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Complaint

IN THE MATTER OF

E. G. REINSCH, INC., ET AL.*

ORDER OF DISMISSAL, OPINION, ETC., IN REGARD TO THE ALLEGED
VIOLATION OF THE FEDERAL TRADE COMMISSION ACT*Docket 8751. Complaint, Nov. 30, 1967—Decision, Sept. 23, 1968*

Order dismissing the complaint with respect to two corporate and two individual respondents and denying motion to dismiss complaint as to two other individuals.

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 E. G. Reinsch, Inc., a corporation; Emerson G. Reinsch, individually and as owner of apartment developments known as Dorchester Apartments and Dorchester Towers and as part owner of apartment developments known as Arlington Boulevard Apartments and Oakland Apartments; Dolores G. Reinsch, individually and as part owner of apartment developments known as Arlington Boulevard Apartments and Oakland Apartments; Robert E. Latham and Henry S. Clay, Jr., individually and as trustees for an apartment complex known as Quebec Apartments and Lurein Corporation, a 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. E. G. Reinsch, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Virginia, with their principal office and place of business located at 129 South Irving Street, in the county of Arlington, State of Virginia.

Respondent Emerson G. Reinsch is now and for some time last past has been owner of apartment complexes known as Dorchester Apartments, 2040 Columbia Pike, Arlington, Virginia and Dorchester Towers, 2001 Columbia Pike, Arlington, Virginia and he and respondent Dolores G. Reinsch are now and for some time last past have been owners of apartment complexes known as Arlington Boulevard Apartments, 1500 North 16th Road, Arlington, Virginia and Oakland Apartments, 3710 Columbia Pike, Arling-

* The Commission's order of Jan. 30, 1969, 75 F.T.C. 210, dismissed the complaint with respect to all respondents.

ton, Virginia. Individual respondents Robert E. Latham and Henry S. Clay, Jr., are trustees for an apartment complex known as Quebec Apartments, 4010 Columbia Pike, Arlington, Virginia. Respondent Lurein Corporation, a corporation, is now and for some time last past has been owner of an apartment complex known as Westmont Garden Apartments, 3860 Columbia Pike, Arlington, Virginia. The business address of the aforesaid respondents is 2040 Columbia Pike, Arlington, Virginia.

PAR. 2. The individual respondents named herein as owners or trustees of the aforesaid apartment developments have ultimate responsibility for the management of the developments, including, but not limited to, the rental and advertising thereof. The management of the aforesaid property has been delegated by said owners to respondent E. G. Reinsch, Inc.

Respondent E. G. Reinsch, Inc., is now and for some time last past has been, engaged in the advertising, offering for rent, rental and general management of the aforesaid apartment complexes located in Arlington, Virginia.

PAR. 3. In the course and conduct of their business, respondents have caused rental advertisements for the aforesaid apartment complexes to be published in newspapers and other publications of interstate circulation including, but not limited to, The Washington Post and The Evening Star. Said respondents have performed various acts in commerce relating to the advertising of the aforesaid apartments, such as transmitting payments for published advertisements from their place of business in the State of Virginia to the District of Columbia, and maintain, and at all times mentioned herein have maintained, a substantial course of business 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 persons to apply for rental of their apartments, respondents now cause and have caused to be published in newspapers of interstate circulation certain advertisements of which the following is typical and illustrative, but not all inclusive thereof:

ARL., DORCHESTER TOWER APTS.

600-unit high rise and garden. Effics., 1. 2. 3. bedrms., 4 high speed elev., doorman, indiv. control air cond. View of Wash. Balcony. Garage. Dorchester Towers. JA 4-3900 Dorchester Apts., JA 7-0306, 2040 Columbia Pike.

PAR. 5. By and through the use of the above quoted statements and representations, and others of similar import and meaning

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but not expressed herein, respondents represent, and have represented, directly or by implication, that such apartments are available for rental to the general public without restrictions or limitations as to race, color or national origin.

PAR. 6. In truth and in fact, such apartments are not available for rental to the general public without restrictions or limitations as to race, color or national origin. Among such restrictions or limitations are that these apartments are not available for rental to applicants who are Negro.

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

PAR. 7. The use by respondents 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 general public into the erroneous and mistaken belief that said statements and representations were and are true.

PAR. 8. The aforesaid acts and practices of respondents, as herein alleged, were and are all to the prejudice and injury of the public and constituted and now constitute, unfair and deceptive acts and practices in commerce in violation of Section 5 of the Federal Trade Commission Act.

OPINION OF THE COMMISSION

SEPTEMBER 23, 1968

By motion of July 25, 1968, respondents E. G. Reinsch, Inc., Emerson G. Reinsch, Dolores G. Reinsch, and Lurein Corporation, moved to dismiss this complaint with respect to them on the basis of the passage of the Civil Rights Act of 1968 (Public Law 90-284) and their contention that there is now "* * * no real possibility that the alleged restrictions as to race, color and national origin which respondents allegedly failed to reveal in advertising can be continued * * *." Counsel supporting the complaint has filed an answer to the motion expressing no opposition to it, and the hearing examiner has certified the motion to the Commission with his recommendation that it be granted.

This matter comes before us in an atmosphere quite different from that prevailing at the time the complaint issued in this case, November 30, 1967. Not only was the Civil Rights Act of 1968 signed into law on April 11, 1968, containing a Fair Housing Title (Title VIII), but the Attorney General of the United States has

already moved to begin prosecution under that law.¹ In June of this year the Supreme Court of the United States ruled that racial discrimination in the sale of housing violated an 1866 federal statute which declares that all citizens, of every race and color, shall have the same right to purchase and lease real and personal property as is enjoyed by white citizens.² Although that law does not provide for participation by the Attorney General or a federal agency, the Court held that it does enable a private citizen to maintain an action and a federal court to fashion an effective, equitable remedy. There is also a growing number of State and local communities who have passed some form of fair housing regulations, including Arlington, Virginia, where the apartments involved in this complaint are located.³ And there are recent reports of attacks at the State level on discrimination in housing under antitrust and consumer protection laws in the absence of open housing legislation.⁴

In view of this increasing trend toward fair housing, many businessmen involved in selling or leasing houses or apartments have made public announcements of their adherence to a firm policy of open housing. Unfortunately, many others have been noticeably silent on the subject.

It appears that respondents making the subject motion have aligned themselves with those businessmen who have publicly expressed their intent to comply voluntarily with the fair housing legislation. The Commission so interpreted a motion to dismiss in a companion case;⁵ and respondents herein, having had the benefit of the Commission's interpretation in that earlier ruling, have chosen to use the identical language for their motion. We conclude that by filing this motion in terms identical to the motion filed in the *Buckingham* case that these respondents are making an unqualified affirmation that they have discontinued and will not resume a policy of restricting the availability of their apartments on the basis of race, color, or national origin. Thus it appears that these respondents will not be pursuing the kind of rental policy which could have rendered the advertising misleading without the disclosure of material limitations, as alleged in

¹ *U.S. v. Knippers & Day Real Estate Inc., et al.*, filed July 22, 1968 in the Eastern District of Louisiana.

² *Jones v. Mayer Co.*, 392 U.S. 409, 20 L Ed. 2d 1189 (June 17, 1968), involving 42 U.S.C. § 1982.

³ The Arlington County Ordinance took effect in July 1968, and provides for reporting to the federal government any acts which would violate the new federal fair housing law.

⁴ See *Wall Street Journal*, May 6, 1968, p. 22.

⁵ *First Buckingham Community, Inc., et al.*, Docket 8750, Order Vacating Initial Decision and Dismissing Complaint, May 20, 1968 [73 F.T.C. 938].

the complaint. Presumably, therefore, an order to cease and desist may not now be necessary. Accordingly, the Commission is granting the motion to dismiss filed by respondents E. G. Reinsch, Inc., Emerson G. Reinsch, Dolores G. Reinsch and Lurein Corporation. If it should appear in the future, however, that we are mistaken in this regard, the matter can always be reopened.

A second motion to dismiss was filed on August 16 by the two remaining respondents, Henry S. Clay, Jr., and Robert E. Latham. The basis for this motion is that said respondents "have not and do not now exercise any control over the management and policies of the Quebec Apartments, nor could any control be exercised independently of Emerson G. Reinsch and wife, co-owners of the other undivided one-half interest." The Commission cannot grant this motion to dismiss on the basis of the facts as alleged therein and in the accompanying affidavits. Although respondents Clay and Latham have perhaps chosen not to participate actively in the details of rental management, it nevertheless appears that they have ultimate authority over the rental management as completely as do respondents Emerson and Dolores Reinsch, owners of the other undivided one-half interest. Delegation of authority over the rental policies and participation in the benefits derived therefrom may not absolve these respondents from their responsibility for the acts and practices alleged and challenged in this complaint.

These two respondents previously requested an interlocutory appeal on the issue of the Commission's jurisdiction.⁶ The request was based on the grounds that they had "such a remote nexus" and "such an inconsequential connection" with the matters complained of that an immediate resolution of the jurisdictional issue was warranted. The Commission denied that request as premature;⁷ and respondents' present motion to dismiss, also based upon their allegedly remote connection with the matters challenged in the complaint, is also denied for substantially the same reason. Paragraph Two of the complaint alleges that the individual respondents "have ultimate responsibility for the management of the developments." A hearing and record evidence will resolve the question of whether these allegations are correct and whether an order is necessary against these parties. The Commission cannot make a formal determination of this issue on the basis of a motion to dismiss.

⁶ Request by Respondents Clay and Latham for Permission for an Interlocutory Appeal, D. 8751, Feb. 26, 1968.

⁷ Order Denying Request By Respondents Clay and Latham For Permission For An Interlocutory Appeal, D. 8751, May 24, 1968.

Accordingly, we deny this motion to dismiss since it is limited to the single ground of the individual responsibility of these respondents. If they elect to amend the instant motion so as to base it upon the same grounds as set forth in the motion to dismiss by the other respondents herein, then we will consider such amended motion and take whatever action appears appropriate under the circumstances.

The motion to dismiss by respondents Clay and Latham is hereby denied with leave to amend.

Commissioner McIntyre did not participate.

ORDER GRANTING MOTION TO DISMISS BY RESPONDENTS
E. G. REINSCH, INC., EMERSON G. REINSCH, DOLORES G. REINSCH,
LUREIN CORPORATION AND DENYING MOTION TO DISMISS
BY RESPONDENTS HENRY S. CLAY, JR., AND ROBERT E. LATHAM
WITH LEAVE TO AMEND

For the reasons stated in the accompanying opinion,

It is ordered, That the motion to dismiss of July 25, 1968, filed by and on behalf of respondents E. G. Reinsch, Inc., Emerson G. Reinsch, Dolores G. Reinsch, and Lurein Corporation be granted;

It is further ordered, That the motion to dismiss of August 16, 1968, filed by and on behalf of respondents Henry S. Clay, Jr., and Robert E. Latham be denied with leave to amend;

It is further ordered, That the complaint in this proceeding be, and it hereby is, dismissed with respect to respondents E. G. Reinsch, Inc., Emerson G. Reinsch, Dolores G. Reinsch, and Lurein Corporation.

By the Commission, with Commissioner MacIntyre not participating.

IN THE MATTER OF

CHARLES WOODWARD TRADING AS AMERICAN
EDUCATION CENTER, ETC.

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

Docket C-1429. Complaint, Sept. 23, 1968—Decision, Sept. 23, 1968
Consent order requiring a Miami, Fla., distributor of correspondence courses to cease using trade names which imply his business is a nonprofit educational organization, misrepresenting that his business is accredited, that he provides scholarships, and that instructional material is free.

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 Charles Woodward, an individual trading and doing business as American Education Center and American Institute of Education, 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. Charles Woodward is an individual trading and doing business as American Education Center and American Institute of Education with his principal office and place of business located at 2722 North West 6th Street, in the city of Miami, State of Florida. He formulates, directs and controls the acts, practices and policies of said business.

PAR. 2. Respondent is now, and for some time last past has been, engaged in the advertising, offering for sale, sale and distribution of courses of study and instruction in various subjects including journalism, English, photography, sewing and beauty culture. Said courses are pursued by correspondence through the mails.

PAR. 3. In the course and conduct of his business as aforesaid, respondent now causes and for some time last past has caused, his courses, when sold to be shipped from the place of business of the supplier thereof located in Argentina to purchasers thereof located in various other countries of Latin America. Respondent receives from purchasers located in various countries of Latin America, money orders and other instruments of a commercial nature and transmits similar instruments to the supplier of his courses in Argentina. Respondent maintains, and at all times herein has maintained, a substantial course of trade in said courses in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of his aforesaid business, and for the purpose of inducing the purchase of his courses, the respondent has made, and is now making, numerous statements and representations with respect to said courses in advertisements inserted in newspapers and magazines and in brochures and other printed material furnished to prospective purchasers of his courses.

By and through said statements and representations, respond-

ent represents, and has represented, directly or by implication :

1. Through the use of the name "American Education Center" and "American Institute of Education," that respondent's business is a non-profit educational enterprise.

2. That respondent American Education Center is an accredited institution and has been approved or is recognized by appropriate educational authorities in the United States.

3. That all students receive scholarships.

4. That instructional material and equipment are free, the student being required to pay only postage and handling charges.

PAR. 5. In truth and in fact :

1. Respondent's business is not that of a non-profit educational enterprise. Respondent is engaged in the sale of correspondence courses for profit.

2. Respondent American Education Center is not an accredited institution and has not been approved by and is not recognized by any educational authorities in the United States.

3. Students do not receive scholarships.

4. The instructional material and equipment are not free. The sum of money paid by the student includes the cost of the instructional material and equipment as well as the postage and handling.

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

PAR. 6. In the course and conduct of his aforesaid business, and at all times mentioned herein, respondent has been, and is now, in substantial competition in commerce, with corporations, firms and individuals engaged in the sale of courses of study and instruction covering the same or similar subjects.

PAR. 7. 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 prospective purchasers thereof into the erroneous and mistaken belief that said statements and representations were and are true and into the purchase of substantial quantities of respondent's courses by reason of said erroneous and mistaken belief.

PAR. 8. The aforesaid acts and practices of respondent, as herein alleged, were and are all to the prejudice and injury of respondent's competitors and constituted, and now constitute, unfair methods of competition 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 Deceptive Practices 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 Charles Woodward is an individual trading and doing business as American Education Center and American Institute of Education, with his office and principal place of business located at 2722 North West 6th Street, in the city of Miami, Florida.

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 Charles Woodward, an individual, trading and doing business as American Education Center and American Institute of Education, or under any other 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

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courses of study and instruction in journalism, English, photography, sewing, beauty culture or any other subject, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using the name "American Education Center," American Institute of Education," or any other name or names of similar import or meaning; or representing, in any manner, that respondent's business is other than that of a private commercial venture engaged in the sale of correspondence courses for a profit.

2. Representing, directly or by implication, that respondent's school or his courses have been accredited, approved or recognized by any educational authority in the United States.

3. Misrepresenting in any manner, the status, accreditation or approval of respondent's business, his school or his courses.

4. Representing, directly or by implication, that respondent provides scholarships.

5. Representing, directly or by implication, that the instructional material and equipment provided as part of respondent's courses is free; or misrepresenting, in any manner, the cost or nature of respondent's courses.

It is further ordered, That the respondent shall forthwith distribute a copy of this order to each of his operating divisions and individuals concerned with his operations.

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

 IN THE MATTER OF

FARMER BROWN'S FURNITURE BARN, INC., ET AL.

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

Docket C-1430. Complaint, Sept. 27, 1968—Decision, Sept. 27, 1968
Consent order requiring a Beltsville, Md., furniture retailer to cease making deceptive pricing and savings claims in the sale of its merchandise.

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 Farmer Brown's Furniture Barn, Inc., a corporation, and Morton J. Brown, individually and as an officer 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 Farmer Brown's Furniture Barn, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Maryland, with its principal office and place of business located at 5016 Cook Road, in the city of Beltsville, State of Maryland.

Respondent Morton J. Brown is an individual and is an officer of the corporation. He formulates, directs and controls the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. His 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 now cause, and for some time last past have caused, their said merchandise, when sold, to be shipped from their place of business in the State of Maryland to purchasers thereof located in various other States of the United States and in the District of Columbia, 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, the respondents have made, and are now making, numerous statements and representations in commercial messages broadcast throughout the District of Columbia metropolitan area by radio stations WLND located in Laurel, Maryland and WDON located in Silver Spring, Maryland. Typical and illustrative of said statements and representations, but not all inclusive thereof, are the following:

King Size Recliners	
Regularly	\$100.00
Country Price	59.95

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Set of three living room tables. Maple or Walnut

Regular Price \$50.00

Country Price 26.95

Mattresses or box springs (twin or double)

Regular Price \$50.00-\$60.00

Country Price 19.95 ea.

PAR. 5. By and through the use of the above-quoted statements and representations, and others of similar import and meaning but not expressly set out herein, the respondents have represented, and are now representing, directly or by implication, that the higher stated price amounts set forth in connection with the terms "Regularly" and "Regular Price" are the prices at which the advertised merchandise was sold or offered for sale by respondents in good faith for a reasonably substantial period of time in the recent, regular course of their business, and that purchasers save the difference between respondents' advertised selling prices and the corresponding higher prices.

PAR. 6. In truth and in fact, the higher stated price amounts set forth in connection with the terms "Regularly" and "Regular Price" are not the prices at which the advertised merchandise was sold or offered for sale by respondents in good faith for a reasonably substantial period of time in the recent, regular course of their business, and purchasers do not save the difference between respondents' advertised selling prices and the corresponding 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 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 in the sale of furniture 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 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 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 Bureau of Deceptive Practices 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 Farmer Brown's Furniture Barn, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Maryland, with its office and principal place of business located at 5016 Cook Road, Beltsville, Maryland.

Respondent Morton J. Brown 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.

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ORDER

It is ordered, That respondents Farmer Brown's Furniture Barn, Inc., a corporation, and its officers, and Morton J. Brown, individually and as an officer 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. Using the terms "Regularly," "Regular Price," or any other terms or words of similar import or meaning, to refer to any amount which is in excess of the price at which such merchandise has been 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; or otherwise misrepresenting the price at which such merchandise has been sold or offered for sale by respondents.

2. Representing, in any manner, that by purchasing any merchandise customers are afforded savings amounting to the difference between respondents' stated price and any other price used for comparison with that price;

(a) Unless respondents have offered such merchandise for sale at the compared price in good faith for a reasonably substantial period of time in the recent regular course of their business; or

(b) Unless substantial sales of said merchandise are being made in the trade area at the compared price, or at a higher price; or

(c) Unless a substantial number of the principal retail outlets in the trade area regularly offer the merchandise for sale at the compared price or some higher price; or

(d) When a value comparison representation with comparable merchandise is used, unless substantial sales of merchandise of like grade and quality are being made in the trade area at the compared price and it is clearly and conspicuously disclosed that the comparison is with merchandise of like grade and quality.

3. Falsely representing, in any manner, that savings are available to purchasers or prospective purchasers of respondents' merchandise; or misrepresenting, in any manner, the

