

# FEDERAL TRADE COMMISSION DECISIONS

FINDINGS, OPINIONS, AND ORDERS, JANUARY 1, 1970,  
TO DECEMBER 31, 1970

## IN THE MATTER OF JOS. SCHLITZ BREWING CO.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF  
SEC. 2(A) OF THE CLAYTON ACT

*Docket C-1665. Complaint, Jan. 5, 1970—Decision, Jan. 5, 1970*

Consent order requiring a major brewery headquartered in Milwaukee, Wisc., to cease discriminating in price between competing resellers of its beer in violation of Section 2(a) of the Clayton Act.

### COMPLAINT

The Federal Trade Commission, having reason to believe that Jos. Schlitz Brewing Co., a corporation, sometimes hereinafter referred to as respondent, has violated and is now violating Section 2(a) of the Clayton Act, as amended, U.S.C., Title 15, Section 13, 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 with respect thereto as follows:

PARAGRAPH 1. Jos. Schlitz Brewing Co. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Wisconsin, with its office and principal place of business located at 235 West Galena Street, Milwaukee, Wisconsin.

PAR. 2. Jos. Schlitz Brewing Co. is now and for many years last past has been, primarily engaged in the domestic production, sale, and distribution of beer and related products under various brand names, including "Schlitz" and "Old Milwaukee."

Respondents annual sales of beer are substantial, and it was the Nation's second largest seller of beer in 1964 with total net sales of \$238,667,655 after deduction of Federal excise taxes.

PAR. 3. Jos. Schlitz Brewing Co. produces its various brands of beer at breweries located in Milwaukee, Wisconsin; Brooklyn, New York; Kansas City, Missouri; San Francisco, California; Van Nuys, California; Tampa, Florida; Honolulu, Hawaii, and Longview, Texas.

PAR. 4. Respondent sells and distributes its brands of beer, including "Schlitz" and "Old Milwaukee," as draught beers, *i.e.*, in kegs, and as packaged beers, *i.e.*, in bottles and cans.

It sells and distributes its various brands of beer in draught and in packages through many wholesaler-distributors located throughout the United States who resell the commodity to dealers and dispensers in their trade areas. In some metropolitan areas such as Milwaukee, Wisconsin; Chicago, Illinois; Cleveland, Ohio, and New York, New York, respondent sells and distributes its various brands of beer in draught and in packages through wholly owned branches directly to liquor stores, chain grocery stores, taverns, etc., generally termed "retailers."

PAR. 5. Jos. Schlitz Brewing Co., in the normal course and conduct of its business, is now, and for many years last past has been, selling and distributing its various brands of beer, including "Schlitz" and "Old Milwaukee," produced at its brewery located in Milwaukee, Wisconsin, to customers and purchasers located in the State of Wisconsin and in States other than the State of Wisconsin, and there is now, and has been for many years, a constant current of trade in commerce, as "commerce" is defined in the Clayton Act, in the sale of beer between and among the various States of the United States and the District of Columbia.

PAR. 6. Jos. Schlitz Brewing Co., in the course and conduct of its business in commerce, is now, and for many years has been, in substantial competition with other brewers and distributors variously engaged in the production, sale, and distribution of beer.

PAR. 7. Jos. Schlitz Brewing Co., in the course and conduct of its business in commerce, has been and is now discriminating in price, directly or indirectly, between different purchasers of its beer of like grade and quality by selling it to some of its purchasers at higher prices than to other of its purchasers.

PAR. 8. As an example of discriminations in price alleged in Paragraph Seven above, respondent Jos. Schlitz Brewing Co. is now, and for several years last past has been, discriminating in price between different purchasers of "Old Milwaukee" beer by selling it to retail-

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ers in some markets at delivered prices substantially higher than delivered prices charged retailers in Milwaukee County, Wisconsin. Included among, but not limited to, the aforesaid discriminations in price were the following:

During the period of March 19, 1962, through December 31, 1964, respondent sold, or offered to sell, "Old Milwaukee" beer in cases of twenty-four twelve ounce returnable bottles to retailers in Milwaukee County, Wisconsin, at a delivered price of \$2.10 per case plus deposit. This price of \$2.10 per case was substantially below the delivered price of \$2.90 per case plus deposit charged by respondent to retailers in Cleveland, Ohio, during the period from October 1, 1962, through February 27, 1964.

PAR. 9. As and for an additional example of the discriminations in price alleged in Paragraph Seven above, respondent is now, and for several years last past has been, discriminating in price between different purchasers of "Old Milwaukee" beer by selling it to independent wholesalers in many markets throughout the United States at f.o.b. Milwaukee prices which are substantially higher than f.o.b. Milwaukee prices charged to retailers in Milwaukee County, Wisconsin. Included among, but not limited to, the aforesaid discriminations in Price were the following:

During the period from March 19, 1962, through December 31, 1964, respondent sold, or offered to sell, "Old Milwaukee" beer in cases of twenty-four twelve ounce returnable bottles to retailers in Milwaukee County, Wisconsin, at a delivered price of \$2.10 per case plus bottle deposit of \$.60 per case. Not including respondent's costs of sale and distribution per case in Milwaukee County during 1962, 1963 and 1964, and the Wisconsin beer tax of \$.07258 per case, prices to Milwaukee retailers at respondent's Milwaukee dock amounted to \$2.29 per case in 1962, \$2.16 per case in 1963 and \$2.21 per case in 1964. These f.o.b. Milwaukee prices were substantially below f.o.b. Milwaukee prices charged by respondent to independent wholesalers in many markets throughout the United States into which "Old Milwaukee" beer was shipped from respondent's Milwaukee brewery in cases of twenty-four twelve ounce returnable bottles during the period from March 19, 1962, through December 31, 1964.

PAR. 10. The effect of respondent's discriminations in price, as alleged in Paragraphs Seven, Eight and Nine above, has been or may be to substantially disrupt those markets in which "Old Milwaukee" beer was sold at discriminatory prices by diverting substan-

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tial business from competitors of respondent in those markets to respondent, to further disrupt those markets by diverting substantial business from competitors of respondent in those markets to respondent in the future, to create the reasonable probability that the effect of respondent's said discriminations in price may be substantially to lessen competition in the line of commerce in which respondent and its competitors are engaged, or tend to create a monopoly in the line of commerce in which respondent and its competitors are engaged, or to injure, destroy, or prevent competition with respondent in the manufacture, sale, and distribution of beer.

PAR. 11. The foregoing alleged discriminations in price made by respondent Jos. Schlitz Brewing Co. are in violation of Section 2(a) of the Clayton Act, as amended.

## DECISION AND ORDER

The Commission heretofore determined to issue its complaint charging the respondent named in the caption hereof with violation of subsection (a) of Section 2 of the Clayton Act, as amended, and the respondent was 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.

The respondent and counsel for the Commission thereafter executed an agreement containing a consent order, an admission by the respondent 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 respondent that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules.

The Commission considered the agreement and provisionally accepted it. The agreement containing consent order was thereupon placed on the public record for a period of thirty (30) days, pursuant to the procedure prescribed in § 2.34(b) of the Commission's Rules. During this period and a subsequent ten (10) days extension, the Commission received several comments from interested members of the public concerning the adequacy of the order. All comments have become part of the public record of the proceeding.

The consensus of the commentators was that the proposed order, which is limited to respondent's sales as a wholesaler directly to re-

tailers, through its own marketing branches located in or near a number of major metropolitan markets, was inappropriate in that it would not cover respondent's sales to independent wholesalers who, in turn, re-sell respondent's products to retailers.

The Commission has reconsidered the proposed agreement, in light of the comments submitted thereon, and has decided to accept said agreement, having determined that if the facts so warrant, Schlitz' pricing practices to wholesalers may more appropriately be made the subject of a separate investigation.

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 the aforementioned agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Jos. Schlitz Brewing Co. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Wisconsin, with its office and principal place of business located at 235 West Galena Street, in the city of Milwaukee, State of Wisconsin.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent.

#### ORDER

*It is ordered*, That the respondent, Jos. Schlitz Brewing Co., a corporation, and its officers, representatives, agents and employees, directly or through any corporate or other device, in connection with the sale or offering for sale of beer, as "beer" is defined in Title 26 U.S.C. § 5052(a), in commerce as "commerce" is defined in the Clayton Act, do forthwith cease and desist from:

Discriminating, directly or indirectly, in the price of beer of like grade, quality and packaging by selling such packages as a wholesaler to any retailer in any city or definable market area served by one of respondent's breweries in which respondent is in competition with another seller at a price (exclusive of freight, State taxes and State bottle charges) which is lower than the price for such package charged by respondent to any other retailer in that or any other city or definable market area within the primary plant pattern of the same brewery, when respondent knows or should know that such lower price is less than the price at which the retailer charged the lower price may purchase beer from another seller in the same package produced by a regional or national brewer having a substan-

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tially smaller annual volume of sales of beer than respondent: *Provided, however*, That in addition to the defenses set forth in Sections 2(a) and 2(b) of the statute it shall be a defense in any enforcement proceeding instituted hereunder for respondent to establish that its lower price was the result of a promotional offer involving a price concession which does not undercut, or which respondent reasonably believed did not undercut, the lowest net price and/or the terms and conditions of sale resulting from a promotional offer made, within the previous six months, to the purchaser receiving the lower price by any other seller of a competitive product produced by a regional or national brewer.

This order shall not apply to respondent's "Burgermeister" brand of beer during such period of time as respondent is subject to judicially decreed divestiture of the "Burgermeister assets," or to the purchaser or purchasers of such assets from respondent pursuant thereto.

*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 respondent notify the Commission at least 30 days prior to any proposed change in the corporate respondent such as dissolution, assignment or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries or any other change in the corporation which may affect compliance obligations arising out of the order.

*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.

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IN THE MATTER OF

BEST HOMES, ET AL.

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

*Docket C-1666. Complaint, Jan. 6, 1970—Decision, Jan. 6, 1970*

Consent order requiring six contractors in the custom-built residential housing business located in Pennsylvania and New Jersey to cease using bait tactics, failing to quote terms on houses illustrated in brochures, implying

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that unfinished houses are complete, failing to include all items in quoted prices, using deceptive guarantees, and misrepresenting that certain extras are cost free.

## 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 Best Homes, a partnership, and Best Builders of Pennsylvania, Inc., Classic Builders of Pennsylvania, Inc., Classic Homes, Inc., Best Quality Homes of New Jersey, Inc., Classic Builders of New Jersey, Inc., corporations, and Edward B. Meyers and Irvin Robbins, individually and as copartners trading and doing business as Best Homes and as officers of said corporations, 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 Best Homes is a partnership comprised of the individuals whose names are hereinafter set forth. The principal office and place of business of said partnership is located at Route #202, in the town of Center Square, State of Pennsylvania.

Best Builders of Pennsylvania, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Pennsylvania, with its principal office and place of business located at the above stated address.

Classic Builders of Pennsylvania, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Pennsylvania, with its principal office and place of business located at the above stated address.

Classic Homes, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Pennsylvania, with its principal office and place of business located at the above stated address.

Best Quality Homes of New Jersey, Inc., is a corporation 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 153 Market Street, in the city of Paterson, State of New Jersey.

Classic Builders of New Jersey, Inc., is a corporation 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 153 Market Street, in the city of Paterson, State of New Jersey.

Respondents Edward B. Meyers and Irvin Robbins are individuals and copartners trading and doing business as Best Homes and are officers of the corporate respondents. They formulate, direct and control the acts and practices of said partnership and each of the corporate respondents, including the acts and practices hereinafter set forth. Their address is at Route #202 in the town of Center Square, State of Pennsylvania.

The aforementioned respondents cooperate and act together in carrying out the acts and practices hereinafter set forth.

PAR. 2. Respondents are now and for some time last past have been engaged in the advertising, offering for sale, sale and construction of custom-built residential houses to the public.

PAR. 3. In the course and conduct of their business, respondents now cause, and for some time last past have caused, their said products, when sold, to be shipped from their places of business in the States of Pennsylvania and New Jersey to purchasers thereof located in various other States of the United States, other than the State of origination, 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 inducing the purchase of their products, respondents have made numerous statements and representations in newspaper and magazine advertisements and in the oral sales presentations made by their representatives, agents or employees with respect to the nature of their offer, the terms and conditions of sale, financing requirements, degree of completion and other characteristics of their products.

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

You'll never believe how its possible for BEST HOMES to give you a fabulous custom-built home like this, 100% complete and ready to move into, for as little as \$64 a month until you see for yourself. So See! Send for the FREE full-color Best Homes catalog of plans, illustrations, and price list or call collect CHestnut Hill 7-7310 (PICTURE OF BRANDYWINE 50' MODEL)

. . . and Visit this home, fully furnished, at our sample location on Route 202, in Gwynedd, Pennsylvania, 7 miles north of Norristown.



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BEST HOMES and FRIGIDAIRE have teamed up to bring this great new home value to LOT OWNERS

(PICTURE OF AMERICANA MODEL)

As Low As \$69 per month

The Americana Completely Finished ALL-BRICK RANCHER ALL-Brick Maintenance-Free Construction 3 Bedroom—Beautiful Ceramic Tile Bath with Vanette—Full Basement—Steel Beams—Cement Block Foundation—custom-built complete on your lot—just move in!

FREE FRIGIDAIRE Limited Offer APPLIANCES Included at No Extra Cost

(Picture of range and oven)

(Picture of Refrigerator)

(Picture of Garbage Disposal)

(Picture of Dishwasher)

(Picture of Washer and Dryer)

NO MONEY DOWN 25-year open end mortgage

LOT OWNERS!!

Complete Custom-Built Home On Your Lot

COMPLETE—ALL You Do Is Move In—COMPLETE (Picture of the AMERICANA Model)

ALL BRICK RANCHER

As Low As \$69 per month

- \* All Brick Maintenance—Free Construction
\*3 Bedrooms—Ceramic Tile Bath with Vanette
\*Full Basement—Cement Block Foundation—Steel Beams

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NO MONEY DOWN

LOT OWNERS

Complete Custom-Built Home On Your Lot  
**COMPLETE—ALL You Do Is MOVE IN—COMPLETE**

(Picture of Valley Forge Model)

As Low As  
 \$69 per month

\*Stone Front \*4 Large Bedrooms  
 \*2½ Ceramic Tile Baths \*Panelled  
 Den \*Garage \*Hot Water Baseboard Heat  
 \*Full Basement \*Cement Block  
 Foundation \*Steel Beams.

NO MONEY DOWN

Best Homes fully guarantee your home  
 for one year. . . .

PAR. 5. By and through the use of the aforesaid pictures, statements and representations, and others of similar import and meaning, but not specifically set out herein, separately and in connection with oral statements and representations by their representatives, agents and employees to customers and prospective customers, respondents represent and have represented, directly or by implication, that:

1. The offer set forth in such advertisements is a genuine and bona fide offer to sell houses of the kind illustrated and described on the terms and conditions therein stated.
2. Houses of the kind illustrated and described are offered for sale on monthly terms as low as \$69 and \$64.
3. A complete, custom-built house of the kind illustrated and described is offered for sale on the terms and conditions stated.
4. Respondents' houses are unconditionally guaranteed for a period of one year.
5. Respondents offer a house of the kind illustrated and described and respondents' other houses with free appliances at no extra cost.

PAR. 6. In truth and in fact:

1. Said offer set forth is not a genuine or bona fide offer to sell houses of the kind illustrated and described in said advertisements on the terms and conditions stated.

Said offer was made for the purpose of obtaining leads as to persons interested in the purchase of respondents' products. After obtaining such leads, respondents' representatives call upon such prospective purchasers or negotiate with such purchasers in the offices

or places of business of respondents and at such times and places make no effort to sell the houses on the terms and conditions stated but induce such purchasers to purchase their houses under terms and conditions different from the stated terms and conditions.

2. Houses of the kind illustrated and described are not offered for sale on monthly terms as low as \$69 and \$64. The monthly payments for the pictured houses would be substantially higher.

3. A complete, custom-built house of the kind illustrated and described is not offered for sale on the terms and conditions stated. The illustrated and described house which is offered for sale does not include all of the various items normally included in a complete home, such as interior painting, drive ways, front walks and landscaping. Such items are obtained only at extra cost to the purchaser.

4. Respondents' houses are not unconditionally guaranteed for a period of one year. Such guarantee is subject to numerous terms, conditions and limitations and fails to set forth the nature and extent of the guarantee and the manner in which the guarantor will perform thereunder.

5. Respondents do not offer a house of the kind illustrated and described and respondents' other houses with free appliances at no extra cost. The appliances are not free and are additional items to be obtained at extra cost to the purchaser.

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

PAR. 7. In the conduct of their business, and at all times mentioned herein, respondents have been in substantial competition, in commerce, with corporations, firms and individuals in the sale of products of the same general kind and nature as those sold by the 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' products by reason of said erroneous and mistaken belief.

PAR. 9. The aforesaid acts and practices of 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 decep-

tive 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. Proposed respondent Best Homes is a partnership comprised of the individuals whose names are hereinafter set forth. The principal office and place of business of said partnership is located at Route #202 in the town of Center Square, State of Pennsylvania.

Proposed respondent Best Builders of Pennsylvania, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Pennsylvania, with its office and principal place of business located at the above stated address.

Proposed respondent Classic Builders of Pennsylvania, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Pennsylvania, with its office and principal place of business located at the above stated address.

Proposed respondent Classic Homes, Inc., is a corporation organized, existing and doing business under and by virtue of the laws

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of the State of Pennsylvania, with its office and principal place of business located at the above stated address.

Proposed respondent Best Quality Homes of New Jersey, 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 153 Market Street, in the city of Paterson, State of New Jersey.

Proposed respondent Classic Builders of New Jersey, 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 153 Market Street, in the city of Paterson, State of New Jersey.

Proposed respondents Edward B. Meyers and Irvin Robbins are individuals and copartners trading and doing business as Best Homes and are officers of each of the aforesaid corporations. They formulate, direct and control the policies, acts and practices of said partnership and of said corporations. Their address is Route #202 in the town of Center Square, State of Pennsylvania.

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 Best Homes, a partnership, and Best Builders of Pennsylvania, Inc., Classic Builders of Pennsylvania, Inc., Classic Homes, Inc., Best Quality Homes of New Jersey, Inc., and Classic Builders of New Jersey, Inc., corporations, and their respective officers, and Edward B. Meyers, and Irvin Robbins, individually and as copartners trading and doing business as Best Homes, or under any other trade name or names, and as officers of each of said corporations, 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 or construction of houses, or other structures or products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using, in any manner, a sales plan, scheme or device wherein false, misleading or deceptive statements or representations are made in order to obtain leads or prospects for the sale of houses.
2. Making representations purporting to offer houses for sale when the purpose of the representation is not to sell the offered

house but to obtain leads or prospects for the sale of other houses.

3. Representing, directly or by implication, that any houses are offered for sale when such offer is not a bona fide offer to sell such houses.

4. Representing, directly or by implication, that houses are offered for sale on certain stated terms unless such house may be purchased on the stated terms.

5. Illustrating or describing a higher priced home in conjunction with the terms of a lower priced home.

6. Failing to quote and to disclose in advertising and promotional material the terms for an illustrated or described home with equal size and conspicuousness as the terms quoted for any other home.

7. Representing, directly or by implication, that respondents' houses are complete, or finished to any degree of completeness, unless the house is completed or finished to the extent or degree represented.

8. Quoting prices, terms or conditions in advertising which does not include all of the significant features of the house or other products illustrated or described.

9. Representing, directly or by implication, that any of the respondents' houses or components of its houses are guaranteed unless the nature, extent and duration of the guarantee, the identity of the guarantor and the manner in which the guarantor will perform thereunder are clearly and conspicuously disclosed in immediate conjunction therewith; *Provided, however*, that this paragraph shall not apply to any now-existing copies of brochures which are distributed within one year following the effective date of this order.

10. Representing, directly or by implication, that appliances or other equipment, parts or accessories are free or at no extra cost to purchasers of respondents' products, unless said appliances, equipment, parts or accessories are free or without additional cost.

11. 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 respondents' products or services, and failing to secure from each such salesman or other person a signed statement acknowledging receipt of said order.

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12. Failing, after the acceptance of the initial report of compliance, to submit a report to the Commission, once every year during the next three years, describing all complaints respecting unauthorized representations, all complaints received from customers respecting representations by salesmen which are claimed to be deceptive, the acts uncovered by respondents in their investigation thereof and the action taken by respondents with respect to each such complaint.

*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.

## IN THE MATTER OF

JAMES A. POVICH TRADING AS

## CAPITOL SEWING MACHINE SALES OF MARYLAND

CONSENT ORDER, ETC.,

IN REGARD TO THE ALLEGED VIOLATION OF  
THE FEDERAL TRADE COMMISSION ACT*Docket C-1667. Complaint, Jan. 6, 1970—Decision, Jan. 6, 1970*

Consent order requiring a Baltimore, Md., distributor of new and used sewing machines to cease using bait tactics and fictitious pricing and savings claims, deceptively guaranteeing its products, and failing to maintain adequate records.

## 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 James A. Povich, an individual, formerly trading and doing business as Capitol Sewing Machine Sales of Baltimore, and now trading and doing business as Capitol Sewing Machine Sales of Maryland, 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 James A. Povich is an individual, formerly trading and doing business as Capitol Sewing Machine Sales of Baltimore, and now trading and doing business as Capitol Sewing Machine Sales of Maryland, with his office and principal place of business located at 930-32 West Patapsco Avenue, in the city of Baltimore, State of Maryland.

PAR. 2. Respondent is now, and for some time last past has been, engaged in the advertising, offering for sale, sale and distribution of new and used sewing machines and related products to the public.

PAR. 3. In the course and conduct of his business as aforesaid, respondent now causes, and for some time last past has caused, his said products, when sold, to be shipped from his place of business in the State of Maryland 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 his aforesaid business, and for the purpose of inducing the purchase of his products, respondent has made, and is now making, numerous statements and representations in the oral sales presentations made by his salesmen to prospective purchasers and to purchasers and in advertisements inserted in newspapers of general circulation and in promotional material with respect to the kind, quality, price, savings, guarantees and credit of his merchandise.

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

SEWING MACHINE

1968 Singer Console

Slightly used zig-zag in style walcab. Does everything without attach. (Sews on-buts., makes button holes, overcasts, appliques and darns.) Controls built in. Full price \$56.70 or assume pymts, of \$5.67 mo. Call Credit Mgr. till 9 P.M. for no oblig. home demo. 628-6706.

CAPITAL SEWING MACHINE  
SALES OF MARYLAND

\* \* \* \* \*



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## Complaint

## SEWING MACHINE

1968 Zig-Zag

Zig-Zag portable, slightly used. Make but. holes, monogram, overcast, blind hemstitch without attach. Sews with 1 or 2 needles. Good cond. Full price \$34.70 or assume pymts. of \$3.47 a mo. For free home demo. call Credit Mgr. till 9 P.M. No oblig. 628-6706.

CAPITOL SEWING MACHINE  
SALES OF MARYLAND

\* \* \* \* \*

However, a CAPITOL sewing machine \* \* \* carries a 5 year guarantee and does everything but bait hooks.

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 oral statements and representations by his salesmen and representatives, respondent has represented, and is now representing, directly or by implication:

1. Through the use of the phrase or words "assume pymts." separately and in connection with the words "Credit Mgr." and other phrases and words of similar import, that sewing machines, partially paid for by a previous purchaser, have been repossessed and are being offered for sale for the unpaid balance of the purchase price.

2. That he is making bona fide offers to sell repossessed sewing machines, as described in said advertisements, for reason of default in payment by the previous purchaser and on the terms and conditions stated.

3. That respondent's merchandise is being offered for sale at special or reduced prices, and that savings are thereby afforded to purchasers from respondent's regular selling prices.

4. That a Capitol sewing machine is guaranteed for a period of five years without condition or limitation.

PAR. 6. In truth and in fact:

1. In few, if any, instances are the advertised products repossessed sewing machines being offered for the unpaid balance of the original purchase price, or a portion thereof.

2. Respondent is not making bona fide offers to sell repossessed sewing machines on the terms and conditions stated; but said offers are made for the purpose of obtaining leads as to persons interested in the purchase of sewing machines. After obtaining leads through responses to said advertisements, respondent or his salesmen call upon such persons but make no effort to sell advertised sewing ma-

chines. Instead, they exhibit sewing machines which are in such poor condition as to be unusable or undesirable, and disparage the advertised product to discourage its purchase, and attempt, and frequently do, sell much higher priced sewing machines.

3. Respondent's merchandise is not being offered for sale at special or reduced prices, and savings are not thereby afforded respondent's customers because of a reduction from respondent's regular selling prices. In fact, respondent does not have a regular selling price but the price at which respondent's merchandise is sold varies from customer to customer depending upon the resistance of the prospective purchaser.

4. A Capitol sewing machine is not guaranteed in every respect without conditions or limitations for a period of five years. The guarantee, that may be furnished in connection therewith, is subject to numerous terms, conditions and limitations and fails to set forth the nature and extent of the guarantee, the identity of the guarantor and the manner in which the guarantor will perform thereunder.

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 his aforesaid business, and at all times mentioned herein, respondent has been, and now is, in substantial competition, in commerce, with corporations, firms and individuals in the sale of sewing machines and related products of the same general kind and nature as those 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 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. 9. 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.

#### 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 James A. Povich, an individual, formerly trading and doing business as Capitol Sewing Machine Sales of Baltimore, and now trading and doing business as Capitol Sewing Machine Sales of Maryland, is a proprietorship with its office and principal place of business located at 930-32 West Patapsco Avenue, in the city of Baltimore, State of Maryland.

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 James A. Povich, an individual, formerly trading and doing business as Capitol Sewing Machine Sales of Baltimore, and now trading and doing business as Capitol Sewing Machine Sales of Maryland or under any other name or names, 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 sewing machines and related products, in commerce, as "commerce" is defined

in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication, that sewing machines or other products have been repossessed or in any manner reacquired from a former purchaser, or are being offered for sale for the unpaid balance, or any portion thereof, of the original purchase price, or for the amount or any portion of the amount owed by a former purchaser, unless said advertised products actually were of the character stated and were offered for sale and sold on the terms and conditions represented.

2. Representing, directly or by implication, that any products are offered for sale when such offer is not a bona fide offer to sell said products on the terms and conditions stated; or using any sales plan or procedure involving the use of false, deceptive or misleading statements to obtain leads or prospects for the sale of other merchandise.

3. Advertising or offering any product for sale, unless the product shown or demonstrated to the prospective purchaser does in all respects conform to the representations and description thereof as contained in the advertisement or offer.

4. Using any deceptive sales scheme or device to induce the sale of the products or services offered by respondent.

5. Representing, directly or by implication, that any price for respondent's products is a special or reduced price, unless such price constitutes a significant reduction from an established selling price at which such products have been sold in substantial quantities by respondent in the recent regular course of his business.

6. Representing, directly or by implication, that any savings, discount or allowance is given purchasers from respondent's selling price for specified products, unless said selling price is the amount at which such products have been sold or offered for sale in good faith by respondent for a reasonably substantial period of time in the recent regular course of his business.

7. Misrepresenting, in any manner, the amount of savings available to purchasers or prospective purchasers of respondent's merchandise at retail.

8. Failing to maintain adequate records (a) which disclose the facts upon which any savings claims, including former pricing claims and comparative value claims, and similar representations of the type described in Paragraphs 5 through 7 of this

## Complaint

order are based, and (b) from which the validity of any savings claims, including former pricing claims and comparative value claims, and similar representations of the type described in Paragraphs 5 through 7 of this order can be determined.

9. Representing, directly or by implication, that respondent's products are guaranteed unless the nature, extent and duration of the guarantee, the identity of the guarantor and the manner in which the guarantor will perform thereunder are clearly and conspicuously disclosed in immediate conjunction therewith.

*It is further ordered,* That the respondent herein shall forthwith deliver a copy of this order to cease and desist to all present and future salesmen or other persons engaged in the sale of respondent's products or services, and shall secure from each such salesman or other person a signed statement acknowledging receipt of said order.

*It is further ordered,* That the respondent shall notify the Commission at least thirty (30) days prior to any proposed change in his business organization such as dissolution, assignment, incorporation or sale resulting in the emergence of a successor corporation or partnership or any other change which may affect compliance obligations arising out of this order.

*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.

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 IN THE MATTER OF

## HOUSE OF CARPETS, INC., ET AL.

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

*Docket C-1668. Complaint, Jan. 14, 1970—Decision, Jan. 14, 1970*

Consent order requiring an El Paso, Texas, marketer of carpets and rugs to cease falsely advertising and misbranding its textile fiber products, making deceptive pricing, savings and guarantee representations, and failing to disclose all details of its "free" offers.

## 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 Trade Commission, having reason to believe that House of Carpets, Inc., a corporation, and Gilbert Malooly, 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 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 charges in that respect as follows:

PARAGRAPH 1. Respondent House of Carpets, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Texas, with its office and principal place of business located at 601 North Oregon Street, El Paso, Texas.

Respondent Gilbert Malooly is an officer of said corporation. He formulates, directs and controls the policies, acts and practices of said corporation and his office and principal place of business is located at the same address as that of the corporate respondent.

Respondents are engaged in the sale of carpets and rugs to the consuming public and building contractors. A few accommodation sales are made to other retailers. The respondents' trading area includes parts of the States of Texas, New Mexico and Arizona.

PAR. 2. Respondents are now and for some time last past have been engaged in the introduction, delivery 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 constituent fibers contained therein.

Among such misbranded textile fiber products, but not limited

thereto, were floor coverings which were falsely and deceptively advertised in the El Paso Times, a newspaper published in the city of El Paso, Texas, and having a wide circulation in the said State and various other States of the United States.

Also among such misbranded textile fiber products, but not limited thereto, were textile fiber products, namely floor coverings, which were falsely and deceptively advertised by means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, in that said floor coverings containing exempted backings, fillings or paddings, were described therein as "100% Continuous Filament Nylon" or "100% Nylon" without a disclosure that such fiber content information applied only to the face, pile or outer surface of the floor coverings and not to the exempted backings, fillings or paddings. Such failure to disclose a material fact was to the prejudice of respondents' customers and the purchasing public and constituted false and deceptive advertising under Section 4(a) of the Textile Fiber Products Identification Act.

PAR. 4. Certain of said textile fiber products were falsely and deceptively advertised in that respondents in making disclosures 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 floor coverings which were falsely and deceptively advertised by means of advertisements placed by the respondents in the El Paso Times, published in El Paso, Texas, and having a wide circulation in said State and various other States of the United States, in that the true generic names of the fibers in such floor coverings were not set forth.

PAR. 5. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, respondents 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:

1. In disclosing the required fiber content information as to floor

coverings containing exempted backings, fillings, or paddings, said disclosure was not made in such a manner as to indicate that such required fiber content information related only to the face, pile, or outer surface of the floor coverings and not to the backings, fillings, or paddings, in violation of Rule 11 of the aforesaid Rules and Regulations.

2. A fiber trademark was used in advertising textile fiber products, namely floor coverings, containing only one fiber and such fiber trademark did not appear, at least once in the said advertisements, in immediate proximity and conjunction with the generic name of the fiber, in plainly legible and conspicuous type, in violation of Rule 41(c) of the aforesaid Rules and Regulations.

PAR. 6. The acts and practices of the 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 and practices, in commerce, under the Federal Trade Commission Act.

PAR. 7. Respondents are now and for some time last past have been engaged in the advertising, sale, offering for sale, and distribution of floor coverings, and other products, in commerce, as "commerce" is defined in the Federal Trade Commission Act.

In the course and conduct of their business, respondents have advertised their products in the "El Paso Times," a newspaper published in El Paso, Texas, and having a wide circulation in said State and various other States of the United States.

Also in the course and conduct of their business, respondents now cause, and for some time last past have caused, their said products, when sold, to be shipped from their place of business in the State of Texas to purchasers thereof located in various other States of the United States.

The 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. 8. Respondents in the course and conduct of their business, as aforesaid, have made guaranty statements in the El Paso Times, a newspaper published in El Paso, Texas, advertising their textile fiber products, namely, floor coverings, as: "Ten Year Wear Guarantee." "Fifteen Year Wear Guarantee."

PAR. 9. Through the use of such statements and representations as set forth above, and others similar thereto, but not specifically set out



herein, the respondents have represented, directly or indirectly, to the purchasing public, that said floor coverings were unconditionally guaranteed for ten years and fifteen years respectively.

PAR. 10. In truth and in fact, said floor coverings were not unconditionally guaranteed for ten years and fifteen years respectively and the nature and extent of the guarantee and the manner in which the guarantor would perform were not set forth in connection therewith. Moreover, the name and address of the guarantor were not set forth as required. Therefore, the statements and representations made by the respondents, as hereinbefore stated, were and are, false, misleading and deceptive.

PAR. 11. Respondents in the course and conduct of their business, as aforesaid, have made certain statements with respect to the pricing of their textile fiber products, namely, floor coverings, in the El Paso Times. Among and typical, but not all inclusive of such statements are the following:

100% Continuous Filament Nylon, \$2.88 sq. yd., Values to \$7.95.  
 100% Commercial Filament Nylon, \$3.95 sq. yd., Values to \$9.95.  
 100% Continuous Filament Nylon, \$4.88 sq. yd., Values to \$11.95.  
 Steals of a Lifetime, Values to \$4.00, Your Choice, \$1.00 sq. yd.  
 Closing Out!!! Values to \$10.00, Your Choice, \$4.00 sq. yd.  
 Steals of a Lifetime, Values to \$13.00, Your Choice, \$6.00 sq. yd.  
 Values to \$6.00, Your Choice, \$2.00 sq. yd.  
 Values to \$12.00, Your Choice, \$5.00 sq. yd.  
 Values to \$14.00, Your Choice, \$7.00 sq. yd.  
 Values to \$8.00, Your Choice, \$3.00 sq. yd.  
 Value to \$20.00, Your Choice, \$8.00 sq. yd.

PAR. 12. By and through the use of the above higher price representations in connection with the term value and a corresponding lower price, the respondents represented that the said higher prices were the prices at which the said products were usually and customarily sold at retail in the recent, regular course of business in the respondents' trade area and that the difference between the higher and lower prices represented a savings to the purchasers of the said products.

PAR. 13. In truth and in fact, the said higher prices were not the prices at which the said products were usually and customarily sold at retail in the recent regular course of business in the respondents' trade area but were in excess of such usual and customary prices and savings were not afforded the purchasers of such products as represented.

PAR. 14. In the further course and conduct of their aforesaid business, and for the purpose of inducing the purchase of their said

products, respondents have made certain other statements with respect to the pricing of their textile fiber products, namely, floor coverings, in the El Paso Times. Among and typical, but not all inclusive of such statements are the following:

- Limited Supply, 9x12 Braid Rugs, Reg. \$39.95, Limit One to a Customer, Full Price \$11.00.
- Limited Supply! 9x12 Mohawk Axminster Rugs, Reg. \$99.95, Limit One to a Customer, Full Price \$48.88.
- Limited Supply! 9x12 Hand-Made Wool Genuine Oriental Rugs, Reg. \$800.00, Limit One to a Customer, Full Price \$395.00.
- Limited Supply, 9x12 Mill Trial Rugs, Reg. \$29.95, Limit One to a Customer, Full Price \$9.00.
- Limited Supply! 9x12 Rug Pads, Reg. \$9.88, Limit One to a Customer, Full Price \$2.88.
- Limited Supply! 3x5 Fringed Area Rugs, Reg. \$29.95, Limit One to a Customer, Full Price \$9.95.

PAR. 15. By and through the use of the above statements and others of similar import not specifically set out herein, respondents have represented, directly or by implication, that the higher stated prices set out in said advertisements were the prices at which the said products were sold or offered for sale by respondents, in good faith, for a reasonably substantial period of time in the recent, regular course of their business, and that the prices of respondents' products were reduced from the higher stated prices and the amounts of such reductions represented savings to the purchasers thereof.

PAR. 16. In truth and in fact, the higher prices set out in said advertisements were not the prices at which the said products were sold or offered for sale by respondents, in good faith, for a reasonably substantial period of time in the recent, regular course of their business, and the prices of respondents' products were not reduced from such higher prices and savings were not afforded the purchasers of such products as represented.

PAR. 17. Further in the course and conduct of their business, and for the purpose of inducing the sale of their products, respondents have made certain other statements with respect to their textile fiber products, namely floor coverings, in the El Paso Times. Among and typical, but not all inclusive of such statements are the following:

Free (In very large type).

Of Extra Charge (In smaller type).

Two Bedrooms Full of Carpet. Offer Includes Padding, Installation and 500 Mile Delivery (Up to 30 sq. yds.) With the Purchase of Living Room, Dining Room and Hall Carpet for as Little as \$188.00 (Minimum of 40 sq. yds.) (In small print).

Buy Your Living Room, Dining Room and Hall Carpet (A minimum of 40 sq. yds.) For as Little as \$188.00 and Get Two Bedrooms Carpeted Free (of extra charge up to 30 sq. yds.). Value of free carpet is \$199.00.

Five Rooms Carpeted Wall-to-Wall for the Price of 1.

Attention Carpet Customers, Place your orders now! Receive Your Free Bedroom Carpet. In Addition receive free of Extra Charge finest quality padding, installation, free 500 mile delivery and service after the sale.

Hundreds of Carpet Styles and Patterns to choose from. All nationally famous brand carpets and all at great savings! Buy with cash or use our convenient credit plan! Pay the average price for one room of carpet and get all five carpeted for only \$188.00.

PAR. 18. By and through the use of said statements the respondents have made confusing and contradictory representations as to the availability of "free" carpeting, which statements lend themselves to differing interpretations and to the confusion of the purchasing public.

PAR. 19. In truth and in fact, all of the conditions, obligations, and prerequisites to the receipt and retention of "free" carpeting by the purchasers thereof were not clearly and conspicuously set forth. Therefore, the aforesaid representations were false, deceptive and misleading.

PAR. 20. The aforesaid acts and practices of the respondents, as herein alleged in Paragraphs Eight through Nineteen, 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, 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 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 Textile Fiber Products Identification 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

Order

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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 House of Carpets, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Texas, with its office and principal place of business located at 601 North Oregon Street, El Paso, Texas.

Respondent Gilbert Malooly is an officer of said corporation. He formulates, directs and controls the policies, acts and practices 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 House of Carpets, Inc., a corporation, and its officers, and Gilbert Malooly, 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, 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:

A. Misbranding textile fiber products by falsely or deceptively stamping, tagging, labeling, invoicing, advertising or otherwise identifying such products as to the name or amount of the constituent fibers contained therein.

B. Falsely and deceptively advertising textile fiber products by:

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

2. Failing to set forth in disclosing the required fiber content information as to floor coverings containing exempted backings, fillings or paddings, that such disclosure relates only to the face, pile or outer surface of such textile fiber products and not to the exempted backing, fillings or paddings.

3. Using a fiber trademark in advertising textile fiber products containing only one fiber without such fiber trademark appearing at least once in the advertisement in immediate proximity and conjunction with the generic name of the fiber in plainly legible and conspicuous type.

*It is further ordered,* That respondents House of Carpets, Inc., a corporation, and its officers, and Gilbert Malooly, 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, sale, offering for sale, or distribution of floor coverings, or other products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing that any of respondents' products are guaranteed, unless the nature and extent of the guarantee, the name of the guarantor, the address of the guarantor and the manner in which the guarantor will perform thereunder are clearly and conspicuously disclosed in immediate conjunction therewith.

2. Representing directly or by implication that any price is the retail price or value of any such product when such price or

value is in excess of the price at which such product has been usually and customarily sold at retail in the recent regular course of business in the trade area where the representation is made or otherwise misrepresenting in any manner the retail price or value of such product in the trade area where the representation is made.

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

4. Falsely representing that savings are afforded to the purchaser of any such product or misrepresenting in any manner the amount of savings afforded to the purchaser of any such product.

5. Falsely representing that the price of any such product is reduced.

6. Using the word "Free" or any other word or words of similar import and meaning, to designate or describe any of respondents' products unless all of the conditions, obligations, or other prerequisites to the receipt and retention of the "free" products are clearly and conspicuously explained or set forth at the outset so as to leave no reasonable probability that the terms might be misunderstood.

*It is further ordered,* That respondents henceforth maintain full and adequate records supporting all pricing claims made by them.

*It is further ordered,* That respondents notify the Commission at least 30 days prior to any proposed change in the corporate respondent such as dissolution, assignment or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries or any other change in the corporation which may affect compliance obligations arising out of the 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 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

IN THE MATTER OF

## KLEIN &amp; BLUMENSTEIN, 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-1669. Complaint, Jan. 14, 1970—Decision, Jan. 14, 1970*

Consent order requiring a New York City retail furrier to cease falsely advertising and deceptively 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 Klein & Blumenstein, Inc., a corporation, and Meyer Klein and Henry Blumenstein, 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 Klein & Blumenstein, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondents Meyer Klein and Henry Blumenstein 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 fur dealers with their office and principal place of business located at 140 West 30th Street, 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 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; 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 advertised in violation of the Fur Products Labeling Act in that certain representations intended to aid, promote and assist, directly or indirectly, in the sale and offering for sale of such fur products or furs were not in accordance with the provisions of Section 5(a)(5) of the said Act.

Among and included in the aforesaid representations but not limited thereto, were representations of respondents which were made orally to respondents' customers at the time of sale of said fur products or furs to said customers. By means of the aforesaid representations and others of similar import and meaning not specifically referred to herein, respondents falsely and deceptively advertised fur products or furs in that certain of said fur products or furs were represented in such a way as to indicate 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 5(a)(5) of the Fur Products Labeling Act.

PAR. 4. 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. 5. Respondents 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 that fur products or furs were composed of bleached, dyed or otherwise artificially colored fur which 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.

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 Klein & Blumenstein, Inc., is a corporation orga-

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nized, existing and doing business under and by virtue of the laws of the State of New York.

Respondents Meyer Klein and Henry Blumenstein are officers of said corporation. They formulate, direct, and control the policies, acts and practices of said corporation.

Respondents are fur merchants with their office and principal place of business located at 140 West 30th Street, city of New York, State of New York.

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 Klein & Blumenstein, Inc., a corporation, and its officers, and Meyer Klein and Henry Blumenstein, 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; 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:

A. Falsely or deceptively advertising any fur products or fur 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 or fur, and which represents directly or by implication that the fur contained in any fur product or fur is natural when the fur contained therein is pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

B. 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 each of the subsections of Section 5(b)(1) of the Fur Products Labeling Act.

2. 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.

3. 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.

*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.

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IN THE MATTER OF

FRANK & SHAKALIS, 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-1670. Complaint, Jan. 14, 1970—Decision, Jan. 14, 1970*

Consent order requiring a New York City manufacturing furrier to cease falsely invoicing, deceptively guaranteeing and misbranding 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 Frank & Shakalis, Inc., a corporation, and Michael Frank and Andrew Shakalis, 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 Frank & Shakalis, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondents Michael Frank and Andrew Shakalis 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 manufacturers of fur products with their office and principal place of business located at 130 West 30th Street, 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 manufacturing 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 misbranded in violation of the Fur Products Labeling Act in that they were not labeled in accordance with 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) Required item numbers were not set forth on labels, in violation of Rule 40 of said Rules and Regulations.

PAR. 6. 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. 7. 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, bleached, dyed, tip-dyed or otherwise artificially colored, in violation of Section 5(b)(2) of the Fur Products Labeling Act.

PAR. 8. 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 required item numbers were not set forth on invoices, in violation of Rule 40 of said Rules and Regulations.

PAR. 9. Respondents furnished false guaranties under Section 10(b) of the Fur Products Labeling Act with respect to certain of their fur products by falsely representing in writing that respondents had a continuing guaranty on file with the Federal Trade Commission when respondents in furnishing such guaranties had reason to believe that the fur products so falsely guaranteed would be introduced, sold, transported and distributed in commerce, in violation of Rule 48(c) of said Rules and Regulations under the Fur Products Labeling Act and Section 10(b) of said Act.

PAR. 10. 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 Frank & Shakalis, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondents Michael Frank and Andrew Shakalis are officers of said corporation. They formulate, direct, and control the acts, practices and policies of said corporation.

Respondents are manufacturers of fur products with their office and principal place of business located at 130 West 30th Street, New York, New York.

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 Frank & Shakalis, Inc., a corporation, and its officers, and Michael Frank and Andrew Shakalis, 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, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding fur products by:

1. Representing, directly or by implication, on labels that the fur contained in any fur product is natural when the fur contained therein is pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.
2. Failing to affix labels to fur products 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.
3. Failing to set forth "natural" as part of the information required to be disclosed on labels under the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe fur products which are not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.
4. Failing to set forth on labels the item number or mark assigned to each such fur product.

B. Falsely or deceptively invoicing 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 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 the fur products is natural when such fur is pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.
3. Failing to set forth on invoices the item number or mark assigned to each such fur product.

*It is further ordered,* That respondents Frank & Shakalis, Inc., a corporation, and its officers, and Michael Frank and Andrew Shakalis, individually and as officers of said corporation, 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 rea-

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son to believe that such fur product may be introduced, sold, transported, or distributed in commerce.

*It is further ordered,* That respondents notify the Commission at least 30 days prior thereto of any proposed change in the corporate respondent such as dissolution, assignment or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries or any other change in the corporation which may affect compliance obligations arising out of the 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.

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IN THE MATTER OF

S. B. LEVIN FUR CO., ET AL.

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

*Docket C-1671. Complaint, Jan. 14, 1970—Decision, Jan. 14, 1970*

Consent order requiring a New York City wholesale furrier 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 S. B. Levin Fur Co., a partnership, and Samuel B. Levin, Irene Levin and Edith Fallek, individually and as co-partners trading as S. B. Levin Fur Co., 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 S. B. Levin Fur Co. is a partnership, existing and doing business in the State of New York. Respondents



Samuel B. Levin, Irene Levin and Edith Fallek are individual co-partners in the said partnership.

Respondents are wholesalers of furs and fur products with their office and principal place of business located at 348 Seventh 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 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; and have introduced into commerce, and 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 furs or 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 furs or fur products, but not limited thereto, were furs or fur products covered by invoices which failed to disclose that the furs or fur products were bleached, dyed or otherwise artificially colored, when such was the fact.

PAR. 4. 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-

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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 has 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 records 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 S. B. Levin Fur Co. is a partnership, existing and doing business in the State of New York with its office and principal place of business located at 348 Seventh Avenue, New York, New York. Respondents Samuel B. Levin, Irene Levin and Edith Fallek are individual copartners in the said partnership and their address is 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 S. B. Levin Fur Co., a partnership, and Samuel B. Levin, Irene Levin and Edith Fallek, individually and as copartners trading as S. B. Levin Fur Co., 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 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; or in connection with the introduction into commerce, or the sale, advertising or offering for sale in commerce, of any fur, 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 any

fur or fur product by 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.

*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.

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IN THE MATTER OF

SUPERIOR HAND PRINTS, INC., ET AL.

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

*Docket C-1672. Complaint, Jan. 14, 1970—Decision, Jan. 14, 1970*

Consent order requiring Los Angeles, Calif., textile manufacturers and wholesalers to cease misbranding its textile fiber products and marketing dangerously flammable fabrics.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, the Textile Fiber Products Identification Act and the Flammable Fabrics Act, as amended, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Superior Hand Prints, Inc., a corporation, and Lloyd S. Klaskin, 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 Textile Fiber Products Identification Act and the Flammable Fabrics Act, as amended, 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 Superior Hand Prints, 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 2300 East 27th Street, Los Angeles, California.

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

Respondents are manufacturers and wholesalers of textile products. They are also engaged in contract printing of textile products.

Among the products manufactured are novelty aprons made by sewing a small souvenir handkerchief approximately 16 inches square to plain nylon aprons.

PAR. 2. Respondents are now and for some time last past have been engaged in the manufacture for sale, sale and offering for sale, in commerce, and have introduced, delivered for introduction, transported and caused to be transported in commerce, and have sold or delivered after sale or shipment in commerce, products as the terms "commerce" and "product" are defined in the Flammable Fabrics Act, which products failed to conform to an applicable standard or regulation continued in effect, issued or amended under the provisions of the Flammable Fabrics Act, as amended.

Among such products mentioned hereinabove were aprons.

PAR. 3. The aforesaid acts and practices of respondents were and are in violation of the Flammable Fabrics Act, as amended, 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. 4. 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. 5. 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 decep-

tively stamped, tagged, labeled, invoiced, advertised or otherwise identified as to the name or amount of the constituent fibers contained therein.

Among such misbranded textile fiber products, but not limited thereto, were textile fiber products with labels which set forth the fiber content as "100% Rayon," whereas in truth and in fact, said products contained substantially different fibers and amounts of fibers than as represented.

PAR. 6. Certain of said textile fiber products were misbranded by respondents in that they were not stamped, tagged, labeled or otherwise identified to show each element of information 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 textile fiber products with no labels whatever affixed, and textile fiber products with labels which failed to show in words and figures plainly legible:

(a) The true generic names of the fibers present in the products: and

(b) The percentage of each such fiber; and

(c) The name, or other identification issued and registered by the Commission, of the manufacturer of the product, or one or more persons subject to Section 3 with respect to said products.

PAR. 7. Certain of such textile fiber products were further misbranded by the respondents in violation of the Textile Fiber Products Identification Act in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder.

Among such textile fiber products but not limited thereto were textile fiber products with labels which did not set forth the information required to be disclosed under Section 4(b) of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder conspicuously and separately on the same side of the label and in a manner so as to be clearly legible and readily accessible to the prospective purchasers, in violation of Rule 16(b) of the aforesaid Rules and Regulations.

PAR. 8. The acts and practices of the respondents as set forth in Paragraphs Five, Six and Seven 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 and practices, in commerce, under the Federal Trade Commission Act.

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## 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 the 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 and the Flammable Fabrics Act, as amended; 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 Superior Hand Prints, 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 2300 East 27th Street, Los Angeles, California.

Respondent Lloyd S. Klaskin 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 Superior Hand Prints, Inc., and its officers, and Lloyd S. Klaskin, individually and as an officer of

said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from manufacturing for sale, selling, offering for sale, in commerce, or importing into the United States, or introducing, delivering for introduction, transporting or causing to be transported in commerce, or selling or delivering after sale or shipment in commerce, any fabric, product or related material as "commerce," "fabric," "product" and "related material" are defined in the Flammable Fabrics Act, as amended, which fails to conform to an applicable standard or regulation continued in effect, issued or amended under the provisions of the aforesaid Act.

*It is further ordered,* That the respondents herein shall, within ten (10) days after service upon them of this order, file with the Commission an interim special report in writing setting forth the respondents' intention as to compliance with this order. This interim special report shall also advise the Commission fully and specifically concerning the identity of the product which gave rise to the complaint, (1) the amount of such product in inventory, (2) any action taken to notify customers of the flammability of such product and the results thereof and (3) any disposition of such product since May 7, 1969. Such report shall further inform the Commission whether respondents have in inventory any handkerchiefs from which the aforementioned products are made or any other fabric, product or related material having a plain surface and made of silk, rayon or cotton or combinations thereof in a weight of two ounces or less per square yard or fabric with a raised fiber surface made of cotton or rayon or combinations thereof. Respondents will submit samples of any such fabric, product or related material with this report. Samples of the fabric, product or related material shall be of no less than one square yard of material.

*It is further ordered,* That respondents Superior Hand Prints, Inc., a corporation, and Lloyd S. Klaskin, 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, 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:

Misbranding textile fiber products by:

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

2. Failing to affix a stamp, tag, label or other means of identification to each textile fiber 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 set forth information required to be disclosed under Section 4(b) of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder conspicuously and separately on the same side of the label and in a manner clearly legible and readily accessible to prospective purchasers with all parts of the required information appearing in type or lettering of equal size and conspicuousness.

*It is further ordered,* That respondents notify the Commission at least 30 days prior to any proposed change in the corporate respondent such as dissolution, assignment or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries or any other change in the corporation which may affect compliance obligations arising out of this order.

*It is further ordered,* That the respondent corporation shall forthwith distribute a copy of this order to each of its operation 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 of their compliance with this order.



## Complaint

IN THE MATTER OF

## HARRY KRAMER, 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-1673. Complaint, Jan. 14, 1970—Decision, Jan. 14, 1970*

Consent order requiring a New York City manufacturing furrier to cease misbranding and 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 Harry Kramer, Inc., a corporation, and Harry Kramer and Burton Kramer, 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 Harry Kramer, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondent Harry Kramer and Burton Kramer 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 manufactures of fur products with their office and principal place of business located at 333 Seventh 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 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 animal or animals which produced the fur used in such 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) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth in handwriting on labels, in violation of Rule 29(b) of said Rules and Regulations.

(c) Information required under Section 4(c) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was not set forth in the required sequence, in violation of Rule 30 of said Rules and Regulations.

(d) Required item numbers were not set forth on labels, in violation of Rule 40 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 show the country of origin of imported furs contained in fur products.

PAR. 6. 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 "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 the 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 has 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 records for a period of thirty (30) days, now in further conformity

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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 Harry Kramer, 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 333 Seventh Avenue, New York, New York.

Respondents Harry Kramer and Burton Kramer are officers of said corporation. They formulate, direct and control the policies, acts and practices 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 Harry Kramer, Inc., a corporation, and its officers, and Harry Kramer and Burton Kramer, 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, 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. Setting forth information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in handwriting on a label affixed to such fur product.

4. Failing to set forth information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder on a label in the sequence required by Rule 30 of the aforesaid Rules and Regulations.

5. 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. 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.

3. 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 notify the Commission at least 30 days prior to any proposed change in the corporate respondent such as dissolution, assignment or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries or any other change in the corporation which may affect compliance obligations arising out of the 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

## IN THE MATTER OF

## BARON-JACKMAN, 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-1674. Complaint, Jan. 20, 1970—Decision, Jan. 20, 1970*

Consent order requiring a New York City manufacturing furrier to cease falsely invoicing, deceptively guaranteeing, and misbranding 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 Baron-Jackman, Inc., a corporation, and Martin Baron and Morris Jackman, 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 Baron-Jackman, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondents Martin Baron and Morris Jackman are officers of the corporate respondent. They formulate, direct and control the policies, acts and practices of the corporate respondent including those hereinafter set forth.

Respondents are manufacturers of fur products with their office and principal place of business located at 305 Seventh 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.

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## 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 has 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 records 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 Baron-Jackman, 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 305 Seventh Avenue, New York, New York.

Respondents Martin Baron and Morris Jackman are officers of the said corporation. They formulate, direct and control the policies, acts and practices 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 Baron-Jackman, Inc., a corporation, and its officers, and Martin Baron and Morris Jackman, indi-



vidually 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, 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 an invoice 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 Baron-Jackman, Inc., a corporation, and its officers, and Martin Baron and Morris Jackman, individually and as officers of said corporation, 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 corporation shall forthwith distribute a copy of this order to each of its operating divisions.

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*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.

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IN THE MATTER OF  
JOSEPH WIESEL

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

*Docket C-1675. Complaint, Jan. 20, 1970—Decision, Jan. 20, 1970*

Consent order requiring a New York City manufacturing furrier to cease falsely advertising, guaranteeing, invoicing, and misbranding 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 Joseph Wiesel, an individual, trading as Joseph Wiesel, 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 Joseph Wiesel is an individual, trading as Joseph Wiesel.

Respondent is a manufacturer of fur products with his office and principal place of business located at 333 Seventh Avenue, New York, New York.

PAR. 2. Respondent is now and for some time last past has 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 has 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 "com-

merce," "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 without labels required by the said Act.

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) Required item numbers were not set forth on labels, in violation of Rule 40 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 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 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) 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.

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

PAR. 7. 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 oral representations by the respondent which were communicated to purchasers of said fur products.

Among such false and deceptive representations, but not limited thereto, were representations 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. 8. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein respondent falsely and deceptively represented fur products in that certain of said fur products were represented 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 5(a) (5) of the Fur Products Labeling Act.

PAR. 9. Respondent furnished false guaranties under Section 10(b) of the Fur Products Labeling Act with respect to certain of his fur products by falsely representing in writing that respondent had a continuing guaranty on file with the Federal Trade Commission when respondent in furnishing such guaranties had reason to believe that the fur products so falsely guaranteed would be introduced, sold, transported and distributed in commerce, in violation of Rule 48(c) of said Rules and Regulations under the Fur Products Labeling Act and Section 10(b) of said Act.

PAR. 10. 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 afore-

said 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 Joseph Wiesel is an individual trading as Joseph Wiesel with his office and principal place of business located at 333 Seventh Avenue, city of New York, State of 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 Joseph Wiesel, individually and trading as Joseph Wiesel or any other name or names, 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 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. 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 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.

3. 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 use of any advertisements, representation, public announcement or notice which is intended to aid, promote or assist, directly or indirectly in the sale, or offering for sale of such fur product and which:

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

2. Represents, directly or by implication, that the fur contained in such fur product is natural when the fur contained therein is pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

*It is further ordered,* That the respondent Joseph Wiesel, individually and trading as Joseph Wiesel or any other name or names, and respondent's 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 respondent has reason to believe that such fur product may be introduced, sold, transported, or distributed in commerce.

*It is further ordered,* That 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.

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IN THE MATTER OF

JAY-CEE BLOUSE CO., INC., TRADING AS LA ROSE  
OF CALIFORNIA, EL AL.

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

*Docket C-1676. Complaint, Jan. 27, 1970—Decision, Jan. 27, 1970*

Consent order requiring a Los Angeles, Calif., manufacturer of ladies' blouses to cease falsely guaranteeing and misbranding its textile fiber products and failing to maintain required records.

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 Trade Commission, having reason to believe that Jay-Cee Blouse Co., Inc., a corporation, trading under its own name and as La Rose of California, and Myer Roseman, 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 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 charges in that respect as follows:

PARAGRAPH 1. Respondent Jay-Cee Blouse Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of California. Respondent Jay-Cee Blouse Co., Inc., also trades under the name of La Rose of California, and its office and principal place of business is located at 746 South Los Angeles Street, Los Angeles, California.

Individual respondent Myer Roseman is an officer of said corporation. He formulates, directs and controls the policies, acts and prac-

tices of said corporation and his address is the same as that of the corporate respondent.

Respondents are engaged in the manufacture of ladies' blouses.

PAR. 2. 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 the 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 constituent fibers contained therein.

Among such misbranded textile fiber products, but not limited thereto, were textile fiber products (blouses) with labels which set forth the fiber content as "100% Cotton," whereas, in truth and in fact, the said textile fiber products contained substantially different fibers and amounts of fibers than represented.

PAR. 4. Certain of such textile fiber products were further misbranded by respondents in that they were not stamped, tagged, labeled, or otherwise identified to show each element of information required to be disclosed by 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 with labels which failed:

1. To disclose the true generic names of the fibers present; and
2. To disclose the true percentage of such fibers.

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 the following respects:



A. Fiber trademarks were placed on labels without the generic names of the fibers appearing on such labels, in violation of Rule 17(a) of the aforesaid Rules and Regulations.

B. Fiber trademarks were used on labels without a full and complete fiber content disclosure appearing on such labels, in violation of Rule 17(b) of the aforesaid Rules and Regulations.

PAR. 6. 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 Rules and Regulations promulgated thereunder.

PAR. 7. The respondents have furnished false guaranties that their textile fiber products were not misbranded nor falsely nor deceptively advertised by falsely representing in writing that respondents had filed a continuing guaranty under the Textile Fiber Products Identification Act with the Federal Trade Commission, in violation of Section 10(b) of the Textile Fiber Products Identification Act and Rule 38(d) of the Rules and Regulations promulgated under said Act.

PAR. 8. 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 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 Textile Fiber Products Identification 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

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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 Jay-Cee Blouse Co., 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 746 South Los Angeles Street, Los Angeles, California. The respondent does business under its own name and as La Rose of California.

Respondent Myer Roseman is an officer of said corporation. He formulates, directs and controls the policies, acts and practices of said corporation and his address is the same as that of said corporation.

Respondents are engaged in the manufacturing of ladies' blouses. They ship and distribute such products to various customers throughout the United States.

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 Jay-Cee Blouse Co., Inc., a corporation, trading under its own name and as La Rose of California, or trading under any other name or names, and its officers, and Myer Roseman, 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, 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 to 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 such products as to the name or amount of the 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. Using a fiber trademark on labels affixed to such textile fiber products without the generic name of the fiber appearing on the said label.

4. Using a generic name or fiber trademark on any label, whether required or nonrequired, without making a full and complete fiber content disclosure in accordance with the Act and Regulations the first time such generic name or fiber trademark appears on the label.

B. Failing to maintain and preserve proper records of fiber content of textile fiber products manufactured by respondents, as required by Section 6(a) of the Textile Fiber Products Identification Act and Rule 39 of the Regulations promulgated thereunder.

*It is further ordered*, That respondents Jay-Cee Blouse Co., Inc., a corporation, trading under its own name and as La Rose of California, or trading under any other name or names, and its officers, and Myer Roseman, individually and as an officer of said corporation, 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 textile fiber product is not misbranded or falsely or deceptively invoiced or advertised under the provisions of the Textile Fiber Products Identification Act.

*It is further ordered*, That respondents notify the Commission at least 30 days prior to any proposed change in the corporate respondent such as dissolution, assignment or sale resulting in the emergence

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of a successor corporation, the creation or dissolution of subsidiaries or any other change in the corporation which may affect compliance obligations arising out of the 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.

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IN THE MATTER OF

MARTY NEWMAN, INC., ET AL.

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

*Docket C-1677. Complaint, Jan. 27, 1970—Decision, Jan. 27, 1970*

Consent order requiring a New York City manufacturer of women's and misses' apparel to cease falsely guaranteeing and misbranding 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 Marty Newman, Inc., a corporation, and Martin Newman, 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 Marty Newman, 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 247 West 38th Street, New York, New York.

Respondent Martin Newman is an officer of said corporation. He formulates, directs and controls the policies, acts and practices of

said corporation and his address is the same as that of the corporate respondent.

Respondents are engaged in the manufacturing of women's and misses' apparel.

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 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 the respondents within the intent and meaning of Section 4(a)(1) of the Wool Products Labeling Act of 1939 and 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 by respondents as "100% wool," whereas in truth and in fact, said products contained substantially different fibers and amounts of fibers than represented.

Also among such misbranded wool products, but not limited thereto, were ladies' coats containing interlinings stamped, tagged, labeled, or otherwise identified by respondents as "100% wool," whereas in truth and in fact, said products contained substantially different fibers and amounts of 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 wool products, namely 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; (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 further misbranded by the respondents in violation of the Wool Products Labeling Act of

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1939 in that they were not labeled in accordance with the Rules and Regulations promulgated under the Wool Products Labeling Act of 1939, in the following respects:

1. Required information as to the fiber content was not set forth in such a manner as to separately show the fiber content of each section of wool products containing two or more sections, in violation of Rule 23(b) of the aforesaid Rules and Regulations.

2. The fiber content of the interlinings contained in garments was not set forth separately and distinctly as a 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. Respondents furnished false guaranties that certain of their wool products were not falsely or deceptively stamped, tagged, labeled, or otherwise identified when respondents in furnishing such guaranties had reason to believe that wool products so falsely guaranteed would be introduced, sold, transported or distributed in commerce, in violation of Section 9(b) of the Wool Products Labeling Act of 1939.

PAR. 7. 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 methods of competition and unfair and deceptive acts or practices, in commerce within the meaning of the Federal Trade Commission Act.

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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

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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 Marty Newman, 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 247 West 38th Street, New York, New York.

Respondent Martin Newman is an officer of said corporation. He formulates, directs and controls the policies, acts and practices 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 Marty Newman, Inc., a corporation, and its officers, and Martin Newman, 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 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 marking is necessary to avoid deception.

4. Failing to set forth separately the fiber content of interlining as part of the required information on stamps, tags, labels or other marks of identification on such garments.

*It is further ordered.* That respondents Marty Newman, Inc., a corporation, and its officers, and Martin Newman, individually and as an officer of said corporation, 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 wool product is not falsely or deceptively stamped, tagged, labeled, or otherwise identified when respondents have reason to believe that such wool product may be introduced, sold, transported, or distributed in commerce.

*It is further ordered.* That respondents notify the Commission at least 30 days prior to any proposed change in the corporate respondent such as dissolution, assignment or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries or any other change in the corporation which may affect the compliance obligations arising out of the 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 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.

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IN THE MATTER OF

HANDKERCHIEF CRAFT CO., INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF  
THE FEDERAL TRADE COMMISSION AND THE FLAMMABLE FABRICS ACTS

*Docket C-1678. Complaint, Jan. 27, 1970—Decision, Jan. 27, 1970*

Consent order requiring a Los Angeles, Calif., importer and wholesaler of handkerchiefs and scarves to cease importing and marketing products made of dangerously flammable fabrics.



## COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Flammable Fabrics Act, as amended, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Handkerchief Craft Co., Inc., a corporation, and Robert A. Chalme, 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 Flammable Fabrics Act, as amended, 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 Handkerchief Craft Co., 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 723 South Los Angeles, Los Angeles, California.

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

Respondents are importers and wholesalers of handkerchiefs and scarves.

PAR. 2. Respondents are now and for some time last past have been engaged in the sale and offering for sale, in commerce, and in the importation into the United States, and have introduced, delivered for introduction, transported and caused to be transported in commerce, and have sold or delivered after sale or shipment in commerce, products as the terms "commerce" and "product" are defined in the Flammable Fabrics Act, which products failed to conform to an applicable standard or regulation continued in effect, issued or amended under the provisions of the Flammable Fabrics Act, as amended.

Among such products mentioned hereinabove were handkerchiefs sold for use in wearing apparel.

PAR. 3. The aforesaid acts and practices of respondents were and are in violation of the Flammable Fabrics Act, as amended, 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.

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## 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 Flammable Fabrics Act, as amended; 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 Handkerchief Craft Co., 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 723 South Los Angeles, Los Angeles, California.

Respondent Robert A. Chalme 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 Handkerchief Craft Co., Inc., a corporation, and its officers, and Robert A. Chalme, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other de-

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vice, do forthwith cease and desist from manufacturing for sale, selling, offering for sale, in commerce, or importing into the United States, or introducing, delivering for introduction, transporting or causing to be transported in commerce, or selling or delivering after sale or shipment in commerce, any fabric, product or related material as "commerce," "fabric," "product" and "related material" are defined in the Flammable Fabrics Act, as amended, which fails to conform to an applicable standard or regulation continued in effect, issued or amended under the provisions of the aforesaid Act.

*It is further ordered,* That the respondents herein shall, within ten (10) days after service upon them of this order, file with the Commission an interim special report in writing setting forth the respondents' intention as to compliance with this order. This interim special report shall also advise the Commission fully and specifically concerning the identity of the product which gave rise to the complaint, (1) the amount of such product in inventory, (2) any action taken to notify customers of the flammability of such product and the results thereof and (3) any disposition of such product since May 7, 1969. Such report shall further inform the Commission whether respondents have in inventory any fabric, product or related material subject to the Flammable Fabrics Act, as amended, which fabric, product or related material has a plain surface and is made of silk, rayon or cotton or combinations thereof in a weight of two ounces or less per square yard or with a raised fiber surface or is made of cotton or rayon or combinations thereof. Respondents will submit samples of any such fabric, product or related material with this report. Samples of the fabric, product or related material shall be of no less than one square yard of material.

*It is further ordered,* That respondents notify the Commission at least 30 days prior to any proposed change in the corporate respondent such as dissolution, assignment or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries or any other change in the corporation which may affect compliance obligations arising out of the 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 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.

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IN THE MATTER OF

## ARM &amp; GOODMAN, 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-1679. Complaint, Jan. 27, 1970—Decision, Jan. 27, 1970*

Consent order requiring a New York City manufacturing furrier to cease deceptively guaranteeing, falsely invoicing and misbranding 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 Arm & Goodman, Inc., a corporation, and Harry Goodman and Abraham Sookerman, 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 Arm & Goodman, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondents Harry Goodman and Abraham Sookerman 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 of fur products with their office and principal place of business located at 352 Seventh 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 or otherwise falsely or deceptively identified with respect to the name of the country of origin of furs contained in such fur products, in violation of Section 4(1) of the Fur Producers Labeling Act.

Among such misbranded fur products, but not limited thereto, were fur products labeled to show the country of origin of furs used in such fur products as United States when the country of origin of each such fur was, in fact, Germany or Norway.

PAR. 4. Certain of said fur products were misbranded in that they were falsely and deceptively labeled to show the fur contained therein was "color added" when in fact such fur was dyed, in violation of Section 4(1) of the Fur Products Labeling Act.

PAR. 5. 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 disclose that the fur contained in the fur products was bleached, dyed, or otherwise artificially colored, when such was the fact.

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

PAR. 6. Certain of said fur products were falsely and deceptively invoiced with respect to the name of the country of origin of imported furs used in fur products 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 invoiced to show the name of the country of origin of furs contained in such fur products as United States when the country of origin of each such fur was, in fact, Germany or Norway.

PAR. 7. 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 disclose that the fur contained in the fur products was

bleached, dyed, or otherwise artificially colored, when such was the fact.

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

PAR. 8. Certain of said fur products were falsely and deceptively invoiced in that certain of said fur products were invoiced to show that the fur contained therein was "color added" when in fact such fur was "dyed," in violation of Section 5(b)(2) of the Fur Products Labeling Act.

PAR. 9. Respondents furnished false guaranties under Section 10(b) of the Fur Products Labeling Act with respect to certain of their fur products by falsely representing in writing that respondents had a continuing guaranty on file with the Federal Trade Commission when respondents in furnishing such guaranties had reason to believe that the fur products so falsely guaranteed would be introduced, sold, transported and distributed in commerce, in violation of Rule 48(c) of said Rules and Regulations under the Fur Products Labeling Act and Section 10(b) of said Act.

PAR. 10. 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 has 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 records 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 Arm & Goodman, 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 352 Seventh Avenue, New York, New York.

Respondents Harry Goodman and Abraham Sookerman are officers of said corporation. They formulate, direct and control the policies, acts and practices 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 Arm & Goodman, Inc., a corporation, and its officers, and Harry Goodman and Abraham Sookerman, 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, 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 "color added," when such fur is dyed.

2. Falsely or deceptively labeling or otherwise falsely and deceptively identifying such fur product as to the country of origin of furs contained in such fur product.

3. 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 an invoice, that the fur contained in such fur product is "color added" when such fur is dyed.

3. Misrepresenting in any manner on an invoice, directly or by implication, the country of origin of fur contained in such fur product.

*It is further ordered,* That respondents Arm & Goodman, Inc., a corporation, and its officers, and Harry Goodman and Abraham Sookerman, individually and as officers of said corporation, 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 respondents notify the Commission at least 30 days prior to any proposed change in the corporate respondent such as dissolution, assignment or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries or any other change in the corporation which may affect compliance obligations arising out of the 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.



Modified Order

IN THE MATTER OF

LESTER S. COTHERMAN, ET AL.

MODIFIED ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF  
THE FEDERAL TRADE COMMISSION ACT*Docket 8723. Complaint, Dec. 8, 1966—Decision, Jan. 29, 1970*

Order modifying an earlier order dated February 19, 1968, 73 F.T.C. 376, pursuant to a decision of the Court of Appeals, Fifth Circuit, dated October 3, 1969, 417 F.2d 587 (8 S.&D. 1008), which prohibited a mortgage loan company and its officers from misrepresenting the terms and conditions of its loans by clarifying certain parts of the order which the Court held to be too broad.

## ORDER MODIFYING ORDER TO CEASE AND DESIST

Respondents Lester S. Cotherman and William F. Sullivan having filed in the United States Court of Appeals for the Fifth Circuit a petition for review of the order to cease and desist issued herein on February 19, 1968 [73 F.T.C. 376]; and the court on October 3, 1969 [8 S.&D. 1008], having issued its opinion and entered its judgment affirming the Commission's finding of violation of Section 5 of the Federal Trade Commission Act, but remanding the case to the Commission for it to clarify and modify the order to cease and desist:

*Now, therefore, it is hereby ordered,* That the aforesaid order of the Commission to cease and desist be, and it hereby is, modified in accordance with the said opinion and judgment of the court of appeals to read as follows:

*It is ordered,* That respondents Lester S. Cotherman, individually and as General Manager of Consolidated Mortgage Company, and William F. Sullivan, individually and as an officer of Consolidated Mortgage Company, and said respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering of or the sale or granting of lending services, or of any similar or related services, 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 loans are made to customers at a six-percent rate of interest, or that loans

made or arranged by respondents are repayable over a fifteen-year period, or that loans are made at any stated repayment schedule, interest rates, period of repayment or under other stated terms or conditions:

*Provided, however,* That it shall be a defense under this subparagraph in any enforcement proceeding instituted hereunder for respondents to establish that loans are readily and in the regular course of business made available to customers under the stated repayment schedule, interest rates, period of repayment or other terms or conditions as stated;

(b) Misrepresenting in any manner the monthly repayment schedules, interest rates, periods of repayment or other terms or conditions under which respondents' loans are made.

*It is further ordered,* That respondents, Lester S. Cotherman, individually and as General Manager of Consolidated Mortgage Company, and William F. Sullivan, individually and as an officer of Consolidated Mortgage Company, and said respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering of or the sale or granting of lending services, or of any similar or related services, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist, in those cases where representations are made as to the terms and conditions of respondents' loans, from failing, clearly and conspicuously, to reveal in advertising:

- (a) The period of repayment;
- (b) The number of payments required;
- (c) The finance charges expressed in terms of dollars and cents;
- (d) The simple annual percentage rate or rates at which the finance charge has been imposed on the monthly balance;
- (e) Any other charges or expenses which are to be incurred or paid by the borrower to obtain such loans.

*It is further ordered,* That respondents, Lester S. Cotherman and William F. Sullivan, 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 the order to cease and desist set forth herein.

## Complaint

## IN THE MATTER OF

## BALSA ECUADOR LUMBER CORPORATION, ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF  
THE FEDERAL TRADE COMMISSION ACT AND SEC. 2(a) OF THE  
CLAYTON ACT

*Docket C-1680. Complaint, Jan. 30, 1970—Decision, Jan. 30, 1970*

Consent order requiring two New York City importers and distributors of balsa flexible core material and balsa wood to cease discriminating in price between customers who compete in the resale of their products.

## COMPLAINT

The Federal Trade Commission, having reason to believe that the party respondents named in the caption hereof, and hereinafter more fully described, have violated and are now violating the provisions of subsection (a) of Section 2 of the Clayton Act as amended by the Robinson-Patman Act (15 U.S.C. Section 13), and Section 5 of the Federal Trade Commission Act (15 U.S.C. Section 45), 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 with respect hereto as follows:

PARAGRAPH 1. Respondent Balsa Ecuador Lumber Corporation, hereinafter sometimes referred to as Balsa Ecuador, 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 500 Fifth Avenue, New York, New York.

Respondent Balsa Development Corporation, hereinafter sometimes referred to as respondent Balsa Development, 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 500 Fifth Avenue, New York, New York. Respondent Balsa Development operates a manufacturing facility at Marble Avenue, Pleasantville, New York for the production of balsa core material.

PAR. 2. Balsa (*ochroma lagopus*) is the lightest commercial wood. It has a variety of applications, including use as a structural core material by the boating industry.

Virtually all the balsa wood used in the United States is imported from Ecuador, Compania Ecuatoriana de Balsa, S.A., an Ecuadorian subsidiary of respondent Balsa Ecuador, is the world's largest producer of balsa, and respondent Balsa Ecuador accounts for a

substantial share of all the balsa wood imported into and sold in the United States.

In addition to its operation as the dominant balsa wood producer in Ecuador and as an importer of substantial quantities of balsa wood into the United States, respondent Balsa Ecuador has affiliated itself with the respondent Balsa Development Corporation, a manufacturer. Respondent Balsa Development manufactures balsa core material by gluing a number of balsa wood blocks to a mesh fabric. The primary end use of balsa core material is in the construction of hulls for pleasure craft and other boats.

Respondent Balsa Ecuador, acting as a sales representative for respondent Balsa Development, sold in excess of \$1 million worth of balsa core material in 1968. Overall balsa wood sales of respondent Balsa Ecuador in the United States were in excess of \$3 million in 1968.

PAR. 3. Respondents are now and for many years past have been engaged in commerce, as "commerce" is defined in the amended Clayton Act and the Federal Trade Commission Act. Respondents import balsa wood from outside of the United States for fabrication into core material. Thereupon, respondents cause this balsa wood core material to be shipped from their plant in Pleasantville, New York to purchasers located in other States.

PAR. 4. Respondents sell their balsa core material to users, including boat builders, who are in substantial competition with each other. Moreover, respondents are in substantial competition with other manufacturers of balsa core material, except to the extent that competition has been hindered, lessened, eliminated, or prevented as set forth in this complaint.

PAR. 5. In the course and conduct of their business in commerce, respondents have used their dominant position in the production and importation of balsa wood to attempt to monopolize the manufacture and distribution of balsa core material by refusing to sell balsa wood to manufacturers of balsa core material and by discriminating in price in the sale of balsa core material by selling such products of like grade and quality at different prices to different purchasers. Included in the discriminations alleged above are the following:

1. Respondents have discriminated in price by charging boat builders in the southeastern area of the United States lower prices than charged by respondents for the sale of these products of like grade and quality to boat builders located in other geographic areas in the United States.

2. Respondents have discriminated in price in the sale of balsa core material of like grade and quality by selling these products at different prices to competing customers. For example, respondents have discriminated between and among competing boat builders within the aforesaid southeastern area by selling to some at higher prices than the prices charged competing boat builders in the same area.

PAR. 6. The foregoing acts and practices have had and do have effect of substantially hindering, lessening, restricting, eliminating, or preventing competition between respondents and competing manufacturers or between and among respondents' favored and nonfavored customers; have had and do have the tendency or capacity to create a monopoly in respondents in the manufacture, sale and distribution of balsa core material and thereby constitute discriminations in price in violation of subsection (a) of Section 2 of the Clayton Act and unfair methods of competition and 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 Restraint of Trade proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of Section 2 of the Clayton Act as amended by the Robinson-Patman Act and Section 5 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 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

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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 Balsa Ecuador Lumber Corporation 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 500 Fifth Avenue, New York, New York.

Respondent Balsa Development Corporation 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 500 Fifth Avenue, New York, New York.

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

I. *It is ordered*, That respondents, Balsa Ecuador Lumber Corporation, a corporation, and Balsa Development Corporation, a corporation, and their subsidiaries, successors, assigns, officers, directors, agents, representatives or employees, directly or through any corporate or other device, in connection with the sale, or offering for sale, of balsa flexible core material in commerce, as "commerce" is defined in the amended Clayton Act, do forthwith cease and desist from:

1. Discriminating, directly or indirectly, in the price of balsa flexible core material of like grade and quality by selling to any purchaser at net prices which are lower than the prices charged any other purchaser at the same level of distribution where respondents, in the sale of such products, are in competition with any other seller of balsa flexible core material.

2. Discriminating, directly or indirectly, in the price of balsa flexible core material of like grade and quality by selling to any purchaser at net prices higher than the net prices charged any other purchaser who competes with the purchaser paying the higher prices.

II. *It is further ordered*, That for a period of two years from the date of this order respondent Balsa Ecuador Lumber Corporation ("BELC") sell, or offer to sell, balsa wood to any manufacturer who competes with respondent Balsa Development Corporation ("BDC") in the production and sale of balsa flexible core material. This obligation to sell, or offer to sell, shall be limited to balsa wood of the quality, size and specification which, at such time within the two

year period when such competing manufacturer seeks to buy balsa wood from BELC, BELC is then selling, or offering to sell, to BDC in the normal course of business. The obligation to sell, or offer to sell, to such competing manufacturer shall be at the same prices as are available to BDC, and in reasonable quantities, having due regard to respondents' own needs.

III. *It is further ordered*, That respondents herein shall, within sixty (60) days after service upon them of this order, serve by mail a copy of this order to each operating division.

*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.

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IN THE MATTER OF

NEW BRUNSWICK PANTS CO., INC., ET AL.

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

*Docket C-1681. Complaint, Feb. 10, 1970—Decision, Feb. 10, 1970*

Consent order requiring a New York City manufacturer of boys' apparel to cease misbranding 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 New Brunswick Pants Co., Inc., a corporation, and Larry Davidman, individually and as an officer of said corporation, and Murray Davidman, individually and as a former 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 New Brunswick Pants Co., Inc., is a corporation organized, existing and doing business under and by vir-

tue of the laws of the State of New York with its office and principal place of business located at 390 Fifth Avenue, New York, New York.

Respondent Larry Davidman is an officer of said corporation. Murray Davidman is a former officer of said corporation. They formulate, direct and control the policies, acts and practices of said corporation and their address is the same as that of the corporate respondent.

Respondents are engaged in the manufacturing of boys' apparel. They ship and distribute such products to various customers throughout the United States.

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 Wool Products Labeling Act of 1939, 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 boys' jackets which were stamped, tagged, labeled or otherwise identified by respondents as containing "90% Reprocessed Wool, 10% Other Fibers" whereas in truth and in fact said boys' jackets 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 as prescribed by the Rules and Regulations promulgated under said Act.

Among such misbranded wool products, but not limited thereto were wool products, namely boys' jackets with labels on or affixed thereto, which failed to disclose the percentage of total fiber weight of 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 per-



centage 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. Information required under Section 4(a)(2) of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder was abbreviated on labels in violation of Rule 9(a) of the aforesaid Rules and Regulations.

2. 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. 6. 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 methods of competition and 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 hav-

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ing 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 New Brunswick Pants Co., 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 390 Fifth Avenue, New York, New York.

Respondent Larry Davidman is an officer of said corporation. Murray Davidman is a former officer of said corporation. At the time of the acts, and practices hereinafter complained of, they controlled the acts, and practices of such 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 New Brunswick Pants Co., Inc., a corporation, and its officers, and Larry Davidman, individually and as an officer of said corporation, and Murray Davidman, individually and as a former officer 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 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 such element of information required to be disclosed by Section 4(a)(2) of the Wool Products Labeling Act of 1939.

3. Setting forth words and terms in required information

under Section 4(a) (2) of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder in abbreviated form on labels affixed to wool products.

4. Failing to affix labels to samples, swatches or specimens of wool products used to promote or effect the sales 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 notify the Commission at least 30 days prior to any proposed change in the corporate respondent such as dissolution, assignment or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries or any other change in the corporation which may affect compliance obligations arising out of the 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 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.

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IN THE MATTER OF

BERNARDO, INC., TRADING AS SHIRTALES BY  
SHERMA, ET AL.

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

*Docket C-1682. Complaint, Feb. 10, 1970—Decision, Feb. 10, 1970*

Consent order requiring a Miami, Fla., manufacturer of ladies' sportswear to cease misbranding, falsely advertising, and deceptively guaranteeing its textile fiber products, and failing to maintain required records.

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 Trade Commission, having reason to believe that Bernardo, Inc., a corporation, also

trading as Shirtales by Sherma, and Bernard Stone and Sherma Stone, 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 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 Bernardo, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Florida. The respondent also trades as Shirtales by Sherma.

Respondents Bernard Stone and Sherma Stone are officers of the corporate respondent. They formulate, direct and control the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth.

Respondents are manufacturers of textile fiber products with their office and principal place of business located at 2801 NW. 3rd Avenue, Miami, Florida.

PAR. 2. 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 constituent fibers contained therein.

Among such misbranded textile fiber products, but not limited thereto, were textile fiber products, namely women's dresses, with labels which set forth the fiber content of such products as "100%

Arnel Triacetate" whereas, in truth and in fact, said products contained different amounts and types of fibers than as represented.

PAR. 4. Certain of said textile fiber 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(b) of the Textile Fiber Products Identification Act, and in the manner and form as prescribed by the Rules and Regulations promulgated under said Act.

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

1. To disclose the true generic names of the fibers present; and
2. To disclose the percentage of such fibers.

PAR. 5. Certain of said textile fiber products were falsely and deceptively advertised in that respondents, in making disclosures 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 women's dresses advertised in brochures, distributed by respondents throughout the United States, as "75% Rayon/25% Pure Silk" whereas, in truth and in fact, said products contained different percentages.

PAR. 6. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, respondents 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 thereunder in the following respects:

A. A fiber trademark was used in advertising textile fiber products, namely ladies' sportswear, 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 advertisement, in violation of Rule 41(a) of the aforesaid Rules and Regulations.

B. A fiber trademark was used in advertising textile fiber products, namely ladies' sportswear, containing only one fiber and such fiber trademark did not appear, at least once in the said advertisement, in immediate proximity and conjunction with the generic

name of the fiber, in plainly legible and conspicuous type, in violation of Rule 41(c) of the aforesaid Rules and Regulations.

PAR. 7. 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. 8. Respondents have furnished their customers with false guaranties that certain of the textile fiber products were not misbranded or falsely invoiced by falsely representing in writing on invoices that respondents have filed a continuing guaranty under the Textile Fiber Products Identification Act with the Federal Trade Commission in violation of Rule 38(d) of the Rules and Regulations under said Act and Section 10(b) of such 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 Textile Fiber Products Identification 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:

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## Order

1. Respondent Bernardo, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Florida with its office and principal place of business located at 2801 NW. 3rd Avenue, in the city of Miami, State of Florida.

Respondents Bernard Stone and Sherma Stone, are officers of said corporation. They formulate, direct and control the acts, policies and practices of said corporation. 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 Bernardo, Inc., a corporation, also trading as Shirtales by Sherma, or by any other name or names, and its officers, and Bernard Stone and Sherma Stone, 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, 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 textile fiber products; or in connection with the sale, offering for sale, advertising, delivery, transportation, or causing to be transported, of any textile fiber products, which have 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 products, whether they are 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, do forthwith cease and desist from:

## A. Misbranding textile fiber products by:

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

2. Failing to affix labels to such textile fiber products 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.

B. Falsely and deceptively advertising textile fiber products by:

1. Making any representation, 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 product, 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, 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 only one fiber without such fiber trademark appearing at least once in the advertisement, in immediate proximity and conjunction with the generic name of the fiber, in plainly legible and conspicuous type.

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 Regulations promulgated thereunder.

*It is further ordered.* That respondents Bernardo, Inc., a corporation, and its officers, and Bernard Stone and Sherma Stone, individually and as officers of said corporation, 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 textile fiber product is not misbranded or falsely invoiced under the provisions of the Textile Fiber Products Identification Act.

*It is further ordered.* That respondents notify the Commission at least 30 days prior to any proposed change in the corporate respondent such as dissolution, assignment or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries or any other change in the corporation which may affect compliance obligations arising out of the 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 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.

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IN THE MATTER OF  
MISS DARBS COAT CO., INC., TRADING AS BONNIE STYLES,  
ETC.

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

*Docket C-1683. Complaint, Feb. 10, 1970—Decision, Feb. 10, 1970*

Consent order requiring a New York City manufacturer of ladies' coats to cease misbranding its wool products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, 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 Miss Darbs Coat Co., Inc., a corporation, trading as Bonnie Styles and Bonnie Petite and Aaron Levine, also known as Aaron Levin, 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 Miss Darbs Coat Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York. Respondent Miss Darbs Coat Co., Inc., trades, among others, under the names of Bonnie Styles and Bonnie Petite with its office and principal place of business located at 147 West 25th Street, New York, New York.

Respondent Aaron Levine, also known as Aaron Levin is an officer of said corporation. He formulates, directs and controls the policies, acts and practices of said corporation and his address is the same as that of the corporate respondent.

Respondents are engaged in the manufacturing of ladies' coats.

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 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 the respondents within the intent and meaning of Section 4(a)(1) of the Wool Products Labeling Act of 1939 and 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 by respondents as "100% wool," whereas in truth and in fact, said products contained substantially different fibers and amounts of 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 wool products, namely ladies' coats, with labels on or affixed thereto, which failed to disclose:

(1) The percentage of the total fiber weight of the said wool products, exclusive of ornamentation not exceeding 5 percent of the 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 percent or more; and (5) the aggregate of all other fibers.

(2) The name or other identification issued and registered by the Commission of the manufacturer of the said wool products or of one or more persons subject to Section 3 of the Wool Products Labeling Act of 1939 with respect to the said wool products.

PAR. 5. Certain of said wool products were misbranded in violation of the Wool Products Labeling Act of 1939 for the reason that they were not labeled in accordance with the Rules and Regulations promulgated under the Wool Products Labeling Act of 1939, in the following respect:

1. Required information as to fiber content was not set forth in such a manner as to separately show the fiber content of each section of wool products containing two or more sections, in violation of Rule 23(b) of the aforesaid Rules and Regulations.

2. The fiber content of (pile fabric) linings used in wool products, namely coats, was not set forth separately and distinctly as a part of the required information on the stamps, tags, labels or other marks of identification of such wool products in violation of Rule 24(a) (2) of the aforesaid Rules and Regulations.

3. The fiber content of the interlinings contained in garments was not set forth separately and distinctly as a 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, 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 or practices, in commerce within the 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

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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 Miss Darbs Coat Co., 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 147 West 25th Street, New York, New York.

Respondent Aaron Levine, also known as Aaron Levin is an officer of said corporation. He formulates, directs and controls the policies, acts and practices 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 Miss Darbs Coat Co., Inc., a corporation, trading as Bonnie Styles and Bonnie Petite or under any other name, and its officers, and Aaron Levine, also known as Aaron Levin, 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, 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 content, 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 linings which are used in wool products, separately and distinctly as a part of the required information on the stamps, tags, labels or other marks of identification affixed to such wool products if such linings are metallicity coated, or coated or laminated with any substance for warmth, or if such linings are composed of pile fabrics, or any fabric incorporated for warmth or represented directly or by implication as being incorporated for warmth.

5. Failing to set forth separately the fiber content of interlinings as part of the required information on stamps, tags, labels or other marks of identification on such garments.

*It is further ordered.* That respondents notify the Commission at least 30 days prior to any proposed change in the corporate respondent such as dissolution, assignment or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries or any other change in the corporation which may affect compliance obligations arising out of the 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 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.

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IN THE MATTER OF

EXELBERT FUR CORP. TRADING AS JAY BERT, ET AL.

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

*Docket C-1684. Complaint, Feb. 10, 1970—Decision, Feb. 10, 1970*

Consent order requiring a New York City manufacturing furrier 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

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vested in it by said Acts, the Federal Trade Commission, having reason to believe that Exelbert Fur Corp., a corporation, trading under its own name and as Jay Bert, and Harry Exelbert and Jerome Exelbert, 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 Exelbert Fur Corp. is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York and trades under the name of Jay Bert.

Respondents Harry Exelbert and Jerome Exelbert are officers of the said corporation. They formulate, direct and control the policies, acts and practices of the said corporation.

Respondents are manufacturers of fur products with their office and principal place of business located at 307 Seventh 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 the fur contained therein was "color added" when in fact such fur was dyed, 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 products were 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 certain of said fur products were invoiced to show that the fur contained therein was "color added" when in fact such fur was "dyed," 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 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 has 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 the Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order;

1. Respondent Exelbert Fur 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 307 Seventh Avenue, New York, New York.

Respondents Harry Exelbert and Jerome Exelbert are officers of the said corporation. They formulate, direct and control the policies, acts and practices 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 Exelbert Fur Corp., a corporation, trading under its own name and as Jay Bert or under any other name or names, and Harry Exelbert and Jerome Exelbert, 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, 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



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the fur contained in such fur product is "color added" when such fur is dyed.

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 or 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 an invoice that the fur contained in such fur or fur product is "color added," when such fur is dyed.

*It is further ordered,* That respondents Exelbert Fur Corp., a corporation, trading under its own name and as Jay Bert or under any other name or names, and Harry Exelbert and Jerome Exelbert, individually and as officers of said corporation, 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, advertised, or distributed in commerce.

*It is further ordered,* That respondents notify the Commission at least 30 days prior to any proposed change in the corporate respondent such as dissolution, assignment or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries or any other change in the corporation which may affect compliance obligations arising out of the 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.