

IN THE MATTER OF
THE SOUTHLAND CORPORATION

MODIFYING ORDER IN REGARD TO ALLEGED VIOLATION OF THE FEDERAL
TRADE COMMISSION ACT

Docket 8915. Consent Order, Jan. 24, 1974—Modifying Order, Oct. 25, 1983

This order deletes Paragraphs I-F through I-J and Paragraph II of the Order issued against respondent on Jan. 24, 1974 (83 F.T.C. 1282). The remaining order provisions are to be vacated on January 24, 1984.

ORDER REOPENING AND VACATING IN PART AND MODIFYING IN PART
ORDER ISSUED JANUARY 24, 1974

On June 24, 1983, respondent The Southland Corporation (Southland") filed a "Request to Reopen and Vacate In Part And Modify In Part A Consent Order" ("Request"), pursuant to Section 5(b) of the Federal Trade Commission Act, 15 U.S.C. 45(b) and Section 2.51 of the Commission's Rules of Practice. The Request asks the Commission to reopen the consent order, issued on January 24, 1974 [83 F.T.C. 1282] (the Order"), and (1) vacate Paragraphs I-F through I-J and Paragraph II of the Order immediately; and (2) vacate the remaining provisions of the Order ten years from the date of their initial entry. Southland's Request was on the public record for thirty days and no comments were received.

After reviewing respondent's Request, the Commission has concluded that the public interest warrants reopening and modification of the Order in the manner requested by respondent. The action we take today is consistent with our recent determination in *Occidental Petroleum Corporation*, Docket No. C-2492, March 9, 1983, [101 F.T.C. 373] which also involved a perpetual reciprocity order.

Accordingly, *it is ordered*, that Paragraphs I-F through I-J and Paragraph II of this Order be vacated at this time and the remaining provisions be vacated ten years from the date of their initial entry, that is on January 24, 1984.

Commissioner Bailey voted in the negative.

IN THE MATTER OF

CHRISTIAN SERVICES INTERNATIONAL, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF SEC. 5 OF
THE FEDERAL TRADE COMMISSION ACT*Docket C-3127. Complaint, Oct. 27, 1983—Decision, Oct. 27, 1983*

This consent order requires a Stilwell, Kansas developer, marketer, and operator of life care homes throughout the country, among other things, to cease representing, unless true, that its life care homes are affiliated with any religious denomination or group who may also be morally or legally responsible for the home; that there is little or no risk involved in entering into a life care contract; that service fees will never exceed corresponding social security increases; that the mortgagor of the home ensures the economic survival of the home; and that the corporation has established reserve funding to ensure the home's financial security. Further, respondents are required to give prospective residents, at least five days before they execute a life care contract, specific disclosures concerning the home's financial status and other relevant information which could influence their decision to enter a life care home. The order also requires respondents to send to all present and future personnel engaged in the sale or promotion of life care contracts a copy of the order and a form on which they can acknowledge their intention of complying with the order's provisions. Additionally, Kenneth Berg must notify the Commission of any change in his present business or employment relating to the marketing, management and operation of any life care home, nursing home or foster care facility and, for a period of 10 years, promptly advise the Commission of his affiliation with any new such concern.

Appearances

For the Commission: *Henry R. Whitlock, Christopher G. FitzPatrick, Dennis J. Saffran and Roger Paszamant.*

For the respondents: *A. Glenn Sowders, Jr., Kansas City, Mo.*

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 Christian Services International, Inc., a corporation, and Kenneth P. Berg, 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: