

Modifying Order

IN THE MATTER OF

SANITARY CARPET AND RUG CLEANING COMPANY,
INC., TRADING AS CARPETLAND, ET AL.

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

Docket C-1490. Complaint, Feb. 3, 1969—Decision, Sept. 1, 1970

Order modifying an earlier consent order dated February 3, 1969, 75 F.T.C. 231, by adding a paragraph thereto which forbids respondents from failing to maintain adequate records upon which its prices and savings are based.

ORDER MODIFYING ORDER TO CEASE AND DESIST

The Commission on February 3, 1969 [75 F.T.C. 231], having issued its order in this matter requiring respondents, in connection with the offering for sale, and sale and distribution of merchandise, in commerce, to cease and desist from:

A. Misbranding textile fiber products by:

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

2. Failing to set forth that the required disclosure as to the fiber content of floor coverings relates only to the face, pile, or outer surface of such products and not to exempted backing, filling or padding, when such is the case.

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 of such textile fiber product unless the same information required to be shown on the stamp, tag, 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.

2. Failing to set forth in disclosing fiber content information as to floor coverings containing exempted backings, fill-

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ings 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 only one fiber without such fiber trademark appearing at least once in the advertisement, in immediate proximity and conjunction with a generic name of the fiber, in plainly legible and conspicuous type.

It is further ordered, That respondents Sanitary Carpet and Rug Cleaning Company, Inc., a corporation, trading and doing business as Carpetland, or under any other name, and its officers, and Aram Sakayan and Edward Turmanian, individually and as officers of said corporation, and George Sakayan, individually and as general 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 of carpeting, rugs, or any other articles of merchandise, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

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

2. Using the word "SAVE," or any other word or words of similar import or meaning, in conjunction with a stated percentage, fraction, dollar or other amount of savings: *Provided, however,* That it shall be a defense in any enforcement proceeding instituted hereunder for respondents to establish that the stated amount of savings actually represents the difference between the offering price and the actual bona fide price at which such merchandise has been sold or offered for sale on a regular basis to the public by respondents for a reasonable substantial period of time in the recent, regular course of their business.

3. Using the words "WAREHOUSE SALE," "Sale price," or any other term or words of similar import or meaning, in conjunction

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with any stated price or prices: *Provided, however,* That it shall be a defense in any enforcement proceeding instituted hereunder for respondents to establish that their prices for the merchandise so advertised have been substantially reduced below respondents' usual selling prices, or the prices at which such merchandise has been offered for sale in good faith by respondents during the recent, regular course of their business.

4. Using the words "SPECIAL PURCHASE SALE" or any other term or words of similar import or meaning, either alone or in conjunction with an offering price: *Provided, however,* That it shall be a defense in any enforcement proceeding instituted hereunder for respondents to establish that the offering price during said sale is a substantial reduction from the price usually and customarily paid by respondents for the same merchandise, and purchasers are thereby afforded bona fide savings from respondents' usual and customary retail prices for such merchandise.

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

6. Representing, through advertisements or in any other manner, that sponge rubber padding will be installed with respondents' rugs or carpeting unless such padding is, in fact, installed in every instance as represented, or misrepresenting, in any manner the nature or type of padding sold or installed by respondents.

7. 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.

And the Commission on June 8, 1970, having issued its order to show cause why this proceeding should not be reopened and its order of February 3, 1969, modified by the addition of a new paragraph numbered 8 which will read:

8. Failing to maintain adequate records which disclose the facts upon which representations as to former prices, comparative prices, and the usual and customary retail prices of mer-

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chandise, and as to savings afforded to purchasers, and similar representations of the type dealt with in Paragraphs 1, 2, 3, 4 and 5 of the "*It is further ordered . . .*" portion of this order, are based, and from which the validity of any such claim can be established.

Respondents not having filed an answer in which the order to show cause is opposed; and more than thirty days having expired since service of the order to show cause upon the respondents; and

The Commission being of the opinion that the public interest will be served best by modifying its order of February 3, 1969:

It is ordered, That this proceeding be, and it hereby is reopened.

It is further ordered, That the Commission's order of February 3, 1969 [75 F.T.C. 231], be and it hereby is, modified by adding thereto as Paragraph 8 the following:

8. Failing to maintain adequate records which disclose the facts upon which representations as to former prices, comparative prices, and the usual and customary retail prices of merchandise, and as to savings afforded to purchasers, and similar representations of the type dealt with in Paragraphs 1, 2, 3, 4 and 5 of the "*It is further ordered . . .*" portion of this order are based, and from which the validity of any such claim can be established.

IN THE MATTER OF

CONSUMERS FOOD, INC., ET AL.

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

Docket C-1499. Complaint, Feb. 25, 1969—Decision, Sept. 1, 1970

Order modifying an earlier consent order dated February 25, 1969, 75 F.T.C. 364, by adding a paragraph thereto which forbids respondents from failing to maintain adequate records which disclose the facts on which its prices and savings to customers are based.

ORDER MODIFYING ORDER TO CEASE AND DESIST

The Commission on February 25, 1969, having issued its order in this matter requiring respondents, in connection with the offering for sale, and sale and distribution of merchandise, in commerce, to cease and desist from:

1. Representing, directly or by implication, through the use

of terms such as "ANNIVERSARY SALE SPECIAL" or in any other manner, that any price is a special or reduced price unless such price constitutes a significant reduction from the price at which such merchandise has been sold in substantial quantities or offered for sale in good faith for a reasonably substantial period of time, by respondents in the recent, regular course of their business.

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

3. Representing, directly or by implication, in any manner, that the price per pound of meat is a net weight price when in fact the price per pound of meat is based on the weight of the meat before trimming.

4. Failing to clearly and conspicuously disclose, in the body of any advertisement for meat that is to be sold by gross weight, the average percentage of weight loss that results from trimming.

5. Representing, directly or by implication, that purchasers of respondents' freezer food plan can buy their usual food requirements and a freezer for the same or a lesser amount of money than they have been paying for said food requirements alone.

6. Representing, directly or by implication, that food prices charged by respondents are significantly lower than the prices which they have been paying.

7. Representing, directly or by implication, that purchasers cannot buy food under respondents' food plan unless a freezer is purchased from respondents.

8. Failing to disclose orally, prior to the time of sale, and in writing with such conspicuousness and clarity as is likely to be observed and read by such purchaser:

A. on any conditional sale contract, and

B. on a separate document presented to a purchaser of respondents' merchandise concurrent with the execution of any promissory note or other instrument of indebtedness executed by such purchaser, that such conditional sale contract, promissory note or other instrument of indebtedness, at respondents' option and without notice to the purchaser, may be discounted, negotiated or assigned to a finance company or other third party to whom the purchaser will thereafter be indebted and against whom the purchaser's claims or defenses may not be available.

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PART II

It is further ordered, That respondents Consumers Food, Inc., a corporation, and its officers, and George Sharkey, 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 offering for sale, sale or distribution of food, or any purchasing plan involving food, do forthwith cease and desist from directly or indirectly:

1. Disseminating, or causing to be disseminated, any advertisement by means of the United States mails or by any means in commerce, as "commerce" is defined in the Federal Trade Commission Act, which advertisement contains any of the representations or misrepresentations prohibited in Paragraphs 1 through 7 of PART I of this order.

2. Disseminating, or causing the dissemination of, any advertisement by any means, for the purpose of inducing, or which is likely to induce, directly or indirectly, the purchase of any food or any purchasing plan involving food in commerce, as "commerce" is defined in the Federal Trade Commission Act, which contains any of the representations prohibited in Paragraphs 1 through 7 of this order.

PART III

It is further ordered, That respondents Consumers Food, Inc., a corporation, and its officers, and George Sharkey, individually and as an officer of said corporation, do forthwith deliver a copy of this order to cease and desist to each of its operating divisions and to all present and future salesmen or other persons engaged in the sale of respondents' products or services, and secure from each such salesman or other person a signed statement acknowledging receipt of said order.

And the Commission on June 8, 1970, having issued its order to show cause why this proceeding should not be reopened and its order of February 25, 1969, modified by the addition of a new paragraph

9. Failing to maintain adequate records which disclose the facts upon which representations as to former prices, comparative prices, and the usual and customary retail prices of merchandise, and as to savings afforded to purchasers, and similar representations of the type dealt with in Paragraphs 1, 2 and 6 of Part I of this order, are based and from which the validity of any such claim can be established.

Respondents having filed an answer in which the order to show cause is not opposed; and more than thirty days having expired since service of the order to show cause upon the respondents; and

The Commission being of the opinion that the public interest will be served best by modifying its order of February 25, 1969:

It is ordered, That this proceeding be, and it hereby is reopened.

It is further ordered, That the Commission's order of February 25, 1969 [75 F.T.C. 364], be and it hereby is, modified by adding thereto as Paragraph 9 of Part I the following:

9. Failing to maintain adequate records which disclose the facts upon which representations as to former prices, comparative prices, and the usual and customary retail prices of merchandise, and as to savings afforded to purchasers, and similar representations of the type dealt with in Paragraphs 1, 2 and 6 of Part I of this order, are based and from which the validity of any such claim can be established.

IN THE MATTER OF

LIFE ELECTRONICS CORPORATION INC., TRADING AS
LITE ELECTRONICS, INC., ETC.

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

Docket C-1566. Complaint, July 28, 1969—Decision, Sept. 1, 1970

Order modifying an earlier consent order dated July 28, 1969, 76 F.T.C. 160, by adding a paragraph thereto which forbids respondent from failing to maintain adequate records upon which its prices and savings to customers are based.

ORDER MODIFYING ORDER TO CEASE AND DESIST

The Commission on July 28, 1969 [76 F.T.C. 160], having issued its order in this matter requiring respondents, in connection with the offering for sale, and sale and distribution of merchandise, in commerce, to cease and desist from:

1. Representing, directly or by implication, that respondents' merchandise or appliances repaired by respondents are guaranteed, unless the nature, conditions and extent of the guarantee, identity of the guarantor and the manner in which the guarantor will perform thereunder are clearly and conspicuously disclosed

