

IN THE MATTER OF
CUSTOM CARPET SHOP OF VIRGINIA, ET AL.

MODIFIED ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION AND THE TEXTILE FIBER
PRODUCTS IDENTIFICATION ACTS

Docket C-1173. Complaint, February 17, 1967—Decision, March 27, 1970

Order modifying an earlier order dated February 17, 1967, 71 F.T.C. 182, which prohibited an Arlington, Va., carpet dealer from deceptively advertising, pricing and misbranding its textile fiber products, by adding to the order a new paragraph numbered 7 which requires respondent to maintain records adequate to support its pricing claims.

ORDER MODIFYING ORDER TO CEASE AND DESIST

The Commission on February 17, 1967 [71 F.T.C. 182], having issued its order in this matter requiring respondents, in connection with the offering for sale, and sale and distribution of merchandise, in commerce, to cease and desist from:

1. Representing, directly or by implication, by use of the words "Sale," "Clearance," "special event," "factory closeout," "limited time only" or any other word or words of similar import that the price of any merchandise is a reduction from respondents' former offering price for said merchandise: *Provided, however*, That it shall be a defense in any enforcement proceeding instituted hereunder for the respondents to establish that the price at which said merchandise is being offered for sale constitutes a reduction, in an amount not so insignificant as to be meaningless, from the actual bona fide price at which such merchandise was offered to the public on a regular basis by respondents for a reasonably substantial period of time in the recent regular course of their business;

2. Representing, directly or by implication, that any offer is limited in point of time or in any manner: *Provided, however,* That it shall be a defense in any enforcement proceeding instituted hereunder for the respondents to establish that any represented limitation or restriction was actually imposed and in good faith adhered to;

3. Using the words "Save," "Savings," "reduced" or any other word or words of similar import in conjunction with a stated dollar or percentage amount of savings: *Provided, however,* That it shall be a defense in any enforcement proceeding instituted hereunder for the respondents to establish as a fact that the stated dollar or percentage amount of savings actually represents the difference between the offering price and the actual bona fide price at which such merchandise had been sold or offered for sale on a regular basis to the public by the respondents for a reasonably substantial period of time in the recent regular course of their business;

4. Using the words "Regular," "Reg" or any other word or words of similar import 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;

5. Using the words "Special Package," "Package," "Combination" or any other word or words of similar import, either alone or in conjunction with an offering price: *Provided, however,* That it shall be a defense in any enforcement proceeding instituted hereunder for the respondents to establish that the offering price of said "Special Package," "Package" or "Combination" is a reduction, not so insignificant as to be meaningless, from the sum of the actual bona fide prices at which the items of the said package or combination were sold separately by the respondents on a regular basis for a reasonably substantial period of time in the recent regular course of their business;

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

And the Commission on February 19, 1970, having issued its order to show cause why this proceeding should not be reopened and its

order of February 17, 1967, modified by the addition of a new paragraph numbered 7 which would read:

7. Failing to maintain adequate records which disclose the facts upon which representations as to former prices, and the usual and customary retail prices of merchandise, and as to savings afforded to purchasers, and similar representations of the type dealt with in Paragraph 1 and Paragraphs 3 through 6 of this order, are based, and from which the validity of any such claim can be established.

Respondents having filed an answer in which the order to show cause is not opposed; and

The Commission being of the opinion that the public interest will be best served by modifying its order of February 17, 1967:

It is ordered, That this proceeding be, and it hereby is, reopened.

It is further ordered, That the Commission's order of February 17, 1967 [71 F.T.C. 182], be and it hereby is, modified by adding thereto as Paragraph 7 the following:

7. Failing to maintain adequate records which disclose the facts upon which representations as to former prices, and the usual and customary retail prices of merchandise, and as to savings afforded to purchasers, and similar representations of the type dealt with in Paragraph 1 and Paragraphs 3 through 6 of this order, are based, and from which the validity of any such claim can be established.

IN THE MATTER OF

THE GREAT SOUTHERN CHINCHILLA RANCH, INC.,
ET AL.

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