

Analysis of Proposed Consent Order To Aid Public Comment

The Federal Trade Commission has accepted an agreement to a proposed consent order from The Council of Fashion Designers of America, Inc. (CFDA) and 7th on Sixth, Inc.

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.

The complaint alleges that CFDA, a trade association of fashion designers, and 7th on Sixth, a not-for-profit corporation, and their members, have engaged in acts and practices that have unreasonably restrained competition among fashion designers. The complaint alleges that CFDA and 7th on Sixth fixed prices for the hiring of runway models. The complaint alleges that this price fixing agreement among purchasers of modeling and modeling agency services violates Section 5 of the Federal Trade Commission Act.

CFDA and 7th on Sixth have signed a proposed consent agreement that requires them to cease and desist from any agreement which has the purpose or effect of fixing prices paid or terms of employment for modeling or modeling agency services and from encouraging others to engage in such activities. The proposed consent order requires that CFDA and 7th on Sixth distribute a copy of the complaint and a letter notifying their members and employees, modeling agencies and other designated parties listed in the order that neither the CFDA nor 7th on Sixth may negotiate on behalf of fashion designers collectively with models or modeling agencies, and they may neither continue nor enter into any agreement for the purpose of affecting modeling prices.

The proposed order includes a proviso which makes clear that fashion designers who choose to employ or use the services of the same model will not be deemed in violation of the order, where such employment or use is not otherwise in furtherance of any action prohibited by the order. The proviso will permit fashion designers to hire models independently without fear that the fact that they hire the same model itself will result in liability. The order also permits two or more designers to agree to hire and use models jointly without violating the order, so long as they do not agree to do so in furtherance

of the kind of prohibited agreement to which CFDA and 7th on Sixth were party.

In order to deter future law violations and facilitate FTC review of compliance with the order, the proposed order requires CFDA and 7th on Sixth to make and keep minutes of all meetings of their membership board, committees or subcommittees, for five years. These minutes must indicate if prices or terms of modeling services are discussed at any meeting. CFDA and 7th on Sixth must provide these minutes to the FTC upon request. The parties must also communicate to their members, officers, directors and employees their obligations under this order. Officers, directors and employees must in turn provide annual written certification that they have received such notice.

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.

Donald S. Clark,

Secretary.

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[File No. 942-3058]

Live-Lee Productions, Inc.; Proposed Consent Agreement With Analysis to Aid Public Comment

AGENCY: Federal Trade Commission.

ACTION: Proposed Consent Agreement.

SUMMARY: In settlement of alleged violations of federal law prohibiting unfair acts and practices and unfair methods of competition, this consent agreement, accepted subject to final Commission approval, would prohibit, among other things, a Los Angeles based corporation, and Ruta Lee, who directs and controls the corporation, from making claims for any food, dietary supplement or drug unless they have competent and reliable scientific evidence to support the claims.

DATES: Comments must be received on or before September 1, 1995.

ADDRESSES: Comments should be directed to: FTC/Office of the Secretary, Room 159, 6th St. and Pa. Ave., NW., Washington, DC 20580.

FOR FURTHER INFORMATION CONTACT: Lisa B. Kopchik or Joel Winston, FTC/S-4002, Washington, DC 20580. (202) 326-3139 or (202) 326-3153.

SUPPLEMENTARY INFORMATION: Pursuant to section 6(f) of the Federal Trade Commission Act, 38 Stat. 721, 15 U.S.C. 46 and § 2.34 of the Commission's rules

of practice (16 CFR 2.34), notice is hereby given that the following 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. Public comment is invited. 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 § 4.9(b)(6)(ii) of the Commission's rules of practice (16 CFR 4.9(b)(6)(ii)).

In the Matter of: Live-Lee Productions, Inc., a corporation, and Ruta Lee, individually and as an officer and director of said corporation, File No. 942-3058.

Agreement Containing Consent Order to Cease and Desist

The Federal Trade Commission having initiated an investigation of certain acts and practices of Live-Lee Productions, Inc., a corporation, and Ruta Lee, individually and as an officer and director of said corporation, hereinafter sometimes referred to as proposed respondents, and it now appears that proposed respondents are willing to enter into an agreement containing an order to cease and desist from the use of the acts and practices being investigated,

It is hereby agreed by and between Live-Lee Productions, Inc., a corporation, by its duly authorized officer, and Ruta Lee, individually and as an officer and director of said corporation, and counsel for the Federal Trade Commission that:

1. Proposed respondent Live-Lee Productions, Inc. is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Texas, with its offices and principal place and business at 2761 Laurel Canyon Boulevard, Los Angeles, California 90046.

Proposed respondent Ruta Lee is an officer and director of said corporation. She formulates, directs, and controls the policies, acts, and practices of said corporation. She resides at 2436 Shirley Avenue, Fort Worth, Texas 76109.

2. Proposed respondents admit all the jurisdictional facts set forth in the draft of the complaint.

3. Proposed respondents waive:
(a) Any further procedural steps;
(b) The requirement that the Commission's decision contain a statement of findings of fact and conclusions of law; and

(c) All rights to seek judicial review or otherwise to challenge or contest the validity of the order entered pursuant to this agreement.