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FEDERAL TRADE COMMISSION
WASHINGTON, D. C. 20580

DEPARTMENT OF
COMMERCE

APPENDIX A

Dear

On January 4, 1975, the Federal Trade Commission Act was amended to provide that a person, partnership or corporation is liable for civil penalties of \$10,000 per violation for engaging in acts or practices which the Commission has determined to be deceptive or unfair in prior cease and desist proceedings. (15 U.S.C. §45(m)(1)(B)). A copy of the relevant statutory provision is attached.

This letter together with the enclosed Federal Trade Commission decisions is to inform you of certain practices regarding the advertising and packaging of toys which the Commission has found unlawful under Section 5(a)(1) of the Federal Trade Commission Act and to notify you of the potential liability of a business for civil penalties under the above described statutory provision if a business is in fact engaged in them. A brief summary of those determinations is as follows:

It is an unfair and deceptive act or practice to misrepresent the performance of a toy. Ideal Toy Corporation, Docket No. 8530, January 29, 1964.

It is an unfair and deceptive act or practice to use oversized containers, or to use pictures, depictions or written materials on containers, to create a false and misleading impression of the contents or quantities contained in them. Walco Toy Company, et al., Docket No. 8921, June 25, 1974.

In order to avert possible action by the Federal Trade Commission you should immediately insure that you are not engaged in any of the practices proscribed by the enclosed decisions.