

**UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION**

In the Matter of)
INTERSTATE BAKERIES CORPORATION,)
a corporation.)
)
)

) FILE NO. 012 3182
) AGREEMENT CONTAINING
CONSENT ORDER
)

The Federal Trade Commission has conducted an investigation of certain acts and practices of Interstate Bakeries Corporation, a corporation (“proposed respondent”). Proposed respondent, having been represented by counsel, is willing to enter into an agreement containing a consent order resolving the allegations contained in the attached draft complaint. Therefore,

IT IS HEREBY AGREED by and between Interstate Bakeries Corporation, by its duly authorized officers, and counsel for the Federal Trade Commission that:

1. Proposed respondent Interstate Bakeries Corporation is a Delaware corporation with its principal office or place of business at 12 East Armour Boulevard, Kansas City, Missouri, 64111.
2. Proposed respondent admits all the jurisdictional facts set forth in the draft complaint.
3. Proposed respondent waives:
 - a. Any further procedural steps;
 - b. The requirement that the Commission's decision contain a statement of findings of fact and conclusions of law; and
 - c. All rights to seek judicial review or otherwise to challenge or contest the validity of the order entered pursuant to this agreement.
4. This agreement shall not become part of the public record of the proceeding unless and until it is accepted by the Commission. If this agreement is accepted by the Commission, it, together with the draft complaint, will be placed on the public record for a period of thirty (30) days and information about it publicly released. The Commission thereafter may either withdraw its acceptance of this agreement and so notify proposed respondent, in which event it will take

such action as it may consider appropriate, or issue and serve its complaint (in such form as the circumstances may require) and decision in disposition of the proceeding.

5. This agreement is for settlement purposes only and does not constitute an admission by proposed respondent that the law has been violated as alleged in the draft complaint, or that the facts as alleged in the draft complaint, other than the jurisdictional facts, are true.

6. This agreement contemplates that, if it is accepted by the Commission, and if such acceptance is not subsequently withdrawn by the Commission pursuant to the provisions of Section 2.34 of the Commission's Rules, the Commission may, without further notice to proposed respondent, (1) issue its complaint corresponding in form and substance with the attached draft complaint and its decision containing the following order in disposition of the proceeding, and (2) make information about it public. When so entered, the order shall have the same force and effect and may be altered, modified, or set aside in the same manner and within the same time provided by statute for other orders. The order shall become final upon service. Delivery of the complaint and the decision and order to proposed respondent's address as stated in this agreement by any means specified in Section 4.4(a) of the Commission's Rules shall constitute service. Proposed respondent waives any right it may have to any other manner of service. The complaint may be used in construing the terms of the order. No agreement, understanding, representation, or interpretation not contained in the order or in the agreement may be used to vary or contradict the terms of the order.

7. Proposed respondent has read the draft complaint and consent order. It understands that it may be liable for civil penalties in the amount provided by law and other appropriate relief for each violation of the order after it becomes final.

ORDER

DEFINITIONS

For purposes of this order, the following definitions shall apply:

1. "Competent and reliable scientific evidence" shall mean tests, analyses, research, studies, or other evidence based on the expertise of professionals in the relevant area, that has been conducted and evaluated in an objective manner by persons qualified to do so, using procedures generally accepted in the profession to yield accurate and reliable results.

2. Unless otherwise specified, "respondent" shall mean Interstate Bakeries Corporation, its successors and assigns, and its officers, agents, representatives, and employees.

3. "Commerce" shall mean as defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. § 44.

I.

IT IS ORDERED that respondent, directly or through any corporation, subsidiary, division, or other device, in connection with the labeling, advertising, promotion, offering for sale, sale, or distribution of Wonder Bread, in or affecting commerce, shall not make any representation, in any manner, expressly or by implication that:

- A. As a good source of calcium, Wonder Bread helps children's minds work better, or
- B. As a good source of calcium, Wonder Bread helps children remember things,

unless, at the time the representation is made, respondent possesses and relies upon competent and reliable scientific evidence that substantiates the representation.

II.

IT IS FURTHER ORDERED that respondent, directly or through any corporation, subsidiary, division, or other device, in connection with the labeling, advertising, promotion, offering for sale, sale, or distribution of any bread, bread product, rolls, or muffins, in or affecting commerce, shall not make any representation, in any manner, expressly or by implication, that such product or any of its ingredients, helps brain function or memory, or can treat, cure or prevent any disease or related health condition, unless, at the time the representation is made, respondent possesses and relies upon competent and reliable scientific evidence that substantiates the representation;

provided, however, that a mere statement that the product contains a particular vitamin or mineral shall not, without more, be considered for purposes of this order a representation that the product can treat, cure or prevent any disease or related health condition.

III.

Nothing in this order shall prohibit respondent from making any representation for any product that is specifically permitted in labeling for such product by regulations promulgated by the Food and Drug Administration pursuant to the Nutrition Labeling and Education Act of 1990, and any such representation shall not be covered by this order.

IV.

IT IS FURTHER ORDERED that the provisions of this order shall not apply to any label or labeling printed prior to the date of service of this order and shipped by respondent's bakeries to distributors or retailers prior to _____. **[insert date nine months after date of issuance of order]**

V.

IT IS FURTHER ORDERED that respondent Interstate Bakeries Corporation, and its successors and assigns, shall, for five (5) years after the last date of dissemination of any representation covered by this order, maintain and upon request make available to the Federal Trade Commission for inspection and copying:

- A. All advertisements and promotional materials containing the representation including videotape recordings of all such broadcast advertisements;
- B. All materials that were relied upon in disseminating the representation; and
- C. All tests, reports, studies, surveys, demonstrations, or other evidence in their possession or control that contradict, qualify, or call into question the representation, or the basis relied upon for the representation, including complaints and other communications with consumers or with governmental or consumer protection organizations.

VI.

IT IS FURTHER ORDERED that respondent Interstate Bakeries Corporation, and its successors and assigns, shall, within thirty (30) days after service upon it of this order, deliver a copy of this order to all executive officers, managing employees, agents, and representatives having responsibilities with respect to the subject matter of this order. Respondent shall secure from each such person a signed and dated statement acknowledging receipt of the order pursuant to this paragraph. Respondent shall deliver this order to current personnel within thirty (30) days after the date of service of this order, and, for a period of three (3) years, to future personnel within thirty (30) days after the person assumes such position or responsibilities.

VII.

IT IS FURTHER ORDERED that respondent Interstate Bakeries Corporation, and its successors and assigns, shall notify the Commission at least thirty (30) days prior to any proposed change in the corporation that may affect compliance obligations arising under this order, such as dissolution, assignment, or sale resulting in the emergence of a successor corporation, the creation or dissolution of a subsidiary or parent, or any other corporate change that may affect compliance obligations. Provided, however, that, with respect to any proposed change in the corporation about which respondent learns less than thirty (30) days prior to the date such action is to take place, respondent shall notify the Commission as soon as is practicable after obtaining such knowledge. All notices required by this Part shall be sent by certified mail to the Associate Director, Division of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue, NW, Washington, D.C. 20580.

VIII.

IT IS FURTHER ORDERED that respondent Interstate Bakeries Corporation, and its successors and assigns shall, within sixty (60) days after the date of service 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.

IX.

This order will terminate on _____ [**insert date twenty years from issuance of order**], or twenty (20) years from the most recent date that the United States or the Federal Trade Commission files a complaint (with or without an accompanying consent decree) in federal court alleging any violation of the order, whichever comes later; provided, however, that the filing of such a complaint will not affect the duration of:

- A. Any Part in this order that terminates in less than twenty (20) years;
- B. This order's application to any respondent that is not named as a defendant in such complaint; and
- C. This order if such complaint is filed after the order has terminated pursuant to this Part.

Provided, further, that if such complaint is dismissed or a federal court rules that the respondent did not violate any provision of the order, and the dismissal or ruling is either not appealed or upheld on appeal, then the order will terminate according to this Part as though the complaint had never been filed, except that the order will not terminate between the date such complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

Signed this _____ day of _____, 2002

Interstate Bakeries Corporation,

By:

CHARLES A. SULLIVAN
Chairman of the Board, Chief Executive
Officer

MICHAEL L. SIBARIUM
Winston & Strawn
Attorney for respondent

RICHARD F. KELLY
Counsel for the Federal Trade
Commission

KIAL S. YOUNG
Counsel for the Federal Trade
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APPROVED:

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J. HOWARD BEALES
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