

UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION

COMMISSIONERS: Jon Leibowitz, Chairman  
Pamela Jones Harbour  
William E. Kovacic  
J. Thomas Rosb

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considered the comments received from interested persons pursuant to section 2.34 of its Rules, now in 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 CSE, Inc., also doing business as Mad Mod, is a Tennessee corporation with its principal place of business at 504<sup>th</sup> Avenue South, Nashville, Tennessee 37210.
2. Respondents Chris Sæveit and Cyndi Sæveit are the owners of Mad Mod. Individually or in concert with others, they formulate, direct, or control the policies, acts, or practices of the corporation. Their principal offices or place of business are the same as that of Mad Mod.
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

### DEFINITIONS

For purposes of this order,

6. "Manufactured fiber" shall mean any fiber derived by a process of manuf

II.

PROVIDED, however, that nothing in this order shall prohibit respondents from describing a covered product using the generic name of any manufactured fiber and identifying bamboo as the cellulose source for such fiber, e.g., rayon made from bamboo, so long as such representation is true, nonmisleading, complies with the Textile Fiber Products Identification Act, 15 U.S.C. § 70et seq. ("Textile Act") and with the Rules and Regulations promulgated thereunder, 16 C.F.R. Part 303 ("Textile Rules"), and, at the time such representation is made, respondents possess and rely on competent and reliable scientific evidence that substantiates the representation.

III.

IT IS FURTHER ORDERED that respondents, 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 covered product in or affecting commerce, shall not fail to comply with any provision of the Textile Fiber Products Identification Act, 15 U.S.C. § 70et seq. ("Textile Act"), or of the Rules and Regulations promulgated thereunder, 16 C.F.R. Part 303 ("Textile Rules"), copies of which are attached hereto as "Appendix A," or of the Textile Act or Textile Rules as they may hereafter be amended, including but not limited to:

- A. Selling, offering for sale, or advertising in commerce any covered product that is falsely or deceptively stamped, tagged, labeled, invoiced, advertised, or otherwise identified as to the name or amount of constituent fibers contained therein, 15 U.S.C. §§ 70a, 70b;
- B. Selling, offering for sale, or advertising in commerce any covered product that does not have a stamp, tag, label, or other means of identification on or affixed to the inside center of the neck midway between the shoulder seams or, if such product does not contain a neck, in the most conspicuous place on the inside of such product, unless it is on or affixed on the outer side of such product, or in the case of hosiery items on the outer side of such product or package, 15 U.S.C. § 70b(j);
- C. Failing to use the recognized generic name of any manufactured fiber in the required information in any labels, invoices, or advertising of any covered product, 16 C.F.R. §§ 303.6 and 303.7;
- D. Failing to include all required information on labels for any covered product and in any written advertisement disseminated for a covered product that is used to aid, promote, or assist, directly or indirectly, in the sale or offering for sale of such covered product, including identifying:

1. the generic names and percentages byweight of the constituent fiber present in the covered product; in amounts of 5 percent or more and in the order of predominance set forth in 16 C.F.R. § 303.16(d);
2. the name or registered identification number issued by the Commission of the manufacturer or of

method without examining the actual product purchased, the description of the product include a clear and conspicuous statement that the product was either made in U.S.A., imported, or both. 16 CFR §§ 303.1(u) and 303.34;

- I. Where a fiber trademark is used in advertising a covered produ

- B. All materials that were relied upon in disseminating the representation;
- C. All tests, reports, studies, surveys, demonstrations, or other evidence in its 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; and
- D. All acknowledgments of receipt of this order obtained pursuant to Part V.

V.

IT IS FURTHER ORDERED that respondent CSE, Inc., also doing business as Mad Mod, and its successors and assigns, and respondents Chris Saetveit and Cyndi Saetveit shall deliver a copy of this order to its current and future principals, members, officers, directors, and managers, and to all current and future employees, agents, and representatives having responsibilities with respect to the subject matter of this order and shall secure from each such person a signed and dated statement acknowledging receipt of the order. Respondents 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.

VI.

IT IS FURTHER ORDERED that respondent CSE, Inc., also doing business as Mad Mod, and its successors and assigns, and respondents Chris Saetveit and Cyndi Saetveit shall notify the Commission at least thirty (30) days prior to any change with regard to CSE, Inc., also d/b/a Mad Mod, or any business entity that any respondent directly or indirectly controls, or has an ownership interest in, that may affect compliance obligations arising under this order including but not limited to formation of a new business entity, a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor entity, 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 business or corporate name or address. Provided, however, that, with respect to any proposed change 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, 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580.

VII.

IT IS FURTHER ORDERED that respondents Chris Saetveit and Cyndi Saetveit, for a period of five (5) years after the date of issuance of this order, each shall notify the Commission of the discontinuance of his or her current business or employment, or of his or her affiliation with any new business or employment. The notice shall include the respondent's new business

address and telephone number, and a description of the nature of the business or employment and his or her duties and responsibilities. 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, 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580.

#### VIII.

IT IS FURTHER ORDERED that respondent CSE, Inc., also doing business as Mad Mod, and its successors and assigns, and respondents Chris Sæveit and Cyndi Sæveit shall, within sixty (60) days after the date of service of this order, file with the Commission a true and accurate report, in writing, setting forth in detail the manner and form in which they have complied with this order. Within (10) days of receipt of written notice from a representative of the Commission, respondents shall submit additional true and accurate written reports.

#### IX.

This order will terminate on December 15, 2029, 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:

- A. Any Part in this order that terminates in less than twenty (20) years;
- B. This order's application to any respondent that is not named as a respondent in such complaint; and
- C. 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 or the date such dismissal or ruling is upheld on appeal.

By the Commission.

Donald S. Clark  
Secretary

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ISSUED: December 15, 2009