

and arthritis; and by falsely representing that published laboratory studies prove that BST's shark cartilage capsules are effective in the prevention and treatment of cancer.

Paragraph I of the proposed consent order prohibits proposed respondents from representing that BST's shark cartilage capsules or any other product or program is effective in the prevention of cancer or is effective in the treatment of cancer unless, at the time the representation is made, respondents possess and rely upon competent and reliable scientific evidence that substantiates the representation.

Paragraph II of the proposed consent order prohibits proposed respondents from representing that BST's *uña de gato* capsules, BST's *uña de gato* liquid, or any other product or program is or is likely to be an effective treatment of cancer, is or is likely to be an effective treatment of HIV/AIDS, or is or is likely to be an effective treatment of arthritis unless, at the time the representation is made, proposed respondents possess and rely upon competent and reliable scientific evidence that substantiates the representation.

Paragraph III of the proposed consent order prohibits for any food, dietary supplement, drug, or any program, representations about the health benefits, performance, efficacy, or safety of such product or program, unless, at the time the presentation is made, proposed respondents possess and rely upon competent and reliable scientific evidence that substantiates the representation.

Paragraph IV of the proposed consent order prohibits for any product or program, misrepresentations about the existence, contents, validity, results, conclusions, or interpretations of any test, study, or research.

Paragraph V of the proposed consent order allows proposed respondents to make any representation that is specifically permitted in the labeling for any product by regulations promulgated by FDA pursuant to the Nutrition Labeling and Education Act of 1990.

Paragraph VI of the proposed consent order allows proposed respondents to make any representation for any drug that is permitted by the FDA in the drug's labeling.

Paragraph VII of the proposed consent order governs proposed respondents' notification, termination, and monitoring requirements with respect to BST distributors. Proposed respondents are required to send a letter to distributors that informs them that it is against the law to make false claims about any BST product or program or to make health-related claims about any

product or program of BST that are not substantiated by competent and reliable scientific evidence. The letter further states that distributors must agree not to use, rely on, or distribute any advertising or make oral representations containing false or unsubstantiated claims. Further, distributors must agree to submit all advertising to BST for approval prior to dissemination. The letter informs distributors that failure to comply with these terms will result in immediate termination, and if BST believes that the distributor has made false or unsubstantiated claims it will report the violation to the Federal Trade Commission. The proposed respondents are required to have their distributors sign, date, and return the letter as a condition of remaining a distributor.

Paragraph VIII is a record-keeping provision that requires proposed respondents to maintain records of all notification letters sent to distributors, communications between respondents and distributors referring or relating to the requirements of Paragraph VII, and any other materials created pursuant to Paragraph VII of the proposed order.

Paragraph IX of the proposed consent order requires the proposed respondents to provide full refunds for a specified period of time to all purchasers of their shark cartilage capsules, *uña de gato* capsules, and *uña de gato* liquid identifiable prior to the time the respondents stopped making, and took aggressive steps to stop its distributors from making, the alleged deceptive claims.

Paragraph X of the proposed order requires the proposed respondents to provide the FTC with a monitoring report detailing the steps respondents have taken to comply with the redress requirements.

Paragraph XI of the proposed order contains record keeping requirements for materials that substantiate, qualify, or contradict claims covered by the proposed order. Paragraph XII of the proposed order requires distribution of a copy of the order to current and future officers and agents. Paragraph XIII provides for Commission notification upon a change in the corporate respondent and Paragraph XIV requires Commission notification when the individual respondent changes his business or employment. Paragraph XV requires the proposed respondents to keep and maintain all records demonstrating compliance with the terms and provisions of the order. Paragraph XVI provides for the termination of the order after twenty (20) years under certain circumstances.

The purpose of this analysis is to facilitate public comment on the

proposed order, and it is not intended to constitute an official interpretation of the agreement and proposed order or to modify in any way their terms.

By director of the Commission.

Benjamin I. Berman,

Acting Secretary.

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FEDERAL TRADE COMMISSION

[D09287]

Continental Gown Cleaning Service, Inc., et al.; Analysis To Aid Public Comment

AGENCY: Federal Trade Commission.

ACTION: Proposed consent agreement.

SUMMARY: The consent agreement in this matter settles alleged violations of federal law prohibiting unfair or deceptive acts or practices or unfair methods of competition. The attached Analysis to Aid Public Comment describes both the allegations in the draft complaint that accompanies the consent agreement and the terms of the consent order—embodied in the consent agreement—that would settle these allegations.

DATES: Comments must be received on or before August 30, 1999.

ADDRESSES: Comments should be directed to: FTC/Office of the Secretary, Room 159, 600 Pennsylvania Avenue, NW, Washington, DC 20580.

FOR FURTHER INFORMATION CONTACT: Constance Vecellio, FTC/S-3231, 601 Pennsylvania Avenue, NW, Washington, DC 20580, (202) 326-2966.

SUPPLEMENTARY INFORMATION: Pursuant to Section 6(f) of the Federal Trade Commission Act, 38 Stat. 721, 15 U.S.C. 46, and Section 3.25(f) of the Commission's Rules of Practice, 16 CFR 3.25(f), notice is hereby given that the above-captioned consent agreement containing a consent order to cease and desist, having been filed with and accepted, subject to final approval, by the Commission, has been placed on the public record for a period of sixty (60) days. The following Analysis to Aid Public Comment describes the terms of the consent agreement, and the allegations in the complaint. An electronic copy of the full text of the consent agreement package can be obtained from the FTC Home Page (for June 23, 1999), on the World Wide Web, at "<http://www.ftc.gov/os/actions97.htm>." A paper copy can be obtained from the FTC Public Reference Room, Room H-130, 600 Pennsylvania

Avenue, NW, Washington, DC 20580, either in person or by calling (202) 326-3627.

Public comment is invited. Comments should be directed to: FTC/Office of the Secretary, Room 159, 600 Pennsylvania Avenue, NW, Washington, DC 20580. Two paper copies of each comment should be filed, and should be accompanied, if possible, by a 3½ inch diskette containing an electronic copy of the comment. Such comments or views will be considered by the Commission and will be available for inspection and copying at its principal office in accordance with Section 4.9(b)(6)(ii) of the Commission's Rules of Practice (16 CFR 4.9(b)(6)(ii)).

Analysis of Proposed Consent Order To Aid Public Comment

The Federal Trade Commission has accepted, subject to final approval, an agreement to a proposed consent order from Continental Gown Cleaning Service, Inc., Nationwide Gown Cleaning Service, Inc., Prestige Gown Cleaning Service, Inc., Gown Cleaning Service, Inc., and Jonathan Ashley, Ltd., and Lewis Weissman and Gary Marcus, the principals who control these corporations (referred to collectively as "Continental Gown"). The agreement would settle a proposed complaint by the Federal Trade Commission that Continental Gown engaged in unfair or deceptive acts or practices in violation of Section 5(a) of the Federal Trade Commission Act.

The proposed consent order has been placed on the public record for sixty (60) days for reception of comments by interested persons. Comments received during this period will become part of the public record. After sixty (60) days, the Commission will again review the agreement and the comments received and will decide whether it should withdraw from the agreement or make final the agreement's proposed order.

This matter concerns care labeling of wedding gowns and other formal wear and advertising practices related to the sale of the "Zurcion Method" of drycleaning and preservation of these gowns. The administrative complaint alleged that Continental Gown violated the FTC Act by distributing care labels that read "Dryclean Only by Zurcion Method" (hereinafter "Zurcion labels") to clothing companies who used the labels. The complaint alleged that these labels do not comply with the Commission's Care Labeling Rule because they fail to provide information to consumers that is required by the Rule. The complaint alleged that by distributing the Zurcion labels, Continental Gown provided apparel

companies with the means and instrumentalities with which to violate the Care Labeling Rule. The complaint also alleged that Continental Gown had falsely represented in advertising that: (1) The Zurcion labels complied with the Care Labeling Rule, (2) that the Zurcion Method of drycleaning is patented, (3) the Zurcion Method is the only safe and effective cleaning method for wedding gowns and other formal wear, and (4) Continental Gown and the other named cleaning companies were the only cleaners who can clean wedding gowns and other formal wear safely and effectively. The complaint alleged that Respondents falsely represented that they had a reasonable basis for these representations. The complaint also alleged that Respondents advertised their guarantee as unconditional, whereas in fact undisclosed conditions were placed on the guarantee.

The proposed consent order contains provisions designed to prevent Continental Gown from engaging in similar acts and practices in the future. Part I of the proposed consent order contains a general prohibition against providing apparel manufacturers and importers and retail and wholesale stores with the means and instrumentalities with which to violate the FTC Act and the Care Labeling Rule. It specifies that Continental Gown may not provide care labels or other tags, such as hang-tags that are pinned to garments, that fail to provide the specific information required by the Rule or that represent that the Zurcion Method is the only cleaning method that can be used safely and effectively to clean the garment or that Continental Gown is the only cleaner who can clean the garments. Part I also requires Continental Gown to possess a written statement from an apparel manufacturer or importer stating the apparel company's reasonable basis for any care instructions that appear on labels or tags disseminated by Continental Gown.

Parts II, III, and IV of the proposed consent order address Continental Gown's advertising representations. Part II prohibits Continental Gown from making misrepresentations regarding the Care Labeling Rule or compliance with the Rule. Part III prohibits Continental Gown from misrepresenting that the Zurcion Method or any other cleaning or preservation method is patented. Part IV prohibits misrepresentations regarding the comparative or absolute safety or efficacy of any cleaning or preservation method, service, company, or product. Part IV requires competent and reliable evidence as substantiation for safety or

efficacy claims and specifies that competent and reliable scientific evidence may be required when appropriate.

Part V addresses the guarantee allegation of the complaint. It prohibits representations that a garment cleaning or preservation service is guaranteed unless Continental Gown discloses any material limitations or conditions on the guarantee.

Parts VI and VII concern contacts with apparel companies, consumers and others regarding Zurcion labels and promotional materials. Part VI requires Continental Gown to notify certain garment manufacturers or importers with whom Continental Gown did business that they should stop using the Zurcion labels and promotional materials, and to provide a copy of the Consent Order with the notice. Part VII requires Continental Gown to disclose to persons (other than apparel companies) who contact them regarding the cleaning or preservation of garments bearing Zurcion labels that other cleaning methods may be used safely and effectively to clean the garments. Part VII also requires Continental Gown to refer these persons to the manufacturer or importer of their garment to obtain cleaning instructions, and requires Continental Gown to provide information about how consumers can contact those companies.

The proposed order also contains provisions regarding distribution of the order, recordkeeping, notification of changes in corporate status, termination of the order, and the filing of a compliance report.

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

By Direction of the Commission.

Benjamin I. Berman,
Acting Secretary.

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FEDERAL TRADE COMMISSION

[File No. 9823150]

Magnetic Therapeutic Technologies, Inc., et al.; Analysis To Aid Public Comment

AGENCY: Federal Trade Commission.

ACTION: Proposed consent agreement.

SUMMARY: The consent agreement in this matter settles alleged violations of federal law prohibiting unfair or