Auburn, Ind.—Auburn-De Kalb Airport; VOR Runway 9, Amdt. 2; Revised.
Ely, Nev.—Ely-Yelland Field; VOR-A, Amdt. 1; Revised.
Indianapolis, Ind.—Indianapolis Brookside Airpark; VOR Runway 36, Amdt. 1; Revised.
Kingman, Ariz.—Kingman Municipal Airport; VOR Runway 21, Amdt. 1; Revised.
Lufkin, Tex.—Angelina County Airport; VOR Runway 33, Amdt. 10; Revised.

2. Section 97.31 is amended by establishing, revising, or canceling the following Radar SIAP's, effective March 23, 1972.

Montgomery, Ala.—Dannelly Field; Radar-1, Amdt. 5; Revised.

(Secs. 307, 313, 601, 1110, Federal Aviation Act of 1958; 49 U.S.C. 1438, 1354, 1421, 1510, sec. 6(c) Department of Transportation Act, 49 U.S.C. 1655(c) and 5 U.S.C. 552(a)(1))

Issued in Washington, D.C., on February 16, 1972.

NOTE: Incorporation by reference provisions in §§ 97.10 and 97.20 (35 F.R. 5610) approved by the Director of the Federal Register on May 12, 1969.

R. S. SLIFF,
Acting Director,
Flight Standards Service.

[FR Doc.72-2868 Filed 2-28-72;8:45 am]

Title 16—COMMERCIAL PRACTICES

Chapter I—Federal Trade Commission

[Docket No. 8846]

PART 13—PROHIBITED TRADE PRACTICES

Kustom Enterprises, Inc., et al.

Subpart—Advertising falsely or misleadingly: § 13.15 *Business status, advantages, or connections:* 13.15–30 Connections or arrangements with others; 13.15–190 Manufacturing nature; § 13.30 *Composition of goods:* 13.30–75 Textile Fiber Products Identification Act; § 13.70 *Fictitious or misleading guarantees;* § 13.73 *Formal regulatory and statutory requirements:* 13.73–90 Textile Fiber Products Identification Act; 13.73–92 Truth in Lending Act; § 13.75 *Free goods or services;* § 13.105 *Individual's special selection or situation;* § 13.155 *Prices:* 13.155–100 Usual as reduced, special, etc.; § 13.255 *Surveys.* Subpart—Misbranding or mislabeling: § 13.1185 *Composition:* 13.1185–80 Textile Fiber Products Identification Act; § 13.1212 *Formal regulatory and statutory requirements:* 13.1212–80 Textile Fiber Products Identification Act; § 13.1230 *Identity.* Subpart—Misrepresenting oneself and goods—Business status, advantages or connections: § 13.1395 *Connections and arrangements with others;* § 13.1485 *Manufacturer's operations;* Misrepresenting oneself and goods—Goods: § 13.1623 *Formal regulatory and statutory requirements:* 13.1623–95 Truth in Lending Act; § 13.1625 *Free goods or services;* § 13.1647 *Guarantees;* § 13.1663 *Individual's special selection or situation;* § 13.1757 *Surveys;* Misrepresenting oneself and goods—Prices: § 13.1825 *Usual as reduced or to be increased.* Subpart—Neglecting, unfairly or deceptively, to make material disclosure: § 13.1852 *Formal regulatory and statutory requirements:* 13.1852–70 Textile Fiber Products Identification Act; 13.1852–75 Truth in Lending Act; § 13.1892 Sales contract, right-to-cancel provision.

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended, 82 Stat. 146, 147, 72 Stat. 1717, 15 U.S.C. 45, 1601–1605, 70) [Cease and desist order, Kustom Enterprises, Inc., et al., Wheat Ridge, Colo., Docket No. 8846, Jan. 24, 1972]

In the Matter of Kustom Enterprises, Inc., a Corporation, and Joseph A. Padilla, Thomas M. Roth and Sherri Roth, Individually and as Officers of Said Corporation, and Marketing Enterprises, Inc., a Corporation, and Eugene DeWitt, and Julian Chavez, Individually and as Officers of Said Corporation

Order requiring two Wheat Ridge, Colo., corporations selling and distributing residential carpeting and carpet padding to cease using telephone calls or free gifts to gain access to the homes of prospective purchasers, misrepresenting that they are the exclusive franchisee of carpet manufacturers or that a prospect's home has been specially selected for a test installation, making deceptive guarantees, failing to disclose that the selling price of carpet is by the square yard, failing to give notice that any sales contract may be rescinded within 3 days, and negotiating any note to a finance company prior to midnight of the fifth day. Respondents are also required to make all disclosure required by Regulation Z of the Truth in Lending Act and comply with the misbranding and advertising provisions of the Textile Fiber Products Identification Act.

The order to cease and desist, including further order requiring report of compliance therewith, is as follows:

I. *It is ordered,* That respondents Kustom Enterprises, Inc., a corporation, and its successors and assigns, and its officers, and Joseph A. Padilla, Thomas M. Roth, and Sherri Roth, individually and as officers of said corporation, and respondents Marketing Enterprises, Inc., a corporation, and its successors and assigns, and its officers, and Eugene DeWitt and Julian Chavez, individually and as officers of said corporation, and respondents' agents, representatives, and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale, distribution, or installation of carpeting, carpet padding, or floor coverings, or any other products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication, that respondents are conducting a telephone survey when prospective purchasers are called by telephone; or representing, in any manner, that the purpose of said telephone calls is other than to obtain leads or prospects as to persons who may be interested in the purchase of carpeting, carpet padding, floor coverings, or other merchandise or services sold by respondents.

2. Representing, directly or by implication, that respondents' representatives will call on prospective purchasers in their homes for the purpose of delivery of a free gift; or misrepresenting, in any manner, the purpose of respondents' representatives' calls.

3. Failing to disclose to prospective purchasers that respondents' salesmen will call on them at their homes for the purpose of selling respondents' products.

4. Using, in any manner, a sales plan, telephone solicitation plan, scheme or device wherein false, misleading, or deceptive statements or representations are made in order to obtain leads or prospects for the sale of carpeting, carpet padding, floor coverings, or other merchandise or services.

5. Representing, directly or by implication, that respondents operate or do business as an exclusive franchisee of, or exclusive sales outlet for, the manufacturer of carpeting and carpet padding; or misrepresenting, in any manner, the nature, scope or character of respondents' business.

6. Representing, directly or by implication, that carpeting and carpet padding sold by respondents have been developed exclusively for their sales operations through a special manufacturing process by their franchising manufacturer, or that such carpeting or carpet padding was developed by the manufacturer thereof exclusively for commercial use to be sold only to establishments such as hotels, motels, casinos, restaurants, and theaters, or that such carpeting and carpet padding are of commercial grade and quality.

7. Representing, directly or by implication, that respondents' carpeting and carpet padding are being offered for sale, or sold, for the first time to homeowners for residential use; or misrepresenting, in any manner, the length of time respondents' carpeting or carpet padding has been offered for sale or sold to homeowners.

8. Representing, directly or by implication, that the homes of prospective purchasers have been specially selected to be used as test homes for the installation of respondents' carpeting and carpet padding or that thereafter they will be used for demonstration or advertising purposes.

9. Representing, directly or by implication, that reductions or discounts from respondents' regular or usual selling prices are contingent upon purchasers signing a contract during the initial visit by respondents' salesmen, or upon purchasers agreeing to allow their names or homes to be used by respondents for advertising or promotional purposes; or misrepresenting, in any manner, that respondents' offer of products is limited as to time or in any other manner, unless such limitations are, in fact, imposed and in good faith adhered to.

10. Representing, directly or by implication, that any price for respondents'

carpeting, carpet padding, or for the installation thereof, or other merchandise or services, is a special or reduced price, unless such price constitutes a significant reduction from the price at which such merchandise or services have been sold, or offered for sale by the respondents for a reasonably substantial period of time in the recent, regular course of their business.

11. Representing, directly or by implication, that carpeting or carpet padding, of like grade and quality as that sold by respondents, is not available to purchasers through normal retail outlets.

12. Representing, directly or by implication, that respondents' carpeting will not fade, mat, snag heels, attract dirt or dust, generate static electricity, or show stains as other carpeting of like grade and quality; or misrepresenting, in any manner, the quality features or characteristics of products sold by respondents.

13. Representing, directly or by implication, that any of respondents' carpeting, carpet padding or other products or installations thereof, are guaranteed, unless the true nature, extent, and duration of the guarantee, the identity of the guarantor, and the manner in which the guarantor will perform thereunder are clearly and conspicuously disclosed in immediate conjunction therewith; or making any direct or implied representation that any of respondents' products are guaranteed, unless in each instance a written guarantee is given to the purchaser, containing provisions fully equivalent to those contained in such representations, and unless respondents promptly fulfill all of their obligations under the terms of such guarantee.

14. Representing, directly or by implication, that respondents' carpeting is cut to fit the purchaser's home after the sale thereof, and before the carpeting is delivered to the purchaser's home for installation.

15. Representing, directly or by implication, that carpeting of the type sold by respondents is sold only by the unit, and not by the square yard; or misrepresenting, in any manner, methods used by respondents in the measurement of purchasers' homes for carpeting and carpet padding or the installation thereof, or in determining respondents' selling prices as based upon such measurements.

16. Failing to disclose that respondents' carpeting and carpet padding are sold by the square yard, and the selling price per square yard of such products.

17. Representing, directly or by implication, that the prices charged for respondents' carpeting, carpet padding, and the installation thereof, are lower than those charged by their competitors for products of like grade and quality and for like installation, unless respondents' prices are, in fact, substantially lower than those charged for such products and services in the trade area, during the same period of time, by their competitors for similar products and the installation thereof.

18. Failing to maintain adequate records (a) which disclose the facts upon which any savings claims, including former pricing claims and comparative value claims, and similar representations of the type described in paragraphs 10 and 17 of this order are based, and (b) from which the validity of any savings claims, including former pricing claims and comparative value claims, and similar representations of the type described in paragraphs 10 and 17 of this order can be determined.

19. Representing, directly or by implication, that respondents' carpeting and carpet padding have any performance characteristics, or are superior in quality or performance to other products, unless each such characteristic was fully and completely substantiated by competent scientific tests, the results of which are in writing and available for inspection, and the basis of comparison is clearly and specifically stated, and the comparison is based on identical conditions of use.

20. Failing to clearly and conspicuously incorporate the following statement on the face of all sales contracts, promissory notes or other evidence of indebtedness executed by or on behalf of respondents' customers:

NOTICE

Any holder takes this instrument subject to the terms and conditions of the contract which gave rise to the debt evidenced hereby notwithstanding any contractual provisions or other agreement to the contrary.

21. Contracting for any sale, whether in the form of trade acceptance, conditional sales contract, promissory note, or otherwise, which shall become binding on the buyer, prior to midnight of the third day, excluding Sundays and legal holidays, after the date of execution.

22. Failing to disclose orally, prior to the time of sale and in writing on any trade acceptance, conditional sales contract, promissory note or other instrument executed by the buyer, with such conspicuousness and clarity as is likely to be observed and read by such buyer, that the buyer may rescind or cancel the sale by directing or mailing a notice of cancellation to respondents' address prior to midnight of the third day, excluding Sundays and legal holidays, after the date of the sale. Upon such cancellation, the burden shall be on respondents to return any payments received from the buyer.

23. Failing to provide a separate and clearly understandable form which the buyer may use as a notice of cancellation.

24. Negotiating any trade acceptance, conditional sales contract, promissory note, or other instrument of indebtedness to a finance company or other third party, prior to midnight of the fifth day, excluding Sundays and legal holidays, after the date of execution by the buyer.

25. Failing, in any transaction, to delay the performance and the causing or permitting of performance of any of the following actions, until the cancellation period has expired and respondents have reasonably satisfied themselves that no customer to the transaction has exercised his right of cancellation:

a. Making any physical changes in the property of the customer;

b. Performing any work or service for the customer; or

c. Making any deliveries to the residence of the customer.

Provided, however, That nothing contained in Part I of this order shall relieve respondents of any additional obligations respecting contracts required by Federal law or the law of the State in which the contract is made. When such obligations are inconsistent, respondents can apply to the Commission for relief from this provision with respect to contracts executed in the State in which such different obligations are required. The Commission, upon proper showing, shall make such modifications as may be warranted in the premises.

II. *It is further ordered*, That respondents Kustom Enterprises, Inc., and Marketing Enterprises, Inc., corporations, and their successors and assigns, and their officers, and Joseph A. Padilla, Thomas M. Roth, and Sherri Roth, individually and as officers of the respondent Kustom Enterprises, Inc., and Eugene DeWitt and Julian Chavez, individually and as officers of the respondent Marketing Enterprises, Inc., and respondents' agents, representatives and employees, directly or through any corporate or other device in connection with any extension of consumer credit or any advertisement to aid, assist or promote, directly or indirectly, any extension of consumer credit, as "consumer credit" and "advertisement" are defined in Regulation Z (12 CFR 226) of the Truth in Lending Act (Public Law 90-321, 15 U.S.C. 1601 et seq.), do forthwith cease and desist from:

1. Failing to make all disclosures required to be made by § 226.8 of Regulation Z, as required thereby.

2. Failing, in any consumer credit transaction in which a security interest is or will be retained or acquired in real property, which is used or is expected to be used as the principal residence of the customer, to provide each customer, who has the right to rescind that transaction pursuant to the provisions of § 226.9(a) of Regulation Z, with copies of the notice of right to rescind, in the number, manner and form prescribed in §§ 226.9(b) and 226.9(f) of Regulation Z, as required by § 226.9(b) thereof.

3. Failing, in any consumer credit transaction in which a security interest is or will be retained or acquired in real property, which is to be used or is expected to be used as the principal residence of the customer, to delay the performance and the causing or permitting of performance of any of the following actions until the rescission period has expired and respondents have reasonably satisfied themselves that no customer to the transaction has exercised his right of rescission:

a. Making any physical changes in the property of the customer;

b. Performing any work or service for the customer; or

c. Making any deliveries to the residence of the customer if the creditor has retained or will acquire a security interest other than one arising by operation of law, except as provided in § 226.9(e) of Regulation Z, in instances where the customer modifies or waives his right to rescind, as required by § 226.9(c) of Regulation Z.

4. Failing, in any consumer credit transaction or advertisement, to make all disclosures, determined in accordance with §§ 226.4 and 226.5 of Regulation Z, in the manner, form and amount required by §§ 226.7, 226.8, 226.9 and 226.10 of Regulation Z.

III. *It is further ordered,* That respondents Kustom Enterprises, Inc., a corporation, and its successors and assigns, and Joseph A. Padilla, Thomas M. Roth, and Sherri Roth, individually and as officers of said corporation, and respondents Marketing Enterprises, Inc., a corporation, and its successors and assigns, and Eugene DeWitt and Julian Chavez, individually and as officers of said corporation, and respondents' agents, representatives, and employees, directly or through any corporate or other device, in connection with the sale, offering for sale, advertising, delivery, transportation, or causing to be transported, after shipment in commerce, of any textile fiber product, whether in its original state or contained in other textile fiber products, as the terms "commerce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act, do forthwith cease and desist from:

1. Misbranding textile fiber products by failing to stamp, tag, label or otherwise identify such products as to each element of information required to be disclosed by section 4(b) of the Textile Fiber Products Identification Act, in a clear, legible and conspicuous manner, as to:

a. The true generic name of the fibers present;

b. The percentage of each fiber present, by weight, in the total fiber content of said textile fiber product, exclusive of ornamentation, not exceeding five (5) per centum by weight of the total fiber content.

c. The name, or other identification issued and registered by the Commission, of the manufacturer of the textile fiber products.

2. Falsely and deceptively advertising fiber products by:

a. Making any representation by disclosure or by implication, as to fiber content of any textile fiber product in any written advertisement which is used to aid, promote, or assist, directly or indirectly, in the sale, or offering for sale of such textile fiber product, unless the same information required to be shown on the stamp, tag, label, or other means of identification under sections 4(b) (1) and (2) of the Textile Fiber Products Identification Act is contained in the said advertisement, except that the percentages of the fibers present in the textile fiber product need not be stated.

b. Using a fiber trademark in advertising textile fiber products containing only one fiber, without such fiber trademark appearing at least once in the advertisement, in immediate proximity and conjunction with the generic name of the fiber, in plainly legible and conspicuous type.

It is further ordered, That the respondents shall forthwith distribute a copy of this order to each of their respective operating divisions.

It is further ordered, That respondents deliver a copy of this order to cease and desist to all present and future personnel of respondents engaged in the offering for sale, or sale, of any product, or in the consummation of any extension of consumer credit, or in any aspect of preparation, creation, or placing of advertising, and that respondents secure a signed statement acknowledging receipt of said order from each such person.

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

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

Issued: January 24, 1972.

By the Commission.

[SEAL] CHARLES A. TOBIN, *Secretary.*

[FR Doc.72-2982 Filed 2-28-72;8:47 am]

[Docket No. C-2123]

PART 13—PROHIBITED TRADE PRACTICES

Spiegel, Inc.

Subpart—Advertising falsely or misleadingly: § 13.73 *Formal regulatory and statutory requirements:* 13.73–92 Truth in Lending Act. Subpart—Misrepresenting oneself and goods—Goods: § 13.1623 *Formal regulatory and statutory requirements:* 13.1623–95 Truth in Lending Act. Subpart—Neglecting, unfairly or deceptively, to make material disclosure: § 13.1852 *Formal regulatory and statutory requirements:* 13.1852–75 Truth in Lending Act; § 13.1892 Sales contract, right-to-cancel provision; § 13.1905 *Terms and conditions:* 13.1905–60 Truth in Lending Act.

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended, 82 Stat. 146, 147; 15 U.S.C. 45, 1601–1605) [Cease and desist order, Spiegel, Inc., Chicago, Ill., Docket No. C-2123, Jan. 3, 1972]

In the Matter of Spiegel, Inc., a corporation.

Consent order requiring a Chicago, Ill., catalog retailer to cease violating the Truth in Lending Act by failing to disclose in its credit life and disability insurance its annual percentage rate, the method of computing its finance charges, and failing to comply with other provisions of Regulation Z of said Act.

The order to cease and desist, including further order requiring report of compliance therewith, is as follows:

It is ordered, That respondent, Spiegel, Inc., a corporation, and its officers, agents, representatives, and employees, directly or through any corporate or other device, in connection with any extension of consumer credit or in connection with any advertisement to aid, promote, or assist directly any extension of consumer credit, as "consumer credit" and "advertisement" are defined in Regulation Z (12 CFR 226) of the Truth in Lending Act (Public Law 90-321, 15 U.S.C. 1601 et seq.), shall cease and desist from:

1. Failing, in any credit transaction, to include and to itemize the amount of premiums for credit life and disability insurance as part of the finance charge, unless the amount of such premiums is excluded from the finance charge because of appropriate exercise of the option available pursuant to Section 226.4 (a)(5) of Regulation Z.

2. Failing, on any periodic statement (except in the case of an account which it deems to be uncollectible or with respect to which delinquency collection procedures have been instituted),

(a) To clearly and conspicuously disclose the correct amount of the finance charge determined in accordance with § 226.4 of Regulation Z, and to itemize and identify such finance charge as required by § 226.7(b)(4) of Regulation Z;

(b) To disclose the "annual percentage rate" computed in accordance with § 226.5 of Regulation Z, as required by § 226.7(b)(6) of Regulation Z;

(c) To disclose the date by which or the period, if any, within which payment of the "new balance" may be made to avoid additional finance charges, as required by § 226.7(b)(9) of Regulation Z; and

(d) To disclose the lower balance to which the periodic rate applies, when application of the periodic rate does not yield an amount equal to the minimum finance charge, as required by § 226.7(b)(5) of Regulation Z.

3. Separating the disclosures so as to confuse or mislead the customer or obscure or detract attention from the required disclosure of the method of computing finance charges, pursuant to § 226.7(c)(4) of Regulation Z, by representing that it computes the finance charge in any manner other than that actually used by respondent.

4. Representing in any advertisement, catalog, or brochure, directly or by implication, that no downpayment is required without clearly and conspicuously setting forth, in the terminology prescribed in § 226.7(b) of Regulation Z, each item required by § 226.10(c) of Regulation Z, or, as an alternative to the foregoing.

Failing to refer to a schedule or statement of credit terms containing the disclosures required by § 226.10(c) of Regulation Z by incorporating in immediate conjunction with the representation that no downpayment is required, pursuant to § 226.10(b) of Regulation Z, a statement similar to the following:

If you elect credit, see credit terms on page ------.

5. Failing, in a schedule of credit terms in any of its catalogs or other multiple page advertisements, to disclose the lower balance to which the periodic rate applies, when application of the periodic rate does not yield an amount equal to the minimum finance charge, as required by § 226.10(c)(4) of Regulation Z.

6. Failing, in any consumer credit transaction or advertisement, to make the disclosures, determined in accordance with §§ 226.4 and 226.5 of Regulation Z, in the manner, form, and amount required by §§ 226.6, 226.7, 226.8, and 226.10 of Regulation Z.

It is further ordered, That respondent, in connection with each sale of credit life insurance written in connection with its credit sales on or after July 1, 1969 in which respondent failed to obtain a specific dated and separately signed affirmative written indication of the customer's desire for such insurance and thereafter failed to include the charges for such insurance in the amount of finance charge debited to the customer's account monthly, shall mail to each customer to whom such sale of credit life insurance was made and whose account is in open or current status, the following notice, and accompanying letter.

We hereby supply you with the following information concerning your credit life insurance policy:

1. The cost of credit life insurance which has been charged to you since you opened this account with Spiegel, Inc. is 13 cents per hundred dollars of the unpaid balance.

2. Such insurance was not and is not required as a condition to Spiegel's extending credit to you.

3. You have a right to request cancellation of this policy. You may exercise your right to cancel by signing (on line 1) that portion of the enclosed notice canceling your credit life insurance policy and returning it to Spiegel, Inc., in the accompanying self-addressed envelope. Such cancellation is effective when received by Spiegel, Inc. You understand that once having canceled you will have no rights under the policy even though the policy may have been in effect up to the time of cancellation.

4. If you desire to continue your credit life insurance policy, you should sign that portion of the enclosed notice (on line 2) which indicates your desire for insurance coverage and return it to Spiegel, Inc., in the accompanying self-addressed envelope.

CREDIT LIFE INSURANCE NOTICE

I hereby request cancellation of my credit life insurance covering the above account. I understand that upon receipt of this cancellation I will have no benefits under any insurance policy with respect to the above account.

Date ------------

(1) ------------------------------------

Signature of customer in whose name account is recorded.

"I desire to continue my credit life insurance policy

Date ------------

(2) ------------------------------------

Signature of customer in whose name account is recorded.

It is important that you return this notice before -------------.

Respondent's obligations under this provision shall not be fulfilled until each customer affected by it has returned the notice specified herein: *Provided*, That as long as respondent can demonstrate that any such customer cannot be contacted or that any such customer failed to reply after respondent expended reasonable efforts, in writing or orally, to effect such reply monthly for a period of 4 months after mailing the notice to such customer, respondent shall have complied with this provision.

It is further ordered, That respondent deliver a copy of this order to cease and desist to all present and future personnel of respondent at its general offices in Chicago who are engaged as head of the particular department, in the extension of consumer credit or in any aspect of preparation, creation, or placing of advertising, and that respondent secure a signed statement acknowledging receipt of said copy of this order from each such person.

It is further ordered, That the respondent notify the Commission at least thirty (30) days prior to any proposed change in its corporate form, such as dissolution, assignment or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries, or any other changes in the corporation which may affect compliance obligations arising out of this order.

It is further ordered, That the respondent shall, within sixty (60) days after the service upon it of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which it has complied with this order.

Issued: January 3, 1972.

By the Commission.

[SEAL] CHARLES A. TOBIN, *Secretary*.

[FR Doc.72-2983 Filed 2-28-72;8:47 am]

[Docket No. C-2124]

PART 13—PROHIBITED TRADE PRACTICES

Stewart Brothers & Alward Co., et al.

Subpart—Advertising falsely or misleadingly: § 13.71 *Financing:* 13.71-10 Truth in Lending Act; § 13.73 *Formal regulatory and statutory requirements:* 13.73-92 Truth in Lending Act. Subpart—Misrepresenting oneself and goods—Goods: § 13.1623 Formal regulatory and statutory requirements: 13.1623-95 Truth in Lending Act. Subpart—Neglecting, unfairly or deceptively, to make material disclosure: § 13.1852 *Formal regulatory and statutory requirements:* 13.1852-75 Truth in Lending Act; § 13.1892 *Sales contract, right-to-cancel provision.*

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended, 82 Stat. 146, 147; 15 U.S.C. 45, 1601-1605) [Cease and desist order, Stewart Brothers & Alward Co. et al., Newark, Ohio, Docket No. C-2124, Jan. 3, 1972]

In the Matter of Stewart Brothers & Alward Co., a Corporation, and Walter T. Brown, Floyd F. Layman, Helen (NMI) Reitter, and Howard W. Kraner, Individually and as Officers of Said Corporation

Consent order requiring a Newark, Ohio, dealer in furniture and appliances to cease violating the Truth in Lending Act by failing to properly use on its installment contracts the terms "finance charge," "cash down payment," "unpaid balance of cash price," "deferred payment price" and other disclosures required by Regulation Z of said Act.

The order to cease and desist, including further order requiring report of compliance therewith, is as follows:

It is ordered, That respondents Stewart Brothers & Alward Co., a corporation, and its officers, and Walter T. Brown, Floyd F. Layman, Helen (NMI) Reitter, and Howard W. Kraner, individually and as officers of said corporation, and respondents' agents, representatives, and employees, directly or through any corporate or other device, in connection with any extension of consumer credit or any advertisement to aid, promote, or assist directly or indirectly, any extension of consumer credit, as "consumer credit" and "advertisement" are defined in Regulation Z (12 CFR 226) of the Truth in Lending Act (Public Law 90-321, 15 U.S.C. 1601 et seq.), do forthwith cease and desist from:

(1) Failing to print the term "Finance Charge" more conspicuously than other terminology where such term is required to be used, as required by § 226.6(a) of Regulation Z;

(2) Failing to make full disclosures before the transaction is consummated and to furnish the customers with a duplicate of the instrument or a statement by which the required disclosurers are made, as required by § 226.8(a) of Regulation Z;

(3) Failing to disclose the amount of any odd monthly payment, as required by § 226.8(b)(3) of Regulation Z;

(4) Failing to disclose the amount, or method of computing the amount, of any default, delinquency, or similar charges payable in the event of late payments, as required by § 226.8(b)(4) of Regulation Z;

(5) Failing to employ the term "Cash Down Payment" to describe any down payment in money and to disclose the amount of the "Total Down Payment", using that term, as required by § 226.8(c)(2) of Regulation Z;

(6) Failing to employ the term "Unpaid Balance of Cash Price" to describe the difference between the cash price and total down payment, as required by § 226.8(c)(3) of Regulation Z;

(7) Failing to employ the term "Amount Financed" to describe the balance financed and to disclose such amount, as required by § 226.8(c)(7) of Regulation Z;

(8) Failing to employ the term "Deferred Payment Price" to describe the sum of the cash price, all other charges which are included in the amount financed but are not a finance charge under § 226.4 of Regulation Z, and the total amount of the finance charge, if any, as required by § 226.8(c)(8)(ii) of Regulation Z;

(9) Failing to make the disclosures to the extent applicable as prescribed under § 226.8 of Regulation Z, when an existing obligation is increased, as required by § 226.8(j) of Regulation Z;

(10) Failing to give notice of right to rescind in credit transactions in which a security interest is or will be retained or acquired in any real property which is used or is expected to be used as the principal residence of the customer by furnishing two copies of such notice in the form as set forth in § 226.9(b) of Regulation Z, as required by § 226.9 of Regulation Z;

(11) Stating in advertising the amount of the down payment required or that no down payment is required, the amount of any installment payment, the dollar amount of any finance charge, the number of installments or the period of repayment, or that there is no charge for credit, without stating all of the following items in terminology prescribed under § 226.8 of Regulation Z, as required by § 226.10(d)(2) of Regulation Z:

(i) The cash price.

(ii) The amount of the down payment required or that no down payment is required, as applicable.

(iii) The number, amount, and due dates or period of payments scheduled to repay the indebtedness if the credit is extended.

(iv) The amount of the finance charge expressed as an annual percentage rate.

(v) The deferred payment price.

(12) Failing, in any consumer credit transaction or advertisement, to make all disclosures, determined in accordance with § 226.4 and § 226.5 of Regulation Z, in the manner, form, and amount required by §§ 226.6, 226.7, 226.8, 226.9, and 226.10 of Regulation Z.

It is further ordered, That Respondents deliver a copy of this Order to cease and desist to all present and future personnel of Respondents engaged in the consummation of any extension of consumer credit or in any aspect of preparation, creation, or placing of advertising, and that Respondents secure a signed statement acknowledging receipt of said Order from each such person.

It is further ordered, That Respondents notify the Commission at least thirty (30) days prior to any proposed change in the Corporate Respondent, 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 Corporation which may affect compliance obligations arising out of the Order.

It is further ordered, That the Respondents herein shall, within sixty (60) order, file with the Commission a report in writing, setting forth in detail the manner and form in which they have complied with the Order to Cease and Desist contained herein.

It is further ordered, That the Respondents herein shall, within sixty (60) days after service upon them of this Order, file with the Commission a report in writing, setting forth in detail the manner and form in which they have complied with this Order.

Issued: January 3, 1972.

By the Commission.

[SEAL] CHARLES A. TOBIN,
Secretary.

[FR Doc.72-2984 Filed 2-28-72;8:48 am]

Title 19—CUSTOMS DUTIES

Chapter I—Bureau of Customs, Department of the Treasury

[T.D. 72-68]

PART 19—CUSTOMS WAREHOUSES AND CONTROL OF MERCHANDISE THEREIN

Security of Cargo in Unlading Areas and Clearance of Containerized Cargo

On September 14, 1971, a notice of proposed rule making was published in the FEDERAL REGISTER (36 F.R. 18410) whose stated purpose was to:

(1) Incorporate established procedures, instituted on a provisional basis, for transporting containerized cargo from the place of unlading to a designated container station for the purpose of breaking bulk and redelivering the cargo;

(2) Make applicable to independent container station operators the procedures relating to the security of cargo in unlading areas contained in the aforementioned Treasury decision (T.D. 71-39).

Interested persons were given the opportunity to submit written comments, suggestions, or objections regarding the proposed regulations. After consideration of all such relevant matters as were presented, the proposed regulations, with a modification of § 19.40 to clarify at which places a container station may be established, are hereby adopted as set forth below.

Effective date. These amendments shall become effective 30 days following the date of their publication in the FEDERAL REGISTER.

[SEAL] MYLES J. AMBROSE,
Commissioner of Customs.

Approved: February 17, 1972.

EUGENE T. ROSSIDES,
Assistant Secretary of the Treasury.

1. The title of Part 19 is amended to read as set forth above.

2. Part 19 is amended by adding a new days after service upon them of this centerhead and §§ 19.40 through 19.49 to read as follows:

CONTAINER STATIONS

§ 19.40 Establishment of container stations.

A container station, independent of the importing carrier, may be established at any port or portion of a port, or any other area under the jurisdiction of a district director upon the filing of an application therefor and its approval by the district director and the posting, in the sum of $25,000 or such larger amount as the district director shall determine, of a bond in the following format:

Port of ------------
No. ------

BUREAU OF CUSTOMS

CONTAINERIZED CARGO BOND (TERM)

Know All Men By These Presents:

That: [1]------------------------, of ------------------------, as principal, and [1]------------------------ of ------------, and ------------------------ of ------------, as sureties, are held and firmly bound unto the United States of America in the sum of ------------ dollars ($------), for payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

Witness our hands and seals this ------ day of ------------, 19--.

Whereas, the above-bounden principal has requested, or will request, permission to remove imported containers, truck trailers, lift vans or vehicles (hereinafter referred to as containers) containing merchandise or baggage (hereinafter referred to as merchandise) from the place of unlading from an importing vessel, vehicle or aircraft of the ------------, for transportation to the ------------ terminal(s) at ------------ for a period beginning on the ------ day of ------------, 19--, and ending on the ------ day of ------------, 19--, both days inclusive; and

Whereas, the above-bounden principal has requested, or will request, the assignment of Customs officers or employees to overtime duty at night or on Sunday or a holiday pursuant to the provisions of the Tariff Act of 1930, as amended, the Act of February 13, 1911, as amended, or any other act, or acts and regulations relating thereto, in effect at the time of such duty, on behalf of the herein referred to containers, and the merchandise therein;

Now, Therefore, the Condition of This Obligation is Such That—

(1) If the above-bounden principal shall pay such sums as are chargeable under law and regulations for any services as may be performed for said containers and the merchandise therein by Customs officers or employees and shall promptly pay any duties, charges, exactions, penalties, or other sums found legally due the United States by said principal on account of said containers and the merchandise therein;

(2) And if the above-bounden principal shall exonerate and hold harmless the United States and its officers from, or on account of, any risk, loss, or expense of any kind or description which might occur or be occasioned by reason of the granting of any special license to discharge or take on such merchandise in said containers at night or on Sunday or holiday, as well as from any loss or damage resulting from fraud or negligence on the part of any officer, agent, or other person employed by the

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[1] If the principal or surety is a corporation, the name of the State in which incorporated also shall be shown.

above-bounden principal, by reason of the granting of any special license;

(3) And if the principal shall make prompt report of arrival of the containers and the merchandise therein by delivery of the manifest, and permit to transfer, to the district director or other proper customs officer to whom the containers and the merchandise therein are consigned in said manifest or permit to transfer, or by other notice satisfactory to the district director;

(4) And if the said principal shall, in the event of failure to comply with any or all of the conditions referred to in this instrument, pay to the United States as liquidated damages an amount equal to the value of the nondutiable merchandise with respect to which there shall have been default, the damages on any one shipment not to exceed $500, and shall pay an amount equal to the duties on such dutiable merchandise as may be involved in the default (it being understood and agreed that the amount to be collected in either case shall be based upon the quantity and value of such merchandise in the containers as determined by the district director of Customs, and that the decision of the district director of Customs as to the status of such merchandise whether free or dutiable, together with the rate and amount of duty and tax, shall also be binding on all parties to this obligation; it is further understood and agreed that liability under this instrument attaches for all shortages whether discovered before or after the filing of any form of entry); provided that when delivery shall have been made of any dutiable merchandise in the containers to the ultimate consignee, owner, or other person without permit or release having been issued by the district director or other proper officer of the Customs, the principal shall pay, in addition to the duties on such merchandise a sum equal to 25 per centum of the duties on the merchandise so delivered; and shall pay any internal revenue taxes or other taxes accruing to the United States on the merchandise which is the subject of the default together with all costs, charges, penalties, and expenses caused by the failure to comply with the conditions of this obligation;

(5) And if pursuant to proper permit by the district director of Customs the above-bounden principal shall remove imported containers from the place of unlading from importing vessels, vehicles, or aircraft and land, place, or store any merchandise in the containers in the above-mentioned terminal(s) of the principal or on lighters, piers, landing places, or spaces adjoining thereto, or such other places permitted by the district director on special request made by the principal hereon, and shall retain such merchandise in the containers at such places until a permit for the removal thereof is granted, and, in the event that any such merchandise in the containers shall be removed therefrom before proper permits have been issued, shall pay all duties, taxes, charges, and exactions accruing on any part of the merchandise in the containers so removed; or in the event the merchandise in the containers so removed is free of duty, shall pay as liquidated damages an amount equal to the value of such merchandise contained in the containers, the damages on any one shipment not to exceed $500 (it being understood and agreed that the amount to be collected in either case shall be based upon the quantity and value of such merchandise in the containers as determined by the district director, and that the decision of the district director as to the status of such merchandise, whether free or dutiable, together with the rate and amount of duties, taxes, charges, and exactions also shall be binding on all parties to this obligation; it is further understood and agreed that liability under this instrument attaches for all shortages whether discovered before or after the filing of any form of entry);

(6) And if the said principal shall pay the necessary expense of such seals, locks, and other proper fastenings as may be prescribed and required by the district director for securing the transportation and safekeeping or storage of such merchandise contained in the containers as may be placed in the custody of the principal, in such terminals, stations, buildings, rooms, warehouses, elevators, safes, trunks, pouches, or other things for, and places of, keeping or storage, as may be authorized and used by the principal for that purpose;

Then this obligation to be void, otherwise to remain in full force and effect.

Signed, sealed, and delivered in the presence of—

(Name) (Address)

(Name) (Address)

[SEAL] -----------------------
(Principal)

(Name) (Address)

(Name) (Address)

[SEAL] -----------------------
(Surety name and number)

(Name) (Address)

(Name) (Address)

[SEAL] -----------------------
(Surety name and number)

(Secs. 450, 499, 623, 46 Stat. 715, as amended, 728, as amended, 759, as amended; 19 U.S.C. 1450, 1499, 1623)

§ 19.41 Movement of containerized cargo to a container station.

Containerized cargo may be moved from the place of unlading to a designated container station prior to the filing of an entry therefor or the permitting thereof (see § 15.8 of this chapter) for the purpose of breaking bulk and redelivery of the cargo.

(Sec. 499, 46 Stat. 728, as amended; 19 U.S.C. 1499)

§ 19.42 Application for transfer of merchandise.

The container station operator may file an application for the transfer of a container intact to the station. The application shall be in duplicate in the following or substantially similar format:

BUREAU OF CUSTOMS

APPLICATION AND PERMIT TO TRANSFER CONTAINERIZED CARGO TO A CONTAINER STATION

Date ---------------------

Application is made to transfer the containers and their contents listed below which arrived on ------------- on -------------
(Carrier) (Date)
at Pier ------ to the --------------------
(Container station)

An abstract of the carrier's manifest covering the containers by B/L No., marks, numbers, contents, consignee, etc., is attached hereto.

LIST OF CONTAINERS BY MARKS AND NUMBERS ONLY

(Signature of authorized agent of container station)

We concur: -----------------------------------
(Signature of agent of importing carrier)

TRANSFER RECORD

Delivered to ------------------, C.H.L. No. ------ in apparent good order and condition
(cartman)
except as noted:

Truck No.	Container numbers	Date	Signature of inspector	Signature of cartman	Received signature container operator

(Sec. 499, 46 Stat. 728, as amended; 19 U.S.C. 1499)

§ 19.43 Filing of application.

The application, listing the containers by marks and numbers, may be filed at the customhouse or with the discharging inspector at the place where the container is unladen, as designated by the district director.

(Sec. 499, 46 Stat. 728, as amended; 19 U.S.C. 1499)

§ 19.44 Importing carrier concurrence.

The importing carrier (who, with the operator, remains jointly and severally liable for the proper delivery of the merchandise until it is permitted in accordance with § 15.8 of this chapter) shall indicate its concurrence in the transfer of the merchandise either by signing the application for transfer or by physically turning the merchandise over to the operator. The importing carrier shall furnish an abstract manifest showing the bill of lading number, the marks and numbers of the container, and the usual manifest description for each shipment in the container. The importing carrier will be responsible for ascertaining that the person to whom a container is delivered for transfer to the container station is an authorized representative of the operator.

(Sec. 448, 46 Stat. 714, as amended; 19 U.S.C. 1448)

§ 19.45 Transfer of merchandise, approval and method.

Approval of the application by the district director shall serve as a permit to transfer the container and its contents to the station. The merchandise may only be transferred to a container station by a bonded cartman or bonded carrier. The cartman or carrier shall receipt for the merchandise on both copies of the application.

(Secs. 551, 565, 46 Stat. 742, as amended, 747 as amended; 19 U.S.C. 1551, 1565)

§ 19.46 Employee lists.

A permit shall not be granted to an operator to transfer a container or containers to a container station, if the operator, within 30 calendar days after the date of receipt of a written demand by the district director, does not furnish a written list of names, addresses, social security numbers, and dates and places of birth of persons employed by him in connection with the movement, receipt, storage or delivery of imported merchandise. Having furnished such a list, no new permit shall be issued to an operator who has not within 10 calendar days after the employment of any new personnel employed in connection with the movement, receipt, storage, or delivery of imported merchandise advised the district director in writing of the names, addresses, social security numbers, and dates and places of birth of such new employees. The operator shall, within 10 calendar days, advise the district director if the employment of any employee is terminated. A person shall not be deemed to be employed by an operator if he is an officer or employee of an independent contractor engaged by the operator to move, receive, store, deliver, or otherwise handle imported merchandise.

(Sec. 624, 46 Stat. 759; 19 U.S.C. 1624)

§ 19.47 Security.

The space to be used for the purposes of breaking bulk and delivering cargo shall be properly secured against access by unauthorized persons, including persons not on the list of current employees furnished to the district director by the container station operator, the principal on the bond, as required by § 19.46. A suitable working and office space for the use of Customs officers and employees performing functions in the area shall also be provided.

(Sec. 624, 46 Stat. 759; 19 U.S.C. 1624)

§ 19.48 Withdrawal of privileges.

If discrepancies are discovered which indicate that the revenue may be endangered or there is a failure to retain or secure the designated examination packages, the privileges of a container station operator granted by this subpart may be revoked pursuant to the procedure stated in § 19.3(e).

(Sec. 624, 46 Stat. 759; 19 U.S.C. 1624)

§ 19.49 Entry of containerized merchandise.

Merchandise not entered within the lay order period, or extension thereof, shall be placed in general order. The importing carrier shall issue carrier's certificates for individual shipments in a container. Entries covering merchandise transferred to a container station shall clearly show that the merchandise is at the container station.

(Sec. 484, 46 Stat. 722, as amended; 19 U.S.C. 1484)

(R.S. 251, as amended, secs. 555, 556, 624, 644, 46 Stat. 743, as amended, 759, 761; 19 U.S.C. 66, 1551, 1556, 1624, 1644)

[FR Doc.72-3016 Filed 2-28-72;8:51 am]

Title 21—FOOD AND DRUGS

Chapter I—Food and Drug Administration, Department of Health, Education, and Welfare

SUBCHAPTER C—DRUGS

[DESI 7837]

PART 148i—NEOMYCIN SULFATE

Neomycin Sulfate Sterile Powder

In a notice (DESI 7837) published in the FEDERAL REGISTER of May 13, 1970 (35 F.R. 7837), the Commissioner of Food and Drugs announced his conclusions pursuant to evaluation of reports received from the National Academy of Sciences-National Research Council, Drug Efficacy Study Group, on the following drugs:

1. Mycifradin Sulfate containing neomycin sulfate sterile powder; The Upjohn Co., 7171 Portage Road, Kalamazoo, Mich. 49001 (NDA 7-837).
2. Neomycin sulfate sterile powder; Philadelphia Laboratories, Inc., 9815 Roosevelt Boulevard, Philadelphia, Pa. 19114 (NDA 11-596).
3. Neomycin sulfate sterile powder; E. R. Squibb and Sons, Inc., Georges Road, New Brunswick, N.J. 08903 (NDA 60-366).
4. Neomycin sulfate sterile powder; Pure Laboratories, Inc., 59 Intervale Road, Parsippany, N.J. 07054 (No NDA number).

The notice stated that the drugs were regarded as probably effective, possibly effective, and lacking substantial evidence of effectiveness for the various labeled indications. In a notice published elsewhere in this issue of the FEDERAL REGISTER, the Food and Drug Administration announces that these claims have been reevaluated. As a result of this reevaluation, no effective indications remain for other than the intramuscular route of administration and packages containing 5 or 10 grams of sterile powder are not appropriate for preparation of solutions for intramuscular administration. Accordingly, the Commissioner concludes that the antibiotic drug regulations should be amended to reflect these conclusions.

Therefore, pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (secs. 502, 507, 52 Stat. 1050-51 as amended, 59 Stat. 463 as amended; 21 U.S.C. 352, 357) and under authority delegated to the Commissioner (21 CFR 2.120), Part 148i is amended in § 148i.1 by revising paragraph (a) (2) to read as follows:

§ 148i.1 Neomycin sulfate.

(a) * * *

(1) * * *

(2) *Packaging*. In addition to the requirements of § 148.2 of this chapter, each immediate container shall contain 0.35 gram of neomycin.

* * * * *

Any person who will be adversely affected by this amendment to the antibiotic drug regulations may file objections to this order requesting a hearing and showing reasonable grounds for the hearing. The statement of reasonable grounds and request for a hearing shall be submitted in writing within 30 days after publication hereof in the FEDERAL REGISTER, shall state the reasons why the antibiotic drug regulations should not be so amended, and shall include a well organized and full factual analysis of the clinical and other investigational data the objector is prepared to prove in support of his objections.

A request for a hearing may not rest upon mere allegations or denials but must set forth specific facts showing that a genuine and substantial issue of fact requires a hearing. When it clearly appears from the data incorporated into or referred to by the objections and from the factual analysis in the request for a hearing that no genuine issue of fact precludes the action taken by this order, the Commissioner will enter an order making findings and conclusions on such data.

If a hearing is requested and justified by the objections, the issues will be defined and a hearing examiner named to conduct the hearing. The provisions of Subpart F of 21 CFR Part 2 shall apply to such hearing, except as modified by 21 CFR 146.1(f), and to judicial review in accord with section 701 (f) and (g) of the Federal Food, Drug, and Cosmetic Act (35 F.R. 7250, May 8, 1970).

Objections and requests for a hearing should be filed (preferably in quintuplicate) with the Hearing Clerk, Department of Health, Education, and Welfare, Room 6-88, 5600 Fishers Lane, Rockville, Md. 20852. Received objections and requests for a hearing may be seen in the above office during regular business hours, Monday through Friday.

Effective date. This order shall become effective 40 days after its date of publication in the FEDERAL REGISTER. If objections are filed, the effective date will be extended for ruling thereon. In so ruling, the Commissioner will specify another effective date.

Dated: February 17, 1972.

SAM D. FINE,
Associate Commissioner for Compliance.

[FR Doc.72-2965 Filed 2-28-72;8:46 am]