

Complaint

2. Representing, directly or by implication, on an invoice that the fur contained in such fur product is natural when such fur is pointed, bleached, dyed, tipped, or otherwise artificially colored.

3. Setting forth information required under Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form.

4. Failing to set forth the term "Persian Lamb" in the manner required where an election is made to use that term instead of the word "Lamb."

5. Failing to set forth the term "natural" as part of the information required to be disclosed on an invoice under the Fur Products Labeling Act and Rules and Regulations promulgated thereunder to describe such fur product which is not pointed, bleached, dyed, tipped, or otherwise artificially colored.

6. Failing to disclose that such fur product contains or is composed of "Second-hand" used fur.

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 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.

IN THE MATTER OF

KAPLAN-SIMON CO., TRADING AS
TAFFETA CO. OF AMERICA ET AL.CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION, THE WOOL PRODUCTS LABELING
AND THE TEXTILE FIBER PRODUCTS IDENTIFICATION ACTS

Docket C-1458. Complaint, Nov. 21, 1968—Decision, Nov. 21, 1968

Consent order requiring a Boston, Mass., jobber of interlining fabrics to cease misbranding its wool and textile fiber products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, the Wool Products Labeling Act of 1939 and the Textile

Complaint

74 F.T.C.

Fiber Products Identification Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Kaplan-Simon Co., a corporation, trading as Taffeta Co. of America, and George Kaplan, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Wool Products Labeling Act of 1939 and the Textile Fiber Products Identification 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 Kaplan-Simon Co. is a corporation organized, existing and doing business under and by virtue of the laws of the Commonwealth of Massachusetts. Respondent Kaplan-Simon Co. trades, among others, under the name of Taffeta Co. of America with its office and principal place of business located at 65-75 Kneeland Street, Boston, Massachusetts.

Respondent George Kaplan is an officer of said corporation. He formulates, directs and controls the policies, acts and practices of said corporation and his address is the same as that of the corporate respondent.

Respondents are engaged in the jobbing to the garment industry of trimmings, threads and related sundries and are also converters and jobbers of interfacings, linings and quilted interlining fabrics.

PAR. 2. Respondents now, and for some time last past, have manufactured for introduction into commerce, introduced into commerce, sold, transported, distributed, delivered for shipment, shipped, and offered for sale, in commerce, as "commerce" is defined in the Wool Products Labeling Act of 1939, wool products as "wool product" is defined therein.

PAR. 3. Certain of said wool products were misbranded by the respondents within the intent and meaning of Section 4(a) (1) of the Wool Products Labeling Act of 1939 and Rules and Regulations promulgated thereunder, in that they were falsely and deceptively stamped, tagged, labeled, or otherwise identified with respect to the character and amount of the constituent fibers contained therein.

Among such misbranded wool products, but not limited thereto, were quilted interlining fabrics, stamped, tagged, labeled, or otherwise identified by respondents as "70% Acrylic Orlon" and "30% Other Fibers," whereas in truth and in fact, said products contained woolen fibers together with substantially different fibers

1249

Complaint

and amounts of fiber than represented.

PAR. 4. Certain of said wool products were further misbranded by respondents in that they were not stamped, tagged, labeled, or otherwise identified as required under the provisions of Section 4(a)(2) of the Wool Products Labeling Act of 1939 and in the manner and form as prescribed by the Rules and Regulations promulgated under said Act.

Among such misbranded wool products, but not limited thereto, were wool products, namely fabric, with labels on or affixed thereto, which failed to disclose the percentage of the total fiber weight of the said wool products, exclusive of ornamentation not exceeding 5 per centum of said total fiber weight, of (1) wool; (2) reprocessed wool; (3) reused wool; (4) each fiber other than wool, when said percentage by weight of such fiber was 5 per centum or more; and (5) the aggregate of all other fibers.

PAR. 5. The acts and practices of the respondents as set forth above in Paragraphs Three and Four were, and are, in violation of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, and constituted, and now constitute, unfair methods of competition and unfair and deceptive acts or practices, in commerce within the meaning of the Federal Trade Commission Act.

PAR. 6. Respondents are now and for some time last past have been engaged in the introduction, delivery for introduction, manufacture for introduction, sale, advertising, and offering for sale, in commerce, and in the transportation or causing to be transported in commerce, and in the importation into the United States, of textile fiber products; and have sold, offered for sale, advertised, delivered, transported and caused to be transported, textile fiber products, which have been advertised or offered for sale in commerce; and have sold, offered for sale, advertised, delivered, transported and caused to be transported, after shipment in commerce, textile fiber products, either in their original state or contained in other fiber products; as the terms "commerce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act.

PAR. 7. Certain of the textile fiber products were misbranded by respondents in that they were not stamped, tagged, labeled, or otherwise identified to show each element of information required to be disclosed by Section 4(b) of the Textile Fiber Products Identification Act, and in the manner and form prescribed by the Rules and Regulations promulgated under said Act.

Among such misbranded textile fiber products, but not limited thereto, were lining fabrics without labels.

PAR. 8. The acts and practices of respondents, as set forth in Paragraph Seven were, and are, in violation of the Textile Fiber Products Identification Act and the Rules and regulations promulgated thereunder, and constituted, and now constitute, unfair methods of competition and unfair and deceptive acts or practices, in commerce, under the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Textiles and Furs proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act, the Wool Products Labeling Act of 1939 and the Textile Fiber Products Identification 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 Acts, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Kaplan-Simon Co. is a corporation organized, existing and doing business under and by virtue of the laws of the Commonwealth of Massachusetts, with its office and principal place of business located at 65-75 Kneeland Street, Boston, Massachusetts. Said firm trades as Taffeta Co. of America.

Respondent George Kaplan is an officer of said corporation and his 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 Kaplan-Simon Co., a corporation, trading as Taffeta Co. of America or under any other name, and its officers, and George Kaplan, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, manufacture for introduction, into commerce, or the offering for sale, sale, transportation, distribution, delivery for shipment or shipment, in commerce, of wool products, as "commerce" and "wool product" are defined in the Wool Products Labeling Act of 1939, do forthwith cease and desist from misbranding such products by:

1. Falsely and deceptively stamping, tagging, labeling, or otherwise identifying such products as to the character or amount of the constituent fibers contained therein.

2. Failing to securely affix to, or place on, each such product a stamp, tag, label, or other means of identification showing in a clear and conspicuous manner each element of information required to be disclosed by Section 4(a) (2) of the Wool Products Labeling Act of 1939.

It is further ordered, That respondents Kaplan-Simon Co., a corporation, trading as Taffeta Co. of America or under any other name, and its officers, and George Kaplan, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, delivery for introduction, manufacture for introduction, sale, advertising, or offering for sale in commerce, or the importation into the United States of any textile fiber product; or in connection with the sale, offering for sale, advertising, delivery, transportation, or causing to be transported, of any textile fiber product, which has been advertised or offered for sale in commerce; or in connection with the sale, offering for sale, advertising, delivery, transportation or causing to be transported, after shipment in commerce of any textile fiber product, whether in its original state or contained in other textile fiber products, as the terms "commerce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act, do forthwith cease and desist from misbrand-

Complaint

74 F.T.C.

ing textile fiber products by failing to affix labels to such textile fiber products showing in a clear, legible and conspicuous manner each element of information required to be disclosed by Section 4(b) of the Textile Fiber Products Identification Act.

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 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.

IN THE MATTER

MARVIN FURS, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION AND THE FUR PRODUCTS LABELING ACTS

Docket C-1459. Complaint, Nov. 21, 1968—Decision, Nov. 21, 1968

Consent order requiring a New York City manufacturing furrier to cease misbranding, deceptively invoicing, and falsely guaranteeing its fur products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Marvin Furs, Inc., a corporation, and Constantinos Mavrovitis, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Fur Products Labeling 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. Marvin Furs, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondent Constantinos Mavrovitis is an officer of the corporate respondent. He formulates, directs and controls the acts, practices and policies of the said corporate respondent including those hereinafter set forth.

Respondents are manufacturers of fur products with their office and principal place of business located at 333 Seventh Avenue, New York, New York.

PAR. 2. Respondents are now and for some time last past have been, engaged in the introduction into commerce, and in the manufacture for introduction into commerce, and in the sale, advertising, and offering for sale in commerce, and in the transportation and distribution in commerce, of fur products; and have manufactured for sale, sold, advertised, offered for sale, transported and distributed fur products which have been made in whole or in part of furs which have been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act.

PAR. 3. Certain of said fur products were misbranded in that they were falsely and deceptively labeled to show that fur contained therein was natural, when in fact such fur was pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Section 4(1) of the Fur Products Labeling Act.

PAR. 4. Certain of said fur products were misbranded in that they were not labeled as required under the provisions of Section 4(2) of the Fur Products Labeling Act and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

Among such misbranded fur products, but not limited thereto, were fur products with labels which failed to disclose that the fur contained in the fur products was bleached, dyed, or otherwise artificially colored, when such was the fact.

PAR. 5. Certain of said fur products were falsely and deceptively invoiced by the respondents in that they were not invoiced as required by Section 5(b) (1) of the Fur Products Labeling Act and the Rules and Regulations promulgated under such Act.

Among such falsely and deceptively invoiced fur products, but not limited thereto, were fur products covered by invoices which failed to disclose that the fur contained in the fur products was bleached, dyed, or otherwise artificially colored, when such was the fact.

PAR. 6. Certain of said fur products were falsely and deceptively invoiced in that said fur products were invoiced to show that the fur contained therein was natural, when in fact such fur was pointed, bleached, dyed, tip-dyed or otherwise artificially colored, in violation of Section 5(b) (2) of the Fur Products Labeling Act.

PAR. 7. Respondents furnished false guaranties that certain

Decision and Order

74 F.T.C.

of their fur products were not misbranded, falsely invoiced or falsely advertised when respondents in furnishing such guaranties had reason to believe that fur products so falsely guaranteed would be introduced, sold, transported or distributed in commerce, in violation of Section 10(b) of the Fur Products Labeling Act.

PAR. 8. The aforesaid acts and practices of respondents, as herein alleged, are in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder and constitute unfair methods of competition and unfair and deceptive acts and practices in commerce under the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Textiles and Furs proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act and the Fur Products Labeling 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 Acts, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Marvin Furs, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 333 Seventh Avenue, New York, New York.

Respondent Constantinos Mavrovitis is an officer of said corporation and his 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 the respondents Marvin Furs, Inc., a corporation, and its officers, and Constantinos Mavrovitis, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, or manufacture for introduction, into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce, of any fur product; or in connection with the manufacture for sale, sale, advertising, offering for sale, transportation or distribution of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding fur products by:

1. Representing, directly or by implication, on labels that the fur contained in any fur product is natural when the fur contained therein is pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

2. Failing to affix labels to fur products showing in words and in figures plainly legible all of the information required to be disclosed by each of the subsections of Section 4(2) of the Fur Products Labeling Act.

B. Falsely or deceptively invoicing fur products by:

1. Failing to furnish invoices, as the term "invoice" is defined in the Fur Products Labeling Act, showing in words and figures plainly legible all the information required to be disclosed by each of the subsections of Section 5(b)(1) of the Fur Products Labeling Act.

2. Representing, directly or by implication, on invoices that the fur contained in the fur products is natural when such fur is pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

It is further ordered, That respondents the Marvin Furs, Inc.,

Complaint

74 F.T.C.

a corporation, and Constantinos Mavrovitis, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from furnishing a false guaranty that any fur product is not misbranded, falsely invoiced or falsely advertised when respondents have reason to believe that such fur product may be introduced, sold, transported, or distributed in commerce.

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 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.

IN THE MATTER OF

WESTERN UNION ASSURANCE COMPANY ALSO KNOWN AS
LINCOLN LIFE INSURANCE COMPANY ET AL.

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

Docket 8756. Complaint, Feb. 19, 1968—Decision, Nov. 27, 1968

Order requiring two affiliated Phoenix, Ariz., insurance companies to cease misrepresenting the terms of policies offered armed service personnel, failing to disclaim approval by the Federal Government, and issuing policies prior to any indication of acceptance by the insured.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, as that Act is applicable to the business of insurance under the provisions of Public Law 15, 79th Congress (Title 15 U.S. Code, Sections 1011 to 1015, inclusive), and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that Western Union Assurance Company, a corporation, also known as Lincoln Life Insurance Company, Electro-Data Enterprises, Inc., a corporation and Jack P. Stewart, Gordon D. Rutledge and Mercier C. Willard, individually and as officers and directors of Western Union Assurance Company and/or Electro-Data Enterprises, Inc., and Elmo Matthews, individually, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a

1258

Complaint

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 Western Union Assurance Company by amendment of its articles of incorporation on April 20, 1966, changed its corporate name to Lincoln Life Insurance Company. Respondent is a corporation organized, existing and doing business under and by virtue of the laws of the State of Arizona, with its principal office and place of business at 800 North Central Avenue, city of Phoenix, State of Arizona.

Respondent Electro-Data Enterprises, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Arizona, with its principal office and place of business at 1610 North 7th Street, city of Phoenix, State of Arizona.

Respondent Jack P. Stewart is an officer and director of Western Union Assurance Company and Electro-Data Enterprises, Inc., and also an agent for Lincoln Life Insurance Company. He assists in formulating, directing and controlling the acts and practices of corporate respondents named herein, including the acts and practices hereinafter set forth. His address is 86 East Country Club Drive, Phoenix, Arizona.

Respondent Gordon D. Rutledge is an officer and director of Western Union Assurance Company and was an officer and director of Electro-Data Enterprises, Inc. He assists in formulating, directing and controlling the acts and practices of corporate respondents named herein, including the acts and practices hereinafter set forth. His address is 698 South Catalina, Gilbert, Arizona.

Respondent Mercier C. Willard, Jr., is an officer and director of Electro-Data Enterprises, Inc. He assists in formulating, directing and controlling the acts and practices of said corporate respondent named herein, including the acts and practices hereinafter set forth. His address is 32 West 9th Place, Mesa, Arizona.

Respondent Elmo Matthews is an independent contractor for Western Union Assurance Company. He formulates, composes and disseminates materials in connection with the acts and practices of the said corporate respondent herein named as hereinafter set forth. His address is 3124 North 7th Avenue, Phoenix, Arizona.

PAR. 2. Respondents are now, and for some time last past have been, engaged as insurers and solicitors of insurance in the busi-

ness of insurance in commerce as "commerce" is defined in the Federal Trade Commission Act. As part of said business in "commerce," said respondents Electro-Data Enterprises, Inc., and Elmo Matthews, individually, formulate and solicit insurance contracts for respondent Western Union Assurance Company, as insurer to insureds located in various States of the United States other than the State of Arizona in which States the business of insurance is not regulated by State law to the extent of regulating the practices of said respondents alleged in this complaint to be illegal.

PAR. 3. Respondents, in conducting the aforesaid business, have sent and transmitted, by means of the United States mails and by various other means letters, application forms, contracts, checks and other papers and documents of a commercial and solicitous nature from their place of business in the State of Arizona to prospective purchasers located in various other States of the United States and have thus maintained a substantial course of trade in said insurance contracts, policies and other papers and documents of a commercial and solicitous nature in commerce between and among the several States of the United States.

PAR. 4. Respondent Western Union Assurance Company, also known as Lincoln Life Insurance Company is licensed, as provided by State law, to conduct business only in the State of Arizona. Respondent Electro-Data Enterprises, Inc., is licensed, as provided by State law, to conduct business only in the State of Arizona. Said respondents are not now, and for some time last past, have not been licensed as provided by State law to conduct the business of insurance in any State other than the State designated in this paragraph.

PAR. 5. Respondents have solicited business by mail in various States of the United States in addition to the States named in Paragraph Four above. As a result thereof they solicited and entered into insurance contracts with insureds located in many States in which they are not licensed to do business. Said respondents' business practices are, therefore, not regulated by State law in any of those States in which said respondents are not licensed to do business as they are not subject to the jurisdiction of such States.

PAR. 6. In the course and conduct of said business, and for the purpose of inducing the purchase of said policies, said respondents have made, and are now continuing to make, numerous statements and representations concerning said policies by means of circular letters, policy forms, ownership certificates, and other

advertising material disseminated throughout various States of the United States. Said materials are the same for both corporate respondents in that Electro-Data Enterprises, Inc., acting under an Agreement with Western Union Assurance Company, formulates and distributes these same materials for Western Union. The original mailing of said advertising materials consists of a transmittal window envelope with the name and address of the beneficiary as printed on the policy form plainly visible shown as follows:*

The envelope described and pictured above contains a "Dear Parent" form letter, what purports to be a valid complete insurance policy, an ownership certificate and a postage paid self-addressed envelope as shown below:**

The form letter is addressed to the parents or other relatives of newly inducted servicemen. The name of the serviceman appears as the "insured" on the face of the policy form, together with the name and address of the beneficiary, policy number, dispatch data, face amount of the policy, and signatures and titles of two company officers. The parents or other recipients fill out, sign and return the ownership certificate together with the initial premium payment.

The second mailing does not involve the use of a completed policy form but did include a transmittal and a return envelope, a "Dear Parent" form letter, ownership certificate with a statement or question pertaining to health, and a printed folder titled "Western Union Assurance Company's Servicemen Life Plan," shown as follows:**

The "Test" and the Elmo Matthews mailings contained the same basic materials as the first mailing but substituted in lieu of a completed policy form and ownership certificate, an Ownership Application card to be completed and returned requesting information including duty status and assignment of the insured serviceman. The two mailings differed in that the "Test" mailing included a printed folder describing Western Union's Serviceman Life Plan whereas the Matthews mailing did not, only the Matthews mailing contained a printed IBM machine mailing insert on which the name and the address of the beneficiary is typed and there is a slight variation in the form letter, all shown as follows:**

PAR. 7. By and through the use of these materials with aforementioned acts and practices, statements and representations

* Pictorial envelope omitted in printing.

** Pictorial mailing material omitted in printing.

Complaint

74 F.T.C.

and others of a similar import, respondents have represented, directly or by implication:

1. That the insurance offered for sale by respondents was initiated by the serviceman named as the "insured" therein or was issued with his knowledge and consent.

2. That the insurance offered for sale by respondents will be issued regardless of the occupation, military status or duty assignment of the insured in peace or war.

3. That in connection with the sale or solicitation of its insurance policies the respondents received the names and/or addresses of proposed insureds and beneficiaries from or with the approval of the Armed Forces, Department of Defense or other government agencies.

PAR. 8. In truth and in fact:

1. The insurance offered for sale was not initiated by the serviceman named as the "insured" therein and it was not issued with his knowledge or consent.

2. Applications for issuance of policies and applications for reinstatement of lapsed policies were declined by respondents because of insured's military occupation, status and duty assignment.

3. The Armed Forces, Department of Defense or any governmental agency neither gave nor approved nor has given approval for the dissemination of the names and addresses of servicemen, parents of servicemen, or members of servicemen's families to any private insurance company or sales organization other than those selected under P-L 89-214, of which, respondents are not participating members.

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

PAR. 9. In the conduct of their business at all times mentioned herein, respondents have been in substantial competition, in commerce, with corporations, firms and individuals in the sale of insurance of the same general kind and nature as that sold by the respondents.

PAR. 10. The use by the 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 buying public into the erroneous and mistaken belief that said statements and representations were,

