

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

It is further ordered, That the respondent 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
SCALI, McCABE, SLOVES, INC.

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

Docket C-2422. Complaint, June 26, 1973—Decision, June 26, 1973.*

Consent order requiring a New York City advertising agency for a seller and distributor of a Swedish-built automobile, among other things to cease representing certain quantitative data as to the economy of its client's product without substantive information to support its claims.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondent named in the caption hereto with violation of the Federal Trade Commission Act, and the respondent having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondent and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent 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 respondent 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 considered the agreement and having provisionally accepted same, and the agreement containing consent order having thereupon been placed on the public record for a

* For complaint in this matter, see p. 1851, herein.

period of thirty (30) days, and having duly considered the comments filed thereafter pursuant to Section 2.34(b) of its rules, now in further conformity with the procedure prescribed in Section 2.34(b) of its rules, the Commission hereby issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Scali, McCabe, Sloves, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 345 Park Avenue, New York, New York.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent, and the proceeding is in the public interest.

ORDER

I. *It is ordered*, That respondent Scali, McCabe, Sloves, Inc., ("SMS"), a corporation, its officers, agents, representatives, employees, successors, and assigns, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale, or distribution of motor vehicles in commerce as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

representing, directly or by implication, through advertising or sales promotional material that any motor vehicle is more economical, in any manner, to own, operate, or own and operate than any or all competing motor vehicles unless, at the time of such representation SMS or its client has a reasonable basis for such representation which may consist of quantitative data based on a statistically valid sample, or competent scientific, engineering, cost or other similar objective data compiled by respondent or others.

II. *It is further ordered*, That respondent Scali, McCabe, Sloves, Inc., notify the Commission at least thirty (30) days prior to any proposed change in said 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 said corporation which may affect compliance obligations arising out of the order.

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