

It is further 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 this order.

IN THE MATTER OF

UNIQUE INDUSTRIES, INC., ET AL.

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

Docket C-1815. Complaint, Nov. 2, 1970—Decision, Nov. 2, 1970

Consent order requiring a Philadelphia, Pa., seller of novelty items and party favors to cease selling or distributing wood chip leis unless they are within the applicable flammability standards of the Flammable Fabrics Act.

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 Unique Industries, Inc., a corporation, and Everett Novak, individually and as an 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 Unique Industries, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Pennsylvania. Respondent Everett Novak is an officer of said corporate respondent. He formulates, directs and controls the acts, practices and policies of said corporation.

Respondents are engaged in the sale of novelty items such as party favors, including wearing apparel in the form of wood chip leis, with their office and principal place of business located at Torresdale Avenue and Orchard Street, Philadelphia, Pennsylvania.

PAR. 2. Respondents are now and for some time last past have been engaged in the advertising, offering for sale, sale and distribution of

wood chip leis, in commerce. Said wood chip leis are shipped and sold in commerce by the respondents. The aforesaid wood chip leis are shipped from respondents' place of business in the State of Pennsylvania to customers located in various other States of the United States. Respondents maintained, and at all times mentioned, have maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 3. The respondents have sold products (wood chip leis) which exhibited characteristics of rapid and intense burning so as to render such products dangerous and unsafe for use by individuals.

PAR. 4. The sale and distribution of the aforesaid wood chip leis has had and now has the tendency and capacity to lead the purchasing public into the erroneous assumption that the said wood chip leis had been treated so as to make them safe for ordinary use. In truth and in fact the said leis have not been so treated.

PAR. 5. The aforesaid acts and practices of respondents as herein alleged were and 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.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Consumer Protection proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act.

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Acts, and that complaint should issue stating its charges in that respect, and having thereupon accepted the exe-

cuted consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Unique Industries, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Pennsylvania with its office and principal place of business located at Torresdale Avenue and Orchard Street, Philadelphia, Pennsylvania.

Respondent Everett Novak is an official of said corporation. He formulates, directs, and controls the acts, practices and policies of said corporation. His office is the same as that of the said corporate respondent.

ORDER

It is ordered, That respondents Unique Industries, Inc., a corporation, and its officers, and Everett Novak, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from the advertising, offering for sale, sale or distribution of wood chip leis in commerce, as "commerce" is defined in the Federal Trade Commission Act, unless and until said wood chip leis or wood chip products are flameproofed to such an extent that they will not ignite, burn or glow.

It is further ordered, That respondents notify all of their customers who have purchased or to whom have been delivered the products which gave rise to this complaint of the flammable nature of such products, and effective recall of such products from said customers.

It is further ordered, That the respondents herein either process the fabrics which gave rise to this complaint and any wearing apparel made from said fabrics so as to bring them within the applicable flammability standards of the Flammable Fabrics Act, as amended, or destroy said fabrics or any wearing apparel made therefrom.

It is further ordered, That the respondents herein shall within ten (10) days after service upon them of this order, file with the Commission an interim special report in writing setting forth the respondents' intention as to compliance with this order. This interim special report shall also advise the Commission fully and specifically concerning the identity of the product or related material which gave

rise to the complaint (1) the number of such products in inventory, (2) any action taken and any further actions proposed to be taken to notify customers of the flammability of such products and of the results of such actions, (3) any disposition of such products since December 15, 1969, and (4) any action taken or proposed to be taken to flameproof or destroy such products and the results of such action.

It is further ordered, That respondents notify the Commission at least thirty (30) days before any proposed change in the corporate respondent such as dissolution, assignment or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries or any other change in the corporation which may affect compliance obligations arising out of the order.

It is further ordered, That the respondent corporation shall forthwith distribute a copy of this order to each of its operating divisions.

It is further 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 this order.

IN THE MATTER OF

SAMUEL SHINDLER TRADING AS
BUGLE TOY MFG. CO.