

a report in writing setting forth its efforts and progress in carrying out the divestiture requirements of this order until all such assets have been divested with the approval of the Commission; and respondent shall submit to the Commission on the first day of each calendar year a report in writing setting forth its compliance with the cease and desist provisions of this order.

F

It is further ordered, That respondent notify the Commission of the names and addresses of all persons, firms or corporations who shall express to respondent any interest in purchasing the assets to be divested under the terms of this order, within thirty (30) days after having been informed of such interest.

G

It is further ordered, That respondent's motion to withdraw this matter from adjudication be, and it hereby is, denied.

Commissioners Dixon and Elman believe that, in view of the changed conditions now existing in the vending machine industry, the public interest would be served by disposing of the case on the basis of the consent order settlement submitted by respondent.

IN THE MATTER OF

MICHAEL M. TURIN*

ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL
TRADE COMMISSION AND THE TEXTILE FIBER PRODUCTS
IDENTIFICATION ACTS

Docket 8757. Complaint, Feb. 28, 1968—Decision Apr. 11, 1969

Consent order requiring a Costa Mesa, Calif., retailer of fabrics to cease misbranding its textile fiber products by failing to disclose on labels when the fabrics are "remnants of undetermined fiber content."

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Textile Fiber Products Identification Act, and by virtue of the authority vested in it by said Acts, the Federal

*Formerly trading as International Yardage Fair.

Trade Commission, having reason to believe that Michael M. Turin, an individual formerly trading as International Yardage Fair, hereinafter referred to as the respondent, has violated the provisions of said Acts and the Rules and Regulations promulgated under the Textile Fiber Products Identification Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Michael M. Turin is an individual who formerly traded under the name of International Yardage Fair until October 1966.

Respondent Michael M. Turin established and formulated the policies of International Yardage Fair, and directed its operation, until October 1966, at which time he discontinued trading under the name of International Yardage Fair.

Respondent Michael M. Turin, while trading under the name of International Yardage Fair, engaged in the business of retailing fabrics, specializing in the sale of 3 to 10 yard pre-cut lengths and remnants. Respondent Michael M. Turin, up until October 1966, had his office and principal place of business at 3006 Country Club Drive, Costa Mesa, California.

Respondent Michael M. Turin ceased trading as International Yardage Fair in October 1966, and became associated with Round the World Commodities, a proprietorship formed and owned by Clint Pigman. Round the World Commodities was organized in October 1966 and is engaged in the same business as International Yardage Fair formerly was. Respondent Michael M. Turin, as an associate of, and consultant to, Clint Pigman, performs the same functions as those performed by him while operating International Yardage Fair. These include the promoting of fabric shows, arranging publicity in advertising, setting up itineraries, and assisting in the buying of fabrics.

The address of the office and principal place of business of Round the World Commodities is Post Office Box 1252, Costa Mesa, California. Its warehouse is located at 1245 Logan Street, Costa Mesa, California.

PAR. 2. Respondent, is now and for some time last past has been engaged in the introduction, delivery for sale, sale, advertising, and offering for sale, in commerce, and in the transportation or causing to be transported in commerce, and in the importation into the United States, of textile fiber products; and has sold, offered for sale, advertised, delivered, transported, and

caused to be transported, textile fiber products, which have been advertised, or offered for sale in commerce; and has sold, offered for sale, advertised, delivered, transported and caused to be transported, after shipment in commerce, textile fiber products either in their 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.

PAR. 3. Certain of said textile fiber products were misbranded by respondent within the intent and meaning of Section 4(a) of the Textile Fiber Products Identification Act and Rules and Regulations promulgated thereunder in that they were falsely and deceptively stamped, tagged, labeled, advertised, or otherwise identified as to the name or amount of constituent fibers contained therein.

Among such misbranded textile fiber products, but not limited thereto, were textile fiber products which were advertised in the Daily Pilot/News-Press, a newspaper published in Newport Beach, California, and distributed in interstate commerce. The said advertisement contains terms which represented, either directly or by implication, that certain fibers were present in the said product, when such was not the case.

Among such terms, but not limited thereto, was the term "LINENS," which was used to describe a textile fiber product which in truth and in fact was made of rayon and was not composed of linen nor did it contain any linen fibers.

PAR. 4. Certain of said textile fiber products were misbranded by respondent in that they were not stamped, tagged, labeled, or otherwise identified as required under the provisions of Section 4(b) of the Textile Fiber Products Identification Act, and in the manner and form prescribed by the Rules and Regulations promulgated under said Act.

Among such misbranded textile fiber products, but not limited thereto, were textile fiber products which were not labeled to show in words and figures plainly legible: (1) the true generic names of the constituent fibers present in the textile fiber products; (2) the percentage of each such fiber; and (3) any fiber or group of fibers present in the amount of 5 per centum or less as "other fiber" or "other fibers."

PAR. 5. Certain of said textile fiber products were falsely and deceptively advertised, in that the respondent, in making disclosure or implications as to the fiber content of such textile fiber products in written advertisements used to aid, promote

and assist, directly or indirectly, in the sale or offering for sale of said products, failed to set forth the required information as to fiber content, as specified by Section 4(c) of the Textile Fiber Products Identification Act and in the manner and form prescribed by the Rules and Regulations promulgated under said Act.

Among such textile fiber products, but not limited thereto, were fabrics which were falsely and deceptively advertised in the Los Angeles Times, a newspaper published in Los Angeles, California, and distributed in interstate commerce, in that the trade name of the fiber was used in lieu of the true generic name of the fibers in such articles.

PAR. 6. Respondent, in violation of Section 5(a) of the Textile Fiber Products Identification Act, has caused and participated in the removal of, prior to the time textile fiber products subject to the provisions of the Textile Fiber Products Identification Act were sold and delivered to the ultimate consumer, labels required by the Textile Fiber Products Identification Act to be affixed to such products, without substituting therefor labels conforming to Section 4 of said Act and in the manner prescribed by Section 5(b) of said Act.

PAR. 7. Respondent, in substituting a stamp, tag, label or other identification pursuant to Section 5(b) has not kept such records as would show the information set forth on the stamp, tag, label or other identification that was removed, and the name or names of the person or persons from whom such textile fiber product was received, in violation of Section 6(b) of the Textile Fiber Products Identification Act.

PAR. 8. The acts and practices of the respondent as set forth above were, and are, in violation of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder, and constituted, and now constitute, unfair methods of competition and unfair and deceptive acts or practices, in commerce, under the Federal Trade Commission Act.

PAR. 9. Respondent is now, and for some time last past has been, engaged in the offering for sale, sale and distribution of textile fabrics to the public.

PAR. 10. In the course and conduct of his aforesaid business, respondent has caused advertisements, intended to induce the sale of his aforesaid textile fabrics, to be placed in newspapers which were and are disseminated in interstate circulation. Among and typical, but not all inclusive of such statements, are the following:

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THE WORLD'S LARGEST DISPLAY OF MATERIALS.

Over 4,000 sq. ft. Jam-packed with material from "Around the world"

* * * * *

World's Largest display and sale

Over 32,000 sq. ft. of display space never before have so many fabrics been displayed and sold under one roof.

Materials from "Around the World"

Japan France England India
Switzerland Hong Kong Germany
and many many others

* * * * *

Largest
Display of
Materials
in the World!!!

1/2 million yards of sample cuts and bolts made for manufacturers of clothing!!!

Yard goods—drapery fabrics
upholstery materials
Plastics Boltflex
Naugahyde
and others.

* * * * *

ALL FIRST
QUALITY
and
GUARANTEED!
No Limit—No Reserve

PAR. 11. By and through the use of said statements, and others of similar import not specifically set out herein, respondent represented, directly or by implication:

1. That the respondent operated the largest display room and had for sale the largest display of textile fabrics in the world.
2. That all of the textile fabrics displayed and sold by him were of first quality.
3. That the respondent's textile fabrics were unconditionally guaranteed.

PAR. 12. In truth and in fact:

1. Respondent did not operate the largest display room in the world.
2. Respondent has not had, and does not have, the largest display of fabric in the world.

3. Many of the textile fabrics displayed and sold by him were seconds and were not of first quality.

4. Respondent's guarantee was not unconditional and the guarantor failed to set forth the nature and extent of the guarantee, and the manner in which the guarantor would perform.

Therefore, the statements and representations set forth in Paragraph Ten were and are false, misleading, and deceptive.

PAR. 13. In the conduct of his business at all times mentioned herein, respondent has been in substantial competition, in commerce, with corporations, firms and individuals in the sale of textile fabrics of the same general kind and nature as those sold by respondent.

PAR. 14. The use by respondent of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were and are true and into the purchase of substantial quantities of respondent's products by reason of said erroneous and mistaken belief.

PAR. 15. The aforesaid acts and practices of respondent, as herein alleged, were and are all to the prejudice and injury of the public and of respondent's competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce, in violation of Section 5 of the Federal Trade Commission Act.

Mr. Edward B. Finch and *Mr. Richard H. Gins* for the Commission.

Mr. Donald W. Killian, Jr., and *Mr. Blair T. Barnett*, Newport Beach, Calif., for respondent.

INITIAL DECISION BY WALTER R. JOHNSON, HEARING EXAMINER
JANUARY 9, 1969

In the complaint, which was issued on February 28, 1968, the respondent is charged with violating provisions of the Federal Trade Commission Act, the Textile Fiber Products Identification Act, and the Rules and Regulations promulgated under the latter Act. On April 1, 1968, complaint counsel and counsel for respondent participated with the hearing examiner in a telephonic conference, and an order was issued reciting the results thereof. The order contained a directive to each party to prepare a trial

brief setting forth a statement of anticipated issues and disclosing, among other things, the names of the witnesses and the documentary exhibits which the party plans to introduce. Complaint counsel's brief was submitted on May 6, 1968, and the respondent's brief on May 21, 1968.

A hearing, convened on June 10, 1968, was adjourned, to be reset on ten days' notice, on motion of respondent's counsel and a showing that the respondent had undergone surgery four days prior thereto and would be hospitalized for a period of time. Hearings were held and completed at Los Angeles, California, on September 24 and 25, 1968, and the record was closed for the receipt of evidence. Proposed findings were to be filed on or before November 8, and replies thereto on November 22, 1968.

Complaint counsel, on November 8, 1968, filed with the Secretary of the Commission proposed findings. The respondent, who is located at Costa Mesa, California, by a letter dated November 8, 1968, addressed to the hearing examiner, stated in part:

When I found out what the approximate cost of obtaining a transcript of the proceedings would be, not to mention additional attorney's fees, I discovered that I could not financially afford to carry the fight any longer and I told my attorney not to do any more work on the case.

The main reason I am writing this letter is to let you know that the fact that I am not filing Findings is not due to the fact that I have no interest in the matter, but simply due to the fact that I couldn't afford to.

However, on November 25, 1968, the hearing examiner received from the respondent a document, which was mailed on November 21, 1968, entitled "Proposed Finding of Fact, Conclusions of Law and Order," described by him as "a layman's attempt to submit finding of facts," without a copy of the transcript, and attempting "to follow attorney's [complaint counsel's] Proposed Findings as a guide." The hearing examiner caused the said document to be filed with the Secretary of the Commission, together with the required number of copies, as provided by the rules of the Commission, and an order was issued receiving the same as part of the record in this proceeding. It was further ordered that complaint counsel be allowed to file a reply thereto on or before December 6, 1968, and such reply was filed on said date.

The hearing examiner has given consideration to the proposed findings filed by the parties, and all proposed findings and conclusions not hereinafter specifically found or concluded are herewith rejected. Upon consideration of the entire record herein, the

hearing examiner makes the following findings of fact and conclusions:

The respondent, Michael M. Turin, residing at 3006 Country Club Drive, Costa Mesa, California, has been in the business of buying and selling fabrics since the year 1962. Some time during that year or in 1963, he formed a partnership with Mrs. Bertha Goldstein, doing business under the name of International Yardage Fair. However, the record herein shows that he held himself out as the sole owner of the said company. He continued to do business as International Yardage Fair until October 1964 when he was forced into bankruptcy by his creditors with liabilities of about \$330,000 or \$340,000. The creditors received nothing. During the last full year of the business, the gross sales totaled approximately \$550,000. In 1965, the respondent was employed by Mr. Clint Pigman as general manager of a fabric business started that year under the name of Round the World Commodities. The office and principal place of business of the company is 2226 South Susan Street, Santa Ana, California, or Post Office Box 1252, Costa Mesa, California. The gross sales of the business for the year 1967 were \$350,000, and for the year 1968 they may total \$600,000. As general manager of Round the World Commodities, the respondent formulates all of the policies thereof and performs the same functions as he did while he operated International Yardage Fair (Tr. 150-154, 190-192).

Respondent is now, and for some time last past has been, engaged in the introduction, delivery for sale, sale, advertising, and offering for sale, in commerce, and in the transportation or causing to be transported in commerce, and in the importation into the United States, of textile fiber products; and has sold, offered for sale, advertised, delivered, transported, and caused to be transported, textile fiber products, which have been advertised, or offered for sale in commerce; and has sold, offered for sale, advertised, delivered, transported and caused to be transported, after shipment in commerce, textile fiber products either in their 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 (Par. Two of Complaint admitted by Answer).

In the conduct of his business at all times mentioned herein, respondent has been in substantial competition, in commerce, with corporations, firms and individuals in the sale of textile

fabrics of the same general kind and nature as those sold by respondent (Par. Thirteen of Complaint admitted by Answer).

The complaint alleges that respondent, Michael M. Turin, has violated:

(1) Section 4(a) of the Textile Fiber Products Identification Act, in that textile fiber products were falsely and deceptively stamped, tagged, labeled, advertised, or otherwise identified as to the name or amount of constituent fibers contained therein;

(2) Section 4(b) of said Act, by failing to stamp, tag, label, or otherwise identify the aforementioned textile fiber products with labels showing the information required by said Section 4(b), and in the manner and form prescribed by the Rules and Regulations under said Act;

(3) Section 4(c) of said Act, by failing to set forth in advertising the required information as to fiber content, and in the manner and form prescribed by the Rules and Regulations under said Act;

(4) Section 5(a) of said Act, by removing labels from textile fiber products required by the Act to be affixed to said products, without substituting therefor labels conforming to Section 4 and in the manner prescribed by Section 5(b);

(5) Section 6(b) of said Act, by failing to keep required records when substituting stamps, tags, labels or other identification pursuant to Section 5(b);

(6) Section 5 of the Federal Trade Commission Act by falsely and deceptively advertising, in newspapers of interstate circulation, that

(a) the respondent's operation was "The World's Largest Display of Materials," "World's Largest display and sale," "Largest Display of Materials in the World!!!";

(b) that the fabrics offered for sale were "ALL FIRST QUALITY";

(c) that the respondent's fabrics were unconditionally guaranteed.

In support of the complaint, complaint counsel called as witnesses six employees of the Federal Trade Commission, namely, Miss Idelle Shapiro, head technologist at the textile and furs laboratory, Bureau of Textiles and Furs, Washington, D.C., and the following investigators for the Commission: Mr. Edwin H. Anderson, at present in the New York City Office, formerly in the Los Angeles Office; Mr. Carl B. Mickelson, Los Angeles Of-

rice; Mr. Jackson R. Smith, Los Angeles Office; Mr. Kerper G. Propert, San Francisco Office; and Mr. Donald L. Hamilton, Seattle Office. Also called as witnesses by complaint counsel were Mr. Ben Rosenberg, of Los Angeles, engaged in a business called a cutting service; Mr. Richard Mangam, advertising salesman for the Los Angeles Times; and the respondent, Mr. Michael M. Turin. No witnesses were called by the respondent, and the facts in connection with his defense were developed by cross-examination of the respondent at the time he was called as a witness in support of the complaint.

In carrying on their business of making retail sales, International Yardage Fair and Round the World Commodities did not have regular outlets, but they staged so-called shows in banquet rooms, fairgrounds, exposition halls, and the like located in many cities throughout California. The record also shows that Round the World Commodities conducted two sales at Seattle, Washington, one in 1967 and the other in 1968. Each show would usually run from one to five days, and would be prominently advertised in the local newspapers. There were received in evidence 32 advertisements that appeared in newspapers with respect to 23 sales, all in the State of California, 11 of which were conducted by International Yardage Fair during the years of 1963 and 1964, one in June 1965 where the seller is not revealed, and 11 by Round the World Commodities during 1965, 1966, and 1967. The places and dates, together with the exhibit numbers, with respect to each sale are as follows:

Place of sale	Date	Ad
INTERNATIONAL YARDAGE FAIR		
1. Hollywood Roosevelt Hotel Hollywood	Sept. 5-6, 1963	CX 1.
2. Lafayette Hotel Long Beach	Sept. 20-21-22-23, 1963	CX 2.
3. Ambassador Hotel Los Angeles	Oct. 22-23-24, 1963	CX 3.
4. Sheraton Palace Hotel San Francisco	Nov. 10-11-12, 1963	CX 18.
5. Los Angeles County Fairgrounds Pomona	Nov. 20-21, 1963	CX 4.
6. Sheraton Palace Hotel San Francisco	Jan. 3-4-5-6, 1964	CX 17.
7. Shrine Exposition Hall Los Angeles	April 30 thru May 9, 1964 (10 days)	CX 5, 6, 7, 8, 9, 10.
8. Orange County Fairgrounds Costa Mesa	May 15-16-17-18, 1964	CX 11, 12, 13.
9. Orange Show Grounds San Bernardino	May 22-23-24-25, 1964	CX 34.
10. American Legion Hall Vista	July 29-30-31, 1964	CX 16.
11. Ambassador Hotel Los Angeles	Aug. 28-29-30-31, 1964	CX 23.

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SELLER NOT DISCLOSED

Place of sale	Date	Ad
12. American Legion Hall Vista	June 17-18, 1965	CX 19, 20.

ROUND THE WORLD COMMODITIES

13. Mayfair Hotel Los Angeles	Aug. 19-20, 1965	CX 24.
14. Mayfair Hotel Los Angeles	Aug. 23-24, 1965	CX 25.
15. Shrine Exposition Hall Los Angeles	Oct. 22-23-24-25, 1965	CX 26.
16. Union Hall, Azusa	May 2-3-4, 1966	CX 21.
17. Disneyland Hotel Anaheim	July 26-27, 1966	CX 22.
18. Union Hall, Azusa	Aug. 17-18-19, 1966	CX 28, 30.
19. Biltmore Hotel Los Angeles	Sept. 8-9-10-11, 1966	CX 31.
20. Hacienda Hotel El Segundo	Sept. 20-21-22-23, 1966	CX 27.
21. Biltmore Hotel Los Angeles	Dec. 4-5, 1966	CX 29.
22. Beverly Hilton Hotel Beverly Hills	March 16, 1967	CX 33.
23. Hollywood Palladium Hollywood	Aug. 31, 1967	CX 32.

Two pieces of fabrics (CX 14 and 15) purchased from the respondent by Mr. Anderson on May 15, 1964, at the sale conducted at the Orange County Fairgrounds, Costa Mesa (Sale No. 8) and the analysis reports, dated May 1, 1968, made by Miss Shapiro with respect to the fiber content of said fabrics (CX 62 and 63) were received in evidence.

Invoices representing sales made to International during February through May 1964 by three suppliers (CX 35 through CX 61), which were obtained by Mr. Mickelson from respondent on June 29, 1964, a sign measuring 22 x 14 inches, with letters less than two inches in height, reading, "ALL MATERIALS ON DISPLAY THAT ARE NOT MARKED WITH THE FIBER CONTENT ARE TO BE REGARDED AS REMNANTS OF UNDETERMINED FIBER CONTENT," supplied by the respondent to Mr. Hamilton on August 10, 1967 (CX 64), and a license issued by the city of Costa Mesa, California, to the respondent to conduct a sale on April 30 through May 3, 1965 on the payment of a \$40 fee (CX 65A-B) were received in evidence.

Mr. Anderson testified that in the course of his duties he observed an ad, as he recalled it, in the Los Angeles Times relating to a promotion being held in the banquet room of the Ambassador Hotel, Los Angeles, which he attended. He did not disclose the date of the sale, but an ad in the Los Angeles Herald-Examiner on October 20, 1963, obtained by Mr. Anderson, shows that a promotion took place on October 22, 23, and 24, 1963 (CX 3). He looked at the merchandise on display, picking up a

number of pieces of fabrics, most of which were not labeled as to fiber content. The fabrics "did have some kind of a tag disclosing the length of the pieces of fabric and the selling price and I just did a little looking" (Tr. 66). He contacted a Mr. Showers, who appeared to be in charge, and had a brief discussion with him about a sign approximately 2 x 2 1/2 feet in size, worded:

All materials in this showing are sample sets or bolts sent to the manufacturers of fine clothing for their consideration and or use. Wherever possible fiber count in each piece will be shown. Wherever it is not shown, all must be regarded as remnants of undetermined fiber content (Tr. 67).

The banquet room was about 75 x 100 feet and the sign was located near the cash register at the front end of the room. There was a conversation with Mr. Showers with reference to the question whether the sign could be regarded as being placed in a conspicuous place in immediate conjunction with the merchandise being offered for sale. He estimated that the percentage of unlabeled merchandise might run as high as 90 percent.

Mr. Anderson attended a sales display of International at the Shrine Exposition Hall, Los Angeles (Sale No. 7) on May 3, 1964, and the only testimony given with reference thereto that had any import was that there was a sign 3 x 4 feet posted at each end of the building, reading: "Materials unmarked as to contents are to be regarded as remnants of undetermined fiber content" (Tr. 94). The witness commented:

These signs were easily legible if the customer stood within a reasonable angle in front of such sign. However a person standing anywhere near the middle of the sales room could not read the signs at either end of the room (Tr. 94).

The witness identified an advertisement that appeared in the Daily Pilot/News-Press with reference to a promotion sale by International for four days beginning May 15, 1964, at the Jr. Exhibits Bldg., Orange County Fairgrounds, Costa Mesa (CX 12). On May 15, 1964, he visited the promotion where he met Mr. Turin for the first time. He introduced himself to the respondent, and explained to him the nature of his visit. In the advertisement (CX 12) under the heading "Gigantic Selection of MATERIALS," appeared the words "LINENS" and "DACRON-POLYESTER." The witness testified that he asked to be shown the two named fabrics and purchased a remnant which Mr. Turin called "Linen" (CX 14) and one called "Dacron-Polyester" (CX 15). Neither of the pieces of fabrics was labeled as to fiber content. The building where the

sale was held was roughly 100 x 140 feet with approximately 14,000 to 15,000 square feet. There were two signs approximately 3 x 4 feet in size, worded the same as set forth previously in connection with the Shrine promotion with one at each end of the building. There was a discussion with Mr. Turin in which the witness expressed doubt that these signs could be reasonably considered as conspicuous signs placed in immediate conjunction with the merchandise on display. The witness said that it would not be an unreasonable estimate to say that 90 percent of the fabrics he sampled at the Orange County Fairgrounds were unlabeled (Tr. 82).

On cross-examination, Mr. Anderson testified, in part:

Q. Now I am directing your attention to Commission Exhibit 14, this I believe was a sample you purchased from Mr. Turin at the Orange County Fairgrounds show, is that correct?

A. Yes, sir.

Q. And that was the one dealing with linens, is that correct?

A. That's right, my recollection, yes.

* * * * *

Q. Was your recollection based on your notes?

A. Yes, sir (Tr. 86).

* * * * *

Q. Will you show me the portions of your notes there that you refreshed your recollection as to that point?

A. I don't see the note right at the moment.

Q. Can you recall if there was such a note?

A. Yes (Tr. 87).

* * * * *

Q. Now Mr. Anderson, I notice in that report you refer to, you did not quote the conversation you had with Mr. Turin regarding the fabric, is that correct?

A. I did not state the exact words I had with him, no.

Q. Well, those notes are not enough to refresh your recollection as to what the exact words were I take it?

A. No (Tr. 92).

On the first day of the hearing, Mr. Carl B. Mickelson testified that the first time he contacted Mr. Turin was on July 1, 1963 at the American Legion Hall in Costa Mesa where a promotion fabric show was being conducted. He said he felt that Mr. Turin was not aware of the requirements of the Textile Act as he was relatively new in this type of marketing. The visit was more educational than anything else. After the inspection, he wrote a so-called deficiency letter that was sent to the respondent,

* * * which covered an explanation of the Rule 13 as well as any merchandise that should be labeled, he couldn't avail himself of this particular rule if he in effect could ascertain the content. In addition there was the certain advertising deficiencies and these were again spelled out in part of the deficiency letter (Tr. 102).

Other than what is stated, there is no explanation of the contents of the letter, nor was the letter presented or offered in evidence. There was no signs posted with regard to fiber content. Although the witness said "the number of pieces was estimated because it was a routine inspection which would entail calling for the number of pieces inspected" (Tr. 98), his testimony does not reveal or give any information with reference to any fabric or its labeling. Furthermore, there is no indication in what manner the respondent had violated the law. The next time he contacted International was with Mr. Jackson R. Smith on September 10, 1963 at the El Cortez Hotel in San Diego, "to observe the show and see what type of compliance he was" (Tr. 101). Mr. Turin was not there, so they talked to a Mr. Showers who identified himself as the advertising manager, and he was aware that

* * * I had spoken to Mr. Turin back in July regarding the requirements, but at that time he said they hadn't been able to get the signs prepared and that was the essence of it, that he would make Mr. Turin aware of it (Tr. 102).

There were no signs. Again, a so-called deficiency letter, previously described, was sent to Mr. Turin. There was no testimony showing that any fabrics were on display, nor is there any indication that the respondent had violated the law.

Mr. Mickelson's next visit was on May 15, 1964, at the Orange County Fairgrounds, Costa Mesa, where he accompanied Mr. Anderson. He said that he was present in the hearing room when Mr. Anderson was testifying, and that the total content of what he heard was essentially all true (Tr. 103).

On June 2, 1965, he made a visit to International's combination warehouse and public display room where very limited retail sales are made. He described the premises as a rather small warehouse and display area of possibly 2,000 square feet. He said that he did not estimate how much fabric was on display. Again, the witness did not give any testimony pertaining to the labeling of fabrics. He said there were two signs in the display area; one that was leaning against the wall, and the other hung on the wall. He was shown CX 35 through CX 61, and said that he had obtained them from Mr. Turin at the warehouse mentioned be-

fore on June 29, 1964. He also stated that he visited and spoke to Mr. Turin on June 26 and July 8, 1964, but there is no testimony as to what transpired at that time.

The witness testified that, with Mr. Charles McGordy, an investigator in the Los Angeles Office, he visited Mr. Turin on June 17, 1965, at the American Legion Hall in Vista. Mr. Turin indicated that International had gone out of business through bankruptcy in October 1964, and this was either the first or second show since that time. CX 19 and CX 20 are ads pertaining to said sale, which do not disclose the seller (Sale No. 12), and it appears that this is a sale conducted by Mr. Turin in his individual capacity between the time International ceased to exist and when Round the World started in business. The witness checked the labeling of the fabric exhibited and he estimated that "98 percent of these remnant pieces in the precut lengths that averaged three or four or five and a few inches and in probably in 10 yard lengths were unlabeled" (Tr. 108), except as to yardage and price. There were no signs.

On May 4, 1966, he visited a Round the World show at Union Hall, Azusa, heretofore referred to as Sale No. 16 (CX 21). The hall measured approximately 60 x 60 feet. The witness saw only one sign on the wall and called this to Mr. Turin's attention, but Mr. Turin explained that he had two up on the other wall. On inspection, they found two signs on the floor, which apparently had been put up with an adhesive and had fallen off. The witness looked at the fabrics on most of the tables and he estimated that about 97 percent were unlabeled, except as to yardage and price.

On July 27, 1966, in company with Mr. Jackson R. Smith, he visited a show held at the Disneyland Hotel, Anaheim. The only evidence given with reference to this promotion was that it was conducted in a banquet room in which there were about 50 tables measuring 3 x 6 feet and two signs approximately 18 x 24 inches with the statement that "all materials on display which are not marked as to fiber content are to be regarded as remnants of undetermined fiber content" (Tr. 112). He could not recollect where the signs were located.

Mr. Mickelson was recalled as a witness by complaint counsel on the second day of the hearing after Mr. Turin has testified. In the main, what Mr. Mickelson had to say is confusing and meaningless. With regard to CX 14 and CX 15, previously referred to herein, the witness stated, in part (Tr. 194-195):

* * * He [Mr. Turin] had indicated earlier at the Orange County show that it was a sinhue pattern from Crown. He had told Mr. Anderson this, and that it was 65 percent dacron polyester and 35 percent avron rayon which was in Mr. Anderson's report, and I accompanied him in observing the area. He accompanied us around and we identified some more of the Crown fabrics.

When asked by Mr. Finch, "Did you request any record keeping of material at that time?" the witness responded (Tr. 195-196):

Yes, I did. I said what is your method of record keeping in regard to how you can certify that you can tie into your label, you can relate to a specific invoice. I said do you have any quality style or quality number or selection system by which you can possibly show in a written form, and he said, no, and acknowledged that after the bolts are cut into shorter lengths the boards and tubes and any tags attached are destroyed.

He added further (Tr. 197):

* * * He explained that prior to his moving to his present location—he had not been there very long—that he had been as he had indicated earlier, using temporary warehouses adjacent to Ben's Cutting Service and that now he was able to keep records in his warehouse together, and this was the first time we were able to see both records and fabrics together, wherein before it was always at shows at distant locations from where he kept his records.

The testimony given by the witness when recalled appears to be with reference to the respondent's operations during a two month period in 1964. This is indicated by the following testimony (Tr. 197-198):

Q. Now, you are referring to a specific period of time and not from 1963 to today, what period of time are you referring to?

A. I am speaking of the time from the show in May—the Orange County show, to the time I made these two visits of 1964 which were in June and July.

Mr. Jackson R. Smith testified that, as a result of an advertisement in the Los Angeles Times on August 28, 1968 (which was shown to the witness but not offered in evidence), he attended a sale on August 29, 1968, held at the Palladium in Hollywood. He described the premises as a large building, 100 x 200 feet, of about 20,000 square feet, customarily used for dances. He said the fabrics were displayed on 3 x 6 feet tables set out in rows running lengthwise and crosswise to the dance floor area, with approximately 4 to 5 feet between the rows. There were also fabrics on tables in the raised areas at the ends of the dance floor. He observed that all the fabrics were labeled showing the size of the

cut and the price. Approximately 90 percent of the fabrics had no labels showing fiber content. There were two signs, approximately 18 x 24 inches, attached to pillars at the elevated ends at each end of the hall. He did not see Mr. Turin, but Mr. Bernstein, the accounts manager at the Palladium, "advised me that he was told Mr. Turin was in Honolulu conducting a sale there at the same time this sale was taking place" (Tr. 121-126).

Mr. Kerper G. Propert testified that in January of 1964, as a result of an advertisement he saw in a San Francisco paper, he and his partner, Mr. Lockler, called at the Palace Hotel in San Francisco where Mr. Turin was conducting a promotion in one of the ballrooms approximately four or five thousand square feet in size. There were tables set out with fabrics thereon on all sides of the room. A good many of the fabrics were labeled, setting out the yardage and the price, and in some cases the fiber content was written in ink across the face of the tag. In most cases, there was no fiber content on the fabric. As he recalled,

* * * at that particular showing there was one sign placed close to the entrance by the cash registers, this was set up on a tripod and was about a three by five sign setting out the information that the pieces unlabeled were referred to as remnants of undetermined fiber content (Tr. 128-129).

A person at the opposite end of the hall from the cash register could not read the sign.

On May 17, 1967, he went to a sale, advertised in the San Francisco paper, at the Hilton Hotel in a square room of about 10,500 square feet. He testified:

Mr. Turin was there at that time and we talked a bit in the lobby of the hotel and he told me I could proceed in through and do whatever I would like to do. So I went and checked the merchandise and found it generally to be labeled pretty much as the other sales with this small pin tickets setting out the yardage, the price, in some cases a fiber content, in most cases no fiber content. Again the fabric was set out on tables, some rectangular about a foot and a half by five feet in length. Others on round tables about four or five feet in diameter. On these tables were set out about 15 or 20 pieces of fabric with either this small pin ticket attached or the larger ticket as I described earlier attached or in some cases nothing except a price (Tr. 130-131).

* * * * *
There were at that time four signs posted. The signs were 15 by 20 inches, one on each wall of the room and one up by one group of cash registers (Tr. 131-132).

He testified that on September 8, 1968, he made another call at the same room at the Hilton Hotel, at which time the promo-

tion was being conducted by International Yardage Fair. When the sale opened, there were no signs whatsoever. However, Mr. Probert stated, "An hour after I made myself known to Mr. Pigman they were—three or four signs put up on the wall" (Tr. 135). When asked if this was Mr. Pigman's business at the time, the witness responded:

He didn't state. He merely said that Mr. Turin was not coming out to the sale and that Mr. Pigman would * * * (Tr. 135).

When asked to name other retail fabric outlets that he had occasion to investigate, he stated:

Well, in the immediate Bay Area we have Home Yardage—Home Yardage has two stores, one on Garey Boulevard and one down in San Mateo; Broadtex Fabrics on Garey Street downtown San Francisco. In my immediate area are any number of stores run by the House of Fabrics, and I could go on and list a hundred (Tr. 133).

* * * * *
The size of both the Home Yardage stores each would be approximately 15,000 square feet in each store of floor space.

* * * * *
Q. Now with regard to the House of Fabrics, can you give us an idea how many stores they have?

A. No, I couldn't tell you how many stores. It is quite considerable.

Q. Can you approximate?

A. I would approximate in the neighborhood of a 100.

* * * * *
Q. What is the location of the hundred stores you mentioned?

A. As far as I know it was a national company. The exact location of the stores I couldn't tell you. They are an interstate operation (Tr. 134-135).

On cross-examination, the following exchange took place (Tr. 135-137):

Q. Now, as to these home fabric stores, they have a hundred stores. I don't believe you indicated * * * .

A. * * * House of fabrics.

Q. Excuse me. They have approximately 100 stores. I don't believe you indicated the size of say their largest store if you know?

A. I don't know their largest store. I only know the stores in the chain that I deal with.

Q. What would you estimate to be the size of the largest store you have been in?

A. The largest store I deal with there is probably 20,000 square feet.

Q. Now you estimated that?

A. Yes. I would say the average is 10,000.

HEARING EXAMINER JOHNSON: Now when you say 20,000 10,000 square feet, are you meaning that portion devoted to fabrics?

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THE WITNESS: Yes, sir.

By Mr. Barnette:

Q. Would that include the sales floor as well as the backup for storage space or just the sales floor?

A. It could include the backup which is a very small part there in that particular operation.

Q. What is the location of that 20,000 square feet store?

A. It is in Salt Lake City, I believe, the largest store.

Q. The one * * * .

A. * * * That I deal with.

Q. And since this is an estimate, could it have been say 15,000 square feet?

A. No, I would stick with 20,000.

Mr. Donald L. Hamilton testified that he had occasion to contact Mr. Turin on August 10, 1967, in visiting a sale conducted at the Exhibition Hall, Seattle, Washington, which had been advertised in the Seattle Times on August 8, 1967. The premises were described as a large building—the old National Guard Armory which had been converted for the purpose of the World's Fair. There is a mezzanine floor and the display area, not counting the mezzanine, is 168 feet wide and 231 feet deep, or 38,808 square feet. Fabrics were displayed on about 250 to 300 tables, each measuring about 3 by 7 feet and arranged in about 15 rows. He stated (Tr. 141-142):

* * * There were, I believe, about 15 rows of tables going the full length of the display area except broken for aisle space running both directions. There were a few cross-aisles and there were regular aisles running lengthways.

There were about 20 pieces of fabrics or cuts, that were folded up, to the table. He examined almost all the fabrics and found no labels as to fiber content. There were six signs, each about 16 x 24 inches, all worded the same as CX 64, three located on the east wall and three on the west wall. When asked if he had any conversation with Mr. Turin during this time, he responded (Tr. 144-145):

Yes, I did. I approached Mr. Turin after having him pointed out by one of the sales personnel, I approached Mr. Turin and identified myself as an investigator for the Federal Trade Commission and asked why they were not labeled, and he pointed out that he felt the signs took care of that, and I said in my opinion they were not adequate.

Q. Did you have any discussion with regard to who ran the business or anything like that?

A. Yes, I did.

Q. What was the subject of that conversation?

A. I asked Mr. Turin if he was the owner and he said he was not, that Mr. Clint Pigman from Costa Mesa was the owner, that he, Mr. Turin, controlled policy and formulated policies:

The witness identified CX 64 as the sign he obtained from Mr. Turin on August 10, 1967. On cross-examination, the witness was asked if he told Mr. Turin how many signs he felt were adequate, and the response, in part, was (Tr. 146-147):

* * * I advised Mr. Turin that in my opinion he should put a remnant sign on every table, even as large as the ones posted on the walls or at every other table. Mr. Turin's reply was that all the customers would see would be a forest of signs as they entered and that would kill his business and that is pretty close to being a verbatim quote.

The following exchange also took place (Tr. 147-148):

Q. Well, how far away would you be from the nearest sign when you were in the display area?

A. Any given time?

Q. Pick the most extreme.

A. From the most extreme it would be 80 or 85 feet.

Q. Okay. 20 or 25 yards, does that sound about right?

A. 80 or 85 feet. Somewhere in there.

Q. Can you yourself read this sign from that distance, if you know?

A. I don't know. I think it would be rather difficult.

On May 19, 1968, the witness visited a promotion held in the same Seattle Exhibition Hall heretofore mentioned, and he found the situation to be about the same as he previously described.

It was stipulated by counsel for the parties that Miss Idelle M. Shapiro is qualified to testify as an expert in the field of fiber identification, that physical exhibits CX 14 and CX 15 were submitted to her to be analyzed as to their fiber content, using approved test methods, and that she found the fiber content of CX 14 to be as set forth in her report (CX 62) and CX 15 to be as set forth in her report (CX 63). The full text of the stipulation is set out on pages 25 and 26 of the transcript herein. Report CX 62 reads:

May 1, 1968

Turin Physical Exhibit A (68-172) was analyzed microscopically and chemically, and the fiber content was found to be rayon with a very small amount of silk contained in some of the slubs. There are no linen fibers present.

I. Shapiro

Report CX 63 reads:

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The above exhibit was analyzed and was found to contain the following:

	<i>test a</i>	<i>test b</i>
Turin G -----	28.3% rayon -----	27.9% rayon -----
68-173 -----	71.7% polyester -----	72.1% polyester -----

I. Shapiro

When Miss Shapiro was shown CX 14 and was asked to point out what, in her opinion, are defects in the fabric, she answered, in part (Tr. 29-30):

In looking at this piece in front of me right now, there is a yarn that within the yarn itself it has a dark grease mark.

* * * * *

You can see where the yarn is dirty. It is in the yarn itself.

* * * * *

This particular fabric, in the counting analysis, there are small slugs of yarn all through it, or that could be called nets. Yarns actually don't sluff right off, they are in there very loosely.

* * * * *

It is not a normal situation from a personal opinion as someone who works with textiles, I would not call it desirable to have pieces of fabric coming off.

* * * * *

Yes, I make most of my own clothes and I sew and design in production of clothes, and I would not find this a desirable aspect of a fabric and from a consumers point of view it would be very undesirable to have pills or slugs or pieces of your fabric fluffing off. It would lose the original appearance of the fabric historically.

On cross-examination, she added (Tr. 33):

This type of stain which is actually on the yarn itself definitely would have been put into that fabric when it was woven and therefore had been on the fabric the whole time because it is actually carried through the weave and you would not have a spot on a yarn going one direction after the fabric was woven.

With reference to CX 15, Miss Shapiro said, in part (Tr. 32):

There are several yarns that are thicker in this piece of fabric that I would consider undesirable and not part of the normal pattern.

* * * * *

This yarn was broken, the yarn is misshapen and broken. Here is a heavier yarn that is not part of the natural fabric weave. Here is a dirty spot and also a thickening yarn. This is just over a small area. Here is another thickening yarn. Here is another misshapen yarn. That is just a partial part of the fabric.

* * * * *

It definitely contains defects. If I had bought that fabric as recommended particularly to make a dress, that defect in laying out the pattern would be in a prominent place and before any of the defects would be in a prominent place I would be very dissatisfied.

Mr. Ben Rosenberg, of Los Angeles, testified that he is engaged in a business called a cutting service and has been in the trade for 28 years. He went into business for himself five years ago when he and a Mr. John Stevens found a partnership doing business as Stephan & Ben Cutting Service. Six months thereafter the witness bought out his partner. During the months of February and March 1964, he performed cutting service for Mr. Turin of materials that were delivered to him by car, truck, and otherwise. The fabrics would come in on boards, bolts, tubes, rolls, and all different ways. He never paid any attention if there were any labeling or if there were any kind of description of materials. The materials were cut into two, three or four yard lengths and, based upon information supplied by the respondent, in some instances, pieces were ticketed to show the yardage and what they were to sell for. The bolts, boards, rolls and the like were thrown away in the garbage. No instructions were given to save anything like that. Any invoices received by him of fabrics delivered to him by a supplier were never examined by him, but were handed to Mr. Turin when he came in. Invoices of Crown Fabrics (CX 35 through CX 51), dated February 10, 1964, to April 22, 1964, and of Rube P. Hoffman Co. (CX 55 through CX 59), dated March 12, 1964, all billed to International Yardage Fair and shipped to Stephan & Ben Cutting Service, show the fiber content of the materials listed in most instances.

The witness said that he would be able to identify a flaw in a piece of fabric such as he had heard testified to by Miss Shapiro. When shown CX 14, he said that he saw "slugs in the material, a lot of them" (Tr. 48). Asked to explain what a slug is, he answered (Tr. 48-49):

I am calling these that run through the fabric like this here, and I would honestly say that if this roll or piece of goods came into my place to be layed up as dresses, and if they were going to be cut into dresses and sold for \$25 a dress in stores, I would go ahead and cut them and not be afraid and call this damaged, I would, really. I would take all these slugs as the nature of this fabric, it would have to be an outstanding damage of some kind, a run, a rip, a real tear before I would take the piece of goods off the rack and not spread it and call it a damaged piece of goods.

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When shown CX 15 and asked to pick out anything he might consider to be a defect, he answered (Tr. 51):

Well, this is a very thin fabric, it is very chintzy, there is a little slug.

* * * * *
It's got a little damage there, yes.

* * * * *
Yes, that is a damage in the weave. Again this damage can be worked out.

* * * * *
Well, in the process of cutting dresses, your Honor, I want to bring out this is a cheap piece of material and you are bound to find damages, and you could find this in a piece of merchandise costing \$8.00 a yard, because there is nothing perfect and I will show you that.

HEARING EXAMINER JOHNSON: You mean there is no perfect weave?

THE WITNESS: There is not. No. And I don't care if you have a \$300 suit, I will show you damages in that suit (Tr. 52).

Mr. Richard Mangam, of Orange, California, advertising salesman for the Los Angeles Times, testified that the Turin account has been his, exclusively, for the past five years; that more times than not he would not submit a copy of an ad to Mr. Turin for his approval, but "would go ahead with it on my own" (Tr. 55). He would proceed according to instructions of Mr. Turin a lot of the times, "and from that I will go, sometimes I will create phrases that we use in these ads, sometimes there will be phrases that he gives us" (Tr. 55). The witness was shown an advertisement in the Los Angeles Times on April 29, 1964 (CX 7), concerning an International sale at the Shrine Exposition Hall, Los Angeles, from April 30 through May 4, 1964, worded in part: "OVER 32,000 SQ. FT. * * * LARGEST DISPLAY OF MATERIALS IN THE WORLD!!! 1/2 MILLION YARDS of sample cuts and bolts * * * LARGEST SELECTION OF MATERIALS ever gathered under one roof." When asked if this was his creation, he said (Tr. 56):

* * * I don't remember where the wording came from, but the sounding of the words, I would say I drafted them up. * * * I would guess probably that these words were derived out of conversation we had over a period of time.

He added (Tr. 56-57):

* * * usually in working with an account, I have over a period of time a pretty good idea of their thinking as well as our own, we know the store, where in this case we were told he was going to start an exposition over which I happened to know was a pretty good size hall, I would have easily said without any qualms on my part, I was puffing as you say, being a

little familiar with the business since I have handled his ads for so many years. I have never been aware of anywhere, of any larger displays was being put on at this given time.

Mr. Mangam said that he did not know of any other fabric retailers who have ever used 32,000 square feet or more. As to the statement showing the amount of materials on display, the witness said (Tr. 58):

That phrase I think would probably have come from Mr. Turin to me because that is too specific to say a half million, I wouldn't know how many yards he was going to display.

The witness said that he assumed, under the circumstances he had outlined, that he had approval to go ahead to make up the ad and publish it; that, to his knowledge, there had never been any complaints from advertisers, consumers, or anyone else with reference to the use of the words "the largest display" and "a half million yards"; and that Mr. Turin's account with the Los Angeles Times was "of the highest degree" (Tr. 59). The witness further testified (Tr. 59):

Q. Just one more question. Referring to Commission Exhibit 7, with regard to the largest display and the half million yards, did you ever receive any calls from Mr. Turin, any communications of any kind with regard to the fact this was incorrect, or these statements were incorrect?

A. On this particular ad, I would say not.

After the last mentioned question and answer, on cross-examination the following exchange took place, in part:

By Mr. Barnette:

Q. On some ads, I take it that means Mr. Turin did call you?

A. I believe and I am researching my memory now, that this ad was the first time this ad as such ever appeared, it was at the Shrine. It sticks in my mind that we ran the ad again in the Times for a smaller sale and if some of these phrases were in there, I was told they should not have been.

HEARING EXAMINER JOHNSON: You were told what?

THE WITNESS: They should not have been. This was a mechanical oversight on my part, for instance the worlds largest display of materials—I don't remember where this happened, had it been in the Van Nuys show or something like that, I should not have put it in. I did let it slip by.

By Mr. Barnette:

Q. And then Mr. Turin called and explained it that it shouldn't have been?

A. Yes (Tr. 59-60).

* * * * *

Q. Have you attended any of Mr. Turin's shows as advertised in the paper?

A. Yes.

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Q. I don't know if you know the answer to this or not, I hope you know the answer but I don't know what it is, have you ever observed their procedure as to refunds of materials?

A. I have seen it on a few occasions.

Q. What would you see, tell us?

A. Well a customer would just come up and would be unhappy with it, and they would say whoever was on the cash register would ask what the charge was, and in many cases I have seen where the tickets weren't even mentioned and it was just an automatic refund.

Q. They would come up with the material and would say I would like my money back?

A. That's right.

Q. And take their word for the price and give the money back and take the material?

A. Yes (Tr. 61-62).

Mr. Michael Turin, the respondent herein, testified that he last operated as International Yardage Fair on October 13, 1964, and that he has never advertised under that name since that time; that Mr. Clint Pigman is the sole owner of Round the World Commodities; and that he, Mr. Turin, as general manager does all the things he did when he ran his own business, so that all of the advertising, pre-arranging for sale areas, purchasing of the articles, policy making, and all things akin to the business are done by him. Mr. Turin testified that, "Only to the extent of watching his money and the cash registers and a few other things in this capacity" was the part that Mr. Pigman took in the operation of the business (Tr. 154).

During all the period mentioned herein, most of the fabrics represent excess accumulation of manufacturers (which might be called closeouts), which they desire to clear out, purchased in large lots by the respondent directly from mills or through jobbers. It was respondent's guess that as much as 15 percent of all his purchases indicated the fiber content at any point (Tr. 161). He said, "In 1964 as now about 90 percent of the fabrics we offered for sale we do not have the evidence or we do not have an invoice or a content label where we can put it on a piece that we sold" (Tr. 200). He further testified (Tr. 162-163):

* * * if we have evidence of the fiber content, we put the content on the tag with a snip on the material and we write on the label where it came from and when we got it.

* * * * *
As required by the Federal Trade Commission's rulings and our relationship and so on, the things that are decidedly evidenced by invoices and so on, we place a tag on the material and get our information from the invoices and so on, with the contents on it.

In addition, the following exchange took place (Tr. 163-164):

Q. Now speaking of the fabric which you have just mentioned, you cut it and tagged it, can you relate that particular fabric back to its source through your records?

* * * * *

A. Yes, we could.

Q. How would you do it?

A. We would do it by simply taking the piece of fabric—a sample of it—a sample that we had cut as a sample off the bolt and check the source from where it came and even the date when we got it, so it makes it easy to go back and check.

Q. And this is a record that you maintain?

A. Yes.

Mr. Turin explained the procedure employed by him on labeling as to fiber content of materials delivered directly to Mr. Rosenberg during the two months period in 1964. He would go to Mr. Rosenberg's store immediately upon their delivery and take a clip off the materials showing a number which corresponded with the number set forth on invoices. Mr. Rosenberg was instructed to keep separate, and not mix, the cuttings of materials from each supplier (Tr. 169). Mr. Turin said that he never removed tags relating to fiber content without replacing the tag or keeping a record of such removal of the tag (Tr. 200-201). The witness said that he thought the Shrine show was the world's largest display of fabrics, and that he had a half million yards of fabric on display at one time (Tr. 174-175); that he was familiar with the House of Fabrics and the last he heard they had approximately 146 stores; and that his business, insofar as individual stores were concerned, was larger, but, collectively, the House of Fabrics was larger (Tr. 175).

With reference to Mr. Anderson's testimony relating to purchases made at the Orange County Fairgrounds, Mr. Turin testified, in part (Tr. 181-182):

This material, Commission Exhibit 14, I really don't recall Mr. Anderson buying it, if he said he bought it, certainly, but relating to his statement that I identified this as a particular fiber, I wouldn't have done it then and I don't do it now. In looking at this particular piece of fabric I would never have identified it as linen as he said I identified it as linen and I can explain why I wouldn't. I don't hold myself up as an expert as to what fiber is by feeling it. That is something I have learned in the business.

Q. Okay. Can you tell us.

A. If I wanted to make a guess I would never guess this to be linen then or now, because after four years I notice that it doesn't have any wrinkles

in it, just creases. In crushing it it doesn't show any wrinkles and this tells me from experience that it isn't linen because linen I have been able to identify as pure linen does wrinkle. When you press it in your hand it wrinkles.

In regard to defects or flaws appearing in CX 14 and CX 15, Mr. Turin said (Tr. 188):

There is a flaw right he[re] near the selvage edge on Exhibit number 15. There are little pieces of loose thread on this same exhibit which these loose threads could be from the cutting, and I believe the loose pieces of thread on both Exhibits 14 and 15 came from the cutting machine. This little very minute thing here in the weave looks like it is in the weave, and perhaps would be classed as a flaw, but nothing that a person couldn't sew around and I don't think you would ever see it in a garment. Again here are little marks that could be dirt or grease but again it is about an inch and a half or two from the selvage edge and would be discarded in the making of a garment.

Mr. Turin stated that, with the exception of the testimony given on the first day of the hearing pertaining to flaws in the two pieces of material (CX 14 and 15), he could not think of nor recall where the Federal Trade Commission ever called to his attention any other defective material (Tr. 187).

With reference to guarantees, the witness testified (Tr. 186-187):

The presumption on my part since we started putting on shows in May of 1962 are they are human and can miss a flaw, it very well happens—no that was in 1963—for the sake of good business of making sure that our customers would never be unhappy, we would always offer an unconditional guarantee. Unconditional to us meant then and we do it today, that if you have a complaint about the material, bring it back and we will return your money, and we even go a step further in that they can mail it back and we will return the money immediately. The other things we do is once in a while a person may have spent the money for a zipper and then finds the material contains flaws and writes back to us, and we will write back to that person and say how much do you feel your time is worth and the zipper, and how much you paid for the material, and if they come back with something like two dollars or three dollars for the zipper and their time, we will return that money as well as the money for the fabric. If it is not realistic where the person is trying to take advantage of us, we will try to resolve it and give them more than they ask for. We have always made it a point to give them a little more than the customer asks for.

The evidence herein establishes that the respondent has violated the second alleged charge in the complaint, set forth as Paragraph Four thereof as follows:

PARAGRAPH FOUR: Certain of said textile fiber products were misbranded by respondent in that they were not stamped, tagged, labeled, or otherwise identified as required under the provisions of Section 4(b) of the Textile Fiber Products Identification Act, and in the manner and form prescribed by the Rules and Regulations promulgated under said Act.

Among such misbranded textile fiber products, but not limited thereto, were textile fiber products which were not labeled to show in words and figures plainly legible: (1) the true generic names of the constituent fibers present in the textile fiber products; (2) the percentage of each such fiber; and (3) any fiber or group of fibers present in the amount of 5 percentum or less as "other fiber" or "other fibers."

The pertinent parts of Rule 13, adopted by the Commission pursuant to the provisions of Section 7 of the said Act, read:

RULE 13—Sale of Remnants and Products Made of Remnants.

(a) In disclosing the required fiber content information as to remnants of fabric which are for practical purposes of unknown or undetermined fiber content:

(1) The fiber content disclosure of such remnants of fabrics may be designated in the required information as "remnants of undetermined fiber content."

(2) Where such remnants of fabrics are displayed for sale at retail, a conspicuous sign may, in lieu of individual labeling, be used in immediate conjunction with such display, stating with respect to required fiber content disclosure that the goods are "remnants of undetermined fiber content."

The respondent admitted that about 90 percent of the fabrics offered for sale at all the times mentioned herein were not labeled as to fiber content, stating as the reason that he did not know the fiber content, and it is undisputed that none of such fabrics were labeled with the words "remnants of undetermined fiber content." At some of the sales conducted by the respondent, no signs were posted in lieu of individual labeling. In other instances where signs, such as CX 64 (hereinbefore described), were used, they were in places not "in immediate conjunction with" the remnants of fabrics displayed for sale.

As to the other alleged violations in the complaint, there is no evidence in the record that would warrant the entry of a cease and desist order. Section 2.6 of the Commission's Rules of Practice for Nonadjudicative Procedures reads:

§ 2.6 *Notification of purpose.*—Any person under investigation compelled or requested to furnish information or documentary evidence shall be advised with respect to the purpose and scope of the investigation.

The respondent has been the subject of investigation since 1963, and it is interesting to note that the respondent was repeatedly told by the investigators who called on him that, in their opinion,

the signs posted in lieu of individual labeling of remnants of undetermined fiber content were not adequate to meet the requirements of the law, but the record contains no specific testimony that the respondent was told by any investigator that he was suspected of being guilty of the other violations alleged in the complaint.

The first alleged violation in the complaint, set forth in Paragraph Three thereof, reads:

PARAGRAPH THREE: Certain of said textile fiber products were misbranded by respondent within the intent and meaning of Section 4(a) of the Textile Fiber Products Identification Act and Rules and Regulations promulgated thereunder in that they were falsely and deceptively stamped, tagged, labeled, advertised, or otherwise identified as to the name or amount of constituent fibers contained therein.

Among such misbranded textile fiber products, but not limited thereto, were textile fiber products which were advertised in the Daily Pilot/News-Press, a newspaper published in Newport Beach, California, and distributed in interstate commerce. The said advertisement contains terms which represented, either directly or by implication, that certain fibers were present in the said product, when such was not the case.

Among such terms, but not limited thereto, was the term "Linens," which was used to describe a textile fiber product which in truth and in fact was made of rayon and was not composed of linen nor did it contain any linen fibers.

To sustain this charge, the evidence is limited to the circumstances in connection with the purchase of two remnants (CX 14 and CX 15) more than four years ago, heretofore recited in the testimony of Mr. Anderson, which is not convincing that the respondent had represented that the purchased remnants contained certain fibers. Mr. Mickelson accompanied Mr. Anderson on May 15, 1964 at the time the two purchases were made and, when he made his appearance as a witness on the first day of the hearings, the only testimony he gave with reference thereto was that he was present in the hearing room when Mr. Anderson was testifying and that the total content of what he heard was essentially all true. However, when recalled as a witness on the second day of the hearing, Mr. Mickelson, when questioned with regard to CXs 14 and 15, testified, in part, that "He [Mr. Turin] had told Mr. Anderson this, and that it was 65 percent dacron polyester and 35 percent avron rayon" (Tr. 194-195), which seems to conflict with the testimony given by Mr. Anderson. The two purchased items were not labeled as to fiber content and should be considered as remnants of undetermined fiber content according to the signs posted, known to the witness. A small per-

centage of the remnants on display at the various sales set forth the fiber content, and the record fails to disclose a single incident where any such fabrics were mislabeled.

The third alleged violation in the complaint, set forth in Paragraph Five thereof, reads:

PARAGRAPH FIVE: Certain of said textile fiber products were falsely and deceptively advertised, in that the respondent, in making disclosure or implications as to the fiber content of such textile fiber products in written advertisements used to aid, promote and assist, directly or indirectly, in the sale or offering for sale of said products, failed to set forth the required information as to fiber content, as specified by Section 4(c) of the Textile Fiber Products Identification Act and in the manner and form prescribed by the Rules and Regulations promulgated under said Act.

Among such textile fiber products, but not limited thereto, were fabrics which were falsely and deceptively advertised in the Los Angeles Times, a newspaper published in Los Angeles, California, and distributed in interstate commerce, in that the trade name of the fiber was used in lieu of the true generic name of the fibers in such articles.

In one isolated instance in an advertisement by International appearing in the Los Angeles Times on September 4, 1963 (CX 1), the trade name of "Dacron" was used alone without using the generic name of the fiber "polyester" in immediate conjunction therewith, as required by the Act and the Rules and Regulations thereof. The said fabric has been set forth in twenty advertisements thereafter, and in each instance the words "Dacron Polyester" have been used as required (CX 2, 3, 4, 7, 8, 9, 10, 12, 13, 16, 17, 18, 19, 20, 21, 23, 24, 25, 26 and 34).

The fourth alleged violation in the complaint, set forth in Paragraph Six thereof, reads:

PARAGRAPH SIX: Respondent, in violation of Section 5(a) of the Textile Fiber Products Identification Act, has caused and participated in the removal of, prior to the time textile fiber products subject to the provisions of the Textile Fiber Products Identification Act were sold and delivered to the ultimate consumer, labels required by the Textile Fiber Products Identification Act to be affixed to such products, without substituting therefor labels conforming to Section 4 of said Act and in the manner prescribed by Section 5(b) of said Act.

In support of this charge, complaint counsel, in their proposed findings, rely solely on the testimony of Mr. Rosenberg with reference to his actions in performing cutting services for Mr. Turin during the months of February and March, 1964. They would ignore the testimony which they induced from the respondent, which the hearing examiner considers credible, where he

explained in detail the procedure he employed to label the materials cut by Mr. Rosenberg as to fiber content where such fiber content was known. There is no evidence in the record that the respondent did not substitute a proper label of his own where that of the manufacturer or distributor was removed.

The fifth alleged violation in the complaint, set forth in Paragraph Seven thereof, reads:

PARAGRAPH SEVEN: Respondent, in substituting a stamp, tag, label or other identification pursuant to Section 5(b) has not kept such records as would show the information set forth on the stamp, tag, label or other identification that was removed, and the name or names of the person or persons from whom such textile fiber product was received, in violation of Section 6(b) of the Textile Fiber Products Identification Act.

The pertinent parts of the Commission's Rule 39 with reference to *Maintenance of Records* read:

(b) Any person substituting a stamp, tag, label, or other identification pursuant to Section 5(b) of the Act shall keep such records as will show the information set forth on the stamp, tag, label, or other identification that he removed and the name or names of the person or persons from whom such textile fiber product was received.

(c) The records required to be maintained pursuant to the provisions of this rule shall be preserved for at least three years.

In the entire record, there is only one question put by complaint counsel to one of the investigators and his answer thereto with respect to the records kept by the respondent. With reference to a discussion had on June 29th or July 8, 1964, with Mr. Turin at his warehouse retail operation setup, Investigator Mickelson was asked, "Did you request any record keeping of material at that time?", and he answered (Tr. 195-196):

Yes, I did. I said what is your method of record keeping in regard to how you can certify that you can tie into your label, you can relate to a specific invoice. I said do you have any quality style or quality number of selection system by which you can possibly show in a written form, and he said, no, and acknowledged that after the bolts are cut into shorter lengths the boards and tubes and any tags attached are destroyed.

Subsequently Mr. Mickelson during his testimony volunteered the following (Tr. 197):

He explained that prior to his moving to his present location—he had not been there very long—that he had been as he had indicated earlier, using temporary warehouses adjacent to Ben's Cutting Service and that now he was able to keep records in his warehouse together, and this was the first time we were able to see both records and fabrics together, wherein before it was always at shows at distant locations from where he kept his records.

From what has been said, it is impossible to ascertain whether or not the respondent kept the records required to be maintained. It would have been a simple matter for complaint counsel to obtain this evidence by subpoenaing the respondent's records which he was required to preserve for at least three years.

In addition to the alleged violations of the Textile Fiber Products Identification Act, which have heretofore been discussed, in the complaint in Paragraphs Ten, Eleven, Twelve, Thirteen, Fourteen, and Fifteen the respondent is charged with violation of Section 5 of the Federal Trade Commission Act by falsely and deceptively advertising, in newspapers of interstate circulation, that

(a) respondent's operation was the "THE WORLD'S LARGEST DISPLAY OF MATERIALS" and like statements;

(b) the fabrics offered for sale were "ALL FIRST QUALITY"; and

(c) the fabrics were unconditionally guaranteed.

The first time the respondent used the statement as to the world's largest display of materials was in identical advertisements on April 26, 1964 in the Los Angeles Times and the Los Angeles Herald-Examiner (CX 5 and 6) with reference to a fair and sale to be conducted by International at the Shrine Exposition Hall, Los Angeles, beginning on April 30, 1964. The advertisements read:

WORLD'S LARGEST DISPLAY AND SALE

Over 32,000 sq. ft. of display space. Never before have so many fabrics been displayed and sold under one roof.

The record contains four other ads in the same two papers between April 29 and May 5, 1964, with reference to the same sale (CX 7, 8, 9 and 10). Three of such ads are the same and contain the following statements:

OVER 32,000 SQ. FT.

* * * * *
 LARGEST DISPLAY OF MATERIALS IN THE WORLD!!!
 1/2 MILLION YARDS of sample cuts and bolts made for manufacturers of clothing!!!

* * * * *
 LARGEST SELECTION OF MATERIALS ever gathered under one roof.

Similar ads appeared with reference to three other sales by International (CX 11, 12, 13, 16 and 34) and four sales by Round the World (CX 21, 24, 25 and 26).

On July 26, 1966, in an ad in the Los Angeles Times, Round the World, with reference to a sale at the Disneyland Hotel, Anaheim, made the following statement (CX 22):

13,000 SQ. FT. OF DISPLAY SPACE

This is one of our largest sales ever in this area. The gorgeous Magnolia Room will be "jam-packed" with the most fabulous array of materials you have ever seen.

Advertisements by Round the World containing substantially the same statement appeared in the Los Angeles Times on September 18, 1966 (CX 27); August 14, 1966 (CX 28); and September 4, 1966 (CX 31), with reference to its sales at the Hacienda Hotel, El Segundo; Union Hall, Azusa; and the Biltmore Hotel, Los Angeles, respectively.

Although complaint counsel attempted to challenge the truthfulness of respondent's statements in the advertisements above discussed through the testimony offered by Investigator Probert, heretofore recited in some detail, there is nothing in Mr. Probert's testimony which establishes that such statements are false, misleading, and deceptive. Furthermore, in the opinion of the hearing examiner, such representations should be regarded as legitimate, harmless puffing. See *United States v. New South Farm and Home Company*, 241 U.S. 64-67; *Kidder Oil Co. v. F.T.C.*, 117 F.2d 892 (7th Cir. 1941).

The statement "ALL FIRST QUALITY" appeared in ads with respect to six of the eleven sales conducted by International, all during the years 1963 and 1964 (CX 1, 2, 3, 4, 17, 18 and 23), and in ads with respect to a sale apparently conducted by the respondent at Vista, California, on June 17 and 18, 1965 (CX 19 and 20). The representation does not appear in any of the ads of the eleven Round the World sales. Testimony was given by Miss Shapiro and Mr. Rosenberg in regard to flaws appearing in the two pieces of fabric purchased by Mr. Anderson at the Orange County Fairgrounds (Costa Mesa) sale on May 15, 1964 (CX 14 and 15). Neither witness testified that either fabric was not first quality. Considering the testimony of the Commission's witness, Mr. Rosenberg, including his statement that there is no perfect weave, and the fact that there is no testimony with reference to guides followed by the industry to determine what is "first quality," it is difficult to say that the two fabrics were not first quality. The record shows (CX 62 and 63) that the two fabrics remained in the possession of the Commission for approximately four years before they were analyzed on May 1, 1968 as to fiber content, a date sub-

sequent to the issuance of the complaint. Furthermore, it is not material whether or not the two fabrics were first quality, in that none of the ads relating to the sale where they were purchased contain the representation "ALL FIRST QUALITY" (CX 11, 12 and 13). Three invoices of Crown Fabrics of New York, N.Y., dated February 10, 1964 (CX 35), February 25, 1964, (CX 42), and April 23, 1964 (CX 53), of sales to International show all the listed fabrics to be "SECONDS." Two other invoices of Crown, dated February 26, 1964 (CX 43), and March 27, 1964 (CX 50A-B), of sales to International show all the listed fabrics to be "AS-SORT[ED] QUALITIES," from which it might be inferred that some of the fabrics are seconds. However, there is no evidence to establish that any of the mentioned fabrics were displayed for sale or sold at sales where the ads pertaining thereto represented that the materials were "ALL FIRST QUALITY."

Ads with respect to six sales conducted by International between the dates of September 5, 1963 and January 6, 1964, used the word "GUARANTEED." International, in an ad as to a sale held during August 1964, used the words "100% Money-Back GUARANTEED" (CX 23). Like words were used in ads in connection with respondent's sale of June 17 and 18, 1965 (CX 19 and 20), and in Round the World ads with respect to four of its sales held between July 26, 1966, and September 23, 1966 (CX 22, 27, 28, 30 and 31).

The Commission's witness, Mr. Mangam, of the Los Angeles Times, testified that he had attended some of Mr. Turin's shows; that he had seen on a few occasions where a customer had asked for his money back; and that the material was returned and an automatic refund made, taking the customer's word as to the price he had paid. There has been set forth heretofore the testimony of Mr. Turin with reference to guarantees, which the hearing examiner regards as credible (Tr. 186-187). The respondent's statement that the fabrics were unconditionally guaranteed is not contradicted, and there is no evidence offered to show that respondent's guarantee on such products was conditional. Furthermore, there is no evidence that a single customer was refused a total refund when it was requested.

ORDER

It is ordered, That respondent Michael M. Turin, an individual formerly trading as International Yardage Fair, and respondent's representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction,

delivery for introduction, sale, advertising, or offering for sale, in commerce, or the transportation or causing to be transported in commerce, or the importation into the United States, of any textile fiber product; or in connection with the sale, offering for sale, advertising, delivery, transportation, or causing to be transported, of any textile fiber product which has been advertised or offered for sale in commerce; or 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 misbranding textile fiber products by failing to disclose the required fiber content information as to remnants of fabrics which are for practical purposes of unknown or undetermined fiber content that are displayed for sale at retail by labeling such remnants of fabrics as "remnants of undetermined fiber content" or, in lieu of such individual labeling, by using, in immediate conjunction with such display, a conspicuous sign reading "remnants of undetermined fiber content."

FINAL ORDER

The hearing examiner having filed his initial decision in this matter on January 10, 1969, and no appeal having been taken therefrom; and

The Commission, by its order of March 7, 1969, having stayed the effective date of the initial decision until further order of the Commission; and

The Commission now having determined not to place this case on its own docket for review:

It is ordered, That the initial decision of the hearing examiner be, and it hereby is, adopted as the decision of the Commission.

It is further ordered, That respondent shall, within sixty (60) days after service upon him of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which he has complied with the order to cease and desist contained in the aforesaid initial decision.

Complaint

75 F.T.C.

IN THE MATTER OF

GIBSON SALES, ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT*Docket C-1519. Complaint, Apr. 24, 1969—Decision, Apr. 24, 1969.*

Consent order requiring a Chicago, Ill., distributor of punchboards and other lottery devices to cease selling or distributing these items in commerce.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that Gibson Sales, a partnership, and Ruth Berdick and Frank W. James, individually and as copartners trading and doing business as Gibson Sales, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Gibson Sales is a partnership comprised of the following named individuals who formulate, direct and control its acts and practices as hereinafter set forth. The principal office and place of business of said partnership is located at 2222 South Michigan Avenue, in the city of Chicago, State of Illinois.

Respondents Ruth Berdick and Frank W. James are individuals and copartners trading and doing business as Gibson Sales with their principal office and place of business located at the above-stated address.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the sale and distribution of various converted paper products including punchboards and other devices. Respondents sell such devices to jobbers and distributors for resale to retail customers and also sell to other purchasers.

PAR. 3. Respondents, in the course and conduct of their business, now cause, and for some time last past have caused, said products, when sold, to be shipped and transported from their place of business in the State of Illinois to jobbers, distributors

and other purchasers thereof located in various other States of the United States. Respondents maintain, and at all times mentioned herein have maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business as herein above described, respondents sell and distribute and have sold and distributed, to said jobbers, distributors and other purchasers, punchboards and other devices which are designed or intended for use as games of chance, gift enterprises or lottery schemes in selling or distributing merchandise to members of the general public. Respondents sell and distribute, and have sold and distributed various kinds of punchboards, but all of said devices involved the same chance or lottery features when used in connection with the sale and distribution of merchandise and vary only in detail. Usually the winning numbers and the prizes to be awarded are set forth on legends appearing on the face of the punchboards. The prizes referred to in the legends have included such merchandise as cigarettes and candy. Said devices are frequently used by said jobbers or their customers in selling or distributing merchandise to the general public in the following manner:

The price of a punch or selection from a punchboard or other device varies in accordance with the instructions attached thereto. When a printed slip is separated from such device by punching, tearing or other means, a previously concealed number is disclosed. Certain designated numbers entitle the participant to a specified article of merchandise according to the particular instructions attached to the device. Participants who select lucky or winning numbers receive the specified articles of merchandise without an additional cost. Participants who do not select such lucky or winning numbers receive nothing for their money other than the privilege of selecting a slip from said punchboard or other device. The various articles of merchandise used in combination with said punchboards or other devices are thus sold or distributed to members of the general public wholly by lot or chance.

The use to be made of such punchboards or other such devices, and the manner in which they are used by purchasers from respondents or their customers, is in combination with various articles of merchandise, so as to enable them to sell or distribute said merchandise by means of lot or chance as herein alleged.

PAR. 5. Many persons, firms and corporations engaged in the sale and distribution of merchandise, pack and assemble, or have packed and assembled, various articles of merchandise into assortments combining such articles with punchboards or other devices sold and distributed by respondents. Many retail dealers have exposed said assortments to the general public and have sold or distributed said articles of merchandise by means of said devices to members of the general public in the manner hereinabove described. Because of the element of chance involved in connection with the sale and distribution of said merchandise by means of said devices, many members of the general public have been induced to trade or deal with retail dealers selling or distributing said merchandise by means thereof. As a result thereof many of said retail dealers have been induced to deal with respondents' jobbers and distributors who sell and distribute said merchandise in combination with respondents' said devices.

PAR. 6. The sale and distribution of merchandise to the general public through the use of, or by means of, such punchboards or other devices in the manner above alleged involves a game of chance or the sale of a chance to procure articles of merchandise at prices lower than the normal retail price thereof and teaches and encourages gambling among members of the public, all to the injury of the public. The sale of said devices for use in the sale or distribution of said merchandise is a practice which is contrary to an established public policy of the Government of the United States and constitutes unfair acts and practices in said commerce.

The sale and distribution of said punchboards and other devices by respondents, as hereinabove alleged, supplies to and places in the hands of others the means of conducting lotteries, games of chance or gift enterprises, in the sale or distribution of said merchandise. Respondents, through their jobbers, distributors and their other customers, thus supply to, and place in the hands of, said persons, firms and corporations, the means of, and instrumentalities for, engaging in unfair acts and practices within the intent and meaning of the Federal Trade Commission Act.

PAR. 7. The aforesaid acts and practices of respondents, as hereinabove alleged, are all to the prejudice and injury of the public and constitute unfair acts and practices in commerce in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Deceptive Practices proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Act, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in § 2.34 (b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Gibson Sales is a partnership comprised of the following named individuals. The principal office and place of business of said partnership is located at 2222 South Michigan Avenue, in the city of Chicago, State of Illinois.

Respondents Ruth Berdick and Frank W. James are individuals and copartners trading and doing business as Gibson Sales with their principal office and place of business located at the above-stated address.

2. 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

It is ordered, That respondents Gibson Sales, a partnership, and Ruth Berdick and Frank W. James, individually or as co-

partners trading and doing business as Gibson Sales or under any other trade name, and their agents, representatives and employees, directly or through any corporate or other device, do forthwith cease and desist from selling or distributing in commerce, as "commerce" is defined in the Federal Trade Commission Act, punchboards or other devices, which are designed or intended to be used in the sale or distribution of merchandise to the public by means of a game of chance, gift enterprise or lottery scheme.

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 they have complied with this order.

IN THE MATTER OF

DUESBERG-BOSSON WOOLEN SPINNING COMPANY,
ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION AND THE WOOL PRODUCTS LABELING
ACTS

Docket C-1520. Complaint, Apr. 24, 1969—Decision, Apr. 24, 1969

Consent order requiring a Jefferson, Mass., manufacturer of wool and wool blend yarns to cease misbranding and falsely invoicing its wool products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Duesberg-Bosson Woolen Spinning Company, a corporation, and Kenneth Cytron, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Wool Products Labeling Act of 1939, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Duesberg-Bosson Woolen Spinning Company is a corporation organized, existing and doing business under and by virtue of the laws of the Commonwealth of Massachusetts. Its office and principal place of business is located at North Main Street, Jefferson, Massachusetts.

Respondent Kenneth Cytron is an officer of said corporate respondent. He formulates, directs and controls the acts, practices and policies of said corporation. His address is the same as that of said corporation.

Respondents are manufacturers of wool and wool blend yarns.

PAR. 2. Respondents, now and for some time last past, have manufactured for introduction into commerce, introduced into commerce, sold, transported, distributed, delivered for shipment, shipped and offered for sale, in commerce, as "commerce" is defined in said Act, wool products as "wool product" is defined therein.

PAR. 3. Certain of said wool products were misbranded by respondents within the intent and meaning of Section 4(a)(1) of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, in that they were falsely and deceptively stamped, tagged, labeled, or otherwise identified with respect to the character and amount of the constituent fibers contained therein.

Among such misbranded wool products, but not limited thereto, were certain wool products which were stamped, tagged, labeled, or otherwise identified as containing "80% Wool, 15% Orlon Acrylic and 5% Mohair," "85% Shetland Wool, 15% Mohair," and "80% Alpaca, 20% Dacron" respectively; whereas in truth and in fact, said wool products contained substantially different amounts of woolen fibers than represented and also contained other fibers than represented.

PAR. 4. Certain of said wool products were further misbranded by respondents in that they were not stamped, tagged, labeled, or otherwise identified as required under the provisions of Section 4(a)(2) of the Wool Products Labeling Act of 1939 and in the manner and form as prescribed by the Rules and Regulations promulgated under said Act.

Among such misbranded wool products, but not limited thereto, were certain wool products which failed to disclose the percentage of the total fiber weight of the wool products, exclusive of ornamentation not exceeding 5 per centum of said total fiber weight, of (1) wool; (2) reprocessed wool; (3) reused wool;

(4) each fiber other than wool, when said percentage by weight of such fiber was 5 per centum or more; and (5) the aggregate of all other fibers.

PAR. 5. The acts and practices of the respondents as set forth above were, and are in violation of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, and constituted, and now constitute, unfair and deceptive acts and practices and unfair methods of competition in commerce, within the intent and meaning of the Federal Trade Commission Act.

PAR. 6. In the course and conduct of their business, respondents now cause and for some time last past, have caused their products, when sold, to be shipped from their place of business in the Commonwealth of Massachusetts to purchasers located in various other States of the United States and maintain, and at all times mentioned herein, have maintained a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 7. Respondents in the course and conduct of their business, as aforesaid, have made statements on invoices and shipping memoranda to their customers misrepresenting the fiber content of their said products.

Among such products, but not limited thereto, were certain products which were invoiced as containing "85% Shetland Wool, 15% Mohair," and "80% Alpaca, 20% Dacron" respectively; whereas in truth and in fact, said products contained substantially different amounts of fibers than represented and also contained other fibers than represented.

PAR. 8. The acts and practices set out in Paragraph Seven have had and now have the tendency and capacity to mislead and deceive the purchasers of said products as to the true content thereof and were and are all to the prejudice and injury of the public and constituted, and now constitute, unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Textiles and Furs proposed to present to the Commission for

its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Acts, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Duesberg-Bosson Woolen Spinning Company is a corporation organized, existing and doing business under and by virtue of the laws of the Commonwealth of Massachusetts, with its office and principal place of business located at North Main Street, Jefferson, Massachusetts.

Respondent Kenneth Cytron is an officer of said corporation and his address is the same as that of said corporation.

2. 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

It is ordered, That respondents Duesberg-Bosson Woolen Spinning Company, a corporation, and its officers, and Kenneth Cytron, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, or the manufacture for introduction, into commerce, or the offering for sale, sale, transportation, distribution, delivery for shipment or shipment, in commerce, of wool products, as "commerce" and "wool product" are defined in the

Wool Products Labeling Act of 1939, do forthwith cease and desist from misbranding such products by:

1. Falsely or deceptively stamping, tagging, labeling, or otherwise identifying such products as to the character or amount of the constituent fibers contained therein.

2. Failing to securely affix to or place on, each such product a stamp, tag, label or other means of identification correctly showing in a clear and conspicuous manner each element of information required to be disclosed by Section 4(a)(2) of the Wool Products Labeling Act of 1939.

It is further ordered, That respondents Duesberg-Bosson Woolen Spinning Company, a corporation, and its officers, and Kenneth Cytron, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of any textile product in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from misrepresenting the character or amount of constituent fibers contained in such textile product on invoices or shipping memoranda applicable thereto or in any other manner.

It is further ordered, That the respondent corporation shall forthwith distribute a copy of this Order to each of its operating divisions.

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.

IN THE MATTER OF

ATLAS QUILTING CORP.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION, THE WOOL PRODUCTS LABELING AND THE TEXTILE FIBER PRODUCTS IDENTIFICATION ACTS

Docket C-1521. Complaint, Apr. 23, 1969—Decision, Apr. 23, 1969

Consent order requiring a former Brooklyn, N.Y., manufacturer of quilted interlining material to cease misbranding and falsely invoicing its merchandise and failing to keep required records.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, the Wool Products Labeling Act of 1939 and the Textile Fiber Products Identification Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Atlas Quilting Corp., a corporation, hereinafter referred to as respondent, has violated the provisions of the said Acts and the Rules and Regulations promulgated under the Wool Products Labeling Act of 1939 and the Textile Fiber Products Identification Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Atlas Quilting Corp. is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York with its office and principal place of business located at 203-209 North 11th Street, Brooklyn, New York.

Respondent is a manufacturer of wool products. At the time of the violations, hereinafter referred to, respondent was a manufacturer of quilted interlining material. At present respondent is engaged in laminating fabrics.

PAR. 2. Respondent, for some time last past, has manufactured for introduction into commerce, introduced into commerce, sold, transported, distributed, delivered for shipment, shipped and offered for sale in commerce, as "commerce" is defined in the Wool Products Labeling Act of 1939, wool products as "wool product" is defined therein.

PAR. 3. Certain of said wool products were misbranded by respondent within the intent and meaning of Section 4(a)(1) of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder in that they were falsely and deceptively stamped, tagged, labeled or otherwise identified with respect to the character and amount of the constituent fibers contained therein.

Among such misbranded wool products but not limited thereto, were quilted interlining materials which were stamped, tagged, labeled or otherwise identified by respondent as containing "90/10 Wool," whereas in truth and in fact said fabrics contained substantially different fibers and amounts of fibers than as represented.

PAR. 4. Certain of said wool products were further misbranded

by respondent in that they were not stamped, tagged, labeled or otherwise identified as required under the provisions of Section 4(a)(2) of the Wool Products Labeling Act and in the manner and form as prescribed by the Rules and Regulations promulgated under said Act.

Among such misbranded wool products, but not limited thereto, were quilted interlining materials without fiber content labels.

PAR. 5. The acts and practices of respondent as set forth in Paragraphs Three and Four were, and are in violation of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, and constituted, and now constitute, unfair methods of competition and unfair and deceptive acts and practices, in commerce, within the intent and meaning of the Federal Trade Commission Act.

PAR. 6. Respondent for some time last past has been engaged in the introduction, delivery for introduction, manufacture for introduction, sale, advertising, and offering for sale, in commerce, and in the importation into the United States, of textile fiber products; and has sold, offered for sale, advertised, delivered, transported and caused to be transported, textile fiber products which have been advertised or offered for sale in commerce; and has sold, offered for sale, advertised, delivered, transported and caused to be transported, after shipment in commerce, textile fiber products, either in their 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.

PAR. 7. Respondent has failed to maintain proper records showing the fiber content of the textile fiber products manufactured by it in violation of Section 6(a) of the Textile Fiber Products Identification Act and Rule 39 of the Rules and Regulations promulgated thereunder.

PAR. 8. The acts and practices of respondent as set forth in Paragraph Seven above, were and are in violation of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder and constituted and now constitute unfair and deceptive acts and practices and unfair methods of competition in commerce, within the intent and meaning of the Federal Trade Commission Act.

PAR. 9. Respondent for some time last past has been engaged in the advertising, offering for sale, sale and distribution of products, namely quilted interlining materials, to garment manu-

facturers in commerce. The respondent maintained and at all times mentioned herein has maintained a substantial course of trade in said products in commerce as "commerce" is defined in the Federal Trade Commission Act.

PAR. 10. Respondent in the course and conduct of its business as aforesaid has made statements on its invoices and shipping memoranda to its customers misrepresenting the character and amount of the constituent fibers present in such products. Among such misrepresentations, but not limited thereto, were statements representing certain quilted interlining material to be "90/10 Wool" whereas, in truth and in fact, the said product contained substantially different fibers and amounts of fibers than were represented.

Also among such falsely and deceptively invoiced products, but not limited thereto, was quilted interlining material identified by respondent as "50/50 wool" thereby representing the product as containing 50 percent Wool 50 percent Other Fibers, whereas in truth and in fact, said products contained substantially different fibers and amount of fibers than as represented.

PAR. 11. The acts and practices of the respondent set out in Paragraphs Nine and Ten have had, and now have, the tendency and capacity to mislead and deceive purchasers of said products as to the true content thereof and to cause them to misbrand products manufactured by them in which said materials are used.

PAR. 12. The acts and practices set out in Paragraphs Nine and Ten were and are all to the prejudice and injury of the public and constituted, and now constitute, unfair and deceptive acts and practices, in commerce, within the intent and meaning of the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondent named in the caption hereof, and the respondent having been furnished thereafter with a copy of a draft of complaint which the Bureau of Textiles and Furs proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent with violation of the Federal Trade Commission Act, the Wool Products Labeling Act of 1939 and the Textile Fiber Products Identification Act; and

The respondent and counsel for the Commission having there-

after executed an agreement containing a consent order, an admission by the respondent of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondent has violated the said Acts, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Atlas Quilting Corp. is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 203-209 North 11th Street, Brooklyn, New York.
2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent, and the proceeding is in the public interest.

ORDER

It is ordered, That respondent Atlas Quilting Corp., a corporation, and its officers, representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, or manufacture for introduction, into commerce, or the offering for sale, sale, transportation, distribution, delivery for shipment or shipment, in commerce, of wool products as "commerce" and "wool product" are defined in the Wool Products Labeling Act of 1939, do forthwith cease and desist from misbranding such products by:

1. Falsely or deceptively stamping, tagging, labeling, or otherwise identifying such products as to the character or amount of the constituent fibers contained therein.
2. Failing to securely affix to or place on, each such product a stamp, tag, label or other means of identification showing in a clear and conspicuous manner each element

of information required to be disclosed by Section 4(a)(2) of the Wool Products Labeling Act of 1939.

It is further ordered, That respondent Atlas Quilting Corp., a corporation, and its officers, representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, delivery for introduction, manufacture for introduction, sale, advertising, or offering for sale, in commerce, or the transportation or causing to be transported in commerce, or the importation into the United States, of any textile fiber product; or in connection with the sale, offering for sale, advertising, delivery, transportation, or causing to be transported, of any textile fiber product which has been advertised or offered for sale in commerce; or 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 failing to maintain and preserve records of fiber content of textile fiber products manufactured by it, as required by Section 6(a) of the Textile Fiber Products Identification Act and Rule 39 of the Regulations thereunder.

It is further ordered, That respondent Atlas Quilting Corp., a corporation, and its officers, representatives, agents and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of quilted interlining materials or other products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from misrepresenting the character or amount of the constituent fibers contained in such products on invoices or shipping memoranda applicable thereto, or in any other manner.

It is further ordered, That respondent corporation forthwith distribute a copy of this order to each of its operating divisions.

It is further ordered, That the respondent herein shall, within sixty (60) days after 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.

Complaint

75 F.T.C.

IN THE MATTER OF

FRANK CHAIMOVITS

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION, THE WOOL PRODUCTS LABELING AND
THE TEXTILE FIBER PRODUCTS IDENTIFICATION ACTS

Docket C-1522. Complaint, Apr. 28, 1969—Decision, Apr. 28, 1969

Consent order requiring a former official of a Brooklyn, N.Y., manufacturer of quilted lining material to cease misbranding and falsely invoicing his merchandise and failing to keep required records.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, the Wool Products Labeling Act of 1939 and the Textile Fiber Products Identification Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Frank Chaimovits, individually and as a former officer of Atlas Quilting Corp., a corporation, hereinafter referred to as respondent, has violated the provisions of the said Acts and the Rules and Regulations promulgated under the Wool Products Labeling Act of 1939 and the Textile Fiber Products Identification Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent, Frank Chaimovits was an officer of Atlas Quilting Corp., a corporation. He formulated, directed and controlled the policies, acts and practices of said corporation including the acts and practices hereinafter referred to. His address is 998-1012 East 35th Street, Brooklyn, New York.

Atlas Quilting Corp. is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York with its office and principal place of business located at 203-209 North 11th Street, Brooklyn, New York.

Respondent is a manufacturer of wool products. At the time of the violations, hereinafter referred to, respondent was a manufacturer of quilted interlining material. At present respondent is engaged in laminating fabrics.

PAR. 2. Respondent, for some time last past, has manufactured for introduction into commerce, introduced into commerce, sold,

transported, distributed, delivered for shipment, shipped and offered for sale in commerce, as "commerce" is defined in the Wool Products Labeling Act of 1939, wool products as "wool product" is defined therein.

PAR. 3. Certain of said wool products were misbranded by respondent within the intent and meaning of Section 4(a)(1) of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder in that they were falsely and deceptively stamped, tagged, labeled or otherwise identified with respect to the character and amount of the constituent fibers contained therein.

Among such misbranded wool products but not limited thereto, were quilted interlining materials which were stamped, tagged, labeled or otherwise identified by respondent as containing "90/10 Wool," whereas in truth and in fact said fabrics contained substantially different fibers and amounts of fibers than as represented.

PAR. 4. Certain of said wool products were further misbranded by respondent in that they were not stamped, tagged, labeled or otherwise identified as required under the provisions of Section 4(a)(2) of the Wool Products Labeling Act and in the manner and form as prescribed by the Rules and Regulations promulgated under said Act.

Among such misbranded wool products, but not limited thereto, were quilted interlining materials without fiber content labels.

PAR. 5. The acts and practices of respondent as set forth in Paragraphs Three and Four were, and are in violation of Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, and constituted, and now constitute, unfair methods of competition and unfair and deceptive acts and practices, in commerce, within the intent and meaning of the Federal Trade Commission Act.

PAR. 6. Respondent for some time last past has been engaged in the introduction, delivery for introduction, manufacture for introduction, sale, advertising, and offering for sale, in commerce, and in the importation into the United States, of textile fiber products; and has sold, offered for sale, advertised, delivered, transported and caused to be transported, textile fiber products which have been advertised or offered for sale in commerce; and has sold, offered for sale, advertised, delivered, transported and caused to be transported, after shipment in commerce, textile fiber products, either in their 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.

PAR. 7. Respondent has failed to maintain proper records showing the fiber content of the textile fiber products manufactured by him in violation of Section 6(a) of the Textile Fiber Products Identification Act and Rule 39 of the Rules and Regulations promulgated thereunder.

PAR. 8. The acts and practices of respondent as set forth in Paragraph Seven above, were and are in violation of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder and constituted and now constitute unfair and deceptive acts and practices and unfair methods of competition in commerce, within the intent and meaning of the Federal Trade Commission Act.

PAR. 9. Respondent for some time last past has been engaged in the advertising, offering for sale, sale and distribution of products, namely quilted interlining materials, to garment manufacturers in commerce. The respondent maintained and at all times mentioned herein has maintained a substantial course of trade in said products in commerce as "commerce" is defined in the Federal Trade Commission Act.

PAR. 10. Respondent in the course and conduct of his business as aforesaid, has made statements on his invoices and shipping memoranda to his customers misrepresenting the character and amount of the constituent fibers present in such products. Among such misrepresentations, but not limited thereto, were statements representing certain quilted interlining material to be "90/10 Wool" whereas, in truth and in fact, the said product contained substantially different fibers and amounts of fibers than were represented.

Also among such falsely and deceptively invoiced products, but not limited thereto, was quilted interlining material identified by respondent as "50/50 wool" thereby representing the product as containing 50 percent Wool, 50 percent Other Fibers, whereas in truth and in fact, said products contained substantially different fibers and amount of fibers than as represented.

PAR. 11. The acts and practices of the respondent set out in Paragraphs Nine and Ten have had, and now have, the tendency and capacity to mislead and deceive purchasers of said products as to the true content thereof and to cause them to misbrand products manufactured by them in which said materials are used.

PAR. 12. The acts and practices set out in Paragraphs Nine and Ten were and are all to the prejudice and injury of the public and constituted, and now constitute, unfair and deceptive acts and practices, in commerce, within the intent and meaning of the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondent named in the caption hereof, and the respondent having been furnished thereafter with a copy of a draft of complaint which the Bureau of Textiles and Furs proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent with violation of the Federal Trade Commission Act, the Wool Products Labeling Act of 1939 and the Textile Fiber Products Identification Act; and

The respondent and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondent has violated the said Acts, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Frank Chaimovits was an officer of Atlas Quilting Corp., a corporation. His address is 998-1012 East 35th Street, Brooklyn, New York.

Atlas Quilting Corp. is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 203-209 North 11th Street, Brooklyn, New York.

2. The Federal Trade Commission has jurisdiction of the sub-

ject matter of this proceeding and of the respondent, and the proceeding is in the public interest.

ORDER

It is ordered, That respondent Frank Chaimovits, individually and as a former officer of Atlas Quilting Corp., a corporation, and respondent's representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, or manufacture for introduction, into commerce, or the offering for sale, sale, transportation, distribution, delivery for shipment or shipment, in commerce, of wool products as "commerce" and "wool product" are defined in the Wool Products Labeling Act of 1939, do forthwith cease and desist from misbranding such products by:

1. Falsely or deceptively stamping, tagging, labeling or otherwise identifying such products as to the character or amount of the constituent fibers contained therein.

2. Failing to securely affix to or place on, each such product a stamp, tag, label or other means of identification showing in a clear and conspicuous manner each element of information required to be disclosed by Section 4(a)(2) of the Wool Products Labeling Act of 1939.

It is further ordered, That respondent Frank Chaimovits, individually and as a former officer of Atlas Quilting Corp., a corporation, and respondent's representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, delivery for introduction, manufacture for introduction, sale, advertising, of offering for sale, in commerce, or the transportation or causing to be transported in commerce, or the importation into the United States, of any textile fiber product; or in connection with the sale, offering for sale, advertising, delivery, transportation, or causing to be transported, of any textile fiber product which has been advertised or offered for sale in commerce; or 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 failing to maintain and preserve records of fiber content of textile fiber products manufactured by him, as required by Section

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Complaint

6(a) of the Textile Fiber Products Identification Act and Rule 39 of the Regulations thereunder.

It is further ordered, That respondent Frank Chaimovits, individually and as a former officer of Atlas Quilting Corp., a corporation, and respondent's representatives, agents and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of quilted interlining materials or other products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from misrepresenting the character or amount of the constituent fibers contained in such products on invoices or shipping memoranda applicable thereto, or in any other manner.

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

IN THE MATTER OF

ILLINOIS CHINCHILLA COMPANY, ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT

Docket C-1523. Complaint, Apr. 28, 1969—Decision, Apr. 28, 1969

Consent order requiring a Springfield, Ill., seller of chinchilla breeding stock to cease making exaggerated earning claims, misrepresenting the quality of its stock, deceptively guaranteeing the fertility of its stock, and misrepresenting its services to purchasers.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that Illinois Chinchilla Company, a corporation, and Charles E. Wagner, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Illinois Chinchilla Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its principal office and place of business located at 1316 South 15th Street, Springfield, Illinois.

Respondent Charles E. Wagner is an individual and officer of the corporate respondent. He formulates, directs and controls the acts and practices of the corporate respondent including the acts and practices hereinafter set forth. His address is the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale and distribution of chinchilla breeding stock to the public.

PAR. 3. In the course and conduct of their business as aforesaid, respondents now cause, and for some time last past have caused, their said chinchillas, when sold, to be shipped from their place of business in the State of Illinois to purchasers thereof located in various other States of the United States, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their aforesaid business, and for the purpose of obtaining the names of prospective purchasers and inducing the purchase of said chinchillas, the respondents have made, and are now making, numerous statements and representations in direct mail advertising and through the oral statements and display of promotional material to prospective purchasers by their salesmen, with respect to the breeding of chinchillas for profit without previous experience, the rate or reproduction of said animals, the expected return from the sale of their pelts, the market value of said animals as breeding stock, their quality, their warranty, and the training assistance and inspection services to be made available to purchasers.

Typical and illustrative of said statements and representations, but not all inclusive thereof, are the following:

Investigate this money making business. Act now return this card for complete information.

Yes! I would like to make \$2,500.00 to \$15,000.00 in my spare time, by raising top quality chinchillas.

If you need extra money * * * RAISE CHINCHILLAS * * *

TURN THAT SPARE GARAGE, BEDROOM, UTILITY ROOM OR STORAGE INTO MONEY * * *

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Complaint

Professional assistance plus
Market for pelts
Market for breeders
3 year warrantee on all Guild Breeder Stock

WE TRAIN YOU!

PAR. 5. By and through the use of the above-quoted statements and representations, and others of similar import and meaning but not expressly set out herein, separately and in connection with the oral statements and representations of their salesmen and representatives, the respondents represented, and are now representing, directly or by implication, that:

1. It is commercially feasible to breed and raise chinchillas from breeding stock purchased from respondents in homes, basements, garages or spare rooms and large profits can be made in this manner.

2. The breeding of chinchillas from breeding stock purchased from respondents, as a commercially profitable enterprise, requires no previous experience in the breeding, caring for and raising of such animals.

3. The breeding stock of four female chinchillas and one male chinchilla purchased from respondents will result in live offspring as follows: 16 the first year, 64 the second year, 208 the third year, 640 the fourth year, and 1,936 the fifth year.

4. All of the offspring referred to in Paragraph Five (3) above will have pelts selling for an average price of \$25 per pelt, and that pelts from offspring of respondents' breeding stock generally sell for from \$20 to \$55 each.

5. Chinchillas sold by respondents are choice quality breeding stock and have a market value ranging from \$150 to \$350 each.

6. Each female chinchilla purchased from respondents and each female offspring will produce at least four live young per year.

7. A purchaser starting with three mated pairs of respondents' chinchillas will have a minimum gross income of at least \$12,000 a year from the sale of pelts at the end of the fifth year.

8. Chinchilla breeding stock purchased from respondents is unconditionally warranted to live three years and reproduce.

9. Purchasers of respondents' breeding stock will have their chinchillas inspected at least three times per year or as required.

10. Chinchillas are hardy animals and are not susceptible to diseases.

11. Purchasers of respondents' breeding stock will be given guidance in the care of and breeding of chinchillas.

PAR. 6. In truth and in fact:

1. It is not commercially feasible to breed or raise chinchillas from breeding stock purchased from respondents in homes, basements, garages, or spare rooms and large profits cannot be made in this manner. Such quarters or buildings, unless they have adequate space and the requisite temperature, humidity, ventilation and other necessary environmental conditions are not adaptable to or suitable for the breeding of chinchillas on a commercial basis.

2. The breeding of chinchillas, from breeding stock purchased from respondents, as a commercially profitable enterprise, requires specialized knowledge in the breeding, caring for and raising of said animals, much of which must be acquired through actual experience.

3. The initial breeding stock of four females and one male purchased from respondents will not result in the number specified in subparagraph (3), Paragraph Five above, since these figures do not allow for factors which reduce chinchilla production, such as those born dead or which die after birth, the culls which are unfit for reproduction, fur chewers and sterile animals.

4. All of the offspring referred to in subparagraph (4) of Paragraph Five above will not produce pelts selling for an average price of \$25 per pelt but substantially less than that amount; and pelts from offspring of respondents' breeding stock will generally not sell for from \$20 to \$55 each since some of the pelts are not marketable at all and others would not sell for \$20 but substantially less than that amount.

5. Chinchillas sold by respondents are not choice quality breeding stock and do not have a market value ranging from \$150 to \$350 each but substantially less than those amounts.

6. Each female chinchilla purchased from respondents and each female offspring will not produce at least four live young per year but generally less than that amount.

7. A purchaser starting out with three mated pairs of respondents' breeding stock will not have a minimum gross income of at least \$12,000 from the sale of pelts at the end of the fifth year but substantially less than that amount.

8. Chinchilla breeding stock purchased from respondents is not unconditionally warranted to live three years and reproduce but

such guarantee as is provided is subject to numerous terms, limitations and conditions.

9. Purchasers of respondents' breeding stock do not have their chinchillas inspected three times a year, but generally less than that number nor do they receive inspection services as required.

10. Chinchillas are not hardy animals and are susceptible to pneumonia, and other diseases.

11. Purchasers of respondents' breeding stock are given little, if any, guidance in the care of and breeding of chinchillas.

Therefore, the statements and representations as set forth in Paragraphs Four and Five hereof were and are false, misleading and deceptive.

PAR. 7. In the course and conduct of their aforesaid business, and at all times mentioned herein, respondents have been, and now are, in substantial competition, in commerce, with corporations, firms and individuals in the sale of chinchilla breeding stock of the same general kind and nature as that sold by respondents.

PAR. 8. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were and are true and into the purchase of substantial quantities of respondents' chinchillas by reason of said erroneous and mistaken belief.

PAR. 9. The aforesaid acts and practices of the respondents, as herein alleged, were, and are, all to the prejudice and injury of the public and of respondents' competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Deceptive Practices proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Act, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Illinois Chinchilla Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 1316 South 15th Street, Springfield, Illinois.

Respondent Charles E. Wagner is an officer of said corporation and his address is the same as that of said corporation.

2. 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

It is ordered, That respondents Illinois Chinchilla Company, a corporation, and its officers, and Charles E. Wagner, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of chinchilla breeding stock or any other product in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

A. Representing, directly or by implication, that:

1. It is commercially feasible to breed or raise chinchillas in homes, basements, garages or spare buildings, or other quarters or buildings unless in immediate con-

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junction therewith it is clearly and conspicuously disclosed that the represented quarters or buildings can only be adaptable to and suitable for the breeding and raising of chinchillas on a commercial basis if they have the requisite space, temperature, humidity, ventilation and other environmental conditions.

2. Breeding chinchillas, as a commercially profitable enterprise, can be achieved without previous knowledge or experience in the breeding, caring for and raising of such animals.

3. The breeding stock consisting of four females and one male chinchillas purchased from respondents will produce live offspring of 16 the first year, 64 in the second year, 208 the third year, 640 the fourth year and 1,936 the fifth year.

4. The number of live offspring produced by or from respondents' chinchilla breeding stock is any number or range thereof; or representing, in any manner, the past number or range of numbers of live offspring produced by or from respondents' chinchilla breeding stock unless in fact the past number or range of numbers represented are those of a substantial number of purchasers and accurately reflect the number or range of numbers of live offspring thereof produced by or from respondents' chinchilla breeding stock of these purchasers under circumstances similar to those of the purchaser to whom the representation is made.

5. Pelts from the offspring of respondents' chinchilla breeding stock sell for an average price of \$25 per pelt; or that pelts from the offspring of respondents' breeding stock generally sell for from \$20 to \$55 each.

6. Chinchilla pelts from respondents' breeding stock will sell for any price, average price, or range of prices; or representing, in any manner, the past price, average price or range of prices of pelts from chinchillas of respondents' breeding stock unless in fact the past price, average price or range of prices represented are those of a substantial number of purchasers and accurately reflect the price, average price or range of prices realized by these purchasers under circumstances similar to those of the purchaser to whom the representation is made.

7. Purchasers of respondents' chinchilla breeding stock will receive choice quality chinchillas; or that respondents' chinchilla breeding stock has a market value of from \$150 to \$350 each or any amount, price or range of prices unless respondents' purchasers do actually receive chinchillas of the represented market value, amount, price or range of prices.

8. Each female chinchilla purchased from respondents and each female offspring will produce at least four live young per year.

9. The number of live offspring produced per female chinchilla is any number or range of numbers; or representing, in any manner, the past number or range of numbers of live offspring produced per female chinchilla from respondents' breeding stock unless in fact the past number or range of numbers represented are those of a substantial number of purchasers and accurately reflect the number or range of numbers of live offspring produced per female chinchilla of these purchasers under circumstances similar to those of the purchaser to whom the representation is made.

10. A purchaser starting with three mated pairs will have, from the sale of pelts, a minimum gross income, earnings or profits of \$12,000 at the end of the fifth year after purchase.

11. Purchasers of respondents' breeding stock will realize earnings, profits or income in any amount or range of amounts; or representing, in any manner, the past earnings, profits or income of purchasers of respondents' breeding stock unless in fact the past earnings, profits or income represented are those of a substantial number of purchasers and accurately reflect the average earnings, profits or income of these purchasers under circumstances similar to those of the purchaser to whom the representation is made.

12. Breeding stock purchased from respondents is warranted or guaranteed without clearly and conspicuously disclosing in immediate conjunction therewith the nature and extent of the guarantee, the manner in which the guarantor will perform and the identity of the guarantor.

13. Purchasers of respondents' chinchilla breeding stock will be furnished with inspection services by respondents three times each year or as often as such services may be required by the purchaser unless the represented inspection services are actually furnished.

14. Chinchillas are hardy animals or are not susceptible to disease.

15. Purchasers of respondents' chinchilla breeding stock are given guidance in the care and breeding of chinchillas or are furnished advice by respondents as to the breeding of chinchillas unless purchasers are actually given the represented guidance in the care and breeding of chinchillas and are furnished the represented advice by respondents as to the breeding of chinchillas.

B. Misrepresenting, in any manner, the assistance, training, services or advice supplied by respondents to purchasers of their chinchilla breeding stock.

C. Misrepresenting, in any manner, the earnings or profits to purchasers or the quality or reproduction capacity of any chinchilla breeding stock.

D. Failing to deliver a copy of this order to cease and desist to all present and future salesmen or other persons engaged in the sale of the respondents' products or services and failing to secure from each such salesman or other person a signed statement acknowledging receipt of said order.

It is further ordered, That the respondent corporation shall forthwith distribute a copy of this order to each of its operating divisions.

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.

Complaint

75 F.T.C.

IN THE MATTER OF

CHINCHILLA BREEDERS COMPANY, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT*Docket C-1524. Complaint, Apr. 28, 1969—Decision, Apr. 28, 1969*

Consent order requiring a Lafayette, Calif., seller of chinchilla breeding stock to cease making exaggerated earning claims, misrepresenting the quality of its stock, deceptively guaranteeing the fertility of its stock, and misrepresenting its services to purchasers.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that Chinchilla Breeders Company, Inc., a corporation, and William R. Kinsel, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Chinchilla Breeders Company, Inc., is a corporation organized, existing and which did business under and by virtue of the laws of the State of California, with its principal office and place of business located at 529 Silverado Drive, Lafayette, California.

Respondent William R. Kinsel is an individual and officer of Chinchilla Breeders Company, Inc. He formulates, directs and controls the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. His address is the same as that of the corporate respondent.

PAR. 2. Respondents for some time prior to November 1967 were engaged in the advertising, offering for sale, sale and distribution of chinchilla breeding stock to the public.

PAR. 3. In the course and conduct of their aforesaid business, respondents have caused their said chinchillas, when sold, to be shipped from their place of business in the State of California to purchasers thereof located in various other States of the United States, and at all times mentioned herein maintained a sub-

stantial course of trade in said chinchillas in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their aforesaid business, and for the purpose of obtaining the names of prospective purchasers and inducing the purchase of said chinchillas, the respondents made numerous statements and representations by means of magazine advertising and through the oral statements and display of promotional material to prospective purchasers by their salesmen, with respect to the breeding of chinchillas for profit without previous experience, the rate of reproduction of said animals and the expected return from the sale of their pelts.

Typical and illustrative, of said statements and representations, but not all inclusive thereof, are the following:

Chinchilla Raising For Profit

- Exceptionally high earnings
- Part or Full Time at home
- Use Spare Room or Garage
- We Do Pelting, Marketing for you

Registered Graded Breeding Stock

3 year Life Warrantee Guaranteed Production

There at present is a strong demand * * *

A genuine interest in the item will continue * * *

Breeders "Guaranteed Market Price" Agreement. Chinchilla Breeders Company Agrees:

1. To buy all descendents of the Registered chinchillas originally purchased from CHINBREDCO, said descendents to be purchased in pairs * * *
2. To pay the CHINBREDCO Breeder the sum of \$80.00 per pair for said offspring

PAR. 5. By and through the use of the above-quoted statements and representations, and others of similar import and meaning, but not expressly set out herein, and through the oral statements and representations made in sales presentations to purchasers, the respondents have represented, directly or by implication:

1. That it is commercially feasible to breed and raise chinchillas for breeding stock purchased from respondents in homes, basements, garages or spare rooms and large profits can be made in this manner.

2. That the breeding of chinchillas from breeding stock purchased from respondents, as a commercially profitable enterprise, requires no previous experience in the breeding, raising and caring for such animals.

3. That pelts from the offspring of respondents' breeding stock generally sell for \$25 to \$40 per pelt.

4. That pelts from the offspring of respondents' breeding stock sell for an average price of \$35.

5. That chinchillas are hardy animals, and are not susceptible to diseases.

6. That each female chinchilla purchased from respondents and each female offspring will produce at least four live offspring per year.

7. That thirty pairs of chinchilla breeding stock purchased from respondents will produce an annual gross income of \$51,200 within five years.

8. That purchasers of respondents' breeding stock receive registered, graded breeding stock and high quality chinchilla breeding stock.

9. That chinchilla breeding stock purchased from respondents is unconditionally guaranteed to live three years and to reproduce.

10. That respondents will promptly fulfill all of their obligations and requirements set forth in or represented, directly or by implication, to be contained in the guarantee or warranty applicable to each and every chinchilla.

11. That purchasers of respondents' breeding stock will be given guidance in the care and breeding of chinchillas.

12. That respondents will purchase, through the "Breeders 'Guaranteed Market Price' Agreement," all the chinchilla offspring raised by purchasers of respondents' chinchilla breeding stock for \$80 per pair, a pair being one male and one female, or two females.

13. That purchasers of respondents' breeding stock will receive service calls from respondents' service personnel every six weeks.

14. That the respondents maintain facilities for and provide priming, pelting, tanning, dressing and marketing services to purchasers of their chinchilla breeding stock.

15. That there is a great demand for the offspring and for the pelts of the offspring of chinchilla breeding stock purchased from respondents.

16. That breeding chinchillas by mated pairs will produce more offspring of better quality than by using one male to breed several females, called polygamous breeding.

17. Through the use of the trade name Chinchilla Breeders

Company, separately and in connection with other statements and representations, that respondents are chinchilla breeders.

PAR. 6. In truth and in fact:

1. It is not commercially feasible to breed or raise chinchillas from breeding stock purchased from respondents in homes, basements, garages or spare rooms and large profits cannot be made in this manner. Such quarters or buildings, unless they have adequate space and the requisite temperature, humidity, ventilation and other necessary environmental conditions are not adaptable to or suitable for the breeding or raising of chinchillas on a commercial basis.

2. The breeding of chinchillas from breeding stock purchased from respondents, as a commercially profitable enterprise, requires specialized knowledge in the breeding, raising and care of said animals much of which must be acquired through actual experience.

3. A purchaser of respondents' chinchillas could not expect to receive from \$25 to \$40 for each pelt produced since some of the pelts are not marketable at all and others would not sell for \$25 but for substantially less than this amount.

4. A purchaser of respondents' chinchillas could not expect to receive an average price of \$35 for each pelt produced but substantially less than that amount.

5. Chinchillas are not hardy animals and are susceptible to pneumonia and other diseases.

6. Each female chinchilla purchased from respondents and each female offspring will not produce at least four live young per year but generally less than that number.

7. Thirty pairs of chinchilla breeding stock purchased from respondents will not produce an annual gross income of \$51,200 within five years but substantially less than that amount.

8. Purchasers of respondents' breeding stock do not receive registered, graded breeding stock of high quality chinchilla breeding stock.

9. Chinchilla breeding stock purchased from respondents is not unconditionally guaranteed to live three years and reproduce but said guarantee is subject to numerous terms, limitations and conditions.

10. Respondents do not in fact fulfill all of their obligations and requirements set forth in or represented, directly or by implication, to be contained in the guarantee or warranty applicable to each and every chinchilla.

11. Purchasers of respondents' breeding stock are given little if any guidance in the care and breeding of chinchillas.

12. Respondents, through the "Breeders 'Guaranteed Market Price' Agreement" or through any other agreement or arrangement, seldom, if ever, purchase all or any of the chinchilla offspring raised by purchasers of respondents' breeding stock for \$80 per pair. Furthermore, respondents purchase the breeding stock resold by them from a commercial breeding organization and seldom, if ever, purchase any breeding stock from their customers.

13. Purchasers of respondents' breeding stock do not receive service calls from respondents' service personnel every six weeks. In some instances purchasers of respondents' chinchilla breeding stock do not receive any service calls and in other instances the time interval between said service calls is much longer than six weeks.

14. Respondents do not maintain facilities for and do not provide priming, pelting, tanning, dressing or marketing service to purchasers of the chinchilla breeding stock.

15. There is not a great demand for the offspring or for the pelts of the offspring of chinchilla breeding stock purchased from respondents.

16. Breeding chinchillas by mated pairs will not produce more offspring or offspring of better quality than the polygamous breeding method.

17. Respondents are not chinchilla breeders; but are engaged solely in the sale of chinchillas purchased from others.

Therefore, the statements and representations as set forth in Paragraphs Four and Five hereof were, and are, false, misleading and deceptive.

PAR. 7. In the course and conduct of their business, respondents have been in substantial competition, in commerce, with corporations, firms and individuals engaged in the sale of chinchilla breeding stock of the same general kind and nature as that sold by respondents.

PAR. 8. The use by respondents of the aforesaid false, misleading and deceptive statements, representations, and practices has had the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were true and into the purchase of substantial quantities of respondents' chinchillas by reason of said erroneous and mistaken belief.

PAR. 9. The aforesaid acts and practices of the respondents, as herein alleged, were all to the prejudice and injury of the public and of respondents' competitors and constituted unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce, in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having considered the agreement and having accepted same, and the agreement containing consent order having thereupon been placed on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint in the form contemplated by said agreements, makes the following jurisdictional findings, and enters the following order:

1. Respondent Chinchilla Breeders Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of California, with its office and principal place of business located at 529 Silverado Drive, in the city of Lafayette, State of California.

Respondent William R. Kinsel is an officer of said corporation and his address is the same as that of said corporation.

2. 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

It is ordered, That respondents Chinchilla Breeders Company, Inc., a corporation, and its officers, and William R. Kinsel, individually and as an officer 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 or distribution of chinchilla breeding stock or any other products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

A. Representing, directly or by implication, that:

1. It is commercially feasible to breed or raise chinchillas in homes, basements, garages or spare buildings, or other quarters or buildings unless in immediate conjunction therewith it is clearly and conspicuously disclosed that the represented quarters or buildings can only be adaptable to and suitable for the breeding and raising of chinchillas on a commercial basis if they have the requisite space, temperature, humidity, ventilation and other environmental conditions.

2. Breeding chinchillas as a commercially profitable enterprise can be achieved without previous knowledge or experience in the breeding, raising and care of such animals.

3. Pelts from the offspring of respondents' chinchilla breeding stock sell for an average price of \$35 per pelt; or that pelts from the offspring of respondents' breeding stock generally sell from \$25 to \$40 each.

4. Chinchilla pelts from respondents' breeding stock will sell for any price, average price, or range of prices; or representing, in any manner, the past price, average price or range of prices of purchasers of respondents' breeding stock unless in fact the past price, average price or range of prices represented are those of a substantial number of purchasers and accurately reflect the price, average price or range of prices realized by these purchasers under circumstances similar to those of the purchaser to whom the representation is made.

5. Chinchillas are hardy animals or are not susceptible to disease.

6. Each female chinchilla purchased from respond-

ents and each female offspring produce at least four live young per year.

7. The number of live offspring produced per female chinchilla is any number or range thereof; or representing, in any manner, the past number or range of numbers of live offspring produced per female chinchilla of purchasers of respondents' breeding stock unless in fact the past number or range of numbers represented are those of a substantial number of purchasers and accurately reflect the number or range of numbers of live offspring thereof produced per female chinchilla of these purchasers under circumstances similar to those of the purchaser to whom the representation is made.

8. A purchaser starting with thirty pairs of chinchilla breeding stock will have an annual gross income, earnings, return or profits of \$51,200 within five years after purchase.

9. Purchasers of respondents' breeding stock will realize earnings, profits or income in any amount or range of amounts; or representing, in any manner, the past earnings, profits or income of purchasers of respondents' breeding stock unless in fact the past earnings, profits or income represented are those of a substantial number of purchasers and accurately reflect the average earnings, profits or income of these purchasers under circumstances similar to those of the purchaser to whom the representation is made.

10. Purchasers of respondents' chinchilla breeding stock will receive registered or graded chinchillas or high quality chinchillas.

11. Breeding stock purchased from respondents are warranted or guaranteed without clearly and conspicuously disclosing in immediate conjunction therewith the nature and extent of the guarantee, the manner in which the guarantor will perform and the identity of the guarantor.

12. Respondents' chinchillas are guaranteed unless respondents do in fact promptly fulfill all of their obligations and requirements set forth in or represented, directly or by implication, to be contained in any guarantee or warranty applicable to each and every chinchilla.

13. Purchasers of respondents' chinchilla breeding stock are given guidance in the care and breeding of chinchillas or are furnished advice by respondents as to the breeding of chinchillas unless purchasers are actually given the represented guidance in the care and breeding of chinchillas and are furnished the represented advice by respondents as to the breeding of chinchillas.

14. Respondents will purchase all or any of the offspring raised by purchasers of respondents' breeding stock for \$80 a pair; or that respondents will purchase said offspring for any other price unless respondents do in fact purchase all the offspring offered by said purchasers at the prices and on the terms and conditions represented; or representing, in any manner, that respondents will purchase chinchilla offspring raised by customers unless respondents do in fact purchase such offspring.

15. Purchasers of respondents' chinchilla breeding stock will receive service calls from respondents' service personnel every six weeks or at any other interval or frequency unless purchasers do in fact receive the represented number of service calls at the represented interval or frequency.

16. Respondents maintain facilities for or provide their purchasers with priming, pelting, tanning, dressing or marketing services; or misrepresenting, in any manner, their facilities or services.

17. Chinchillas or chinchilla pelts are in great demand; or that purchasers of respondents' breeding stock can expect to be able to sell the offspring or the pelts of the offspring of respondents' chinchillas because said chinchillas or pelts are in great demand.

18. Breeding chinchillas by mated pairs will produce more or better quality offspring than by polygamous breeding.

B. Using the words "Breeders" or any other word of similar import or meaning in or as a part of respondents' trade or corporate name; or representing, directly or by implication, that respondents are chinchilla breeders; or misrepresenting, in any manner, the kind or nature of respondents' business.

C. Misrepresenting, in any manner, the assistance, training, services or advice supplied by respondents to purchasers of their chinchilla breeding stock.

D. Misrepresenting, in any manner, the earnings or profits to purchasers or the quality or reproduction capacity of any chinchilla breeding stock.

E. Failing to deliver a copy of this order to cease and desist to all present and future salesmen or other persons engaged in the sale of the respondents' products or services, and failing to secure from each such salesman or other person a signed statement acknowledging receipt of said order.

It is further ordered, That the respondent corporation shall forthwith distribute a copy of this order to each of its operating divisions.

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.

IN THE MATTER OF

STEFANI BROS., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION AND THE FUR PRODUCTS LABELING ACTS

Docket C-1525. Complaint, Apr. 28, 1969—Decision, Apr. 28, 1969

Consent order requiring a San Francisco, Calif., manufacturer and wholesaler of fur products to cease misbranding, falsely invoicing and advertising its fur products and failing to maintain required records in support of pricing claims.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Stefani Bros., a corporation, and Aladino Stefani, A.C. Killian and Fred F. Bellerio, individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the

Rules and Regulations promulgated under the Fur Products Labeling Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Stefani Bros. is a corporation organized, existing and doing business under and by virtue of the laws of the State of California.

Respondents Aladino Stefani, A.C. Killian and Fred F. Belero are officers of the corporate respondent. They formulate, direct and control the policies, acts and practices of the said corporate respondent including those hereinafter set forth.

Respondents are manufacturers and wholesalers of fur products with their office and principal place of business located at 209 Post Street, San Francisco, California.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the introduction into commerce, and in the sale, advertising, and offering for sale in commerce, and in the transportation and distribution in commerce, of fur products; and have sold, advertised, offered for sale, transported and distributed fur products which have been made in whole or in part of furs which have been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act.

PAR. 3. Certain of said fur products were misbranded in that they were not labeled as required under the provisions of Section 4(2) of the Fur Products Labeling Act and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

Among such misbranded fur products, but not limited thereto, were fur products with labels which failed:

1. To show the true animal name of the animal or animals which produced the fur used in such fur products.
2. To disclose that the fur contained in the fur products was bleached, dyed, or otherwise artificially colored, when such was the fact.
3. To show the country of origin of the imported furs contained in the fur products.

PAR. 4. Certain of said fur products were misbranded in violation of the Fur Products Labeling Act in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder in the following respects:

- (a) The term "natural" was not used on labels to describe

fur products which were not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Rule 19(g) of said Rules and Regulations.

(b) The disclosure that fur products were composed in whole or in substantial parts of paws, tails, bellies, sides, flanks, gills, ears, throats, heads, scrap pieces or waste fur, as required, was not set forth on labels, in violation of Rule 20 of said Rules and Regulations.

(c) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was not set forth separately on labels with respect to each section of fur products composed of two or more sections containing different animal furs, in violation of Rule 36 of said Rules and Regulations.

PAR. 5. Certain of said fur products were falsely and deceptively invoiced by the respondents in that they were not invoiced as required by Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated under such Act.

Among such falsely and deceptively invoiced fur products, but not limited thereto, were fur products covered by invoices which failed:

1. To show the true animal name of the animal or animals which produced the fur used in such fur products.

2. To disclose that the fur contained in the fur products was bleached, dyed, or otherwise artificially colored, when such was the fact.

3. To show the country of origin of imported fur used in any such fur product.

PAR. 6. Certain of said fur products were falsely and deceptively invoiced with respect to the name or designation of the animal or animals that produced the fur from which the said fur products had been manufactured, in violation of Section 5(b)(2) of the Fur Products Labeling Act.

Among such falsely and deceptively invoiced fur products, but not limited thereto, were fur products which were invoiced as "Broadtail" thereby implying that the furs contained therein were entitled to the designation "Broadtail Lamb" when in truth and in fact the furs contained therein were not entitled to such designation.

PAR. 7. Certain of said fur products were falsely and deceptively invoiced in violation of the Fur Products Labeling Act in that

they were not invoiced in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) Information required under Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth on invoices in abbreviated form, in violation of Rule 4 of said Rules and Regulations.

(b) The term "Dyed Broadtail-processed Lamb" was not set forth on invoices in the manner required by law, in violation of Rule 10 of said Rules and Regulations.

PAR. 8. Certain of said fur products were falsely and deceptively advertised in violation of the Fur Products Labeling Act in that certain advertisements intended to aid, promote and assist, directly or indirectly, in the sale and offering for sale of such fur products were not in accordance with the provisions of Section 5(a) of the said Act.

Among and included in the aforesaid advertisements but not limited thereto, were advertisements prepared by respondents which appeared under the name of Levy Bros., a department store located at Fourth and Ellsworth in the city of San Mateo, State of California, and which advertisements appeared in issues of The Times, a newspaper published in the city of San Mateo, State of California and having a wide circulation in California and in other States of the United States.

Among such false and deceptive advertisements, but not limited thereto, were advertisements which failed to show the true animal name of the animal or animals which produced the fur used in such fur products.

PAR. 9. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, respondents falsely and deceptively advertised fur products in that certain of said fur products were falsely or deceptively identified with respect to the name or designation of the animal or animals that produced the fur from which the said fur products had been manufactured, in violation of Section 5(a)(5) of the Fur Products Labeling Act.

Among such falsely and deceptively advertised fur products, but not limited thereto, were fur products advertised as "China Mink" when the fur contained in such fur products was, in fact, "Chinese Weasel."

Also among such falsely and deceptively advertised fur products, but not limited thereto, were fur products advertised as "Broadtail" thereby implying that the furs contained therein

were entitled to the designation "Broadtail Lamb" when in truth and in fact the furs contained therein were not entitled to such designation.

PAR. 10. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, respondents falsely and deceptively advertised fur products in violation of the Fur Products Labeling Act in that the said fur products were not advertised in accordance with the Rules and Regulations promulgated thereunder inasmuch as the term "Dyed Broadtail-processed Lamb" was not set forth in the manner required, in violation of Rule 10 of said Rules and Regulations.

PAR. 11. By means of the aforesaid advertisements and other advertisements of similar import and meaning not specifically referred to herein, respondents falsely and deceptively advertised fur products, in violation of Section 5(a)(5) of the Fur Products Labeling Act and Rule 44(a) of the Rules and Regulations promulgated thereunder by representing, directly or by implication, that the prices of such fur products were reduced from respondents' former prices and the amount of such purported reductions constituted savings to purchasers of respondents' fur products. In truth and in fact, the alleged former prices were fictitious in that they were not actual, bona fide prices at which respondents offered the products to the public on a regular basis for a reasonably substantial period of time in the recent regular course of business and the said fur products were not reduced in price as represented and savings were not afforded purchasers of respondents' said fur products, as represented.

PAR. 12. In advertising fur products for sale, as aforesaid, respondents made pricing claims and representations of the types covered by subsections (a), (b), (c) and (d) of Rule 44 of the Regulations under the Fur Products Labeling Act. Respondents in making such claims and representations failed to maintain full and adequate records disclosing the facts upon which such claims and representations were based, in violation of Rule 44(e) of said Rules and Regulations.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Textiles and Furs proposed to present to the Commission for its

consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act and the Fur Products Labeling Act; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Act, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Stefani Bros. is a corporation organized, existing and doing business under and by virtue of the laws of the State of California with its office and principal place of business located at 209 Post Street, San Francisco, California.

Respondents Aladino Stefani, A.C. Killian and Fred F. Bellerio are officers of said corporation and their address is the same as that of said corporation.

2. 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

It is ordered, That respondents Stefani Bros., a corporation, and its officers, and Aladino Stefani, A.C. Killian and Fred F. Bellerio, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce, of any fur product; or in connection with the sale, advertising, offering for sale, transportation or distribution of

any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as the terms "commerce" "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding any fur product by:

1. Failing to affix a label to such fur product showing in words and in figures plainly legible all of the information required to be disclosed by each of the subsections of Section 4(2) of the Fur Products Labeling Act.

2. Failing to set forth the term "natural" as part of the information required to be disclosed on a label under the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe such fur product which is not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

3. Failing to disclose on a label that such fur product is composed in whole or in substantial part of paws, tails, bellies, sides, flanks, gills, ears, throats, heads, scrap pieces or waste fur.

4. Failing to set forth separately on a label attached to such fur product composed of two or more sections containing different animal fur the information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder with respect to the fur comprising each section.

B. Falsely or deceptively invoicing any fur product by:

1. Failing to furnish an invoice, as the term "invoice" is defined in the Fur Products Labeling Act, showing in words and figures plainly legible all the information required to be disclosed by each of the subsections of Section 5(b)(1) of the Fur Products Labeling Act.

2. Setting forth on an invoice pertaining to such fur products any false or deceptive information with respect to the name or designation of the animal or animals that produced the fur contained in such fur product.

3. Setting forth information required under Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form on an invoice pertaining to such fur product.

4. Failing to set forth the term "Dyed Broadtail-processed Lamb" in the manner required where an elec-

tion is made to use that term instead of the words "Dyed Lamb."

C. Falsely or deceptively advertising any fur product through the use of any advertisement, representation, public announcement or notice which is intended to aid, promote or assist, directly or indirectly, in the sale, or offering for sale of any such fur product, and which:

1. Fails to set forth in words and figures plainly legible all the information required to be disclosed by each of the subsections of Section 5(a) of the Fur Products Labeling Act.

2. Fails to set forth the term "Dyed Broadtail-processed Lamb" in the manner required where an election is made to use that term instead of the words "Dyed Lamb."

3. Falsely or deceptively identifies any fur product as to the name or designation of the animal or animals that produced the fur contained in the fur product.

4. Represents, directly or by implication, that any price whether accompanied or not by descriptive terminology is the respondents' former price of such fur product when such price is in excess of the price at which such fur product has been sold or offered for sale in good faith by the respondents on a regular basis for a reasonably substantial period of time in the recent regular course of business, or otherwise misrepresents the price at which such fur product has been sold or offered for sale by respondents.

5. Falsely or deceptively represents that savings are afforded to the purchaser of any such fur product or misrepresents in any manner the amount of savings afforded to the purchaser of such fur product.

6. Falsely or deceptively represents that the price of any such fur product is reduced.

D. Failing to maintain full and adequate records disclosing the facts upon which pricing claims and representations of the types described in subsections (a), (b), (c) and (d) of Rule 44 of the Rules and Regulations promulgated under the Fur Products Labeling Act, are based.

It is further ordered, That the respondent corporation shall forthwith distribute a copy of this order to each of its operating divisions.

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.

IN THE MATTER OF

LEVY BROS.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION AND THE FUR PRODUCTS LABELING ACTS

Docket C-1526. Complaint, Apr. 28, 1969—Decision, Apr. 28, 1969

Consent order requiring a San Mateo, Calif., department store to cease misbranding, falsely invoicing and advertising its fur products and failing to maintain required records in support of pricing claims.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Levy Bros., a corporation, hereinafter referred to as respondent, has violated the provisions of said Acts and the Rules and Regulations promulgated under the Fur Products Labeling Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Levy Bros. is a corporation organized, existing and doing business under and by virtue of the laws of the State of California.

Respondent operates a retail department store which includes a fur department with its office and principal place of business located at Fourth and Ellsworth, San Mateo, California.

PAR. 2. Respondent is now, and for some time last past has been, engaged in the introduction into commerce, and in the sale, advertising, and offering for sale in commerce, and in the transportation and distribution in commerce, of fur products; and has sold, advertised, offered for sale, transported and distributed fur products which have been made in whole or in part

of furs which have been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act.

PAR. 3. Certain of said fur products were misbranded in that they were not labeled as required under the provisions of Section 4(2) of the Fur Products Labeling Act and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

Among such misbranded fur products, but not limited thereto, were fur products with labels which failed:

1. To show the true animal name of the animal or animals which produced the fur used in such fur products.

2. To disclose that the fur contained in the fur products was bleached, dyed, or otherwise artificially colored, when such was the fact.

3. To show the country of origin of the imported furs contained in the fur products.

PAR. 4. Certain of said fur products were misbranded in violation of the Fur Products Labeling Act in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder in the following respects:

- (a) The term "natural" was not used on labels to describe fur products which were not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Rule 19(g) of said Rules and Regulations.

- (b) The disclosure that fur products were composed in whole or in substantial part of paws, tails, bellies, sides, flanks, gills, ears, throats, heads, scrap pieces or waste fur, as required, was not set forth on labels, in violation of Rule 20 of said Rules and Regulations.

- (c) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was not set forth separately on labels with respect to each section of fur products composed of two or more sections containing different animal furs, in violation of Rule 36 of said Rules and Regulations.

PAR. 5. Certain of said fur products were falsely and deceptively invoiced by the respondent in that they were not invoiced as required by Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated under such Act.

Among such falsely and deceptively invoiced fur products, but not limited thereto, were fur products covered by invoices which failed:

1. To show the true animal name of the animal or animals which produced the fur used in such fur products.

2. To disclose that the fur contained in the fur products was bleached, dyed, or otherwise artificially colored, when such was the fact.

3. To show the country of origin of imported fur used in any such fur product.

PAR. 6. Certain of said fur products were falsely and deceptively invoiced with respect to the name or designation of the animal or animals that produced the fur from which the said fur products had been manufactured, in violation of Section 5(b)(2) of the Fur Products Labeling Act.

Among such falsely and deceptively invoiced fur products, but not limited thereto, were fur products which were invoiced as "Broadtail" thereby implying that the furs contained therein were entitled to the designation "Broadtail Lamb" when in truth and in fact the furs contained therein were not entitled to such designation.

PAR. 7. Certain of said fur products were falsely and deceptively invoiced in violation of the Fur Products Labeling Act in that they were not invoiced in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) Information required under Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth on invoices in abbreviated form, in violation of Rule 4 of said Rules and Regulations.

(b) The term "Dyed Broadtail-processed Lamb" was not set forth on invoices in the manner required by law, in violation of Rule 10 of said Rules and Regulations.

(c) The term "natural" was not used on invoices to describe fur products which were not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Rule 19(g) of said Rules and Regulations.

(d) Required item numbers were not set forth on invoices, in violation of Rule 40 of said Rules and Regulations.

PAR. 8. Certain of said fur products were falsely and deceptively advertised in violation of the Fur Products Labeling Act in that certain advertisements intended to aid, promote and assist, directly or indirectly, in the sale and offering for sale of such fur products were not in accordance with the provisions of Section 5(a) of the said Act.

Among and included in the aforesaid advertisements but not limited thereto, were advertisements of respondent which ap-

peared in issues of The Times, a newspaper published in the city of San Mateo, State of California and having a wide circulation in California and in other States of the United States.

Among such false and deceptive advertisements, but not limited thereto, were advertisements which failed to show the true animal name of the animal or animals which produced the fur used in such fur products.

PAR. 9. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, respondent falsely and deceptively advertised fur products in that certain of said fur products were falsely or deceptively identified with respect to the name or designation of the animal or animals that produced the fur from which the said fur products had been manufactured, in violation of Section 5(a)(5) of the Fur Products Labeling Act.

Among such falsely and deceptively advertised fur products, but not limited thereto, were fur products advertised as "China Mink" when the fur contained in such fur products was, in fact, "Chinese Weasel."

Also among such falsely and deceptively advertised fur products, but not limited thereto, were fur products advertised as "Broadtail" thereby implying that the furs contained therein were entitled to the designation "Broadtail Lamb" when in truth and in fact the furs contained therein were not entitled to such designation.

PAR. 10. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, respondent falsely and deceptively advertised fur products in violation of the Fur Products Labeling Act in that the said fur products were not advertised in accordance with the Rules and Regulations promulgated thereunder inasmuch as the term "Dyed Broadtail-processed Lamb" was not set forth in the manner required, in violation of Rule 10 of said Rules and Regulations.

PAR. 11. By means of the aforesaid advertisements and other advertisements of similar import and meaning not specifically referred to herein, respondent falsely and deceptively advertised fur products, in violation of Section 5(a)(5) of the Fur Products Labeling Act and Rule 44(a) of the Rules and Regulation promulgated thereunder by representing, directly or by implication, that the prices of such fur products were reduced from respondent's former prices and the amount of such purported

reductions constituted savings to purchasers of respondent's fur products. In truth and in fact, the alleged former prices were fictitious in that they were not actual, bona fide prices at which respondent offered the products to the public on a regular basis for a reasonably substantial period of time in the recent regular course of business and the said fur products were not reduced in price as represented and savings were not afforded purchasers of respondent's said fur products, as represented.

PAR. 12. In advertising fur products for sale, as aforesaid, respondent made pricing claims and representations of the types covered by subsections (a), (b), (c) and (d) of Rule 44 of the Regulations under the Fur Products Labeling Act. Respondent in making such claims and representations failed to maintain full and adequate records disclosing the facts upon which such claims and representations were based, in violation of Rule 44(e) of said Rules and Regulations.

PAR. 13. The aforesaid acts and practices of respondent, as herein alleged, are in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder and constitute unfair methods of competition and unfair and deceptive acts and practices in commerce under the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondent named in the caption hereof, and the respondent having been furnished thereafter with a copy of a draft of complaint which the Bureau of Textiles and Furs proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent with violation of the Federal Trade Commission Act and the Fur Products Labeling Act; and

The respondent and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respond-

ent has violated the said Acts, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Levy Bros. is a corporation organized, existing and doing business under and by virtue of the laws of the State of California with its office and principal place of business located at Fourth and Ellsworth, San Mateo, California.
2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent, and the proceeding is in the public interest.

ORDER

It is ordered, That respondent Levy Bros., a corporation, and its officers, and respondent's representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce, of any fur product; or in connection with the sale, advertising, offering for sale, transportation or distribution, of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding any fur product by:

1. Failing to affix a label to such fur product showing in words and in figures plainly legible all of the information required to be disclosed by each of the subsections of Section 4(2) of the Fur Products Labeling Act.
2. Failing to set forth the term "natural" as part of the information required to be disclosed on a label under the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe such fur product which is not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.
3. Failing to disclose on a label that such fur product is composed in whole or in substantial part of paws,

tails, bellies, sides, flanks, gills, ears, throats, heads, scrap pieces or waste fur.

4. Failing to set forth separately on a label attached to such fur product composed of two or more sections containing different animal fur the information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder with respect to the fur comprising each section.

B. Falsely or deceptively invoicing any fur product by:

1. Failing to furnish an invoice, as the term "invoice" is defined in the Fur Products Labeling Act, showing in words and figures plainly legible all the information required to be disclosed by each of the subsections of Section 5(b)(1) of the Fur Products Labeling Act.

2. Setting forth on an invoice pertaining to such fur product any false or deceptive information with respect to the name or designation of the animal or animals that produced the fur contained in such fur product.

3. Setting forth information required under Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form on an invoice pertaining to such fur product.

4. Failing to set forth the term "Dyed Broadtail-processed Lamb" in the manner required where an election is made to use that term instead of the words "Dyed Lamb."

5. Failing to set forth the term "natural" as part of the information required to be disclosed on an invoice under the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe such fur product which is not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

6. Failing to set forth on an invoice the item number or mark assigned to such fur product.

C. Falsely or deceptively advertising any fur product through the use of any advertisement, representation, public announcement or notice which is intended to aid, promote or assist, directly or indirectly, in the sale, or offering for sale of any such fur product, and which:

1. Fails to set forth in words and figures plainly

legible all the information required to be disclosed by each of the subsections of Section 5(a) of the Fur Products Labeling Act.

2. Fails to set forth the term "Dyed Broadtail-processed Lamb" in the manner required where an election is made to use that term instead of the words "Dyed Lamb."

3. Falsely or deceptively identifies any fur product as to the name or designation of the animal or animals that produced the fur contained in the fur product.

4. Represents, directly or by implication, that any price whether accompanied or not by descriptive terminology is the respondent's former price of such fur product when such price is in excess of the price at which such fur product has been sold or offered for sale in good faith by the respondent on a regular basis for a reasonably substantial period of time in the recent regular course of business, or otherwise misrepresents the price at which any such fur product has been sold or offered for sale by respondent.

5. Falsely or deceptively represents that savings are afforded to the purchaser of any such fur product or misrepresents in any manner the amount of savings afforded to the purchaser of such fur product.

6. Falsely or deceptively represents that the price of any such fur product is reduced.

D. Failing to maintain full and adequate records disclosing the facts upon which pricing claims and representations of the types described in subsections (a), (b), (c) and (d) of Rule 44 of the Rules and Regulations promulgated under the Fur Products Labeling Act, are based.

It is further ordered, That the respondent corporation shall forthwith distribute a copy of this order to each of its operating divisions.

It is further ordered, That the respondent herein shall, within sixty (60) days after 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.

Complaint

IN THE MATTER OF

SPENCER GIFTS, INC.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT

Docket C-1527. Complaint, Apr. 29, 1969—Decision, Apr. 29, 1969

Consent order requiring an Atlantic City, N.J., retail jeweler to cease misrepresenting the identity or quality of its jewelry products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that Spencer Gifts, Inc., hereinafter referred to as respondent, has violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Spencer Gifts, Inc., is a corporation duly organized, existing and doing business under and by virtue of the laws of the State of New Jersey, with its principal office and place of business located at 1601 Albany Avenue Boulevard, Atlantic City, New Jersey.

PAR. 2. Respondent is now, and for some time last past has been, engaged in the advertising, offering for sale, sale and distribution of jewelry products to members of the purchasing public.

PAR. 3. In the course and conduct of its business as aforesaid, respondent has caused and does now cause said jewelry products when sold, to be shipped from its place of business in the State of New Jersey to purchasers thereof located in various other States of the United States, and in the District of Columbia, and maintains, and at all times mentioned herein has maintained, a substantial course of trade in said products in commerce as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of its business as aforesaid, and for the purpose of inducing the purchase of said jewelry products, respondent has made, and is now making, statements and representations in advertisements inserted in newspapers,

magazines, mail-order catalogs, and other promotional material with respect to the quality of said jewelry.

Typical and illustrative of said statements and representations, but not all inclusive thereof, are the following:

Each child is represented by his sparkling birthstone * * * Set in double white or gold bands * * * .

PAR. 5. By and through the use of the above quoted statements, and others of similar import and meaning not expressly set out herein, respondent has represented and is now representing, directly or by implication, that:

1. Said jewelry contains genuine precious or semi-precious stones.

2. The metal in said jewelry is 24 karat gold throughout.

PAR. 6. In truth and in fact:

1. Said jewelry does not contain genuine precious or semi-precious stones, but contains imitations or simulations thereof.

2. The metal in said jewelry is not 24 karat gold throughout.

Therefore, the statements and representations as set forth in Paragraphs Four and Five hereof were and are, false, misleading and deceptive.

PAR. 7. In the course and conduct of its business as aforesaid, and at all times mentioned herein, respondent has been and is now in substantial competition in commerce with corporations, firms and individuals in the sale of jewelry products of the same general kind and nature as that sold by respondent.

PAR. 8. The use by respondent of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that such statements and representations were, and are, true and into the purchase of substantial quantities of the aforesaid products, because of said mistaken and erroneous belief.

PAR. 9. The aforesaid acts and practices of respondent, as herein alleged, were and are, all to the prejudice and injury of the public and constituted and now constitute, unfair methods of competition in commerce, and unfair and deceptive acts and practices in commerce in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondent named in

the caption hereof, and the respondent having been furnished thereafter with a copy of a draft of complaint which the Bureau of Deceptive Practices proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent with violation of the Federal Trade Commission Act; and

The respondent and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondent has violated the said Act, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Spencer Gifts, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey, with its office and principal place of business located at 1601 Albany Avenue Boulevard, Atlantic City, New Jersey.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent, and the proceeding is in the public interest.

ORDER

It is ordered, That respondent, Spencer Gifts, Inc., a corporation, and its officers, and respondent's agents, representatives and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of jewelry products in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

- 1) Use of the words "stone," "birthstone," or the name

of any precious or semiprecious stone to describe any synthetic stone or imitation or simulated stone unless such word or name is immediately preceded, with equal conspicuity,

a) With the word "synthetic" or words of similar meaning and import, if the stones have essentially the same optical, physical, and chemical properties as those so described;

b) With the word "simulated" or "imitation," or words of similar meaning and import; if the stones are similar in appearance but do not have essentially the same optical, chemical and physical properties as those so described.

2) Use of the unqualified word "gold" to describe any product, unless such product, or any part thereof so described, is composed throughout of 24 karat gold.

3) Misrepresenting, in any manner, the metallic content of any jewelry product, or the nature or quality of the stones contained therein.

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

It is further ordered, That the respondent herein shall, within sixty (60) days after 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.

IN THE MATTER OF

BRAND & PURITZ, ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION, THE TEXTILE FIBER PRODUCTS IDENTIFICATION, THE WOOL PRODUCTS LABELING AND THE FUR PRODUCTS LABELING ACTS

Docket C-1528. Complaint, May 5, 1969—Decision, May 5, 1969

Consent order requiring a Kansas City, Mo., manufacturer of women's, misses' and children's apparel to cease misbranding its fur, wool and textile fiber products, falsely advertising its textile fiber products, and failing to keep required records.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, the Textile Fiber Products Identification Act, the Wool Products Labeling Act of 1939 and the Fur Products Labeling Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Brand & Puritz, a partnership, and Hyman Brand, David Levitch, Frances B. Levitch, Arthur A. Brand and Carl Puritz, individually and as copartners of said partnership, hereinafter referred to as respondents, have violated provisions of said Acts and the Rules and Regulations promulgated under the Textile Fiber Products Identification Act, the Wool Products Labeling Act of 1939, and the Fur Products Labeling Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Brand & Puritz is a partnership organized, existing and doing business under and by virtue of the laws of the State of Missouri. Its office and principal place of business is located at 313 West Eighth Street, Kansas City, Missouri.

Individual respondents Hyman Brand, David Levitch, Frances B. Levitch, Arthur A. Brand and Carl Puritz are copartners who formulate, direct and control the acts, practices and policies of said partnership. Their addresses are the same as that of said partnership.

The respondents are manufacturers of several lines of women's and misses' apparel as well as children's apparel.

PAR. 2. The respondents are now and for some time last past have been engaged in the introduction, delivery for introduction, manufacture for introduction, sale, advertising and offering for sale, in commerce, and in the transportation or causing to be transported in commerce, and in the importation into the United States, of textile fiber products; and have sold, offered for sale, advertised, delivered, transported and caused to be transported, textile fiber products, which have been advertised or offered for sale in commerce; and have sold, offered for sale, advertised, delivered, transported and caused to be transported, after shipment in commerce, textile fiber products, either in their 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.

PAR. 3. Certain of said textile fiber products were misbranded by respondents within the intent and meaning of Section 4(a) of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder, in that they were falsely and deceptively stamped, tagged, labeled, invoiced, advertised or otherwise identified as to the name or amount of the fibers contained therein.

Among such textile fiber products, but not limited thereto, were women's and misses' coats which were described in their brochure as "silkana" thus implying that such coats were composed entirely of silk fibers when in truth and in fact the coats contained substantially different fibers and amounts of fibers than as represented.

PAR. 4. Certain of said textile fiber products were misbranded by respondents in that they were not stamped, tagged, labeled, or otherwise identified as required under the provisions of Section 4(b) of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated under said Act.

Among such misbranded textile fiber products, but not limited thereto, were women's and misses' coats with labels which failed:

(1) To disclose the true percentage of the fibers present by weight; and

(2) To disclose the true generic names of the fibers present.

PAR. 5. Certain of said textile fiber products were misbranded in violation of the Textile Fiber Products Identification Act in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder in that samples, swatches and specimens of textile fiber products subject to the aforesaid Act, which were used to promote or effect sales of such textile fiber products, were not labeled to show their respective fiber content and other information required by Section 4(b) of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder, in violation of Rule 21(a) of the aforesaid Rules and Regulations.

PAR. 6. Certain of said textile fiber products were falsely and deceptively advertised in that respondents in making disclosures of implication as to the fiber content of such textile fiber products, in written advertisements used to aid, promote, and assist, directly, or indirectly, in the sale or offering for sale, of said products, failed to set forth the required information as to fiber content as set out by Section 4(c) of the Textile Fiber Products

Identification Act and in the manner and form prescribed by the Rules and Regulations promulgated under said Act.

Among and included in the aforesaid advertisements, but not limited thereto, were advertisements of respondents which appeared in buyers guides and catalogues sent to customers in various States of the United States.

Among such falsely and deceptively advertised textile fiber products, but not limited thereto, were articles of wearing apparel which were advertised by means of fiber implying terms such as "corduroy," and "silkana," among others but not limited thereto, without setting forth the true generic names of the fibers present in the said textile fiber products.

PAR. 7. By means of the aforesaid advertisements respondents have falsely and deceptively advertised textile fiber products in violation of the Textile Fiber Products Identification Act in that said textile fiber products were not advertised in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) A fiber trademark was used in advertising textile fiber products, without a full disclosure of the fiber content information required by the said Act and the Rules and Regulations thereunder in at least one instance in said advertisements, in violation of Rule 41(a) of the aforesaid Rules and Regulations.

(b) Fiber trademarks were used in advertising textile fiber products, namely ladies' and misses' wearing apparel containing more than one fiber, and such fiber trademarks did not appear in the required fiber content information in immediate proximity and conjunction with the generic names of the fibers to which they related in plainly legible type or lettering of equal size and conspicuousness, in violation of Rule 41(b) of the aforesaid Rules and Regulations.

PAR. 8. Respondents have failed to maintain and preserve proper records showing the fiber content of the textile fiber products manufactured by them, in violation of Section 6(a) of the Textile Fiber Products Identification Act and Rule 39 of the Regulations promulgated thereunder.

PAR. 9. The acts and practices of respondents, as set forth above were, and are, in violation of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder, and constituted, and now constitute, unfair methods of competition and unfair and deceptive acts or practices, in commerce, under the Federal Trade Commission Act.

PAR. 10. Respondents now and for some time last past have manufactured for introduction into commerce, introduced into commerce, sold, transported, distributed, delivered for shipment, shipped and offered for sale, in commerce, as "commerce" is defined in the Wool Products Labeling Act of 1939, wool products as "wool product" is defined therein.

PAR. 11. Certain of said wool products were misbranded by respondents in that they were not stamped, tagged, labeled or otherwise identified as required under the provision of Section 4(a)(2) of the Wool Products Labeling Act of 1939 and in the manner and form prescribed by the Rules and Regulations promulgated under the said Acts.

Among such misbranded wool products, but not limited thereto were women's and misses' coats with labels on or affixed thereto, which failed to disclose the percentage of the total fiber weight of the said wool products, exclusive of ornamentation not exceeding 5 per centum of said total fiber weight, of (1) wool; (2) reprocessed wool; (3) reused wool; (4) each fiber other than wool, when said percentage by weight of such fiber was 5 per centum or more; and (5) the aggregate of all other fibers.

PAR. 12. Certain of said wool products were misbranded in violation of the Wool Products Labeling Act of 1939 in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder in the following respect:

(a) The generic names of manufactured fibers established in Rule 7 of the Regulations promulgated under the Textile Fiber Products Identification Act were not used in naming such fibers in required information, in violation of Rule 8(b) of the aforesaid Rules and Regulations.

(b) Samples, swatches or specimens of wool products used to promote or effect sales of such wool products in commerce, were not labeled or marked to show the information required under Section 4(a)(2) of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, in violation of Rule 22 of the aforesaid Rules and Regulations.

PAR. 13. The acts and practices as set forth above in Paragraphs Eleven and Twelve were and are in violation of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, and constituted, and now constitute unfair or deceptive acts and practices and unfair methods of competition, in commerce, within the intent and meaning of the Federal Trade Commission Act.

PAR. 14. Respondents are now and for some time last past have been engaged in the introduction into commerce, and in the manufacture for introduction into commerce, and in the sale, advertising, and offering for sale in commerce, and in the transportation and distribution in commerce, of fur products; and have manufactured for sale, sold, advertised, offered for sale, transported, and distributed fur products which have been made in whole or in part of furs which had been shipped and received in commerce as the terms "commerce," "fur" and "fur products" are defined in the Fur Products Labeling Act.

PAR. 15. Certain of the fur products were misbranded in that they were not labeled as required under the provisions of Section 4(2) of the Fur Products Labeling Act and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

Among such misbranded fur products, but not limited thereto, were fur products with labels which failed to show the true animal name of the fur used in the fur products.

PAR. 16. Certain of fur products were misbranded in that labels attached thereto, set forth the name or names of an animal or animals other than the name of the animal that produced the fur from which the said fur products had been manufactured, in violation of Section 4(3) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder.

PAR. 17. The aforesaid acts and practices of the respondents, as herein alleged in Paragraphs Fifteen and Sixteen are in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder and constitute unfair and deceptive acts and practices and unfair methods of competition in commerce under the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Textiles and Furs proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act, the Textile Fiber Products Identification Act, the Wool Products Labeling Act of 1939 and the Fur Products Labeling Act; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Acts, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Brand & Puritz, is a partnership organized, existing and doing business under and by virtue of the laws of the State of Missouri with its office and principal place of business located at 313 West Eighth Street, Kansas City, Missouri.

Respondents Hyman Brand, David Levitch, Frances B. Levitch, Arthur A. Brand, and Carl Puritz are copartners and their addresses are the same as that of said partnership.

2. 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

It is ordered, That respondents Brand & Puritz, a partnership, and Hyman Brand, David Levitch, Frances B. Levitch, Arthur A. Brand, and Carl Puritz, individually and as copartners trading as Brand & Puritz, or under any other name or names, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, delivery for introduction, manufacture for introduction, sale, advertising, or offering for sale, in commerce, or the transportation or causing to be transported, in commerce, or the importation into the United States of any textile fiber product; or in connection with the sale, offering for sale, advertising, delivery, transportation or causing to be transported of any

textile fiber product which has been advertised or offered for sale in commerce; or 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:

A. Misbranding textile fiber products by:

1. Falsely or deceptively stamping, tagging, labeling, invoicing, advertising or otherwise identifying any textile fiber products as to the name or amount of constituent fibers contained therein.

2. Failing to affix a stamp, tag, label or other means of identification to each such product showing in a clear, legible and conspicuous manner each element of information required to be disclosed by Section 4(b) of the Textile Fiber Products Identification Act.

3. Failing to label samples, swatches, or specimens of textile fiber products subject to the Act, which are used to promote or effect sales of such textile fiber products, in such a manner as to show their respective fiber contents and other required information.

B. Falsely and deceptively advertising textile fiber products by:

1. Making any representations, directly or by implication, as to the 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 products, unless the same information required to be shown on the stamp, tag, label or other means of identification under Section 4(b)(1) and (2) of the Textile Fiber Products Identification Act is contained in the said advertisement, in the manner and form required, except that the percentages of the fibers present in the textile fiber product need not be stated.

2. Using a fiber trademark in advertisements without a full disclosure of the required content information in at least one instance in the said advertisement.

3. Using a fiber trademark in advertising textile fiber products containing more than one fiber without such

fiber trademark appearing in the required fiber content information in immediate proximity and conjunction with the generic name of the fiber in plainly legible type or lettering of equal size and conspicuousness.

C. Failing to maintain and preserve for at least three years proper records showing the fiber content of textile fiber products manufactured by them, as required by Section 6(a) of the Textile Fiber Products Identification Act and Rule 39 of the Rules and Regulations promulgated thereunder.

It is further ordered, That respondents Brand & Puritz, a partnership, and Hyman Brand, David Levitch, Frances B. Levitch, Arthur A. Brand and Carl Puritz, individually and as copartners trading as Brand & Puritz, or under any other name or names, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction or manufacture for introduction, into commerce, or in connection with the sale, transportation, distribution, delivery for shipment, shipment or offering for sale in commerce, of wool products, as "commerce" and "wool product" are defined in the Wool Products Labeling Act of 1939, do forthwith cease and desist from misbranding such products by:

A. Failing to securely affix to or place on each such product a stamp, tag, label, or other means of identification correctly showing in a clear and conspicuous manner each element of information required to be disclosed by Section 4(a)(2) of the Wool Products Labeling Act of 1939.

B. Failing to set forth the generic names of manufactured fibers established in Rule 7 of the Regulations promulgated under the Textile Fiber Products Identification Act, in naming such fibers in required information on stamps, tags, labels or other means of identification attached to wool products.

C. Failing to affix labels to samples, swatches, or specimens of wool products used to promote or effect the sale of wool products, showing in words and figures plainly legible all of the information required to be disclosed by each of the subsections of Section 4(a)(2) of the Wool Products Labeling Act of 1939.

It is further ordered, That respondents Brand & Puritz, a partnership, and Hyman Brand, David Levitch, Frances B. Levitch, Arthur A. Brand and Carl Puritz, individually and as co-

partners trading as Brand & Puritz, or under any other name or names, and respondents' representatives, agents and employees, directly or through any corporate or other device in connection with the introduction, manufacture for introduction, into commerce, or the sale, advertising, or offering for sale in commerce, or the transportation or distribution in commerce of any fur product; or in connection with the manufacture for sale, sale, advertising, offering for sale, transportation or distribution of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from misbranding fur products by:

1. Failing to affix labels to fur products showing in words and in figures plainly legible all the information required to be disclosed by each of the subsections of Section 4(2) of the Fur Products Labeling Act.

2. Setting forth on the label attached to any such fur product the name or names of any animal or animals other than the name of the animal producing the fur contained in such fur product as specified in the Fur Products Name Guide and as prescribed by the Rules and Regulations.

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.

IN THE MATTER OF

GOLDLINE FASHIONS, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION AND THE FUR PRODUCTS LABELING ACTS

Docket C-1529. Complaint, May 5, 1969—Decision, May 5, 1969

Consent order requiring two affiliated New York City manufacturers of women's and misses' apparel to cease misbranding, falsely invoicing and deceptively guaranteeing its fur products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act, and by virtue of the

authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Goldline Fashions, Inc., a corporation, and Briarlee Modes, Inc., a corporation, and Louis Goldstein and William Wertlieb, individually and as officers of said corporations, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Fur Products Labeling Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Goldline Fashions, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York. Respondent Briarlee Modes, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondents Louis Goldstein and William Wertlieb are officers of the corporate respondents. They formulate, direct and control the policies, acts and practices of the corporate respondents including those hereinafter set forth.

Respondents are manufacturers of women's and misses' apparel including fur products with their office and principal place of business located at 519 Eighth Avenue, New York, New York.

PAR. 2. Respondents are now and for some time last past have been engaged in the introduction into commerce, and in the manufacture for introduction into commerce, and in the sale, advertising, and offering for sale in commerce, and in the transportation and distribution in commerce, of fur products; and have manufactured for sale, sold, advertised, offered for sale, transported and distributed fur products which have been made in whole or in part of furs which have been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act.

PAR. 3. Certain of said fur products were misbranded in that they were falsely and deceptively labeled to show that fur contained therein was natural, when in fact such fur was pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Section 4(1) of the Fur Products Labeling Act.

PAR. 4. Certain of said fur products were misbranded in that they were not labeled as required under the provisions of Section 4(2) of the Fur Products Labeling Act and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

Among such misbranded fur products, but not limited thereto, were fur products with labels which failed to disclose that the fur contained in the fur products was bleached, dyed, or otherwise artificially colored, when such was the fact.

PAR. 5. Certain of said fur products were falsely and deceptively invoiced by the respondents in that they were not invoiced as required by Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated under such Act.

Among such falsely and deceptively invoiced fur products, but not limited thereto, were fur products covered by invoices which failed to disclose that the fur contained in the fur products was bleached, dyed, or otherwise artificially colored when such was the fact.

PAR. 6. Certain of said fur products were falsely and deceptively invoiced in that said fur products were invoiced to show that the fur contained therein was natural, when in fact such fur was pointed, dyed, tip-dyed or otherwise artificially colored, in violation of Section 5(b)(2) of the Fur Products Labeling Act.

PAR. 7. Respondents furnished false guaranties that certain of their fur products were not misbranded, falsely invoiced or falsely advertised when respondents in furnishing such guaranties had reason to believe that fur products so falsely guaranteed would be introduced, sold, transported or distributed in commerce, in violation of Section 10(b) of the Fur Products Labeling Act.

PAR. 8. The aforesaid acts and practices of respondents, as herein alleged, are in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder and constitute unfair methods of competition and unfair and deceptive acts and practices in commerce under the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Textiles and Furs proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act and the Fur Products Labeling Act; and

The respondents and counsel for the Commission having there-

after executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Acts, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Goldline Fashions, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 519 Eighth Avenue, New York, New York.

Respondent Briarlee Modes, Inc., is a corporation organized, existing and doing business under the laws of the State of New York, with its office and principal place of business located at 519 Eighth Avenue, New York, New York.

Respondents Louis Goldstein and William Wertlieb are officers of the said corporations and their address is the same as that of said corporations.

2. 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

It is ordered, That Goldline Fashions, Inc., a corporation, and its officers, and Briarlee Modes, Inc., a corporation, and its officers, and Louis Goldstein and William Wertlieb, individually and as officers of said corporations, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, or manufacture for introduction, into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce, of any fur product; or in connection with the manufacture for sale, sale, advertising, offering for sale, transportation

or distribution, of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding any fur product by:

1. Representing directly or by implication on a label that the fur contained in such fur product is natural when such fur is pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

2. Failing to affix a label to such fur product showing in words and in figures plainly legible all of the information required to be disclosed by each of the subsections of Section 4(2) of the Fur Products Labeling Act.

B. Falsely or deceptively invoicing any fur product by:

1. Failing to furnish an invoice, as the term "invoice" is defined in the Fur Products Labeling Act, showing in words and figures plainly legible all the information required to be disclosed by each of the subsections of Section 5(b)(1) of the Fur Products Labeling Act.

2. Representing, directly or by implication, on invoices that the fur contained in such fur product is natural when such fur is pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

It is further ordered, That respondents Goldline Fashions, Inc., a corporation, and its officers, and Briarlee Modes, Inc., a corporation, and its officers, and Louis Goldstein and William Wertlieb, individually and as officers of said corporations, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from furnishing a false guaranty that any fur product is not misbranded, falsely invoiced or falsely advertised when the respondents have reason to believe that such fur product may be introduced, sold, transported, or distributed in commerce.

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

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.

Complaint

75 F.T.C.

IN THE MATTER OF

MANHATTAN FUR DRESSING CORP., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION AND THE FUR PRODUCTS LABELING ACTS

Docket C-1530. Complaint, May 13, 1969—Decision, May 13, 1969

Consent order requiring a New York City fur dressing corporation to cease
falsely invoicing its fur products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Manhattan Fur Dressing Corp., a corporation, and Herman Handros, Herman Aronowitz and Romeo Pinotti, individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Fur Products Labeling Act, and in appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Manhattan Fur Dressing Corp. is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondents Herman Handros, Herman Aronowitz and Romeo Pinotti are officers of the corporate respondent. They formulate, direct and control the acts, practices and policies of the said corporate respondent including those hereinafter set forth.

Respondents are dressers of furs with their office and principal place of business located at 158-64 West 27th Street, city of New York, State of New York.

PAR. 2. Respondents are now and for some time last past have been engaged in the introduction into commerce, and in the manufacture for introduction into commerce, and in the sale, advertising, and offering for sale in commerce, and in the transportation and distribution in commerce, of fur products; and have manufactured for sale, sold, advertised, offered for sale, transported and distributed fur products which have been made in whole or in part of furs which have been shipped and received

in commerce; and have introduced into commerce, sold, advertised and offered for sale in commerce, and transported and distributed in commerce, furs, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act.

PAR. 3. Certain of said fur products or furs were falsely and deceptively invoiced by the respondents in that they were not invoiced as required by Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated under such Act.

Among such falsely and deceptively invoiced fur products or furs, but not limited thereto, were fur products or furs covered by invoices which failed to disclose that the fur products or furs were bleached, dyed, or otherwise artificially colored, when such was the fact.

PAR. 4. Certain of said fur products or furs were falsely and deceptively invoiced in violation of Section 5(b)(2) of the Fur Products Labeling Act in that the said fur products or furs were described on invoices as being "Natural as approved by F.T.C." By means of this statement, the proposed respondents represented, directly or by implication, that the fur products or furs were natural and that the Federal Trade Commission had certified and approved this as a fact. In truth and in fact the fur products or furs were not natural but were bleached, dyed, or otherwise artificially colored and the Federal Trade Commission had not certified or approved the aforesaid articles in any manner.

PAR. 5. Respondents processed and distributed fur products or furs which were bleached, dyed or artificially colored. Certain of these fur products or furs were falsely and deceptively invoiced in violation of Section 5(b)(2) of the Fur Products Labeling Act in that the said fur products or furs were described on invoices as "Mink" without disclosing that said fur products or furs were bleached, dyed or otherwise artificially colored. The respondents' description of the said fur products or furs as "Mink" without a disclosure that the said fur products or furs were bleached, dyed or artificially colored had the tendency and capacity to mislead respondents' customers and others into the erroneous belief that the fur products or furs were not bleached, dyed or otherwise artificially colored. Such failure to disclose this material fact was to the prejudice of respondents' customers and to the purchasing public and constituted false and deceptive invoicing under Section 5(b)(2) of the Fur Products Labeling Act.

PAR. 6. Certain of said fur products or furs were falsely and deceptively invoiced in violation of the Fur Products Labeling Act for the reason that they were not invoiced in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) The fact that fur products or furs were composed of bleached, dyed or otherwise artificially colored fur was not disclosed in the required information on invoices covering the said fur products or furs in violation of Rule 19(a) of said Rules and Regulations.

(b) The term "natural" was not used on invoices to describe fur products or furs which were not pointed, bleached, dyed, tipped or otherwise artificially colored, in violation of Rule 19(g) of said Rules and Regulations.

PAR. 7. The aforesaid acts and practices of respondents, as herein alleged, are in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder and constitute unfair methods of competition and unfair and deceptive acts and practices in commerce under the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Textiles and Furs proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act and the Fur Products Labeling Act; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Acts, and that complaint should issue stating its charges in that respect, and having thereupon

accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Manhattan Fur Dressing Corp. is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 158-64 West 27th Street, city of New York, State of New York.

Respondents Herman Handros, Herman Aronowitz and Romeo Pinotti are officers of said corporation and their address is the same as that of said corporation.

2. 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

It is ordered, That respondents Manhattan Fur Dressing Corp., a corporation, and its officers, and Herman Handros, Herman Aronowitz and Romeo Pinotti, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, or manufacture for introduction, into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce, of any fur product; or in connection with the manufacture for sale, sale, advertising, offering for sale, transportation or distribution of any fur product which is made in whole or in part of fur which has been shipped and received in commerce; or in connection with the introduction into commerce, or the sale, advertising or offering for sale in commerce, or the transportation and distribution in commerce of furs, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from falsely or deceptively invoicing furs or fur products by:

1. Failing to furnish invoices, as the term "invoice" is defined in the Fur Products Labeling Act, showing in words and figures plainly legible all the information required to be disclosed by subsections A through E of Section 5(b)(1) of the Fur Products Labeling Act.

2. Representing, directly or by implication, on invoices that the fur contained in the furs or fur products is natural when such fur is pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

3. Describing fur products or furs which have been bleached, dyed or otherwise artificially colored by the name of mink or by any other animal name or names without disclosing that the said fur products or furs were bleached, dyed or otherwise artificially colored.

4. Representing, directly or by implication, on an invoice that the Federal Trade Commission has approved or certified any fur or fur product or any process in connection with a fur or fur product.

5. Failing, when a fur or fur product is pointed or contains or is composed of bleached, dyed or otherwise artificially colored fur, to disclose such facts as a part of the required information on invoices pertaining thereto.

6. Failing to set forth the term "natural" as part of the information required to be disclosed on an invoice under the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe such fur or fur product which is not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

It is further ordered, That the respondent corporation shall forthwith distribute a copy of this order to each of its operating divisions.

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.

IN THE MATTER OF

ALORNA COAT CORP., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION, THE WOOL PRODUCTS LABELING AND THE FUR PRODUCTS LABELING ACTS

Docket C-1531. Complaint, May 14, 1969—Decision, May 14, 1969

Consent order requiring three affiliated manufacturers of ladies' coats and suits to cease misbranding their fur and wool products, deceptively invoicing and falsely guaranteeing their fur products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, the Wool Products Labeling Act of 1939 and the Fur Products Labeling Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Alorna Coat Corp., a corporation, Holly Deb Classics, Inc., a corporation, and Elwin Casuals, Inc., a corporation, and Elliott Satnick and Irwin R. Shatkin, individually and as officers of said corporations, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Wool Products Labeling Act of 1939 and the Fur Products Labeling Act and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondents Alorna Coat Corp., Holly Deb Classics Inc., and Elwin Casuals, Inc., are corporations organized, existing and doing business under and by virtue of the laws of the State of New York.

Individual respondents Elliott Satnick and Irwin R. Shatkin are officers of said corporate respondents and they formulate, direct and control the acts, practices and policies of said corporate respondents, including the acts, practices and policies hereinafter referred to.

The respondents are engaged in the manufacture and distribution of ladies' coats and suits with their office and principal place of business located at 265 West 37th Street, New York, New York.

PAR. 2. Respondents are now and for some time last past have manufactured for introduction into commerce, introduced into commerce, sold, transported, distributed, delivered for shipment, shipped, and offered for sale, in commerce, as "commerce" is defined in said Wool Products Labeling Act of 1939, wool products as "wool product" is defined therein.

PAR. 3. Certain of said wool products were misbranded by the respondents within the intent and meaning of Section 4(a)(1) of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, in that they were falsely and deceptively stamped, tagged, labeled, or otherwise identified with respect to the character and amount of the constituent fibers contained therein.

Among such misbranded wool products, but not limited thereto,

were ladies' coats stamped, tagged, labeled, or otherwise identified as containing "85% Wool, 15% Nylon," whereas in truth and in fact, said products contained substantially different fibers and amounts of fibers than as represented.

PAR. 4. Certain of said wool products were further misbranded by respondents in that they were not stamped, tagged, labeled, or otherwise identified as required under the provisions of Section 4(a)(2) of the Wool Products Labeling Act of 1939 and in the manner and form prescribed by the Rules and Regulations promulgated under the said Act.

Among such misbranded wool products, but not limited thereto, were ladies' coats with labels on or affixed thereto which failed to disclose the percentage of the total fiber weight of the said wool products, exclusive of ornamentation not exceeding 5 per centum of said total fiber weight, of (1) wool fibers; (2) reprocessed wool; (3) reused wool; (4) each fiber other than wool, when said percentage by weight of such fiber was 5 per centum or more; and (5) the aggregate of all other fibers.

PAR. 5. Certain of said wool products were misbranded in violation of the Wool Products Labeling Act of 1939 in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder in the following respects:

1. Wool products composed of two or more sections, recognizably distinct and of different fiber composition, were not labeled in such a manner as to disclose the fiber composition of each section thereof, in violation of Rule 23(b) of the aforesaid Rules and Regulations.

2. The fiber content of linings, composed of pile fabrics or of fabrics incorporated into woollen garments or articles of wearing apparel for warmth, was not set forth separately and distinctly on the stamp, tag, label, or the mark of identification of such wool products, in violation of Rule 24(a) of the aforesaid Rules and Regulations.

3. The fiber content of interlinings contained in garments was not set forth separately and distinctly as part of the required information on the stamps, tags, labels or other marks of identification of such garments, in violation of Rule 24(b) of the aforesaid Rules and Regulations.

PAR. 6. The acts and practices of the respondents as set forth above in Paragraphs Three, Four and Five, were and are, in violation of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, and constituted,

and now constitute, unfair methods of competition and unfair and deceptive acts and practices, in commerce, within the intent and meaning of the Federal Trade Commission Act.

PAR. 7. Respondents are now and for some time last past have been engaged in the introduction into commerce, and in the manufacture for introduction into commerce, and in the sale, advertising, and offering for sale in commerce, and in the transportation and distribution in commerce, of fur products; and have manufactured for sale, sold, advertised, offered for sale, transported, and distributed fur products which have been made in whole or in part of furs which have been shipped and received in commerce as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act.

PAR. 8. Certain of said fur products were misbranded in that they were falsely and deceptively labeled to show that the fur contained therein was natural, when in fact, such fur was pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Section 4(1) of the Fur Products Labeling Act.

PAR. 9. Certain of said fur products were misbranded in that they were not labeled as required under the provisions of Section 4(2) of the Fur Products Labeling Act and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

Among such misbranded fur products, but not limited thereto, were fur products with labels which failed to disclose that the fur contained in such fur products was pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, when such was the fact.

PAR. 10. Certain of said fur products were misbranded in violation of the Fur Products Labeling Act in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder in the following respects:

1. The term "natural" was not used on labels to describe fur products which were not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Rule 19(g) of said Rules and Regulations.

2. Required item numbers were not set forth on labels, in violation of Rule 40 of said Rules and Regulations.

PAR. 11. Respondents furnished false guaranties that certain of their fur products were not misbranded, falsely invoiced or falsely advertised when respondents in furnishing such guaranties had reason to believe that fur products so falsely guarantied

would be introduced, sold, transported or distributed in commerce, in violation of Section 10(b) of the Fur Products Labeling Act.

PAR. 12. Certain of said fur products were falsely and deceptively invoiced by the respondents in that they were not invoiced as required by Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated under such Act.

Among such falsely and deceptively invoiced fur products, but not limited thereto, were fur products covered by invoices which failed:

1. To show the true animal name of the animal or animals which produced the fur used in such fur products.
2. To show the country of origin of imported furs used in any such fur product.

PAR. 13. Certain of said fur products were falsely and deceptively invoiced in violation of the Fur Products Labeling Act in that they were not invoiced in accordance with the Rules and Regulations promulgated thereunder inasmuch as the term "natural" was not used on invoices to describe fur products which were not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Rule 19(g) of said Rules and Regulations.

PAR. 14. The aforesaid acts and practices of the respondents, as herein alleged in Paragraphs Eight through Thirteen, are in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder and constitute unfair and deceptive acts and practices and unfair methods of competition in commerce under the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Textiles and Furs proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act, the Wool Products Labeling Act of 1939 and the Fur Products Labeling Act; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the

signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Acts, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Alorna Coat Corp., Holly Deb Classics, Inc., and Elwin Casuals, Inc., are corporations organized, existing and doing business under and by virtue of the laws of the State of New York, with their offices and principal places of business located at 265 West 37th Street, New York, New York.

Respondents Elliott Satnick and Irwin R. Shatkin are officers of said corporations and their address is the same as that of said corporations.

2. 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

It is ordered, That respondents Alorna Coat Corp., a corporation, and its officers, Holly Deb Classics, Inc., a corporation, and its officers, Elwin Casuals, Inc., a corporation, and its officers, Elliott Satnick and Irwin R. Shatkin, individually and as officers of said corporations, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, manufacture for introduction, into commerce, or the offering for sale, sale, transportation, distribution, delivery for shipment or shipment, in commerce, of wool products, as "commerce" and "wool product" are defined in the Wool Products Labeling Act of 1939, do forthwith cease and desist from misbranding such products by:

1. Falsely and deceptively stamping, tagging, labeling, or otherwise identifying such products as to the character or amount of the constituent fibers contained therein.
2. Failing to securely affix to or place on, each such product

a stamp, tag, label, or other means of identification showing in a clear and conspicuous manner each element of information required to be disclosed by Section 4(a)(2) of the Wool Products Labeling Act of 1939.

3. Failing to set forth required information on labels attached to wool products consisting of two or more sections of different fiber composition, in such a manner as to show the fiber content of each section in all instances where such marking is necessary to avoid deception.

4. Failing to set forth the fiber content of lining, composed of pile fabrics or of fabrics incorporated into woolen garments or articles of wearing apparel for warmth, separately and distinctly, in the stamp, tag, label, or other marks of identification of such wool products.

5. Failing to set forth the fiber content of interlinings contained in garments separately and distinctly as part of the required information on the stamps, tags, labels, or other marks of identification of such garments as required by Rule 24(b) of the Rules and Regulations under the Wool Products Labeling Act of 1939.

It is further ordered, That respondents Alorna Coat Corp., a corporation, and its officers, Holly Deb Classics, Inc., a corporation, and its officers, Elwin Casuals, Inc., a corporation, and its officers, and Elliott Satnick and Irwin R. Shatkin, individually and as officers of said corporations, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, or manufacture for introduction, into commerce, or the sale, advertising, or offering for sale in commerce, or the transportation or distribution in commerce of any fur product; or in connection with the manufacture for sale, sale, advertising, offering for sale, transportation or distribution of any fur product which is made in whole or in part of fur which had been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding any fur product by:

1. Representing, directly or by implication, on a label that the fur contained in such fur product is natural when such fur is pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

2. Failing to affix a label to such fur product showing in words and in figures plainly legible all of the infor-

mation required to be disclosed by each of the subsections of Section 4(2) of the Fur Products Labeling Act.

3. Failing to set forth the term "natural" as part of the information required to be disclosed on a label under the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe such fur product which is not pointed, bleached, tip-dyed, dyed, or otherwise artificially colored.

4. Failing to set forth on a label the item number or mark assigned to such fur product.

B. Falsely or deceptively invoicing any fur product by:

1. Failing to furnish an invoice, as the term "invoice" is defined in the Fur Products Labeling Act, showing in words and figures plainly legible all the information required to be disclosed by each of the subsections of Section 5(b)(1) of the Fur Products Labeling Act.

2. Failing to set forth the term "natural" as part of the information required to be disclosed on an invoice under the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe such fur product which is not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

It is further ordered, That respondents Alorna Coat Corp., a corporation, and its officers, Holly Deb Classics, Inc., a corporation, and its officers, Elwin Casuals, Inc., a corporation, and its officers, and Elliott Satnick and Irwin R. Shatkin, individually and as officers of said corporations, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from furnishing a false guaranty that fur product is not misbranded, falsely invoiced or falsely advertised when the respondents have reason to believe that such fur product may be introduced, sold, transported, or distributed in commerce.

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

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.