

It is further ordered, That respondent herein shall, within sixty (60) days after service upon it 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

SOUTHLAND BEAUTY SUPPLY, INC., ET AL.

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

Docket C-2257. Complaint, July 20, 1972—Decision, July 20, 1972.

Consent order requiring five Texas corporations selling beauty supplies to cease importing, selling, or transporting any product, fabric, or related material which fails to conform to any applicable standard or regulation issued or amended under provisions of the Flammable Fabrics Act.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Flammable Fabrics Act, as amended, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Southland Beauty Supply, Inc., a corporation; Southland Beauty Supply of Abilene, Inc., a corporation; Southland Beauty Supply of Dallas, Inc., a corporation; Southland Beauty Supply of Wichita Falls, Inc., a corporation; Southland Beauty Supply of Houston, Inc., a corporation; and Roger D. Smith, as an officer of each of said corporations, hereinafter referred to as respondents, have violated the provisions of said Acts, and the rules and regulations promulgated under the Flammable Fabrics Act, as amended, 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 Southland Beauty Supply, Inc., is a corporation organized, existing and doing business under and by

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virtue of the laws of the State of Texas, with its main office and principal place of business located at 3233 White Settlement Road, Fort Worth, Texas.

Respondent Southland Beauty Supply of Abilene, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Texas, with its main office and principal place of business located at 919 North Mockingbird Street, Abilene, Texas.

Respondent Southland Beauty Supply of Dallas, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Texas, with its main office and principal place of business located at 3127 Knox Street, Dallas, Texas.

Respondent Southland Beauty Supply of Wichita Falls, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Texas, with its main office and principal place of business located at 1914—10th Street, Wichita Falls, Texas.

Respondent Southland Beauty Supply of Houston, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Texas, with its main office and principal place of business located at 6935 Almeda Street, Houston, Texas.

Respondent Roger D. Smith is an individual and is an officer of each of the corporate respondents. He formulates, directs and controls the acts and practices of each of the corporate respondents including the acts and practices hereinafter set forth. His address is 3233 White Settlement Road, Fort Worth, Texas.

The respondents are engaged in the sale and distribution of beauty supplies, including but not limited to scarves.

PAR. 2. Respondents are now and for some time last past have been engaged in the sale and offering for sale, in commerce, and have introduced, delivered for introduction, transported and caused to be transported in commerce, products, as the terms "commerce" and "product," are defined in the Flammable Fabrics Act, as amended, which fail to conform to an applicable standard or regulation continued in effect, issued or amended under the provisions of the Flammable Fabrics Act, as amended.

Among such products mentioned hereinabove were scarves.

PAR. 3. The aforesaid acts and practices of respondents were and are in violation of the Flammable Fabrics Act, as amended, and the rules and regulations promulgated thereunder, and as such constituted and now constitute unfair methods of competition and 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 New Orleans Regional Office 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 Flammable Fabrics Act, as amended; 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 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 executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in 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 Southland Beauty Supply, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Texas.

Respondent Southland Beauty Supply of Abilene, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Texas.

Respondent Southland Beauty Supply of Dallas, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Texas.

Respondent Southland Beauty Supply of Wichita Falls, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Texas.

Respondent Southland Beauty Supply of Houston, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Texas.

Respondent Roger D. Smith is an officer of the corporate respondents. He formulates, directs and controls the acts, practices and policies of said corporate respondents.

Respondents are engaged in the sale and distribution of beauty supplies, including but not limited to scarves, with their office and principal place of business located at 3233 White Settlement Road, Fort Worth, Texas.

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

It is ordered, That respondents Southland Beauty Supply, Inc.; Southland Beauty Supply of Abilene, Inc.; Southland Beauty Supply of Dallas, Inc.; Southland Beauty Supply of Wichita Falls, Inc.; Southland Beauty Supply of Houston, Inc.; corporations, and Roger D. Smith, individually and as an officer of said corporations, and respondents' representatives, agents and employees, successors and assigns, directly or through any corporate or other device, do forthwith cease and desist from selling or offering for sale, in commerce, or importing into the United States, or introducing, delivering for introduction, transporting or causing to be transported, in commerce, or selling or delivering after sale or shipment in commerce any product, fabric, or related material; or selling or offering for sale any product made of fabric or related material which has been shipped or received in commerce, as "commerce," "product," "fabric" and "related material" are defined in the Flammable Fabrics Act, as amended, which product, fabric or related material fails to conform to any applicable standard or regulation continued in effect, issued or amended under the provisions of the aforesaid Act.

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 said products, and effect recall of said products from such customers.

It is further ordered, That the respondents herein either process the products which gave rise to the complaint so as to bring them into conformance with the applicable standard of flammability under the Flammable Fabrics Act, as amended, or destroy said products.

It is further ordered, That the respondent herein shall within ten (10) days after service upon them of this order, file with the Commission a special report in writing setting forth the respondents' intentions as to compliance with this order. This special report shall also advise the Commission fully and specifically concerning (1) the identity of

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the product which gave rise to the complaint, (2) the number of said products in inventory, (3) any action taken and any further action proposed to be taken to notify customers of the flammability of said products and effect the recall of said products and of the results thereof, (4) any disposition of said products since March 3, 1971, and (5) any action taken or proposed to be taken to bring said products into conformance with the applicable standard of flammability under the Flammable Fabrics Act, as amended, or destroy said products, and the results of such action. Such report shall further inform the Commission as to whether or not respondents have in inventory any product, fabric, or related material having a plain surface and made of paper, silk, rayon and acetate, nylon and acetate, rayon, cotton or any other material or combinations thereof in a weight of two ounces or less per square yard, or any product, fabric or related material having a raised fiber surface. Respondents shall submit samples of not less than one square yard in size of any such product, fabric or related material with this report.

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

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

It is further ordered, That 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

CAVALIER CARPETS, INC., ET AL.