prior approval for Healthtrust to transfer its hospitals to Columbia/HCA. In the Orlando area, Columbia/HCA must terminate Healthtrust’s participation in the South Seminole Hospital within six months of the date the order becomes final.

If the required divestitures in the Pensacola area, the Okaloosa area, the Denton area, and the Ville Platte-Mamou-Opelousas area, are not completed within twelve months, Columbia/HCA would consent to the appointment of a trustee, who would have twelve additional months to effect the divestitures. If the required divestitures in the Salt Lake City–Ogden MSA are not completed within nine months, Columbia/HCA would consent to the appointment of a trustee, who would have twelve months to sell all the Utah assets of Healthtrust, including all the Healthtrust hospitals in Utah. If the joint venture in Orlando is not terminated within six months, Columbia/HCA would consent to the appointment of a trustee, who would have twelve months to sell Healthtrust’s interest in the joint venture.

The two hold-separate agreements executed in conjunction with the consent agreement require Columbia/HCA, until the completion of the divestitures or as otherwise specified, to hold separate and preserve the assets and businesses necessary to insure the viability and marketability of the assets to be divested, including all of Healthtrust’s assets in the state of Utah. The proposed order provides that approval by the Commission of the divestitures shall be conditioned upon the agreement by the acquirers that, for ten years from the date of the divestiture, it will not sell, without the prior approval of the Commission, to another person operating (or in the process of acquiring) any acute care hospital in the same relevant area.

The order would prohibit Columbia/HCA from acquiring any acute care hospital in any of the six relevant areas without the prior approval of the Federal Trade Commission. It would also prohibit Columbia/HCA from transferring, without prior Commission approval, any acute care hospital it operates in any relevant area to another person operating (or in the process of acquiring) an acute care hospital in the same relevant area. These provisions, in combination, would give the Commission authority to prohibit any substantial combination of the acute care hospital operations of Columbia/HCA with those of any other acute care hospital in the same relevant area, unless Columbia/HCA convinced the Commission that a particular transaction would not endanger competition in that relevant area. The provisions would not apply to any acquisition or sale where the value of the transferred assets is $1 million or less, and the provisions would expire ten years after the order becomes final.

For ten years, the order would prohibit Columbia/HCA from transferring all or any substantial part of any acute care hospital in any relevant area to another party without first filing with the Commission an agreement by the transferee to be bound by the order.

The purpose of this analysis is to invite public comment concerning the proposed order, to assist the Commission in its determination whether to make the order contemplated by the agreement, made its jurisdictional findings and entered an order to cease and desist, as set forth in the proposed consent agreement, in disposition of this proceeding.


[Dkt. C–3569]


AGENCY: Federal Trade Commission.

ACTION: Consent order.

SUMMARY: In settlement of alleged violations of federal law prohibiting unfair acts and practices and unfair methods of competition, this consent order requires, among other things, Del Monte Corporation and Pacific Coast Producers to terminate the purchase option agreement and the provisions of the supply agreement that relate to planning for the 1995 canning season within three days after this order becomes final, and to terminate the remaining provisions of the supply agreement by June 30, 1995. In addition, the order requires the California-based respondents to obtain, for ten years, Commission approval before acquiring any stock or assets of a United States canned fruit manufacturer and before entering into a variety of marketing, packaging, or other agreements with competitors.

DATES: Complaint and Order issued April 11, 1995.


SUPPLEMENTARY INFORMATION: On Friday, January 27, 1995, there was published in the Federal Register, 60 FR 5397, a proposed consent agreement with analysis In the Matter of Del Monte Foods Company, et al., for the purpose of soliciting public comment. Interested parties were given sixty (60) days in which to submit comments, suggestions or objections regarding the proposed form of the order. No comments having been received, the Commission has ordered the issuance of the complaint in the form

[Dkt. 9263]

National Dietary Research, Inc., et al.; Proposed Consent Agreement with Analysis To Aid Public Comment

AGENCY: Federal Trade Commission.

ACTION: Proposed consent agreement.

SUMMARY: In settlement of alleged violations of federal law prohibiting unfair acts and practices and unfair methods of competition, this consent agreement, accepted subject to final Commission approval, would prohibit, among other things, a Florida-based corporation and its owner from making claims regarding weight loss, hunger reduction, calorie absorption, cholesterol reduction, effects on cellulite or body measurements, or any other health benefits of any product or program they advertise or sell, unless the respondents possess competent and reliable scientific evidence to substantiate the claims. Also, the consent agreement would prohibit the respondents from misrepresenting test results, from representing that any advertisement is something other than a paid advertisement, and from representing that an endorsement is typical of the experience of consumers who use the product, unless the claim is substantiated. In addition, the consent agreement would require National Dietary Research to pay $100,000 to the Commission.

DATES: Comments must be received on or before July 24, 1995.

ADDRESSES: Comments should be directed to: FTC/Office of the Secretary, Room 159, 6th St. and Pa. Ave., NW., Washington, DC 20580.

FOR FURTHER INFORMATION CONTACT: Joel Winston or Richard Cleland, FTC/S–4002, Washington, DC 20580. (202) 326–3153 or 326–3088.

SUPPLEMENTARY INFORMATION: Pursuant to section 6(f) of the Federal Trade Commission Act, 38 Stat. 721, 15 U.S.C. 46 and § 3.25(f) of the Commission’s rules of practice (16 CFR 3.25(f)), notice is hereby given that the following

Copies of the Complaint, the Decision and Order, and Commissioner Starek’s statement are available from the Commission’s Public Reference Branch, H–130, 6th Street & Pennsylvania Avenue, NW., Washington, DC 20580.
Agreement Containing Consent Order to Cease and Desist


The agreement herein, by and between National Dietary Research, Inc., and The William H. Morris Company, corporations, and William H. Morris, individually and as an officer of said corporations, hereinafter sometimes referred to as respondents, and their attorneys, and counsel for the Federal Trade Commission, is entered into in accordance with the Commission’s rule governing consent order procedures. In accordance therewith the parties hereby agree that:

1. Respondent National Dietary Research, Inc. is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Florida, with its office and principal place of business located at 1377 K Street, NW., Suite 553, Washington, DC 20005.

2. Respondent The William H. Morris Company is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Florida, with its office and principal place of business located at 2804 Smitter Road, Tampa, Florida, 33618.

3. Respondent William H. Morris is an officer of said corporations. He formulates, directs, and controls the policies, acts, and practices of said corporations. His home address is 2906 Smitter Road, Tampa, Florida, 33618.

4. Respondents have been served with a copy of the complaint issued by the Federal Trade Commission charging them with violations of sections 5(a) and 12 of the Federal Trade Commission Act, and have filed answers to said complaint denying said charges.

5. Respondents admit all the jurisdictional facts set forth in the Commission’s complaint in this proceeding.

6. Respondents waive:

(a) Any further procedural steps;

(b) The requirement that the Commission’s decision contain a statement of findings of fact and conclusions of law;

(c) All rights to seek judicial review or otherwise to challenge or contest the validity of the order entered pursuant to this agreement; and

(d) Any claim under the Equal Access to Justice Act.

7. This agreement shall not become a 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 will be placed on the public record for a period of sixty (60) days and information in respect thereto publicly released. The Commission thereafter may either withdraw its acceptance of this agreement and so notify the respondents, in which event it will take such action as it may consider appropriate, or issue and serve its decision, in disposition of the proceeding.

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

9. 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 § 4.9(b)(6)(ii) of the Commission’s rules, the Commission may without further notice to respondents, (1) issue its decision containing the following order to cease and desist in disposition of the proceeding, and (2) make information public in respect thereto. When so entered, the order to cease and desist 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 by the U.S. Postal Service of the decision containing the agreed-to order to respondents’ addresses as stated in this agreement shall constitute service. Respondents waive any right they might have to any other manner of service. The complaint may be used in construing the terms of the order, and no agreement, understanding, representation, or interpretation not contained in the order or in the agreement may be used to vary or to contradict the terms of the order.

10. Respondents have read the complaint and the order contemplated hereby. They understand that once the order has been issued, they will be required to file one or more compliance reports showing that they have fully complied with the order. Respondents further understand that they may be liable for civil penalties in the amount provided by law for each violation of the order after it becomes final. If it is accepted by the Commission, this Agreement constitutes a full settlement between the Commission and respondents as to the activities alleged in the complaint to have constituted violations of the Federal Trade Commission Act and which occurred prior to the date of entry of the order.

As to those activities alleged in the complaint and which occurred prior to the date of entry of the order, the Commission hereby releases the respondents from all other further liability to the Commission.

Order

I. It is ordered that respondents National Dietary Research, Inc., a corporation, its successors and assigns, and its officers, agents, representatives, and employees, The William H. Morris Company, a corporation, its successors and assigns, and its officers, agents, representatives, and employees, and William H. Morris, individually and as an officer of the corporate respondents, directly or through any partnership, corporation, subsidiary, division or agent, in connection with the advertising, packaging, labeling, promotion, offering for sale, sale or distribution of any product or program in or affecting commerce, as “commerce” is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, in any manner, directly or by implication, that the product or program

(a) Provides any weight loss benefit;
(b) Is an effective treatment for obesity;
(c) Reduces hunger or is an effective appetite suppressant;
d) Decreases the intestinal absorption of calories;
e) Reduces, can reduce or helps reduce serum cholesterol;
f) Provides, can provide or help provide any other health benefit; or

(g) Has any effect on cellulite or on the user’s body measurements, unless, at the time they make such representation, respondents possess and rely upon competent and reliable scientific evidence that substantiates the representation. For purposes of this Order, 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.

II

It is further ordered that respondents National Dietary Research, Inc., a corporation, its successors and assigns, and its officers, agents, representatives, and employees, The William H. Morris Company, a corporation, its successors and assigns, and its officers, agents, representatives, and employees, and William H. Morris, individually and as an officer of the corporate respondents, directly or through any partnership, corporation, subsidiary, division or other device, in connection with the advertising, packaging, labeling, promotion, offering for sale, sale or distribution of any product or program in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from creating, producing, selling or disseminating any advertisement that misrepresents, in any manner, directly or by implication, that it is not a paid advertisement. 

IV

It is further ordered that respondents National Dietary Research, Inc., a corporation, its successors and assigns, and its officers, agents, representatives, and employees, The William H. Morris Company, a corporation, its successors and assigns, and its officers, agents, representatives, and employees, and William H. Morris, individually and as an officer of the corporate respondents, directly or through any partnership, corporation, subsidiary, division or other device, in connection with the advertising, packaging, labeling, promotion, offering for sale, sale or distribution of any product or program in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, in any manner, directly or by implication,

a. The existence, contents, validity, results, conclusions, or interpretations of any test or study;

b. The amount of fiber or any other nutrient or dietary constituent contained in or provided by the product or program, whether described in quantitative or qualitative terms;

c. That the product or program contains or provides a high, rich, excellent or superior source of fiber or any other nutrient or dietary constituent using those words or words of similar meaning; or

d. The research activities or other activities of National Dietary Research or any other organization affiliated with respondents.

III

It is further ordered that respondents National Dietary Research, Inc., a corporation, its successors and assigns, and its officers, agents, representatives, and employees, The William H. Morris Company, a corporation, its successors and assigns, and its officers, agents, representatives, and employees, and William H. Morris, individually and as an officer of the corporate respondents, directly or through any partnership, corporation, subsidiary, division or other device, in connection with the advertising, packaging, labeling, promotion, offering for sale, sale or distribution of any product or program in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from creating, producing, selling or disseminating any advertisement that misrepresents, in any manner, directly or by implication, that it is not a paid advertisement.

V

Nothing in this Order shall prohibit respondents from making any representation for any drug that is permitted in labeling for any such drug under any tentative final or final standard promulgated by the Food and Drug Administration, or under any new drug application approved by the Food and Drug Administration.

VI

Nothing in this Order shall prohibit respondents from making any representation for any drug that is permitted in labeling for any such drug under any tentative final or final standard promulgated by the Food and Drug Administration, or under any new drug application approved by the Food and Drug Administration.

VII

It is further ordered that no later than the date that this Order becomes final, respondents National Dietary Research, Inc., a corporation, its successors and assigns, The William H. Morris Company, a corporation, its successors and assigns, and William H. Morris, individually and as officer of the corporate respondents, shall deposit into an escrow account, to be established by the Commission for the purpose of receiving payment due under this Order ("escrow account"), the sum of one hundred thousand dollars ($100,000).

The funds paid by respondents, together with accrued interest, shall, in the discretion of the Commission, be used by the Commission to provide direct redress to purchasers of Food Source One in connection with the acts or practices alleged in the complaint, and to pay any attendant costs of administration. If the Commission determines, in its sole discretion, that redress to purchasers of this product is wholly or partially impracticable or is otherwise unwarranted, any funds not so used shall be paid to the United States Treasury. Respondents shall be notified as to how the funds are distributed, but shall have no right to contest the manner of distribution chosen by the Commission. No portion of the payment as herein provided shall be deemed a payment of any fine, penalty, or punitive assessment.

At any time after this Order becomes final, the Commission may direct the escrow agent to transfer funds from the escrow account, including accrued interest, to the Commission to be distributed as herein provided. The Commission, or its representative, shall, in its sole discretion, select the escrow agent.

Respondents relinquish all dominion, control and title to the funds paid into the escrow account, and all legal and equitable title to the funds vested in the Treasurer of the United States and in the designated consumers. Respondents shall make no claim to or demand for return of the funds, directly or indirectly, through counsel or otherwise, and in the event of bankruptcy of respondents, respondents acknowledge that the funds are not part of the debtor's estate, nor does the estate have any claim or interest therein.
VIII

It is further ordered that, for five (5) years after the last date of dissemination of any representation covered by this Order, respondents, or their successors and assigns, shall maintain and upon request make available to the Federal Trade Commission for inspection and copying:

1. All materials that were relied upon to substantiate any representation covered by this Order; and
2. All test reports, studies, surveys, demonstrations or other evidence in their possession or control, or of which they have knowledge, that contradict, qualify, or call into question such representation or the basis upon which respondents relied for such representation, including complaints from consumers.

IX

It is further ordered that the corporate respondents shall notify the Federal Trade Commission at least thirty (30) days prior to any proposed change in the corporations 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 corporations which may affect compliance obligations arising under this Order.

X

It is further ordered that the corporate respondents shall distribute a copy of this Order to each of their operating divisions and to each of their officers, agents, representatives, or employees engaged in the preparation or placement of advertisements, promotional materials, product labels or other such sales materials covered by this Order.

XI

It is further ordered that the individual respondent shall, for a period of five (5) years from the date of issuance of this Order, notify the Commission within thirty (30) days in the event of the discontinuance of his present business or employment, the activities of which include the advertising, offering for sale, sale, or distribution of consumer products, and of his affiliation with any new business or employment involving such activities. Each notice of affiliation with any new business or employment shall include respondent's new business address and telephone number, current home address, and a statement describing the nature of the business or employment and his duties and responsibilities.

XII

It is further ordered that respondents shall, within sixty (60) days after service of this Order upon them and at such other times as the Federal Trade Commission may require, file with the Commission a report, in writing, setting forth in detail the manner and form in which they have complied or intend to comply with this Order.

Analysis of Proposed Consent Order To Aid Public Comment

The Federal Trade Commission has accepted, subject to final approval, an agreement to a proposed consent order from National Dietary Research, Inc., William H. Morris Company and William H. Morris, the president and sole owner of the corporate respondents. The respondents sell various tablets made of compressed fiber and other ingredients, which are advertised for their alleged weight loss and cholesterol lowering benefits.

On November 9, 1993, the Commission issued an administrative complaint in this matter (described below), and a complaint and corresponding motion for preliminary injunctive relief was filed in the U.S. district Court for the Middle District of Florida, Tampa Division on November 17, 1993. The administrative complaint was withdrawn from adjudication on January 23, 1993 for the purpose of considering the proposed consent agreement. The preliminary injunctive action was dismissed without prejudice on February 20, 1995.

The proposed consent order has been placed on the public record for sixty (60) days for receipt of comments by interested persons. Comments received during this period will become part of the public record. After sixty (60) days, the Commission will again review the agreement and the comments received and will decide whether it should withdraw from the agreement and take other appropriate action, or make final the proposed order contained in the agreement.

This matter concerns advertising claims made in connection with the sale of two of the respondents' products, Food Source One ("FS-1"), a purported weight loss and cholesterol lowering tablet containing small amounts of dietary fiber and other ingredients, and Vancol 5000 ("Vancol"), a purported cholesterol lowering tablet containing small amounts of psyllium fiber, chromium picolinate and other ingredients.

The Commission's complaint in this matter charges the respondents with making unsubstantiated claims, in advertisements and promotional materials, regarding the efficacy of FS-1 for weight loss and lowering serum cholesterol and unsubstantiated claims regarding the efficacy of Vancol for lowering serum cholesterol. With regard to FS-1, the complaint alleges that the respondents have represented, directly or by implication, that the product:

- Causes significant weight loss;
- Causes significant weight loss without dieting or otherwise changing normal eating patterns;
- Is an effective appetite suppressant; and
- Causes significant weight loss without dieting or otherwise changing normal eating patterns; and
- Decreases the intestinal absorption of calories; and
- May significantly reduce serum cholesterol.

The complaint charges that the respondents failed to possess and rely upon a reasonable basis for these representations.

The complaint alleges that the respondents also represented, directly or by implication, that:

- Scientific studies of certain ingredients contained in FS-1, including studies published in the British Journal of Nutrition and the American Journal of Clinical Nutrition, demonstrate that FS-1 causes significant weight loss; scientific studies of certain ingredients contained in FS-1, including a study published in the British Journal of Nutrition, demonstrate that FS-1 causes significant weight loss without dieting; FS-1 has a high fiber content; National Dietary Research is a bona fide, independent research organization that has conducted research seeking nutritional solutions to world-wide health problems; and
- Certain of the respondents' advertisements for FS-1 are independent newspaper stories and not paid advertisements. The complaint alleges that these representations are false and misleading.

With regard to Vancol, the complaint alleges that the respondents have represented, directly or by implication, that:

- The product significantly reduces serum cholesterol and that it significantly reduces serum cholesterol without dieting or otherwise changing normal eating patterns. The complaint charges that the respondents failed to possess and rely upon a reasonable basis for these representations.
- The respondents also represented, directly or by implication, that:
- Scientific studies of certain ingredients contained in Vancol demonstrate that Vancol significantly reduces serum cholesterol.
- The complaint charges that this representation is false and misleading.
- In addition to the above-mentioned claims, the complaint also alleges that through the use of statements in certain advertisements for...
would be in the depicted circumstances, the generally expected performance in this Part permits the respondents to represent. An additional provision requires the respondents to: retain all records that substantiate the representation. Part II(a) of the order prohibits the respondents from misrepresenting the existence, contents, validity, results, conclusions, or interpretations of any test or study. Part II(b) and (c), respectively, prohibit misrepresentation of the amount of fiber or any nutrient contained in a product and prohibit false claims that a product is a high source of fiber or any other nutrient. Part II(d) prohibits misrepresentation of the research activities or other activities of National Dietary Research or any other organization affiliated with the respondents.

Part III of the proposed order prohibits the respondents from disseminating any advertisement for any product or program that misrepresents, in any manner, that it is not a paid advertisement. Part IV of the order prohibits representations that testimonial represent the typical or ordinary experience of consumers who use the product, unless the representations are true and the respondents have competent and reliable evidence that substantiates such representations. An additional provision in this Part permits the respondents to use a truthful, non-typical testimonial, if they disclose clearly and prominently in close proximity to the testimonial what the generally expected performance would be in the depicted circumstances, or the limited applicability of the endorser's experience to what consumers may generally expect to achieve, that is, that consumers should not expect to experience similar results.

Parts V and VI of the proposed order contain provisions permitting certain claims that are approved for labels by the FDA, under either the Nutrition Labeling and Education Act, a tentative final or final monograph, or any new drug application approved by the FDA. Part VII of the proposed order requires the respondents to pay $100,000 in consumer redress, or if that is impracticable, to pay the same amount to the U.S. Treasury.

Parts VIII, IX, X, XI and XII of the proposed order are compliance reporting provisions that require the respondents to: retain all records that would bear on the respondents' compliance with the order; to notify the Commission of any changes in the structure of the corporate respondents that may affect their compliance obligations under the order, or any changes in the business affiliations of the individual respondent relating to the advertising, offering for sale, sale or distribution of consumer products; to distribute copies of the order to the corporate respondents' operating divisions and to those persons responsible for the preparation and review of advertising material covered by the order; and to report to the Commission their compliance with the terms of the order.

The purpose of this analysis is to facilitate public comment on the proposed order. It is not intended to constitute an official interpretation of the agreement and proposed order or to modify in any way their terms. Donald S. Clark, Secretary.

[FR Doc. 95–12587 Filed 5–22–95; 8:45 am] BILLING CODE 6750–01–M

[Dkt. 9271]

B.A.T Industries p.l.c., et al.; Prohibited Trade Practices, and Affirmative Corrective Actions

AGENCY: Federal Trade Commission.

ACTION: Consent order.

SUMMARY: In settlement of alleged violations of federal law prohibiting unfair acts and practices and unfair methods of competition, this consent order permits, among other things, B.A.T Industries and Brown & Williamson Tobacco Corporation to consummate the acquisition of American Tobacco Company, but requires them to divest, within twelve months, six American Tobacco discount cigarette brands and to divest to the purchaser of these brands three American Tobacco full-revenue brands, as well as the American Tobacco manufacturing facility in Reidsville, N.C. If the required divestitures are not completed on time, the consent order permits the Commission to appoint a trustee to complete the transactions. In addition, the consent order requires the respondents, for ten years, to obtain Commission approval before acquiring any interest in a cigarette manufacturer or any assets used to manufacture or distribute cigarettes in the United States.


SUPPLEMENTARY INFORMATION: On Wednesday, January 11, 1995, there was published in the Federal Register, 60 FR 2751, a proposed consent agreement with analysis In the Matter of B.A.T Industries p.l.c., et al., for the purpose of soliciting public comment. Interested parties were given sixty (60) days in which to submit comments, suggestions or objections regarding the proposed form of the order.

Comments were filed and considered by the Commission. The Commission has made its jurisdictional findings and entered an order to divest, as set forth in the proposed consent agreement, in disposition of this proceeding.


Donald S. Clark, Secretary.

[FR Doc. 95–12585 Filed 5–22–95; 8:45 am]

BILLING CODE 6750–01–M

[File No. 932–3234]

Original Marketing Inc.; Proposed Consent Agreement with Analysis to Aid Public Comment

AGENCY: Federal Trade Commission.

ACTION: Proposed consent agreement.

SUMMARY: In settlement of alleged violations of federal law prohibiting unfair acts and practices and unfair methods of competition, this consent agreement, accepted subject to final Commission approval, would prohibit, among other things, the Florida-based...