

IN THE MATTER OF
MEREDITH CORPORATION

CONSENT ORDER IN REGARD TO ALLEGED VIOLATION OF SEC. 5 OF THE
FEDERAL TRADE COMMISSION ACT

Docket C-3107. Complaint, March 15, 1983—Decision, March 15, 1983

This consent order requires a Des Moines, Iowa franchisor and operator of the Better Homes and Gardens Real Estate Service (Service), among other things, to cease making false or misleading representations regarding the Service, its members, or services offered. The order prohibits the dissemination of advertisements and promotional materials which represent that all Service members offer consumers "settling-in" services; participate in a home-building program; and offer "exclusive" home-protection insurance, unless the advertisement clearly discloses that not all members offer these services. The corporation is also barred from making unsubstantiated representations concerning the Service's selectivity in choosing members; training of sales associates of Service members; market size, rank and leadership in terms of sales volume of Service members; or any statement which compares Service members to other real estate franchisors as to calibre of members or membership standards. Further, respondent must send to all members of the Better Homes and Gardens Real Estate Service a letter recalling certain advertising and promotional materials, and an acknowledgement form.

Appearances

For the Commission: *Andrew B. Sacks* and *Matthew L. Myers*.

For the respondent: *Perry Bradshaw*, Des Moines, Iowa and *William Cerillo, McDermott, Will & Emery*, Washington, D.C.

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 Meredith Corporation, a corporation, hereinafter referred to as respondent, has 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 Meredith Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of Iowa with its office and principal place of business located at 1716 Locust Street, Des Moines, Iowa.

Better Homes and Gardens Real Estate Service ("respondent's real estate service") is an operating group of Meredith Corporation.

PAR. 2. Respondent is now and at all times relevant to this complaint has been engaged in the operation of a network of independently owned real estate agencies, under the title Better Homes and Gardens Real Estate Service. Individual real estate firms join Better Homes and Gardens Real Estate Service as franchise members by signing a franchise agreement and paying specified fees to the service.

PAR. 3. Respondent has caused to be prepared and placed for publication and has caused the dissemination of advertising and promotional material, including, but not limited to, the advertising referred to herein, to promote consumer use of real estate firms which are members of Better Homes and Gardens Real Estate Service, and to promote real estate firms' joining that service.

PAR. 4. Respondent's operation of Better Homes and Gardens Real Estate Service at all times mentioned herein constitutes maintenance of a substantial course of trade in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 5. Respondent's members at all times mentioned herein have been and now are in competition with individuals, firms, and corporations engaged in the sale of real estate.

PAR. 6. In the course and conduct of its business, and for the purpose of promoting consumer utilization of real estate firms which belong to Better Homes and Gardens Real Estate Service, respondent has disseminated and caused the dissemination of advertising in national magazines distributed by mail and across state lines, and in television and radio broadcasts transmitted by television and radio stations located in various States of the United States and in the District of Columbia, having sufficient power to carry such broadcasts across state lines.

PAR. 7. Typical statements and representations in said advertisements, and promotional materials, disseminated as previously described, but not necessarily inclusive thereof, are found in advertisements attached hereto as Exhibits, A, B, C, D, E, F, G, and H.

PAR. 8. Through the use of the statements and representations referred to in Paragraph Seven, and other representations contained in advertisements not specifically set forth herein, respondent has represented, directly or by implication, the following claims concerning member participation in respondent's programs.

(a) All respondent's real estate service members offer consumers "settling-in" services.

(b) All respondent's real estate service members participate in a home-building program.

(c) All respondent's real estate service members offer consumers a home-protection insurance plan, in states where it is legal to do so.

(d) The home-protection plan offered by respondent's real estate service members is "exclusive".

PAR. 9. In fact, not all members offer the services referred to in Paragraph Eight (a), (b), and (c) above. Offering the services referred to in subparagraphs (a) through (c) of Paragraph Eight is optional for respondent's real estate service members, and those services can only be offered to consumers by a member if the member participates in the program.

In addition, the home-protection insurance plan referred to in Paragraph Eight (d) offered by some of respondent's members is not exclusive, but rather, comparable home-protection insurance is available from other sources.

PAR. 10. Through the use of the statements and representations referred to in Paragraph Seven, and other statements and representations contained in advertisements not specifically set forth herein, respondent has represented, directly or by implication the following claims concerning respondent's real estate service's selectivity in choosing members:

(a) Included in the selection process for all prospective members is screening based on: the prospective firm's training programs for its sales associates; the excellence in training of sales associates employed by the prospective member; and the firm's ability to obtain financing for consumers.

(b) Respondent's real estate service received over 18,000 "inquiries" from prospective members, and only one out of every seventy-two "inquiries" or "applicants" is "good enough" to become, or only one out of every 72 "inquiries" or "applicants" did become a member of respondent's real estate service.

PAR. 11. In fact,

(a) Screening of prospective members based on the prospective members' training programs for sales associates, the excellence in training of sales associates, and the firms' ability to obtain financing, is not conducted for a number of members before they are selected.

(b) (1) Respondent has not received 18,000 inquiries from prospective members; the actual number of inquiries received is significantly smaller than 18,000. The formula utilized by respondent's real estate service in calculating this figure was inadequate to yield an accurate result, and did not yield an accurate result.

(2) The ratio of prospective firms accepted by respondent or good

enough to become respondent members to "inquiries" or "applicants" from prospective firms is not one out of every seventy-two, but in fact is significantly smaller. The formula by which respondent's real estate service calculated this ratio was inadequate to yield an accurate result, and did not yield an accurate result.

PAR. 12. Through the use of the statements and representations referred to in Paragraph Seven, and other representations contained in advertisements not specifically set forth herein, respondent has represented that all of its members are market leaders in terms of sales volume in their respective markets.

PAR. 13. In fact, not all members are among the leaders in their respective communities in terms of sales volume.

PAR. 14. Through the use of the statements and representations referred to in Paragraph Seven, and other statements and representations contained in advertisements not specifically set forth herein, respondent has represented directly or by implication, that the sales associates of all of its members receive advanced training in addition to the basic training required to obtain a real estate license.

PAR. 15. In fact, respondent's real estate service provides training to sales associates of members only if the members purchase such training from the service and not all members have purchased such advanced training. Further, a number of sales associates of respondent's real estate service members have not received any advanced training from other sources.

PAR. 16. As the representations referred to in Paragraphs Eight, Ten, Twelve, and Fourteen are contrary to fact, such representations are false, deceptive or unfair, and, therefore, constituted unfair or deceptive acts or practices.

PAR. 17. At the time respondents made the representations alleged in Paragraphs Eight, Ten, Twelve, and Fourteen, respondent did not possess and rely upon a reasonable basis for making such representations. Therefore, respondents' making and dissemination of said representations, as alleged, constituted unfair or deceptive acts or practices.

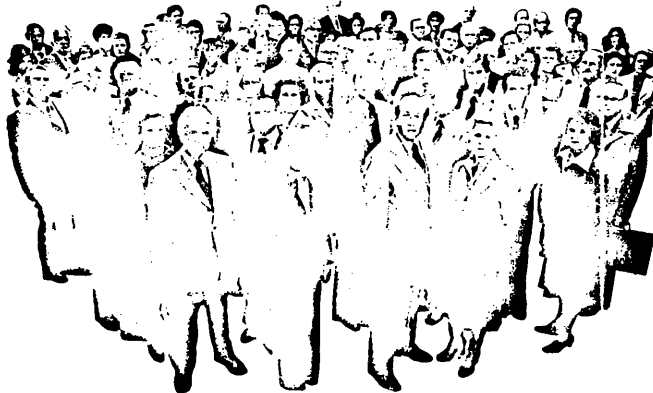
PAR. 18. Through the use of the advertisements referred to in Paragraph Seven, and other advertisements not specifically set forth herein, respondent has represented, directly or by implication, that it possessed and relied upon a reasonable basis for the representations set forth in Paragraphs Eight, Ten, Twelve, and Fourteen at the time of the representations' initial dissemination and each subsequent dissemination. In fact, respondent did not possess and rely upon a reasonable basis for making such representations. Therefore, respondent's making and dissemination of said representations, as alleged, constituted unfair or deceptive acts or practices.

PAR. 19. The use by respondent of the aforesaid false, unfair, or deceptive statements, representations, acts, and practices, and the placement in the hands of others of the means and instrumentalities by and through which others may have used the aforesaid statements, representations, acts, and practices, have the capacity and tendency to mislead a substantial number of consumers into the erroneous and mistaken belief that said statements and representations are true and complete, and to induce such persons to utilize real estate firms which belong to Better Homes and Gardens Real Estate Service by reason of this erroneous and mistaken belief.

PAR. 20. The aforesaid acts or practices of respondent, herein alleged as aforesaid, were and are all to the prejudice and injury of the public and of respondent's competitors, and constituted unfair methods of competition in or affecting commerce in violation of Section 5 of the Federal Trade Commission Act, as amended.

EXHIBIT A

**OUT OF EVERY 72 INQUIRIES,
ONLY ONE
MAKES IT AS A
BETTER HOMES AND GARDENS®
REAL ESTATE SERVICE MEMBER.**



**YOU SHOULD BE SO
PARTICULAR.**

When we share the Better Homes and Gardens® name with someone, we are very particular.

We set the highest standards for our real estate members. And we ask tough questions about business reputation, successful track record, size and leadership, aggressive promotion, excellence in sales training, finance. The quality of the member is more important to us than pushpins on a map.

Out of 18,000 inquiries, only a few hundred...one out of 72...become Better Homes and Gardens® members.

It's as simple as this. People have come to expect quality when they see the Better Homes and Gardens® name.

So go with the sign that has two names you can trust: Better Homes and Gardens® and our real estate leader in your community.

**THE REAL ESTATE
MEMBERS OF**

**Better
Homes
and Gardens®**

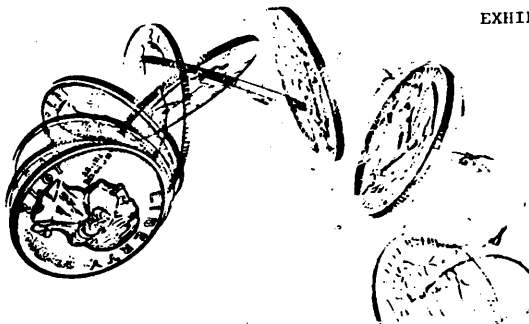
For relocation service call:
1-800-247-5050
(In Iowa call: 1-800-532-1430)

*Each Member an Independent Broker

Complaint

101 F.T.C.

EXHIBIT B



**THE WAY A LOT
OF AMERICANS
SELECT
A REAL ESTATE PERSON
IS SNOOKING.**

They don't select at all. They guess. Or start working with the first real estate person they meet and guess it will be all right.

They guess all real estate people are pretty much the same. That's too bad. They're not. And a bad guess can mean thousands of dollars. Or a slow sale. Or no sale.

Here's how Better Homes and Gardens* selects real estate firms as members.

We look for a leader in the market.

We look for firms that promote aggressively and take the time to train their sales associates.

We look into business reputation, ethics, and the ability to help buyers get financing.

We look so carefully, in fact, that only a few hundred...one out of 72...are good enough to become Better Homes and Gardens*

Real Estate Service Members.

The point is this: if Better Homes and Gardens* takes such care in selecting member firms, you might do well to select one of our members.

So go with the sign that has two names you can trust: Better Homes and Gardens and our real estate leader in your community.

**THE REAL ESTATE
MEMBERS OF**

**Better
Homes
and Gardens***

For relocation service call:
1-800-247-5050
(In Iowa call: 1-800-532-1430)

An association of independent brokers.

Complaint

Campbell-Mithun
 a Division of Meridian Group, Inc.
 ADVERTISING

MC: 0031
 Apprvd By:

EXHIBIT C

Client/Prod: BETTER HOMES AND GARDENS REAL ESTATE SERVICE

Code No/Title: QMBY0061 - Crowd/Roy Wheeler Associates Length: :10
 LIVE ANNOUNCER

Met/Station: Charlottesville

Air Date:

LIVE ANNCR:

1. LONG SHOT OF CROWD 1. Of every 72 who apply ...
2. ALL BUT SPOKESMAN TURN 2. only one makes it as a Better Homes
 SO BACKS FACE CAMERA and Gardens Real Estate Member. In
 the Charlottesville area
3. LOGO: ROY WHEELER 3. that one is Roy Wheeler Associates.
 ASSOCIATES.

12/1/80 dmo

Complaint

101 F.T.C.

He seemed like a nice guy and your cousin knew him in college so you picked him to sell your house.

That's not a very good reason to trust someone with one of your most important investments. But that seems to be reason enough for a lot of Americans. For some reason, they assume that all real estate people are pretty much alike.

This is more than a bad assumption. It's the notion that can cost a home seller thousands of dollars . . . or a slow sale . . . or no sale.

Discover the vast difference between the quality, competence and professionalism of various real estate people — ask some very tough questions.

Seven Tough Questions You Should Ask Before You Select A Real Estate Person To Sell Your House:



1 Are they part of a strong national referral system?

If so, it means instant access to buyers moving from cities all across the country. The names generated through a national referral system often are people transferred by their companies and are excellent prospects. Usually they already have equity from the sales of a previous home — they're buyers, not lookers.

2 Do they keep up with the availability of home financing?

There's no sale if the buyer can't get mortgage money. Leading real estate firms understand your needs and know how to find financing for home buyers when conventional mortgages are unattractive. Loan assumptions, second mortgages, refinancing, contract for deed . . . are just a few of the financing options they can suggest. And in these days of a fluctuating money market, knowing what's available and how to get financing is important for a quick sale.

3 How many homes do they have listed for sale?

The real estate firm with a lot of listings means a high volume of business activity. You won't get lost in the shuffle. Rather, it means that more sales people are working on your behalf with many qualified buyers. Simply stated, the people with the listings usually get the buyer you want.

4 Will they make accurate home value estimates?

A critical factor. After all, how much you expect to get from your home is the basic reason for selling it. A value set too high means ultimate disappointment. A value set too low is even worse: it means you lose money. It's not always easy to accept . . . but a good firm will set a realistic selling price for your home. And that's what you should expect.

5 Are their sales people well-trained?

Training makes a difference. A well-trained real estate person knows how to consider all factors when establishing a selling price for your home. They know zoning, taxes, and finance requirements of lending institutions. A person with this kind of ongoing training means a smooth, quick sale at a fair price. And a good real estate company takes the time and money to train its people.

6 Do they advertise and promote homes aggressively?

A few lines in the classified ads of the newspaper alone will not sell your home. Good real estate firms actively promote and advertise on a regular basis in a variety of media. They promote themselves. They promote your home. And this promotes business and traffic that makes a house sell faster. The best firm won't put your home on the market. They'll market your home.

7 Are they a leader in the market?

It's not that any size real estate firm can't be good and professional. They can. But there's usually only one reason a leader becomes a leader . . . by successfully matching up homes and people. It's a good sign when you're with a firm with a track record of success.

So go ahead. Ask. Selling a home is serious business and it pays to ask tough questions. We know. Because if we weren't tough enough to stand up to these questions, we couldn't be a Better Homes and Gardens® Real Estate Service member.

**Better
Homes
and Gardens®
Real Estate Service**

Campbell-Mithun, Inc. ADVERTISING
 Hoffman Center / Minneapolis, Minnesota 55401 / Tel. 609-9088

EXHIBIT E
 CLIENT: Better Homes & Gardens-Real Estate Service
 PRODUCT: Real Estate Services
 CODE NO./TITLE: QMBY8092/"Crowd/Financing"
 JOB NO.: 0-192-103 DATE: June, 1980 LENGTH: :30



1. Before you select a real estate firm, you ought to ask some important questions.



2. Can they help you with financing alternatives?



3. Are they a part of a respected national organization?



4. Do they have a strong relocation service?



5. Do they have exclusive Settling-In Services to help you after the sale?



6. Go ahead and ask.



7. Because if a real estate firm can't stand up to all of these questions...



8. ...it can't be a Better Homes and Gardens member.



9. Go ahead. Ask.

EXHIBIT F

Put 56 years of trust right in your front yard.

Now the magazine that has earned the trust of millions of American families since 1922 can help when you sell or buy a home. The Better Homes and Gardens™ Real Estate Service is a natural extension of the trust and confidence we've established through decades of service to homeowners.

You'll find our sign displayed by leading real estate professionals across the country. We carefully choose these firms for their integrity, for their business reputation, for their record of client satisfaction.

Help when you sell

When you offer your home through a member of the Better Homes and Gardens™ Real Estate Service, you can count on reaching a large market of qualified buyers. You'll be served by a firm that has advanced real estate education programs. And information sources directly from Better Homes and Gardens. Even a Home Protection Plan,* subject to state regulation, which provides protection against unexpected replacement

or repairs for specified systems or appliances in your home.

Help when you buy

If you're looking for a new home within the same community, your Better Homes and Gardens™ Real Estate Service member can offer a complete selection of styles, prices and locations. If you're planning a longer move, our national Relocation Service will put you in touch with real estate professionals in the community where you're moving. They'll provide you with advance information on homes which fit your needs and budget, as well as vital information on your new community.

Two names you can trust

The Better Homes and Gardens™ Real Estate Service gives you two names you can trust. Ours and the name of the firm selected in your community. To identify our member closest to you, or in your new community, call this toll-free number:

1-800-247-5050

In Iowa, call 1-800-532-1430

**Better
Homes
and Gardens™
Real Estate Service**

Locust at 17th, Des Moines, Iowa 50336

Already more than 500 offices, each member independently owned.

Complaint

EXHIBIT G

Fultz, LoCorse & Associates, Inc. / Advertising 6/27/79 pj Revised
 Offices: Des Moines / Dubuque revised 6/21/79 CN-sr

CLIENT BH&G RES DATE 6/19/79 MRL/pj
 JOB NUMBER 88-27-79

COPY FOR: :60 Radio: Paul Harvey ABC Network News

1 FOR BROADCAST JULY 16, 1979

2 PAUL HARVEY:

3 When you have a trusted name like "Better Homes and Gardens"...a name
 4 you've developed and protected for 57 years as a source of reliable
 5 information on housing...well, you just don't share it loosely. That's
 6 why the Better Homes and Gardens name means so many positive, good
 7 things when you see it teamed up with the name of a real estate firm
 8 in your own community. The Better Homes and Gardens Real Estate
 9 Service...yes, I said Real Estate Service...is an association of
 10 independent real estate brokers. Member firms are selected--they
 11 just don't sign up--they are selected for their own high standards
 12 of professional service. As a member of the Real Estate Service, your
 13 local Better Homes and Gardens broker can offer many exclusive
 14 programs...such as the Home Protection Plan, a national relocation
 15 service, exclusive building programs and much more. So, if you're
 16 buying or selling a home, look for the sign of "two names you can
 17 trust"...Better Homes and Gardens...and their member firm in your
 18 community.
 19
 20
 21
 22
 23

EXHIBIT H

Radio

"GOOD SELECTION"

60 SECONDS

ANNCR: If you were selling your home within the next three years - and the records say one-third of you will be doing just that - how would you pick a real estate firm to help you? On the basis of a nice smile or the recommendation of a friend of a friend, or maybe they went to school with your cousin. Don't laugh - most Americans select a real estate company for no better reasons than these and that just doesn't make sense. The purchase or sale of a home is the most important single financial transaction most people ever make. And the differences between real estate people can mean a difference of thousands of dollars - or a home that sells quickly or sits on the market. Alright, here's how Better Homes and Gardens® selects their own real estate members. Track record - are they a successful real estate company? Business reputation - do they have the highest standards of integrity? Imagination - do they take the time to understand a home and market that home creatively? In fact, far more firms have applied to become a Better Homes and Gardens® Real Estate Service member than have been accepted. Conclusion? Obvious! A Better Homes and Gardens member is a good selection. Each member an Independent Broker.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondent named in the caption hereof, and the respondent 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 respondents, their attorneys, 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 sixty (60) days, now in further conformity with the procedure prescribed in Section 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings and enters the following order:

1. Respondent Meredith Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of Iowa, with its office and principal place of business located at 1716 Locust Street, in the City of Des Moines, State of Iowa.

Respondents are officers of said corporation. They formulate, direct and control the policies, acts and practices of said corporation, and their 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

I

It is ordered, That respondent Meredith Corporation ("Meredith"), a corporation, its successors and assigns, and its officers, agents, representatives, and employees, directly or through any corporation, subsidiary, division or other device, in connection with advertising and promotional materials for Better Homes and Gardens Real Estate Service ("Respondent's real estate service"), in or affecting "commerce" as defined in the FTC Act, do forthwith cease and desist from making the statements or representations, directly or by implication, listed below, contrary to fact at the time of their dissemination:

(A) The following statements or representations concerning services offered consumers by respondent's real estate service members:

1. All respondent's real estate service members offer consumers "settling-in" services.
2. All respondent's real estate service members participate in a home-building program, and offer this program to consumers.
3. All respondent's real estate service members offer consumers a home-protection insurance plan, in states where it is legal to do so.
4. The home-protection plan offered by respondent's real estate service members is "exclusive," *provided*, that, for purposes of this order, a representation, direct or indirect, that a home-protection plan is exclusive shall mean that home-protection insurance providing comparable coverage is not available from other sources.
5. Any statements or representations that settling-in services, the home-building program, or the home-protection plan are offered to consumers by respondent's real estate service members, unless it is clearly and prominently disclosed within the advertisement where the representation appears that not all members offer the services. Such disclosure shall be in close proximity to the representation or noted by an asterisk to the representation referring to the disclosure.

(B) The following statements or representations concerning respondent's real estate service selection of members.

1. Included in the selection process for all prospective members is screening based on: the prospective firm's training programs for its sales associates employed by the prospective member; the excellence in training of sales associates employed by the prospective member; or the firm's ability to obtain financing for consumers.
2. Respondent's real estate service received over 18,000 "inquiries" from prospective members.

3. Only one out of every seventy-two "inquiries" or "applicants" is "good enough" to become, or only one out of 72 "inquiries" or "applicants" did become a member of respondent's real estate service.

(C) That all members of respondent's real estate service are "market leaders" in terms of sales volume in their respective communities.

(D) That the sales associates of members of respondent's real estate service all receive training in addition to the basic training required to retain a real estate license.

II

(A) *It is further ordered*, That Meredith, a corporation, its successors and assigns, and its officers, agents, representatives, and employees, directly or through any corporation, subsidiary, division or other device, in connection with advertising and promotional materials, for Better Homes and Gardens Real Estate Service, an operating group of Meredith Corporation, in or affecting commerce as defined in the Federal Trade Commission Act, do forthwith cease and desist from making any statements or representations, directly or by implication, concerning: programs offered by respondent's real estate service members; respondent's real estate service's selection process or selectivity in choosing members; market size, market rank, or market leadership in terms of sales volume of respondent's real estate service members; training of sales associates of respondent's real estate service members; or any statement or representations comparing, directly or by implication, respondent's real estate service to other real estate franchisors as to membership standards or member calibre, unless respondent possesses and relies upon a reasonable basis for such statements or representations.

(B) (1) For purposes of paragraph II(A), a reasonable basis shall consist of reliable and competent evidence that substantiates such statements.

(2) To the extent the evidence of a reasonable basis consists of scientific or professional tests, analyses, research, studies or any other evidence based on expertise of professionals in the relevant area, such evidence shall be "reliable and competent" for purposes of paragraph II(B)(1) only if those tests, analyses, research, studies, or other evidence,

(a) are conducted and evaluated in a disinterested and sufficiently skilled fashion; and

(b) use procedures generally accepted in the profession or science, so that accurate and reliable results are best insured.

III

It is further ordered, That the respondent shall initiate and pay the cost of sending, within thirty (30) days of the date this order is final, to all members of the real estate service, a copy of this order and consent agreement, an accompanying cover letter (attached, and hereto incorporated, as Attachment A) and an acknowledgement form (attached, and hereto incorporated, as Attachment B). No liability will be imposed on respondent on account of any member of respondent's real estate service which willfully, or otherwise, refuses in any manner to comply with said request, or which engages in any advertising or utilizes promotional material which respondent is prohibited from disseminating or utilizing under Paragraph I above, provided respondent has complied with this paragraph, and paragraph IV (D) of this order.

IV

(A) *It is further ordered,* That respondent notify the Commission at least thirty (30) days prior to any proposed change in 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.

(B) *It is further ordered,* That respondent shall, within ninety (90) days after this Order becomes final, file with the Commission a report, in writing, signed by respondent, setting forth in detail the manner and form of its compliance with this order.

(C) *It is further ordered,* That respondent shall maintain files and records of all substantiation related to the requirements of this order for a period of three (3) years after the dissemination of any advertisement, which shall be made available to the Commission upon request for inspection and copying.

(D) *It is further ordered,* That respondents shall maintain files and records of all acknowledgement forms (Attachment B) and advertising and promotional materials returned to its real estate service's members pursuant to Paragraph III of this order for a period of six (6) months after this order becomes final, which shall be made available to the Commission upon request for inspection and copying.

ATTACHMENT A

Dear _____:

Enclosed please find a copy of a provisionally accepted consent order entered into between Meredith Corporation and the Federal Trade Commission. The agreement stems from an FTC investigation of certain advertisements and promotional materials for Better Homes and Gardens Real Estate Service. The agreement is for settlement purposes only and does not constitute an admission by Meredith Corporation or the Real Estate Service that the law has been violated or that the facts are true as alleged in a proposed complaint submitted by the Federal Trade Commission to Meredith.

Please review the enclosed consent order which we have entered into with the Federal Trade Commission. As part of our settlement, we request that you no longer use, and return to us, the following promotional and advertising materials:

I. Ads To Be Returned:

A. Openings/Anniversaries

1. "Important News"—60-second radio

B. Front Yard

1. "Front Yard"—60-second radio

C. Myth/Fact

1. "Five Myths" (1-5) - print—local and national
2. "More Myths" (6-10), (11-15) - print—local and national
3. "Four Myths" (1-4) - print—local

D. Selection

1. "Crowd"—30-second - television - local and national
2. "Crowd"—10-second - television - local
3. "Finance II"—30-second radio
4. "Finance III"—60-second radio
5. "Mortgage"—60-second radio
6. "Leaders"—30-second radio
7. "Good Selection"—60-second radio
8. "Out Of Every 72 . . ." crowd print—national
9. "He Seemed Like . . ." crossed fingers print—national
10. "The Way A Lot Of Americans . . ." coin print—national
11. "Out Of Every 72 . . ." crowd print—local
12. "He Seemed Like A Nice Guy . . ." crossed fingers print—local
13. "The Way A Lot Of Americans . . ." coin print—local
14. "It's A Buyer's Market" print—local
15. "Seven Tough Questions . . ." print—local
16. "We Can Help You Find Financing" print—local

II. Promotional Materials To Be Returned:

1. "Selecting A Real Estate Firm" coin brochure—local
2. "Out Of Every 72 . . ." ad reprints
3. "He Seemed Like A Nice Guy . . ." ad reprints
4. "The Way A Lot Of Americans . . ." ad reprints
5. "The Home Protection Plan . . ." (buyer) brochure
6. "The Home Protection Plan . . ." (seller) brochure
7. "Fifty-six Years Of Trust" ad reprints
8. "This Means A Lot More . . ." (clock) print—national

Decision and Order

101 F.T.C.

You should be advised that the Federal Trade Commission may treat the dissemination of any such advertising or promotional materials as a violation of Section 5 of the Federal Trade Commission Act. We further request that you return the attached acknowledgment form, which must be made available to the Federal Trade Commission staff upon request.

Thank you for your prompt attention to this matter.

Sincerely,

Meredith Corporation

ATTACHMENT B

I hereby acknowledge receipt of the consent agreement entered into between Meredith Corporation and the Federal Trade Commission. Pursuant to that order, I am returning to Meredith Corporation the following advertising and promotional materials (identified by number):

I understand that dissemination of any of the advertising or promotional material covered by the order may be found to violate the Federal Trade Commission Act.

By _____

For _____
(Name of Member Firm)

IN THE MATTER OF

ILLINOIS CENTRAL INDUSTRIES, INC., ET AL.

MODIFYING ORDER IN REGARD TO ALLEGED VIOLATION OF SEC. 5 OF THE
FEDERAL TRADE COMMISSION ACT AND SEC. 7 OF THE CLAYTON ACT

Docket C-2370. Consent Order, March 26, 1973—Modifying Order, March 16, 1983

The Federal Trade Commission has reopened this matter and declared that Paragraph VI of the order issued on March 26, 1973 (82 F.T.C. 1097) shall be of no further force and effect. Paragraph VI barred Midas-International Corp., an IC subsidiary, from purchasing any product containing automotive brake friction material manufactured by Abex Corp., another IC subsidiary.

ORDER MODIFYING DECISION AND ORDER

On November 16, 1982, respondent IC Industries, Inc. (formerly Illinois Central Industries, Inc.) ("IC") filed its "Petition Pursuant To Rule 2.51 To Reopen And Modify Consent Order" ("Petition"). The Petition asked that the Commission reopen the consent order that issued on March 26, 1973 in this matter ("the order") and set aside Paragraph VI thereof. Paragraph VI of the order perpetually bans IC's subsidiary, Midas-International Corporation ("Midas") from purchasing, directly or indirectly, any products containing automotive brake friction materials manufactured by Abex Corporation ("Abex"), another subsidiary of IC. It also bans Midas from selling or distributing such products. Paragraph VI likewise perpetually bars Midas from purchasing automotive flashers from IC or from selling or distributing such flashers manufactured by IC. IC's Petition was on the public record for thirty days and no comments were received.

Based on respondent's Petition and on other information available to it, the Commission has determined that IC has made a satisfactory showing that the public interest warrants reopening and modification of the order in the manner requested by respondent. Accordingly,

It is ordered, That this matter be, and it hereby is, reopened and that Paragraph VI of the Commission's order shall be of no further force and effect as of the effective date of this modifying order.