

IN THE MATTER OF

ALPINE INDUSTRIES, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SEC. 5 OF THE FEDERAL TRADE COMMISSION ACT*Docket C-3614. Complaint, Sept. 22, 1995--Decision, Sept. 22, 1995*

This consent order prohibits, among other things, two Minnesota-based sister companies and their principal officer from making unsubstantiated claims about the ability of any air cleaning product to eliminate, remove, clear or clean any indoor air pollutant -- or any quantity of indoor air pollutants -- from a user's environment.

Appearances

For the Commission *Kerry O'Brien, Linda Badger, Jeffrey Klurfeld and Joan Bernstein.*

For the respondents: *William Erhart, Marvin & Erhart, Anoka, MN.*

COMPLAINT

The Federal Trade Commission, having reason to believe that Alpine Industries, Inc., a corporation, Living Air Corp., a corporation, and William J. Converse, individually and as an officer of Alpine Industries, Inc. and Living Air Corp. ("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 Alpine Industries, Inc. is a Tennessee corporation, with its principal office or place of business at 9199 Central Avenue N.E., Blaine, Minnesota.

Respondent Living Air Corp. is a Tennessee corporation, with its principal office or place of business at 11673 Tulip Street, Coon Rapids, Minnesota.

Respondent William J. Converse is an officer of Alpine Industries, Inc. and Living Air Corp. Individually or in concert with others, he formulates, directs and controls the acts and practices of

Alpine Industries, Inc. and Living Air Corp., including the acts and practices alleged in this complaint. His principal office or place of business is the same as that of Living Air Corp.

PAR. 2. Respondents have advertised, labelled, offered for sale, sold, and distributed ozone generators, including the "Living Air Model XL15," as air cleaning products for use in homes, offices, and other commercial establishments.

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 advertisements for their Living Air Model XL15 ozone generator, including but not necessarily limited to the attached Exhibits A-B. These advertisements contain the following statements:

A. WHAT IS INDOOR AIR POLLUTION? . . . WHAT CAN BE DONE ABOUT IT? . . . Air filters are only partially effective.

...

HOW DOES LIVING AIR WORK? . . . Ozone breaks down or oxidizes impurities in the air. It destroys mold, mildew, fungi and bacteria. Ozone rids the air of harmful smoke and odors created by cigarettes, cooking, pets and disease. Living Air purifiers recreate outdoor air inside of your home or business. . . .

Each Living Air unit is equipped with a purifier control knob to regulate the amount of ozone being produced. Simply set the control for the number of square feet being serviced YOU CONTROL THE AMOUNT OF OZONE. . . .

OZONE • WHAT IT IS AND HOW IT WORKS . . . All that's left behind is the safe, pure, breathable oxygen necessary to life. . . . •NO HARSH AND HAZARDOUS CHEMICALS •NO HEAVY PERFUME ODORS •NO CLEANING PRODUCT ODORS •NO POLLUTANTS •NO MOLDS •NO FUNGI •NO BACTERIA. . . . (Exhibit A: promotional material)

B. Government Agencies rate INDOOR AIR POLLUTION as the nation's biggest pollution problem

Styrene, benzene, allergens, trichlorethylene, sulphur dioxide, dust mites, bacteria, carbon tetrachloride, chloroform, pollens, dust, hydrocarbons, formaldehyde, ammonia, mold spores. . . .

Indoor Air Pollutants

DUST . . . Causes eye irritation, allergies, eye-ear-nose-throat infections, asthma attacks, fatigue and depression.

BACTERIA . . . Causes colds, flu, respiratory infections, eye infections. . .

MOLD SPORES . . . Causes allergies, sinus headaches, irritability, fatigue and depression. . . .

How does indoor air pollution affect your body?

...

EYE AND NASAL IRRITANTS

Sulfur dioxide (lethal poison), ammonia, acrolein (in tobacco smoke, a carcinogen), benzene (carcinogen), formaldehyde, pollen, mold spores, dust, dust mites, bacteria. . .

BRONCHIAL CONSTRICTORS

Sulphur dioxide (lethal poison), ammonia, allergens, bacteria. . .

PULMONARY IRRITANTS

Chloroform (lethal poison, suspected carcinogen), nitrogen dioxide (lethal poison), carbon tetrachloride (suspected carcinogen), formaldehyde, small particulates, bacteria. . .

POISONS

Cyanide (from tobacco smoke), hydrocarbons (tobacco smoke and other combustions), nitrogen dioxide, sulphur dioxide.

CARCINOGENS

Acrolein, benzene, chloroform, carbon tetrachloride.

ASPHYXIAN

Hydrocarbons. . . .

Inefficient Air Filtration Systems

. . . AIR FILTRATION SYSTEMS ARE NOT THAT EFFICIENT. . . Much of the air is unaffected, and remains polluted!

Media Filters and Electronic Air Cleaners

. . .

BOTH TYPES HAVE THE SAME MAJOR DRAWBACKS:

1. Air filtration systems only affect the air that passes through them. Much of the air in your building does not get to the filter on a regular basis.
2. Filters have to be CLEANED or REPLACED regularly. They get clogged, reduce airflow, lose efficiency and make the blower motor work harder.

AIR PURIFICATION - The Natural Way

. . .

Together, activated oxygen and negative ions both clean and purify the air naturally. . . .

LIVING AIR PURIFICATION - How Does It Work?

. . .

•NO HARSH AND HAZARDOUS CHEMICALS •NO HEAVY PERFUME ODORS •NO CLEANING PRODUCT ODORS •NO POLLUTANTS •NO MILDEW •NO MOLDS •NO FUNGI •NO BACTERIA. . . .

A QUIZ . . . How would you answer?

Does anyone in your family suffer from allergies?

Would you like to relieve their suffering?

Do you worry about bacteria in the air?

Would you feel more comfortable knowing that bacteria in the air was being killed by nature?

Does the thought of breathing in dust and the accompanying dust mites bother you?

Would you be more comfortable if you didn't have to worry about them?

. . . .

Does tobacco smoke bother or irritate anyone?

Would you like to reduce or eliminate that irritation? (Exhibit B: promotional material)

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

A. When used as directed, the Living Air Model XL15 eliminates, removes, clears, or cleans formaldehyde, sulfur dioxide, ammonia, trichlorethylene, benzene, chloroform, carbon tetrachloride, odors, nitrogen dioxide, mold, mildew, bacteria, dust, cigarette smoke, pollen, and hydrocarbons from a user's environment.

B. The use of ozone is more effective in cleaning or purifying indoor air than air cleaning products that use filters.

C. The Living Air Model XL15 does not create harmful by-products.

D. When used as directed, the Living Air Model XL15 prevents or provides relief from colds, flu, allergies, asthma, sinus headaches, and ear, eye, nose and throat infections.

PAR. 6. Through the use of the statements contained in the advertisements referred to in paragraph four, including but not necessarily limited to the advertisements attached as Exhibits A-B, 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.

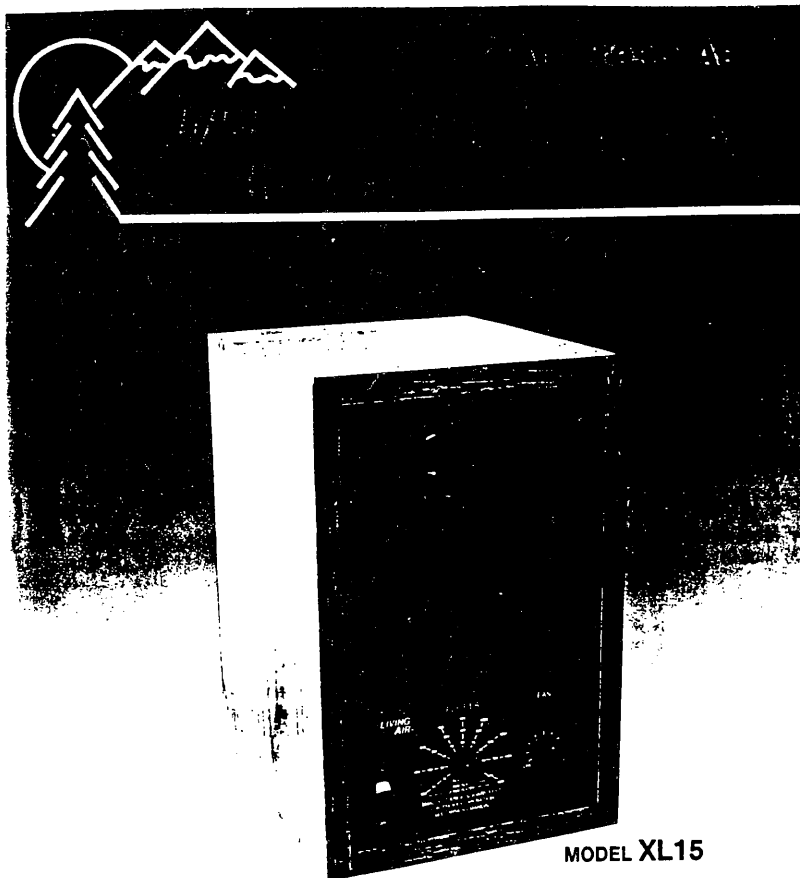
PAR. 7. In truth and in fact, at the time they made the representations set forth in paragraph five, respondents did not possess and rely upon a reasonable basis that substantiated such representations. Therefore, the representation set forth in paragraph six was, and is, false and misleading.

PAR. 8. 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.

649

Complaint

EXHIBIT A



MODEL XL15

Living Air Purification Systems

■ ■ ■ BREATHE EASY

EXHIBIT A

Complaint

120 F.T.C.

EXHIBIT A

**WHAT IS INDOOR AIR POLLUTION?**

Smoke, mold, mildew, odors and dust are some of the indoor pollutants easy to see and smell. Others like gases, bacteria and pollen are more difficult to detect. Recently, many people have found themselves to be allergic to various chemicals found in their work place. These pollutants can enter the air from synthetic material like carpeting, upholstery and various wall paneling. Static electricity, although not technically defined as a pollutant, is a common problem in various indoor environments.

WHY IS IT SUCH A PROBLEM?

During the energy crisis of the 1970s we began to insulate and seal our buildings more tightly. This saved energy, but it also caused pollutants to be trapped indoors.

WHAT CAN BE DONE ABOUT IT?

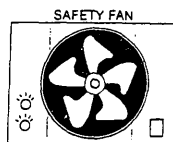
Many different devices have been used in unsuccessful attempts to clean indoor air. Spray and wick products, basically perfumes, are pollutants themselves. Air filters are only partially effective. Early ionizers removed particles from the air but also darkened the walls.

HOW DOES LIVING AIR WORK?

Living Air engineering has created the new generation of air purifiers by combining an all new ionizer with an ozone generator. Airborne particles such as dust, pollen and bacteria are electrically charged (ionized) to remove them from the breathable air.

Ozone breaks down or oxidizes impurities in the air. It destroys mold, mildew, fungi and bacteria. Ozone rids the air of harmful smoke and odors created by cigarettes, cooking, pets and disease.

Living Air purifiers recreate outdoor air inside of your home or business.

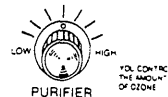


The machines are mechanically safe. The safety fan stops immediately if anything is inserted between the blades, even a

tender finger. This feature works even if the front grill is removed.

Each Living Air unit is equipped with a purifier control knob to regulate the amount of ozone being produced. Simply set the control for the number of square feet being serviced.

CONTROL KNOB

**WHEN WILL I SEE RESULTS?**

Almost immediately! If unusual pollutants are introduced—a visiting cigar smoker or other unusual odor—you can raise the ozone level for a short time and quickly clean up the air.

Result times can often vary: if pollutant concentration is severe it will take longer for the machine to have its full effect.

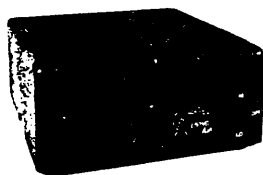
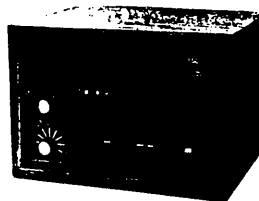
IS IT EXPENSIVE?

No, not at all. The machines are quite affordable. There are no costly filters that need to be replaced over and over again. Maintenance is simple: ozone plates and lint screens can be removed and gently hand washed. Low operating cost is another big plus. The machines will add only a few pennies a day to the average utility bill.

EXHIBIT A

MODEL 150

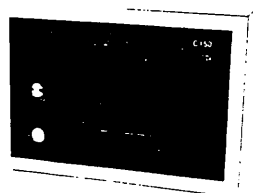
The MODEL 150 is a very versatile machine. A self-contained portable air purification unit, it removes annoying odors and pollutants from almost every home, small office or shop. Eliminates tobacco smoke, odors, mold, mildew, fungi and bacteria. The 150 works best where forced-air heating/cooling systems are operating on a continuous air circulation basis.

**MODEL PEAK**

This powerful little unit is designed to knock out air pollution associated with heavy automobile traffic. Plug the PEAK into your car's cigarette lighter and say goodbye to smog, gas and exhaust fumes. The PEAK, with its standard adaptor, can also be plugged into any standard wall socket. As quick as that, it can begin to clean and revitalize the air in your office, motel room or other small, confined space.

MODEL C150

The Model C150 was created for general purpose applications where space is confined and the problems are severe. Ideal for offices and shops having unusually persistent odors, continuous sources of pollution, or high humidity. High ozone output boosts the overall air purification efficiency that is often necessary to clean up trouble spots.

**MODEL XL15**

The XL15 is perfect for areas as small as ten square feet or as large as 2,500 square feet. The large 350 CFM fan is very powerful yet extremely quiet. That makes it perfect for air cleaning applications where unnecessary noise may be a concern. Beauty salon operators love this model, even the ones who do acrylic nails. Greater fan speed and higher ozone output capabilities makes the XL15 perfect for air cleaning jobs whether big and small. Other possible applications: medical or dental labs, law offices, fur storage rooms, paint stores, public rest rooms, employee break rooms, pet shops, photography labs and graphic design studios.

Complaint

120 F.T.C.

EXHIBIT A

OZONE • WHAT IT IS AND HOW IT WORKS

The air we breathe is made up of two joined oxygen atoms (O_2). If we take three O_2 molecules and recombine them so that there are two units with three oxygen atoms each, we now have ozone (O_3). These ozone molecules travel through the air. When they encounter a pollutant one oxygen atom will break away and attach itself to the pollutant thereby oxidizing it. All that's left behind is the safe, pure, breathable oxygen necessary to life.

IONS • INDOOR SPACE TRAVELERS

Living Air's pulsating negative ion field generator reestablishes the ratio of negative to positive ions found in the outdoors. Ionized (charged) particles are removed from the air by attraction to solid surfaces.

•NO HARSH AND HAZARDOUS CHEMICALS •NO HEAVY PERFUME ODORS •NO CLEANING PRODUCT ODORS
•NO POLLUTANTS •NO MOLDS •NO FUNGI •NO BACTERIA

- Dust
- Pollen
- Smoke
- Odors
- Mold
- Mildew
- Static Electricity

FEATURES

Model	Height	Width	Depth	Weight	Power Usage
XL 15	11 3/4"	8"	9 3/4"	16 LB.	30 Watts
150	8"	11 3/4"	9 3/4"	16 LB.	30 Watts
C150	8"	11 3/4"	9 3/4"	17 LB.	30 Watts
PEAK	3"	6 1/2"	6 1/2"	4 LB.	15 Watts

DIMENSIONS & ELECTRICAL SPECIFICATIONS

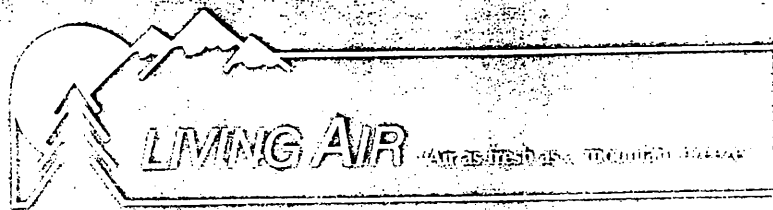
Model	Ozone Output Control	Fan Control	Washable Lint Screen	Ozone Plates	Activated Charcoal Filter	Fan	Ozone Output MG/HR Max
XL 15	1	1	1	2*	0	350 CFM	312
150	1	1	1	1	0	75 CFM	134
C150	1	1	1	2	0	75 CFM	312
PEAK	Combined	Feature	1	1	1	17 CFM	15

*Plus one 1/4 plate

DISTRIBUTED BY:



EXHIBIT B



The FACTS Concerning
**INDOOR AIR
POLLUTION**

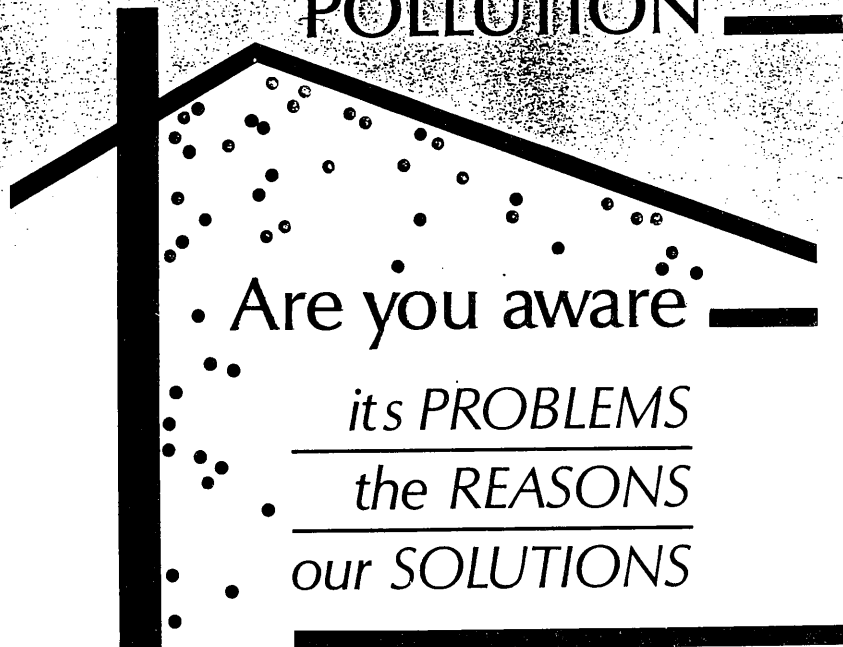


EXHIBIT B

The average person spends

90% of their time indoors

During the energy crisis in the 1970s building construction practices changed—Homes, offices, schools and all types of buildings are now insulated and sealed more tightly. This saves energy, but also causes pollutants to be trapped indoors.

EXHIBIT B

Government Agencies rate INDOOR AIR POLLUTION

*as the nation's biggest
pollution problem*

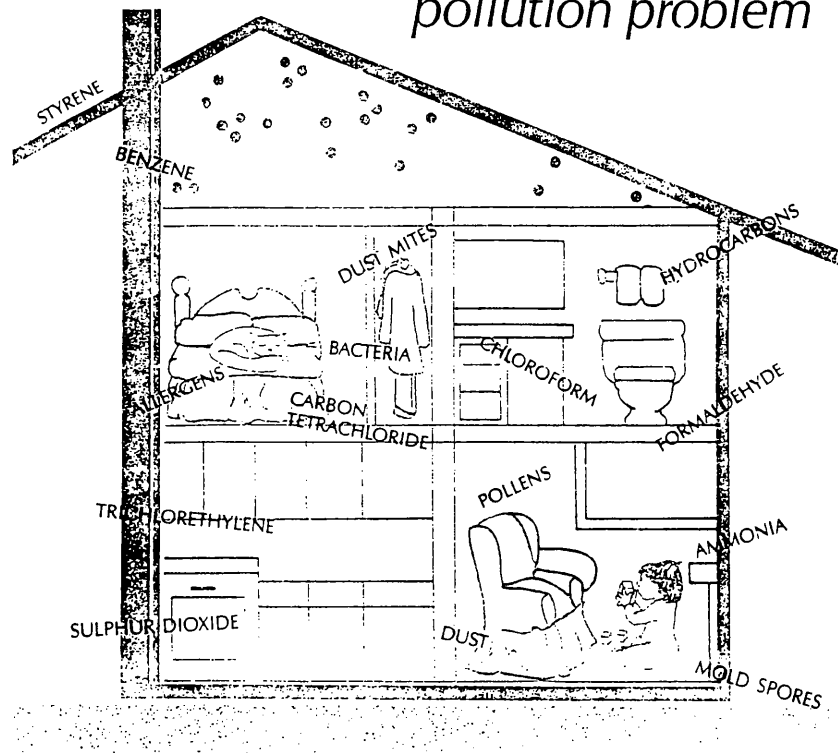


EXHIBIT B

Tightly Constructed Buildings Don't Breathe. . .

- ☒ Little or no AIR EXCHANGE.
- ☒ Indoor air is RE-CIRCULATED.
- ☒ INDOOR AIR POLLUTION is trapped indoors!

Clothing—

Pollens, oils (from smoke), gases, other allergens and odors, attach themselves to the fabric. Once indoors, clothing releases allergens, gases and odors into the air. . .

Furnishings—

New carpeting, drapes, furniture and upholstery emit chemical fumes, noxious gases and odors. . .

Construction Materials—

Paint, plywood, particle board (from cabinets, furniture, paneling) emit chemical fumes, noxious gases and odors. . .

Stoves, Furnaces, Water Heaters—

Escaping unvented fumes contain carbon monoxide and nitrogen dioxide. . .

Heating/Cooling Systems

Ductwork gathers dust and moisture, creating mold and mold spores, and hosting bacteria and dust mites, and circulates dust, mold spores, bacteria and dust mites throughout the building. . .

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Complaint

EXHIBIT B

Indoor Air Pollutants

DUST

Did you know? 42,000 dust mites can live in only one ounce of dust! Forty pounds of dust generated per year per 1,500 square feet of space, hosting 15 species of dust mites!

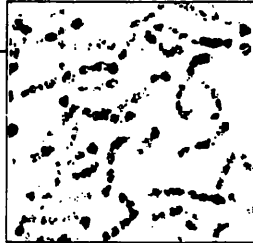
Causes eye irritation, allergies, eye-ear-nose-throat infections, asthma attacks, fatigue and depression.



BACTERIA

Did you know? Bacteria are found in your heating and cooling system, house pets, garbage, bathrooms—everywhere in your home!

Causes colds, flu, respiratory infections, eye infections...



MOLD SPORES

Did you know? Mold spores are found in your heating and cooling system, in damp clothing, cleaning materials and the moisture in your ceilings, walls, carpets, drapes...

Causes allergies, sinus headaches, irritability, fatigue and depression.



Complaint

120 F.T.C.

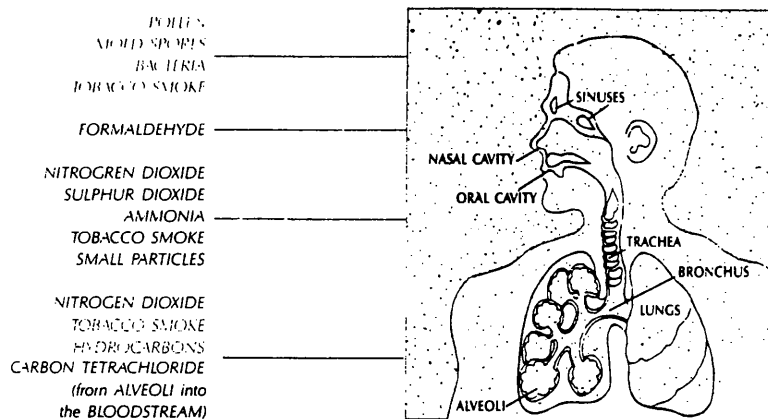
EXHIBIT B

Some Pollutants, Their Sources & Symptoms

BENZENE	Paint, new carpets, new drapes, upholstery	Headaches, eye/skin irritation, fatigue, cancer
AMMONIA	Tobacco smoke, cleaning supplies	Eye/skin irritation, headaches, nose-bleeds, sinus problems
CHLOROFORM	Paint, new drapes, upholstery, new carpeting	Headaches, asthma attacks, dizziness, eye irritation, skin irritation
FORMALDEHYDE	Tobacco smoke, plywood, cabinets, furniture, particle board, office dividers, new carpets, new drapes, wallpaper, panelling	Headaches, eye/skin irritation, drowsiness, fatigue, respiratory problems, memory loss, depression, gynecological problems, cancer
SULPHUR DIOXIDE	Tobacco smoke	Asthma attacks, eye/skin irritation, sinus problems, lung cancer
HYDROCARBONS	Tobacco smoke, gas burners, furnaces	Headaches, fatigue, nausea, dizziness, breathing difficulty
TRICHLORETHYLENE	Paints, glues, furniture, wallpaper	Headaches, eye/skin irritation, respiratory irritation
CARBON TETRACHLORIDE	Paint, new drapes, new carpets, cleaning supplies	Headaches, dizziness, fatigue

EXHIBIT B

How does indoor air pollution affect your body?

**EYE AND NASAL IRRITANTS**

Sulphur dioxide (lethal poison), ammonia, acrolein (in tobacco smoke, a carcinogen), benzene (carcinogen), formaldehyde, pollen, mold spores, dust, dust mites, bacteria...

BRONCHIAL CONSTRICTORS

Sulphur dioxide (lethal poison), ammonia, allergens, bacteria...

PULMONARY IRRITANTS

Chloroform (lethal poison, suspected carcinogen), nitrogen dioxide (lethal poison), carbon tetrachloride (suspected carcinogen), formaldehyde, small particles of dust, bacteria

POISONS

Cyanide (from tobacco smoke), hydrocarbons (tobacco smoke and other combustions), nitrogen dioxide, sulphur dioxide.

CARCINOGENS

Acrolein, benzene, chloroform, carbon tetrachloride.

ASPHYXIANT

Hydrocarbons.

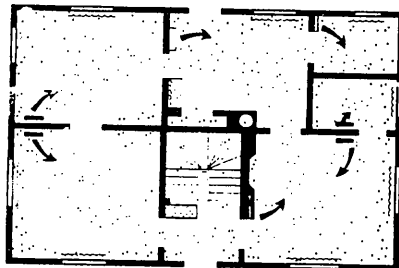
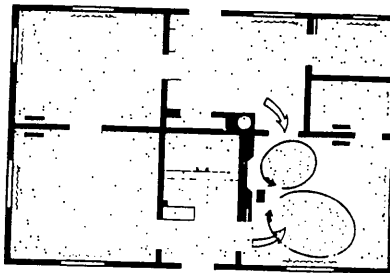
EXHIBIT B

Inefficient Air Filtration Systems

LOCALIZED AREA UNITS (Media Filter)

Only the air caught in the air stream goes through the filter.

Air trapped behind drapes, under furniture, in fabric (upholstery, clothing, carpeting, drapes, etc.) does not get filtered nearly as often, and sometimes not at all.



WHOLE BUILDING UNITS (Media Filter, or Electronic Air Cleaner)

The only air that gets "filtered" is the air which is actually drawn through the unit. "Dirty" air constantly invades the space.

Recirculates the same air—does not get behind drapes or under furniture.

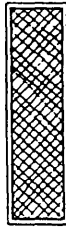
*AIR FILTRATION SYSTEMS ARE NOT THAT EFFICIENT. . .
Much of the air is unaffected, and remains polluted!*

EXHIBIT B

Media Filters and Electronic Air Cleaners

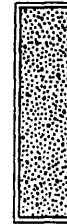
TYPICAL GLASS FIBER FILTER

Traps larger particulates with better efficiency than small matter. To permit air-flow, it must permit some pollutants to pass through. Fiber Filters typically only stop about HALF of the smoke, dust and bacteria in the air. (HEPA filters boast over 90% efficiency, and still leave about 1/5 of the smoke and dust particulates in the air that goes through it.)



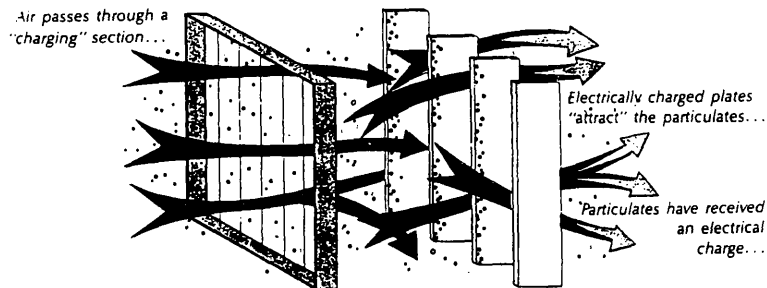
ACTIVATED CARBON FILTER

Designed to trap smaller particulates and some gasses—the higher density the filter, the slower the air-flow, manufacturers compromise on filtering efficiency. Many gasses and odors, and 1/3 to 1/2 of the smoke and dust particulates still get through.



Both types of filters get clogged, reduce efficiency and air flow, and must be replaced often.

ELECTRONIC AIR CLEANERS

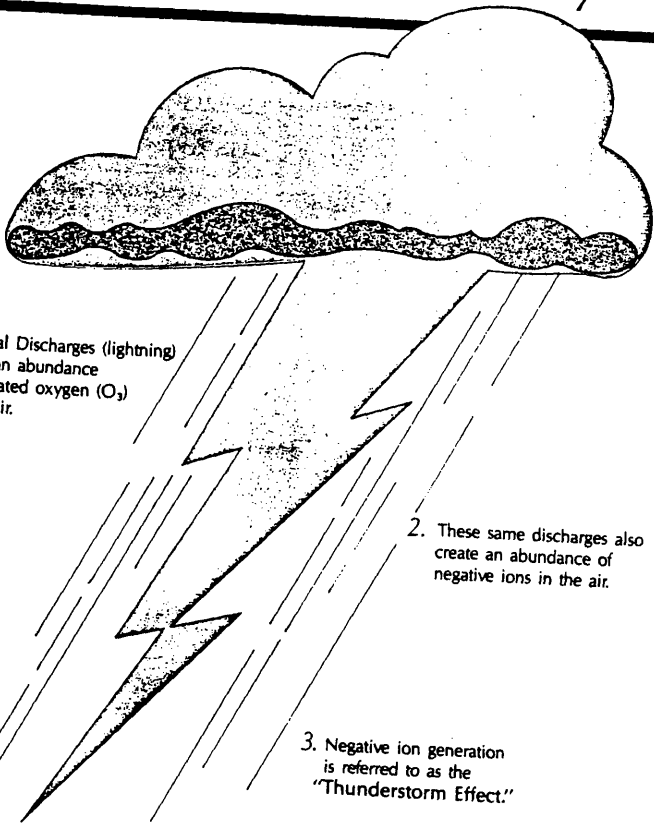


BOTH TYPES HAVE THE SAME MAJOR DRAWBACKS.

1. Air filtration systems only affect the air that passes through them. Much of the air in your building does not get to the filter on a regular basis.
2. Filters have to be CLEANED or REPLACED regularly. They get clogged, reduce air-flow, lose efficiency and make the blower motor work harder.

EXHIBIT B

AIR PURIFICATION— The Natural Way



1. Electrical Discharges (lightning)
create an abundance
of activated oxygen (O_3)
in the air.

2. These same discharges also
create an abundance of
negative ions in the air.

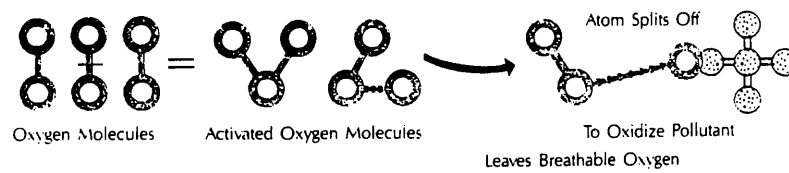
3. Negative ion generation
is referred to as the
"Thunderstorm Effect."

*Together, activated oxygen and negative ions
both clean and purify the air—naturally!*

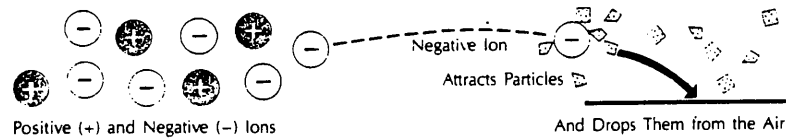
EXHIBIT B

LIVING AIR PURIFICATION— How Does It Work?

What is Activated Oxygen—How it Works



Negative Ions—Indoor Space Traveler



NO HARSH AND HAZARDOUS CHEMICALS
NO HEAVY PERFUME ODORS • NO CLEANING
PRODUCT ODORS • NO POLLUTANTS • NO MILDEW
NO MOLDS • NO FUNGI • NO BACTERIA

Complaint

120 F.T.C.

EXHIBIT B

A QUIZ . . .

How would you answer?

	YES	NO
Does anyone in your family suffer from allergies?	☐	☐
Would you like to relieve their suffering?	☐	☐
Do you worry about bacteria in the air?	☐	☐
Would you feel more comfortable knowing that bacteria in the air was being killed by nature?	☐	☐
Does the thought of breathing in dust and the accompanying dust mites bother you?	☐	☐
Would you be more comfortable if you didn't have to worry about them?	☐	☐
Do you find yourself spraying "air fresheners" or "air deodorizer" around the house before company arrives?	☐	☐
Would it be nice not to worry about it?	☐	☐
Does tobacco smoke bother or irritate anyone?	☐	☐
Would you like to reduce or eliminate that irritation?	☐	☐
Are there ever cooking odors which linger?	☐	☐
Would you like to be able to control them?	☐	☐
Do animal odors ever build up?	☐	☐
Would you like it if that didn't happen?	☐	☐
Would you like to try the LIVING AIR PURIFIER in your home for a couple of days at no cost or obligation?	☐	☐
After you have tried it, if the LIVING AIR PURIFIER has significantly improved your indoor air quality, would it be worth between \$ _____ and \$ _____ (plus tax and shipping) to keep it in your home forever?	☐	☐

Complaint

EXHIBIT B

TO OUR CUSTOMERS			
You can help. News of our products is spread by word-of-mouth, and by referrals. Please help by referring me to some people you know who would enjoy the benefits of a LIVING AIR PURIFICATION SYSTEM in their home or place of business. Think of: Friends, relatives, business associates, neighbors, merchants—and others you know well. And, who do you know out of town? In other parts of the country?			
NAME		ADDRESS	
ADDRESS		RES. PHONE	
CITY	STATE	ZIP	WORK PHONE
WORK		OCCUPATION	HOW LONG
CHILDREN	AGES	AT HOME	PETS
NEEDS			
NOTES			

Complaint

120 F.T.C.

EXHIBIT B



LIVING AIR

*Building a stronger America using the
old fashioned work ethic and the latest
technology helping each other to benefit—
Just the way it should be!*



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 San Francisco 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, their attorney, 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, or that the facts as alleged in such complaint, other than jurisdictional facts, are true 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 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 issues its complaint, makes the following jurisdictional findings and enters the following order:

1. Respondent Alpine Industries, Inc. is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Tennessee, with its office and principal place of business located in the City of Blaine, State of Minnesota.

Respondent Living Air Corp. is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Tennessee, with its office and principal place of business located in the City of Coon Rapids, State of Minnesota.

Respondent William J. Converse is an officer of said corporations. He formulates, directs, and controls the policies, acts

and practices of said corporations, and his principal office and place of business is located at Living Air Corp.'s 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

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

A. The term "*air cleaning product*" shall mean any product, equipment, or appliance designed or advertised to remove, treat, or reduce the level of any pollutant(s) in the air.

B. The terms "*indoor air pollutant(s)*" or "*pollutant(s)*" shall mean one or more of the following: formaldehyde, sulfur dioxide, ammonia, trichlorethylene, benzene, chloroform, carbon tetrachloride, odors, nitrogen dioxide, mold, mildew, bacteria, dust, cigarette smoke, pollen, and hydrocarbons, or any other gaseous or particulate matter found in indoor air.

C. The term "*competent and reliable scientific evidence*" shall mean 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.

I.

It is ordered, That respondents Alpine Industries, Inc. and Living Air Corp., corporations, their successors and assigns, and their officers; William J. Converse, individually and as an officer of Alpine Industries, Inc. and Living Air Corp.; and respondents' agents, representatives, and employees, directly or through any corporation, subsidiary, division or other device, in connection with the manufacturing, labelling, advertising, promotion, offering for sale, sale, or distribution of any air cleaning product 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,

- A. Such product's ability to eliminate, remove, clear, or clean any indoor air pollutant from a user's environment; or
- B. Such product's ability to eliminate, remove, clear, or clean any quantity of indoor air pollutants from a user's environment;

unless, at the time of making such representation, respondents possess and rely upon competent and reliable scientific evidence that substantiates the representation.

II.

It is further ordered, That respondents Alpine Industries, Inc. and Living Air Corp., corporations, their successors and assigns, and their officers; William J. Converse, individually and as an officer of Alpine Industries, Inc. and Living Air Corp.; and respondents' agents, representatives, and employees, directly or through any corporation, subsidiary, division or other device, in connection with the manufacturing, labelling, advertising, promotion, offering for sale, sale, or distribution of any air cleaning product 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:

- A. The use of ozone is more effective in cleaning or purifying indoor air than other air cleaning methods;
- B. The product does not create harmful by-products; or
- C. When used as directed, the product prevents or provides relief from any medical or health-related condition;

unless at the time of making such representation, respondents possess and rely upon competent and reliable scientific evidence that substantiates the representation.

III.

It is further ordered, That respondents Alpine Industries, Inc. and Living Air Corp., corporations, their successors and assigns, and their officers; William J. Converse, individually and as an officer of Alpine Industries, Inc. and Living Air Corp.; and respondents' agents,

representatives and employees, directly or through any corporation, subsidiary, division or other device, in connection with the manufacturing, labelling, advertising, promotion, offering for sale, sale, or distribution of any air cleaning product 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, the efficacy, performance, or health-related benefit of any such product, 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 the representation.

IV.

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.

V.

It is further ordered, That respondents shall notify the Commission at least thirty (30) days prior to any proposed change in the corporate respondents 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 corporations which may affect compliance obligations arising out of this order.

VI.

It is further ordered, That the individual respondent shall, for a period of five (5) years after the date of service of this order upon him, promptly notify the Commission, in writing, of his discontinuance of his present business or employment and of his affiliation with a new business or employment. For each such new affiliation, the notice shall include the name and address of the new business or employment, a statement of the nature of the new business or employment, and a description of respondent's duties and responsibilities in connection with the new business or employment.

VII.

It is further ordered, That the corporate respondents shall, within ten (10) days from the date of service of this order upon them, distribute a copy of this order to each of their officers, agents, representatives, independent contractors, and employees involved in the preparation and placement of advertisements or promotional materials, or who is in communication with customers or prospective customers, or who has any responsibilities with respect to the subject matter of this order; and for a period of three (3) years, from the date of issuance of this order, distribute a copy of this order to all of respondents' future such officers, agents, representatives, independent contractors, and employees.

VIII.

It is further ordered, That the corporate respondents shall, within ten (10) days from the date of service of this order upon them, deliver by first class mail or in person a copy of this order or Attachment A to each of their present distributors or retailers of their ozone generators.

IX.

This order will terminate on September 22, 2015, or twenty years from the most recent date that the United States or the Federal Trade Commission files a complaint (with or without an accompanying

consent decree) in federal court alleging any violation of the order, whichever comes later; provided, however, that the filing of such a complaint will not affect the duration of:

A. Any paragraph in this order that terminates in less than twenty years;

B. This order's application to any respondent that is not named as a defendant in such complaint; and

C. This order if such complaint is filed after the order has terminated pursuant to this paragraph.

Provided further, that if such complaint is dismissed or a federal court rules that the respondent did not violate any provision of the order, and the dismissal or ruling is either not appealed or upheld on appeal, then the order will terminate according to this paragraph as though the complaint was never filed, except that the order will not terminate between the date such complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

X.

It is further ordered, That respondents shall, within sixty (60) days from the date of 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.

ATTACHMENT A

[To Be Printed on company letterhead]

[date]

Dear [distributor]:

Alpine Industries, Inc. and Living Air Corp. recently settled a civil dispute with the Federal Trade Commission ("FTC") regarding certain claims for our product, the Living Air Model XL15 ozone generator. As a part of the settlement, we are required to make sure that our distributors and wholesalers stop using or distributing advertisements or promotional materials containing those claims.

We have entered into this agreement to resolve a dispute with the FTC on certain claims it contends are not substantiated. The agreement entered into is not an admission that we have violated the law. However, as part of the agreement, we will not be making certain claims unless they are supported by competent and reliable scientific evidence.

Your assistance will be greatly appreciated in fulfilling the terms of the agreement. We have agreed not to make the following claims unless we have competent and reliable scientific evidence: 1) that the product eliminates or clears indoor air pollutants; 2) that the product creates no harmful by-products; 3) that the product provides relief from specific medical or health-related conditions; and 4) that the use of ozone is more effective in cleaning or purifying indoor air than other air cleaning products such as filters.

We ask each of our dealers, distributors, and sales managers to cooperate with us to ensure that no current advertising or promotional material makes these claims. Again, your assistance in this regard will be greatly appreciated.

Sincerely,

William J. Converse
President
Alpine Industries, Inc., and
Living Air Corp.

Complaint

120 F.T.C.

IN THE MATTER OF

QUANTUM ELECTRONICS CORPORATION, ET AL.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SEC. 5 OF THE FEDERAL TRADE COMMISSION ACT*Docket C-3615. Complaint, Sept. 22, 1995--Decision, Sept. 22, 1995*

This consent order prohibits, among other things, the Rhode Island-based company and its principal officers from making unsubstantiated claim about the ability of any air cleaning product to eliminate, remove, clear or clean any indoor air pollutant -- or any quantity of indoor air pollutants -- from a user's environment.

Appearances

For the Commission: *Kerry O'Brien, Linda Badger, Jeffrey Klurfeld and Joan Bernstein.*

For the respondents: *Kevin Brill, Corrente, Brill & Kusinitz, Ltd., Providence, R.I.*

COMPLAINT

The Federal Trade Commission, having reason to believe that Quantum Electronics Corporation, a corporation, and Albert O. Coates, Maurice Lepenven, and Jacqueline J. Maynard, individually and as officers of said 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. Respondent Quantum Electronics Corporation is a Rhode Island corporation, with its principal office or place of business at 110 Jefferson Blvd., Warwick, Rhode Island.

Respondent Albert O. Coates is an officer of the corporate respondent. Individually or in concert with others, he formulates, directs and controls the acts and practices of the corporate respondent, including the acts and practices alleged in this complaint. His principal office or place of business is the same as that of the corporate respondent.