

IN THE MATTER OF

RMED INTERNATIONAL, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF SEC. 5
OF THE FEDERAL TRADE COMMISSION ACT*Docket C-3382. Complaint, May 14, 1992--Decision, May 14, 1992*

This consent order prohibits, among other things, a Colorado-based company, that makes "TenderCare" disposable diapers, and its president from making degradability claims in the future unless they possess competent scientific evidence to substantiate such claims.

Appearances

For the Commission: *Michael Dershowitz and Georgianna A. Forbes.*

For the respondents: *Pro se.*

COMPLAINT

The Federal Trade Commission, having reason to believe that respondents RMED International, Inc., a corporation, and Edward Reiss, individually and as an officer of said corporation, hereinafter sometimes referred to as respondents, have violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, alleges:

PARAGRAPH 1. Respondent RMED International, Inc. ("RMED") is a Colorado corporation with its office and principal place of business located at 675 Industrial Drive, Delta, Colorado.

Respondent Edward Reiss is an officer of the corporate respondent named herein. He formulates, directs, and controls the acts and practices of the corporate respondent. His business address is the same as that of the corporation.

The aforementioned respondents cooperate and act together in carrying out the acts and practices hereinafter set forth.

PAR. 2. Respondents have, or have caused to be, advertised, offered for sale, sold, and distributed disposable diapers to the public under the trade name "TenderCare."

PAR. 3. Respondents, at all times mentioned herein, have maintained a substantial course of business, including the acts and practices alleged in this complaint, which are in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. Respondents have disseminated or have caused to be disseminated advertisements and package labels for "TenderCare" diapers, including, but not necessarily limited to, the attached Exhibits A through H.

The aforesaid package labels contain the following statements:

BIODEGRADABLE (Exhibits A and B).
Biodegradable Outer Diaper Backing. (Exhibit B).
Bag IS Biodegradable. (Exhibit B).

The aforesaid advertisements contain the following statements:

[TenderCare] is completely biodegradable. (Exhibit C) (emphasis in original).

TenderCare disposable diapers offer a new choice for parents concerned about the quality of the environment...(Exhibit D).

Most mass-marketed disposable diapers are not biodegradable, so they contribute every day to the growing environmental crisis. These non-biodegradable diapers will become a lasting problem which your children and perhaps your great-great grandchildren will have to solve. But with biodegradable TenderCare diapers, it doesn't have to be that way. (Exhibit D).

What's more, other disposable diapers do not biodegrade which means they're harmful to the environment. (Exhibit E).

Because TenderCare Diapers biodegrade, you can feel even better about using a disposable diaper. (Exhibit E).

TenderCare, America's first biodegradable, chemical-free disposable diaper is setting the standard for biodegradable products by adding POLYCLEAN to the plastic liner. (Exhibit F) (emphasis in original).

POLYCLEAN is currently the only biodegradable additive for plastic known to break down in America's solid waste landfills. (Exhibit F)(emphasis in original).

PolyClean has 6% corn starch contained in most biodegradable plastics, but also includes a trace element of minerals that will cause a chemical reaction in the plastic several months after it hits the solid waste disposal system which will break the plastic down into a wax residue. This residue can then be biologically attacked. (Exhibit G).

This plastic does not require sunlight. The break down will happen more quickly with oxygen and water, since the chemical and biological processes will both be at work. But it will happen within two to five years even in low oxygen environments. (Exhibit G).

When you choose diapers for your baby, we hope that you will choose a diaper that . . . will not sit in a landfill for 200 to 500 years. (Exhibit G).

As we all know by now, disposable diapers, like many other disposable products, once discarded, remain intact and become part of what the EPA calls [the] "staggering garbage crisis" facing us today. TenderCare diapers are part of a solution to this problem. The plastic used in TenderCare diapers has FDA approved ingredients that aid in the degradation (sic) process allowing these diapers to turn into harmless carbon dioxide and water in a fraction of the time it takes conventional plastic diapers. (Exhibit H).

PAR. 5. Through the use of the statements contained in the advertisements and labels referred to in paragraph four, including but not necessarily limited to the advertisements and labels attached as Exhibits A through H, respondents have represented, directly or by implication, that:

1. "TenderCare" disposable diapers will completely break down, decompose, and return to nature in a reasonably short period of time after consumers dispose of them as trash.
2. Compared to other disposable diapers, "TenderCare" disposable diapers offer a significant environmental benefit when consumers dispose of them as trash that is buried in a landfill.
3. "TenderCare" disposable diapers will completely break down, decompose, and return to nature within 2 to 5 years.

4. "TenderCare" disposable diapers will break down, decompose, and return to nature significantly faster than other disposable diapers after consumers dispose of them as trash that is buried in landfills.

5. "TenderCare" disposable diapers will completely break down, decompose, and return to nature in a short enough period of time to significantly reduce the amount of garbage in landfills.

PAR. 6. Through the statements contained in the advertisements and labels referred to in paragraph four, including but not necessarily limited to the advertisements and labels attached as Exhibits A through H, respondents have represented, directly or by implication, that at the time they made the representations set forth in paragraph five, respondents possessed and relied upon a reasonable basis that substantiated such representations.

PAR. 7. In truth and in fact, at the time respondents made the representations set forth in paragraph five respondents did not possess and rely upon a reasonable basis that substantiated such representations. Therefore, the representation set forth in paragraph six was, and is, false and misleading.

PAR. 8. The dissemination by respondents of the aforesaid false and misleading representations, as alleged in this complaint, constitutes unfair or deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act.

Complaint

115 F.T.C.

EXHIBIT A



Tender Care™

CHEMICAL FREE Superabsorbent
Disposable Diapers

NEW!
TARGET
REEFASTENABLE
TAPE

BIODEGRADABLE
TARGET

"Do you know that your baby will spend approximately 10,000 hours in diapers? So disposable diapers are very convenient and do a great job of keeping your baby dry. There is, however, something you don't know."

First, superabsorbent diapers keep babies dry with "chemistry" called superabsorbents. Moisture turns these chemicals into a gel that sits right next to baby's skin and gently soaks up any extra moisture.

Second, you won't find irritating chemicals in Tender Care.

Because the F.T.C. doesn't regulate infant diapers,

many companies use "fragrances" to make their diapers smell better. These "fragrances" contain chemicals that can irritate your baby's skin.

Third, Tender Care keeps your baby dry with our unique, high-tech construction—a 100% natural "wicking" layer that draws moisture away from your baby's skin.

With a layer of polypropylene and non-toxic materials, Tender Care keeps your baby's skin dry and healthy.

Finally, Tender Care is a 100% natural biodegradable material. It breaks down naturally in the soil, so it's good for the environment.

And, Tender Care is the only diaper that's been tested and found to be safe for your baby's skin.

For more information, call 1-800-555-1234 or visit our website at www.tendercare.com.

EXHIBIT A

Complaint

EXHIBIT B

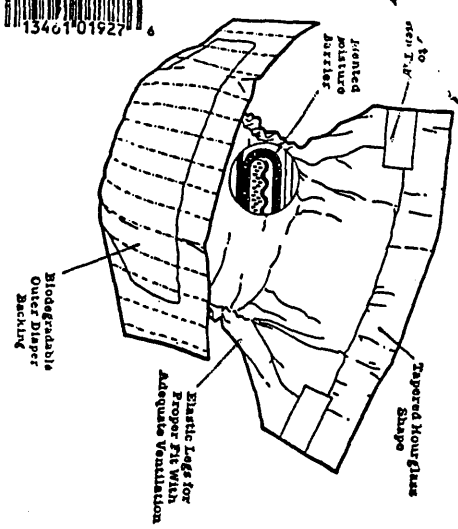
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UNUSUAL & RITE Superabsorbent

BIODEGRADABLE

Disposable Diapers

TenderCare™ Special Patented Construction



For more information about TenderCare products call toll free 1-800-34-1M DNY (1-800-344-6379)

Keep Plastic away from baby's face.
Avoid exposure to open flame.
Moist baby clothing and diapers can burn.

Bag IS Biodegradable

IMPORTANT: Please be environmentally conscious when disposing of your TenderCare products. Proper disposal is recommended. Flush all solid waste in toilet. Do not flush diaper.

MADE IN USA

© 1988 Medco International, Inc.
 TenderCare is a registered trademark of Medco International, Inc.
 All other trademarks are the property of their respective owners.
 Medco International, Inc., 10000 N. 10th Ave., Suite 100, Scottsdale, AZ 85258
 Phone: (602) 990-1000

EXHIBIT B

EXHIBIT C

IT'S TIME TO CHANGE YOUR BABY'S DIAPERS

Your baby will spend approximately 20,000 hours in diapers. Today's superabsorbent diapers are very convenient and do a great job of keeping your baby dry.

But here's *something you may not know*:

Most superabsorbent diapers, including the big, nationally-advertised brands, *use chemicals to keep your baby dry*. Moisture turns these chemicals into a gel that sits right next to baby's skin and genital area. And you won't find these chemicals listed on package labels because the FDA does not regulate infant diapers.

But here's *the good news*. Now there's *chemical free TenderCare™*, a new disposable, superabsorbent diaper that's soft, comfortable, free of absorbency chemicals, perfumes, deodorants and is *completely biodegradable*.

Instead of chemicals, new TenderCare™ keeps your baby dry with a *unique design*—a 100% natural "wicking" technique developed by a pediatrician and refined by a team of neo-natal specialists. This patented® design *not only traps moisture*, but also allows more air circulation for healthy skin and less diaper rash.

To find out how you can start using these remarkable new diapers, call toll free 1-800-34-IM DRY (1-800-344-6379).

Tender♥Care™

Because babies should only be exposed to love.

EXHIBIT C


Available at Mrs. Good's on the West coast

U.S. Patent #4,643,727 © 1988 R.Med International A Division of Recty-Monroe Medical Corporation

PROUDLY
USA
MADE IN



Change the World one diaper at a time.

Introducing biodegradable, chemical-free
TenderCare™ disposable diapers.

Every so often, a revolutionary new product comes along that makes life better. Now, TenderCare disposable diapers offer a new choice for parents concerned about the quality of the environment and the possible risks to their children from exposure to chemicals.

Biodegradable

Most mass-marketed disposable diapers are not biodegradable, so they contribute every day to the growing environmental crisis. These nonbiodegradable diapers will become a lasting problem which your children and perhaps your great-grandchildren will have to solve. But with biodegradable TenderCare diapers, it doesn't have to be that way.



*U.S. Patent 4,843,727 © 1989 RMed International

Chemical-free

TenderCare diapers use a patented* 100% natural "wicking" action to draw wetness away from babies' bottoms, keeping them dry and comfortable.

This unique design replaces acrylic acid polymer salts, used by other diapers to keep babies dry. These chemicals work by turning wetness into a gel, which sits next to your baby's skin. For TenderCare, that's too close for comfort.

Changing to TenderCare is one way you can make a difference and help create a cleaner, better world for you and your baby. TenderCare Diapers can be delivered right to your home. Call 1-800-344-6379 to find out more. And tell a friend. Together, we can change the world one diaper at a time.



Call
1-800-344-IM-DRY

TenderCare

Because babies should only
be exposed to love.

EXHIBIT D

EXHIBIT E

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Biodegradable

It's time to change your baby's diapers.

Almost all of today's "super-absorbent" diapers rely on chemicals to keep baby dry... and these chemicals are only a few millimeters away from baby's skin. What's more, other disposable diapers do not biodegrade which means they're harmful to the environment.

Our TenderCare Diapers are biodegradable.

TenderCare diapers are soft, super-absorbent, comfortable and contain absolutely no chemicals to harm your baby or the world he lives in. The secret is in the patented design that drains moisture away from baby and traps it in a special reservoir. Air gets next to skin, instead of moisture. That saves baby's bottom from excess irritation and promotes healthier skin. And since there are no perfumes or deodorants, there's less chance of skin reactions.

Because TenderCare Diapers biodegrade, you can feel even better about using a disposable diaper.

We'll deliver every 3 weeks automatically, if you wish.

No more reminders to reorder your diapers or frantic trips to the store.

We'll send our diapers to you every three weeks (each package contains about a three week supply). If your child goes through diapers at a different rate,

we'll adjust your deliveries accordingly. As your child grows, just contact our Customer Service Department toll free and we'll change the size of diapers you receive beginning with your next shipment. What could be easier?

There's absolutely no obligation whatsoever.

You can receive our TenderCare Diapers for three weeks or for several years. Just let us know if you wish to stop the shipments... we'll do so immediately. The whole idea is to make your shopping easier.

Here's all you do.

Call our toll free number 1-800-LITTLE-1 (1-800-538-8531) weekdays between 9AM and 5PM. Tell our Customer Service Representative that you want to begin receiving our diapers on a regular basis. The item number is #K002. Specify the size, shipping address, and provide your VISA Card, MasterCard, Discover Card or

American Express Card number. We'll do the rest. Every three weeks we'll send your diapers out and charge your credit card for \$59 (California residents need to add 6.5% sales tax).

There are no extra shipping charges for UPS delivery in the continental United States. We only charge your credit card as we ship your diapers to you! And there are no other hidden or

Ordinary cloth diapers and disposables hold moisture next to baby, which may cause discomfort and promote diaper rash.

Super-absorbent diapers contain acrylic acid polymer chemicals which turn urine into gel.

Only TenderCare Diapers achieve super-dryness without chemicals. The drainage system moves urine to a moisture reservoir, where an exclusive protective layer keeps it from being squeezed back onto baby's skin.



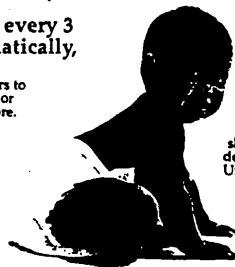
upfront charges for this service.

Call today. Whether you want to give us a try or receive regular shipments, it's a great start toward promoting a healthier baby and environment. We don't know of an easier way for you to put your diaper worries behind you.

Trial size Diapers, #E001, \$14.95
(No additional UPS shipping charge in continental U.S.)
Size S: 6-14 lbs., 66 diapers
Size M: 12-22 lbs., 48 diapers
Size L: 22-30 lbs., 32 diapers
Size T: Over 30 lbs., 28 diapers

TenderCare Diapers, #E140, \$59
(No additional UPS shipping charge in the continental U.S.)
Size S: 6-14 lbs., 264 diapers
Size M: 12-22 lbs., 192 diapers
Size L: 22-30 lbs., 132 diapers
Size T: Over 30 lbs., 112 diapers

For automatic shipments every three weeks, order #K002 and specify size. There is no extra charge for this service.



New

Baby's pacifier serenades her to sleep.

This is more than just a beautiful pacifier. It's practically a musical instrument. Suck or biting the non-toxic nipple activates the tiny music box into playing a warm rendition "Rock A Bye Baby". Nipple detaches easily from pacifier for easy washing. Soothing and Buy two and SAVE. Pacifier designs may vary slightly.

Musical Pacifier, #G003, \$7.95
(\$1.50 ship/hdlg)
*Buy two and Save \$2, \$13.90
(\$2.00 ship/hdlg)





Call
1-800-34-IM-DRY

Change the World One Diaper at a Time

TenderCare, America's first biodegradable, chemical-free disposable diaper is setting the standard for biodegradable products by adding POLYCLEAN™ to the plastic liner.

POLYCLEAN™ is currently the only biodegradable additive for plastic known to break down in America's solid waste landfills.

TenderCare Diapers are the most absorbent, chemical-free diaper made. The natural "wicking" action draws wetness away from babies skin, keeping them dry and comfortable. Call 1-800-344-6379 for free information on Free Home Delivery.

TenderCare

EXHIBIT G

TenderCare™

Because babies should only be exposed to love.

Chamberlains has carried Chemical-free TenderCare Biodegradable diapers for months now, but recently the credibility of biodegradable products is being questioned in the media. Unfortunately, the information is often inaccurate, incomplete or contradictory. More often than not, biodegradable and photodegradable plastics are taken to be the same, when they are actually very different. And mentions of TenderCare usually do not discuss their main feature, which is super absorbency without chemicals.

The plastic used in TenderCare is called "Poly-Clean" and was developed by Archer Daniels Midland. You may know them for their work in helping to reduce acid rain and carbon dioxide in the environment. Poly-Clean has 6% corn starch contained in most biodegradable plastics, but also includes a trace element of minerals that will cause a chemical reaction in the plastic several months after it hits the solid waste disposal system which will break the plastic down into a wax residue. This residue can then be biologically attacked.

This plastic does not require sunlight. The break down will happen more quickly with oxygen and water, since the chemical and biological processes will both be at work. But it will happen within two to five years even in low oxygen environments. This is a relatively new process, and unfortunately many journalists do not have updated information when writing their articles.

TenderCare diapers were developed and patented by a pediatrician concerned about babies wearing diapers that contain a chemical compound which has not had long term safety testing.

Even though TenderCare was the first biodegradable diaper in the U.S., the chemical issue is really our main concern. TenderCare diapers were developed and patented by a pediatrician concerned about babies wearing diapers that contain a chemical compound which has not had long term safety testing. And all of the ultra thin and absorbent diapers on the market contain these acrylic acid polymer salt chemicals to absorb wetness. Because these diapers are so absorbent, many babies' diapers are not changed often enough to keep their skin healthy. TenderCare diapers unique design absorbs moisture and traps it away from babies' skin.

When you choose diapers for your baby, we hope you will choose a diaper that does not contain these absorbing chemicals, and will not sit in a landfill for 200 to 500 years. Please try TenderCare, available in four sizes.

Mandarin Orange Spice® Chicken

3 Pounds Frying Chicken	1/2 Cup Boiling Water
Cut Into Serving Pieces	1/2 Cup Soy Sauce
4 Mandarin Orange Spice	2 Tbsp. Honey
Herb Tea Bags	2 Tsp. Vegetable Oil
(non caffeine)	

Open tea bags and empty contents into a bowl. Add the boiling water and let stand about 5 minutes. Stir in honey, soy sauce, and oil. Put chicken in a glass baking dish. Pour marinade over chicken. Cover and allow to marinate 3-4 hours at room temperature, turning once. (Can be marinated overnight in the refrigerator.) Bake chicken in marinade (covered) at 325° for an hour or until chicken is tender. Serve marinade over rice. Serves 4 to 6.

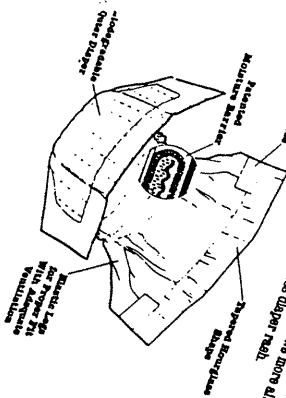
diapers. Today's superabsorbent diapers are so good that they can absorb up to 30 times their weight in liquid. But here's something you may not know: Most superabsorbent diapers, including the big "adult" ones, are made with acrylic acid-polymer salts to keep them so sticky that they can absorb so much liquid. That does not regulate the pH level inside the diaper. And you won't find them in a place that's good for your skin.

Find out for yourself.

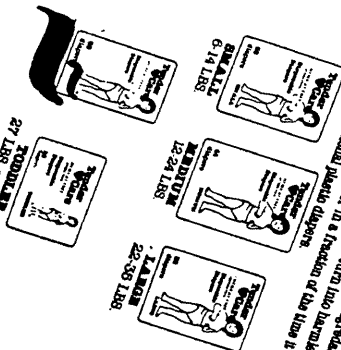
Try this simple test. Cut open one of your superabsorbent diapers. Carefully remove some of the "fill" provided in the package. Let it sit for a few minutes. You should see a white residue that has turned to a gel.

But here's the good news. How there's chemical free food. disposable super absorbent underwear. "Ill" powder and over time. a few minutes you will notice that the gel and will continue to solidify.

Instead of chemicals, new **MasterGard®** keeps your lawn dry with the unique, patented design—a 100% natural design not only free of harsh chemicals, but also allows more air circulation for healthy lawn and less water runoff.



TenderCare's™ range of sizes and styles
 makes sure there's one just right for
 you & baby.
 TenderCare™ diapers come in
 small, medium, large and toddler
 sizes. Medium (22-24 lbs.), Large
 (27 + lbs.), Large (22-35 lbs.) and
 toddler (35+ lbs.). Small (8-14 lbs.).
 And now TenderCare™ comes with our
 revolutionary new soft-to-touch
 ADHESIVE TABS™. Diapers have soft,



other disposable products once discarded, remain intact and become part of what the EPA calls "landfills." By contrast, the EPA says, "biodegradable" disposables are part of a solution to today's problem. The plastic used in "biodegradable" disposables is approved ingredients that add in the disposal process allowing ingredients that add in the disposal process allowing these disposables to turn into harmless carbon dioxide and water in a fraction of the time it takes conventional plastic disposables.

Small	8 1/4 lbs	2400 lbs
Medium	12 24 lbs	7000 lbs
Large	22 30 lbs	1200 lbs
Toddler	27 lbs and up	1100 lbs

EXHIBIT A

Don't waste it! I forgot to order?
No! No! No! We can ship your widgets overnight to you
charge.

order diagrams and send your order for
1-800-824-1408. You will receive a copy of the
order diagram and will be able to order
other parts. The Customer Service Center
will take care of your order and you will
also receive a copy of the order diagram.
In Canada call 800-824-1408.

**TenderCare...
Easy to Order...
Carrying On...**

Carrying Order

not have them delin-

Call 1-800-344-6370. Diapers, just what you need.

Provide the customer with a 24-hour toll-free number to place your order for parts and service. Tell the Customer.

operator with your service operator and specify the service you want. Service operators will take care of the rest.

...and a shroud
...of the rest of
...\$69.00 (P...

...the will change and ...
...the U.S. ...

... your credit
... per shipment &
... call 800-833-...

107-1400

Don't forget to order
7. we can at

... Day Election for

...and a small addition to you!

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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 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 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 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 Act, and that a 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 makes the following jurisdictional findings and enters the following order:

1. Respondent RMED International, Inc. is a Colorado corporation, with its office and principal place of business located at 675 Industrial Drive, Delta, Colorado.

Respondent Edward Reiss is an officer of said corporation. He formulates, directs, and controls the acts and practices of said corporation, and his business address is the same as that of said corporation.

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

DEFINITION

For purposes of this order, the following definition shall apply:

"*RMED plastic product*" means any product or product packaging composed of plastic, in whole or in part, that is offered for sale, sold, or distributed to the public by respondents, their successors and assigns, under the "TenderCare" brand name or any other brand name; and also means any plastic product or product packaging that is sold or distributed to the public by third parties under private labeling agreements with respondents, their successors and assigns.

I.

A. *It is ordered*, That respondents RMED International, Inc., a corporation, its successors and assigns, and its officers, and Edward Reiss, individually and as an officer of said corporation, and respondents' representatives, agents, and employees, directly or through any corporation, subsidiary, division, or other device, in connection with the advertising, labeling, offering for sale, sale, or distribution of any RMED plastic product, including, but not limited to, disposable diapers and their plastic packaging, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, directly or by implication, by words, depictions, or symbols:

(1) That any such plastic product is "degradable," "biodegradable," or "photodegradable;" or,

(2) Through the use of such terms as "degradable," "biodegradable," "photodegradable," or any other similar term or expression, that any such plastic product offers any environmental benefits compared to other products when consumers dispose of them as trash that is ordinarily buried in a sanitary landfill or incinerated,

unless, at the time of making such representation, respondents possess and rely upon a reasonable basis, consisting of competent and

reliable scientific evidence that substantiates such representation. For the purposes of this order, to the extent such 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 "competent and reliable" only if those tests, analyses, research, studies, or other evidence are conducted and evaluated in an objective manner by persons qualified to do so, and using procedures generally accepted in the profession to yield accurate and reliable results.

B. *Provided, however*, respondents will not be in violation of this order, in connection with the advertising, labeling, offering for sale, sale, or distribution of RMED plastic products, if they truthfully represent that their plastic products will compost, degrade into usable compost, or otherwise be converted into usable compost, when disposed of in facilities that collect municipal solid waste for composting (that is, the accelerated breakdown of waste into soil-conditioning material), provided that the labeling of such products and any advertising referring to the degradability of such products discloses clearly, prominently, and in close proximity to such representation:

- (1) That such products are not designed to degrade in landfills; and either
- (2)(a) That facilities to compost such products are generally unavailable in the U.S., or
- (2)(b) The approximate percentage of the U.S. population having access to composting programs for such products.

If the advertising and labeling of respondents' plastic products otherwise complies with Subpart A of Part I of this order, respondents will not be in violation of this order if they do not make the disclosures in this proviso (Subpart B).

II.

It is further ordered, That respondents RMED International, Inc., a corporation, its successors and assigns, and its officers, and Edward

Reiss, individually and as an officer of said corporation, and respondents' representatives, agents, and employees, directly or through any corporation, subsidiary, division, or other device, in connection with the advertising, labeling, offering for sale, sale, or distribution of any RMED plastic product, including, but not limited to, disposable diapers and their plastic packaging, in or defecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, directly or by implication, by words, depictions, or symbols, that any such product offers any environmental benefit, unless the specific nature of that benefit is clear from the context or is disclosed clearly, prominently, and in close proximity thereto; and, at the time of making such representation, respondents possess and rely upon a reasonable basis, consisting of competent and reliable scientific evidence that substantiates such representation. For purposes of this provision, a disclosure elsewhere on the product package shall be deemed to be "in close proximity" to such terms if there is a clear and conspicuous cross-reference to the disclosure. The use of an asterisk or other symbol shall not constitute a clear and conspicuous cross-reference. A cross-reference shall be deemed clear and conspicuous if it is of sufficient prominence to be readily noticeable and readable by the prospective purchaser when examining the principal display panel of the package. The principal display panel of the package is that part of the package that faces the consumer when presented under normal and customary conditions of display for retail sale.

III.

It is further ordered, That for three (3) years from the date that the representations to which they pertain are last disseminated, respondents shall maintain and upon request make available to the Federal Trade Commission for inspection and copying:

A. All materials relied upon to substantiate any representation covered by this order; and

B. All tests, reports, studies, surveys, or other materials in their possession or control that contradict, qualify, or call into question

such representation or the basis upon which respondents relied for such representation.

IV.

It is further ordered, That respondent RMED International, Inc. shall distribute a copy of this order to each of its operating divisions and to each of its officers, agents, representatives, or employees engaged in the preparation and placement of advertisements or other such sales materials covered by this order.

V.

It is further ordered, That respondents shall notify the Commission at least thirty (30) days prior to any proposed change in the corporate respondent, such as a 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 under this order.

VI.

It is further ordered, That the individual respondent shall promptly notify the Commission of the discontinuance of his present business or employment and of his affiliation with a new business or employment. In addition, for a period of five (5) years, from the service date of this order, he shall promptly notify the Commission of each affiliation with a new business or employment whose activities relate to the manufacture, sale, or distribution of plastic products, or of his affiliation with a new business or employment in which his own duties and responsibilities relate to the manufacture, sale, or distribution of plastic products. When so required under this paragraph, each such notice shall include the individual respondent's new business address and a statement of the nature of the business or employment in which the respondent is newly engaged, as well as a description of the respondent's duties and responsibilities in connection with the business or employment. The expiration of the

notice provision of this paragraph shall, not affect any other obligation arising under this order.

VII.

It is further ordered, That respondents shall, within sixty (60) days after service of this order upon them, and at such other times as the Commission may require, 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

U.S. PIONEER ELECTRONICS CORP.

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

Docket C-2755. Consent Order, Oct. 24, 1975 -- Modifying Order, May 19, 1992

This order reopens the proceeding and modifies the Commission's consent order issued in 1975 (86 FTC 1002) with Pioneer Electronics (USA) Inc. so that Pioneer is no longer prohibited from unilaterally terminating a dealer who sells Pioneer home-electronics products at a price other than the suggested retail price.

ORDER REOPENING AND MODIFYING ORDER ISSUED OCTOBER 24, 1975

On December 6, 1991, Pioneer Electronics (USA) Inc., the successor corporation to U.S. Pioneer Electronics ("Pioneer"), filed a "Petition to Reopen Proceedings and to Modify Consent Order" ("Petition") in Docket No. C-2755, pursuant to Section 5(b) of the Federal Trade Commission Act, 15 U.S.C. 45(b), and Section 2.51 of the Federal Trade Commission's Rules of Practice, 16 CFR 2.51. The Petition requested that the Federal Trade Commission ("Commission") reopen the consent order issued on October 24, 1975, U.S. Pioneer Electronics Corp., 86 FTC 1002 (1975), and previously modified on March 18, 1983, 101 FTC 372 (1983), to set aside and modify several provisions contained in paragraph I of the order.

On April 8, 1992, the Commission issued an "Order Granting in Part and Denying in Part Request to Reopen and Modify Order Issued October 24, 1975, and Order to Show Cause" ("Order Modifying Order and Show Cause") which granted part of Pioneer's Petition by deleting paragraph I.6., relating to restrictions on Pioneer withholding cooperative advertising allowances, and partially modifying paragraph I.10. to remove the restrictions on Pioneer's right to terminate a dealer unilaterally because the dealer has advertised Pioneer products at prices other than those Pioneer deemed appropriate or approved. The Commission, however, denied Pioneer's request to