

IN THE MATTER OF
REYNOLDS METALS COMPANY AND
LIFETIME SALES, INC.

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

Docket 6650. Complaint, Oct. 12, 1956—Decision, June 1, 1957

Consent order requiring the exclusive distributor of "Lifetime Stainless Steel Ware" for the States of Wisconsin, Minnesota, Iowa, northern Illinois, and eastern Nebraska, to cease representing falsely that all food elements were preserved by use of such cooking utensils and the "waterless" method of cooking; that most illnesses are the result of vitamin and mineral deficiencies; that use of competitive cooking utensils would injure health of users, while its own would assure good health; making false claims of danger to health in the use of competitive cooking utensils of aluminum, copper, and glass; and representing itself falsely as the maker of the cooking products it sold.

As to respondent manufacturer of the stainless steel ware, complaint was dismissed Oct. 8, 1957, following sale of all that part of its production herein concerned.

Mr. Morton Nesmith and Mr. John Mathias for the Commission.
Mr. Earl F. Colborn, Jr., of Fairchild, Foley & Sammond, of Milwaukee, Wis. for Lifetime Sales, Inc.

INITIAL DECISION BY ABNER E. LIPSCOMB, HEARING EXAMINER

The complaint herein was issued on October 12, 1956, charging Respondents with the dissemination of false, misleading and disparaging representations in connection with their stainless steel cooking utensils, in violation of the Federal Trade Commission Act.

On April 15, 1957, Respondent Lifetime Sales, Inc., its counsel, and counsel supporting the complaint herein entered into an Agreement Containing Consent Order To Cease And Desist, which was approved by the Director and the Assistant Director of the Commission's Bureau of Litigation, and thereafter submitted to the Hearing Examiner for consideration.

The agreement identifies Respondent Lifetime Sales, Inc., as a Wisconsin corporation, with its office and principal place of business located at 3716 North 92nd Street, Milwaukee, Wisconsin.

Respondent admits all the jurisdictional facts alleged in the complaint, and agrees that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations.

Respondent waives any further procedure before the Hearing Examiner and the Commission; the making of findings of fact or conclusions of law; and all the rights it may have to challenge or contest the validity of the order to cease and desist entered in accordance with the agreement. All parties agree that the record on which the initial decision and the decision of the Commission shall be based, insofar as they relate to Respondent Lifetime Sales, Inc., shall consist solely of the complaint and the agreement; that the order to cease and desist, as contained in the agreement, shall have the same force and effect as if entered after a full hearing, and may be altered, modified or set aside in the manner provided for other orders; that the complaint herein may be used in construing the terms of said order; and that the agreement is for settlement purposes only and does not constitute an admission by Respondent, Lifetime Sales, Inc., its officers, employees and agents, that they have violated the law as alleged in the complaint.

After consideration of the allegations of the complaint, and the provisions of the agreement and the proposed order, the Hearing Examiner is of the opinion that such order constitutes a satisfactory disposition of this proceeding, insofar as it relates to Respondent Lifetime Sales, Inc. Accordingly, in consonance with the terms of the aforesaid agreement, the Hearing Examiner accepts the Agreement Containing Consent Order To Cease And Desist; finds that the Commission has jurisdiction over the Respondent, Lifetime Sales, Inc., and over its acts and practices as alleged in the complaint; and finds that this proceeding is in the public interest. Therefore,

It is ordered, That the Respondent Lifetime Sales, Inc., a corporation, and its officers, agents, representatives, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale, or distribution, in commerce, as "commerce" is defined in the Federal Trade Commission Act, of stainless steel cooking utensils, or any other cooking utensils of substantially similar composition, design, construction, or purpose, do forthwith cease and desist from representing, directly or by implication:

1. That all food elements are preserved in the food when Respondent's cooking utensils and the "waterless" method of cooking are used;
2. That most illnesses are the direct result of vitamin or mineral deficiencies or misrepresenting the number or percentage of illnesses that are so caused;
3. That the health of persons consuming food prepared in any kind of cooking utensil or method of cooking, commonly employed,

will be adversely affected because of the damage, loss or destruction of food elements by leaching in water or by heat, except in the cases of persons who are deficient in the food elements damaged, lost or destroyed or are on the borderline;

4. That the use of Respondent's cooking utensils and the "waterless" method of cooking will prevent disease or conditions of ill health, except those arising by reason of deficiencies of food elements that may be preserved by such use in the cases of persons who are deficient in such food elements or are on the borderline;

Provided, however, That nothing contained in paragraphs 3 and 4 shall prohibit Respondent from representing that in the waterless method of cooking fresh fruits or vegetables, more vitamins and minerals are retained in the food than in methods of cooking using substantially larger quantities of water;

5. That the use of Respondent's cooking utensils assures good health or is any more conducive to good health than the use of other modern cooking utensils, namely, other waterless cooking utensils and those utensils known as pressure cookers and as steamers;

6. That aluminum is a porous metal in the sense that when food is cooked in utensils made of aluminum it is retained in the pores of the utensils;

7. That food prepared or kept in aluminum utensils thereby becomes poisonous;

8. That the consumption of food prepared or kept in aluminum utensils is detrimental to health and will cause any disease;

9. That the copper on the outside bottom of certain cooking utensils creates poison in the food cooked therein;

10. That the consumption of food cooked in utensils made of glass or enamelware is dangerous;

11. That less food is required to satisfy hunger when prepared in Respondent's utensils and the waterless method of cooking than when otherwise prepared;

12. That Respondent Lifetime Sales, Inc., manufactures the utensils sold by it or has been in existence since 1909, or for any length of time that is not the fact.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 1st day of June, 1957, become the decision of the Commission; and, accordingly:

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Decision

It is ordered, That respondent Lifetime Sales, Inc., a corporation, shall, within sixty (60) days after service upon it of this order, file with the Commission a report in writing, setting forth in detail the manner and form in which it has complied with the order to cease and desist.

IN THE MATTER OF
KAYE-BEN COMPANY, INC., ET AL.

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

Docket 6683. Complaint, Dec. 3, 1956—Decision, June 1, 1957

Consent order requiring two furriers in Houston, Tex., to cease violating the Fur Products Labeling Act by mutilating labels attached to fur products and by failing to label certain products as required; by false invoicing; and by false advertising in newspapers which failed to give the correct name of the animal producing certain furs and to disclose when furs were artificially colored, and which represented falsely that fur products were from a liquidating business.

Mr. Brockman Horne for the Commission.

Mr. Sam W. Levy, of Houston, Tex., for respondent.

INITIAL DECISION AND ORDER BY LOREN H. LAUGHLIN,
HEARING EXAMINER

The Federal Trade Commission (hereinafter referred to as the Commission) on December 3, 1956, issued its complaint herein under the Federal Trade Commission Act, and the Fur Products Labeling Act against the above-named respondents Kaye-Ben Company, Inc., a corporation, Richard I. Kaye, individually and as president of said corporation, Zusman Bensky, individually and as vice president of said corporation, and Alex Segall, individually and as secretary-treasurer of said corporation; and Isadore Bergman and Harry Bergman, individually and as copartners trading as Forman's Fine Furriers. The complaint charges respondents with having violated in certain particulars the provisions of said Acts and the Rules and Regulations promulgated under the Fur Products Labeling Act. The respondents were duly served with process. Upon being advised that Commission's counsel and the respondents were negotiating an agreement for a consent cease and desist order pursuant to § 3.25 of the Commission's Rules of Practice for Adjudicative Proceedings, the times for answer and for initial hearing were postponed several times by appropriate orders, pending the negotiation of such an agreement.

On March 20, 1957, there was submitted to the undersigned hearing examiner of the Commission for his consideration and approval an "Agreement Containing Consent Order to Cease and Desist," which had been entered into by and between each of the said respondents