

IN THE MATTER OF

AMOCO CHEMICAL COMPANY, ET AL.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SEC. 5 OF THE FEDERAL TRADE COMMISSION ACT*Docket C-3514. Complaint, Aug. 9, 1994--Decision, Aug. 9, 1994*

This consent order prohibits, among other things, two Delaware corporations from misrepresenting the extent to which any polystyrene cup, plate, and other food service product or packaging material is capable of being recycled or the extent to which recycling collection programs are available, and from representing that such products offer any environmental benefit unless the respondents possess competent and reliable scientific evidence that substantiates the claim.

Appearances

For the Commission: *C. Steven Baker* and *Timothy T. Hughes*.

For the respondents: *Pro se*.

COMPLAINT

The Federal Trade Commission, having reason to believe that Amoco Chemical Company, a corporation, and Amoco Foam Products Company, a corporation, ("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. Respondents are Delaware corporations. Amoco Chemical Company dominates and controls the acts and practices of its wholly-owned subsidiary, Amoco Foam Products Company. Amoco Chemical Company has its principal offices or place of business at 200 East Randolph Drive, Chicago, Illinois. Amoco Foam Products Company has its principal offices or place of business at 400 Northridge Road, Atlanta, Georgia.

PAR. 2. Respondents have manufactured, advertised, labeled, offered for sale, sold, and distributed polystyrene products, including plates, cups, and other food service polystyrene products to the public under the trade name "Snacker," and under private labels. Respondents have also manufactured, advertised, labeled, offered for

sale, sold, and distributed polystyrene food service products to caterers, cafeterias, restaurants and other institutional buyers.

PAR. 3. The acts and practices of respondents alleged in this complaint have been in or affecting commerce, as "commerce" is defined in Section 4 of the Federal Trade Commission Act.

PAR. 4. Respondents have disseminated or have caused to be disseminated product advertising, labeling, packaging and other promotional materials, for Amoco's "Snacker," and other polystyrene food service products, including but not necessarily limited to the attached Exhibits A through C.

The aforesaid Amoco polystyrene product (Exhibit A) sold under private label includes the following statement on each cup:



The aforesaid "Snacker" product packaging (Exhibit B) includes the following statement:

RECYCLABLE

The aforesaid Amoco polystyrene product (Exhibit C) includes the following statement on the front of the packaging:

100% RECYCLABLE
FOAM
PLATES

PAR. 5. Through the use of the statements contained in the advertising, packaging and labeling referred to in paragraph four, including but not necessarily limited to the packaging and labeling attached as Exhibits A through C, respondents have represented, directly or by implication, that their polystyrene products are recyclable.

PAR. 6. In truth and in fact, while polystyrene food service products are capable of being recycled, the vast majority of consumers cannot recycle them because there are only a few collection facilities nationwide that will accept them for recycling.

Therefore, the representation set forth in paragraph five was, and is, false and misleading.

PAR. 7. Through the use of the statements contained in the advertising, packaging and labeling referred to in paragraph four, including but not necessarily limited to the advertisements attached as Exhibits A-C, 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. 8. In truth and in fact, at the time they 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 seven was, and is, false and misleading.

PAR. 9. The acts and practices of respondents as alleged in this complaint constitute unfair or deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act.

EXHIBIT A

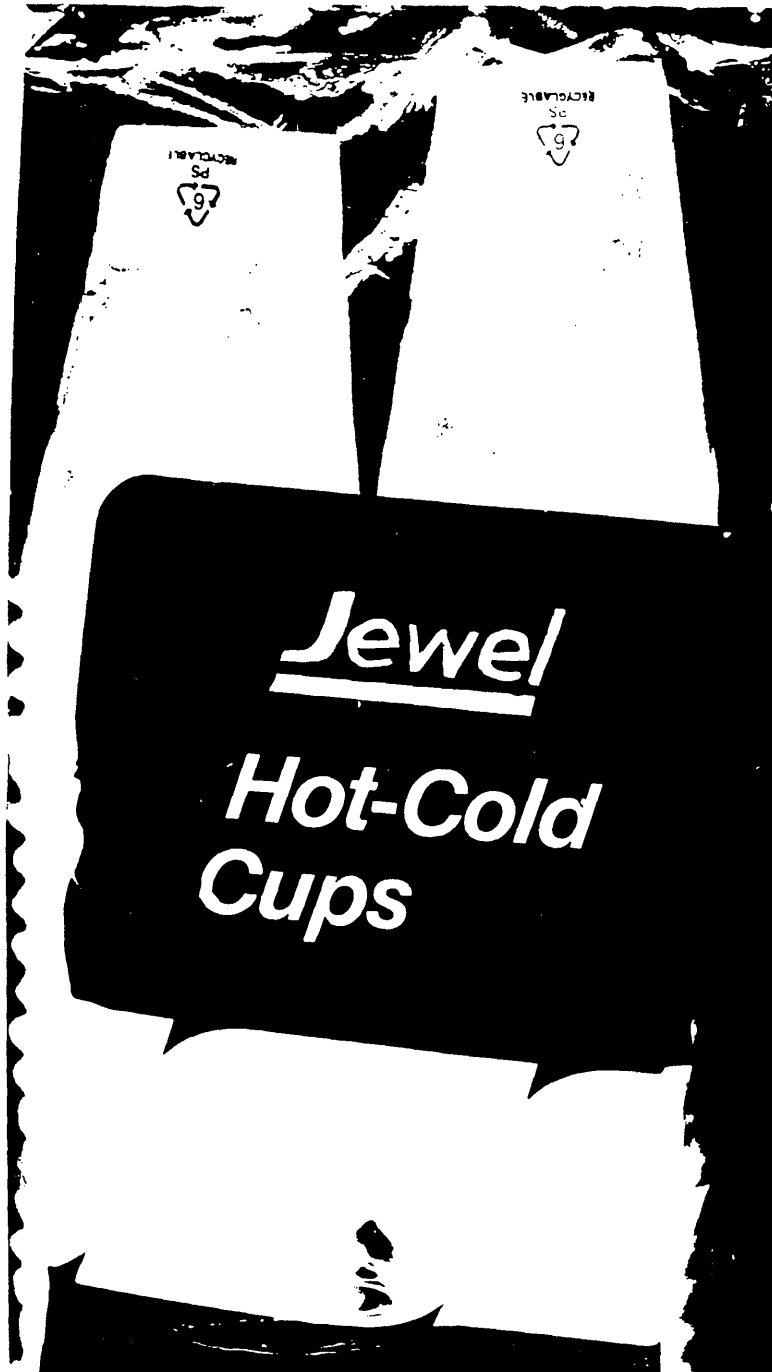


EXHIBIT B



DOUBLE LAMINATED
THREE SECTION PLATES

8 7/8 INCH



EXHIBIT B



- SOAK-PROOF
- CUT-RESISTANT
- ALL PLASTIC
- RIGID
- DOUBLE LAMINATED
- RECYCLABLE

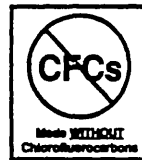
USAGE TIP

Extremely hot foods taken directly from grill or frying pan may cause plate distortion. Please allow food to cool momentarily before placing on plate.

MICROWAVE OVEN USAGE

Suitable only for limited microwave use in reheating foods.

CAUTION:
PLASTIC BARS CAN CAUSE SUFFOCATION.
PLEASE KEEP THIS PRODUCT AND ALL PLASTIC BAGS OUT OF THE REACH OF CHILDREN. DO NOT PERMIT CHILDREN TO PLAY WITH THEM AND DO NOT USE THEM IN GAMES, PLAYSETS OR CANNAGES.



CAUTION
KEEP AWAY FROM
OPEN FLAME.

Amoco Foam Products Company
Atlanta, GA 30350



Complaint

118 F.T.C.

EXHIBIT C



Amoco Foam Products Company
Atlanta, Georgia 30350

PRODUCT NO. 002-451MC

DATE OF ISSUE: _____

BAG OR FILM SIZE: 14 1/4 (W) x 15 1/2 (L) x 6 1/2 (G)

COLORS:

1ST	WHITE
2ND	116 YELLOW
3RD	021 ORANGE
4TH	052 RED
5TH	286 BLUE
6TH	BLACK

CONVERTER: STANDARD FLEX



IN AND PAPER COLORS USED IN PRODUCING THIS BAG. 1. ALL FOR INDICATION ONLY AND SHOULD NOT BE USED AS COLOR GUIDE. USE SEPARATE INK SPECIFICATIONS FOR VARIATION WITH RESPECT TO DEFECTIVE PRODUCTS AND PRODUCT INFORMATION. 2. MATCH THE WRITTEN SPECIFICATIONS ACCEPTED BY US. 3. LIMITED WARRANTY FOR INFORMATION ONLY. 4. BAGGING SLIP AND ENCLOSURE WITH SHIPMENT OF PLATES.



Matthews International Corporation
Graphic Systems Division
3001 Kingston Ct.
Marietta, GA 30067
Phone (404) 984-9610

Matthews

REF. NO. 14-5323
DATE: 8-12-92

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 Chicago 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 complaints 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. Respondents Amoco Chemical Company and Amoco Foam Products Company are corporations organized, existing and doing business under and by virtue of the laws of the State of Delaware. Amoco Chemical Company dominates and controls the acts and practices of its wholly-owned subsidiary, Amoco Foam Products Company.

Respondent Amoco Chemical Company has its principal offices or place of business at 200 East Randolph Drive, Chicago, Illinois. Respondent Amoco Foam Products Company has its principal offices or place of business at 400 Northridge Road, Atlanta, Georgia.

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

DEFINITIONS

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

The term “*competent and reliable scientific evidence*” means tests, analyses, research, studies, or other evidence based on the expertise of professionals in the relevant area, that has been conducted and evaluated in an objective manner by persons qualified to do so, using procedures generally accepted in the profession to yield accurate and reliable results.

The term “*product or packaging material*” means any product or packaging material that is offered for sale, sold or distributed to the public by respondents, their successors and assigns, under any brand name of respondents, their successors and assigns; and also means any product or packaging material sold or distributed to the public by third parties under private labeling agreements with respondents, their successors and assigns.

I.

It is ordered, That respondents, Amoco Chemical Company, a corporation, and Amoco Foam Products Company, a corporation, their successors and assigns, and their officers, representatives, agents, and employees, directly or through any corporation, subsidiary, division, or other device, in connection with the advertising, labeling, promotion, offering for sale, sale, or distribution of any polystyrene food service product or polystyrene packaging material in or affecting commerce, as “commerce” is defined in the Federal Trade Commission Act, do forthwith cease and desist from misrepresenting, in any manner, directly or by implication the extent to which:

- (1) Any such product or packaging material is capable of being recycled; or,
- (2) Recycling collection programs for such product or packaging material are available.

II.

It is further ordered, That respondents, Amoco Chemical Company, a corporation, and Amoco Foam Products Company, a corporation, their successors and assigns, and their officers, representatives, agents, and employees, directly or through any corporation, subsidiary, division, or other device, in connection with the advertising, labeling, promotion, offering for sale, sale, or distribution of any plastic food service product or plastic packaging material in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, in any manner, directly or by implication, that any such product or packaging material offers any environmental benefit, unless at the time of making such representation, respondents possess and rely upon competent and reliable evidence, which when appropriate must be competent and reliable scientific evidence, that substantiates such representation.

III.

It is further ordered, That for five (5) years after the last date of dissemination of any representation covered by this order, respondents, or their successors and assigns, shall maintain and upon request make available to the Federal Trade Commission for inspection and copying:

A. All materials that were relied upon in disseminating such representation; and

B. All tests, reports, studies, surveys, demonstrations, or other evidence in their possession or control that contradict, qualify, or call into question such representation, or the basis relied upon for such representation, including complaints from consumers.

IV.

It is further ordered, That respondents shall distribute a copy of this order to each of their operating divisions and to each of their officers, agents, representatives, or employees engaged in the preparation and placement of advertisements, promotional materials, product labels 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 corporations 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 corporations which may affect compliance obligations under this order.

VI.

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

HAWTHORNE COMMUNICATIONS, INC.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SEC. 5 OF THE FEDERAL TRADE COMMISSION ACT*Docket 9264. Complaint, Nov. 16, 1993--Decision, Aug. 9, 1994*

This consent order prohibits, among other things, an Iowa corporation from making any representations about the performance, benefits, efficacy, or success rate of any product or service concerning business opportunities unless the respondent possesses competent and reliable evidence that substantiates such representations. In addition, the consent order prohibits the respondent from using any testimonial or endorsement unless it reflects the typical or ordinary experience of consumers who use the product.

Appearances

For the Commission: *Jeffery T. Dahnke.*

For the respondent: *Edward F. Glynn, Jr., Venable, Baetjer, Howard & Civiletti, Washington, D.C.*

COMPLAINT

The Federal Trade Commission, having reason to believe that Hawthorne Communications Inc. ("respondent"), has 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 is an Iowa corporation, with its principal office and place of business at 300 N. 16th Street, Fairfield, Iowa.

PAR. 2. Respondent, at all times relevant to this complaint, was an advertising agency of Tronsoft, Inc., and has directed, participated in, and assisted others in the creation and dissemination to the public of advertisements that offer for sale Tronsoft's Home Business Starter Kit ("Starter Kit").

PAR. 3. The acts and practices of respondent alleged in this complaint have been in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act.