

Consent order requiring a Springfield, Mo., manufacturer and distributor of mattresses and box springs to cease misrepresenting the number of coil springs or other component parts in its products, misbranding the textile fiber products in its mattresses and cushions, and failing to properly label previously used material in its products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Textile Fiber Products Identification Act, and by virtue of

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the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Ozark Mattress Company, Inc., a corporation; and Pete Reynolds, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Textile Fiber Products Identification 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 Ozark Mattress Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Missouri, with its principal office and place of business located at 2610 West Kearney Street, in the city of Springfield, State of Missouri.

Respondent Pete Reynolds is an individual and an officer of the corporate respondent. He formulates, directs, and controls the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. His business address is the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the manufacture, advertising, offering for sale, selling, and distribution of mattresses and box springs to the public.

PAR 3. In the course and conduct of their business as aforesaid, respondents now cause, and for some time last past have caused, their said products, when sold, to be shipped from their place of business in the State of Missouri to purchasers thereof located in the States of Arkansas, Tennessee, Kansas, and Oklahoma, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

COUNT I

Alleging violation of Section 5 of the Federal Trade Commission Act, the allegations of Paragraphs One, Two and Three above are incorporated by reference in Count I as if fully set forth verbatim.

PAR. 4. In the course and conduct of their business as aforesaid, and for the purpose of inducing the purchase of their said mattresses and box springs, respondents have represented, directly or by implication:

That certain of their mattresses contain a coil count of 312 coils through the use of labels showing the words and terms "312 Coil Sleep Ensemble."

PAR. 5. In truth and in fact such mattresses contain a coil count of 252 coils.

Therefore, the representations as set forth in Paragraph Four hereof were false, misleading and deceptive.

PAR. 6. In the conduct of their business at all times mentioned herein, respondents have been in substantial competition, in commerce, with corporations, firms and individuals in the sale of mattresses and box springs of the same general kind and nature as that sold by respondents.

PAR. 7. The use by respondents of the aforesaid false, misleading and deceptive representations has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said representations were and are true and into the purchase of substantial quantities of respondents' products by reason of said erroneous and mistaken belief.

PAR. 8. The aforesaid acts and practices of respondents, as herein alleged, were and are all to the prejudice and injury of the public and of respondents' competitors, and constituted and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce, in violation of Section 5 of the Federal Trade Commission Act.

COUNT II

Alleging violation of Section 4(h) of the Textile Fiber Products Identification Act, the allegations of Paragraphs One, Two and Three above are incorporated by reference in Count II as if fully set forth verbatim.

PAR. 9. Respondents are now, and for some time last past have been engaged in the introduction, delivery for introduction, manufacture for introduction, sale, advertising, and offering for sale, in commerce, and in the transportation or causing to be transported in commerce, of textile fiber products; and have sold, offered for sale, advertised, delivered, transported and caused to be transported, textile fiber products, which had been advertised or offered for sale in commerce; and have sold, offered for sale, advertised, delivered, transported and caused to be transported, after shipment in commerce, textile fiber products, either in their original state or contained in other textile fiber products; as the terms "commerce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act.

PAR. 10. Certain of said textile fiber products were misbranded by respondents within the intent and meaning of Section 4(h) of the

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Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder, in that they were not stamped, tagged, labeled, or otherwise identified as required under the provisions of said Section 4(h) and in the manner and form prescribed by the Rules and Regulations promulgated under said Act.

Among such misbranded textile fiber products, but not limited thereto, were mattresses containing previously used stuffing, bearing labels showing in words and terms,

All New Material Consisting Of
Innerspring Unit Covered with
Sisal Fibre Pad 35%
Felted Cotton 65%
consisting of:
(50% First Cut Linters)
(50% Cotton Picker),

with such mattresses bearing no stamp, tag, or label, approved by the Commission, indicating in words plainly legible that such mattresses contained reused stuffing.

PAR. 11. The acts and practices of respondents as set forth in Count II above were, and are, in violation of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder, and constituted and now constitute, unfair and deceptive acts and practices in commerce, under 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 and the Textile Fiber Products Identification Act; and

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 complaint to issue herein, 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 executed 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 Section 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Ozark Mattress Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Missouri, with its office and principal place of business located at 2610 West Kearney Street, Springfield, Missouri.

Respondent Pete Reynolds is an officer of the corporate respondent. He formulates, directs and controls the policies, acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. His business address is the same as that of said corporation.

2. 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

I

It is ordered, That respondents Ozark Mattress Company, Inc., a corporation, and its officers, and Pete Reynolds, individually and as an officer of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the manufacture, advertising, offering for sale, sale, or distribution of mattresses or box springs in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing directly or by implication that respondents' mattresses and box springs contain any specific coil count or number of coils except the true and correct number of coils actually contained in such mattresses and box springs.

2. Misrepresenting in any manner the design, construction of,

or the component parts and materials used in the manufacture of respondents' mattresses and box springs.

II

It is further ordered, That respondents Ozark Mattress Company, Inc., a corporation, and its officers, and Pete Reynolds, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, delivery for introduction, manufacture for introduction, sale, advertising, or offering for sale, in commerce, or the transportation or causing to be transported in commerce, of any textile fiber product; or in connection with the sale, offering for sale, advertising, delivery, transportation, or causing to be transported, of any textile fiber product which has been advertised or offered for sale in commerce; or in connection with the sale, offering for sale, advertising, delivery, transportation, or causing to be transported, after shipment in commerce, of any textile fiber product, whether in its original state or contained in other textile fiber products, as the terms "commerce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act, do forthwith cease and desist from:

1. Misbranding textile fiber products by falsely or deceptively stamping, tagging, labeling, invoicing, advertising, or otherwise identifying mattresses and box springs as containing all new materials when such products contain stuffing previously used in other upholstered products, mattresses or cushions.
2. Failing to affix in a conspicuous manner, to mattresses and box springs containing stuffing previously used in other upholstered products, mattresses or cushions, a stamp; tag or label approved by the Commission indicating in words plainly legible that each such mattress and box spring contains reused or previously used stuffing as required by Section 4(h) of the Textile Fiber Products Identification Act.

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.

It is further ordered, That respondents notify the Commission at least thirty (30) days prior to 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 this order.

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IN THE MATTER OF

CONTINENTAL FURNITURE SALES, INC., DOING
BUSINESS AS AL AND LEON'S, ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION AND THE TRUTH IN LENDING ACTS

Docket C-1991. Complaint, July 26, 1971—Decision, July 26, 1971

Consent order requiring a Seattle, Wash., seller of furniture and household goods to cease violating the Truth in Lending Act by failing to use on installment contracts the terms cash price, cash downpayment, unpaid balance of cash price, amount financed, annual percentage rate, total of payments, and deferred payment price, and failing to provide other information as required by Regulation Z of said Act.

COMPLAINT

Pursuant to the provisions of the Truth in Lending Act and the implementing regulation promulgated thereunder, and the Federal Trade Commission Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Continental Furniture Sales, Inc., a corporation, and Leon B. Mezistrano, and Neiso H. Moscatel, individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and implementing regulation, 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 Continental Furniture Sales, Inc., is a corporation organized existing and doing business under and by virtue of the laws of the State of Washington with its principal office and place of business located at 2037 First Avenue, Seattle, Washington.

Respondents Leon B. Mezistrano, and Neiso H. Moscatel are officers of the corporate respondent. They formulate, direct and control the policy, acts and practices of the corporation, including the acts and practices hereinafter set forth. Their address is the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for some time last past have been engaged in selling furniture and household goods to the public.

PAR. 3. In the ordinary course of their business as aforesaid, respondents regularly extend consumer credit and arrange for the ex-