

order conditional upon respondents' submitting a signed agreement containing a consent order setting forth the language set out in the Commission's order ruling on the petition.

ORDER IN RESPONSE TO PETITION FOR MODIFICATION

Pursuant to Section 3.72(b)(2) of the Rules of Practice, on August 7, 1972, respondents filed a petition for modification of the consent order in this matter requesting that the words "or

for any specified amount, payment or period of time" be deleted from Paragraph One of the order. Respondents contend that it was contemplated by the parties that the requirements of Paragraph One of the order would be applicable only when respondents advertised or represented that their products could be rented or purchased at "a discount price, or an inexpensive price, or an advantageous price."

The Commission does not agree, however, that its decision to accept the proffered consent order contemplated that the order disclosures should be limited to situations where respondents represented their merchandise could be purchased or rented at discount, inexpensive or advantageous prices. It was also the intent of the Commission to require the disclosures provided in Paragraph One whenever, in connection with respondents' "rent-to-buy" plan or similar installment purchase plan, or any rental plan, a specified amount, payment or period of time is represented. The Commission notes, however, that the order as presently worded could be construed to apply to business transactions not falling within such plans. Accordingly,

It is ordered, That respondents' petition herein should be granted in part, providing respondents submit within 20 days a signed agreement containing a consent order which contains a new "paragraph one" revised as follows:

1. Representing in any advertisement, directly or by implication, or in any oral statements made to a customer, that an individual can rent or purchase any of respondents' merchandise (i) at a discount price, or an inexpensive price, or an advantageous price, or a special price, or (ii) for any specified amount, payment or period of time in regard to any "rent-to-buy" plan or similar installment purchase plan, or in regard to any rental plan,—unless there is disclosed in every instance in a clear and meaningful way, the average prevailing retail price of the merchandise or comparable merchandise using the term "average retail price" together with either:

- (a) the total dollar cost to the individual of purchasing the same merchandise under respondents' "rent-to-buy" plan, using the term "our total purchase price;" or

- (b) the total charge for renting the same merchandise for twelve months using the term "rent for one year."

Complaint

IN THE MATTER OF

VILLA CARPET MILLS, INC., ET AL.

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

Docket C-2346. Complaint, Jan. 29, 1973—Decision, Jan. 29, 1973.

Consent order requiring a Calhoun, Georgia, manufacturer and seller of carpets and rugs, among other things to cease manufacturing for sale, selling, importing or distributing any fabric, product or related material which fails to conform to an applicable standard of flammability or regulation issued under the provisions of the Flammable Fabrics Act, as amended.

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 Villa Carpet Mills, Inc., a corporation, and Willard L. Lewis, individually and as an officer of the said corporation, hereinafter referred to as respondents, have violated the provisions of the 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 Villa Carpet Mills, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Georgia. Respondent Willard L. Lewis, is an officer of the said corporate respondent. He formulates, directs, and controls the acts, practices, and policies of the said corporation.

Respondents are engaged in the manufacture and sale of carpets and rugs, with their principal place of business located at South Industrial Boulevard, Calhoun, Georgia.

PAR. 2. Respondents are now and for some time last past have been engaged in the manufacturing for sale, sale and offering for sale, in commerce, and have introduced, delivered for introduction, transported and caused to be transported in commerce, and have sold or delivered after sale or shipment in commerce, products, as the terms "commerce" and "product," are defined in the