

Complaint

121 F.T.C.

IN THE MATTER OF

STARWOOD ADVERTISING, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SEC. 5 OF THE FEDERAL TRADE COMMISSION ACT*Docket C-3654. Complaint, May 2, 1996--Decision, May 2, 1996*

This consent order prohibits, among other things, a Colorado-based advertising agency and its officer from using deceptive demonstrations and certain other misrepresentations in future advertising campaigns.

Appearances

For the Commission: *Toby M. Levin* and *Dean Forbes*.

For the respondents: *Aaron Locker, Locker, Greenberg & Brainin*, New York, N.Y.

COMPLAINT

The Federal Trade Commission, having reason to believe that Starwood Advertising, Inc., a corporation, and Les Towne, individually and as an officer 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 Starwood Advertising, Inc., is a Colorado corporation, with its principal office or place of business at 600 North Starwood Drive, Aspen, Colorado.

Respondent Les Towne 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.

PAR. 2. Respondent Starwood Advertising, Inc. is now, and has been at all times relevant to this complaint, an advertising agency of Azrak-Hamway International, Inc. Respondents have prepared and disseminated advertisements to promote the sale of the Steel Tec Steel Construction System line of toys ("Steel Tec toys").

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 prepared and disseminated or have caused to be disseminated advertisements for Steel Tec toys, including but not necessarily limited to the attached Exhibits A-D. These advertisements contain the following statements and depictions:

A. [Exhibit A, Television Advertisement]

[Audio] "Born out of steel and forging the way, the Steel Tec Construction System. Get a grip on the Power Wrench, feel the magnetic force. Because no matter how high, no matter how fast, no matter how powerful, or no matter how monstrous your imagination might be, Steel Tec is the beginning of creation."

This television advertisement contains depictions of the Steel Tec motorized helicopter, "Formula 1" race car, and "Off Road Super Sport" vehicle operating on their own power without human assistance, including the following scenes:

1. One sequence depicts an assembled Steel Tec motorized helicopter hovering, with propellers and rear rotors spinning, then ascending. The audio portion simulates the sound of a helicopter in flight, including the sound of propellers spinning.
2. Another sequence depicts an assembled Steel Tec Formula 1 race car driving at a rapid pace on a grated surface.
3. Another sequence depicts a rear wheel of an assembled Steel Tec Off Road Super Sport vehicle spinning and peeling out from a pile of dirt or sand. The ad then cuts to a scene of the Steel Tec Off Road Super Sport vehicle driving and bounding over a dirt or sand covered surface.

B. [Exhibit B, Television Advertisement]

[Audio] "Born out of steel and forging the way, the Steel Tec Construction System. Get a grip on the Power Wrench, feel the magnetic force. . . . Steel Tec powerful. Steel Tec cool as chrome. With Harley-Davidson. Steel Tec, the beginning of creation."

This television advertisement contains depictions of the Steel Tec "Sand Buggy" vehicle, and "Harley-Davidson® Electra Glide" motorcycle operating on their own power without human assistance, including the following scenes:

1. One sequence depicts a rear wheel of an assembled Steel Tec Sand Buggy vehicle spinning and peeling out from a pile of dirt or sand. The ad then cuts to a scene of the Steel Tec Sand Buggy vehicle driving over a dirt or sand covered surface and leaving a cloud of dust behind.
2. Another sequence depicts the rear wheel of an assembled Steel Tec Harley-Davidson® Electra Glide motorcycle spinning and peeling out from a pile of dirt or sand. The audio portion simulates the sound of a motorcycle revving up. The ad then cuts to a scene showing the Steel Tec Harley-Davidson® Electra Glide

motorcycle driving on two wheels on a dirt or sand covered surface. The audio portion of the ad simulates the sound of a motorcycle being driven.

C. [Exhibit C, Television Advertisement]

[Audio] "Now for a limited time, Steel Tec's Value Packed Power Command Workshop. Complete with a Steel Tec Power Wrench, storage case and all the tools and parts you need to get your dreams off the ground."

This television advertisement contains depictions of the Steel Tec "Hypersonic Fighter" plane operating on its own power without human assistance, including the following scene:

1. One sequence depicts an assembled Steel Tec Hypersonic Fighter plane flying across the television screen. The audio portion simulates the sound of a jet plane in flight.

2. A small print video-only disclosure states, "Product Does Not Fly Without Assistance."

D. [Exhibit D, Television Advertisement]

[Audio] "Born out of steel and forging the way, the Steel Tec Construction System. Get a grip on the Power Wrench, feel the magnetic force. Because no matter how fast, no matter how powerful, no matter how massive, or no matter how high your imagination might be, Steel Tec is the beginning of creation."

This television advertisement contains depictions of the Steel Tec "Off road Super Sport," "Dozer," "Dump Truck," and motorized helicopter operating on their own power without human assistance, including the following scenes:

1. One sequence depicts a rear wheel of an assembled Steel Tec Off Road Super Sport vehicle spinning and peeling out from a pile of dirt or sand. The ad then cuts to a scene of the Steel Tec Off Road Super Sport vehicle driving and bounding over a dirt or sand covered surface.

2. Another sequence depicts an assembled Steel Tec Dozer vehicle driving forward and pushing a pile of dirt or sand on a dirt or sand covered surface.

3. Another sequence depicts an assembled Steel Tec Dump Truck vehicle driving in reverse and then stopping, and its dump body raising, tilting back, and dumping a full load of miniature canisters.

4. Another sequence depicts an assembled Steel Tec motorized helicopter hovering, with propellers and rear rotors spinning, then ascending. The audio portion simulates the sound of a helicopter in flight, including the sound of propellers spinning.

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

A. Motorized helicopter hovering, with propellers and rear rotors spinning, then ascending;

B. Formula 1 race car driving at a rapid pace on a grated surface;

C. Off Road Super Sport vehicle peeling out from a pile of dirt or sand and then driving and bounding over a dirt or sand covered surface;

D. Sand Buggy vehicle peeling out from a pile of dirt or sand and then driving over a dirt or sand covered surface, leaving a cloud of dust behind;

E. Harley-Davidson® Electra Glide motorcycle peeling out from a pile of dirt or sand, and driving on two wheels on a dirt or sand covered surface;

F. Hypersonic Fighter plane flying;

G. Dozer vehicle driving forward and pushing a pile of dirt or sand on a dirt or sand covered surface; and,

H. Dump Truck vehicle driving in reverse and then stopping, and its dump body raising, tilting back, and dumping a full load of miniature canisters

were unaltered and the results shown accurately represent the performance of the actual, unaltered Steel Tec motorized helicopter, Formula 1 race car, Off Road Super Sport vehicle, Sand Buggy vehicle, Harley-Davidson® Electra Glide motorcycle, Hypersonic Fighter plane, Dozer vehicle, and Dump Truck vehicle toys under the depicted conditions.

PAR. 6. In truth and in fact, the demonstrations in the television advertisements of the Steel Tec:

A. Motorized helicopter hovering, with propellers and rear rotors spinning, then ascending;

B. Formula 1 race car driving at a rapid pace on a grated surface;

C. Off Road Super Sport vehicle peeling out from a pile or sand and then driving and bounding over a dirt or sand covered surface;

D. Sand Buggy vehicle peeling out form a pile of dirt or sand and then driving over a dirt or sand covered surface, leaving a cloud of dust behind;

E. Harley-Davidson® Electra Glide motorcycle peeling out from a pile of dirt or sand, and driving on two wheels on a dirt or sand covered surface;

F. Hypersonic Fighter plane flying;

G. Dozer vehicle driving forward and pushing a pile of dirt or sand on a dirt or sand covered surface; and,

H. Dump Truck vehicle driving in reverse and then stopping, and its dump body raising, tilting back, and dumping a full load of miniature canisters

were not unaltered and the results shown did not accurately represent the performance of actual, unaltered Steel Tec motorized helicopter, Formula 1 race car, Off Road Super Sport vehicle, Sand Buggy vehicle, Harley-Davidson® Electra Glide motorcycle, Hypersonic Fighter plane, Dozer vehicle, and Dump Truck vehicle toys under the depicted conditions. Among other things, the Steel Tec:

1. Motorized helicopter was suspended in the air from monofilament wire and was moved by humans off camera to create the effects of hovering and ascending, and the propellers and rear rotors were spun manually by humans off camera to create the effect of motorized spinning;

2. Formula 1 race car was pulled and guided in a straight line by a monofilament wire held by humans off camera to create the effect of driving at a rapid pace on a grated surface;

3. Off Road Super Sport vehicle was pulled and guided by a monofilament wire held by humans off camera to create the effects of peeling out from a pile of dirt or sand, and driving and bounding over a dirt or sand covered surface;

4. Sand Buggy vehicle was pulled and guided by a monofilament wire operated by humans off camera to create the effects of peeling out from a pile of dirt or sand and driving over a dirt or sand covered surface;

5. Harley-Davidson® Electra Glide motorcycle was moved along the dirt or sand covered surface by humans off camera using a black tube connected to the side of the vehicle and recessed out of view from the camera to create the effects of peeling out and driving on a dirt or sand covered surface;

6. Hypersonic Fighter plane was moved along a horizontally suspended monofilament wire by humans off camera to create the effect of flying;

7. Dozer vehicle was pulled and guided by a monofilament wire held by humans off camera to create the effects of pushing a pile of dirt or sand and driving over a dirt or sand covered surface; and,

8. Dump Truck vehicle was pulled and guided by a monofilament wire held by humans off camera to create the effects of driving in reverse and stopping, and the dump body was pulled upward by a monofilament wire held by humans off camera to create the effect of dumping a load of miniature canisters.

Therefore, the representations set forth in paragraph five were, and are, false and misleading.

PAR. 7. Through the use of the statements and depictions contained in the advertisements referred to in paragraph four, including but not necessarily limited to the advertisements attached as Exhibits A-D, respondents have represented, directly or by implication, that the Steel Tec:

A. Motorized helicopter can hover and ascend, and its propellers and rotors can spin in a sustained manner without human assistance;

B. Formula 1 race car can drive at a rapid pace in a sustained and directed manner without human assistance;

C. Off Road Super Sport vehicle can peel out from a pile of dirt or sand and drive and bound over a dirt or sand covered surface in a sustained and directed manner without human assistance;

D. Sand Buggy vehicle can peel out from a pile of dirt or sand and drive on a dirt or sand covered surface in a sustained and directed manner without human assistance;

E. Harley-Davidson® Electra Glide motorcycle can peel out from a pile of dirt or sand and drive on a dirt or sand covered surface in a sustained and directed manner without human assistance;

F. Hypersonic Fighter plane can fly in a sustained and directed manner without human assistance;

G. Dozer vehicle can push dirt or sand and drive on a dirt or sand covered surface in a sustained and directed manner without human assistance; and,

H. Dump Truck vehicle can drive in reverse, stop, raise the dump body, tilt it back, and then dump its load without human assistance.

PAR. 8. In truth and in fact, the Steel Tec:

A. Motorized helicopter cannot hover and ascend, and its propellers and rotors cannot spin in a sustained manner without human assistance;

B. Formula 1 race car cannot drive at a rapid pace in a sustained and directed manner without human assistance;

C. Off Road Super Sport vehicle cannot peel out from a pile of dirt or sand and drive and bound over a dirt or sand covered surface in a sustained and directed manner without human assistance;

D. Sand Buggy vehicle cannot peel out from a pile of dirt or sand and drive on a dirt or sand covered surface in a sustained and directed manner without human assistance;

E. Harley-Davidson® Electra Glide motorcycle cannot peel out from a pile of dirt or sand and drive on a dirt or sand covered surface in a sustained and directed manner without human assistance;

F. Hypersonic fighter plane cannot fly in a sustained and directed manner without human assistance;

G. Dozer vehicle cannot push dirt or sand and drive on a dirt or sand covered surface in a sustained and directed manner without human assistance; and,

H. Dump Truck vehicle cannot drive in reverse, stop, raise the dump body, tilt it back, and then dump its load without human assistance.

Therefore, the representations set forth in paragraph seven were, and are, false and misleading.

PAR. 9. Through the use of the statements and depictions contained in the advertisements referred to in paragraph four, including but not necessarily limited to the advertisements attached as Exhibits A-D, respondents have represented, directly or by implication, that the Steel Tec Off Road Super Sport vehicle, Sand Buggy vehicle, Harley-Davidson® Electra Glide motorcycle, Dozer vehicle, and Dump Truck vehicle can be used on dirt, sand, and similar surfaces.

PAR. 10. In truth and in fact, the Steel Tec Off Road Super Sport vehicle, Sand Buggy vehicle, Harley-Davidson® Electra Glide motorcycle, Dozer vehicle, and Dump Truck vehicle cannot be used on dirt, sand, and similar surfaces. The "Helpful Hints Manual" accompanying these products states, "OPERATE YOUR VEHICLE ON A SMOOTH, DRY SURFACE ONLY. NEVER OPERATE YOUR VEHICLE ON GRASS, DIRT, SAND, CARPET OR WATER AS THIS MAY RESULT IN DAMAGE TO YOUR VEHICLE." Therefore, the representation set forth in paragraph nine was, and is, false and misleading.

PAR. 11. Respondents knew or should have known that the representations set forth in paragraphs five, seven, and nine were, and are, false and misleading.

PAR. 12. 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.

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EXHIBIT A

TV

PRODUCT	STEEL TEC CONSTRUCTION TOYS	EXHIBIT A	PA-16014-M
TITLE	"BORN OUT OF STEEL"		
PROGRAM	FULL HOUSE	11/24/94	.30
STATION	WPX (NEW YORK)		6 25PM
	REVISION OF COMMERCIAL 94-11819		



(MUSIC) ANNCR: Born out of steel



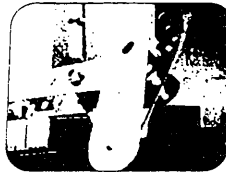
and forging the way



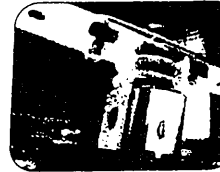
the, Steel Tec Construction System.



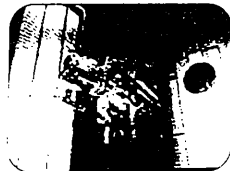
Get a grip on the Power Wrench.



feel the magnetic force.



(MUSIC)



Because no matter how high, (SFX: IN & OUT) no matter how fast,



(SFX: IN & OUT) no matter how powerful,



or no matter how



monstrous your imagination might be.



(MUSIC)



Steel Tec is the beginning of creation. (MUSIC OUT)

ALSO AVAILABLE IN COLOR VIDEO-TAPE CASSETTE

While Radio TV Express undertakes to ensure the accuracy of material supplied by it, it cannot be responsible for errors in or omissions.
 Material supplied by Radio TV Express may be used for the said reference purposes only. It may not be reproduced, sold or publicly demonstrated or exhibited.

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EXHIBIT B



PRODUCT	STEEL TEC CONSTRUCTION SYSTEMS	EXHIBIT B	
TITLE	"BORN OUT OF STEEL"		
PROGRAM	FULL HOUSE	11/24/94	30
STATION	WPIX	(NEW YORK)	6:25PM
	REVISION OF COMMERCIAL 94-15833		



(MUSIC) (SFX: IN & OUT)



ANNCR: Born out of steel



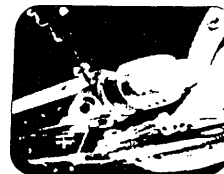
and forging the way, the Steel Tec Construction System.



Get a grip on the Power Wrench.



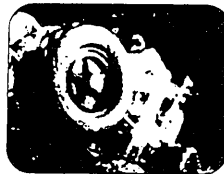
Feel the magnetic force.



Let your imagination soar with the U.S.S. Enterprise.



from Star Trek The Next Generation.



Steel Tec powerful.



(MUSIC)



Steel Tec cool as chrome. (SFX: IN) With Harley Davidson.



Steel Tec.



the beginning of creation. (MUSIC OUT) (SFX: IN & OUT)

ALSO AVAILABLE IN COLOR VIDEO-TAPE CASSETTE
 While Radio TV Experts endeavor to ensure the accuracy of material supplied by L. J. Carter, it cannot be responsible for errors in its contents.
 Material furnished by Radio TV Experts, even for editorial and reference purposes only, is not to be reproduced, sold or publicly disseminated or exhibited.

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EXHIBIT C

TV

TITLE: VALUE PACKED POWER COMMAND WORKSHOP
 PROGRAM: FULL HOUSE
 STATION: WPH (NEW YORK)

02/09/95
 6:27PM



(MUSIC)



ANNCR: Now for a limited time.



Steel Tec's Value Packed Power Command Workshop.



(MUSIC)



Complete with a Steel Tec power wrench, storage case



and all the tools and parts you need to get your dreams off the ground. (MUSIC OUT)

ALSO AVAILABLE IN COLOR VIDEO-TAPE CASSETTE

While Radio TV Experts endeavor to ensure the accuracy of material supplied by it, it cannot be responsible for inaccuracies or omissions.
 Material supplied by Radio TV Experts may be used for the most relevant purposes only. It may not be reproduced, sold or publicly demonstrated or exhibited.

EXHIBIT D

[Television Advertisement]

[Announcer]: "Born out of steel and forging the way, the Steel Tec Construction System. Get a grip on the Power Wrench, feel the magnetic force. Because no matter how fast, no matter how powerful, no matter how massive, or no matter how high your imagination might be, Steel Tec is the beginning of creation."

This television advertisement contains depictions of the Steel Tec "Off Road Super Sport," "Dozer," "Dump Truck," and motorized helicopter operating on their own power without human assistance, including the following scenes:

1. One sequence depicts a rear wheel of an assembled Steel Tec Off Road Super Sport vehicle spinning and peeling out from a pile of dirt or sand. The ad then cuts to a scene of the Steel Tec Off Road Super Sport vehicle driving and bounding over a dirt or sand covered surface.
2. Another sequence depicts an assembled Steel Tec Dozer vehicle driving forward and pushing a pile of dirt or sand on a dirt or sand covered surface.
3. Another sequence depicts an assembled Steel Tec Dump Truck vehicle driving in reverse and then stopping, and its dump body raising, tilting back, and dumping a full load of miniature canisters.
4. Another sequence depicts an assembled Steel Tec motorized helicopter hovering, with propellers and rear rotors spinning, then ascending. The audio portion simulates the sound of a helicopter in flight, including the sound of propellers spinning.

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 the complaint which the Bureau of Consumer Protection proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act; and

The respondents, their attorney, and counsel for the Commission having thereafter executed an agreement containing a consent order, and 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 described in Section 2.34 of the Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings and enters the following order:

1. Respondent Starwood Advertising, Inc. is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Colorado, with its office and principal place of business at 600 North Starwood Drive, Aspen, Colorado.

Respondent Les Towne is an officer of said corporation. He formulates, directs, and controls the policies, acts and practices of said corporation and his 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

I.

It is ordered, That respondents, Starwood Advertising, Inc., a corporation, its successors and assigns, and its officers, and Les Towne, individually and as an officer of said corporation, and respondents' agents, representatives and employees, directly or through any corporation, subsidiary, division or other device, in connection with the advertising, promotion, offering for sale, sale, or distribution of any toy in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

A. In connection with any advertisement or package depicting a demonstration, experiment or test depicted in the advertisement or package proves, demonstrates or confirms any material quality, feature or merit of any toy when such demonstration, picture, experiment or test does not prove, demonstrate or confirm the representation for any reason, including but not limited to:

1. The undisclosed use or substitution of a material mock-up or prop;
2. The undisclosed material alteration in a material characteristic of the advertised toy or any other material prop or device depicted in the advertisement; or
3. The undisclosed use of a visual perspective or camera, film, audio or video technique;

that, in the context of the advertisement as a whole, materially misrepresents a material characteristic of the advertised toy or any other material aspect of the demonstration or depiction.

Provided, however, that notwithstanding the foregoing, nothing in this order shall be deemed to otherwise preclude the use of fantasy segments or prototypes which use otherwise is not deceptive.

Provided further, however, that it shall be a defense hereunder that respondents neither knew nor had reason to know that the demonstration, experiment or test did not prove, demonstrate or confirm the representation.

B. Misrepresenting, directly or by implication, any performance characteristic of any toy.

II.

It is further ordered, That for three (3) years after the last date of dissemination of any representation covered by this order, respondent Starwood Advertising, Inc., or its successors and assigns, shall maintain and upon request make available to the Federal Trade Commission or its staff for inspection and copying:

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

B. Any and all videotapes, in complete as well as unedited form, and any and all still photographs taken during the production of any advertisement depicting a demonstration, experiment, or test;

C. Any and all affidavits or certifications submitted by an employee, agent or representative of respondent to a television network or to any other individual or entity, other than counsel for respondent, which affidavit or certification affirms the accuracy or integrity of a demonstration or demonstration techniques contained in an advertisement; and

D. Any toy involved in such representation.

III.

It is further ordered, That respondent Starwood Advertising, Inc. shall, within thirty (30) days after its service, distribute a copy of this order to each of its operating divisions and to each officer, agent and personnel responsible for the preparation, review or placement of advertising, or other materials covered by this order and shall secure from each such person a signed statement acknowledging receipt of this order.

IV.

It is further ordered, That respondent Les Towne shall, for a period of ten (10) years from the date of entry of this order, notify the Commission within thirty (30) days of the discontinuance of his present business or employment and of his affiliation with any new

business or employment. Each such notice of affiliation with any new business or employment shall include the respondent's new business address and telephone number, current home address, and a statement describing the nature of the business or employment and his duties and responsibilities.

V.

It is further ordered, That respondent Starwood Advertising, Inc. shall notify the Federal Trade Commission at least thirty (30) days prior to any proposed change in its corporate structure, including but not limited to dissolution, assignment, or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries or affiliates, the planned filing of a bankruptcy petition, or any other corporate change that may affect compliance obligations arising out of this order.

VI.

This order will terminate on May 2, 2016, or twenty (20) 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.

VII.

It is further ordered, That respondents shall, within sixty (60) days after service of this order, and at such other times as the Federal Trade 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

AMOCO OIL COMPANY

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

Docket C-3655. Complaint, May 7, 1996--Decision, May 7, 1996

This consent order requires, among other things, the Chicago-based corporation to possess competent and reliable scientific evidence to substantiate claims regarding the environmental benefits, engine performance, power, acceleration, or engine cleaning ability of any gasoline.

Appearances

For the Commission: *Michael Dershowitz and Sidney N. Knight.*

For the respondent: *Elroy H. Wolff, Sidley & Austin, Washington, D.C. and James M. Amend, Kirkland & Ellis, Chicago, IL.*

COMPLAINT

The Federal Trade Commission, having reason to believe that Amoco Oil Company, a corporation, hereinafter sometimes referred to as 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 Amoco Oil Company is a Maryland corporation, with its offices and principal place of business located at 200 East Randolph Drive, Chicago, Illinois.

PAR. 2. Respondent Amoco Oil Company has advertised, offered for sale, sold, and distributed gasoline and other petroleum products including Amoco Silver 89 octane gasoline, and Amoco Ultimate 92 and 93 octane gasolines.

PAR. 3. The acts and practices of respondent 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. Respondent has disseminated or caused to be disseminated advertisements for Amoco Silver and Amoco Ultimate