

corporation, the creation or dissolution of subsidiaries, or any other change in any corporation which may affect compliance obligations arising out of the order.

V

It is further ordered, That respondents, individually, within sixty (60) days after the effective date of this order, file with the Commission a report in writing setting forth in detail the manner and form in which each has complied with this order.

IN THE MATTER OF
LITTON INDUSTRIES, INC.

Docket 8778. Order, May 16, 1973.

Order reopening the proceeding solely for the purpose of re-examining the question of relief in its entirety; remanding the proceeding to an administrative law judge to conduct hearings on the question of relief; and denying respondent's request for oral argument on the petition for reconsideration. Commissioner Jones dissenting with statement.

DISSENTING STATEMENT

BY JONES; *Commissioner:*

Today, by its decision to remand the issue of relief to the administrative law judge, the Commission¹ has in effect reversed itself on its decision and order in the above-captioned case which held that Litton's acquisition of Triumph-Adler had violated Section 7 of the Clayton Act and ordered Litton to divest itself of Triumph-Adler. The Commission has taken this action in response to Litton's petition to the Commission for Reconsideration of the Order of Divestiture or Reopening of the Proceedings.

Under the Commission's Rules of Practice, Petition for Reconsideration filed under Rule 3.55 are required to be limited "to new questions raised by the decision or final order and upon which the petitioner had no opportunity to argue before the Commission."²

¹ The Commission's decision was participated in by Commissioners Jones, Dixon and Dennison with Commissioner MacIntyre abstaining. Commissioner MacIntyre is participating in the current Commission action and is concurring with it.

² Petition for reopening are covered by Rule 3.72(b)(2) which may be granted upon issuance by the Commission of an order to show cause if the Commission determines that changed conditions of fact or law or the public interest requires such reopening.

Litton's arguments for reconsideration or reopening proceed on the following grounds:

1. The opinion was premised on an erroneous view of the law that divestiture was mandatory.

2. The Commission in ordering divestiture failed to consider substantial evidence in the record to the effect that IBM and SCM are growing stronger, that all other competitors in the market as a result of this competition, devaluation and IBM's single element typewriter, have been and are continuing to suffer, that Royal cannot survive without Triumph-Adler and that divestiture will further worsen the competitive situation (Brief pp. 19-31).

3. A variety of arguments to the effect that the opinion placed too much emphasis on the structure rather than the history of the typewriter industry; that incorrect measurements were made of the markets and industry concentration (Commissioner Dennison's opinion is cited as to these points); that analysis of the office typewriter market and specifically the office manual market is incorrect; that Litton's economic experts were ignored; and that divestiture will have adverse effects on the industry and typewriter dealers.

None of these arguments raise new issues of law or fact and each was in fact considered by the Commission before reaching its decision in this case. Nowhere in the opinion, for example, is there any suggestion that divestiture is a mandatory relief provision. All of the circumstances surrounding the market position of IBM and SCM were thoroughly argued and considered in both the Initial Decision and the Commission's Opinion and add absolutely nothing new for the Commission to consider. All of the other Litton arguments in this petition proceed again on Litton's view of the market which was rejected by the Commission in its opinion. All were fully discussed in this opinion and therefore in no way constitute grounds for reconsideration or reopening.

Litton attached to its petition and brief various affidavits of Litton's executive board of directors which add little to the record with two exceptions. The submitted material indicates that Xerox is apparently on the verge of entering the automatic typewriter market having purchased, in 1971, the automatic typewriter division of ITEL Corporation (*See* Berry affidavit, pp. 7-8; Spelhaug affidavit pp. 2-3). It also indicates that the worsening monetary crises has allegedly made foreign

typewriters less price competitive with IBM than before. (Mills affidavit p. 2). I see nothing in either of these "facts" which affect the Commission's order to divest Triumph-Adler. In fact, it could be argued that IBM's market position will now be challenged by Xerox thus lessening the need for Royal's survival which Litton contends is needed to challenge IBM.

I can find nothing in Litton's petition to reconsider which was not already considered by the Commission. Nor can I find anything in its petition demonstrating either that Triumph-Adler cannot be viably divested nor that some relief short of divestiture offers any possibility of redressing the competitive imbalance and restraint which the Commission found was the consequence of the merger and the basis for its illegality under Section 7. For this reason, I do not believe that the requisite showing has been made out under our rules to warrant the remand now ordered by the Commission.

ORDER REOPENING PROCEEDING TO RECONSIDER
THE ISSUE OF RELIEF

This matter is before the Commission upon respondent's Petition for Reconsideration of the Order of Divestiture or Reopening of Proceedings, filed with the Secretary of the Commission on April 9, 1973.

Upon consideration of all the papers before it, the Commission has determined that the above-captioned proceeding should be reopened solely for further consideration of the question of relief. Accordingly,

It is ordered, That the above-captioned proceeding be, and it hereby is, reopened solely for the purpose of re-examining the question of relief in its entirety.

It is further ordered, That the above-captioned proceeding be, and it hereby is, remanded to an administrative law judge to conduct hearings on the question of relief. In conducting this inquiry, the administrative law judge shall examine the question of appropriate relief in its entirety, and upon completion of the hearings, he shall furnish the Commission with his findings on the issue of relief and his recommendations.

It is further ordered, That respondent's request for oral argument before the Commission on the instant petition be, and it hereby is, denied.

Chairman Engman not participating, and Commissioner Jones voting in the negative.

Order

IN THE MATTER OF
AMERICAN HOME PRODUCTS CORPORATION, ET AL.

Docket 8918. Order, May 16, 1973.

Order denying respondents' (1) petition for extraordinary review of the administrative law judge's orders denying respondents' motion for a more definite statement and refusing to make a determination allowing an immediate appeal, and (2) motion for stay of respondents' time to answer the complaint; and granting respondents' motion for stay of time to answer the complaint up to and including five days after service of the order.

ORDER DENYING PETITION FOR EXTRAORDINARY REVIEW,
APPLICATION FOR INTERLOCUTORY REVIEW AND RULING UPON
MOTION FOR STAY

On March 29, 1973, respondents filed with the administrative law judge a motion for a more definite statement of the allegations contained in the administrative complaint. By order filed on April 12, 1973, the administrative law judge denied respondents' motion. On April 18, 1973, respondents filed a request with the administrative law judge for a determination allowing an immediate appeal from his order of April 12, 1973, and for a stay of the proceedings. The administrative law judge denied both the application for a determination allowing an immediate appeal and the application for a stay by an order filed on April 20, 1973.

On April 25, 1973, respondents filed with the Commission (1) a petition for extraordinary review by the Commission, of the administrative law judge's orders denying respondents' motion for a more definite statement and refusing to make a determination allowing an immediate appeal; (2) an application for interlocutory review of the administrative law judge's order denying respondents' motion for a more definite statement; and (3) a motion for stay of respondents' time to answer the complaint. On May 2, 1973, complaint counsel filed a reply to the respondents' petition.

Upon consideration of the foregoing documents filed by respondents, the reply filed by complaint counsel and upon consideration of the administrative law judge's order filed on April 12, 1973, the Commission has determined that respondents have not made a sufficient showing for the granting of an interlocutory review or appeal under either Section 3.23(a) or Section 3.23(b) of the Commission's Rules of Practice. Accordingly,

It is ordered, That the aforesaid petition and application filed by respondents be, and the same hereby are, denied.

In view however of the circumstance that the time allowed for filing respondents' answer has expired,

It is further ordered, That respondents' motion for stay of time to answer the complaint be granted up to and including five (5) days after service of this order.

IN THE MATTER OF

GEORGIA-PACIFIC CORPORATION

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

Docket C-2402. Complaint, May 16, 1973—Decision, May 16, 1973.

Consent order requiring a Portland, Oregon, manufacturer of a wide variety of products including wood, paper, pulp, chemicals and wood products, among other things to cease engaging in unfair methods of competition by systematically using its purchasing power to obtain sales to its actual or potential suppliers. Respondent is further required to destroy certain statistical data and maintain certain other records as set out in the order.

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 Georgia-Pacific Corporation, a corporation, hereinafter referred to as the respondent, has violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges as follows:

PARAGRAPH 1. Respondent Georgia-Pacific Corporation, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Georgia, with its principal office and place of business located at 900 S.W. Fifth Avenue, Portland, Oregon. It owns a controlling interest in approximately forty subsidiary corporations.

PAR. 2. Respondent is now, and for some time last past has been engaged in the manufacture, sale and distribution of a wide variety of products including, but not limited to, wood, paper, paperboard, converted paper products, pulp, chemicals, plywood, gypsum, hardboard, flakeboard, particleboard, doors, aluminum,

mill work and furniture. In 1971 respondent had approximately 200 plants and more than 100 product distribution centers located throughout the United States. Respondent's total assets are approximately \$1.8 billion.

PAR. 3. In connection with its manufacturing and distribution operations, respondent purchases a substantial volume of raw materials, products or services from various suppliers located throughout the United States, many of which use, or can use, raw materials or products sold and distributed by respondent. During the period 1964 through 1971, respondent's annual purchases increased from approximately \$300 million to in excess of \$700 million, most of which were for substantial quantities of supplies and materials used for production of its manufactured goods throughout the United States and in the operation of its plants and offices. Respondent's annual net sales increased substantially during the period 1964 to 1971, from approximately \$500 million to \$1.4 billion.

PAR. 4. In the course and conduct of its business respondent is, and has been, engaged in commerce, as "commerce" is defined in the Federal Trade Commission Act, in that it has sold its materials and products to purchasers located in various States of the United States, and caused such materials and products, when sold, to be transported from its facilities in various States of the United States to such purchasers located in various other States of the United States.

PAR. 5. Except to the extent that competition has been frustrated, hindered, foreclosed, lessened or eliminated as hereinafter set forth, respondent has been and is now, in competition with firms, partnerships or corporations engaged in the business of manufacturing, distributing and selling wood, pulp, paper, gypsum, chemicals or other products in commerce.

PAR. 6. In the course and conduct of its business as described above respondent has, for a number of years and is now, engaged in unfair methods of competition and unfair acts and practices in commerce in violation of Section 5 of the Federal Trade Commission Act in that respondent has systematically utilized its purchasing power to obtain or attempt to obtain sales of its products, services, or raw materials to certain of its actual or potential suppliers.

PAR. 7. In order to utilize its purchasing power as described above respondent has engaged in one or more of the following acts and practices, but not limited thereto:

A. Compiled data on purchases from various suppliers and

sales to various suppliers and has collated certain such purchase and sales data of certain suppliers.

B. Disclosed statistical data or other information relating to its actual or potential purchases from certain companies to its sales personnel or its employees with purchasing and sales responsibilities.

C. Disclosed statistical data or other information relating to its actual or potential sales to certain companies to its purchasing personnel.

D. Disclosed specific purchasing or sales data, or other information to sales personnel for their use in selling or attempting to sell respondent's products to certain companies.

E. Utilized statistical sales or purchase data or other information in order to determine which suppliers should be favored or the extent to which suppliers should be permitted to participate in supplying respondent.

F. Communicated with its actual or potential suppliers regarding purchases or sales, in order to ascertain, develop, facilitate, or further a relationship of sales and purchases between respondent and the suppliers or another company.

G. Purchased or attempted to purchase from certain companies or their designees on the understanding that such companies would purchase from respondent or another company.

H. Sold or attempted to sell to certain companies or their designees on the understanding that such companies would sell to respondent or another company.

I. Refused to buy or reduced purchases from certain suppliers who did not purchase, maintain or increase purchases from the respondent or another company.

J. Purchased from certain companies in order to induce such companies to purchase from respondent or another company.

K. Sold or attempted to sell to certain companies in order to induce such companies to sell to respondent or another company.

L. Established a director of purchasing and trade relations whose responsibilities included but were not limited to, developing and coordinating respondent's trade relations with other supplying and buying corporations in order to stimulate or increase its sales.

PAR. 8. The acts and practices of respondent, described above in Paragraphs Six and Seven, have had and still have the capacity, tendency, and effect of (a) foreclosing the sale of substantial quantities of various products, services, or raw

materials to respondent by various actual or potential suppliers of such products, services, and raw materials, (b) foreclosing competitors of respondent in the sale of substantial quantities of various products, services, or raw materials, (c) giving respondent an unfair competitive advantage over its competitors, or (d) depriving its competitors or actual or potential suppliers of full and free competition in the market place.

PAR. 9. The acts and practices of respondent as herein alleged, were and are to the prejudice and injury of the public and respondent's competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair 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 respondent named in the caption hereof, and the respondent having been furnished thereafter with a copy of a draft of complaint which the Seattle Regional Office 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 Georgia-Pacific Corporation is a corporation

organized, existing and doing business under and by virtue of the laws of the State of Georgia, with its office and principal place of business located at 900 S.W. Fifth Avenue, Portland, Oregon.

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

For the purposes of this order, the definitions below shall apply, although words of inclusion used herein are not words of limitation:

“Respondent” includes Georgia-Pacific Corporation, a corporation, its subsidiaries, successors and assigns.

“Company” includes any business entity.

“Purchase” and “purchases” include (a) any receipt of products, services or raw materials from another company in exchange for money, products, services or raw materials, and (b) the leasing of anything of value from another company.

“Sell” and “sales” include any conveyance of products or raw materials to, or any performance of services for another company in exchange for money, products, services or raw materials.

I

It is ordered, That respondent, its officers, directors, employees, agents and representatives, directly or through any corporate or other device, shall forthwith cease and desist from:

A. Purchasing or entering into or adhering to any agreement or understanding to purchase from an actual or potential supplier on the understanding that any of such purchases are conditioned upon or related to any sales by respondent or any other company;

B. Selling or entering into, or adhering to any agreement or understanding to sell to an actual or potential customer on the understanding that any of such sales are conditioned upon or related to any purchases by respondent or any other company;

C. Purchasing in order to promote or induce sales to another company;

D. Selling in order to promote or induce sales by another company;

E. Communicating to another company that:

1. purchases by respondent or relative positions on respondent's bidder lists will or may be conditioned upon or related to sales by respondent or another company;

2. sales by respondent or relative positions on respondent's bidder lists will or may be conditioned upon or related to purchases by respondent or another company;

F. Discussing, comparing, or exchanging statistical data or other information with another company in order to ascertain, develop, facilitate or further any relationship between purchases and sales of the nature prohibited by this order;

G. Preparing or maintaining statistical data which compares or otherwise relates purchases by respondent from a company to sales by respondent to such company;

H. Causing or permitting any of respondent's personnel holding any of the positions listed in Appendix 1, hereof, to influence, request, or suggest to any of respondent's personnel holding any of the positions listed in Appendixes 2 or 3, hereof, to consider respondent's actual or potential sales to any company as a factor in any decision to purchase from such company;

I. Causing or permitting any of respondent's personnel who are primarily and directly engaged in promoting or obtaining sales on behalf of respondent, including, but not limited to, respondent's personnel holding any of the positions listed in Appendix 2, hereof, to:

1. engage in purchasing;
2. obtain statistical data or other information which shows the amount of actual or potential purchases by respondent from any company;
3. attend any meeting, a purpose of which is the discussion of respondent's purchases or its purchasing strategy;
4. specify or recommend, because of the status of any company as an actual or potential customer of respondent, that purchases could or should be made from such company;

Provided, however, That nothing contained in this subparagraph shall prohibit any of respondent's personnel holding any of the positions listed in Appendix 2, hereof, and followed by brackets ([]), from:

- a. purchasing items for resale by the divisions of

respondent for which such individual is assigned sales and purchasing responsibilities;

b. obtaining statistical data or other information which shows the amount of actual or potential purchases of items for resale by the divisions of respondent for which such individual is assigned sales and purchasing responsibilities;

c. attending any meeting, the purpose of which is the discussion of respondent's purchases of items for resale or its strategy for purchasing such items;

J. Causing or permitting any of respondent's personnel who are primarily and directly engaged in purchasing on behalf of respondent, including, but not limited to, respondent's personnel holding any of the positions listed in Appendix 3, hereof, to:

1. engage in obtaining sales;
2. obtain statistical data or other information which shows the amount of actual or potential sales by respondent to any company;
3. attend any meeting, a purpose of which is the discussion of respondent's sales, or its strategy for obtaining sales;
4. specify or recommend, because of the status of any company as an actual or potential supplier to respondent, that sales could or should be made to such company;

Provided, however, That nothing contained in this subparagraph shall prohibit any of respondent's personnel holding any of the positions listed in Appendix 3, hereof, and followed by brackets ([]), from:

a. selling items purchased for resale by the divisions of respondent for which such individual is assigned purchasing and resale responsibilities;

b. obtaining statistical data or other information which shows the amount of actual or potential sales of items purchased for resale by the divisions of respondent for which such individual is assigned purchasing and resale responsibilities;

c. attending any meeting, the purpose of which is the discussion of respondent's sales of items purchased for resale by respondent or its strategy for selling such items.

II

It is further ordered, That respondent shall, within thirty (30) days subsequent to the date of this order, destroy:

A. All statistical data in its possession, custody, or control which compares or otherwise relates purchases from another company to sales to such company;

B. All statistical data and other information, which shows the amount of actual or potential purchases by respondent from any company, and which is in the possession, custody or control of any of respondent's personnel holding any of the positions listed in Appendix 2, hereof;

C. All statistical data and other information which shows the amount of actual or potential sales by respondent to any company, and which is in the possession, custody, or control of any of respondent's personnel holding any of the positions listed in Appendix 3, hereof.

III

It is further ordered, That respondent shall, within sixty (60) days subsequent to the date of this order:

A. Issue a copy of Attachment A, hereof, to each of respondent's personnel listed on its then-current Key Personnel List A or Key Personnel List B;

B. Insert and maintain the language of Attachment A hereof within all manuals and other such documents which set out respondent's policies or procedures for purchasing or for obtaining sales, or its policies relating to the compilation or distribution of statistical purchase or sales data.

IV

It is further ordered, That respondent shall, beginning within sixty (60) days of the date of this order and for a period of one (1) year subsequent to such beginning date, mail or otherwise distribute copies of Attachment B, hereof, together with a copy of this order, exclusive of all appendixes, in the following manner:

A. Attached to each purchase order or substitute document issued by respondent to any supplier for any purchase in excess of \$5,000 documented thereby if such attachment has not previously been provided to such supplier in compliance with this paragraph;

B. Attached to each invoice or substitute document issued

by respondent to any customer for any sale made by respondent in excess of \$5,000 if such attachment has not previously been provided to such customer in compliance with this paragraph; *Provided, however*, in lieu of the requirement stated in this subparagraph B, for all sales made by respondent through its distribution division only, respondent may, in the alternative make a single distribution by mail of copies of said Attachment B and of this order (exclusive of all appendixes), to each of its customers listed on its then-current computerized distribution division customer list.

The above provisions of this Paragraph IV notwithstanding, respondent shall, within sixty (60) days subsequent to the date of this order, mail a copy of Attachment B, hereof, together with a copy of this order (exclusive of all appendixes), to each company which is a party with respondent to any contract or agreement of the nature described in Paragraph XI, below.

V

It is further ordered, That respondent notify the Federal Trade Commission:

A. At least thirty (30) days prior to any proposed change in its corporate structure, 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 respondent which may affect compliance obligations arising out of this order;

B. Annually of all positions with responsibility for sales or purchases. For purposes of compliance with this subparagraph respondent shall furnish to the Federal Trade Commission at the end of each year a list of all such positions and the names of the employees holding each such positions.

VI

It is further ordered, That respondent shall, within sixty (60) days subsequent to the date of this order, file with the Federal Trade Commission a written report setting forth in detail the manner and form in which it has complied with this order including, but not limited to, the name of each individual to whom a copy of Attachment A, hereto, was issued pursuant to Paragraph III, above.

VII

It is further ordered, That respondent shall, within ninety (90) days subsequent to the first (1st) anniversary of the date of this order, provide the Federal Trade Commission with the name of each company to which copies of Attachment B, hereof, and this order were mailed or otherwise distributed pursuant to Paragraph IV, above.

VIII

It is further ordered, That respondent shall, within sixty (60) days of the third (3rd) anniversary of the date of this order:

A. Cause each of its then-current personnel who, at such third (3rd) anniversary date of this order, hold any of the positions listed in Appendix 1, hereof, to complete and furnish to respondent's legal department a sworn statement in the form of Attachment C, hereof;

B. Cause each of its then-current personnel who, at such third (3rd) anniversary date of this order, hold any of the positions listed in Appendix 2, hereof, other than those positions preceded by an asterisk (*), to complete and furnish to respondent's legal department a sworn statement in the form of Attachment D, hereof;

C. Cause each of its then-current personnel who, at such third (3rd) anniversary date of this order, hold any of the positions listed in Appendix 3, hereof, other than those positions preceded by an asterisk (*), to complete and furnish to respondent's legal department a sworn statement in the form of Attachment E, hereof.

IX

It is further ordered, That respondent shall:

A. Request each of its personnel who, at any time subsequent to the date of this order, has held any of the positions listed in Appendix 1, hereof, and who leaves the employ of respondent prior to the third (3rd) anniversary of the date of this order, to complete and furnish to respondent's legal department, within ten (10) days preceding such termination of employment, a sworn statement in the form of Attachment C, hereof;

B. Request each of its personnel who, at any time subsequent to the date of this order, has held any of the positions listed in Appendix 2, hereof, other than those

positions preceded by an asterisk (*), and who leaves the employ of respondent prior to the third (3rd) anniversary of the date of this order, to complete and furnish to respondent's legal department, within ten (10) days preceding such termination of employment, a sworn statement in the form of Attachment D, hereof;

C. Request each of its personnel who, at any time subsequent to the date of this order, has held any of the positions listed in Appendix 3, hereof, other than those positions preceded by an asterisk (*), and who leaves the employ of respondent prior to the third (3rd) anniversary of the date of this order, to complete and furnish to respondent's legal department, within ten (10) days preceding such termination of employment, a sworn statement in the form of Attachment E, hereof.

X

It is further ordered, That respondent shall submit to the Federal Trade Commission:

A. Within ninety (90) days subsequent to the third (3rd) anniversary of the date of this order, all sworn statements which it has received pursuant to Paragraph VIII, above;

B. Within ninety (90) days subsequent to the first (1st) anniversary of the date of this order, and annually thereafter for a period of two (2) years, all sworn statements which it has received pursuant to Paragraph IX, above, together with the name and address of each individual who would have been required by Paragraph IX, above, but did not complete a sworn statement at any time in the one (1) year period immediately prior to such submission.

XI

It is further ordered, That nothing contained in this order shall prohibit respondent from:

A. Entering into or adhering to any contract or agreement pursuant to which respondent shall purchase from another party any products which respondent also produces in exchange for the purchase from respondent by such other party of an approximately equal volume or value of like or similar products in any stage of process;

B. Entering into or adhering to any contract or

agreement for the conversion of respondent's products or goods into other forms for its own use or for resale or for the conversion by respondent of the products or goods of other parties;

C. Entering into or adhering to any contract or agreement for construction work or for the manufacture, installation, servicing or operating of equipment, products or facilities, or the furnishing of supplies, for respondent's own use, or the use of its employees, on the condition that respondent's or other specified products, goods or services be used in the performance of such contracts or agreements; *Provided, however,* That such contracts or agreements are not used to carry out or promote any reciprocal purchasing policy, arrangement or practice of the type prohibited by this order.

Provided, however, That nothing in this paragraph or any of its subparagraphs shall be construed as having application to, or limiting in any manner whatsoever, any other proceeding or investigation initiated by the Federal Trade Commission, and that the Federal Trade Commission reserves the right to take further action including the issuance of a complaint with respect to transactions of the nature described in this paragraph and each of its subparagraphs in the event that it shall at any time in the future have reason to believe that any of such transactions may violate any of the statutes administered by it.

XII

It is further ordered, That nothing contained in this order shall prohibit respondent from preparing and compiling statistical data and information showing sales to particular customers or groups of customers ("sales summaries") and statistical data and information showing purchases from particular suppliers or groups of suppliers ("purchasing summaries") for use by its managerial personnel, *Provided,* That such sales and purchasing summaries are not used by any of such managerial personnel to carry out or promote any reciprocal purchasing policy, arrangement, or practice of the type prohibited by this order; *Provided further,* That no such sales summaries be made available to personnel with primary purchasing responsibility, and no such purchasing summaries be made available to personnel with primary sales responsibility; *Provided further,* That respondent prepare at the end of each year for a period of three (3) years subsequent to the date of this order, a list of all

such sales and purchasing summaries, and maintain for a period of five (5) years following their preparation, the original or a copy of each such sales and purchasing summary, together with a list of the personnel to whom each was distributed; and *Provided further*, That respondent shall send the above-described lists to the Federal Trade Commission at the end of each of such three years and shall grant any duly authorized representative of the Federal Trade Commission access to the sales and purchasing summaries to which such lists relate.

XIII

It is further ordered, That respondent shall, for a period of five (5) years subsequent to the date of this order:

A. Maintain:

1. all written contracts and agreements of the nature described in Paragraph XI, above; and
 2. documents sufficient to disclose the terms and substance of all oral contracts and agreements of the nature described in Paragraph XI, above;
- together with documents sufficient to show the total annual dollar value and/or volume of deliveries and receipts pursuant to each such written or oral contract and agreement;

B. Grant any duly authorized representative of the Federal Trade Commission access to all such contracts, agreements, and other documents;

C. Furnish to the Federal Trade Commission copies of all such contracts, agreements, and other documents which are requested by any of its duly authorized representatives.

ATTACHMENT A

Re: Federal Trade Commission Order Concerning the Selling and Purchasing Activities of Georgia-Pacific Corporation and its Subsidiaries.

Pursuant to an Order of the Federal Trade Commission, we issue the following policies and guidelines:

General

No employee shall:

1. discuss, compare or exchange statistical data or other information with another company in order to ascertain, develop, facilitate or further any relationship between our purchases and our sales;
2. prepare, maintain or in any manner obtain statistical data which compares or otherwise relates our purchases from a company to our sales to such company.

Purchasing

It is our policy to purchase solely on the basis of price, quality and service. Purchasing personnel shall be prepared to justify all purchases in light of these criteria. No purchase may be conditioned upon or related to our sales or sales by any other company nor shall any employee suggest or imply to any actual or potential supplier that any purchase is so conditioned or related.

No Purchasing Department personnel shall:

1. engage in sales or marketing on our behalf;
2. in any manner obtain statistical data or other information which shows the amount of our actual or potential sales to any company;
3. attend any meeting, a purpose of which is the discussion of our sales or our strategy for obtaining sales;
4. specify or recommend to our sales or marketing personnel, because of the status of any company as an actual or potential supplier, that sales could or should be made to such company.

Selling

No employee promoting sales to any actual or potential customer shall suggest or imply that such sales are conditioned upon or related to our purchases or purchases by any other company.

No sales or marketing personnel shall:

1. engage in purchasing on our behalf;
2. in any manner obtain statistical data or other information which shows the amount of our actual or potential purchases from any company;
3. attend any meeting, a purpose of which is the discussion of our purchases or our purchasing strategy, except to the extent discussion concerns the purchase of items for resale;
4. specify or recommend to our purchasing personnel, because of the status of any company as an actual or potential customer, that purchases could or should be made from such company.

Items Purchased for Resale

Those employees who are assigned sales and purchasing responsibilities in connection with items purchased for resale by our company are not prohibited from performing such functions.

Violation of Policies or Guidelines

Violation of the above policies or guidelines shall subject any offending employee to dismissal from his employment.

ATTACHMENT B

To our Customers and Suppliers:

Pursuant to the attached Order of the Federal Trade Commission, we herewith advise you that it is the policy of Georgia-Pacific Corporation to purchase solely on the basis of price, quality and service. We wish to assure you that our purchases will in no way be conditioned upon or related to our sales to you or any other company.

Chairman of the Board
and President.

ATTACHMENT C

Name and address:

Positions held, with dates, with Georgia-Pacific Corporation or its subsidiaries since _____ (the date of this Order) _____ :

I have marked the statement below which is true:

- ___1. I have engaged in one or more of the activities of the nature prohibited by Article I, subparagraphs A through H, inclusive, of ___ (this Order) ___ at some time since ___ (the date of this Order) ___.
- ___2. I have not engaged in any activities of the nature prohibited by Article I, subparagraphs A through H, inclusive, of ___ (this Order) ___ since ___ (the date of this Order) ___.

(Signature)

City of _____

State of _____

Sworn to and subscribed before me this _____ day of _____, 1972.

(Notary Public)

ATTACHMENT D

Name and address:

Positions held, with dates, with Georgia-Pacific Corporation or its subsidiaries since ___ (the date of this Order) ___ :

I have marked all statements below which have been true at all times since ___ (the date of this Order) ___ :

- ___1. I have not discussed, compared, or exchanged statistical data or other information with another company in order to ascertain, develop, facilitate, or further any reciprocal relationship between purchases and sales by Georgia-Pacific Corporation or its subsidiaries, and such company.
- ___2. I have not prepared or maintained statistical data which compared or otherwise related purchases by Georgia-Pacific Corporation or its subsidiaries from any company to sales by Georgia-Pacific Corporation or its subsidiaries to such company.
- ___3. I have not specified or recommended, because of the status of any company as an actual or potential customer, that purchases could or should be made from such company.
- ___4. I have not suggested or implied to another company that purchases by Georgia-Pacific Corporation or its subsidiaries might be conditioned upon or related to sales to such company.
- ___5. I have not engaged in purchasing on behalf of Georgia-Pacific Corporation or its subsidiaries, other than purchasing for resale.
- ___6. I have not in any manner obtained statistical data or other information which showed the amount of actual or potential purchases from any company by Georgia-Pacific Corporation or its subsidiaries, other than purchases for resale.
- ___7. I have not attended a meeting, a purpose of which was the discussion of the purchasing strategy of Georgia-Pacific Corporation or its subsidiaries, other than its strategy for purchasing for resale.
- ___8. To the best of my knowledge and belief, none of the individuals over whom I have had line authority since ___ (the date of this Order) ___ have since such time engaged in any of the activities set out above.

(Signature)

1428

Decision and Order

City of _____

State of _____

Sworn to and subscribed before me this _____ day of _____, 1972.

(Notary Public)

ATTACHMENT E

Name and address:

Positions held, with dates, with Georgia-Pacific Corporation or its subsidiaries since _____ (the date of this Order) _____ :

I have marked all statements below which have been true at all times since _____ (the date of this Order) _____ :

- ____1. I have not discussed, compared, or exchanged statistical data or other information with another company in order to ascertain, develop, facilitate, or further any reciprocal relationship between purchases and sales by Georgia-Pacific Corporation or its subsidiaries and such company.
- ____2. I have not prepared or maintained statistical data which compared or otherwise related sales by Georgia-Pacific Corporation or its subsidiaries to any company with purchases by Georgia-Pacific Corporation or its subsidiaries from such company.
- ____3. I have not specified or recommended, because of the status of any company as an actual or potential supplier, that sales could or should be made to such company.
- ____4. I have not suggested or implied to another company that purchases by Georgia-Pacific Corporation or its subsidiaries might be conditioned upon or related to sales to such company.
- ____5. I have not engaged in sales or marketing on behalf of Georgia-Pacific Corporation or its subsidiaries, other than the sale of items purchased for resale.
- ____6. I have not in any manner obtained statistical data or other information which showed the amount of actual or potential sales to any company by Georgia-Pacific Corporation or its subsidiaries, other than sales of items purchased for resale.
- ____7. I have not attended a meeting, a purpose of which was the discussion of the strategy of Georgia-Pacific Corporation or its subsidiaries for obtaining sales, other than its strategy for selling items purchased for resale.
- ____8. To the best of my knowledge and belief, none of the individuals over whom I have had line authority since _____ (the date of this Order) _____ have since such time engaged in any of the activities set out above.

(Signature)

City of _____

State of _____

Sworn to and subscribed before me this _____ day of _____, 1972.

(Notary Public)

Appendix 1

Executive personnel of respondent

Appendix 2

Personnel who are primarily and directly engaged in obtaining sales on behalf of respondent. Place asterisks before all positions which are not required to file affidavits.

Appendix 3

Personnel who are primarily and directly engaged in purchasing on behalf of respondent. Place asterisks before all positions which are not required to file affidavits.

IN THE MATTER OF
BENTON & BOWLES, INC.

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

Docket C-2403. Complaint, May 22, 1973—Decision, May 22, 1973.

Consent order requiring a New York City advertising agency, among other things to cease misrepresenting the medicinal or therapeutic qualities of a non-prescription internal analgesic product, "Vanquish," and misrepresenting certain scientific facts with regard to the product in advertising.

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 Benton & Bowles, Inc., a corporation, hereinafter referred to as respondent, has violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. For purposes of this complaint the following definitions shall apply:

1. "Commerce" means commerce as defined in the Federal Trade Commission Act.
2. "False advertisement" means false advertisement as defined in the Federal Trade Commission Act.

PAR. 2. Respondent Benton & Bowles, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York with its office and principal

place of business located at 909 Third Avenue, in the city of New York, State of New York.

PAR. 3. Respondent Benton & Bowles, Inc., for all times relevant to this complaint has been an advertising agency of Sterling Drug Inc., and for all times relevant to this complaint, has prepared and placed for publication advertising material, including but not limited to the advertising referred to herein, to promote the sale of "Vanquish," a non-prescription internal analgesic preparation, manufactured by Sterling Drug Inc., which comes within the classification of a drug as the term "drug" is defined in the Federal Trade Commission Act.

PAR. 4. The designation, directions for use and active ingredients for Vanquish are as follows:

Active Ingredients:

Aspirin

Caffeine

Acetaminophen

Magnesium Hydroxide

Aluminum Hydroxide (Dried Gel)

Dosage: 2 caplets with water. Can be repeated every 4 hours if needed, up to 12 caplets per day.

PAR. 5. In the course and conduct of its business, respondent Benton & Bowles, Inc., has disseminated, and caused the dissemination of, certain advertisements concerning the said drug by the United States mails and by various means in commerce, including but not limited to, advertisements inserted in magazines, and by means of television broadcasts transmitted by television stations located in various States of the United States, and in the District of Columbia, having sufficient power to carry such broadcasts across state lines, for the purpose of inducing and which were likely to induce, directly or indirectly, the purchase of said drugs and have disseminated, and caused the dissemination of, advertisements concerning said drugs by various means, including but not limited to the aforesaid media, for the purpose of inducing and which were likely to induce, directly or indirectly, the purchase of said drugs in commerce.

PAR. 6. Typical of the statements and representations made in the advertisements, but not all inclusive thereof, are the following:

A. (3 tablets are shown with 1 caplet of Vanquish)

For your headache pain, here are your major choices. This leading extra strength product has no buffers. This leading buffered product has no extra strength. This leading pain reliever has strength but no buffers. Of all the

leading pain relievers you can buy, only Vanquish gives you extra strength and gentle buffers. Vanquish. The choice.

B. When you get a headache we think you should take Vanquish. And we'll show you why in a head to head comparison. This is Vanquish. It gives you extra strength and gentle buffers. And its the only leading pain reliever that does. This is a leading extra strength product. It has no buffers. And there are no buffers in this other extra strength product either. This leading buffered product comes without extra strength. We think your headache deserves extra strength and you deserve gentle buffers.

C. Vanquish is different. It gives you proven effectiveness of Aspirin as in this tablet plus extra medication as in these. But it also includes two gentle buffers *** with Vanquish the only one.

PAR. 7. Through the use of these advertisements, and others similar thereto not specifically set out herein, it was represented directly or by implication by respondent Benton & Bowles, Inc., that it has been established that:

A. A recommended dose of Vanquish is more effective for the relief of pain that a recommended dose of aspirin or buffered aspirin.

B. Because Vanquish contains "gentle buffers" it will result in less gastric discomfort than any other non-prescription internal analgesic not containing buffers.

PAR. 8. In truth and in fact neither of said representations has been established. There exists, rather, a substantial question recognized by experts qualified by scientific training and experience to evaluate the safety and efficacy of such drug as to the validity of such representations.

PAR. 9. Through the use of these advertisements, and others similar thereto not specifically set out herein, it was represented directly or by implication by respondent Benton & Bowles, Inc., that:

A. A recommended dose of Vanquish is more effective for the relief of pain than a recommended dose of aspirin or buffered aspirin.

B. Vanquish will cause gastric discomfort less frequently than any other non-prescription internal analgesic not containing buffers.

PAR. 10. At the time respondent made the representations in Paragraph Nine above, there existed a substantial question, recognized by experts qualified by scientific training and experience to evaluate the safety and efficacy of such drug as to the validity of such representations.

PAR. 11. Respondent Benton & Bowles, Inc., advertised Vanquish without disclosing in the advertising for this product that it contains aspirin and caffeine. Aspirin and caffeine are

well-known commonplace substances widely available in a variety of non-prescription products. Moreover, the use of aspirin or caffeine by persons with certain medical conditions can be injurious to health. In addition, the use of aspirin in large quantities or with frequency by some persons may cause undesirable side effects. Thus, respondent has failed to disclose in advertising a material fact, which if known to certain consumers would be likely to affect their consideration of whether or not to purchase such products.

PAR. 12. The advertisements referred to in Paragraph Six above were, and are, misleading in material respects, as alleged in Paragraphs Eight, Ten and Eleven and constituted and now constitute false advertisements.

PAR. 13. The use by respondent of the aforesaid deceptive statements, representations, or claims, and the dissemination of the aforesaid false advertisements has had and now has, the capacity and tendency to mislead members of the consuming public into the erroneous and mistaken belief that said statements, representations, or claims were and are true and into the purchase of substantial quantities of said drug by reason of said erroneous and mistaken belief.

PAR. 14. In the course and conduct of its aforesaid business, and at all times mentioned herein, respondent Benton & Bowles, Inc., has been, and now is, in substantial competition in commerce with other advertising agencies.

PAR. 15. The aforesaid acts and practices of respondent, as herein alleged, including the dissemination of false advertisements, as aforesaid, were and are all to the prejudice and injury of the public and of respondent's competitors and constituted and now constitute unfair methods of competition in commerce and unfair or deceptive acts or practices in commerce, in violation of Sections 5 and 12 of the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondent named in the caption hereto with violation of the Federal Trade Commission Act, and the respondent 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 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 complaint to issue herein, 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 considered the agreement and having provisionally 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 Section 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 Benton & Bowles, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 909 Third Avenue, New York City, 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

I

It is ordered, That respondent Benton & Bowles, Inc., a corporation, its successors and assigns and respondent's officers, agents, representatives and employees, directly or through any controlled corporation, wholly-owned subsidiary or division in connection with the advertising, offering for sale, sale or distribution of Vanquish in the United States, do forthwith cease and desist from:

A. Disseminating, or causing the dissemination of, any advertisement by means of the United States mails or by means in commerce, as "commerce" is defined in the Federal Trade Commission Act, which:

1. Represents, directly or by implication, that a recommended dose of Vanquish is more effective in relief of pain than a recommended dose of any aspirin or buffered aspirin.

2. Represents, directly or by implication, that

Vanquish will cause gastric discomfort less frequently than any aspirin or buffered aspirin.

3. Fails to disclose that Vanquish contains aspirin and caffeine.

B. Disseminating, or causing the dissemination of, any advertisement by any means which contains statements which are inconsistent with, negate or contradict any disclosures required by subparagraph A above, or in any way obscure the meaning of such disclosure;

C. 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 such product in commerce, as "commerce" is defined in the Federal Trade Commission Act, which contains any of the representations prohibited in subparagraphs A(1) and A(2) above or fails to include the disclosures required in subparagraph A(3) above.

II

It is further ordered, That respondent Benton & Bowles, Inc., a corporation, its successors and assigns and respondent's officers, agents, representatives and employees, directly or through any controlled corporation, wholly-owned subsidiary, or division, in connection with the advertising, offering for sale, sale or distribution of any non-prescription internal analgesic product in the United States do forthwith cease and desist from:

A. Disseminating, or causing the dissemination of, any advertisement by means of the United States mails or by means in commerce, as "commerce" is defined in the Federal Trade Commission Act, which:

1. Represents directly or by implication, that a claim concerning the comparative performance, the comparative effectiveness, or the comparative freedom from side effects of such product has been established, when there exists a substantial question, recognized by experts qualified by scientific training and experience to evaluate the safety and efficacy of such drug products, as to the validity of such claim, unless the respondent can establish that it neither knew nor had reason to know of the existence of such substantial question; or

2. Refers to the ingredients aspirin or caffeine by any word or words other than their common, or usual name,

unless (a) it is clearly and conspicuously disclosed that such word or words refer to aspirin or caffeine, and, (b) it is clearly and conspicuously disclosed that the only active analgesic ingredient in such product is aspirin and the only stimulant ingredient in such product is caffeine, if such is the case; or

3. Fails to disclose that the product contains aspirin or caffeine, if such is the case, *Provided, however*, That Paragraphs A(2) and (3) of Part II of this order shall not take effect or be binding unless or until order provisions embodying these same disclosure requirements become final with respect to Sterling Drug Inc., co-respondent joined in the complaint issued in [File No.] 722 3221.

B. Disseminating, or causing the dissemination, of, any advertisement by any means, which contains statements which are inconsistent, with, negate or contradict any disclosures required by Paragraph A above, or in any way obscure the meaning of such disclosures;

C. 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 such product, in commerce, as "commerce" is defined in the Federal Trade Commission Act, which contains any of the representations prohibited in Paragraph A(1) and A(2) above, or which fails to disclose the disclosures required in Paragraph A(2) and A(3) above.

D. Making any representation, directly or by implication, concerning the comparative performance, the comparative effectiveness, or the comparative freedom from side effects of such product, when there exists a substantial question, recognized by experts qualified by scientific training and experience to evaluate the safety and efficacy of such analgesic products, as to the validity of such representation, unless the respondent can establish that it neither knew nor had reason to know of the existence of such substantial question.

E. Making any statement or representations, directly or by implication, concerning the performance, effectiveness, or freedom from side effects of such product, unless there exists competent and reliable evidence to provide a reasonable basis for such representations. Notwithstanding the foregoing it shall be a complete defense in any enforcement proceeding instituted hereunder for said

respondent to establish it neither knew nor had reason to know that said evidence was not competent and reliable.

F. *Provided, however*, That Paragraphs A(1) and D of part II of the order shall not take effect or be binding unless or until an order provision embodying the "Standard" set forth in Paragraphs A(1) and D, or any modification thereof, becomes final with respect to Sterling Drug Inc., co-respondent joined in the complaint issued in [File No.] 722 3221. *Provided further*, That should said order against Sterling Drug Inc., contain a standard different or modified in any respect from the "Standard" set forth in said paragraphs, both parties agree to a reopening and modification of these paragraphs for the sole purpose of incorporating said modification into these paragraphs. For the purpose of this Paragraph F the "Standard" shall mean "when there exists a substantial question, recognized by experts, qualified by scientific training and experience to evaluate the safety and efficacy of such non-prescription internal analgesic product." Furthermore, the defense of "knew or had reason to know" as set forth in Paragraphs A(1) and D of this order shall not be revised or modified or otherwise affected, even though the standard finally utilized is different or modified in any respect from the "Standard" set forth in said paragraphs.

G. *Provided further*, That the proscriptions of this order shall apply only to claims for the prevention, treatment, or relief of pain, but not to claims for the relief of minor pain or discomfort that is incidental to the elimination, by the product, of an underlying condition causing such minor pain or discomfort, such as a cough or stuffy nose.

III

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

It is further ordered, That 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 changes in the corporation which may affect compliance obligations arising out of the order.

It is further ordered, That respondent shall, within sixty (60) days and at the end of six (6) months after the effective date of the order served upon it, file with the Commission a report, in writing, signed by respondent, setting forth in detail the manner and form of its compliance with the order to cease and desist.

IN THE MATTER OF
RELYON, INC., ET AL.

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

Docket C-2404. Complaint, May 22, 1973—Decision, May 22, 1973.

Consent order requiring two related Cleveland, Ohio, sellers and distributors of furniture, among other things to cease violating the Truth in Lending Act by failing to disclose to consumers, in connection with the extension of consumer credit, such information as required by Regulation Z of the 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 Relyon, Inc., a corporation, and B. W. & W., Inc., a corporation, trading and doing business as Relyon, Inc., and Gerald Blank, individually and as an officer of said corporations, and E. Richard Weitz, individually and as an officer of B. W. & W., Inc., and Myron Weissman, individually and as an officer of B. W. & W., Inc., hereinafter sometimes referred to as respondents, have violated the provisions of said Acts and the implementing regulation promulgated under the Truth in Lending 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 Relyon, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Ohio, with its principal office and place of

business located at 1837-41 East 55th Street, in the city of Cleveland, State of Ohio.

Respondent B. W. & W., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Ohio, with its principal office and place of business located at 4141 East 131st Street, in the city of Cleveland, State of Ohio.

Respondent Gerald Blank is an individual and is an officer of the corporate respondents. He formulates, directs and controls the acts and practices of the corporate respondents, including the acts and practices hereinafter set forth. His address is the same as that of Relyon, Inc.

Respondent E. Richard Weitz is an individual and is an officer of B. W. & W., Inc. He formulates, directs and controls the acts and practices of B. W. & W., Inc., including the acts and practices hereinafter set forth. His address is the same as that of B. W. & W., Inc.

Respondent Myron Weissman is an individual and is an officer of B. W. & W., Inc. He formulates, directs and controls the acts and practices of B. W. & W., Inc., including the acts and practices hereinafter set forth. His address is the same as that of B. W. & W., Inc.

The aforementioned respondents cooperate and act together in carrying out the acts and practices hereinafter set forth.

PAR. 2. Respondents are now, and for sometime last past have been, engaged in the advertising, offering for sale, sale and distribution of furniture to the public.

PAR. 3. In the ordinary course and conduct of their business as aforesaid, respondents arrange for the extension of consumer credit or offer to extend or arrange for the extension of such 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, respondents, in the ordinary course of business as aforesaid, and in connection with their credit sales, as "credit sale" is defined in Regulation Z, have caused, and are causing, customers to execute a blank Purchase Money Security Agreement and Note, hereinafter referred to as the "Agreement." Respondents do not provide these customers with any other consumer credit cost disclosures.

By and through the use of the agreement, respondents:

(1) Fail to disclose the annual percentage rate, computed in accordance with Section 226.5 of Regulation Z, as prescribed by Section 226.8(b)(2) of Regulation Z;

(2) Fail to disclose the number, amount, and due dates or periods of payments scheduled to repay the indebtedness, as prescribed by Section 226.8(b)(3) of Regulation Z;

(3) Fail to disclose the cash price of the property or service purchased and to describe that amount as the "cash price," as defined in Section 226.2(i) of Regulation Z, as prescribed by Section 226.8(c)(1) of Regulation Z;

(4) Fail to disclose the downpayment in money made in connection with the credit sale, and to describe the amount as the "cash downpayment," as prescribed by Section 226.8(c)(2) of Regulation Z;

(5) Fail to disclose the downpayment in property made in connection with the credit sale, and to describe that amount as the "trade-in," as prescribed by Section 226.8(c)(2) of Regulation Z;

(6) Fail to disclose the sum of the "cash downpayment" and "trade-in" and to describe that sum as the "total downpayment," as prescribed by Section 226.8(c)(2) of Regulation Z;

(7) Fail to disclose the difference between the "cash price" and the "total downpayment," and to describe that amount as the "unpaid balance of cash price," as prescribed by Section 226.8(c)(3) of Regulation Z;

(8) Fail to disclose all charges which are not part of the "finance charge," but are included in the amount financed and to itemize each such charge individually, as prescribed by Section 226.8(c)(4) of Regulation Z;

(9) Fail to disclose the sum of the "unpaid balance of cash price" and all other amounts itemized individually which are part of the amount financed, but which are not included in the "finance charge" and to describe that amount as the "unpaid balance," as prescribed by Section 226.8(c)(5) of Regulation Z;

(10) Fail to disclose the amount of credit extended and to describe that amount as the "amount financed," as prescribed by Section 226.8(c)(7) of Regulation Z;

(11) Fail to disclose the sum of all charges required by Section 226.4 of Regulation Z to be included therein, and to describe that sum as the "finance charge," as prescribed by Section 226.8(c)(8)(i) of Regulation Z;

(12) Fail to disclose the sum of the "cash price," all charges which are included in the amount financed but which are not

