

IN THE MATTER OF
MOTA-NU, INC., ET AL.

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

Docket C-2503. Complaint, Mar. 20, 1974—Decision, Mar 20, 1974

Consent order requiring a Fort Worth, Tex., manufacturer of gasoline and other oil additives for internal combustion engines, among other things to cease misrepresenting the performance or effectiveness of its products, and failing to maintain adequate records to substantiate its claims.

Appearances

For the Commission: *Joseph L. Hickman.*

For the respondents: *James T. Blanton*, Fort Worth, Tex.

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 Mota-Nu, Inc., a corporation, and Joe F. Williams, individually and as an officer of said corporation, hereinafter sometimes 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 Mota-Nu, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Texas with its principal office and place of business located at 2909 Evans Street, Fort Worth, Tex.

Respondent Joe F. Williams is 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 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 manufacturing, advertising, offering for sale, sale and distribution of gasoline and oil additives for internal combustion engines to the public. Respondents advertise that the gasoline additive, when combined with the "secret metal pellet," will clean the engine, fill in scratched, worn and pitted surfaces of pistons, rings, valves, cylinder walls, will increase engine compression, and decreases oil burning.

PAR. 3. In the course and conduct of their business, respondents ship or cause to be shipped products from their facilities in the State of Texas

to consumers, service stations, auto supply and discount operations throughout the United States. There is now and has been for several years a constant and substantial flow of respondents' products in commerce as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their aforesaid business and for the purpose of inducing consumers to purchase Mota-Nu products, the respondents have made numerous statements in advertisements on radio networks in the State of Texas and the various other States of the United States.

Typical and illustrative of the statements and representations in said advertisements as aforesaid but not all inclusive thereof, are the following:

MOTA-NU, THE MIRACLE MOTOR-CONDITIONER, GIVES YOUR CAR OR TRUCK ENGINE A RING AND VALVE PLATING JOB WHILE YOU DRIVE. MOTA-NU HAS BEEN LABORATORY AND CONSUMER-TESTED IN THOUSANDS OF ENGINES IN THE UNITED STATES, EUROPE AND MEXICO. IT HAS BEEN PROVEN BEYOND THE SHADOW OF A DOUBT THAT MOTA-NU INCREASES ENGINE COMPRESSION AND DECREASES OIL BURNING. MOTA-NU IS ABSOLUTELY GUARANTEED FOR USE IN ALL TYPES OF INTERNAL COMBUSTION ENGINES, GASOLINE OR DIESEL. MOTA-NU WILL SAVE YOU MONEY ON OPERATING EXPENSES WHEN USED IN AUTOMOBILES, TRUCKS, STATIONARY ENGINES, BOATS, MOTORCYCLES, LAWNMOWERS OR ANY ENGINE. AND THIS IS IMPORTANT, YOU USE IT ONLY ONE TIME. JUST POUR IT IN YOUR GAS TANK, AND ONE TREATMENT IS GUARANTEED FOR THE LIFE OF THAT ENGINE. IF IT DOESN'T PERFORM AS ADVERTISED, YOUR MONEY WILL BE CHEERFULLY REFUNDED. YOU CANNOT LOSE * * *. YOU CAN ONLY SAVE MONEY * * *. FOR QUICKEST DELIVERY, SEND A CHECK OR MONEY ORDER FOR \$6.95 POSTPAID * * *. P. O. BOX 3***. FORT WORTH, TEXAS***. M-O-T-A-N-U***. MOTA-NU***.

MOTA-NU, THE MIRACLE MOTOR-CONDITIONER, GIVES YOUR CAR OR TRUCK A RING AND VALVE-PLATING JOB WHILE YOU DRIVE. MOTA-NU RECONDITIONS YOUR ENGINE AND HELPS PREVENT THE NEED OF AN EXPENSIVE RING AND VALVE JOB. MOTA-NU HAS BEEN LABORATORY-TESTED AND CONSUMER-TESTED IN THOUSANDS OF ENGINES, IN THE UNITED STATES, MEXICO AND EUROPE. THE RESULTS SHOW THAT MOTA-NU INCREASES ENGINE COMPRESSION AND DECREASES OIL BURNING IN ALL TYPES OF INTERNAL COMBUSTION ENGINES, GASOLINE OR DIESEL. THIS INCLUDES AUTOMOBILES, TRUCKS, STATIONARY ENGINES, BOATS, MOTORCYCLES, LAWNMOWERS, ANY ENGINE. AND THIS IS IMPORTANT * * * YOU USE IT JUST ONE TIME. JUST ONE TREATMENT FOR ONLY \$6.95, AND IT'S CONDITIONALLY GUARANTEED OR YOUR MONEY BACK. GET MOTA-NU AT YOUR LOCAL SERVICE STATION, AUTO SUPPLY STORE, ALL WARDS CUT-RATE DRUG STORES AND PARTICIPATING 7-11 STORES OR SEND A CHECK OR MONEY ORDER FOR \$6.95, THAT'S \$6.95 TO MOTA-NU * * * M-O-T-A-N-U * * * MOTA-NU TO KCEN-TV, WACO, TEXAS.

PAR. 5. By making the above-quoted statements and others similar thereof, but not expressly set forth herein, respondents represent, and

have represented, directly or by implication, that each of the statements respecting the reconditioning of engines by using said product has been substantiated by respondents by adequate and well-controlled testing in the United States, Mexico and Europe.

PAR. 6. In truth and in fact, the aforesaid statements respecting the said product, "Mota-Nu" have not been substantiated by respondents by adequate and well-controlled tests prior to the making of such statements.

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

PAR. 7. The making of any statement or representation, directly or by implication, that Mota-Nu will give one's car or truck a ring and "valve-plating" job while driving, or any other statement or representation regarding the performance or effectiveness of such product, when such statements or representations are not supported by prior, fully documented, adequate, and well-controlled scientific studies or tests is in itself an unfair practice.

PAR. 8. Respondents at all times mentioned herein have been and now are in substantial competition in commerce with individuals, firms and corporations engaged in the sale and distribution of gasoline additives of the same general kind and nature as that sold by respondents.

PAR. 9. The use by respondents of the aforesaid misleading and deceptive statements, representations and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the purchase of substantial quantities of respondents' product. As a result thereof, substantial trade has been and is being unfairly diverted to respondents from their competitors.

PAR. 10. 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.

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 Dallas 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 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 Act, 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 Mota-Nu, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Texas, with its office and principal place of business located at 2909 Evans Street, city of Fort Worth, State of Texas.

Respondent Joe F. Williams is an officer of said corporation. He formulates, directs and controls the policies, acts and practices of said corporation, and his principal office and place of business is located at the above-stated address.

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 Mota-Nu, Inc., a corporation, its successors and assigns, its officer, and Joe F. Williams, individually and as an officer, and respondents' agents, representatives and employees directly or through any corporation, subsidiary, division or other device, in connection with the advertising, offering for sale or distribution of additives for automobile fuel, lubricating or cooling substances, or any other product in commerce as "commerce" is defined in the Federal Trade Commission Act do forthwith cease and desist from:

1. Making, directly or by implication, any statement or representation regarding the performance or effectiveness of such product unless such statement or representation is based upon and supported by prior, fully documented, adequate and well-controlled scientific studies or tests;
2. Failing to maintain copies of all documentation for the studies

or tests referred to in Subparagraph (1) of this paragraph.

It is further ordered, That the respondent corporation shall forthwith distribute a copy of this order to each of its employees and advertising agencies, now and in the future, involved in the writing or placement of advertising or sales.

It is further ordered, That the individual respondent named herein promptly notify the Commission of the discontinuance of his present business or employment and of his affiliation with a new business or employment. Such notice shall include respondent's current business address and a statement as to the nature of the business or employment in which he is engaged as well as a description of his duties and responsibilities.

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 the order.

It is further ordered, That respondents shall, within sixty (60) days after service of the order upon it, file with the Commission a report, in writing, signed by such respondents, setting forth in detail the manner and form of its compliance with the order to cease and desist.

IN THE MATTER OF

CHARLES REYNOLDS, INC., TRADING AS CHARLES
REYNOLDS HAIR CENTER, ET AL.

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