae Cohen, Frances Feinberg and Moses Rosenberg are officers of the corporate respondent. They formulate, direct and control the acts, practices and policies of the said corporate respondent including those hereinafter set forth.

Respondents are manufacturers and retailers of fur products with their office and principal place of business located at 6 West 48th Street, New York, New York.

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

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

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

1. To show the true animal name of the fur used in any such fur product.

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

PAR. 4. Certain of said fur products were misbranded in violation of the Fur Products Labeling Act in that they were not

labeled in accordance with the Rules and Regulations promulgated thereunder in the following respects:

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

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

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

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

1. To show the true animal name of the fur used in any such fur product.

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

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

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

PAR. 7. Certain of said fur products were falsely and deceptively invoiced in violation of the Fur Products Labeling Act in that they were not invoiced in accordance with the Rules and Regulations promulgated thereunder in the following respects:

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

(b) The term "Persian Lamb" was not set forth on invoices in the manner required by law, in violation of Rule 8 of said Rules and Regulations.

(c) The term "natural" was not used on invoices to describe

fur products which were not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Rule 19(g) of said Rules and Regulations.

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

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

DECISION AND ORDER

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

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

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

1. Respondent Ben W. Cohen Finerfur, 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 6 West 48th Street, New York, New

York.

Respondents Rae Cohen, Frances Feinberg and Moses Rosenberg are officers of said corporation and their address is the same as that of said corporation.

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

ORDER

It is ordered, That respondents Ben W. Cohen Finerfur, Inc., a corporation, and its officers, and Rae Cohen, Frances Feinberg and Moses Rosenberg, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, or manufacture for introduction, into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce, of any fur product; or in connection with the manufacture for sale, sale, advertising, offering for sale, transportation or distribution, of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding any fur product by:

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

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

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

B. Falsely or deceptively invoicing any fur product by:

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

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

3. Setting forth information required under Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form.

4. Failing to set forth the term "Persian Lamb" in the manner required where an election is made to use that term instead of the word "Lamb."

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

6. Failing to disclose that such fur product contains or is composed of "Second-hand" used fur.

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

KAPLAN-SIMON CO., TRADING AS TAFFETA CO. OF AMERICA 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-1458. Complaint, Nov. 21, 1968—Decision, Nov. 21, 1968

Consent order requiring a Boston, Mass., jobber of interlining fabrics to cease misbranding 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