

Complaint

IN THE MATTER OF

THE BLACK & DECKER CORPORATION, ET AL.

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

Docket C-4000; File No. 0023194

Complaint, February 8, 2001--Decision, February 8, 2001

This consent order addresses claims on certain packaging and labeling for lockset products, including locksets, deadbolts, knobs, and handles marketed by Respondent Kwikset Corporation -- a wholly-owned subsidiary of Respondent The Black & Decker Corporation -- that such products are all or virtually all made in the United States. The order, among other things, prohibits the respondents from misrepresenting the extent to which any Kwikset lockset is made in the United States, while permitting the respondents to represent that such products are made in the United States as long as all, or virtually all, of the components of the products are of United States origin, and all, or virtually all, of the labor in manufacturing them is performed in the United States. The order also prohibits the respondents from representing that their products are "All American Made" or "All American Made and Proud of it" or otherwise entirely made in the United States, unless such products are in fact one hundred percent made in the United States.

Participants

For the Commission: *Laura D. Koss, Walter C. Gross, Elaine D. Kolish, and Keith B. Anderson.*

For the Respondents: *Mary L. Azcuenaga and Joan Heim, Heller Ehrman.*

COMPLAINT

The Federal Trade Commission, having reason to believe that The Black & Decker Corporation and Kwikset Corporation ("respondents") have violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that this proceeding is in the public interest, alleges:

Complaint

1. Respondent The Black & Decker Corporation is a Maryland corporation with its principal office or place of business at 701 East Joppa Road, Towson, Maryland 21286.
2. Respondent Kwikset Corporation is a California corporation with its principal office or place of business at 1 Park Place, Suite No. 1000, Irvine, California 92714. Kwikset Corporation is a wholly owned subsidiary of The Black & Decker Corporation.
3. Respondents have manufactured, advertised, labeled, offered for sale, sold, and distributed products to the public, including residential locks and lock systems.
4. 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.
5. Respondents have disseminated or have caused to be disseminated advertising and packaging for certain of its Kwikset products, including but not necessarily limited to the attached Exhibits A through H. The advertising and packaging contain the following statements or depictions:

Advertising**A. Kwikset Web site, Exhibit A**

“Headquartered in Irvine, California, Kwikset produces all of its products in the United States at four manufacturing facilities, employing more than 2,700 people.”

B. Kwikset brochure, Exhibit B

“Kwikset Quality . . . *Made in the U.S.A.”

C. Kwikset Titan brochure, Exhibit C

Complaint

“TITAN products are the most durable Grade 2 locksets made in America.” and

“TITAN Quality . . . *Made in the U.S.A.”

D. Kwikset Plus brochure, Exhibit D

“Kwikset PLUS Quality . . . *Made in the U.S.A.”

E. Kwikset Product Selector Guide, Exhibit E

“Made in U.S.A.”

Packaging

F. Kwikset Tylo Unkeyed Knobs (“Lockset”), Exhibit F

“All American Made” with star and stripes shield (on top, front, and side panel);

“ALL AMERICAN MADE AND PROUD OF IT” inside star and stripes shield (on inside flap); and

“Made and Printed in U.S.A.” (on bottom panel); and

In small print on side panel, the words “ASSEMBLED IN MEXICO.”

G. Kwikset Decorative Colonial Handle, Exhibit G

“Made in USA” on back of package.

H. Kwikset Sliding Door Lock, Exhibit H

“Made in USA” on back of package.

6. Through the means described in Paragraph 5, respondents have represented, expressly or by implication, that certain of its locks

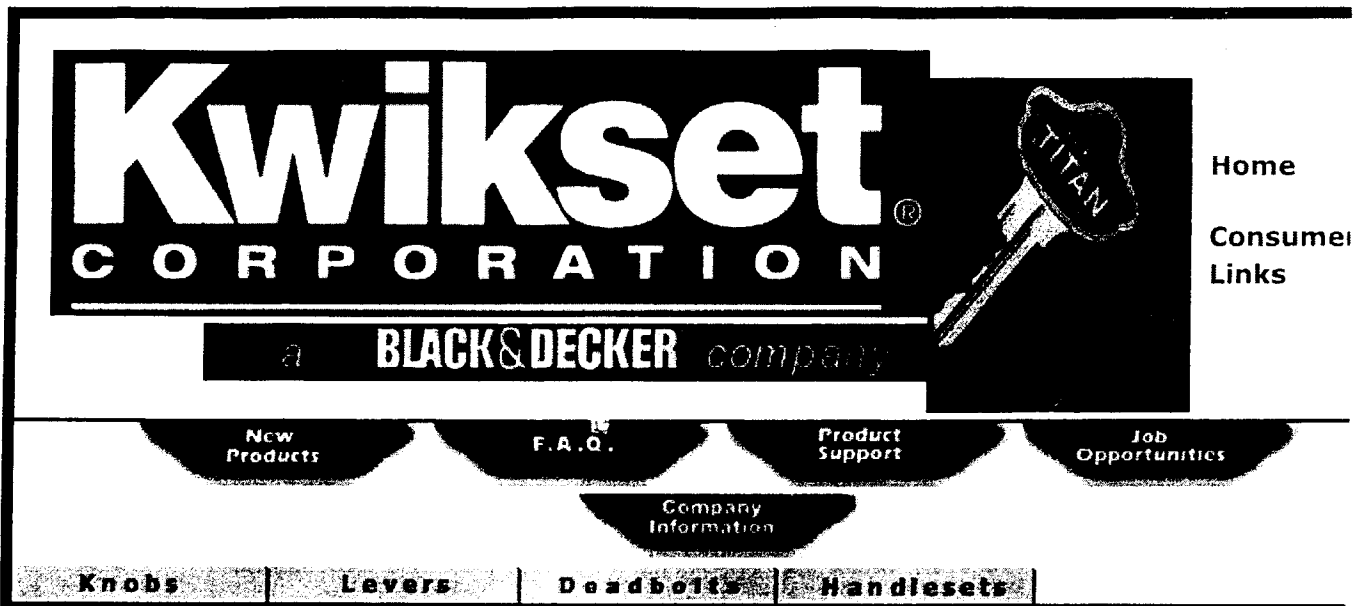
Complaint

and lock systems are made in the United States, *i.e.*, that all, or virtually all, of the component parts of such locks and lock systems are made in the United States, and that all, or virtually all, of the labor in manufacturing such locks and lock systems is performed in the United States.

7. In truth and in fact, a significant portion of the components of certain of respondents' locks and lock systems is, or has been, of foreign origin. Therefore, the representation set forth in Paragraph 6 was, and is, false or misleading.

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.

THEREFORE, the Federal Trade Commission this eighth day of February, 2001, has issued this complaint against respondents.



FOR IMMEDIATE RELEASE

Company background: Kwikset Corporation

As the largest manufacturer of residential locksets in the United States, Kwikset Corporation has been an industry leader since its founding in 1945.

Kwikset's long, successful track record of significant contributions to the industry has earned the company an unparalleled reputation for manufacturing products that offer customers superior quality and outstanding value. Ever since the company's founders, Adolf Schoepe and Karl Rhinehart, revolutionized the residential lockset industry when they invented the tubular design to replace the old-fashioned mortise lock, Kwikset has never looked back, maintaining a position of leadership within the industry. Since 1957, Kwikset has been the number one manufacturer of residential locksets.

A Black & Decker company since 1989, Kwikset markets products under the KWIKSET, TITAN and BLACK & DECKER brands. Its full line of residential door hardware includes: handlesets, knobsets, deadbolt locks, and leversets. Additionally, the company manufactures key-in-levers for the light commercial market.

Kwikset has long been a supporter of law enforcement and crime prevention groups. For many years, the company has distributed security demonstration kits free of charge for use in community education programs. Kwikset is also a supporter of the California Police Athletic Federation, which promotes better health and physical fitness among law enforcement personnel through amateur athletic competition.

The addition of the AccessOne Remote Lighting Module to TITAN's AccessOne line allows homeowners to get the most use out of their TITAN AccessOne remote control. The AccessOne Remote Lighting Module allows remote control activation of house lights and maximizes the capability of the AccessOne remote control. All AccessOne home security products utilize rolling code technology which prevents code-grabbers from gaining electronic access to the home. With more than four billion possible combinations, this technology provides the highest level of home security available.

The Society Brass Collection of handlesets, interior knobs and levers features elegant touches

and finishes which create a dramatic first impression for any door.

Headquartered in Irvine, California, Kwikset produces all of its products in the United States at four manufacturing facilities, employing more than 2,700 people.

Copyright © 1999 Kwikset Corporation. All rights

Kwikset

Kwikset, America's lockset leader, proudly presents its opening price-point line of security hardware, represented in the Kwikset product line. Here you'll find everything from knobs in a range of styles and finishes to quality, solid-forged entry handlesets. The line includes single- and double-cylinder deadbolts, one-sided deadbolts for residential and light commercial applications, plus three knob designs, and three newly redesigned solid-forged handlesets.

In the Kwikset product line you'll discover our commitment for over half a century of providing stylish function and quality products at an affordable price. All are easy to install in three simple steps and reversible to install on left- or right-handed doors.

Kwikset Knobs Exceptional Value

- Quality Products at Great Prices
- Traditional and Contemporary Styles
- Wide Selection of Finishes
- Versatile—Carrying a Matching Theme Throughout the Home

Kwikset Deadbolt Security

- Tough Protection at an Affordable Price
- Full 1" Throw Deadbolt
- Tapered Cylinder Guard Resists Wrenching
- Large Interior Turnpiece

Kwikset Quality

- 10 Year Mechanical Warranty
- 5 Year Finish Warranty
- Toll-Free Installation Hotline (1-800-327-LOCK)

~~Manufactured in the U.S.A.~~

Kwikset Convenience

- Full Range of Functions
- Fits Most Doors, Standard Door Preparation
- Reversible for Left- or Right-Handed Doors
- Easy 3-Step Installation

To help our customers gain an edge over the competition and increase profits, Kwikset offers knobsets, deadbolts and handlesets designed to protect and enhance any residential application. The 660 deadbolt is Kwikset's most popular deadbolt—quality product at a great price. Offering exceptional value is what has made Kwikset number one year after year.

The Kwikset line of products displays design variety complimented by an array of durable, beautiful finishes. With a premium on quality, not price, the opening price point locksets demonstrate how they mesh perfectly with any builders market.

We stand behind our products with a 10 year mechanical warranty and a 5 year finish warranty.

The Best Value Today



Over Fifty Years of Quality in Every Lock For over half a century, Kwikset Corporation has manufactured quality home security products that have earned it over five decades of industry leadership. It all began with entrepreneurs Adolf Schoepe and Karl Rhinehart.

1946 Schoepe and Rhinehart revolutionized residential lock design by pioneering a tubular lock—named “Kwikset” to underscore its speedy installation.

1948 A state-of-the-art manufacturing facility is constructed to meet post-war housing boom needs for a fast, dependable, and easily installed lockset.

1957 Kwikset merges with American Hardware Corporation (AHC) of New Britain, Conn. AHC leads the commercial and industrial lockset industry, while Kwikset continues to forge ahead with the residential market. Kwikset becomes the number one manufacturer of residential locksets, a title it has held ever since.



Builders and consumers nationwide choose Kwikset's best hardware, represented in the TITAN product line. Designed for the discriminating customer, **TITAN products are the most durable Grade 2 locksets made in America.** The line includes single- and double-cylinder, unbeatable-security deadbolts, plus six knob designs, five lever styles, and eight solid-forged handlesets.

All are keyed 6-pin for over 30,000 more keying combinations than standard 5-pin systems . . . which means greater security. The TITAN product line has been constructed with features that have come to represent greater durability and security than standard residential locksets.

TITAN Durability

- 200% more durable than Grade 3
- Nickel-Plated Bolt
- Steel Latch Face and Strike
- Steel Rack and Pinion
- Solid-Forged Construction
- Split Lock Washers
- Interior Torque Spring

TITAN Security

- Steel Anti-Pry Shield
- 6-Pin Cylinder
(Six times the security combinations)
- Professional Grade 2
(200% stronger than residential locksets)
- Heavy-Duty 1" Throw Steel Deadbolt
- Four 3" Hardened Steel Screws

TITAN Quality

- Lifetime Mechanical Warranty
- Lifetime Finish Warranty-
A Patented Lifetime Finish process option for entry locksets.
- Standard 10 Year Finish Warranty
- Toll-Free Installation Hotline
(1-800-327-LOCK)
- Made in the U.S.A.

TITAN Convenience

- Fits Most Doors
- Universal Keying
- Easy 3-Step Installation

Nothing comes close to TITAN strength, durability, convenience or styling. This line of hardware has passed the most stringent tests imposed by the American National Standards Institute (ANSI). TITAN achieves a Grade 2 rating—the highest performance rating in residential hardware.

TITAN quality begins with highly advanced engineering and design. Built with heavy-duty metal components and solid, tight-fitting construction, these products are the most durable you'll find. They're the easiest to install, too, with screw guides and factory preset screws. And they come equipped with front removable cylinders, so they're easy to rekey. TITAN has set a new standard of style, with designs to enhance a vast array of home decor.

We stand behind the TITAN line with a Lifetime mechanical warranty and a 10 year finish warranty. The optional Lifetime finish, achieved by a patented manufacturing process, ensures life-long performance and beauty.

The Gold Standard in Security



Over Fifty Years of Quality in Every Lock For over half a century, Kwikset Corporation has manufactured quality home security products that have earned it over five decades of industry leadership. It all began with entrepreneurs Adolf Schoepe and Karl Rhinehart.

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1957 Kwikset merges with American Hardware Corporation (AHC) of New Britain, Conn. AHC leads the residential and industrial lockset industry, while Kwikset

Kwikset

PLUS

Kwikset, America's lockset leader, proudly presents the Kwikset PLUS line of security hardware, with exciting new styles and features you've been wanting. Here you'll find everything from knobs in a range of styles and finishes to quality, solid-forged entry handlesets. The line includes single- and double-cylinder deadbolts, plus three knob designs, five lever designs including the three with keyed entry functions, and four solid-forged handlesets.

In the Kwikset PLUS product line you'll discover our commitment for over half a century of providing stylish function and quality products at an affordable price. Grade 3 keyed levers and Lifetime Finish option introduce convenience and durability features at an exceptional value.

Kwikset PLUS knobs, levers, and handlesets

- Quality Products at Great Prices
- Heavy-Duty Dual Torque Springs for Extra Durability
- Wide Selection of Finishes
- Levers with the Fit, Feel, and Improved Durability of Premium Levers

Kwikset PLUS Deadbolt Security

- Tough Protection at an Affordable Price
- Heavy-Duty Adjustable Bolt
- Full 1" Throw Deadbolt
- Large Interior Turnpiece Meets ADA Requirements

Kwikset PLUS Quality

- 25 Year Mechanical Warranty
- 5 Year Finish Warranty
- Optional Lifetime Finish Warranty
- Toll-Free Installation Hotline (1-800-327-LOCK)
- Made in the U.S.A.

Kwikset PLUS Convenience

- Full Range of Functions
- Fits Most Doors, Standard Door Preparation
- Easy 3-Step Installation

To help our customers gain an edge over the competition and increase profits, Kwikset PLUS offers knobsets, lever-sets, deadbolts, and handlesets designed to protect and enhance any residential application. The upgrade features in the lever series and durability components incorporated across the product line provide step-up options. Offering exceptional value is what has made Kwikset number one year after year.

The Kwikset PLUS line of products display design variety complimented by an array of durable, beautiful finishes. We stand behind our products with a 25 year mechanical warranty, 5 year finish warranty, and an optional Lifetime Finish warranty on selected styles.

A Better Value Lockset



Over Fifty Years of Quality in Every Lock For over half a century, Kwikset Corporation has manufactured quality home security products that have earned it over five decades of industry leadership. It all began with entrepreneurs Adolf Schoepe and Karl Rhinehart.

1946 Schoepe and Rhinehart revolutionized residential lock design by pioneering a tubular lock—named “Kwikset” to underscore its speedy installation.

1948 A state-of-the-art manufacturing facility is constructed to meet post-war housing boom needs for a fast, dependable, and easily installed lockset.

1957 Kwikset merges with American Hardware Corporation (AHC) of New Britain, Conn. AHC leads the commercial and industrial lockset industry, while Kwikset continues to forge ahead with the residential market. Kwikset becomes the number one manufacturer of residential locksets, a title it has held ever since.

Toll Free Installation Hotline: Call 800-327-2006

Kwikset

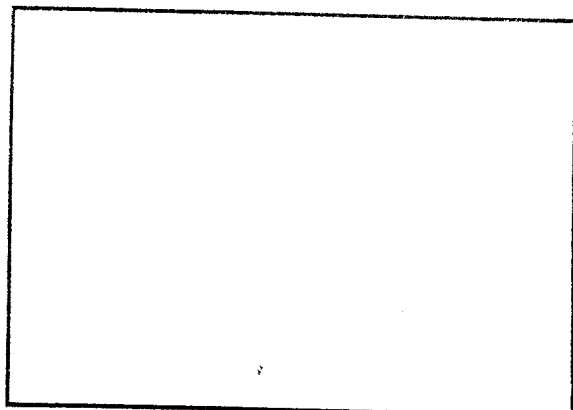
C O R P O R A T I O N

A BLACK & DECKER COMPANY

Customer Service

516 East Santa Ana Street

Anaheim, CA 92803-4280



Made in U.S.A.

Kwikset

**PRODUCT
SELECTOR
GUIDE**



Kwikset

TITANI



Kwikset Lockset

200T 3

TYLO

PASSAGE

0 42049 13330 1

ASSEMBLED IN MEXICO
T 04/04/00



America's
Largest Selling
Residential
Locksets

BLACK & DECKER

Kwikset
Lockset

BD84

Kwikset

A
BLACK & DECKER
COMPANY

KWIKSET CORPORATION
Madison, California, U.S.A.

America's
Largest Selling
Residential
Locksets



kwikset

Lockset

▲ BLACK DECKER

kwikset

Lockset

▲ BLACK DECKER

America's
Largest Selling
Residential
Locksets



FOR MORE FASHIONABLE DOORWAYS USE KWIKSET DECORATIVE HANDLES

Decorate your doorways by highlighting the beauty of the lockset design with Kwikset Decorative Handles. They are custom-crafted from the finest materials and their lustrous finishes are protected with Kwikset's durable coating to assure lasting beauty.

The use of this inexpensive styling feature will add a touch of elegance to entryways and give your home that distinctive difference. See the easy installation instructions below.

TO REMOVE YOUR EXISTING LOCKSET

Kwikset, Kwikset Plus, TITAN or Tubular Locksets

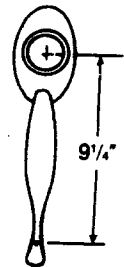
1. Remove interior screws.
2. Remove exterior and interior lockset assemblies.

Other types of cylindrical Locksets

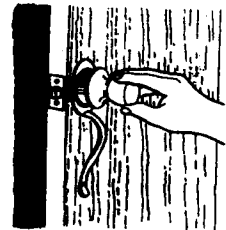
1. Depress slot or button in neck of interior knob and pull knob from spindle.
2. Snap off rose cover with screwdriver inserted in slot in rose.
3. Remove screws from mounting plate or liner and disengage lockset mechanism from latch by pulling straight out from door.

DECORATIVE HANDLE INSTALLATION INSTRUCTIONS

1. Remove Decorative Handle from card by tearing off protective film.
2. Measure from center hole where lockset was removed $9\frac{1}{4}"$ (235 mm) down door face and mark with pencil or other sharp instrument for drilling.
3. Drill $\frac{3}{16}"$ (8 mm) diameter hole through door.
4. Reassemble, insert lockset mechanism through center hole in decorative handle. Insert lockset stems through holes in installed latch. Press lockset and decorative handle flush against door.
5. Insert sex nut through bottom of handle and door, and secure with interior washer and screw provided.
6. Install interior knob assembly of lockset.



DECORATIVE HANDLE



Made in USA

Kwikset



SLIDING/POCKET DOOR LOCKS

Kwikset sliding door locks are distinctively styled from the finest material and can be installed onto pocket type sliding interior doors with a single cut in door edge. Both privacy Model No. 333 with locking turn button and non-locking passage Model No. 332 fit doors 1 3/4" thick.

Passage Lock Model No. 332

- For passage doors where locking is not required - plain front both sides
- Equipped with edge pull

INSTALLATION INSTRUCTIONS

1. Cut one simple notch in door	2. Slide lock into position as shown	3. A) Fasten machine screw which tightens and automatically aligns lock. B) Insert wood screw and tighten

18595-001

Kwikset

A • BLACKS BECKER COMPANY

KWIKSET CORPORATION
Anaheim, California U.S.A.

1-800-327-LOCK

Made in USA



0 42049 00329 1

© 1997 KWIKSET CORPORATION

Decision and Order

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 violations 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 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, 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 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 thirty (30) 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 The Black & Decker Corporation is a Maryland corporation with its principal office or place of business at 701 East Joppa Road, Towson, Maryland 21286.
2. Respondent Kwikset Corporation is a California corporation with its principal office or place of business at 1 Park Place, Suite No. 1000, Irvine, California 92714. Kwikset Corporation is a wholly owned subsidiary of The Black & Decker Corporation.

Decision and Order

3. 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 The Black & Decker Corporation and Kwikset Corporation, their successors and assigns, and their officers, agents, representatives, and employees, directly or through any corporation, subsidiary, division, or other device, in connection with the manufacturing, labeling, advertising, promotion, offering for sale, sale, or distribution of any Kwikset "lockset" product in or affecting commerce, as "commerce" is defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. § 44, shall not misrepresent, in any manner, directly or by implication, the extent to which any such product is made in the United States. For purposes of this order, Kwikset lockset product means any product that is manufactured or sold by Kwikset Corporation that is used to secure doors, including, but not limited to locksets, deadbolts, knobs and handles.

PROVIDED, however, that a representation that any such product is made in the United States will not be in violation of this order so long as all, or virtually all, of the component parts of such product are made in the United States and all, or virtually all, of the labor in manufacturing such product is performed in the United States.

PROVIDED FURTHER, that nothing in the order shall prohibit Kwikset Corporation from depleting the inventory of Kwikset lockset products bearing a marking or labeling otherwise prohibited by this order and existing on the date this order is signed, in the normal course of business, provided that no such existing inventory is shipped later than November 1, 2000.

Decision and Order

II.

IT IS FURTHER ORDERED that respondents The Black & Decker Corporation and Kwikset Corporation shall not in any labeling, packaging, advertisement, or promotional material for any Kwikset lockset product use the legend “All American Made,” “All American Made and Proud of it” or otherwise represent that a product is entirely made in the United States unless such product is in fact 100% made in the United States.

III.

IT IS FURTHER ORDERED that respondents The Black & Decker Corporation and Kwikset Corporation and their successors and assigns, shall, for five (5) years after the last date of dissemination of any representation covered by this order, maintain and upon request make available to the Federal Trade Commission for inspection and copying:

- A. All labeling, packaging, advertisements and promotional materials containing the representation;
- B. All materials that were relied upon in disseminating the representation; and
- C. All tests, reports, studies, surveys, demonstrations, or other evidence in their possession or control that contradict, qualify, or call into question the representation, or the basis relied upon for the representation, including complaints and other communications with consumers or with governmental or consumer protection organizations.

IV.

IT IS FURTHER ORDERED that respondent Kwikset Corporation, and its successors and assigns, shall deliver a copy of this order to all current and future officers and directors, and to all current and future employees, agents, and representatives having responsibilities with respect to the subject matter of this order, and

Decision and Order

shall secure from each such person a signed and dated statement acknowledging receipt of the order. Respondent Kwikset Corporation shall deliver this order to current personnel within thirty (30) days after the date of service of this order, and to future personnel within thirty (30) days after the person assumes such position or responsibilities.

V.

IT IS FURTHER ORDERED that respondents The Black & Decker Corporation and Kwikset Corporation, and their successors and assigns, shall notify the Commission at least thirty (30) days prior to any change in the corporation that may affect compliance obligations arising under this order, including but not limited to a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor corporation; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this order; the proposed filing of a bankruptcy petition; or a change in the corporate name or address. Provided, however, that, with respect to any proposed change in the corporation about which respondents learn less than thirty (30) days prior to the date such action is to take place, respondents shall notify the Commission as soon as is practicable after obtaining such knowledge. All notices required by this Part shall be sent by certified mail to the Associate Director, Division of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, Washington, D.C. 20580.

VI.

IT IS FURTHER ORDERED that respondents The Black & Decker Corporation and Kwikset Corporation, and their successors and assigns, shall, within sixty (60) days after the date of 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.

Decision and Order

VII.

This order will terminate on February 8, 2021, 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 this order if such complaint is filed after the order has terminated pursuant to this Part. Provided, further, that if such complaint is dismissed or a federal court rules that the respondents 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 Part as though the complaint had never been 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.

By the Commission.

Analysis

Analysis of Proposed Consent Order to Aid Public Comment

Issued when the Commission tentatively approved a proposed consent order on December 20, 2000

The Federal Trade Commission has accepted an agreement, subject to final approval, to a proposed consent order from respondents The Black & Decker Corporation and its wholly-owned subsidiary, Kwikset Corporation.

The proposed consent order has been placed on the public record for thirty (30) days for reception of comments by interested persons. Comments received during this period will become part of the public record. After thirty (30) days, the Commission will again review the agreement and the comments received and will decide whether it should withdraw from the agreement and take other appropriate action or make final the agreement's proposed order.

This matter concerns advertising, packaging, labeling, and promotional practices related to the sale of Kwikset Corporation's lockset products, including locksets, deadbolts, knobs, and handles. The Commission's complaint charges that respondents misrepresented on packaging and in advertising that certain Kwikset Corporation products are all or virtually all made in the United States. In truth and in fact, these products are actually made with significant foreign content and/or processing.

The proposed consent order contains a provision that is designed to remedy the charges and to prevent the respondents from engaging in similar acts and practices in the future. Part I of the proposed order prohibits Kwikset Corporation from misrepresenting the extent to which any Kwikset lockset is made in the United States. The order defines Kwikset lockset products as any product that is manufactured or sold by Kwikset Corporation that is used to secure doors, including but not limited to locksets, deadbolts, knobs, and handles. The proposed order would allow Kwikset Corporation to represent that such products are made in the United States as long as all, or virtually all, of the components of the products are of U.S. origin, and all, or virtually

Analysis

all, of the labor in manufacturing them is performed in the United States.

The proposed order also prohibits Kwikset Corporation from representing that its products are “All American Made” or “All American Made and Proud of it” or otherwise entirely made in the United States, unless such products are in fact 100% made in the United States.

Part II of the proposed order requires respondents to maintain materials relied upon in disseminating any representation covered by the order. Part III of the proposed order requires Kwikset Corporation to distribute copies of the order to certain company officials and employees. Part IV of the proposed order requires the respondents to notify the Commission of any change in the corporation that may affect compliance obligations under the order. Part V of the proposed order requires the respondents to file one or more compliance reports. Part VI of the proposed order is a provision whereby the order, absent certain circumstances, terminates twenty years from the date of issuance.

The purpose of this analysis is to facilitate public comment on the proposed consent order. It is not intended to constitute an official interpretation of the agreement and proposed order or to modify in any way their terms.

Complaint

IN THE MATTER OF

WINN-DIXIE STORES, INC.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATIONS OF
SEC. 7 OF THE CLAYTON ACT AND SEC. 5 OF THE
FEDERAL TRADE COMMISSION ACT*Docket C-4001; File No. 0110022**Complaint, February 14, 2001--Decision, February 14, 2001*

This consent order addresses the acquisition by Respondent Winn-Dixie Stores, Inc., which operates more than 1,000 supermarkets in fourteen southeastern states and the Bahamas, of supermarkets and other assets of Jitney-Jungle Stores of America, Inc., an operator -- before effecting a Chapter 11 bankruptcy filing -- of supermarkets, gas stations, and liquor stores in six southern states. The order, among other things, prohibits the respondent, for ten years, from acquiring any interest in four identified Jitney-Jungle supermarkets without the prior approval of the Commission. The order also requires the respondent, for ten years, to provide written notice to the Commission prior to acquiring any interest in a supermarket owner or operator, or any facility that has operated as a supermarket within the previous six months, located in any of the relevant geographic markets at issue. In addition, the order prohibits the respondent, for ten years, from entering into or enforcing any agreement that restricts the ability of any acquirer -- of any supermarket, leasehold interest in a supermarket, or interest in any retail location used as a supermarket within certain areas -- to operate a supermarket at that site, if such supermarket was formerly owned or operated by the respondent.

Participants

For the Commission: *Michael Joel Bloom, Dara J. Diomande, Barbara Anthony, James A. Fishkin, Phillip L. Broyles, Kenneth A. Libby, and Daniel P. Ducore.*

For the Respondent: *Christopher J. MacAvoy, Howrey, Simon, Arnold & White.*

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Clayton Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission ("Commission"),