

IN THE MATTER OF

BONDED PRODUCTS CORPORATION, A. EDWARD BELDNER
AND JOSEPH BLAU

COMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION OF
SEC 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914

Docket 5367. Complaint, Aug. 14, 1945—Decision, Nov. 19, 1945

Where a corporation and two individuals, its officers and stockholders, engaged in the interstate sale and distribution to dealers or agents and members of the purchasing public, of a coal combustion device designated as "Burn-Rite," designed to spray pre-heated air over the fuel bed; through statements in circulars, leaflets, photostatic illustrations and other advertising matter—

Falsely represented and implied that the use of their said device resulted in a saving up to 35% in the cost of coal; that said product eliminated gases, gave better heating satisfaction, and saved one ton of coal or coke in every seven used; gave better combustion to coal used, saved labor in firing, lengthened the firing period, reduced clinkers and ash content; and produced clean heat, less smoke, soot or dirt, and lengthened the life of boilers and grates;

The facts being that a coal or coke furnace could, by proper use of the conventional dampers or perforated plates, be made to perform as well without the "Burn-Rite" device as with it, since said device merely tended to restrict the flow of secondary air through the fire doors of the furnace, and its regulating function was not superior or complementary to that of the conventional equipment in coal or coke furnaces;

With tendency and capacity of deceiving and misleading a substantial portion of the purchasing public into the erroneous belief that such representations were true, and into the consequent purchase of substantial quantities of their said product:

Held, That said acts and practices, under the circumstances set forth, were all to the prejudice and injury of the public and constituted unfair and deceptive acts and practices in commerce.

Mr. B. G. Wilson for the Commission.

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 Bonded Products Corporation, a corporation, and A. Edward Beldner and Joseph Blau, individually and as 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 Bonded Products Corporation 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 1182 Broadway, city of New York, State of New York.

Individual respondents A. Edward Beldner and Joseph Blau are president, and secretary and treasurer, respectively, of respondent corporation

and own the entire capital stock of said corporation. Acting in their said official capacities and further by virtue of their ownership of the stock of said corporation, said individual respondents formulate and control and have formulated, directed, and controlled the respective acts, policies, and business affairs of said corporation.

PAR. 2. The respondents for more than four years last past have been engaged in the sale and distribution of a coal combustion device designated as "Burn-Rite" designed to be installed in the door of a coal or coke furnace and to operate so as to spray pre-heated air over the top of the furnace fuel bed, to dealers or agents selected by them and to members of the purchasing public in commerce between and among the various States of the United States and in the District of Columbia.

Respondents cause their said product when sold to be transported from their said place of business in the State of New York to purchasers thereof located in various other States of the United States and in the District of Columbia.

Respondents maintain and at all times mentioned herein have maintained a course of trade in their said product in commerce between and among the various States of the United States and in the District of Columbia.

PAR. 3. In the course and conduct of their aforesaid business and for the purpose of inducing the purchase of their said product, respondents have distributed or caused to be distributed among purchasers and prospective purchasers of said product in various States of the United States, circulars, leaflets, photostatic illustrations, and other advertising matter. In said advertising matter many false and misleading statements and representations are made by respondents with respect to their said product and the properties thereof. Among and typical of said statements and representations so made and circulated are the following:

With our BURN-RITE coal and coke saving device placed on your furnace or hot water system, we can save you about one ton of coal or coke in every seven used and in many cases permit you to use a cheaper grade of coal.

BURN-RITE eliminates coal gases and reduces smoke and clinkers and guarantees you better heating satisfaction.

BURN-RITE requires no servicing or operating expense and pays for itself over and over again in the money you save on your coal bill.

SAVE! SAVE!
up to 35% on your
COAL BILL

Let us show you how to save on your coal bill, eliminate coal gases and give you better heating satisfaction.

The respective results claimed from the use of respondents' said device are numerically stated as follows:

**EVERY USER OF "BURN-RITE" CAN COUNT ON
THESE 16 GUARANTEED BENEFITS!**

1. Save one ton of coal in every seven used.
2. Adaptable on any natural draft furnace.
3. Can be used with any grade coal or coke.
4. Gives better combustion to coal used.
5. Saves labor in firing, lengthens firing period.
6. Burns most of the gases, reduces clinkers.
7. Reduces ash content.

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8. Requires no servicing, or additional expense.
9. No changes in present plants necessary.
10. Eliminates expensive contraptions.
11. No parts to get out of order.
12. Permits use of cheaper grade of fuel.
13. Requires about $\frac{1}{2}$ hour to install.
14. Clean heat, less smoke, soot or dirt.
15. Uniform heat and hot water.
16. Lengthens life of boiler and grates.

If you are using COAL or COKE
on your HOT WATER or STEAM BOILERS,
you can SAVE UP TO 35%.

PAR. 4. The foregoing statements and representations, together with similar statements and representations not specifically set out herein, purport to be descriptive of respondents' said device and of its efficiency and the benefits to be derived from its use. By means thereof, respondents represent and imply, and have represented and implied, that the use of their said coal combustion device, Burn-Rite, when installed in coal or coke burning furnaces, results in or accomplishes a material saving up to 35 percent in the cost of coal; that said product eliminates gases, gives better heating satisfaction and saves one ton of coal or coke in every seven used; that said product gives better combustion to coal used, saves labor in firing, lengthens the firing period, reduces clinkers and ash content; and that said device produces clean heat, less smoke, soot, or dirt, and lengthens the life of boilers and grates.

PAR. 5. The foregoing statements and representations are false, misleading and deceptive. In truth and in fact, the use of respondents' said "Burn-Rite Coal and Coke Saving Device," does not save one ton of coal or coke in every seven used, or effectuate or result in any appreciable saving in coal or coke. The use of said product does not eliminate gases. It does not improve combustion, or effect better or more uniform heating nor save labor in firing by lengthening the firing period as compared with any other correctly operated coal or coke furnace, nor reduce clinkers and the ash content. Said product will not produce less smoke, soot, or dirt and will not lengthen the life of boilers and grates. In fact, respondents' device has no material or appreciable beneficial effect when used, since a coal or coke furnace can, by proper use of the conventional dampers, or perforated plates, be made to perform as well without the "Burn-Rite" device as with it. Said device merely tends to restrict the flow of secondary air through the fire doors of the furnace and its regulating function is not superior or complementary to that of the conventional equipment found in coal or coke furnaces.

PAR. 6. The aforesaid acts and practices and representations of the respondents have had and now have the tendency and capacity to deceive and mislead a substantial portion of the purchasing public into the erroneous and mistaken belief that the aforesaid false, misleading and deceptive acts and practices and representations are true and into the purchase of substantial quantities of respondents' product because of such erroneous and mistaken belief so induced.

PAR. 7. The aforesaid acts and practices of the respondents, as herein alleged, are all to the prejudice and injury of the public and constitute unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission on August 14, 1945, issued and subsequently served its complaint in this proceeding upon respondents Bonded Products Corporation, a corporation, and A. Edward Beldner and Joseph Blau, individually and as officers of Bonded Products Corporation, charging them with the use of unfair and deceptive acts and practices in commerce in violation of the provisions of said act. After respondents filed their answer admitting all the material allegations of fact set forth in said complaint and waiving all intervening procedure and further hearing as to said facts, the proceeding regularly came on for final hearing before the Commission on the said complaint and the answer thereto; and the Commission, having duly considered the matter and being now fully advised in the premises, finds that this proceeding is in the interest of the public and makes this its findings as to the facts and its conclusion drawn therefrom.

FINDINGS AS TO THE FACTS

PARAGRAPH 1. Respondent Bonded Products Corporation 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 1182 Broadway, city of New York, State of New York.

Individual respondents A. Edward Beldner and Joseph Blau are president, and secretary and treasurer, respectively, of respondent corporation and own the entire capital stock of said corporation. Acting in their said official capacities and further by virtue of their ownership of the stock of said corporation, said individual respondents formulate and control and have formulated, directed and controlled the respective acts, policies, and business affairs of said corporation.

PAR. 2. The respondents for more than four years last past have been engaged in the sale and distribution of a coal combustion device designated as "Burn-Rite" designed to be installed in the door of a coal or coke furnace and to operate so as to spray pre-heated air over the top of the furnace fuel bed, to dealers or agents selected by them and to members of the purchasing public in commerce between and among the various States of the United States and in the District of Columbia.

Respondents cause their said product when sold to be transported from their said place of business in the State of New York to purchasers thereof located in various other States of the United States and in the District of Columbia.

Respondents maintain and at all times mentioned herein have maintained a course of trade in their said product in commerce between and among the various States of the United States and in the District of Columbia.

PAR. 3. In the course and conduct of their aforesaid business and for the purpose of inducing the purchase of their said product, respondents have distributed or caused to be distributed among purchasers and prospective purchasers of said product in various States of the United States, circulars, leaflets, photostatic illustrations, and other advertising matter. In said advertising matter many false and misleading statements and representations are made by respondents with respect to their said product and the properties thereof. Among and typical of said statements and representations so made and circulated are the following:

With our BURN-RITE coal and coke saving device placed on your furnace or hot water system, we can save you about one ton of coal or coke in every seven used and in many cases permit you to use a cheaper grade of coal.

BURN-RITE eliminates coal gases and reduces smoke and clinkers and guarantees you better heating satisfaction.

BURN-RITE requires no servicing or operating expense and pays for itself over and over again the money you save on your coal bill.

SAVE! SAVE! up to 35% on your COAL BILL

Let us show you how to save on your coal bill, eliminate coal gases and give you better heating satisfaction.

The respective results claimed from the use of respondent's said device are numerically stated as follows:

EVERY USER OF "BURN-RITE" CAN COUNT ON THESE 16 GUARANTEED BENEFITS!

1. Save one ton of coal in every seven used.
2. Adaptable on any natural draft furnace.
3. Can be used with any grade coal or coke.
4. Gives better combustion to coal used.
5. Saves labor in firing, lengthens firing period.
6. Burns most of the gases, reduces clinkers.
7. Reduces ash content.
8. Requires no servicing, or additional expense.
9. No changes in present plants necessary.
10. Eliminates expensive contraptions.
11. No parts to get out of order.
12. Permits use of cheaper grade of fuel.
13. Requires about $\frac{1}{2}$ hour to install.
14. Clean heat, less smoke, soot or dirt.
15. Uniform heat and hot water.
16. Lengthens life of boiler and grates.

If you are using COAL or COKE on your HOT WATER or STEAM BOILERS, you can SAVE UP TO 35%.

PAR. 4. The foregoing statements and representations, together with similar statements and representations not specifically set out herein, purport to be descriptive of respondents' said device and of its efficiency and the benefits to be derived from its use. By means thereof, respondents represent and imply, and have represented and implied, that the use of their said coal combustion device, Burn-Rite, when installed in coal or coke burning furnaces, results in or accomplishes a material saving up to 35 percent in the cost of coal; that said product eliminates gases, gives better heating satisfaction and saves one ton of coal or coke in every seven used; that said product gives better combustion to coal used, saves labor in firing, lengthens the firing period, reduces clinkers and ash content; and that the said device produces clean heat, less smoke, soot, or dirt, and lengthens the life of boilers and grates.

PAR. 5. The foregoing statements and representations are false, misleading and deceptive. In truth and in fact, the use of respondents' said Burn-Rite device does not save one ton of coal or coke in every seven used, or effectuate or result in any appreciable saving in coal or coke. The use of said product does not eliminate gases. It does not improve combustion, or effect better or more uniform heating nor save labor in firing by lengthening the firing period as compared with any other correctly operated coal

or coke furnace, nor reduce clinkers and the ash content. Said product will not produce less smoke, soot or dirt and will not lengthen the life of boilers and grates. In fact, respondents' device has no material or appreciable beneficial effect when used, since a coal or coke furnace can, by proper use of the conventional dampers, or perforated plates, be made to perform as well without the "Burn-Rite" device as with it. Said device merely tends to restrict the flow of secondary air through the fire doors of the furnace and its regulating function is not superior or complementary to that of the conventional equipment found in coal or coke furnaces.

PAR. 6. The use by the respondents of the foregoing representations has had and now has the tendency and capacity to deceive and mislead a substantial portion of the purchasing public into the erroneous and mistaken belief that such representations are true and into the purchase of substantial quantities of respondents' product because of such erroneous and mistaken belief so induced.

CONCLUSION

The acts and practices of the respondents as herein found are all to the prejudice and injury of the public and constitute unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission and the answer of the respondents admitting all of the material allegations of fact set forth in said complaint and waiving all intervening procedure and further hearing as to said facts, and the Commission having made its findings as to the facts and its conclusion that said respondents have violated the provisions of the Federal Trade Commission Act.

It is ordered, That the respondents, Bonded Products Corporation, a corporation, and its officers, and A. Edward Beldner and Joseph Blau, individually and as officers of said corporation, and respondents' agents, representatives, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale, and distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act, of respondents' coal combustion device designated "Burn-Rite," or any other device of substantially similar nature, whether sold under the same name or under any other name, do forthwith cease and desist from representing, directly or by implication:

1. That the use of respondents' device in coal or coke burning furnaces results in savings in fuel of up to 35 percent or of one ton of fuel in every seven used, or any other substantial saving in fuel.

2. That the use of said device results in better heating, or better combustion of fuel.

3. That said device eliminates gases, saves labor in firing, lengthens the firing period, reduces clinkers or ash content, produces clean heat, reduces smoke, soot, or dirt, or lengthens the life of boilers or grates.

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

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