

# FEDERAL TRADE COMMISSION DECISIONS

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FINDINGS, OPINIONS, AND ORDERS, JULY 1, 1971, TO  
DECEMBER 31, 1971

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IN THE MATTER OF

GERALD BLANCHARD TRADING AS DOMESTIC SEWING  
CENTER

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

*Docket C-1966. Complaint, July 7, 1971—Decision, July 7, 1971*

Consent order requiring a Memphis, Tenn., individual selling and distributing new and used sewing machines and other merchandise to cease using deceptive games of chance, misrepresenting the customary retail price of his merchandise, failing to maintain records to support savings claims, using "bait" methods of selling, implying that articles offered for sale have been repossessed, misusing the word "automatic" to describe any sewing machine, falsely guaranteeing any of his products, failing to notify purchaser that his promissory note may be discounted to a finance company, and making any sales or credit instrument which shall become effective prior to midnight of the third day after execution.

## 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 Gerald Blanchard, an individual, trading and doing business as Domestic Sewing Center, and formerly trading and doing business as National Electronics and as National Electronics Distributors, 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. Respondent Gerald Blanchard is an individual,

trading and doing business as Domestic Sewing Center with his principal place of business located at 3290 Commercial Parkway in the city of Memphis, State of Tennessee, and formerly trading and doing business as National Electronics and as National Electronics Distributors with his principal place of business located at 468 North Watkins Street in the city of Memphis, State of Tennessee.

PAR. 2. Respondent is now, and for some time last past has been, engaged in the advertising, offering for sale, sale and distribution of new and used sewing machines and other merchandise to the public and was formerly engaged in the advertising, offering for sale, sale and distribution of stereo sets, television sets, record albums and similar merchandise to the public.

PAR. 3. In the course and conduct of his business, as aforesaid, respondent now causes, and for some time last past has caused, his said merchandise, when sold, to be shipped from his places of business in the State of Tennessee to purchasers thereof located in various other States of the United States and has been, and now is, engaged in causing to be disseminated in newspapers of interstate circulation, by the United States mails and radio commercials of interstate transmission, advertisements designed and intended to induce sales of his merchandise, and thereby maintains, and at all times mentioned herein has maintained, a substantial course of trade in said merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. One of respondent's sales plans is to invite persons to register for a drawing, offering as a prize a new sewing machine. After this prize is awarded, registrants in the drawing receive from respondent a letter offering an opportunity to win a credit or allowance of specific monetary value to be applied to the purchase of a sewing machine by their participation in a lucky number contest. Although respondent advertises low price merchandise in this letter and other letters, in newspaper ads and radio commercials, his salesmen undertake to sell and, in many instances, do sell higher priced merchandise to customers who respond to such offers.

PAR. 5. In the course and conduct of his aforesaid business and for the purpose of inducing the purchase of his merchandise, respondent has made, and is now making, numerous statements and representations in letters, newspapers and other media with respect to his drawings, contests, games of chance, prizes, promotions, prices, savings, limitations to offers, the status, kind, quality, characteristics and guarantees of his merchandise.

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

A. In connection with respondent's contests, drawings or games of chance:

Thank you for entering our recent drawing.

You have been chosen to receive a 1969 Deluxe Zig Zag Sewing Machine.

\* \* \*

\* \* \* \* \*

Lucky Number  
Pull Tab

Congratulations:

You have been selected to participate in the all new

DOMESTIC SWEEPSTAKES

HERE is your opportunity. Compare the serial number on your letter against the enclosed list of lucky numbers by removing the tab. It may mean extra savings to you.

Your letter may be used toward the purchase of the famous DOMESTIC MODEL ROBIN 164 SEWING MACHINE. \* \* \* It is especially priced at \$149.00.

Here is an example of your savings if your serial number appears in group number 3 (GRAND PRIZE). You pay only \$9.95 for the machine itself (freight and set-up cost) and take out our new 5-year service and instructional policy at a cost of \$12.95 per year. \* \* \*

Group No. 1 winners are eligible for \$59.95 discount on any machine, and Group No. 2, \$29.95.

Since this is an advertising promotion, the time limit offer is good only for one (1) demonstration or 10 days.

B. In connection with respondent's newspaper advertisements of sewing machines:

1969 Singer in walnut cabinet (good shape). Makes zig zag stitches automatically \* \* \* Guaranteed. Assume monthly notes of \$5.21 or pay total finance bill of \$53.12.

\* \* \* \* \*

1969 Zig Zag in nice console . . . Assume notes of \$1.50 per week or pay final balance of \$34.75.

PAR. 6. By and through the use of the above-quoted statements and representations, and others of similar import and meaning not specifically set out herein, separately and in conjunction with oral sales presentations by respondent's salesmen to purchasers and prospective purchasers, respondent has represented, and is now representing, directly or by implication:

A. In connection with respondent's contests, drawings or games of chance:

1. That he is conducting bona fide drawings and bona fide contests to determine the identity of persons eligible to purchase his merchandise at reduced or discount prices.

2. That his Domestic Sweepstakes is a bona fide game of chance and that in connection therewith, he is awarding valuable prizes of specific amounts, such as the aforesaid \$59.95 and \$29.95, as credits or allowances to be deducted from his regular price of any sewing machine he sells and a valuable grand prize, which entitles the winner thereof to purchase a Domestic Model Robin 164 sewing machine and a 5-year service and instructional policy at a bargain price of \$9.95 plus \$12.95 per year for 5 years.

3. That his aforesaid price of \$149 for the Domestic Model Robin 164 sewing machine is the price at which it was sold or offered for sale in good faith by respondent at retail for a reasonably substantial period of time in the recent, regular course of his business.

4. By use of the words "extra savings," "example of your savings" or other words or word of similar import or meaning, that respondent's offering prices for certain sewing machines constitutes a substantial reduction from a higher price or prices at which such machines were sold or offered in good faith for sale by respondent at retail for a reasonably substantial period of time in the recent, regular course of his business and that the difference between such higher price or prices and the corresponding lower offering price or prices for the said machines represents a savings to the purchaser.

5. That his said awards of credits or allowances are made only to a limited number of selected persons for one demonstration or for a limited period of ten days.

B. In connection with respondent's newspaper advertisements of sewing machines:

1. That he is making bona fide offers to sell used sewing machines for \$53.12, \$34.75 and various other prices not set out herein.

2. Through the use of the statements, "assume monthly notes" "pay total finance bill" and statements or words of similar import or meaning, that sewing machines, partially paid for by the previous purchaser, are being offered for sale by respondent for the unpaid balance of the purchase price.

3. That the 1969 Singer sewing machine makes zig zag stitches automatically, by self-operation and by self-regulation.

4. That the 1969 Singer sewing machine is guaranteed without condition or limitation.

PAR. 7. In truth and in fact:

A. In connection with respondent's contests, drawings or games of chance:

1. Respondent is not conducting bona fide drawings or bona fide

contests to determine the identity of persons eligible to purchase his merchandise at reduced or discount prices. His purpose in conducting such drawings and contests is to attract prospective purchasers of his higher priced merchandise.

2. Respondent's Domestic Sweepstakes is not a bona fide game of chance and in connection therewith, respondent does not award valuable prizes of specific amounts, such as \$59.95 or \$29.95, as credits or allowances to be deducted from his regular price of any sewing machine he sells, nor does his grand prize entitle a winner thereof to purchase a Domestic Model Robin 164 sewing machine and a 5-year service and instructional policy at a bargain price of \$9.95 plus \$12.95 per year for 5 years. Such credits or allowances, granted pursuant to the said promotional program and a similar program conducted by respondent, are awarded to all contest participants who failed to win respondent's new sewing machine and are not deducted from respondent's regular retail prices for his sewing machines but from fictitious higher prices and therefore, such prizes are illusory. Moreover, a purchaser of respondent's 5-year service and instructional policy must pay a total sum of \$64.75 at the time of accepting his offer rather than \$12.95 each year for 5 years.

3. Respondent's price of \$149 for the Domestic Model Robin 164 sewing machine is not the price at which it was sold or offered for sale in good faith by respondent at retail for a reasonably substantial period of time in the recent, regular course of his business but is considerably in excess of that price.

4. The prices referred to in respondent's offers of sewing machines in connection with the words "extra savings," "example of your savings" or other words or word of similar import or meaning do not constitute a substantial reduction from a higher price or prices at which such machines were sold or offered for sale in good faith by respondent at retail for a reasonably substantial period of time in the recent, regular course of his business and purchasers are not afforded savings between such higher price or prices and the corresponding lower offering price or prices for the said machines.

5. Respondent's awards of credits or allowances were not made only to a limited number of selected persons but were made generally to members of the purchasing public. Said offers were not limited to one demonstration or to ten days but were available for additional demonstrations and after the ten day period of time.

B. In connection with respondent's newspaper advertisements of sewing machines:

1. Respondent's advertised offers of used sewing machines for

\$53.12, \$34.75 and various other prices not set out herein are not bona fide offers, but are made for the purpose of obtaining leads to persons interested in the purchase of sewing machines. After obtaining these leads, through responses to the said advertisements, respondent or his salesmen call upon such persons but make no effort to sell the advertised sewing machine. Instead they exhibit what they represent to be the advertised sewing machine which, because of its poor appearance and condition, is usually rejected on sight by the prospective purchaser. Concurrently, a higher priced sewing machine of superior appearance and condition is presented, which by comparison disparages and demeans the advertised machine. By these and other tactics, the purchase of the advertised machine is discouraged, and respondent or his salesmen attempt to and frequently do sell the higher priced machine.

2. Respondent's sewing machines, offered by use of the statements "assume monthly notes" or "pay total finance bill" and statements or words of similar import or meaning, are not partially paid for by the previous purchaser nor are they being offered for sale by the respondent for the unpaid balance of the purchase price.

3. The 1969 Singer sewing machine does not make zig zag stitches automatically, by self-operation or by self-regulation.

4. The guarantee of the 1969 Singer sewing machine is subject to numerous conditions and limitations which are not disclosed in respondent's advertising.

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

PAR. 8. In the course and conduct of his aforesaid business, respondent and his salesmen have, in many instances, failed to disclose orally or in writing certain material facts to purchasers, including, but not limited to the fact that, at respondent's option, conditional sales contracts, promissory notes or other instruments of indebtedness executed by such purchasers in connection with their credit purchase agreements may be discounted, negotiated or assigned to a finance company or other third party to whom the purchaser is thereafter indebted and against whom defenses may not be available.

Therefore, respondent's failure to disclose such material facts, both orally and in writing prior to the time of sale, was and is misleading and deceptive, and constituted, and now constitutes, an unfair or deceptive act or practice.

PAR. 9. By and through the use of the aforesaid acts and practices,

respondent places in the hands of salesmen and others the means and instrumentalities by and through which they may mislead and deceive the public in the manner and as to the things hereinabove alleged.

PAR. 10. In the course and conduct of his aforesaid business, and at all times mentioned herein, respondent has been, and now is, in substantial competition in commerce with corporations, firms, and individuals in the sale of sewing machines and other merchandise of the same general kind and nature as those sold by respondent.

PAR. 11. The use by respondent of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were and are true and into the purchase of substantial quantities of the merchandise and services offered by respondent by reason of said erroneous and mistaken belief.

PAR. 12. The aforesaid acts and practices of respondent, as herein alleged, 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 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 respondent named in the caption hereof, and the respondent having been furnished thereafter with a copy of a draft of complaint which the 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 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 § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Gerald Blanchard is an individual, trading and doing business as Domestic Sewing Center, with his principal place of business located at 3290 Commercial Parkway in the city of Memphis, State of Tennessee and formerly trading and doing business as National Electronics and as National Electronics Distributors, with his principal place of business located at 468 North Watkins Street in the city of Memphis, State of 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 Gerald Blanchard, an individual, trading and doing business as Domestic Sewing Center, and formerly trading and doing business as National Electronics and as National Electronics Distributors or under any other trade name or names, and respondent's agents, representatives and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of sewing machines or other products or services, 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 names of winners are obtained through drawings, contests or by chance when all of the names selected are not chosen by lot; or misrepresenting, in any manner, the method by which names are selected.

2. Representing, directly or by implication, that a sweepstakes or other type of game of chance is being conducted to determine a winner or winners of a prize or prizes, unless such sweepstakes or other type of game of chance is in fact designed to select a winner or winners of a bona fide prize or prizes.

3. Representing, directly or by implication, that awards or prizes are of a certain value or worth when recipients thereof are not in fact benefited by or do not save the amount of the represented value of such awards or prizes.

4. Representing, directly or by implication, that any amount is respondent's usual and customary retail price for an article of merchandise, product or service when such amount is in excess of the price or prices at which such article of merchandise, product or service has been sold or offered for sale in good faith by respondent at retail for a reasonably substantial period of time in the recent, regular course of his business.

5. Representing, directly or by implication, that any savings, discount, credit or allowance is given purchasers as a reduction from respondent's selling price for a specified article of merchandise, product or service unless such selling price is the amount at which said article of merchandise, product or service has been sold or offered for sale in good faith by respondent at retail for a reasonably substantial period of time in the recent, regular course of his business.

6. Using the words "extra savings," "example of your savings" or any other words or word of similar import or meaning as descriptive of any price amount: *Provided, however*, That nothing herein shall be construed to prohibit the use of such words or word where such price constitutes a substantial reduction from the price at which an article of merchandise, product or service was sold or offered for sale in good faith by respondent at retail for a reasonably substantial period of time in the recent, regular course of his business.

7. Failing to maintain adequate records (a) which disclose the facts upon which any savings claims, including former pricing claims and comparative value claims, and similar representations of the type described in Paragraphs 3 through 6 of this order are based, and (b) from which the validity of any savings claims and comparative value claims, and similar representations of the type described in Paragraphs 3 through 6 of this order can be determined.

8. Representing, directly or by implication, that an offer of any article of merchandise, product or service is, (a) limited as to time; (b) made to a limited number of persons; or (c) restricted or limited in any other manner, unless such represented limitations or restrictions were actually in force and in good faith adhered to.

9. Advertising or offering any products for sale for the purpose of obtaining leads or prospects for the sale of different products unless the advertised products are capable of adequately performing the function for which they are offered and

respondent maintains an adequate and readily available stock of said products.

10. Disparaging in any manner or refusing to sell any product advertised.

11. Using any advertising, sales plan or procedure involving the use of false, deceptive or misleading statements or representations which are designed to obtain leads or prospects for the sale of other merchandise.

12. Representing, directly or by implication, that any products or services are offered for sale when such offer is not a bona fide offer to sell said products or services.

13. Representing, directly or by implication, that any article of merchandise or product has been repossessed, has been partially paid for by the previous purchaser or is being offered for sale for the unpaid balance of the purchase price, unless such representations are true and factual; or misrepresenting, in any manner, the status, kind, quality or price of an article of merchandise or product being offered.

14. Using the word "automatic" or any other word or term of similar import or meaning to describe any sewing machine either in its entirety or as to its over-all function or operation, or using any illustration or depiction which represents that such a machine is automatic in its entirety or as to its over-all function or operation: *Provided, however,* That nothing herein shall be construed to prohibit the use of the word or term "automatic" in describing a sewing machine's specific attachment or component or function thereof, which after activation and by self-operation, will perform without human intervention the mechanical function indicated.

15. Representing, directly or by implication, that respondent's products are guaranteed unless the nature, extent and duration of the guarantee, the identity of the guarantor and the manner in which the guarantor will perform thereunder are clearly and conspicuously disclosed in immediate conjunction therewith; and unless respondent does in fact perform each of his obligations directly or impliedly represented under the terms of such guarantee.

16. Failing to disclose orally prior to the time of sale of any article of merchandise, product or service that an instrument of indebtedness executed by a purchaser may, at respondent's option and without notice to the purchaser, be discounted, negotiated or assigned to a finance company or other third party to

which the purchaser will thereafter be indebted and against which the purchaser's claims or defenses may not be available.

17. Failing to obtain their customers' signed statement saying that they have received, read and understood the following:

"Important Notice"

"If you are obtaining credit in connection with this contract, you will be required to sign a promissory note. This note may be purchased by a bank, finance company or any other third party. If it is purchased by another party, you will be required to make your payments to the purchaser of the note. You should be aware that if this happens, you may have to pay the note in full to the new owner of the note even if this contract is not fulfilled."

18. (a) Contracting for any credit sale, whether in the form of a trade acceptance, conditional sales contract, promissory note, or otherwise, which shall become binding on the buyer prior to midnight of the third day, excluding Sundays and legal holidays, after date of execution.

(b) Negotiating any conditional sales contract, promissory note, trade acceptance, or other instrument of indebtedness to a finance company or other third party prior to midnight of the third day, excluding Sundays and legal holidays, after the date of execution by the buyer.

19. Placing in the hands of others any means or instrumentalities whereby they may mislead purchasers or prospective purchasers as to any of the matters or things prohibited by this order.

*It is further ordered,* That the respondent herein shall forthwith deliver a copy of this order to cease and desist to all present and future salesmen or other persons engaged in the sale of respondent's merchandise, products or services, and shall secure from each such salesman or other person a signed statement acknowledging receipt of said order.

*It is further ordered,* That the respondent shall notify the Commission within fifteen (15) days subsequent to any change in this business organization such as dissolution, assignment, incorporation or sale resulting in the emergence of a successor corporation or partnership or any other change which may affect compliance obligations arising out of this order.

*It is further ordered,* That the respondent herein shall, within

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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

NELSON JAMES, INC., DOING BUSINESS AS SPECTRUM  
PENS, ETC.

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

*Docket C-1967. Complaint, July 7, 1971—Decision, July 7, 1971*

Consent order requiring a San Mateo, Calif., corporation engaged in the advertising and selling of distributorships to sell pens to cease understating the amount of money required for its distributorships, exaggerating profits to prospective buyers, failing to disclose in its advertising that it is subject to an FTC consent order, exaggerating the consumer demand for its pens, and misrepresenting that the franchises are limited in number or that the pens are easy to sell; respondents must also disclose to future investors in any business venture for ten (10) years the amount of their unpaid debts, and notify the Commission of plans to enter any contemplated business.

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 Nelson James, Inc., a corporation, doing business as Spectrum Pens, Nelson James Division of R. B. Springer & Co., Inc., a copartnership, Tiffany Writing Instruments, Inc., a corporation, and Glen M. Nelson and James R. DeGraw, individually and as officers of said corporations and as copartners in Nelson James Division of R. B. Springer & Co., Inc., hereinafter referred to as respondents, have violated the provisions of said Act and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Nelson James, Inc., doing business under the name of Spectrum Pens, is a California corporation with its principal office and place of business formerly located at 2075 Pioneer Court, San Mateo, California.

Respondent Nelson James Division of R. B. Springer & Co., Inc., also doing business as Nelson James, is a copartnership, formerly

doing business with its principal office and place of business formerly at 2075 Pioneer Court, San Mateo, California.

Respondent Tiffany Writing Instruments, Inc., is a California corporation with its principal office and place of business formerly located at 2075 Pioneer Court, San Mateo, California.

Respondent Glen M. Nelson is an individual and is an officer of Nelson James, Inc., and Tiffany Writing Instruments, Inc., and a copartner of the Nelson James Division of R. B. Springer & Co., Inc. He resides at 1256 Edgewood Road, Redwood City, California.

Respondent James R. DeGraw is an individual and is an officer of Nelson James, Inc., and Tiffany Writing Instruments, Inc., and a copartner of the Nelson James Division of R. B. Springer & Co., Inc. He resides at 364 Malcolm Avenue, Belmont, California.

Respondents Nelson and DeGraw have been and are primarily responsible for establishing, supervising, directing, and controlling the acts and practices of each of said corporate respondents. They originally engaged in the business activities alleged herein under the name of corporate respondent Nelson James Division of R. B. Springer & Co., Inc., and said activities were transferred to, and have been continued under, the names of corporate respondents Nelson James, Inc., and Tiffany Writing Instruments, Inc.

The aforementioned individual respondents cooperated and acted together in carrying out the acts and practices hereinafter set forth.

PAR. 2. Respondents engaged in the advertising and selling of distributorships to sell writing instruments (pens).

Respondents have sold lists of names of potential customers to persons desiring to be distributors. These persons invest substantial sums of money, in return for which each receives the mailing list, sample writing instruments, and promotional and advertising material. Each distributor must mail sample pens and promotional material to each account on the mailing list once every three months and must pay for postage. These mailings include incentives, such as S & H Green Stamps and a sweepstakes contest. When a distributor receives orders from persons to whom he has sent respondents' materials, the orders are sent to respondents' San Mateo, California, address; and the orders are then filled and sent to the consumer. The consumer sends a check to the distributor, who forwards it, in its entirety, to respondents. The distributor receives a commission of twenty-five percent (25%) on all sales. The shipment of pens to consumers is done by respondents' pen suppliers.

PAR. 3. In the course and conduct of their business, respondents were causing their advertising matter to be published in newspapers

of interstate circulation and their sales and promotional materials to be mailed or otherwise conveyed from their place of business in the State of California to persons in various other States of the United States. Included among these materials are advertising matter, applications, distributorship contracts and supply orders, and pens. Letters, checks, and other written instruments and communications have been sent and have been received between the respondents at their place of business in California, and persons in various other States of the United States.

As a result of said interstate advertising, promotion, and sales, and as a result of said transmission and receipt of said written instruments and communications, respondents have maintained a substantial course of trade in said distributorships and pens in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the conduct of their business, and the purpose of inducing prospective distributors to invest in their operations, respondents and their agents have made, directly or by implication, numerous false and misleading statements and representations, concerning the investment to be made, the investor's earnings potential, and various aspects of the operation itself.

PAR. 5. Typical and illustrative of said statements and representations, but not all-inclusive thereof, are the following:

*CASH BY MAIL*

How can you get rich some day? Make a hit record \* \* \* a killing on the stock market \* \* \* or invent a gadget like the hula hoop? For most of us, these are just dreams. But have you ever stopped to think that there *is* a way to get rich—possibly only one sure way? Most fortunes, as you know, are made by people who own their own business \* \* \* The business is Mail Order—and it's fabulous. Come up with a "hot" new item \* \* \* and WHAM! It strikes like a bolt of lightning! Suddenly, you are deluged with cash orders from all over the country \* \* \* MORE MONEY than you could make in a lifetime! \* \* \* There is no other business where you can make a fortune so quickly!

\* \* \* \* \*

The secret in Mail Order lies in financial leverage. It's a little-known, almost secret method. Repeat orders alone, just from mailing, could bring you a steady income for the rest of your life! \* \* \* Now, with the help and backing of SPECTRUM PENS, you can follow the same proven steps to Mail Order success—using the "secret" of financial leverage!

\* \* \* \* \*

Projected Sales—1000 Computer Selected Accounts—Example: Banks, Offices, Stores, Contractors, Suppliers, Schools, Manufacturers, Governmental, Auto, Trailer Dealers, Hotels, Motels, All Rental Agencies, Travel/Employment Agencies. Projected orders received per 1000 accounts: 23 \* \* \* Distributor's Projected Net Profit: \$432.26.

6,000 Accounts Projected Net to Distributor \* \* \* \$2,593.56. 12,000 Accounts  
Projected Sales—1000 Computer Selected Accounts—Example: Banks, Offices,  
\* \* \* \* \*

Revenue to Associate on projected order is calculated at \$30.62.  
\* \* \* \* \*

*DISTRIBUTOR INVESTMENT*

Distributor is required to put up his share of first mailing supply cost plus  
his one time investment for lifetime exclusive computerized account opera-  
tional and maintenance agreement. This totals \$424.25 *FOR EVERY 1000 AC-  
COUNTS.*

\* \* \* \* \*  
An investment of \$1,697.00 to \$4,487.00 for supplies is required.  
\* \* \* \* \*

Your account list stays up-to-date by avoiding individual names.  
\* \* \* \* \*

You're in business with your first mailing.  
\* \* \* \* \*

You're backed by Tiffany's successful marketing program.  
\* \* \* \* \*

Depression-proof business.  
\* \* \* \* \*

Your accounts are qualified prospects \* \* \* right in your own area of the  
country!  
\* \* \* \* \*

From your 25% you pay only supplies and postage. All The Rest Is Profit!  
\* \* \* \* \*

Several hundred associates are into their third and fourth mailings and are  
making good profits. An average order is \$122.00, and the average return is  
from 10 to 12 percent.  
\* \* \* \* \*

There is no doubt whatsoever that you will get your money back in 90 days,  
*plus* enough profit to pay for the second mailing.  
\* \* \* \* \*

Every quarterly mailing makes a new impression.  
\* \* \* \* \*

Now let me tell you about Tiffany. First, for competitive reasons, we can't  
reveal our unique marketing strategy to just anyone, or would you please read  
and sign this information waiver before I tell you more.  
\* \* \* \* \*

Then I can determine if you are qualified for this distributorship.  
\* \* \* \* \*

Mr. Nelson did 600 million in total sales, nation's leader in all sales of writ-  
ing instruments.

PAR. 6. By making statements and representations in Paragraph  
Five, and others similar thereto but not expressly set out herein, and  
in the course of oral sales presentations by respondents' agents, rep-  
resentatives, and employees, respondents represent, and have repre-  
sented, directly or by implication, that:

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(1) An investment of from \$1,697 to \$4,487 is the total amount required of distributors, and there is no requirement for additional future investments.

(2) A distributor's initial investment will pay for the cost of repeat mailings, at least for the rest of his first year of operation.

(3) Distributors will earn at least enough in commissions from the first mailing to recoup their initial investments.

(4) National figures show that each 1,000 accounts on a distributor's mailing list will spend \$300,000 per year for respondents' products, of which the distributor would earn \$75,000 in commissions.

(5) Out of each 1,000 Spectrum Pen accounts, the average amount of return on the initial mailing is \$1,729.04, of which the distributor would earn \$432.26 in commissions. The average profit on each order is \$30.62.

(6) A distributor can make a great deal of money in a very short period of time, and repeat business will provide a steady income for the rest of his life.

(7) Several hundred distributors have made three or four mailings and are receiving an average return in orders of ten to twelve percent.

(8) Because everybody uses pens, respondents' pens will be very easy to sell by mail.

(9) Respondents' mail-order operation uses "secret" or otherwise unique methods which make it more successful than other mail-order sales operations.

(10) Persons answering respondents' advertisements were sent a letter of reference signed by Republic Corporation which described respondents' program as "unique and successful."

(11) All accounts on distributors' mailing lists are fairly substantial businesses or institutions which will need and order pens in great quantity.

(12) Respondents use widespread national advertising to promote the sale of their products, and consumer demand has been created for said products.

(13) Respondents offer only a limited number of distributorships, and only to qualified individuals, who are chosen on the basis of their merit as businessmen.

(14) Distributors receive lists of accounts located in their own geographical areas, for which they will be the exclusive distributors.

PAR. 7. In truth and in fact:

(1) A distributor's investment of from \$1,697 to \$4,487 is only an initial investment. The "associate distributor" contract requires this

investment, plus an investment of an amount equal to one-half of the distributor's initial investment, payable once every three months for an indefinite period of time. These facts are not disclosed to prospective investors in respondents' advertising or sales presentation materials.

(2) A distributor's initial investment will not pay for the cost of repeat mailings; additional investments for supplies are required for each mailing. This fact is not disclosed to prospective investors in respondents' advertising or sales presentation materials.

(3) Distributors do not earn enough money in commissions from the first mailing to recoup their initial investments. The average earned commissions per distributor from the first mailing was less than \$50.

(4) National figures do not show that each 1,000 accounts on a distributor's mailing list will spend \$300,000 per year for respondents' products, nor do they show that the distributor would earn \$75,000 in commissions. The "national figures" used in respondents' advertising and promotional materials reflect monies spent for all kinds of pens, and not just respondents'.

(5) Out of each 1,000 Spectrum Pen accounts, the average amount of return on the initial mailing is not \$1,729.04, and the distributor does not earn \$432.26 in commissions. The average profit on each order is not \$30.62.

(6) A distributor cannot make a great deal of money in a very short period; no distributor recouped his initial investment. Repeat business will not provide a distributor with a steady income for the rest of his life; in all instances, distributors have received very minimal incomes or none at all.

(7) The average return in orders for those distributors making more than one mailing has been less than one-half of one percent.

(8) Respondents' pens are not easy to sell by mail, regardless of the fact that everybody uses pens.

(9) Respondents' mail-order operation does not use "secret" or otherwise unique methods which make it more successful than other mail-order sales.

(10) Respondents' program was not unique or successful.

(11) Many accounts on distributor mailing lists are very small businesses, such as dry cleaners, restaurants, and service stations, which do not need or order pens in great quantity. In addition, many entries on the mailing lists are individuals, and the lists contain numerous incomplete names or addresses.

(12) Respondents do not use national advertising to promote the

sale of their products, and there is little, if any consumer demand for those products. Respondents' advertising and promotional efforts are directed almost exclusively to prospective distributors.

(13) Respondents do not limit the number of distributorships offered, and they do not screen prospects on the basis of merit or of their qualifications as businessmen. The sole requirement for acceptance as a distributor is the investment of money in a distributorship.

(14) In a substantial number of instances, distributors have received mailing lists covering geographical areas far from their own, often in different states. Exclusive distributorships for particular areas are not given.

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

PAR. 8. It was an unfair and deceptive practice for respondents to sell distributorships in the manner set forth in Paragraphs Five and Six when they knew, or reasonably prudent businessmen should have known, that distributors would not receive the results that were represented.

PAR. 9. The use by respondents of the aforesaid false, misleading, and deceptive statements, representations, and practices has had the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said representations were true and into investing substantial sums of money in becoming distributors in respondents' mail-order sales operation by reason of said erroneous and mistaken belief.

PAR. 10. The foregoing acts and practices of respondents were to the prejudice and injury of the public and constituted 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 San Francisco 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 issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Nelson James, Inc., is a California corporation, with its office and principal place of business formerly located at 2075 Pioneer Court, San Mateo, California.

Respondent Nelson James Division of R. B. Springer & Co., Inc., is a copartnership, with its office and principal place of business formerly located at 2075 Pioneer Court, San Mateo, California.

Respondent Tiffany Writing Instruments, Inc., is a California corporation with its office and principal place of business formerly located at 2075 Pioneer Court, San Mateo, California.

Respondents Glen M. Nelson and James R. DeGraw are copartners in said copartnership and are officers of said corporations. They formulate, direct, and control the policies, acts, and practices of said copartnership and of said corporations. Glen M. Nelson formerly resided at 1256 Edgewood Road, Redwood City, California; James R. DeGraw resides at 364 Malcolm Avenue, Belmont, California.

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 Nelson James, Inc., a corporation, Nelson James Division of R. B. Springer & Co., Inc., a copartnership, Tiffany Writing Instruments, Inc., a corporation, and Glen M. Nelson and James R. DeGraw, individually and as copartners in said copartnership and as officers in said corporations, and respondents' agents, representatives, and employees, directly or through any corporate or other device, in connection with the advertising, offer-

ing for sale, or sale of Spectrum Pen or Tiffany Pen distributorships or any other distributorships, franchises, or investment opportunities, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist, directly or by implication, from:

(1) Representing that any certain amount of money required is the total amount required, when additional sums of money are necessary.

(2) Representing or projecting returns or profits to investors that are not the actual average returns or profits of all investors for the preceding twelve-month period.

(3) Offering such distributorships, franchises, or other investment opportunities for sale without disclosing in all advertisements and sales presentations that respondents are subject to a Federal Trade Commission Consent Order Agreement, and affording an opportunity to each investor to read the Agreement, with the proposed complaint attached prior to entering into any agreements or accepting any money from them.

(4) Misrepresenting that there is a consumer demand for their products or services, or misrepresenting the character or extent of advertising used to promote a demand for respondents' products or services.

(5) Representing that distributorships, franchises, or investment opportunities are limited in number, or that the applicant must have qualifications other than financial, or that exclusive geographical areas are granted.

(6) Representing that their method of operation is unique or secret, or that their products or services are easy to sell.

*It is further ordered that respondents:*

(7) Disclose to any prospective investors in future business ventures which respondents may enter into for the next ten years that they left an aggregate of \$277,768 in unpaid debts as a result of the Spectrum and Tiffany operations.

(8) When entering into any business in a financial, managerial, or sales capacity, involving mail-order sales, door-to-door sales, or other forms of direct selling, or any business involving the sale of distributorships, franchises, memberships, or services, or any business utilizing multi-level sales or marketing techniques, during the ten years following the date of this order, notify the Commission of their plans and intentions before entering into the contemplated business endeavor.

(9) 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 or corporations, the creation or dissolution of subsidiaries, or any other change in the corporations which may affect compliance obligations arising out of this order.

(10) Distribute a copy of this Consent Order Agreement to each advertising agent or agency with which they do business, directly or indirectly, and do likewise with any such person or organization with which it does business in the future, immediately upon beginning such undertaking.

(11) 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 this order.

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IN THE MATTER OF

NATIONAL FURNITURE STORES, INC., ET AL.

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

*Docket C-1968. Complaint, July 12, 1971—Decision, July 12, 1971*

Consent order requiring a Spokane, Wash., seller and distributor of furniture and other merchandise to cease misrepresenting the customary retail price of its merchandise, deceptively using the words "half price" and "less than half price," using such words as "unprecedented public sale" and similar expressions to import distress selling, misrepresenting savings available to purchasers, and failing to maintain records adequate to justify pricing claims.

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 National Furniture Stores, Inc., a corporation, and Arnold W. Barnes and Leonard St. Marie, individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent National Furniture Stores, Inc., is a corporation organized, existing and doing business under and by vir-

tue of the laws of the State of Washington, with its principal office and place of business located at North 1230 Division Street, Spokane, Washington.

Respondents Arnold W. Barnes and Leonard St. Marie are individuals and are officers and directors of the corporation. They formulate, direct and control the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. Their business address is the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale and distribution of furniture and other merchandise at retail to members of the public.

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

PAR. 4. In the course and conduct of their aforesaid business, and for the purpose of inducing the purchase of their furniture and other merchandise, the respondents have made and are now making numerous statements and representations in advertisements inserted in newspapers of general interstate circulation, and on radio and television signals broadcast interstate.

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

**UNPRECEDENTED PUBLIC SALE!**

100% Total Stock Sale \* \* \*

**ENTIRE CONTENTS UP FOR PUBLIC GRABS \* \* \***

**FORCED TO SELL All Surplus FURNITURE!**

Regardless of Costs or Losses

\* \* \* must be sold at whatever price is available on the public market \* \* \*

Certified Store-Wide Reductions up to 78% Off!

One-of-a-kind Door Busters:

\* \* \*

\$269.95 Hide-Away Sofa Sleeper w/Full Size Mattress.....	\$100
\$229.95 Admiral Family Size Refrigerator.....	\$125

Entire Stock LAMPS ½ PRICE!  
 \$19.95 Full or Twin-Size Padded Headboards, \$8  
*Less than ½ Price!*  
 \$79.95 Maple Bunk Beds, \$38  
*Less than ½ Price!*

MATTRESS AND BOX SPRINGS, NAME BRANDS  
 PRICED AS LOW AS \* \* \* \$18

PAR. 5. By and through the use of the above quoted statements and representations, and others of similar import and meaning not expressly set out herein, respondents represent and have represented, directly or by implication:

1. That the higher stated prices, accompanied by the words "Regular" or "Reg.," or unaccompanied by descriptive language, were the prices at which the advertised articles were sold or offered for sale in good faith for a reasonably substantial period of time by the respondents, in the recent regular course of their business, and that purchasers of such articles would save an amount equal to the difference between the advertised higher prices and the lower offering prices corresponding thereto.

2. That purchasers of merchandise advertised in conjunction with the phrases, "½ price," "less than ½ price," "up to 78% off," or terms of comparable import and meaning, would realize a savings of the stated fractional or percentage amount from the actual prices at which the merchandise so advertised was sold or offered for sale in good faith for a reasonably substantial period of time, by respondents, in the recent regular course of their business.

3. That, during the period advertised as "Unprecedented Public Sale . . . regardless of costs or losses," and by other terminology importing circumstances of distress, substantially all merchandise at the respondents' premises was for sale at prices or amounts representing a substantial and significant reduction from the prices at which such merchandise was sold or offered for sale in good faith by respondents for a reasonably substantial period of time in the recent, regular course of their business.

4. That widely recognized makes of mattress and box springs were for sale for as little as \$18, and that other articles advertised for sale at stated offering prices were available for retail purchase at such stated prices, at the advertised premises.

PAR. 6. In truth and in fact:

1. The higher stated prices, accompanied or unaccompanied by descriptive language, were not the prices at which the advertised articles were sold or offered for sale in good faith for a reasonably sub-

stantial period of time by respondents, in the recent regular course of their business, and purchasers thereof would not save amounts equal to the difference between the advertised higher prices and the lower offering prices corresponding thereto.

2. Purchasers of merchandise advertised in conjunction with the phrases, "1/2 price," "less than 1/2 price," "up to 78% off," or terms of comparable import and meaning, did not realize savings of the stated fractional or percentage amount from the actual prices at which the merchandise so advertised was sold or offered for sale in good faith for a reasonable substantial period of time, by respondents, in the recent regular course of their business.

3. During the period advertised as "Unprecedented Public Sale . . . regardless of costs or losses," and by other terminology importing circumstances of distress, substantially all merchandise at the respondents' premises was not in fact for sale at prices or amounts representing a substantial and significant reduction from the prices at which such merchandise was sold or offered for sale in good faith by respondents for a reasonably substantial period of time in the recent regular course of their business.

4. Widely recognized makes of mattress and box springs were not in fact available for sale for as little as \$18 at the respondents' premises during the advertised sale, and certain other articles advertised for sale at stated offering prices were not then available for retail purchase at such stated prices, but at higher prices.

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

PAR. 7. In the the course and conduct of their aforesaid business, and at all times mentioned herein, respondents have been, and now are, in substantial competition in commerce with corporations, firms and individuals engaged in the sale of furniture and other merchandise of the same general kind and nature as that sold by respondents.

PAR. 8. The use by respondents of the aforesaid false, misleading and deceptive statements, representations, acts and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were and are true, and into the purchase of substantial quantities of respondents' merchandise by reason of said erroneous and mistaken belief.

PAR. 9. The aforesaid acts and practices of the 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 Seattle 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 § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent National Furniture Stores, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Washington, with its office and principal place of business located at North 1230 Division Street, Spokane, Washington.

Respondents Arnold W. Barnes and Leonard St. Marie are officers of said corporation. They formulate, direct and control the policies, acts and practices of said corporation and their address is the same as that of said corporation.

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

## ORDER

*It is ordered*, That respondents National Furniture Stores, Inc., a corporation, and their officers, and Arnold W. Barnes and Leonard St. Marie, individually and as officers of said corporation, and respondents' agents, representatives, and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of furniture or other articles of merchandise, 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 any amount, accompanied or unaccompanied by descriptive language, is respondents' usual and customary retail price of merchandise unless such amount is the price at which the merchandise has in fact been usually and customarily sold at retail by respondents in the recent regular course of their business.

2. Using the words "half price," "less than half price," "up to 78% off," or words or symbols of comparable import and meaning, except in specific reference to articles which have been sold or offered for sale in good faith for a reasonably substantial period of time, by respondents, in the recent regular course of business, at prices not less than the indicated multiple of the offering price so described or alluded to.

3. Using the words "Unprecedented Public Sale," "Forced to Sell Regardless of Costs or Losses," "Up for Public Grabs," or other words or symbols importing circumstances of distress, unless the merchandise so described or alluded to has been reduced in price, by an amount or proportion of practical significance to respondents' customers and prospective customers, from the actual bona fide price or prices at which it has been offered for sale in good faith by respondents for a reasonably substantial period of time in the recent, regular course of their business.

4. Misrepresenting in any manner that savings are available to purchasers of respondents' merchandise, or the amount of such savings.

5. Failing to maintain, for at least six months after publication and dissemination of all advertising they are relied upon to support, business records (a) which disclose the facts upon which are based any and all savings claims by or for respondents, including comparisons to respondents' former prices and to trade area prices or values of the same or comparable merchandise, and similar representations of the type described in Para-

graphs 1-4 of this order, and (b) from which the validity of any and all such savings claims and representations can be determined.

6. Representing in advertising that any article is for sale at a stated offering price when such article is not, in fact, conspicuously and readily available for retail purchase at such price at respondents' advertised premises.

*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 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 the order.

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

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IN THE MATTER OF

TOMMY M. BUFFINGTON DOING BUSINESS AS T. BUFF  
SALES, ETC.

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

*Docket C-1969. Complaint, July 12, 1971—Decision, July 12, 1971*

Consent order requiring a Littleton, Colo., individual engaged in the business of an advertising and promotional consultant for operators of furniture and other retail stores to cease misrepresenting the customary retail price of his customers' merchandise, deceptively using the words "half price" and "less than half price," using such words as "unprecedented public sale" and similar expressions to import distress selling, and misrepresenting savings available to purchasers.

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

