

Complaint

XI

It is further ordered, That the documents identified as CX 11, CX 124 A-N, CX 125 A-C, CX 196 A-H, and RX 186 be, and they hereby are, a part of the public record.

XII

It is further ordered, That respondent's requests for reconsideration of its motion of December 31, 1968, that Commissioner Jones withdraw from participation in this proceeding, or, in the alternative, that the Commission determine that Commissioner Jones be disqualified from such participation be, and it hereby is, denied.

IN THE MATTER OF

TOWN TALK COAT CO., INC., ET AL.

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

Docket C-1910. Complaint, May 5, 1971—Decision, May 5, 1971.

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

COMPLAINT

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

PARAGRAPH 1. Respondent Town Talk Coat Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York. Respondent Gerald Becker

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

The respondents are engaged in the manufacture, sale and distribution of wearing apparel, including but not limited to ladies' coats, with their office and principal place of business located at 247 West 37th Street, New York, New York.

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

Among such products mentioned hereinabove were ladies' coats.

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

DECISION AND ORDER

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

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

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

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

1. Respondent Town Talk Coat Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondent Gerald Becker is an officer of said corporation. He formulates, directs and controls the acts, practices and policies of said corporation.

Respondents are manufacturers of women's and misses' coats with their office and principal place of business located at 247 West 37th Street, New York, New York.

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

ORDER

It is ordered, That respondents Town Talk Coat Co., Inc., a corporation, and its officers, and Gerald Becker, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from manufacturing for sale, selling, offering for sale, in commerce, or importing into the United States, or introducing, delivering for introduction, transporting or causing to be transported in commerce or selling or delivering after sale or shipment in commerce any product, fabric or related material; or manufacturing for sale, selling, or offering for sale any product made of fabric or related material which has been shipped and received in commerce, as "commerce," "product," "fabric" and "related material" are defined in the Flammable Fabrics Act, as amended, which product, fabric or related material fails to conform to any applicable standard or regulation continued in effect, issued or amended under the provisions of the aforesaid Act.

It is further ordered, That respondents notify all of their customers who have purchased or to whom have been delivered the

products which gave rise to this complaint of the flammable nature of such products, and affect recall of such products from said customers.

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

It is further ordered, That the respondents herein shall within ten (10) days after service upon them of this order, file with the Commission a special report in writing, setting forth the respondents' intentions as to compliance with this order. This special report shall also advise the Commission fully and specifically concerning (1) the identity of the products which gave rise to the complaint, (2) the number of said products in inventory, (3) any action taken and any further actions proposed to be taken to notify customers of the flammability of said products and effect the recall of said products from customers, and of the results thereof, (4) any disposition of said products since January 16, 1970, and (5) any action taken or proposed to be taken to bring said products into conformance with the applicable standard of flammability under the Flammable Fabrics Act, as amended, or destroy said products, and the results of such action. Such report shall further inform the Commission as to whether or not respondents have in inventory any product, fabric, or related material having a plain surface and made of paper, silk, rayon and acetate, nylon and acetate, rayon, cotton or any other material or combinations thereof in a weight of two ounces or less per square yard, or any product, fabric or related material having a raised fiber surface. Respondents shall submit samples of not less than one square yard in size of any such product, fabric, or related material with this report.

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

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

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

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IN THE MATTER OF
DANIEL WIENER

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

Docket C-1911. Complaint, May 5, 1971—Decision, May 5, 1971

Consent order requiring a New York City individual engaged in the sale and distribution of fabrics to cease violating the Flammable Fabrics Act by importing and selling any fabric which fails to conform to the standards of said Act.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Flammable Fabrics Act, as amended, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission having reason to believe that Daniel Wiener, an individual trading as Daniel Wiener, hereinafter referred to as respondent, has violated the provisions of said Acts and the Rules and Regulations promulgated under the Flammable Fabrics Act, as amended, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Daniel Wiener is an individual trading as Daniel Wiener with his office and principal place of business located at 37 West 57th Street, New York, New York.

Respondent is engaged in the sale and distribution of fabrics.

PAR. 2. Respondent is now and for some time last past has been engaged in the sale and offering for sale, in commerce, and in the importation into the United States, and has introduced, delivered for introduction, transported and caused to be transported in commerce, and has sold or delivered after sale or shipment in commerce, fabrics as the terms "commerce" and "fabric" are defined in the Flammable Fabrics Act, as amended, which fabrics failed to conform to an applicable standard or regulation continued in effect, issued or amended under the provisions of the Flammable Fabrics Act, as amended.

Among such fabrics mentioned hereinabove were materials consisting of 100 percent Cotton Organdy.

PAR. 3. The aforesaid acts and practices of respondent were and are in violation of the Flammable Fabrics Act, as amended, 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.

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 Division of Textiles and Furs, Bureau of Consumer Protection proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent with violation of the Federal Trade Commission Act and the Flammable Fabrics 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 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 § 2.35 (b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Daniel Wiener is an individual trading as Daniel Wiener.

Respondent is engaged in the sale and distribution of fabrics with his office and principal place of business located at 37 West 57th 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 Daniel Wiener, individually and trading as Daniel Wiener, or under any other name or names and respondent's representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from selling, offering for sale, in commerce, or importing into the United States, or introducing, delivering for introduction, transport-

ing or causing to be transported in commerce, or selling or delivering after sale or shipment in commerce, any product, fabric or related material; or selling or offering for sale, any product made of fabric or related material which has been shipped or received in commerce as "commerce," "product," "fabric" and "related material" are defined in the Flammable Fabrics Act, as amended, which "product," "fabric" or "related material" fails to conform to an applicable standard or regulation continued in effect, issued or amended under the provisions of the aforesaid Act.

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

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

It is further ordered, That the respondent herein shall, within ten (10) days after service upon him of this order, file with the Commission a special report in writing setting forth the respondent's intentions as to compliance with this order.

This special report shall also advise the Commission fully and specifically concerning (1) the identity of the fabrics which gave rise to the complaint, (2) the amount of said fabrics in inventory, (3) any action taken and any further actions proposed to be taken to notify customers of the flammability of said fabrics and effect the recall of said fabrics from customers, and of the results thereof, (4) any disposition of said fabrics since August 15, 1969 and (5) any action taken or proposed to be taken to bring said fabrics into conformance with the applicable standard of flammability under the Flammable Fabrics Act, as amended, or destroy said fabrics and the results of such action. Such report shall further inform the Commission as to whether or not respondent has in inventory any product, fabric, or related material having a plain surface and made of paper, silk, rayon and acetate, nylon and acetate, rayon, cotton or any other material or combinations thereof in a weight of two ounces or less per square yard, or any product, fabric or related material having a raised fiber surface. Respondent shall submit samples of not less than one square yard in size of any such product, fabric, or related material with this report.

It is further ordered, That 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.

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IN THE MATTER OF

SUN-GLO PRODUCTS CORPORATION, ET AL.

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

Docket C-1912. Complaint, May 5, 1971—Decision, May 5, 1971

Consent order requiring a Miami, Fla., importer and seller of men's, women's, and children's wearing apparel, including vacation type sweat shirts, to cease violating the Flammable Fabrics Act by importing and selling any fabric which fails to conform to the standards of said Act.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Flammable Fabrics Act, as amended, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Sun-Glo Products Corporation, a corporation, and George J. Kotler, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts, and the Rules and Regulations promulgated under the Flammable Fabrics Act, as amended, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Sun-Glo Products Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of Florida. Respondent George J. Kotler is an officer of said corporate respondent. He formulates, directs and controls the acts, practices and policies of said corporation.

The respondents are engaged in the importation and sale of men's, women's and children's wearing apparel, including, but not limited to vacation type sweat shirts with their office and principal place of business located at 1130 NW 159th Drive, Miami, Florida.

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

Among such products mentioned hereinabove were vacation type sweat shirts designated as styles #7103 and #7104.

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

DECISION AND ORDER

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

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

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

1. Respondent Sun-Glo Products Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of Florida.

Respondent George J. Kotler is an officer of said proposed respondent. He formulates, directs and controls the acts, practices and policies of said proposed corporate respondent.

Respondents are engaged in the importation and sale of men's, women's and children's wearing apparel, including, but not limited to vacation type sweat shirts with their office and principal place of business located at 1130 NW 159th Drive, Miami, Florida.

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 Sun-Glo Products Corporation, a corporation, and its officers, and George J. Kotler, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from manufacturing for sale, selling or offering for sale, in commerce, or importing into the United States, or introducing, delivering for introduction, transporting or causing to be transported, in commerce, or selling or delivering after sale or shipment in commerce any product, fabric, or related material; or manufacturing for sale, selling, or offering for sale any product made of fabric or related material which has been shipped or received in commerce, as "commerce," "product," "fabric" and "related material" are defined in the Flammable Fabrics Act, as amended, which product, fabric or related material fails to conform to any applicable standard or regulation continued in effect, issued or amended under the provisions of the aforesaid Act.

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

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

It is further ordered, That the respondents herein shall, within ten (10) days after service upon them of this order, file with the Commission a special report in writing setting forth the respondents' intentions as to compliance with this order. This special report shall also advise the Commission fully and specifically concerning (1) the identity of the products which gave rise to the complaint, (2) the number of said products in inventory, (3) any action taken and any further actions proposed to be taken to notify customers of the

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flammability of said products and effect the recall of said products from customers, and of the results thereof, (4) any disposition of said products since July 28, 1970 and (5) any action taken or proposed to be taken to bring said products into conformance with the applicable standard of flammability under the Flammable Fabrics Act, as amended, or destroy said products, and the results of such action. Such report shall further inform the Commission as to whether or not respondents have in inventory any product, fabric, or related material having a plain surface and made of paper, silk, rayon and acetate, nylon and acetate, rayon, cotton or any other material or combinations thereof in a weight of two ounces or less per square yard, or any product, fabric or related material having a raised fiber surface. Respondents shall submit samples of not less than one square yard in size of any such product, fabric, or related material with this report.

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

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

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

IN THE MATTER OFMURDOCK ACCEPTANCE CORPORATION DOING BUSINESS AS
DIXIEMART-CORONDOLET CREDIT DEPARTMENT

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

Docket C-1913. Complaint, May 10, 1971—Decision, May 10, 1971

Consent order requiring a Memphis, Tenn., money lending corporation to cease violating the Truth in Lending Act by failing to include in the "finance charge" any charges for credit life, accident or health insurance, failing to disclose the annual percentage rate correctly, and failing in any consumer credit transaction or advertisement to make all disclosures required by Regulation Z of said Act.

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COMPLAINT

Pursuant to the provisions of the Truth in Lending Act and the implementing regulation promulgated thereunder, and the Federal Trade Commission Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Murdock Acceptance Corporation, a corporation, doing business as Dixiemart-Corondolet Credit Department, hereinafter referred to as respondent, has violated the provisions of said Acts and implementing regulation, 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 Murdock Acceptance Corporation, doing business as Dixiemart-Corondolet Credit Department, is a corporation, organized, existing and doing business under and by virtue of the laws of the State of Tennessee, with its principal office and place of business located in Memphis, Tennessee.

PAR. 2. Respondent is now, and for some time last past has been engaged in the lending of money to the public.

PAR. 3. In the ordinary course and conduct of its business as aforesaid, respondent regularly extends and for some time last past has regularly extended consumer credit as "consumer credit" is defined in Regulation Z, the implementing regulation of the Truth in Lending Act, duly promulgated by the Board of Governors of the Federal Reserve System.

PAR. 4. Subsequent to July 1, 1969, respondent, in the ordinary course and conduct of its business and in connection with its lending of money on open end credit account plans, as "open end credit" is defined in Regulation Z, mailed to its customers a notice of the availability of credit life, accident and health insurance. The notice contained the following paragraph, which is typically illustrative but not necessarily all inclusive of the notice: "If for any reason you do not wish this bill paying insurance, please so indicate in the box provided on the back of the certificate and return it. Or, you may simply deduct the amount of the premium cost from your statement. Otherwise, from this very minute, your family is protected." Respondent thereby indicated that unless otherwise instructed by said customers, insurance premiums would be charged to said customers' open end accounts. This is commonly known as a "negative option plan."

PAR. 5. Subsequent to July 1, 1969, respondent, in the ordinary

course and conduct of its business and in connection with its lending of money, and subsequent to delivery to customers of the notice referred to in Paragraph Four, debited to its customers' open end credit accounts premiums for credit life, accident and health insurance, which premiums were paid by respondent on customers' behalf without said customers' specific dated and separately signed affirmative written indication of their desire to purchase such insurance. Respondent thereby:

1. Understated the finance charge by failing to disclose, separately itemized, as part of the finance charge on disclosures made pursuant to Section 226.7(b) of Regulation Z, the aforesaid insurance premiums, as required by Section 226.4(a)(5) of Regulation Z.

2. By failing to include in the finance charge the amount of the aforesaid insurance premiums, understated the Annual Percentage Rate disclosed to said customers in its periodic billing statement sent pursuant to Section 226.7(b)(6) of Regulation Z, in violation of Section 226.4 of Regulation Z.

PAR. 6. Pursuant to Section 103(q) of the Truth in Lending Act, respondent's failures to comply with the provisions of Regulation Z constitute violations of that Act and, pursuant to Section 108 thereof, respondent thereby violated 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 staff of the Federal Trade Commission proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent with violation of the Federal Trade Commission Act; and

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

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondent has violated the said Act, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed

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

1. Respondent Murdock Acceptance Corporation, doing business as Dixiemart-Corondolet Credit Department is a corporation organized, existing and doing business under and by virtue of the laws of the State of Tennessee, with its principal office and place of business located at 400 Union Avenue, Memphis, Tennessee.

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 Murdock Acceptance Corporation, a corporation, doing business as Dixiemart-Corondolet Credit Department or under any other name, and its officers, and respondent's agents, representatives and employees, directly or through any corporate or other device, in connection with any consumer credit extension as "consumer credit" is defined in Regulation Z (12 CFR Part 226) of the Truth in Lending Act (Public Law 90-321, 15 U.S.C. 1601 *et seq.*), do forthwith cease and desist from:

1. Failing to include in the "finance charge" any charges or premiums for credit life, accident or health insurance written in connection with any credit transaction unless:

a. The insurance coverage is not required by the creditor and this fact is clearly and conspicuously disclosed in writing to the customer; and

b. Any customer desiring such insurance coverage gives specific dated and separately signed affirmative written indication of such desire after receiving written disclosure to him of the cost of such insurance, as required by Section 226.4(a)(5) of Regulation Z.

2. Failing to disclose the annual percentage rate correctly, as determined in accordance with Section 226.5 of Regulation Z, both on the disclosure statement made at the opening of a new account in accordance with Section 226.7(a) of Regulation Z and on the periodic statement required by Section 226.7(b) of Regulation Z.

3. Failing, in any consumer credit transaction or advertisement, to make all disclosures, determined in accordance with Section 226.4 and Section 226.5 of Regulation Z, in the manner,

form and amount required by Sections 226.6, 226.7, 226.8, 226.9 and 226.10 of Regulation Z.

It is further ordered, That respondent deliver a copy of this order to cease and desist to all present and future personnel of respondent, and other persons engaged in the consummation of any extension of consumer credit or in any aspect of preparation, creation, or placing of advertising, and that respondent secure a signed statement acknowledging receipt of said order from each such person.

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

It is further ordered, That respondent 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 the order to cease and desist contained herein.

IN THE MATTER OF

OPERATION SKIP-LOCATE, INC., TRADING AS INTERSTATE
CREDIT CORPORATION ET AL.

Docket C-1914. Complaint, May 10, 1971—Decision, May 10, 1971

Consent order requiring three Blue Bell, Pa., collection agencies to cease misrepresenting that they have offices or affiliated agencies throughout the United States, that legal actions have been or will be taken against any debtor, failing to inform debtor that the decision to take action rests with the attorney, misrepresenting that any action is being taken through any Government agency, and misrepresenting the significance or effect of any legal document affecting any debtor.

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 Operation Skip-Locate, Inc., a corporation, also trading as Interstate Credit Corporation; City Credit Control, Inc., a corporation, also trading as Financial Representatives, Inc.; First State Financial Corporation, a corporation, and John W. O'Hara and Ronald D. Steinman, indi-

vidually and as officers of said corporations, 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 charge in that respect as follows:

PARAGRAPH 1. Respondent Operation Skip-Locate, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey, with its principal office and place of business located at 1777 Walton Road, Blue Bell, Pennsylvania. Said corporation has traded and is now trading under various names including Interstate Credit Corporation.

Respondent City Credit Control, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Pennsylvania, with its principal office and place of business located at 1777 Walton Road, Blue Bell, Pennsylvania. Said corporation has traded and is now trading under the name Financial Representatives, Inc.

Respondent First State Financial Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its principal office and place of business located at 1777 Walton Road, Blue Bell, Pennsylvania.

The coordinating office of the aforesaid corporations is located at 1777 Walton Road, Blue Bell, Pennsylvania.

Respondents John W. O'Hara and Ronald D. Steinman are officers of said corporations. Said individual respondents are now, and for sometime last past have been formulating, directing and controlling the acts and practices of the said corporate respondents, including the acts and practices set forth herein.

Individual respondents' business address is the same as that of the coordinating office of the aforesaid corporations.

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

PAR. 2. Respondents currently are and for sometime last past have been, engaged in the business of collecting delinquent accounts from debtors for and on behalf of third-party creditors.

PAR. 3. In the course and conduct of their business as aforesaid, respondents have engaged in and are now engaged in oral and written communication with debtors located in the States of New Jersey, Pennsylvania, Delaware and other various States of the United States, and at all times mentioned herein have maintained a substantial course of trade through said collection of delinquent accounts in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. Respondents, in the course and conduct of their business as aforesaid, and for the purpose of inducing individuals, firms and corporations, to assign accounts to respondents for collection, have made and are now making certain statements and representations descriptive of and respecting their business. These statements and representations are made orally by respondents and appear in respondents' advertising and promotional material. Typical, but not inclusive of such statements and representations, are the following:

1. That delinquent accounts are often forwarded to attorneys and collection agencies located throughout the United States for a localized collection effort.

2. Using a brochure containing the following statements:

In 1959, the Associated Claims Locators, which is a nationwide skip locating firm, was founded out of necessity, by ICC.

* * * * *
Throughout the last fiscal year ending November 31, 1967, ICC has recovered over \$1,210,000 in otherwise abandoned or lost accounts.

* * * * *
Collection Procedures . . . all accounts forwarded to our office for collection are first placed with our analysis department for complete verification of addresses, places of business, and all other important information that would aid our collection department. At this point, all skip accounts are placed in the hands of ASSOCIATED CLAIMS LOCATORS. It is their sole function to investigate and furnish addresses and places of business with the help of Local Credit Bureaus, Retail Merchants Credit Associations, and other exchanges throughout the area. These directors of ASSOCIATED insist that 7 out of 10 skips placed with them are located within thirty days. At the end of the 72-hour period, all debtors living and working at known locations are contacted by our trained phone specialists. This essential step takes place until a unit supervisor feels the account cannot be broken without the aid of an outside adjuster. At this point, an adjuster, having personal contact, takes on further responsibility. He is assigned a placement for ten days. At the end of a ten-day period, it is necessary for him to fill out a complete written report and have it in the hands of our Analysis Department for further reviewing . . .

* * * * *
Our four major departments are headed by: A. T. Galardi, Commercial Accounts Department; Stanley P. Gorski, Retail Accounts Department; R. T. Vance, Field Supervisor; James Cahill, Jr., Doubtful Accounts Department.

3. Having a sign, placed on and near the entrance of one of its offices which has the following language and appearance.

O.S.I., Inc. (inside of and outlined by a map of the United States).
San Francisco, California

Houston, Texas
Atlanta, Georgia
Denver, Colorado
Miami, Florida
Boston, Massachusetts

PAR. 5. By and through the use of aforesaid statements and representations set forth in Paragraph 4 hereof, and others of similar import and meaning but not expressly set out herein, respondents represented, and now represent, directly or by implication, that:

1. The business of respondents is nationwide in scope and that respondents have a nationwide network of corresponding attorneys and collection agencies directly affiliated and connected with them.
2. Respondents have a skip locating or investigating division or company separate and distinct from its other business.
3. The business of respondents is departmentalized and that respondents employ a large staff of employees.
4. Respondents have collected large sums of money from debtors.
5. Respondents employ investigators or adjusters who personally contact debtors.

PAR. 6. In truth and in fact:

1. The business of respondents is not nationwide in scope and does not have a nationwide network of corresponding attorneys or and collection agencies directly affiliated and connected with them.
2. Respondents have no skip-locating or investigation division or company separate and distinct from its other business.
3. The business of respondents is small, employing only a few persons and it is not divided into functional departments.
4. Respondents have not collected from debtors the large sums of money represented.
5. Respondents do not employ adjusters or investigators who personally contact debtors.

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

PAR. 7. In the course and conduct of the aforesaid collection business, respondents have transmitted and mailed to debtors various forms, letters, and other printed material.

Typical and illustrative of statements and representations appearing in such forms, letters and other printed material, but not all inclusive thereof, are the following:

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You are hereby (sic) requested to contact our office regarding legal action.

PRE SUMMONS DEMAND

* * * * *

Unless we hear from you within 48 hours from the receipt of this letter we will proceed with processing these affidavits to your local area for legal action, which may include judgment and a garnishee of your wages . . . Pay this obligation to our office within 48 hours to avoid the above action. Affiliated with credit bureaus coast-to-coast.

Call this office within 24 hours . . . legal file No. 1A11 643-5880.

. . . Be advised that as of this date a complaint will be filed with your local credit reporting agency concerning your indifference . . . (This mark against your rating will become part of your permanent record.)

Your local credit bureau has been alerted and we are in the process of protecting our client's interest in a legal manner.

All medical reporting agencies have been contacted concerning this indebtedness . . .

This representation consists of a possible judgment to be taken. Please also note that if judgment is taken a garnishee of your wages where applicable will follow. We will wait 48 hours for your reply . . .

Sincerely,

LINDSEY DEWILDE,
Legal Accounts Advisor.

Office of Anthony Galardi

PRE SUMMONS DEMAND

* * * * *

Failure to return this with full payment will result in our agent being dispatched to your home, and all expenses, mileage, legal fees and replevin costs will be charged to you . . . Pay this obligation to our office within 48 hours or be prepared for the action that will follow . . .

Immediately below the next preceding paragraph is the following language:)

INSTRUCTIONS TO KEY PUNCH OPERATORS DISTRIBUTION CHART

For Office Use Only

Code No. 368 491	A	Area	B
District n	A1	C	B1
County Seat	Court Jurisdiction		
Mileage	Deputy Process		
Zone Costs	Court		
A _____	Replevin		
B _____	Damages		
C _____	Attorney		

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Duplicate and triplicate forms NCC-OL uncleared in three days to be routed in accordance with field operating manual, and distribution information completed and turned over to area supervisor.

PAR. 8. By and through the use of the aforesaid forms, letters, and other printed material bearing the statements and representations aforesaid, and other statements of import and meaning but not specifically set forth herein, respondents have represented, directly or by implication:

A. That said language "Pre Summons Demand" and language in other forms used by respondents in form and content are official documents duly issued or approved by a court of law or other government agency;

B. That failure of a debtor to remit money to respondents within the periods of time indicated will result in the immediate institution of legal action to effect payment;

C. That suit will be filed without evaluation of the claim;

D. That legal action has been commenced against the debtor owing the delinquent account and that only payment of the alleged debt by the debtor within the time period specified could stop further proceedings of the legal action commenced.

E. That no formal hearing or other recourse is available to the debtor once legal proceedings begin;

F. That medical reporting agencies and credit bureaus are affiliated with respondents and that such agencies and bureaus are furnished information concerning delinquent debtors' credit worthiness.

PAR. 9. In truth and in fact:

A. Forms used by respondents are not official documents issued or approved by a court of law or other governmental agency, but on the contrary are wholly private in origin;

B. The failure of an alleged debtor to remit money to respondent within time period(s) indicated does not always result in the immediate institution of legal action to effect payment. On the contrary, respondents rarely if ever resort to legal proceedings to collect debts;

C. Attorneys with whom accounts are referred exercise discretion in determining which debtors are ultimately sued and suit will not be filed without evaluation of the claim;

D. Legal action has not been commenced against the debtor owing the alleged delinquent account. On the contrary, respondents in many instances have no authority to institute legal action against debtors in the name of or on behalf of creditors of such debtors. Further, respondents are prohibited by the laws of some states

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from instituting legal actions against debtors on behalf of or in the name of creditors of such debtors;

E. Debtors are forwarded notices proscribed by local statute once legal proceedings have commenced and are afforded an opportunity to defend against any action brought to collect alleged debts;

F. Respondents are not affiliated with medical reporting agencies and credit bureaus and do not report information concerning debtors' credit worthiness to such bureaus.

Therefore, the statements, representations, acts and practices set forth in Paragraphs Seven and Eight were and are false, misleading and deceptive.

PAR. 10. In the course and conduct of the respondents' business as aforesaid and for the purpose of inducing payment of past due accounts, respondents have caused various statements and representations to be made over telephone lines. Typical and illustrative of aforesaid statements and representations, but not all inclusive thereof are the following:

We will forward this to our local offices with a recommendation that suit be filed.

Before we get involved with any type of appropriate action, we thought we would give you a chance to make restitution. We have to have this solved or appropriate action will be taken.

We will report your indifference to our client and recommend that suit be filed.

PAR. 11. By and through the use of the above quoted statements and representations, and others of similar import and meaning but not expressly set out herein, respondents have represented, directly or by implication:

A. The business of respondents is nationwide in scope and that they have a nationwide network of offices with corresponding attorneys and collectors directly affiliated and connected with them.

B. That respondents will file an action without evaluation of the claim.

C. That respondents will recommend to their creditor clients that such action be filed.

PAR. 12. In truth and in fact:

A. The business of respondents is not nationwide in scope and does not have a nationwide network of offices with corresponding attorneys and collectors directly affiliated and connected with them.

B. Failure of the debtor to pay the debt does not necessarily or always result in further legal action.

C. Failure of the debtor to pay the debt does not necessarily or

always result in respondents recommending to their creditor clients that suit be filed.

PAR. 13. Therefore, the statements, representations, acts and practices set forth in Paragraphs Ten and Eleven, hereof, were and are false, misleading and deceptive.

PAR. 14. The use by respondents of the aforesaid unfair acts and false, misleading and deceptive statements, representations, acts and practices has had and now has, the capacity and tendency to mislead a substantial number of creditors and debtors into the erroneous and mistaken belief that such representations were, and are, true, and into the assignment of accounts to it for collection and into the payment of substantial sums of money by reason of said mistaken belief.

PAR. 15. 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 Washington Area Field Office proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not 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 Section 2.34 (b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Operation Skip-Locate, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey, with its office and principal place of business located at 1777 Walton Road, Blue Bell, Pennsylvania.

Respondent City Credit Control, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Pennsylvania, with its office and principal place of business located at 1777 Walton Road, Blue Bell, Pennsylvania.

Respondent First State Financial Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 1777 Walton Road, Blue Bell, Pennsylvania.

Respondents John W. O'Hara and Ronald D. Steinman are individuals and officers of said corporations. Said individuals formulate, direct and control the policies, acts and practices of the corporate respondents, including the acts and practices under investigation. Said individual respondents' address is the same as that of the corporate respondents.

Respondents cooperate and act together in carrying out the acts and practices being investigated.

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 Operation Skip-Locate, Inc., City Credit Control, Inc., First State Financial Corporation, corporations, and John W. O'Hara and Ronald D. Steinman, individually and as officers of said corporations, and respondents' agents and employees, directly or through any corporate or other device, in connection with the solicitation of accounts for collection, the collection of, or attempt to collect accounts, 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 respondents have offices throughout the United States or that respondents are affiliated with or correspond with credit bureaus, collection agencies or attorneys: *Provided, however*, That it shall be a de-

fense in any enforcement proceeding instituted hereunder for respondents to establish that they have offices throughout the United States and/or are affiliated with or correspond with credit bureaus, collection agencies or attorneys.

2. Representing, directly or by implication, that respondents' business has employees, agents or adjusters, engaged in making personal calls on debtors.

3. Representing, directly or by implication that:

- (a) Legal action has been taken against the debtor; or
- (b) Legal action will be taken against the debtor; or
- (c) Reports which reflect unfavorably on the credit rating or credit worthiness of the debtor have been or will be made to medical reporting agencies or credit bureaus.

Provided, however, That it shall be a defense in any enforcement proceeding instituted hereunder for respondents to establish that they have authority and in good faith intend to take any represented action.

4. Representing, directly or by implication, that suit or other action against a debtor may be taken unless the debtor is informed that the final decision to institute suit or other action rests with an attorney to whom the debtor's account will be referred.

5. Representing, directly or by implication, that any communication with respect to an alleged delinquent account is being made by, through, under the aegis of, or in connection with any government entity or agency, whether state, federal or local.

6. Representing, directly or by implication, to a debtor, that an affidavit or other legal document has been received or is being processed, unless a complaint has been filed or judgment entered against the debtor; or misrepresenting in any manner the significance or effect of any legal document.

7. Misrepresenting or inaccurately stating the post judgment right of a creditor to garnish wages of a debtor, or otherwise informing a debtor of a creditor's right after judgment without disclosing at the same time that no judgment may be entered against the debtor unless the debtor has first been given notice and an opportunity to appear and defend himself in a court of law.

8. Misrepresenting, directly or by implication, the size of respondents' business.

It is further ordered, That the respondent corporations shall forth-

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

It is further ordered, That respondents deliver a copy of this order to all of its present and future personnel and that respondents secure a signed statement acknowledging receipt of said order from each such person.

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

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

It is further ordered, That respondents maintain for a least a two (2) year period last past, records which fully reflect the oral and written representations made to creditors and debtors.

IN THE MATTER OF

JOHNSON & JOHNSON DOING BUSINESS AS CHICOPEE
MANUFACTURING COMPANY, ETC.

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

Docket C-1915. Complaint, May 10, 1971—Decision, May 10, 1971

Consent order requiring a New Brunswick, N. J., manufacturer of industrial and hospital items, including nurses' caps, to cease violating the Flammable Fabrics Act by importing and distributing any fabric which fails to conform to the standards of said Act.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Flammable Fabrics Act, as amended, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Johnson & Johnson, a corporation, doing business as Chicopee Manufacturing Company and under its own name or any other name or names, and Chicopee Mills, Inc.,

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a corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Flammable Fabrics Act, as amended, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Johnson & Johnson is a corporation, doing business as Chicopee Manufacturing Company and under its own name among others. Said corporation is organized, existing and doing business under and by virtue of the laws of the State of New Jersey. Chicopee Mills Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondents are engaged in the manufacture, sale and distribution of a broad range of industrial, consumer and hospital items in which are included products and fabrics subject to the Flammable Fabrics Act, as amended. Among the products so sold and distributed were nurses' caps and among the fabrics were those used in the manufacture of infants' shirts, nurses' caps and other hospital garments. The business address of the above-named respondents is 501 George Street, New Brunswick, New Jersey.

PAR. 2. Respondents are now and for some time last past have been engaged in the manufacture, sale and offering for sale in commerce, and in the importation into the United States, and have introduced, delivered for introduction, transported and caused to be transported in commerce, and have sold or delivered after sale or shipment in commerce, products and fabrics; and have manufactured for sale, sold, or offered for sale, products made of fabrics or related materials which have been shipped and received in commerce, as "commerce," "product," "fabric" and "related material" are defined in the Flammable Fabrics Act, as amended, which products, fabrics and related materials fail to conform to an applicable standard or regulation continued in effect, issued or amended under the provisions of the Flammable Fabrics Act, as amended.

Among such fabrics mentioned hereinabove, but not limited thereto, was a fabric described as Masslin brand non-woven fabric and designated as "Style S400 6260 39" Pink.

Among such products, but not limited thereto, were nurses' caps.

PAR. 3. Respondents furnished a false guaranty that certain of their fabrics were not so highly flammable as to be dangerous when worn by individuals, when respondents in furnishing such guaranty

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had reason to believe that the fabric so falsely guaranteed might be introduced, sold or transported in commerce, in violation of Section 8(b) of the Flammable Fabrics Act, as amended.

PAR. 4. The aforesaid acts and practices of respondents were and are in violation of the Flammable Fabrics Act, as amended, and the Rules and Regulations promulgated thereunder, and as such constituted, and now constitute unfair methods of competition and unfair and deceptive acts and practices in commerce, within the intent and meaning of the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with the violation of the Federal Trade Commission Act and the Flammable Fabrics Act, as amended, 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 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 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 Johnson & Johnson is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey. Said firm does business under its own name and as Chicopee Manufacturing Company, Chicopee Mills, Inc., is a corporation organized, existing and doing business under, and by virtue of the laws of the State of New York.

Respondents are engaged in the manufacture of articles of wearing apparel including nurses' caps. Respondents are further engaged in the manufacture, importation and sale of fabrics, including, but not limited to, fabrics that were sold for use in the manufacture of infants' shirts, nurses' caps and other hospital garments. The business address of said respondents is 501 George Street, New Brunswick, New Jersey.

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 the respondents Johnson & Johnson, a corporation, doing business as Chicopee Manufacturing Company and under its own name or any other name or names, and its officers, and Chicopee Mills, Inc., a corporation, and its officers, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from manufacturing for sale, selling, offering for sale, in commerce, or importing into the United States, or introducing, delivering for introduction, transporting or causing to be transported in commerce, or selling or delivering after sale or shipment in commerce, any wearing apparel, or fabric or related material which fabric or related material may reasonably be expected to be used in such wearing apparel; or manufacturing for sale, selling or offering for sale any wearing apparel made of fabric or related material which has been shipped or received in commerce, as "commerce," "fabric," "related material" and "wearing apparel" are defined in the Flammable Fabrics Act, as amended, which wearing apparel, fabric or related material fails to conform to an applicable standard or regulation continued in effect, issued or amended under the provisions of the aforesaid Act.

It is further ordered, That respondents, if they have not done so heretofore, notify all of their customers who have purchased or to whom have been delivered the fabrics or wearing apparel made from said fabrics, which gave rise to this complaint of the flammable nature of such fabrics or wearing apparel and effect recall of such fabrics or wearing apparel from said customers.

It is further ordered, That the respondents herein, if they have not done so heretofore, either process the fabrics which gave rise to this complaint and any wearing apparel made from said fabrics so as to bring them within the applicable flammability standards

of the Flammable Fabrics Act, as amended, or destroy said fabrics or any wearing apparel made therefrom.

It is further ordered, That respondents herein shall, within ten (10) days after service upon them of this order, file with the Commission an interim special report in writing setting forth the respondents' intention as to compliance with this order. This interim special report shall also advise the Commission fully and specifically concerning the identity of the fabrics which gave rise to the complaint and any wearing apparel made from said fabrics, (1) the number of such fabrics or articles of wearing apparel in inventory, (2) any action taken and any further actions proposed to be taken to notify customers of the flammability of such fabrics or articles of wearing apparel and of the results of such actions, (3) any disposition of such fabric or articles of wearing apparel since December 1969 and (4) any action taken or proposed to be taken to flameproof or destroy such fabrics or articles of wearing apparel and the results of such action. Such report shall further inform the Commission whether respondents have in inventory any fabric, product or related material having a plain surface and made of paper, silk, rayon and acetate, nylon and acetate, rayon, cotton or combinations thereof in a weight of two ounces or less per square yard, or having a raised fiber surface made of cotton or rayon or combinations thereof. Respondents will submit samples of any such fabric, product or related material with this report. Samples of the fabric, product or related material shall be of no less than one square yard of material.

It is further ordered, That respondents Johnson & Johnson, a corporation, doing business as Chicopee Manufacturing Company and under its own name or any other name or names and its officers, and Chicopee Mills Inc., a corporation, and its officers, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from furnishing a guaranty under the Flammable Fabrics Act, as amended, with respect to any product, fabric or related material which guaranty is false and when respondents have reason to believe that such product, fabric or related material may be introduced, sold, or transported in commerce.

It is further ordered, That respondents notify the Commission at least 30 days prior to any proposed change in the corporate respondents such as dissolution, assignment or sale resulting in the emergence of successor corporations, the creation or dissolution of subsidiaries

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or any other change in the corporations which may affect compliance obligations arising out of the order.

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 respondent 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

SIEGEL'S HOME EQUIPMENT COMPANY, INC., ET AL.

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

Docket C-1916. Complaint, May 10, 1971—Decision, May 10, 1971

Consent order requiring a Richmond, Va., distributor and seller of furniture, appliances and other merchandise to cease violating the Truth in Lending Act by failing to disclose the amount of the downpayment in property, failing to disclose the difference between the cash price and the total downpayment, failing to disclose accurately the unpaid balance, the amount financed, the finance charge, the deferred payment price, and failing to make other disclosures required by Regulation Z of said Act.

COMPLAINT

Pursuant to the provisions of the Truth in Lending Act and the implementing regulation promulgated thereunder, and the Federal Trade Commission Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Siegel's Home Equipment Company, Inc., a corporation, and Henry Shapiro, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and implementing regulation, 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 Siegel's Home Equipment Company, 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 7 West Broad Street, Richmond, Virginia.

