

forth in detail the manner and form in which it has complied with the order to cease and desist contained in the aforesaid initial decision.

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IN THE MATTER OF  
KAISER RAND CORPORATION, ET AL.

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

*Docket 7433. Complaint, Mar. 11, 1959—Decision, Feb. 12, 1960*

Consent order requiring an individual and the five companies of which he was president, all of Redonda Beach, Calif., to cease using deceptive pricing, quality and guarantee claims and other misrepresentations to sell their electric storage batteries, battery additives, oil filters and other products, as in the order below set forth.

*Mr. Edward F. Downs* supporting the complaint.

*Mr. Daniel W. Gage*, of Los Angeles, Calif. for respondents.

INITIAL DECISION BY JOHN B. POINDEXTER, HEARING EXAMINER

On March 11, 1959, the Federal Trade Commission issued its complaint charging the respondents named in the caption hereof with having violated the provisions of the Federal Trade Commission Act by making false and deceptive representations in advertising claims with respect to electric storage batteries, oil filters, battery additives and other products.

After service of the complaint the respondents Kaiser Rand Corporation, Car Parts Manufacturing Corporation, Life-Long Battery Corporation, Life-Long Manufacturing Corporation, Ardmore Investment Company, Inc., and Jack Morgan Watt, individually, by and through their attorney, answered said complaint, pointing out that the name of one of the respondents, The Cadmium Battery Corporation, was changed to Life-Long Manufacturing Corporation, one of the respondents, and the name of the corporate respondent Life-Long Battery Manufacturing Corporation has been changed to Life-Long Battery Corporation.

Thereafter, the respondents Kaiser Rand Corporation, Car Parts Manufacturing Corporation, Life-Long Manufacturing Corporation, Life-Long Battery Corporation and Ardmore Investment Company, Inc., by their duly authorized officer, and the respondent Jack Morgan Watt, individually and as an officer of said corporations, together with their counsel and counsel supporting the complaint,

entered into an agreement for a consent order. The agreement has been approved by the Director and the Assistant Director of the Bureau of Litigation. The agreement disposes of the matters complained about.

The pertinent provisions of said agreement are as follows: Respondents admit all jurisdictional facts; the complaint may be used in construing the terms of the order; the order shall have the same force and effect as if entered after a full hearing and the said agreement shall not become a part of the official record of the proceeding unless and until it becomes a part of the decision of the Commission; the record herein shall consist solely of the complaint and the agreement; respondents waive the requirement that the decision must contain a statement of findings of fact and conclusions of law; respondents waive further procedural steps before the hearing examiner and the Commission, and the order may be altered, modified, or set aside in the manner provided by statute for other orders; respondents waive any right to challenge or contest the validity of the order entered in accordance with the agreement and the signing of 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.

The undersigned hearing examiner having considered the agreement and proposed order and being of the opinion that the acceptance thereof will be in the public interest, hereby accepts such agreement, makes the following jurisdictional findings, and issues the following order:

#### JURISDICTIONAL FINDINGS

1. The respondent Kaiser Rand Corporation is a corporation organized and doing business under the laws of the State of California with its office and principal place of business located at 1814 So. Catalina Avenue, Redondo Beach, California.

2. The respondent Car Parts Manufacturing Corporation, also known as Car Parts Corporation, and also doing business under the names of Waterless Battery Corporation and Life-Long Spark Plug Corporation, is a corporation organized and doing business under the laws of the State of California with its office and principal place of business located at 1814 So. Catalina Avenue, Redondo Beach, California.

3. The respondent Life-Long Manufacturing Corporation, formerly known as The Cadmium Battery Corporation, is a corporation organized and doing business under the laws of the State of Cali-

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fornia with its office and principal place of business located at 1814 So. Catalina Avenue, Redondo Beach, California.

4. The respondent Life-Long Battery Corporation, formerly known as Life-Long Battery Manufacturing Corporation, is a corporation organized and doing business under the laws of the State of California with its office and principal place of business located at 1814 So. Catalina Avenue, Redondo Beach, California.

5. The respondent Ardmore Investment Company, Inc., is a corporation organized and doing business under the laws of the State of California with its office and principal place of business located at 1814 So. Catalina Avenue, Redondo Beach, California.

6. The individual respondent Jack Morgan Watt is president of each of the corporate respondents. His office and principal place of business is located at 1814 So. Catalina Avenue, Redondo Beach, California.

7. 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 Kaiser Rand Corporation, Car Parts Manufacturing Corporation, Life-Long Manufacturing Corporation, Life-Long Battery Corporation, all corporations, their officers, and Jack Morgan Watt, individually and as an officer of said corporate respondents and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution, of electric storage batteries, battery additives, oil filters or any other product 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 their batteries:
  - a. are comparable in design or function to the solar battery.
  - b. contain silicones.
  - c. never require the addition of water to their cells.
  - d. are anything other than lead-acid batteries.
  - e. have sold for \$100.
  - f. will start any engine one million times, or any particular number of times in normal use.
2. That any product:
  - a. is guaranteed in any respect unless respondents in fact comply with the represented guarantee.

b. was conceived or is constructed upon new and revolutionary principles of design or function.

c. is sold with a guarantee the performance of which is insured by Lloyd's of London or any other independent bonding or insurance company.

d. is patented or is the object of an existing, valid patent application unless at the time of the representation, there is existing in the United States Patent Office a patent or an existing patent application incorporating the advertised product.

e. has been awarded a prize, citation or any kind of an award by an independent organization conferring such awards.

f. has been approved by any department, bureau or agency of the United States Government.

g. is advertised or will be advertised by respondents in any publication or through any media unless respondents do in fact place such advertisements in the publication or media represented.

h. has been sold at any price unless that product has been offered for sale or has been sold by respondents in recent regular course of business at the price represented.

i. is comparable in design or function to any other product, or that its characteristics are derived from such other product, unless in fact, there is a substantial similarity in design or function.

j. will convert a lead-acid battery into an alkaline nickel-cadmium battery or its equivalent.

k. contains silicone or any other substance, unless said product does in fact contain the substance represented, and unless it serves a useful function in the construction or operation of that product.

3. That test reports disseminated by respondents are results of tests performed on respondents' products by independent, unbiased research and testing organizations.

4. That reports of tests performed on any of respondents' products by independent, unbiased research and testing organizations are authentic and unbiased when in fact they have been altered, re-copied, added to or subtracted from by respondents or their agents.

5. That any person, corporation or organization of any kind has approved, recommended or expressed satisfaction with any of respondents' products unless respondents have been formally notified of that fact by such person or a responsible official of the named corporation or organization.

*It is further ordered*, That respondent Ardmore Investment Company, Inc., a corporation, and its officers, and Jack Morgan Watt, individually and as an officer of said corporate respondent, and respondents' agents, representatives and employees, directly or

through any corporate or other device, in connection with the offering for sale, sale or distribution of any product in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

Representing directly, or by implication, that respondent Ardmore Investment Company, Inc., is a state chartered bonding company, or an independent bonding or insurance company of any kind.

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 12th day of February 1960, become the decision of the Commission; and, accordingly:

*It is ordered.* That respondents Kaiser Rand Corporation, Car Parts Manufacturing Corporation, Life-Long Manufacturing Corporation, Life-Long Battery Corporation, Ardmore Investment Company, Inc., all corporations, and respondent Jack Morgan Watt, individually and as an officer of each corporate respondent herein named, 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.