

and assigns, shall maintain and upon request make available to the Federal Trade Commission for inspection and copying:

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

B. All tests, reports, studies, surveys, demonstrations, or other evidence in their possession or control that contradict, qualify, or call into question such representation, or the basis relied upon for such representation, including complaints from consumers.

#### V.

It is further ordered that respondents shall 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 this Order.

#### VI.

It is further ordered that each individual respondent shall, for a period of five (5) years after the date of service of this Order upon him/her, promptly notify the Commission, in writing, of his/her discontinuance of his/her present business or employment and of his/her affiliation with a new business or employment. For each such new affiliation, the notice shall include the name and address of the new business or employment, a statement of the nature of the new business or employment, and a description of respondent's duties and responsibilities in connection with the new business or employment.

#### VII.

It is further ordered that the corporate respondent shall, within ten (10) days from the date of service of this Order upon it, distribute a copy of this Order to each of its officers, agents, representatives, independent contractors, and employees involved in the preparation and placement of advertisements or promotional materials, or who is in communication with customers or prospective customers, or who has any responsibilities with respect to the subject matter of this Order; and for a period of three (3) years, from the date of issuance of this Order, distribute a copy of this Order to all of respondent's future such officers, agents, representatives, independent contractors, and employees.

#### VIII.

It is further ordered that the corporate respondent shall, within ten (10) days from the date of service of this Order upon it, deliver by first class mail or in person a copy of this Order to each of its present distributors or retailers of its ozone generators.

#### IX.

It is further ordered that respondents shall, within sixty (60) days from the date of service of this Order upon them, and at such other times as the 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.

#### Analysis of Proposed Consent Order To Aid Public Comment

The Federal Trade Commission has accepted an agreement, subject to final approval, to a proposed consent order from respondents Quantum Electronics Corporation, a Rhode Island corporation, and Albert O. Coates, Maurice Lepenven, and Jacqueline J. Maynard, individually and as officers of the corporation.

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 and take other appropriate action or make final the agreement's proposed order.

This matter concerns the advertising of ozone generators, including the "Panda 200," as air cleaning products for use in homes, offices, other commercial establishments, and boats. The Commission's complaint charges that respondents' advertising contained unsubstantiated representations concerning the efficacy of their ozone generators in cleaning the air.

Specifically, the complaint alleges that the respondents lacked substantiation for their claims that: (1) When used as directed, the Panda 200 eliminates, removes, clears, or cleans formaldehyde, sulfur dioxide, ammonia, trichlorethylene, carbon dioxide, hydrogen sulfide, methane, odors, nitrogen dioxide, mold, mildew, bacteria, dust, chlorine, fungi, volatile organic compounds, viruses, and noxious or toxic gasses from a user's environment; (2) the use of ozone is more effective in cleaning or purifying indoor air than air cleaning products

that use filters; (3) the Panda 200 does not create harmful by-products; and (4) when used as directed, the Panda 200 prevents or provides relief from allergies, asthma, and viruses.

The proposed consent order contains provisions designed to remedy the violations charged and to prevent the respondents from engaging in similar acts and practices in the future.

Part I of the proposed order prohibits respondents from representing any air cleaning product's ability to eliminate, remove, clear, or clean any indoor air pollutant or any quantity of indoor air pollutants from a user's environment, unless respondents possess competent and reliable scientific evidence that substantiates the representation.

Similarly, Part II of the proposed order prohibits respondents from claiming that (1) the use of ozone is more effective in cleaning or purifying indoor air than other air cleaning methods, (2) any air cleaning product does not create harmful by-products, or (3) when used as directed, any air cleaning product prevents or provides relief from allergies, asthma, and viruses, unless respondents possess competent and reliable scientific evidence that substantiates the representation.

As fencing-in relief, Part III of the proposed order provides that if respondents represent the efficacy, performance, or health-related benefit of any air cleaning product, respondents must possess competent and reliable evidence that substantiates the representation.

The proposed order also requires respondents to maintain materials relied upon to substantiate claims covered by the order; to notify the Commission of any change in the corporate structure that might affect compliance with the order; to notify the Commission of certain changes in the business or employment of the named individual respondents; to provide a copy of the consent agreement to their employees involved in the preparation and placement of respondents' advertisements, or in communication with respondents' customers or prospective customers; to distribute a copy of the order to their present distributors or retailers of their ozone generators; and to file one or more reports detailing compliance with the order.

The purpose of this analysis is to facilitate public comment on the proposed order. It is not intended to constitute an official interpretation of