

IN THE MATTER OF
I. G. CHEMICAL CORP., ET AL.

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

Docket 7277. Complaint, Oct. 14, 1958—Decision, Apr. 23, 1959

Consent order requiring New York City distributors to cease representing falsely in advertising that their "Green Plasma" chemical dye for lawns—which sunlight would bleach and rain wash out—had been tested and approved by the United States Government and used on the United States Capitol and White House lawns to restore and maintain a green color; that only occasional sprinklings with the preparation would keep a lawn green all year; that it was a new scientific discovery, in scarce supply, a plant food and fertilizer; and that prospective purchasers would receive a free trial of the product.

Mr. Garland S. Ferguson supporting the complaint.

Mr. Milton A. Bass of *Bass and Friend*, of New York, N.Y., for respondents.

INITIAL DECISION BY JOSEPH CALLAWAY, HEARING EXAMINER

The Federal Trade Commission issued its complaint on October 14, 1958, charging the above-named respondents with violation of the Federal Trade Commission Act by making deceptive and misleading statements with respect to their product, "Green Plasma," a chemical preparation for lawns.

After being served with the complaint respondents entered into an agreement, dated February 17, 1959, containing a consent order to cease and desist, disposing of all the issues in this proceeding, which agreement has been duly approved by the director and assistant director of the Bureau of Litigation. Said agreement has been submitted to the undersigned, heretofore duly designated to act as hearing examiner herein, for his consideration in accordance with Section 3.25 of the Rules of Practice of the Commission.

Respondents, pursuant to the aforesaid agreement, have admitted all of the jurisdictional allegations of the complaint and agreed that the record may be taken as if findings of jurisdictional facts had been made duly in accordance with such allegations. Said agreement further provides that respondents waive all further procedural steps before the hearing examiner or the Commission, including the making of findings of fact or conclu-

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sions of law and the right to challenge or contest the validity of the order to cease and desist entered in accordance with such agreement. It has also been agreed that the record herein shall consist solely of the complaint and said agreement, that the agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Commission, that said agreement is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint, that said order to cease and desist 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, and that the complaint may be used in construing the terms of the order.

This proceeding having now come on for final consideration on the complaint and the aforesaid agreement containing the consent order, and it appearing that the order and agreement cover all of the allegations of the complaint and provide for appropriate disposition of this proceeding, the agreement is hereby accepted and ordered filed upon this decision and said agreement becoming part of the Commission's decision pursuant to Sections 3.21 and 3.25 of the Rules of Practice, and the hearing examiner accordingly makes the following findings, for jurisdictional purposes, and order;

1. Respondent I. G. Chemical Corp., is a corporation 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 9 East 45th Street, New York, N.Y.

2. Individual respondents David Ratke, Herman Liebensohn, and Monroe Caine are officers of said corporate respondent. They formulate, direct and control the practices of the corporate respondent. Their address is the same as that of the corporate respondent.

3. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents hereinabove named. The complaint states a cause of action under the Federal Trade Commission Act. This proceeding is in the public interest.

ORDER

It is ordered, That respondents I. G. Chemical Corp., a corporation, and its officers, and David Ratke, Herman Liebensohn, and Monroe Caine, individually and as officers of said corporation, and respondents' agents, representatives and employees, di-

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rectly or through any corporate or other device, in connection with the offering for sale, sale or distribution of their product Green Plasma, or any other products of substantially the same composition in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing directly or by implication:

1. That said product has been tested or approved by the United States Government.
2. That said product has been used on the lawns of the United States Capitol or the White House to restore or maintain a green color.
3. That any number of applications of said product less than that generally required, will keep lawns green for 365 days of the year or for any other period of time.
4. That respondents' product is a new scientific discovery.
5. That respondents' product is available to purchasers in limited amounts, or is limited in certain areas, or that the supply of ingredients which comprise respondents' product is scarce.
6. That respondents' product brings back or restores the original color to faded or brown grass, or that it is a plant food or an effective fertilizer.
7. That prospective purchasers receive a free trial of respondents' said product.
8. That said product gives or imparts a green color to faded or brown lawns unless it is clearly and conspicuously revealed that said product is a dye and that the color will bleach out by sunlight and will be washed out by rain and that, in order that the lawn will have a green appearance, frequent applications of the product are necessary.

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 23d day of April 1959, become the decision of the Commission; and, accordingly:

It is 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 the order to cease and desist.

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IN THE MATTER OF
FLEISHER FUR COMPANY

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

Docket 7192. Complaint, July 17, 1958—Decision, Apr. 25, 1959

Consent order requiring a New York City furrier to cease violating the Fur Products Labeling Act by failing to comply with labeling requirements; by setting forth on invoices and in advertising, prices which were fictitious; by failing to maintain adequate records as a basis for such pricing claims; and by furnishing a false guaranty that certain of their fur products were not misbranded, falsely invoiced, and falsely advertised.

Mr. Charles W. O'Connell for the Commission.

Mr. Jack C. Wilner, of New York, N.Y., for respondent.

INITIAL DECISION BY WALTER R. JOHNSON, HEARING EXAMINER

In the complaint dated July 17, 1958, the respondent is charged with violating the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act and the Rules and Regulations made pursuant thereto.

On February 24, 1959, the respondent and his attorney entered into an agreement with counsel in support of the complaint for a consent order.

Under the foregoing agreement, the respondent admits the jurisdictional facts alleged in the complaint. The parties agree, among other things, that the cease and desist order there set forth may be entered without further notice and have the same force and effect as if entered after a full hearing and the document includes a waiver by the respondent of all rights to challenge or contest the validity of the order issuing in accordance therewith. The agreement further recites that it is for settlement purposes only and does not constitute an admission by the respondent that he has violated the law as alleged in the complaint.

The hearing examiner finds that the content of the agreement meets all of the requirements of Section 3.25(b) of the Rules of the Commission.

The hearing examiner being of the opinion that the agreement and the proposed order provide an appropriate basis for disposition of this proceeding as to all of the parties, the agreement