

Complaint

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IN THE MATTER OF

JUICE MASTER MANUFACTURING CO., INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT*Docket C-1572. Complaint, Aug. 6, 1969—Decision, Aug. 6, 1969*

Consent order requiring an East Peoria, Ill., distributor of fruit and vegetable juice extractors to cease using deceptive guarantees in the sale of its products.

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 Juice Master Manufacturing Co., Inc., a corporation, and Lola Slagell, individually and as an officer of said corporation, and Lloyd D. Slagell, individually, hereinafter referred to as respondents, have violated the provisions of the 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 Juice Master Manufacturing Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware with its principal office and place of business located at 604 West Muller Road in the city of East Peoria, State of Illinois.

Respondent Lola Slagell is an individual and an officer of the corporate respondent. She formulates, directs and controls the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. Her address is the same as that of the corporate respondent.

Respondent Lloyd D. Slagell is an individual and an officer of a corporation that owns or controls the assets of the said corporate respondent. He participates with the said corporate officer in formulating, directing and controlling 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 distri-

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bution of fruit and vegetable juice extractors directly to the public and to distributors and retailers for resale to the public.

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

PAR. 4. In the course and conduct of their aforesaid business, and for the purpose of inducing the purchase of their products, the respondents have made, and are now making, numerous statements in advertisements inserted in magazines and in promotional material with respect to their product guarantees or warranties.

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

ATLAS JUICE MASTER

* * *

fully guaranteed * * *

* * * * *
 Unconditional lifetime guarantee against failure resulting from defective parts or workmanship (excepting the cutting blade which has a one year warranty). This guarantee applies to the original purchaser only.

PAR. 5. By and through the use of the above-quoted statements and representations, and others of similar import and meaning but not expressly set out herein, the respondents have represented, and are now representing, directly or by implication, that their products are guaranteed or warranted without condition or limitation.

PAR. 6. In truth and in fact, respondents' guarantees or warranties of their products are subject to conditions and limitations which are not revealed in their advertised guarantees or warranties.

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

PAR. 7. In the course and conduct of their aforesaid business, and at all times mentioned herein, respondents have been, and now are, in substantial competition, in commerce, with corpora-

tions, firms and individuals in the sale of fruit and vegetable juice extractors of the same general kind and nature as those sold by respondents.

PAR. 8. By and through the use of the aforesaid acts and practices, respondents place in the hands of distributors, retailers 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 hereinabove alleged.

PAR. 9. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has, the capacity and tendency to mislead members of the 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 thirty (30) days, now in further conformity with the procedure

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

1. Respondent Juice Master Manufacturing Co., 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 604 West Muller Road, in the city of East Peoria, State of Illinois.

Respondent Lola Slagell is an individual and officer of said corporation and her address is the same as that of said corporation.

Respondent Lloyd D. Slagell is an individual and an officer of a corporation that owns or controls the assets of the corporate respondent 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, Juice Master Manufacturing Co., Inc., a corporation, and its officers, and Lola Slagell, individually and as an officer of said corporation, and Lloyd D. Slagell, individually, 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 fruit and vegetable juice extractors or other products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication, that their products are guaranteed unless all of the essential terms and conditions of the guarantee, including its nature and extent, the name and address of the guarantor, and the manner in which the guarantor will perform thereunder, are clearly and conspicuously disclosed in immediate conjunction therewith.

2. Furnishing or otherwise placing in the hands of others any means or instrumentality by or through which they may mislead or deceive the public in the manner or as to the things prohibited by this order.

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

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

IN THE MATTER OF

AARON'S, INC., ET AL.

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

Docket C-1573. Complaint, Aug. 6, 1969—Decision, Aug. 6, 1969

Consent order requiring a Falls Church, Va., retailer of television and radio sets to cease using bait advertising, making deceptive offers of free merchandise, inducing purchasers to sign partially completed contracts, and failing to disclose that sales contracts may be negotiated to third parties.

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 Aaron's, Inc., a corporation and Harry Baron and Irene Baron, 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. Aaron's, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the Commonwealth of Virginia, with its principal office and place of business located at 440 South Washington Street in the city of Falls Church, Commonwealth of Virginia.

Respondents Harry Baron and Irene Baron are individuals and are officers of the corporate respondent. They formulate, direct and control the acts and practices of the corporate respondent, in-

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

PAR. 2. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale and distribution of televisions, stereos, radio, television and phonograph combination sets and other articles of merchandise to the public.

PAR. 3. In the course and conduct of their business as aforesaid, respondents now cause, and for some time last past have caused, their said products, when sold, to be shipped from their place of business in the Commonwealth of Virginia to the purchasers thereof located in various other States of the United States and in the District of Columbia, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said 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 certain televisions and television, radio and phonograph combinations, the respondents have made, and are now making, numerous statements and representations in advertisements inserted in newspapers, of which the following are typical and illustrative, but not all inclusive thereof:

FREE HOME DEMONSTRATION

CALL 538-2920 Now

Home Demo. Hours: Daily and Sunday 9 a.m. to 10:00 p.m.

Store Hours: Daily 9:30-6:00—Fri. 9:30-9:00

282 sq. in. T.V. RADIO PHONO COMB.

Complete With VHF-UHF Famous Brand

[Picture of television set] \$159 with old set

FREE WITH YOUR
PURCHASE \$50 WORTH
LP STEREO RECORDS

NO MONEY DOWN
with Old Set in Trade
NO PAYMENTS FOR 46 DAYS
QUALIFIED PURCHASERS

FANTASTIC VALUE

267 SQ. IN. ADMIRAL COLOR

[Picture of television set]

Consolette Base Optional

Admiral presents brilliant color highlights
with sharper, crisply defined images, in
vivid COLOR as well as in Black and
White TV. You see the full picture—
Exactly what the TV camera sees.

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\$259

With Trade

NO MONEY DOWN With Old Set in
Trade. No Payment for 46 Days.CALL NOW
533-2920

AARON'S

440 WASHINGTON ST.

14 years serving Washington area—

FREE

set walkie-talkies or
16-transistor radio
with purchase of any
console TV

FREE

Your Choice
electric percolator or
electric portable mixer
with purchase of any
console TV.

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

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

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

3. Purchasers of the advertised television, radio, phonograph combination will receive free with their purchase, \$50 worth of LP stereo records.

4. Purchasers of the advertised console television sets will receive with their purchase, a free set of walkie-talkies, a free 16-transistor radio, or their choice of a free electric percolator or portable mixer.

PAR. 6. In truth and in fact:

1. The offers set forth in said advertisements were not bona fide offers to sell the advertised products at the prices and on the terms and conditions stated. Respondents' salesmen, who called at home upon persons responding to said advertisements, did not display the advertised products. Instead, respondents' salesmen disparaged the advertised products and attempted to sell a higher

priced product. By these and other tactics, purchase of an advertised product was discouraged and respondents frequently sold a higher priced product.

2. In a number of instances, the respondents did not have sufficient quantities of the advertised products available for purchase.

3. Purchasers of the advertised television, radio, phonograph combination did not receive \$50 worth of the stereo records free.

4. Purchasers of the advertised console television sets did not receive with their purchase a free set of walkie-talkies, a free 16-transistor radio, or their choice of a free electric percolator or portable mixer.

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

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

1. In a number of instances, respondents have induced purchasers of their merchandise to sign blank conditional sales contracts and other instruments which respondents later complete as to prices, terms and product information.

2. In a number of instances, respondents have failed to disclose to the purchaser the material fact that the conditional sale contract and promissory note executed by such purchasers may, at the option of respondents, be negotiated or assigned to a finance company to which the purchaser will be indebted.

3. In a number of instances, respondents have failed to supply purchasers with a copy of the executed conditional sales contract and promissory note at the time of the consummation of the sale.

4. In a number of instances, respondents have failed to disclose all applicable interest, finance, credit, service, or carrying charges to the purchaser.

PAR. 8. In the conduct of their business, at all times mentioned herein, respondents have been in substantial competition, in commerce, with corporations, firms and individuals in the sale of television sets, stereos, and radio, television, phonograph combinations and other articles of merchandise 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 capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were and are true and into the purchase of substantial quantities of respondents' merchandise by reason of said erroneous and mistaken belief.

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

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished 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 Aaron's, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the Commonwealth of Virginia, with its principal place of business

located at 440 South Washington Street, in the city of Falls Church, Commonwealth of Virginia.

Respondents Harry Baron and Irene Baron 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 Aaron's, Inc., a corporation, and its officers, and Harry Baron and Irene Baron, 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 television sets, television, radio and phonograph combinations, or other 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 merchandise.

2. Discouraging the purchase of, or disparaging, any of the respondents' merchandise which is advertised or offered for sale.

3. Representing, directly or by implication, that specified products are offered for sale, unless such offer is bona fide and unless sufficient quantities are available in stock to satisfy reasonably anticipated demand: *Provided, however*, That items available only in limited supply may be advertised if such advertising clearly and conspicuously discloses the number of units in stock and the duration of the offer.

4. Representing, directly or by implication, that free merchandise will be given to purchasers of products, unless such free merchandise is tendered or delivered to the purchasers in every instance.

5. Inducing or causing purchasers or prospective purchasers of respondents' merchandise to sign blank or partially completed conditional sale contracts, or any other contractual instruments not fully filled out and completed.

6. Failing to disclose in writing, prior to the execution of any evidence of indebtedness by the purchaser, and with such conspicuousness and clarity as is likely to be observed and read by the purchaser, that such evidence of indebtedness may be, at respondents' option and without notice to the purchaser discounted, negotiated or assigned to a third party to whom the purchaser will be thereafter indebted and against whom the purchaser's claims or defenses may or may not be available.

7. Failing or refusing to supply purchasers of respondents' merchandise with a copy of the executed conditional sales contract, promissory note or other agreement at the time of execution by the purchaser.

8. Failing or refusing to disclose the exact amount of the total purchase price of merchandise including all interest, taxes, finance, credit, service or carrying charges, at the time the contract is executed by the purchasers.

9. 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 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

MATTRESSES, INC., ET AL.

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

Docket C-1574. Complaint, Aug. 6, 1969—Decision, Aug. 6, 1969

Consent order requiring a Baltimore, Md., retailer of mattresses and box springs to cease using fictitious pricing, bait offers, and false health claims, misrepresenting that its products are patented, and failing to disclose all financial details of its sales contracts.

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 Mattresses, Inc., a corporation, and Paul Feldman, 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 Mattresses, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Maryland with its office and principal place of business formerly located at 4030 W. Garrison Avenue in the city of Baltimore, Maryland, and with present address of 6813 Huntington Drive, Baltimore, Maryland.

Respondent Paul Feldman is an individual and an officer of said corporate respondent. He formulates, directs and controls the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. His business address is the same as that of the corporate respondent. His residence address is 8606 Bramble Lane in Randallstown, Maryland.

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

PAR. 3. In the course and conduct of their business, the respondents for some time last past have caused their said products, when sold, to be shipped from their place of business in the State of Maryland to purchasers thereof located in the District of Columbia and the State of Virginia, and all times mentioned herein have maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business as aforesaid and for the purpose of inducing the purchase of said mattresses and box springs, respondents have represented, directly or by implication, the following:

1. That they are working in conjunction with a Physical Fitness and Health Program.
2. That their "health representatives" will call on prospective customers and demonstrate respondents' "new health mattress."

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3. That they are making a bona fide offer to sell mattresses at a reduced or special sale price of \$22.50 for a limited time only and that purchasers of such mattresses realize a savings from respondents' regular selling price.

4. Through the use of the words or terms "orthopedic," "health," "orthopedic type," "health mattress," and other words or terms of similar import not set forth herein, that certain of respondents' mattresses and box springs have been specially designed and constructed so as to prevent, correct or afford substantial relief to a body deformity or deformities, and accord with recommendations of orthopedic authorities respecting design and construction of such products for the prevention, correction or relief of such deformity or deformities.

5. Through the use of the words or terms "custom," "custom made," "custom built," and other words or terms of similar import that respondents' mattresses and box springs have been specially designed and constructed in accordance with specifications furnished by individual purchasers or users prior to manufacture of said mattresses and box springs.

6. That with respect to the prices of the "Golden Lyne" mattresses and box springs, these products are being offered for sale or sold at a special, reduced, or discount price and that savings are thereby afforded purchasers from respondents' regular selling prices.

7. Through the use of an advertisement appearing in the Maryland State Medical Journal, the official publication of the Medical and Chirurgical Faculty of the State of Maryland, that the design and construction of respondents' "Golden Lyne" bedding have been approved by said Faculty and by reason thereof have preventive or therapeutic properties.

8. By and through the use of the words "Protected By United States Patent No. 2,227,685," that their bedding products are protected by a patent issued to them by the United States Patent Office, or the respondents are authorized to use such patent number which was issued to another party.

PAR. 5. In truth and in fact:

1. Respondents are not working in conjunction with any physical fitness and health programs and are only in the business of advertising, selling, and distributing bedding products.

2. Respondents do not employ any "health representatives" but employ salesmen, who are not qualified to be referred to as

"health representatives," who call on customers and demonstrate a mattress which has no therapeutic or preventive properties and should not be referred to as a "health mattress."

3. Respondents' offers are not bona fide offers to sell the said "health mattress" at the aforesaid price, but are made for the purpose of obtaining leads to persons interested in the purchase of mattresses and box springs. After obtaining such leads, respondents' salesmen or representatives call upon such persons at their homes and disparage the aforementioned mattress and otherwise discourage the purchase thereof and attempt to sell, and frequently do sell, different and more expensive mattresses and box springs. The offer set forth above, is not for a limited time only, and said mattresses are offered regularly at the represented price.

4. Respondents' mattresses and box springs have not been specially designed and constructed so as to prevent, correct or afford substantial relief to body deformity or deformities nor do said mattresses accord with recommendations or orthopedic authorities respecting design and construction for prevention, correction or relief of such deformities.

5. Certain of the mattresses represented by respondents as being custom made are not specially designed in accordance with specifications furnished prior to manufacture by individual purchasers or users of their mattresses or box springs.

6. Respondents' "Golden Lyne" bedding products are not being offered for sale at special or reduced prices and no savings are realized by respondents' customers.

7. No Medical and Chirurgical Faculty or any chiropractic association or society has approved the design or construction of any of respondents' bedding products, nor has such design or construction been approved by any practitioner of medicine, orthopedics or chiropractic.

8. None of the respondents' bedding products, nor any material part thereof, are protected by a United States patent issued to the respondents, nor are the respondents authorized or licensed by the owners of United States Patent No. 2,227,685 to use such patent number, which has since expired.

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

PAR. 6. In the course and conduct of their business as aforesaid and for the purpose of inducing the purchase of said mattresses and box springs, respondents (A) have had customers execute

conditional sales contracts and other negotiable instruments in blank and (B) have failed to disclose orally and in writing at the time of sale, all of the terms and conditions of the negotiable instrument to be signed, including but not limited to, the finance charge, rate of interest, and insurance charge.

PAR. 7. In the conduct of their business at all times mentioned herein, respondents have been in substantial competition, in commerce, with corporations, firms and individuals in the sale of mattresses, box springs and other bedding products of the same general kind and nature as those sold by the respondents.

PAR. 8. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were and are true and into the purchase of substantial quantities of respondents' products 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 Mattresses, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Maryland, with its office and principal place of business formerly located at 4030 West Garrison Avenue, in the city of Baltimore, Maryland, and with present address of 6813 Huntington Drive, Baltimore, Maryland.

Respondent Paul Feldman is an officer of said corporation and his business address is the same as that of said corporation. His residence address is 8606 Bramble Lane in Randallstown, Maryland.

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

ORDER

It is ordered, That respondents Mattresses, Inc., a corporation, and its officers, and Paul Feldman, individually and as an officer of said corporation, and respondents' agents, representatives, and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale, or distribution of mattresses, box springs, or any other product in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication, that the respondents or their representatives are affiliated with or are working in conjunction with a physical fitness or health program, or that the respondents or their representatives are "health representatives," or representing in any manner that respondents or their representatives, agents, or employees are contacting members of the public for any purpose other than the sale of merchandise.

2. 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 merchandise.

3. Making representations purporting to offer merchandise for sale when the purpose of the representation is not to sell the offered merchandise but is to obtain leads or prospects for the sale of other merchandise at higher prices.

4. Discouraging the purchase of, or disparaging, any merchandise which is advertised or offered for sale.

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

6. Representing, directly or by implication, that any article of merchandise is offered for sale or sold at a special price, reduced price, or a discount price unless such price constitutes a significant reduction from the respondents' established selling price at which such merchandise has been sold in substantial quantities by respondents in the recent regular course of their business.

7. Representing, directly or by implication, that any article of merchandise offered for sale is limited in time or in any other manner unless any represented limitation or restriction is actually imposed and in good faith adhered to.

8. Misrepresenting, directly or indirectly, in any manner the savings realized by purchasers of respondents' merchandise.

9. Using the words or terms "orthopedic," "health," or any other words or terms of similar import or meaning as descriptive of mattresses or any other bedding product not specially designed and constructed so as to prevent, correct, or afford substantial relief to a body deformity or deformities, and not in accord with recommendations of an orthopedic authority or authorities respecting the design or construction of such product for the prevention, correction, or relief of a body deformity or deformities.

10. Representing, directly or by implication, that the design or construction of their products has been approved by a practitioner or practitioners of medicine, orthopedics or chiropractic.

11. Using the word "custom" or the phrases "custom made," "cusom built," or any other words or phrases of simi-

lar import or meaning as descriptive of stock merchandise; or misrepresenting, directly or by implication, that their bedding products have been specially designed and constructed in accordance with specifications furnished by the purchasers or users prior to manufacture.

12. Representing, directly or by implication, that bedding products, or any material part thereof, are protected by United States Patent Number 2,227,685, or falsely representing, in any manner, that bedding products, or any material part thereof, are protected by a United States patent or that the respondents are authorized to use a patent issued to another party.

13. Failing to disclose orally at the time of sale and in writing to each customer who executes a conditional sales contract, promissory note, or other negotiable instrument, with such conspicuousness and clarity as is likely to be read and observed by the customer all of the following items:

- (a) The cash price of the merchandise purchased.
- (b) The sum of any amounts credited as downpayment (including any trade-in).
- (c) The difference between the amount referred to in paragraph (a) and the amount referred to in paragraph (b).
- (d) All other charges, individually itemized, which are included in the amount of the credit extended but which are not part of the finance charge.
- (e) The amount to be financed (the sum of the amount described in paragraph (c) plus the amount described in paragraph (d)).
- (f) The amount of the finance charge.
- (g) The finance charge expressed as an annual percentage rate.
- (h) The total credit price (the sum of the amounts described in paragraph (e) plus the amount described in paragraph (f)) and the number, amount, and due dates or periods of payments scheduled to pay the total credit price.
- (i) The default, delinquency, or similar charges payable in the event of late payments as well as all other consequences provided in the sales or credit agreements for late or missed payments.

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(j) A description of any security interest held or to be retained or acquired by respondent in connection with the extension of credit, and a clear identification of the property to which the security interest relates.

For the purpose of this paragraph, the definition of the term "finance charge" and computation of the annual percentage rate is to be determined under Sections 106 and 107 of Public Law 90-321, the "Truth in Lending Act," and the regulations promulgated thereunder.

14. 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' merchandise, and failing to secure from each such salesman or other person a signed statement acknowledging receipt of said order.

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

IN THE MATTER OF

LEBANON KNITTING MILL, INC., ET AL.

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

Docket C-1575. Complaint, Aug. 6, 1969—Decision, Aug. 6, 1969

Consent order requiring a Pawtucket, R.I., knitting mill to cease misbranding the fiber content of its wool products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission 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 Lebanon Knitting Mill, Inc., a corporation, and Clinton Grossman and Stanley Grossman, individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Wool Products Labeling Act of 1939, and it appearing to the Commis-

sion 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 Lebanon Knitting Mill, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Rhode Island. Its office and principal place of business is located at 721 School Street, Pawtucket, Rhode Island.

Respondents Clinton Grossman and Stanley Grossman are officers of said corporate respondent. They formulate, direct and control the acts, practices and policies of said corporation. Their address is the same as that of said corporation.

Respondents are manufacturers of wool products.

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

PAR. 3. Certain of said wool products were misbranded by 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 certain wool products which were stamped, tagged, labeled, or otherwise identified as containing "Wool and Rabbit Hair," whereas in truth and in fact, said wool products contained other fiber than represented.

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

Among such misbranded wool products, but not limited thereto, were certain wool products which failed to disclose the percentage of the total fiber weight of the wool product, exclusive of ornamentation not exceeding 5 per centum of said total fiber

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weight, of (1) wool; (2) reprocessed wool; (3) reused wool; (4) each fiber other than wool, when said percentage by weight of such fiber was 5 per centum or more; and (5) the aggregate of all other fibers.

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

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of 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 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 described 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 Lebanon Knitting Mill, Inc., is a corporation organized, existing and doing business under and by virtue of the

laws of the State of Rhode Island, with its office and principal place of business located at 721 School Street, Pawtucket, Rhode Island.

Respondents Clinton Grossman and Stanley Grossman are officers of corporate respondent 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 Lebanon Knitting Mill, Inc., a corporation, and its officers, and Clinton Grossman, and Stanley Grossman, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, or the manufacture for introduction, into commerce, or the offering for sale, sale, transportation, distribution, delivery for shipment, in commerce, as 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 or 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 correctly 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 corporation shall forthwith distribute a copy of this order to each of its operating divisions.

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

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IN THE MATTER OF

CARPETVILLE, 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 8764. Complaint, July 3, 1968—Decision, August 7, 1969

Consent order requiring a Penndel, Pa., former retailer of carpeting to cease misbranding, falsely advertising, and deceptively guaranteeing its textile fiber products.

COMPLAINT

Pursuant to 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 Carpetville, Inc., a corporation, and Broadloom Distributors, Inc., a corporation, and Sidney Soifer and Philip Bohm, individually and as officers of Carpetville, Inc., and Broadloom Distributors, Inc., and Allan Portnoy and Burton Snyder, individually and as officers of Broadloom Distributors, Inc., 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 Carpetville, Inc., is a corporation which was organized, existed and did business under and by virtue of the laws of the Commonwealth of Pennsylvania and was engaged in the retail sale of carpeting with its office and principal place of business located at 2026 Hunting Park Avenue, Philadelphia, Pennsylvania.

Respondent Broadloom Distributors, Inc., is a corporation which was organized, existed and did business under and by virtue of the laws of the Commonwealth of Pennsylvania, and was engaged in the retail sale of carpeting, with its office and principal place of business located at 397 West Lincoln Highway, Penn-
del, Pennsylvania.

Respondents Sidney Soifer and Philip Bohm are officers of Carpetville, Inc., a corporation, and of Broadloom Distributors, Inc.,

a corporation. They were primarily responsible for formulating, directing and controlling the policies, acts and practices of said corporations. The address of respondent Sidney Soifer is 3462 Bristol Pike, Cornwall Heights, Pennsylvania. The address of respondent Philip Bohm is 1319 Cardeza Street, Philadelphia, Pennsylvania.

Respondents Allan Portnoy and Burton Snyder, are officers of Broadloom Distributors, Inc., a corporation. They cooperated and were equally responsible with Sidney Soifer and Philip Bohm for formulating, directing and controlling the policies, acts and practices of said corporation. Their address is 3462 Bristol Pike, Cornwall Heights, Pennsylvania.

The aforesaid corporations appear to be inactive although according to the records of the Commonwealth of Pennsylvania, no proceedings in merger, sale or dissolution have been filed with respect to either of the aforementioned corporations.

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

Among such misbranded textile fiber products but not limited thereto, were floor coverings which were falsely and deceptively advertised in newspapers published in various cities of the United States and having a wide circulation in various other States of the United States. Among such newspapers, but not limited thereto, was The Philadelphia Sunday Inquirer, a newspaper published in the city of Philadelphia, Commonwealth of Pennsylvania, in that the respondents in disclosing the fiber content in-

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formation as to floor coverings, containing exempted backings, fillings, or paddings, failed to set forth such fiber content information in such a manner as to indicate that it applied only to the face, pile or outer surface of any such floor covering and not to be exempted backings, fillings or paddings.

PAR. 4. Certain of said textile fiber products sold by means of samples, swatches or specimens, and unaccompanied by an invoice or other paper showing the information required to appear on the label, were further misbranded by the respondents, in that there was not on or affixed to said textile fiber products any stamp, tag, label, or other means of identification showing the required information in violation of Section 4(b) of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated under such Act.

PAR. 5. 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 such textile fiber products but not limited thereto were textile fiber products which were falsely and deceptively advertised in the following respect by means of advertisements placed by respondents in newspapers published in various cities of the United States and having a wide circulation in various other States of the United States. Among such newspapers, but not limited thereto, was The Philadelphia Sunday Inquirer, in that respondents in disclosing the required fiber content information as to floor coverings, containing exempted backings, fillings, or paddings, failed to set forth such fiber content information in such a manner as to indicate that it applied only to the face, pile or outer surface of any such floor covering and not to exempted backings, fillings or paddings.

PAR. 6. Certain of said textile fiber products were falsely and deceptively advertised in violation of the Textile Fiber Products Identification Act, in that they were not advertised in accordance with the Rules and Regulations promulgated thereunder.

Among such textile fiber products, but not limited thereto, were textile fiber products which were falsely and deceptively adver-

tised in the following respects by means of advertisements placed by respondents in newspapers published in various cities of the United States having a wide circulation in various other States of the United States. Among such newspapers but not limited thereto, was The Philadelphia Sunday Inquirer, published in the city of Philadelphia, Commonwealth of Pennsylvania, in that:

(a) 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 coverings and not to the backings, fillings, or paddings, in violation of Rule 11 of the aforesaid Rules and Regulations.

(b) All parts of the required information were not set forth in immediate conjunction with each other in legible and conspicuous type of lettering of equal size and prominence, in violation of Rule 42(a) of the aforesaid Rules and Regulations.

PAR. 7. The acts and practices of the 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.

PAR. 8. In the course and conduct of their business respondents now cause and for some time last past have caused, their said products, when sold, to be shipped from the respondents' suppliers to purchasers thereof located in various 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. 9. In the course and conduct of their business the respondents have caused their said textile fiber products to be offered for sale in newspapers published in various cities of the United States. Among such newspapers, but not limited thereto, were various editions of The Philadelphia Sunday Inquirer, a newspaper published in the city of Philadelphia, Commonwealth of Pennsylvania.

PAR. 10. Respondents, in the course and conduct of their business, as aforesaid, have made the following guarantee statements

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in newspaper advertising of their textile products, namely, floor coverings:

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*           *           *           *           *           *           *
                10 Years For Wear
*           *           *           *           *           *           *
                Guaranteed 10 Years For Wear
*           *           *           *           *           *           *
                Guaranteed 10 Years For Wear
                At Tremendous Savings

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PAR. 11. Through the use of said statements and representations, as set forth above, and others similar thereto but not specifically set out herein, the respondents have represented, directly or indirectly, to the purchasing public that said floor coverings are unconditionally guaranteed for ten years.

PAR. 12. In truth and in fact, said floor coverings are not unconditionally guaranteed for ten years and the nature and extent of the guarantee and the manner in which the guarantor will perform was not set forth in connection therewith. Moreover, the name and address of the guarantor were not set forth as required. Therefore, the statements and representations made by the respondents, as hereinbefore stated, were and are false, misleading and deceptive.

PAR. 13. In the course and conduct of their business and for the purpose of inducing the purchase of their products, the respondents, their salesmen and representatives have made certain statements and representations with respect thereto in advertisements inserted in the aforementioned newspapers published in various cities of the United States and having a wide circulation in various States of the United States, of which the following are typical and illustrative, but not all inclusive:

1. The Philadelphia Inquirer, Sunday Morning, June 9, 1963:

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*           *           *           *           *           *           *
                *** Buys Out Bankrupt
                Famous Mill ***
                *** 3 Rooms
                100% Nylon Carpet
                Completely Installed ***

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2. The Philadelphia Inquirer, Sunday Morning, August 18, 1963:

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*           *           *           *           *           *           *
                *** Buys Direct From
                Famous Mill ***

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*** We Have On Sale
 "100%"
 Nylon
 Carpet ***
 *** Only \$139 ***

PAR. 14. By and through the use of the aforesaid statements and representations, and others of similar import and meaning, but not specifically set out herein, and through oral statements made by their salesmen and representatives, the respondents have represented, directly or by implication, that they were making a bona fide offer to sell carpeting or floor coverings at the prices specified in the advertising.

PAR. 15. In truth and in fact, the respondents' offers were not bona fide offers to sell the said carpeting or floor coverings, including installation, at the advertised prices, but were made for the purpose of obtaining leads and information as to persons interested in the purchase of carpeting or floor coverings. After obtaining leads through response to such advertisements and calling upon such persons, the respondents, their salesmen and their representatives made no effort to sell the advertised carpeting or floor coverings at the advertised price, but instead, exhibited and disparaged such merchandise in such a manner as to discourage its purchase and attempted to, and frequently did, sell much higher priced carpets or floor coverings.

PAR. 16. In the course and conduct of their business and for the purpose of inducing the purchase of their products, the respondents, their salesmen and representatives have made certain statements and representations offering free merchandise with the purchase of carpeting in advertisements inserted in the following newspapers distributed in interstate commerce, of which the following are typical and illustrative, but not all inclusive.

Evening Journal, Wilmington, Delaware, July 18, 1966:

	Grand Opening
Take your choice	Free
Fedders Air Conditioner	Gift
New 1966 Portable TV	Offer
* * * * *	* * * * *

The Times Herald, Morristown, Pennsylvania, Thursday May 31, 1966:

Free
 With your purchase—A swinger
 Polaroid Camera

PAR. 17. Through the use of said statements and representations, and others of similar import and meaning, but not specifically set out herein, the respondents have represented, directly or indirectly, to the purchasing public that said offers were bona fide offers of gift merchandise to purchasers of respondents carpeting.

PAR. 18. In truth and in fact, respondents' offers were not bona fide offers of gift merchandise to be given to purchasers of respondents' carpeting but were made for purpose of obtaining leads and information as to persons interested in the purchase of carpeting or floor coverings. After obtaining such leads through response to such advertisements and effecting sales of advertised merchandise, respondents, their salesmen and their representatives, in many instances did not fulfill the offer of free gifts made in said advertisements or would only fulfill the offer upon payment of undisclosed charges.

PAR. 19. In the course and conduct of their business, in soliciting the sale of and in selling the aforementioned products, individual respondents Sidney Soifer, Philip Bohm, Allan Portnoy and Burton Snyder and corporate respondent, Broadloom Distributors, Inc., did business under the name Broadloom Distributors, Inc. and used such name on purchase orders and in advertisements of their products.

PAR. 20. By means of the aforesaid advertisements and purchase orders, and through the use of the word "Distributors" as part of respondents' corporate name, individual respondents Sidney Soifer, Philip Bohm, Allan Portnoy and Burton Snyder and corporate respondent, Broadloom Distributors, Inc., represented themselves to be engaged in the wholesale distribution of carpeting.

PAR. 21. In truth and in fact, individual respondents Sidney Soifer, Philip Bohm, Allan Portnoy and Burton Snyder and corporate respondent, Broadloom Distributors, Inc., were not engaged in the wholesale distribution of carpeting but were engaged in the retail sale of carpeting, maintaining a small inventory and often placing orders for carpeting only as orders were received from purchasers.

PAR. 22. There is a preference on the part of many consumers and the purchasing public to buy products including floor coverings, from distributors believing that by so doing lower prices and other advantages thereby accrue to them.

Therefore, the statements, representations and practices set forth in Paragraphs Thirteen, Fourteen, Fifteen, Sixteen, Seven-

teen, Eighteen, Nineteen, Twenty and Twenty-one thereof were false, misleading and deceptive.

PAR. 23. In the conduct of their business at all times mentioned herein, the respondents have been in substantial competition, in commerce, with corporations, firms and individuals in the sale of carpeting or floor coverings of the same general kind and nature as those sold by the respondents.

PAR. 24. The use by the respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were true and into the purchase of substantial quantities of respondents' products by reason of said erroneous and mistaken belief.

PAR. 25. The aforesaid acts and practices of the respondents, as herein alleged, were all to the prejudice and injury of the public and of the respondents' competitors, and constituted, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce, in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER IN DISPOSITION OF THIS PROCEEDING AS TO
ALL RESPONDENTS EXCEPT RESPONDENT CARPETVILLE, INC.

The Commission having issued its complaint in this proceeding on July 3, 1968, charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act and the Textile Fiber Products Identification Act; and

Upon motion and for good cause shown, the Commission having, on January 29, 1969, pursuant to § 2.34(d) of its Rules, withdrawn the matter from adjudication for purposes of granting respondents opportunity to negotiate, under Subpart C of Part 2 of its Rules, a settlement by the entry of a consent order; and

Respondents (except respondent Carpetville, Inc.) and counsel supporting complaint having thereafter signed an agreement containing a consent order, an admission by the signatory 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 the signatory respondents that the law has been violated as alleged in such

