distribution of such products with the purchaser who is granted or allowed the secret rebate, discount, allowance or other consideration.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 30th day of March 1961, become the decision of the Commission; and, accordingly:

It is 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 the order to cease and desist.

In The Matter Of

SMITH-FISHER CORPORATION ET AL.

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

Docket 8169. Complaint, Nov. 8, 1960—Decision, Mar. 30, 1961

Consent order requiring Owosso, Mich., manufacturers of electric fence chargers designed to prevent farm animals from straying, to cease representing falsely in advertisements in trade journals and newspapers and otherwise, that their "Super-Atom Fence Charger" would confine farm animals under all conditions without the use of insulators; would charge 50 miles of fence without insulators; was 20 times more short resistant than all other chargers and would not be shorted by green grass or brush, rain, or ice; adjusted automatically to climatic conditions; and was guaranteed for two years.

On July 25, 1961 (59 F. T. C. —), this matter was disposed of by separate consent order as to the remaining individual.

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 the Smith-Fisher Corporation, a corporation, and Jack D. Smith and Frank Fisher, individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges in that respect as follows:

Paragraph 1. Respondent Smith-Fisher Corporation is a corporation organized, existing and doing business under and by virtue of

the laws of the State of Michigan. Its office and principal place of business is located at 1426 North Michigan, Route 47, Owosso, Michigan.

Individual respondents Jack D. Smith and Frank Fisher are officers of said corporation. They formulate, direct and control the policies and practices of the corporate respondent. The individual respondents' address is the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the manufacturing, offering for sale and selling fence chargers known as "Super Atom Charger".

In the regular and usual course and conduct of their business, respondents cause, and have caused, said fence charger, when sold, to be transported from their place of business in the State of Michigan to purchasers thereof located in various other States of the United States.

Respondents maintain, and at all times mentioned herein, have maintained, a course of trade in said product in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 3. In the course and conduct of their business, and for the purpose of inducing the sale of their said product, respondents have made certain statements concerning said product in advertisements inserted in trade journals and newspapers and by means of circulars and other advertising material circulated among prospective customers in various states. Among and typical, but not all inclusive, of said statements are the following:

NEW SUPER-ATOM FENCE CHARGER

Staple fence wire to wood posts—No insulators.
Brush, Weeds, Crops, Rain, Ice — Won't short it.
Works just as good—Bone Dry or Soaking Wet.
Neon Fence Tester—Free
Operates on 10¢ Per Month.
20 day Trial Period.
2 year Parts Warranty.
ALL THIS AND SAFER TOO

SUPER-ATOM, the new scientifically designed fence charger offers these outstanding features:
Charges felt strongly by animal stock without fear of injury to humans.
20 times more short resistant than other leading fence charges.
Will not be shorted by green grass or brush; rain or ice.
Wire can be nailed to wood posts without insulators.
Charges 50 miles of fence.
Automatically adjusts to both wet and dry weather.

PAR. 4. Through the use of the statements hereinabove set forth, and others of similar import not specifically set out herein, respondents have represented, directly or by implication, that:

1. Respondents' said product is effective in confining farm animals in an enclosure under all fencing and climatic conditions without the use of insulators.

2. Respondents' product is twenty times more short resistant than all other fence chargers.

3. Green grass, brush, rain or ice will not cause a short.

4. Respondents' fence charger will effectively and safely charge fifty miles of fence without insulators.

5. Respondents' fence charger has a mechanism that automatically adjusts it to the various climatic conditions under which it will be operated.

6. Said product is guaranteed for two years as to parts.

PAR. 5. The aforesaid statements and representations are false, misleading and deceptive. In truth and in fact:

1. Respondents' fence charge is not effective as an enclosure for farm livestock under many fencing and climatic conditions when insulators are not used.

2. Said product is not more short resistant than many other fence chargers.

3. Green grass, brush, rain or ice that contacts the fence may cause a short.

4. Respondents' product will not effectively and safely charge fifty miles of fence under normal climatic conditions in many sections of the country, with or without the use of insulators. Using insulators, said product could not be expected to be effective and safe for more than ten miles. Without the use of insulators, because of current leakage caused by various factors such as green, wet and rotted posts, it is not possible to accurately state the length of fence that will be safely and effectively charged by said product.

5. There is no mechanism in respondents' fence charger that automatically adjusts it to the various climatic conditions under which fence chargers are operated.

6. The manner in which respondents will perform under their guarantee is not set out.

PAR. 6. In the conduct of their business respondents are in substantial competition, in commerce, with corporations, firms and individuals in the sale of fence chargers.

PAR. 7. The use by respondents of the aforesaid false, misleading and deceptive statements and representations has had, and now has, the tendency and capacity to mislead and deceive members of the

public into the erroneous and mistaken belief that said statements and representations were, and are, true and to induce a substantial number thereof to purchase respondents' said fence chargers as a result of such erroneous and mistaken belief. As a consequence thereof, substantial trade in commerce has been unfairly diverted to respondents from their competitors and injury has thereby been done to competition in commerce.

PAR. 8. 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 and deceptive acts and practices and unfair methods of competition in commerce, within the intent and meaning of the Federal Trade Commission Act.

Before *Mr. Walter K. Bennett*, Hearing Examiner.

Mr. William A. Somers supporting the complaint.

Jennings, Younger, Parsons, Keyworth & Warren by *Mr. Jack W. Warren* of Lansing, Mich., for respondents Smith-Fisher Corporation, and Jack D. Smith.

INITIAL DECISION AS TO RESPONDENTS SMITH-FISHER CORPORATION AND JACK D. SMITH, INDIVIDUALLY AND AS AN OFFICER OF SAID CORPORATION

The Federal Trade Commission issued its complaint against Smith-Fisher Corporation and Jack D. Smith (hereinafter sometimes referred to as respondents) and against Frank Fisher on November 8, 1960. The complaint charged respondents with making false representations concerning the guarantee of, and the effectiveness of, a device for charging wire fences electrically to prevent cattle from straying. Said representations were charged to be unfair and deceptive acts and practices and unfair methods of competition within the intent and meaning, and in violation, of the Federal Trade Commission Act.

On January 19, 1961, Counsel submitted to the undersigned hearing examiner an agreement dated January 10, 1961, among respondents, counsel representing them and counsel supporting the complaint, providing for the entry without further notice of a cease and desist order. The agreement was duly approved by the Director, the Assistant Director and the Associate Director of the Bureau of Litigation.

The hearing examiner finds that said agreement includes all of the provisions required by Section 3.25(b) of the Rules of the Commission, that is:

A. An admission by all the respondent parties thereto of jurisdictional facts;

B. Provisions that:

1) The complaint may be used in construing the terms of the order;

2) The order shall have the same force and effect as if entered after a full hearing;

3) The agreement shall not become a part of the official record of the proceeding unless and until it becomes a part of the decision of the Commission;

4) The entire record on which any cease and desist order may be based shall consist solely of the complaint and the agreement;

5) The order may be altered, modified, or set aside in the manner provided by statute for other orders;

C. Waivers of:

1) The requirement that the decision must contain a statement of findings of fact and conclusion of law;

2) Further procedural steps before the hearing examiner and the Commission.

In addition the agreement contains the following permissive provisions: A waiver by the respondents of any right to challenge or contest the validity of the order entered in accordance with the agreement, and a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint.

Having considered said agreement including the proposed order and being of the opinion that they provide an appropriate basis for settlement and disposition of this proceeding, so far as it relates to respondents Smith-Fisher Corporation and Jack D. Smith, the hearing examiner hereby accepts the agreement but orders that it shall not become a part of the official record unless and until it becomes a part of the decision of the Commission.

The following jurisdictional findings are made and the following order issued:

1. Respondent Smith-Fisher Corporation is a corporation, organized, existing and doing business under and by virtue of the laws of the State of Michigan; respondent Jack D. Smith, an individual and officer of said corporate respondent, directs and controls the policies, acts and practices of the corporate respondent. Respondents' office and principal place of business is located at 1426 North Michigan, Route 47, Owosso, Michigan.

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

ORDER

It is ordered, That respondents Smith-Fisher Corporation, a corporation, and its officers, and Jack D. Smith, an individual and as officer of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of a fence charger known as Super Atom Charger, or any other charger of substantially the same construction or operation, do forthwith cease and desist from representing, directly or indirectly that:

1. Their product is effective in confining farm animals in an enclosure under all climatic or fencing conditions without the use of insulators.

2. Their product is twenty times, or any other number of times, more short resistant than other fence chargers.

3. Green grass, brush, rain or ice will not cause a short in the operation of said product.

4. Their product will effectively or safely charge more than 10 miles of fence with insulators or will effectively or safely charge any stated number of miles of fence without insulators.

5. Their product has a mechanism that adjusts it to the various climatic conditions under which it will be operated.

6. Their product is guaranteed unless the nature and extent of the guarantee and the manner in which respondents will perform thereunder are clearly set forth.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall on the 30th day of March 1961, become the decision of the Commission; and, accordingly:

It is ordered, That respondents Smith-Fisher Corporation and Jack D. Smith 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.

IN THE MATTER OF

DIALAND ELECTRIC SALES CORPORATION TRADING AS DIAMOND ELECTRIC COMPANY ET AL.

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

Docket 8195. Complaint, Nov. 29, 1960—Decision, Mar. 30, 1961

Consent order requiring two affiliated Rochester, N. Y., distributors of electric supplies and equipment to cease representing falsely that they manufactured products which were actually made in Japan, by such practices as advertising as an "Elkee Corp. Product" their "Evercel Plastic Electrical Tape", on the inside surface of the spool of which was a small sticker with the words "Made in Japan" in small print; advertising as ". . . Stock No. . . . S.B.C. 30 . . . Mfgr. . . . Elkee Corp." their "Solderless Service Connectors" which also carried the word "Japan" in obscurely printed and virtually indistinguishable letters; and by the indiscriminate mingling of domestic and foreign goods in their advertising catalogs.

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 Dialand Electric Sales Corporation, a corporation, trading as Diamond Electric Company, and Elliott Landsman and Morris Diamond, individually and as officers of said corporation, and Elkee Corporation, a corporation, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Dialand Electric Sales corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, said Dialand Electric Corporation trades and does business under the name of Diamond Electric Company. Its principal office and place of business is located at 1230 Lyell Avenue, in the City of Rochester, State of New York.

Respondent Elkee Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York. Its principal office and place of business is the same as that of the said Dialand Electric Sales Corporation.

Respondents Elliott Landsman and Morris Diamond are individuals and are officers of the said Dialand Electric Sales Corporation. Said individual respondents formulate, direct and control the acts and practices of each of the aforenamed corporate respondents. Their address is the same as that of the said Dialand Electric Sales Corporation.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale and distribution of electric supplies and equipment to distributors and jobbers and to retailers for resale 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 place of business in the State of New York to purchasers thereof located in various other states of the United States and in the District of Columbia, 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 business, as aforesaid, and for the purpose of inducing the sale of their said electrical supplies and equipment, respondents have made certain statements and representations with respect to the origin and manufacture of said products. Typical and illustrative of such statements and representations are the following:

With respect to plastic electrical tape respondents' advertising states:

Evercel Plastic Electrical Tape . . . an Elkee Corp. Product, Rochester, New York.

The container in which said tape is offered for sale reads in part:

Evercel Plastic Electrical Tape . . . Elkee Corporation, Rochester, New York.

Each package contains one roll of tape. The tape is further wrapped with a clear cellophane-like material. On the inside surface of the spool on which said tape is wrapped is a small sticker with the words in small print, "Made in Japan".

In advertising "Solderless Service Connectors" for sale, the following representations are typical of those made:

Solderless Service Connectors . . . Stock No. . . . S.B.C. 30 . . . Mfgr. . . . Elkee Corp.

In the publication in which said connectors are advertised and offered for sale are the products of many domestic manufacturers of electrical equipment such as General Electric, Westinghouse, and

others. The listing in which said connectors are offered for sale contains the name of well-known domestic manufacturers such as the Burndy Corporation. Said service connectors are branded with a stock number such as "SBC 30" and the word "Elkee". Obscurely printed in small and virtually indistinguishable letters is the word "Japan".

PAR. 5. (1) Through the use of the expressions "An Elkee Corporation Product, Rochester, New York", and similar statements and representations in connection with said electrical tape and through the indiscriminate mingling of domestic and foreign goods in its advertising catalogs and the representation "Mfgr. Elkee Corp." in connection with said solderless service connectors, respondents have affirmatively represented that said products are manufactured in the United States.

(2) The obscure, indistinct markings which purport to reveal the country of origin of said products are wholly and completely inadequate to give to the public notice of the country of origin of said products.

When products of foreign origin are offered for sale to the public and are not marked so as to give notice of their foreign origin, the public understands and believes that they are of domestic origin.

(3) Through the use of the expression "An Elkee Corp. Product, Rochester, New York" in connection with said tape and through the use of the expression "Mfgr. Elkee Corp." in connection with said connectors, respondents represent that they are the manufacturers of said products.

PAR. 6. Said statements and representations are false, misleading and deceptive. In truth and in fact:

(1) Said products are not manufactured in the United States. Said products are manufactured in Japan.

(2) Said markings are wholly and completely inadequate to advise or apprise purchasers of the fact that said products are manufactured in Japan and not in the United States.

(3) Respondents do not manufacture said products. Said Elkee Corporation is simply a convenient corporate device used by respondents to import foreign made goods which are then offered for sale and sold by respondents under the aforesaid trade name of Diamond Electric Company. Said tape is imported in bulk from Japan. It is wrapped and packaged by independent contractors in this country for respondents. Said solderless service connectors are wholly manufactured in Japan.

PAR. 7. By the aforesaid acts and practices, respondents place in the hands of retailers and dealers the means and instrumentalities

by and through which they may mislead the public as to the country or origin and the manufacturer of said products.

PAR. 8. A substantial portion of the purchasing public has a preference for articles of domestic manufacture or origin as distinguished from products of foreign origin, including the products sold and distributed by respondents.

PAR. 9. There is a preference on the part of purchasers to deal directly with the manufacturer of products in the belief that they receive, among other things, better prices and service.

PAR. 10. Respondents, in the course and conduct of their business, are in substantial competition, in commerce, with corporations, firms and individuals engaged in the sale of products of the same kind and nature as those sold by respondents.

PAR. 11. 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. As a consequence thereof, substantial trade in commerce has been, and is being, unfairly diverted to respondents from their competitors and substantial injury has thereby been, and is being, done to competition in commerce.

PAR. 12. The aforesaid acts and practices of rsepondents, 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 and deceptive acts and practices and unfair methods of competition, in commerce, within the intent and meaning of the Federal Trade Commission Act.

Mr. Terral A. Jordan, supporting the complaint.
Respondents, *pro se*.

INITIAL DECISION BY WALTER K. BENNETT, HEARING EXAMINER

On November 29, 1960, the Federal Trade Commission issued a complaint charging that the above-named respondents had violated the provisions of the Federal Trade Commission Act. The complaint alleged that for the purpose of inducing the purchase of their electrical supplies and equipment, respondents had made certain false statements and misrepresentations with respect to the origin and manufacture of said products.

Counsel presented to the undersigned Hearing Examiner on January 27, 1961, an agreement dated January 17, 1961, between respond-

ents and counsel supporting the complaint providing for the entry without further notice of a cease and desist order. Said agreement has been duly approved by the Acting Director, the Associate Director and the Assistant Director of the Bureau of Litigation.

The Hearing Examiner finds that said agreement includes all of the provisions required by Section 3.25(b) of the Rules of the Commission, that is:

A. An admission by all the respondent parties thereto of jurisdictional facts;

B. Provisions that:

1) The complaint may be used in construing the terms of the order;

2) The order shall have the same force and effect as if entered after a full hearing;

3) The agreement shall not become a part of the official record of the proceeding unless and until it becomes a part of the decision of the Commission;

4) The entire record on which any cease and desist order may be based shall consist solely of the complaint and the agreement;

5) The order may be altered, modified, or set aside in the manner provided by statute for other orders;

C. Waivers of:

1) The requirement that the decision must contain a statement of findings of fact and conclusions of law;

2) Further procedural steps before the Hearing Examiner and the Commission.

In addition the agreement contains the following permissive provisions: A waiver by the respondents of any right to challenge or contest the validity of the order entered in accordance with the agreement, and a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint.

Having considered said agreement, including the proposed order, and being of the opinion that they provide an appropriate basis for settlement and disposition of this proceeding; the Hearing Examiner hereby accepts the agreement but orders that it shall not become a part of the official record unless and until it becomes a part of the decision of the Commission.

The following jurisdictional findings are made and the following order issued:

1. Respondent, Dialand Electric Sales Corporation, is a corporation 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 1230 Lyell Avenue, in the City of Rochester, State of New York. Said Dialand Electric Sales Corporation also trades and does business under the name of Diamond Electric Company.

2. Respondent, Elkee Corporation, is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York. Its principal office and place of business is the same as that of the said Dialand Electric Sales Corporation.

3. Respondents, Elliott Landsman and Morris Diamond, are individuals and are officers of the said Dialand Electric Sales Corporation. Said individual respondents formulate, direct and control the acts and practices of each of the aforenamed corporate respondents. Their address is the same as that of the said Dialand Electric Sales Corporation.

4. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents.

ORDER

It is ordered, That respondents, Dialand Electric Sales Corporation, a corporation, trading and doing business under its own name or under the name of Diamond Electric Company, or under any other name, and its officers, and Elliott Landsman and Morris Diamond, individually and as officers of said Dialand Electric Sales Corporation, and Elkee Corporation, a corporation, and its officers, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of electrical tape or solderless service connectors or any other articles of merchandise, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

(1) Representing, directly or indirectly, in advertising or in labeling that products manufactured in Japan or any other foreign country are manufactured in the United States;

(2) Offering for sale or selling products which are, in whole or in substantially part, of foreign origin, without clearly and conspicuously disclosing on such products, and if the products are enclosed in a package or carton, on said package or carton, in such a manner that it will not be hidden or obliterated, the country of origin thereof;

(3) Representing, directly or indirectly, in any manner or by any means that respondents manufacture any product that is not manufactured in a factory owned, operated or controlled by them.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall on the 30th day of March 1961, become the decision of the Commission; and, accordingly:

It is 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 the order to cease and desist.

In The Matter Of

GREENWOOD FURS, INC., ET AL.

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

Docket 8203. Complaint, Dec. 6, 1960—Decision, Mar. 30, 1961

Consent order requiring New York City furriers to cease violating the Fur Products Labeling Act by such practices as using on invoices the coined name "Hudson Seal" as descriptive of the fur, and by failing to observe invoicing requirements in other respects.

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 Greenwood Furs, Inc., a corporation, and Maury Green and Albert Bauer, individually and as officers of the 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. Greenwood Furs, Inc., is a corporation, organized existing and doing business under and by virtue of the laws of the State of New York, with its principal office and place of business located at 350 7th Avenue, in the City of New York, State of New York.

Respondents Maury Green and Albert Bauer 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. Their address is the same as that of the corporate respondent.

PAR. 2. Subsequent to the effective date of the Fur Products Labeling Act on August 9, 1952, respondents have been, and are now engaged in the introduction into commerce, and in the manufacture for introduction into commerce, and in the sale, advertising, offering for sale, 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 fur which has been shipped and received in commerce as the terms "commerce", "fur" and "fur products" are defined in the Fur Products Labeling Act.

PAR. 3. Certain of said fur products were falsely and deceptively invoiced by respondents in that they were not invoiced by respondents as required by Section 5(b)(1) of the Fur Products Labeling Act, and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

PAR. 4. Certain of said fur products were falsely and deceptively invoiced in that respondents set forth on invoices pertaining to fur products a coined name as being descriptive of the fur of an animal, which name is in fact fictitious, in violation of Section 5(b)(2) of the Fur Products Labeling Act, and Rule 11 of the regulations promulgated thereunder. Exemplifying this practice, but not limited thereto, is the practice of describing the fur as "Hudson Seal," when there is in fact no such animal.

PAR. 5. The acts and practices of the respondents, as herein alleged, are in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder, and constitute unfair and deceptive acts and practices in commerce under the Federal Trade Commission Act.

Charles W. O'Connell, Esq., supporting the complaint.
Louis R. Teig, Esq., of New York, N.Y., for respondents.

INITIAL DECISION BY LEON R. GROSS, HEARING EXAMINER

On December 6, 1960, the Federal Trade Commission issued a complaint against the above-named respondents, in which they were charged with violating the Federal Trade Commission Act, and the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder by falsely or deceptively invoicing fur products sold by respondents in interstate commerce. A true and correct copy of the complaint was served upon respondents and each and all of

them, as required by law. Thereafter respondents appeared by counsel and agreed to dispose of the proceeding without a formal hearing pursuant to the terms of an agreement dated January 25, 1961, containing consent order to cease and desist. The agreement was submitted to the undersigned hearing examiner on February 1, 1961, in accordance with §3.25 of the Commission's Rules of Practice for Adjudicative Proceedings. The agreement purports to dispose of this proceeding as to the respondents and each and all of them and contains the form of a consent cease and desist order which the parties have represented is dispositive of the issues involved in this proceeding. The agreement has been signed by the corporate rspondent by its president, by the individual respondents individually and as officers of said corporation, by the attorney for both parties, and has been approved by the Assistant Director, Associate Director and Director of the Bureau of Litigation of the Federal Trade Commission. In said agreement respondents admit all of the jurisdictional facts alleged in the complaint and agree that the record may be taken as if findings of jurisdictional facts had been made in accordance with such allegations. In the agreement the respondents waive: (a) any further procedural steps before the hearing examiner and the Commission; (b) the making of findings of fact or conclusions of law; and (c) all rights respondents may have to challenge or contest the validity of the order to cease and desist entered in accordance with the agreement.

The parties further agree, in said agreement, that the record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and the agreement; that the agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Federal Trade Commission; that the order to cease and desist entered in this proceeding by the Commission may be entered without further notice to the respondents, and when so entered such order will have the same force and effect as if entered after a full hearing. Said order may be altered, modified or set aside in the manner provided for other orders. The complaint may be used in construing the terms of the order.

The parties have covenanted that the said agreement is for settlement purposes only and does not constitute an admission by the respondents that they have violated the law as alleged in the complaint.

This proceeding having now come on for final consideration on the complaint and the aforesaid agreement of January 25, 1961, containing consent order, and it appearing that the order which is

approved in and by said agreement disposes of all the issues presented by the complaint as to all of the parties involved, said agreement is hereby accepted and approved as complying with §§3.21 and 3.25 of the Commission's Rules of Practice for Adjudicative Proceedings. The undersigned hearing examiner, having considered the agreement and proposed order and being of the opinion that the acceptance thereof will be in the public interest, makes the following findings and issues the following order:

FINDINGS

1. The Federal Trade Commission has jurisdiction over the parties and the subject matter of this proceeding; and this proceeding is in the public interest;

2. Respondent Greenwood Furs, Inc., is a corporation 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 350 7th Avenue, in the City of New York, State of New York;

3. Respondents Maury Green and Albert Bauer are officers of the corporate respondent. They formulate, direct and control the acts and practices of the corporate respondent. Their address is the same as that of the corporate respondent;

4. Respondents are engaged in commerce as "commerce" is defined in the pertinent statutes which are involved by the complaint filed herein. Now, therefore,

It is ordered, That respondents Greenwood Furs, Inc., a corporation, and its officers, and Maury green and Albert Bauer, 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 manufacture for introduction into commerce, or or the sale, advertising, offering for sale, transportation or distribution in commerce, of fur products; or in connection with the sale, advertising, offering for sale, transportation or distribution of fur products which are made in whole or in part of fur which has been shipped and received in commerce, as "commerce", "fur" and "fur product" are used in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Falsely or deceptively invoicing fur products by:

1. Failing to furnish invoices to purchasers of fur products showing all of the information required to be disclosed by each of the subsections of §5(b)(1) of the Fur Products Labeling Act;

2. Using the term "Hudson Seal", or any other coined name, as being descriptive of the fur of an animal which is in fact fictitious or non-existent.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 30th day of March, 1961, become the decision of the Commission; and, accordingly:

It is ordered, That the above-named respondents, 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.

In The Matter Of

BERNARD SHAPIRO WOOLEN CORP. ET AL.

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

Docket 8219. Complaint, Dec. 9, 1960—Decision, Mar. 30, 1961

Consent order requiring New York City importers of wool products from Italy to cease violating the Wool Products Labeling Act by labeling as consisting of "Not less than 85% Reprocessed Wool and not more than 15% other fibres", fabrics which contained substantially less than 85% woolen fibers, and by failing in other respects to comply with labeling requirements.

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 Bernard Shapiro Woolen Corp., a corporation, and Morris J. Wolf, Samuel Applebaum, and Nathan Perlman, 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 Wool 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 Bernard Shapiro Woolen Corp., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York. Individual respondents Morris J. Wolf, Samuel Applebaum, and Nathan Perlman are officers of said corporate respondent. Said individual respondents formulate, direct and control the acts, policies, and practices of the corporate respondent, including the acts and practices hereinafter referred to.

All respondents have their office and principal place of business at 271 West 38th Street, New York, New York.

PAR. 2. Subsequent to the effective date of the Wool Products Labeling Act of 1939, and more especially since January 1, 1959, respondents have imported from Italy and introduced into commerce as "commerce" is defined in the Wool Products Labeling Act of 1939, wool products as "wool products" are defined therein.

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

Among such misbranded woolen products were woolen fabrics labeled or tagged by respondents as consisting of "Not less than 85% Reprocessed Wool and not more than 15% other fibres," whereas, in truth and in fact, said woolen fabrics in each instance contained substantially less woolen fibers than represented.

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

PAR. 5. The respondents, in the course and conduct of their business, as aforesaid, were, and are, in substantial competition in commerce, with corporations, firms and individuals likewise engaged in the importation and sale of wool products of the same general nature as those sold by respondents.

PAR. 6. The acts and practices of the respondents, as set forth in Paragraphs 3 and 4 above, were, and are, in violation of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, and constituted, and now constitute, unfair and deceptive acts and practices and unfair methods of competition, in commerce, within the intent and meaning of the Federal Trade Commission Act.

Charles W. O'Connell, Esq., and *Arthur Wolter, Jr., Esq.*, supporting the complaint.

Respondents, for themselves.

INITIAL DECISION BY LEON R. GROSS, HEARING EXAMINER

On December 9, 1960, the Federal Trade Commission issued a complaint against the above-named respondents, in which they were

charged with violating the Federal Trade Commission Act, and the Wool Products Labeling Act and the Rules and Regulations promulgated thereunder by falsely or deceptively labeling and tagging wool products sold by them in interstate commerce. The complaint alleges that respondents falsely and deceptively stamped, tagged, labeled or identified such wool products as to the character or amount of the constituent fibers contained therein; and failed to affix labels to such products showing each element of information required to be disclosed by §4(a)(2) of the Wool Products Labeling Act of 1939. A true and correct copy of the complaint was served upon the respondents and each and all of them as required by law.

Thereafter respondents appeared and agreed to dispose of this proceeding without a formal hearing pursuant to the terms of an agreement dated January 27, 1961, containing consent order to cease and desist. The agreement was submitted to the undersigned hearing examiner on February 1, 1961, in accordance with §3.25 of the Commission's Rules of Practice for Adjudicative Proceedings. The agreement purports to dispose of this proceeding as to the respondents and each and all of them and contains the form of a consent cease and desist order which the parties have represented is dispositive of the issues involved in this proceeding. The agreement has been signed by the corporate respondent by its president, by the individual respondents individually and as officers of said corporation, and by the counsel supporting the complaint, and has been approved by the Assistant Director, Acting Associate Director, and Director of the Bureau of Litigation of the Federal Trade Commission. In said agreement respondents admit all of the jurisdictional facts alleged in the complaint and agree that the record may be taken as if findings of jurisdictional facts had been made in accordance with such allegations. In the agreement the respondents waive: (a) any further procedural steps before the hearing examiner and the Commission; (b) the making of findings of fact or conclusions of law; and (c) all rights respondents may have to challenge or contest the validity of the order to cease and desist entered in accordance with the agreement.

The parties further agree, in said agreement, that the record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and the agreement; that the agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Federal Trade Commission; that the order to cease and desist entered in this proceeding by the Commission may be entered without further notice to the respondents, and when so entered such order will have the same

force and effect as if entered after a full hearing. Said order may be altered, modified or set aside in the manner provided for other orders. The complaint may be used in construing the terms of the order.

The parties have covenanted that the said agreement is for settlement purposes only and does not constitute an admission by the respondents that they have violated the law as alleged in the complaint.

This proceeding having now come on for final consideration on the complaint and the aforesaid agreement of January 27, 1961, containing consent order, and it appearing that the order which is approved in and by said agreement disposes of all the issues presented by the complaint as to all of the parties involved, said agreement is hereby accepted and approved as complying with §§3.21 and 3.25 of the Commission's Rules of Practice for Adjudicative Proceedings. The undersigned hearing examiner, having considered the agreement and proposed order and being of the opinion that the acceptance thereof will be in the public interest, makes the following findings and issues the following order:

FINDINGS

1. The Federal Trade Commission has jurisdiction over the parties and the subject matter of this proceeding; and this proceeding is in the public interest;

2. Respondent Bernard Shapiro Woolen Corp. is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York. Individual respondents Morris J. Wolf, Samuel Applebaum, and Nat Perlman are officers of said corporate respondent. Said individual respondents formulate, direct and control the acts, policies, and practices of the corporate respondent. All respondents have their office and principal place of business at 271 West 38th Street, New York, New York.

3. Respondents are engaged in commerce as "commerce" is defined in the pertinent statutes which are invoked by the complaint filed herein. Now, therefore,

It is ordered, That respondent Bernard Shapiro Woolen Corp., a corporation, and its officers, Morris J. Wolf, Samuel Applebaum, and Nat Perlman, 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 offering for sale, sale, transportation, or distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act and the Wool Products Labeling Act of

1939, of woolen fabrics or other "wool products" as such products are defined in and subject to 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 affix labels on such products showing each element of information required to be disclosed by Section 4(a)(2) of the Wool Products Labeling Act of 1939.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 30th day of March, 1961, become the decision of the Commission; and, accordingly:

It is ordered, That the above-named respondents 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 in which they have complied with the order to cease and desist.

In The Matter Of

STYLE-RITE GIRL COAT, INC., ET AL.

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

Docket 8234. Complaint, Dec. 27, 1960—Decision, Mar. 30, 1961

Consent order requiring manufacturers in New York City to cease violating the Wool Products Labeling Act by labeling as "30% Wool, 70% Other Fibers", coats which contained more than 5% of both nylon and acetate, and by failing to label other wool products as required.

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 Style-Rite Girl Coat, Inc., a corporation, and Sidney Sommer and Morton Sommer, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Wool 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. Style-Rite Girl Coat, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York. Individual respondents Sidney Sommer and Morton Sommer are officers of the corporate respondent. Said individual respondents cooperate in formulating, directing and controlling the acts, policies and practices of the corporate respondents, including the acts and practices hereinafter referred to. All respondents have their office and principal place of business at 520 Eighth Avenue in New York, New York.

PAR. 2. Subsequent to the effective date of the Wool Products Labeling Act of 1939, and more especially since December 1959, respondents have manufactured for introduction into commerce, introduced into commerce, sold, transported, distributed, delivered for shipment, and offered for sale in commerce, as "commerce" is defined in said Act, wool products, as "wool products" are 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 and the Rules and Regulations promulgated thereunder, in that they were falsely and deceptively labeled or tagged with respect to the character and amount of the constituent fibers contained therein.

Among such wool products were coats labeled or tagged by respondents as "30% Wool, 70% Other Fibers," whereas said coats contained nylon and acetate, each in excess of 5% of the total fiber weight.

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

P(8. 5. The respondents, in the course and conduct of their business, as aforesaid, were and are in substantial competition with other corporations, firms and individuals likewise engaged in the manufacture and sale of wool products, including coats.

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 and deceptive acts and practices and unfair methods of competition in commerce within the intent and meaning of the Federal Trade Commission Act.

Mr. DeWitt T. Puckett for the Commission.
Respondents, for themselves.

INITIAL DECISION BY HERMAN TOCKER, HEARING EXAMINER

The complaint in this proceeding, issued December 27, 1960, charged the respondents, Style-Rite Girl Coat, Inc., a New York corporation, located at 520 Eighth Avenue, New York, New York, and Sidney Sommer and Morton Sommer, individually and as officers of said corporation, and located at the same address as the corporate respondent, with violation of the provisions of the Federal Trade Commission Act, and the Wool Products Labeling Act of 1939 and the Rules and Regulations made pursuant thereto, by misbranding certain wool products manufactured by them for introducion into commerce.

After the issuance of the complaint, respondents entered into an agreement containing consent order to cease and desist with counsel in support of the complaint, disposing of all the issues as to all parties in this proceeding.

It was expressly provided in said agreement that the signing thereof is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint.

By the terms of said agreement, the respondents admitted all the jurisdictional facts alleged in the complaint and agreed that the record herein may be taken as if the Commission had made findings of jurisdictional facts in accordance with the allegations.

By said agreement, the parties expressly waived any further procedural steps before the hearing examiner and the Commission; the making of findings of fact or conclusions of law; and all the rights they may have to challenge or contest the validity of the order to cease and desist entered in accordance with the agreement.

Respondents further agreed that the order to cease and desist, issued in accordance with said agreement, shall have the same force and effect as if made after a full hearing.

It was further provided that said agreement, together with the complaint, shall constitute the entire record herein; that the complaint herein may be used in construing the terms of the order issued pursuant to said agreement; and that said order may be altered, modified or set aside in the manner prescribed by the statute for orders of the Commission.

The hearing examiner has considered such agreement and the order therein contained, and, it appearing that said agreement and order provide for an appropriate disposition of this proceeding, the same is hereby accepted and is ordered filed upon becoming part of the Commission's decision in accordance with Sections 3.21 and 3.25 of the Rules of Practice, and, in consonance with the terms of said agreement, the hearing examiner finds that the Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents named herein, and that this proceeding is in the interest of the public, and issues the following order:

ORDER

It is ordered, That respondents Style-Rite Girl Coat, Inc., a corporation, and its officers, and Sidney Sommer and Morton Sommer, 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 offering for sale, sale, transportation or distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, of woolen coats or other "wool products", as such products are defined in and subject to 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 included therein;

2. Failing to affix labels to such products showing each element of information required to be disclosed by §4(a)(2) of the Wool Products Labeling Act of 1939.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 30th day of March 1961, become the decision of the Commission; and accordingly:

It is 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 the order to cease and desist.

IN THE MATTER OF

RICHARD F. JORN ET AL. TRADING AS TESSITALIA

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

Docket 7996. Complaint, June 24, 1960—Decision, Apr. 4, 1961

Order requiring New York City importers of fabrics from Italy to cease violating the Wool Products Labeling Act by labeling as "95% Rep. Wool, 5% Nylon", "40% Rep. Wool, 50% Spun Rayon, 10% Nylon", fabrics which contained substantially less woolen fibers than thus represented, and by failing to comply with labeling requirements in other respects.

Mr. Charles W. O'Connell for the Commission.
Respondents, *pro se.*

INITIAL DECISION BY EARL J. KOLB, HEARING EXAMINER

This proceeding is before the undersigned Hearing Examiner for final consideration on the complaint, answer thereto, testimony and other evidence and proposed findings as to the facts and conclusions presented by counsel in support of the complaint. The Hearing Examiner has given consideration to the proposed findings of fact and conclusions submitted by counsel supporting the complaint, and all findings of fact and conclusions of law not hereinafter specifically found or concluded are herewith rejected and the Hearing Examiner, having considered the record herein and being now fully advised in the premises, makes the following findings as to the facts, conclusions drawn therefrom and order:

FINDINGS AS TO THE FACTS

PARAGRAPH 1. For approximately 7 or 8 months prior to October 1959, respondents Richard F. Jorn and Irving Rifkin were copartners trading as Tessitalia with their office and principal place of business located at 566 Seventh Avenue, New York, New York. During this period respondents imported from Italy and introduced into commerce, as "commerce" is defined in the Wool Products Labeling Act of 1939, "wool products", as wool products are defined therein.

PAR. 2. These wool products, consisting principally of flannel-type goods and tweeds, were purchased by respondents from mills located in Italy through a mill agent and were shipped to respondents by the mill in bolts in bale lots, f.o.b. Italy. The original papers pertaining to such imported shipments were sent to the First National Bank

of Boston which acted as factor in the transaction. The customers of respondents paid the bill to the First National Bank of Boston, as factor, who, in turn, would remit to the mill through the Italian banks and, after deducting fees and expenses, remitted the balance to the respondents. This merchandise was of varying wool content and was labeled as to fiber content when received by respondents and such labels remained on the goods as shipments were delivered intact.

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 and the Rules and Regulations promulgated thereunder in that they were falsely and deceptively labeled or tagged with respect to the character and amount of the constituent fibers contained therein. Among such misbranded wool products were woolen fabrics labeled or tagged by respondents as follows:

Item 1—Product labeled 95% reprocessed wool, 5% nylon which, in fact, contained 89.5% wool, 9.7% nylon and .8% acetate.

Item 2—Product labeled 35% new wool, 60% reprocessed wool, 5% nylon which, in fact, contained 91.7% wool, 7.5% nylon and .8% acetate.

Item 3—Product labeled 40% reprocessed wool, 50% rayon, 10% nylon which, in fact, contained 29.6% wool, 63.5% residue (other than wool or acetate) and 6.9% acetate.

Item 4—Product labeled 40% reprocessed wool, 50% rayon, 10% nylon which, in fact, contained 25.8% wool, 68.1% residue (other than wool or acetate) and 6.1% acetate.

PAR. 4. During the time that they were engaged in business as Tessitalia, the respondents did a gross business of $500,000 and were engaged in substantial competition in interstate commerce with other concerns also engaged in the sale and distribution of similar wool products.

CONCLUSIONS

The acts and practices of the respondents, as herein found, were in violation of Sections 4(a)(1) and 4(a)(2) of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, and constituted unfair and deceptive acts and practices and unfair methods of competition in commerce within the intent and meaning of the Federal Trade Commission Act.

ORDER

It is ordered, That respondents Richard F. Jorn and Irving Rifkin, individually and as copartners trading as Tessitalia, 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 offering for sale, sale, transportation or distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act, and the Wool Products Labeling Act of 1939, of woolen fabrics or other "wool products", as such products are defined in and subject to said Wool Products Labeling Act, 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 included therein.

2. Failing to affix labels to wool products showing each element of information required to be disclosed by Section 4(a)(2) of the Wool Products Labeling Act of 1939.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 4th day of April 1961, become the decision of the Commission; and, accordingly:

It is 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 the order to cease and desist.

In The Matter Of

FOAM RUBBER CITY, INC., ET AL.

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

Docket 8239. Complaint, Dec. 28, 1960—Decision, Apr. 4, 1961

Consent order requiring a furniture manufacturer at College Point, Long Island, N. Y., and its five subsidiaries—two at the Long Island location and three in Chicago—to cease such practices as representing falsely in newspaper advertising that the higher prices following the term "Reg." were the usual retail prices for their furniture and that the difference between the higher and lower prices represented savings to purchasers, and that the prices used in connection with such terms as "Chain Wide Clearance Sale", "Special Purchase Sale", "Annual Inventory Sale", and "Discount Sale", were reductions from customary retail prices; and to cease representing by use of the term "Foam Rubber City" that only foam rubber was used in the construction of their products, when in fact the cheaper and less desirable polyurethane (polyfoam) was used in a substantial part of them.

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 Foam Rubber City, Inc., a corporation, Foam Rubber City "2", Inc., a corporation, Foam Rubber City National, Inc., a corporation, Foam Rubber City of Chicago, Inc., a corporation, "2" Foam Rubber City of Chicago, Inc., a corporation, National Foam Rubber City of Chicago, Inc., a corporation, and Victor Sabatino, Donald Lewis, Joseph Krauss and Morton Klein, individually and as officers of each 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 Foam Rubber City, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its principal office and place of business located at 117-20 14th Road, College Point, Long Island, New York. It is the parent company and all of the other corporate respondents are subsidiaries of said corporation. It exercises general control over the practices of said subsidiaries. It is also engaged in manufacturing furniture.

Respondent Foam Rubber City "2", Inc. also is a New York corporation and does business at the same address as the parent corporation. It operates company-owned retail furniture stores located in the New York City metropolitan area.

Respondent Foam Rubber City National, Inc. is a New York corporation and does business at the same address as the parent corporation. It sells to and services franchise dealers in the eastern portion of the United States.

Respondent Foam Rubber City of Chicago, Inc., is an illinois corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois, with its principal office and place of business located at 2509 Cermack Road, Chicago Illinois. It is engaged, among other things, in manufacturing furniture.

Respondent "2" Foam Rubber City of Chicago, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois, with its principal office and place of business located at 2509 Cermack Road, Chicago, Illinois. It operates company-owned retail furniture stores located in the City of Chicago, Illinois.

Respondent National Foam Rubber City of Chicago, Inc. is also an Illinois corporation with its place of business located at 2509 Cermack Road, Chicago, Illinois. It sells to and services franchise dealers in the Chicago and midwestern trading area.

Respondents Victor Sabatino, Donald Lewis, Joseph Krauss and Morton Klein are officers of all the corporate respondents named herein. They formulate, direct and control the policies, acts and practices of all respondents, including the acts and practices hereinafter set forth and described. Their addresses are the same as that of the parent company.

PAR. 2. Respondents Foam Rubber City, Inc. and Foam Rubber City of Chicago, Inc. manufacture furniture which is sold by stores of subsidiaries and franchise dealers. Said furniture is shipped from the States of New York and Illinois by said respondents to said stores and franchise dealers located in other states. Respondent Foam Rubber City, Inc. prepares advertising matter for use by the retail stores operated by its subsidiaries and franchise dealers which it transmits to said stores and franchise dealers from the State of New York to said stores and dealers at their locations in other states. Some or all of said stores and dealers use said advertising matter in advertising the merchandise so supplied to them.

Some of respondents' furniture is and has been shipped across state lines to members of the public after purchase by them from a store or stores operated by respondents. Respondents thus maintain, and at all times mentioned herein have maintained, a course of trade in said furniture, in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 3. In the course and conduct of their aforesaid business, and for the purpose of inducing the purchase of their furniture, the respondents have made numerous statements in advertisements inserted in newspapers with respect to prices of their furniture and the savings resulting to purchasers.

Typical and illustrative of the aforesaid representations are the following:

York Chair
Covered—$39.95
Reg.—$69.95

Finn Chair
Covered—$59.95
Reg.—$109.95

The Claremont—Sofa Bed
Covered—$99.50
Reg.—$139.95

PAR. 4. By and through the use of the above-quoted statements, and others of similar import not specifically set out herein, the respondents represented that the higher stated prices set out in said advertisements in connection with the term "Reg." were the prices

at which the advertised merchandise had been usually and customarily sold by respondents at retail in the recent regular course of business and that the difference between the higher and lower prices represented savings to purchasers from respondents' usual and customary retail prices.

PAR. 5. The aforesaid representations were and are false, misleading and deceptive. In truth and in fact, the higher prices set out in said advertisements in connection with the term "Reg." were fictitious and in excess of the prices at which the advertised merchandise had been usually and customarily sold by respondents in the recent regular course of business and the differences between the higher and lower prices did not represent savings to purchasers from respondents' usual and customary retail prices.

PAR. 6. Respondents and their franchise dealers in their advertising use such expressions as "Chain Wide Clearance Sale", "Special Purchase Sale", "Annual Inventory Sale" and "Discount Sale" in connection with prices of various articles of furniture, thereby representing that the prices set out constitute reductions from the prices at which said furniture had been usually and customarily sold and that by purchasing the furniture at said prices reductions from the usual and customary prices are afforded to purchasers. In truth and in fact, the advertised prices are the prices at which the furniture is usually and customarily sold and no savings are afforded when the furniture is purchased at the advertised prices.

PAR. 7. Advertising prepared by respondents and used by all outlets in connection with the sale of said products features the expression "Foam Rubber City."

Through the use of the aforesaid expression, the respondents represent, directly or by implication, that only foam rubber is used in the construction of their products, when such is not the fact.

In truth and in fact, polyurethane (polyfoam), a cheaper and less durable product is used in the construction of a substantial part of said products, and respondents do not disclose that fact in all instances.

PAR. 8. By reason of the aforesaid practices, as described in Paragraphs Six and Seven, the respondents place in the hands of their retail stores and franchise dealers the means and instrumentalities by which they may mislead and deceive the public as to the prices of their furniture and the materials used in the construction thereof.

PAR. 9. In the conduct of their businesses, at all times mentioned herein, respondents have been in substantial competition, in commerce, with corporations, firms, and individuals in the sale of furni-

ture of the same general kind and nature as that sold by respondents.

PAR. 10. 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' furniture by reason of said erroneous and mistaken belief. As a consequence thereof, substantial trade in commerce has been, and is being, unfairly diverted to respondents from their competitors and substantial injury has thereby been, and is being, done to competition in commerce.

PAR. 11. 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 and deceptive acts and practices and unfair methods of competition, in commerce, within the intent and meaning of the Federal Trade Commission Act.

Mr. DeWitt T. Puckett for the Commission.
Mr. Morton Klein, of College Point, N. Y., for respondent.

INITIAL DECISION BY EDGAR A. BUTTLE, HEARING EXAMINER

On December 28, 1960, the Federal Trade Commission issued its complaint against the above-named respondents charging them with violating the provisions of the Federal Trade Commission Act in connection with the offering for sale, sale or distribution of furniture and other articles of merchandise. On January 19, 1961, the respondents and counsel supporting the complaint entered into an agreement containing a consent order to cease and desist in accordance with section 3.25(a) of the Rules of Practice and Procedure of the Commission.

Under the foregoing agreement, the respondents admit the jurisdictional facts alleged in the complaint and agree among other things, that the cease and desist order there set forth may be entered without further notice and shall have the same force and effect as if entered after a full hearing. The agreement includes a waiver by the respondents of all rights to challenge or contest the validity of the order issuing in accordance therewith; and recites that the said agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Commission, and that it is for settlement purposes only and does not constitute an admission by the respondents that they have violated the law as alleged in the complaint. The hearing examiner finds that the content of the said

agreement meets all the requirements of section 3.25(b) of the Rules of Practice.

This proceeding having now come on for final consideration by the hearing examiner on the complaint and the aforesaid agreement for consent order, and it appearing that said agreement provides for an appropriate disposition of this proceeding, the aforesaid agreement is hereby accepted and is ordered filed upon becoming part of the Commission's decision in accordance with section 3.21 of the Rules of Practice; and in consonance with the terms of said agreement, the hearing examiner makes the following jurisdictional findings and order:

1. Respondent Foam Rubber City, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its principal office and place of business located at 117-20 14th Road, College Point, Long Island, New York. It is the parent company and all of the other corporate respondents are subsidiaries of said corporation. It exercises general control over the practices of said subsidiaries. It is also engaged in manufacturing furniture.

Respondent Foam Rubber City "2", Inc., also is a New York corporation and does business at the same address as the parent corporation. It operates company-owned retail furniture stores located in the New York City metropolitan area.

Respondent Foam Rubber City National, Inc., is a New York corporation and does business at the same address as the parent corporation. It sells to and services franchise dealers in the eastern portion of the United States.

Respondent Foam Rubber City of Chicago, Inc., is an Illinois corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois, with its principal office and place of business located at 2509 Cermack Road, Chicago, Illinois. It is engaged, among other things, in manufacturing furniture.

Respondent "2" Foam Rubber City of Chicago, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois, with its principal office and place of business located at 2509 Cermack Road, Chicago, Illinois. It operates company-owned retail furniture stores located in the City of Chicago, Illinois.

Respondent National Foam Rubber City of Chicago, Inc., is also an Illinois corporation with its place of business located at 2509 Cermack Road, Chicago, Illinois. It sells to and services franchise dealers in the Chicago and midwestern trading area.

Respondents Victor Sabatino, Donald Lewis, Joseph Krauss and Morton Klein are officers of all the corporate respondents named herein. They formulate, direct and control the policies, acts and practices of all respondents. Their addresses are the same as that of the parent company.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents hereinabove named. The complaint states a cause of action against said respondents under the Federal Trade Commission Act, and this proceeding is in the interest of the public.

ORDER

It is ordered, That respondents, Foam Rubber City, Inc., Foam Rubber City "2", Inc., Foam Rubber City National, Inc., Foam Rubber City of Chicago, Inc., "2" Foam Rubber City of Chicago, Inc., National Foam Rubber City of Chicago, Inc., corporations, and their officers, and Victor Sabatino, Donald Lewis, Joseph Krauss and Morton Klein, individually and as officers of all of said corporations, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of furniture or any other articles of merchandise, in commerce, as "commerce" is defined in the Fedeal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication:

(a) That any amount is respondents' usual and customary retail price of respondents' merchandise when such amount is in excess of the price at which said merchandise is usually and customarily sold at retail by respondents and their franchise dealers in the recent, regular course of their business;

(b) That any saving from respondents' retail price is afforded to the purchasers of respondents' merchandise, unless the price at which it is offered constitutes a reduction from the price at which said merchandise has been usually and customarily sold by respondents and their franchise dealers in the recent, regular course of business.

2. Using the words or expressions "regular", "reg.", "clearance sale", "discount sale", "special purchase sale" or "sale", or any other word or expressions of the same import, to describe or refer to retail prices of respondents' merchandise unless such prices constitute reductions from the prices at which the advertised merchandise has been sold by respondents and their franchise dealers in the recent, regular course of business .

3. Misrepresenting in any manner the amount of savings available to purchasers of respondents' merchandise, or the amounts by which

the prices of said merchandise are reduced from the prices at which said merchandise is usually and customarily sold at retail in the recent, regular course of business.

4. Misrepresenting the materials used in the construction of merchandise.

5. Furnishing means and instrumentalities to others by and through which they may mislead the public as to any of the matters and things prohibited in paragraphs 1, 2, 3 and 4 thereof.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 4th day of April 1961, become the decision of the Commission; and, accordingly:

It is 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 the order to cease and desist.

IN THE MATTER OF

BERNARD M. ABRAHAMS ET AL. TRADING AS ABRAHAMS BROTHERS

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

Docket 8188. Complaint, Nov. 28, 1960—Decision, Apr. 6, 1961

Consent order requiring New York City furriers to cease violating the Fur Products Labeling Act by advertising in newspapers which failed to disclose the names of animals producing certain furs or the country of origin of imported furs, represented prices of fur products as reduced from purported regular prices which were in fact fictitious, and, by use of such claims as "Save to 20% or more on any fur in stock", that regular prices were reduced in that percentage when such was not true, and which failed in other respects to comply with requirements; and by failing to keep adequate records as a basis for pricing claims.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Bernard M. Abrahams, Sherman Abrahams and Donald M. Abrahams, individually and as copartners trading

as Abrahams Brothers, 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. Bernard M. Abrahams, Sherman Abrahams and Donald M. Abrahams are individuals and copartners trading as Abrahams Brothers with their office and principal place of business located at 119 West 40th Street, New York, New York.

PAR. 2. Subsequent to the effective date of the Fur Products Labeling Act on August 9, 1952, respondents have been and are now 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 fur which had been shipped and received in commerce, as the terms "commerce", "fur" and "fur product" are defined in the Fur Products Labeling Act.

PAR. 3. Certain of said fur products were falsely and deceptively advertised in violation of the Fur Products Labeling Act in that respondents caused the dissemination in commerce, as "commerce", is defined in said Act, of certain newspaper advertisements, concerning said products, which were not in accordance with the provisions of Section 5(a) of the said Act and the Rules and Regulations promulgated thereunder; and which advertisements were intended to aid, promote and assist, directly or indirectly, in the sale and offering for sale of said fur products.

PAR. 4. Among and included in the advertisements as aforesaid, but not limited thereto, were advertisements of respondents which appeared in issues of the Illinois State Register, a newspaper published in the City of Springfield, State of Illinois, and having a wide circulation in said State and various other States of the United States.

By means of said advertisements and others of similar import and meaning, not specifically referred to herein, respondent falsely and deceptively advertised fur products in that said advertisements:

(a) Failed to disclose the name or names of the animal or animals that produced the fur contained in the fur product as set forth in the Fur Products Name Guide, in violation of Section 5(a)(1) of the Fur Products Labeling Act.

(b) Failed to disclose the name of the country of origin of the imported furs contained in the fur products, in violation of Section 5(a)(6) of the Fur Products Labeling Act.

(c) Contained information required under Section 5(a) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder which was set forth in type of equal size and conspicuousness and in close proximity with each other, in violation of Rule 38(a) of said Rules and Regulations.

(d) Represented prices of fur products as having been reduced from regular or usual prices where the so-called regular or usual prices were in fact fictitious in that they were not the prices at which said merchandise was usually sold by respondents in the recent regular course of business, in violation of Section 5(a)(5) of the Fur Products Labeling Act and Rule 44(a) of said Rules and Regulations.

(e) Represented through the use of percentage savings claims such as "Save to 20% or more on any fur in stock" that the regular or usual prices charged by respondents for fur products in the recent regular course of business were reduced in direct proportion to the percentage of savings stated when such was not the fact in violation of Section 5(a)(5) of the Fur Products Labeling Act.

PAR. 5. Respondents in advertising fur products for sale as aforesaid made claims and representations respecting the prices and values of fur products. Respondents in making such claims and representations failed to maintain full and adequate records disclosing the facts upon which such claims and representations were based in violation of Rule 44(e) of the said Rules and Regulations.

PAR. 6. 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 and deceptive acts and practices in commerce under the Federal Trade Commission Act.

Mr. Michael P. Hughes for the Commission.

Mr. A. Louis Oresman, by *Mr. David M. Levitan*, of New York, N. Y., for respondents.

INITIAL DECISION BY ABNER E. LIPSCOMB, HEARING EXAMINER

The complaint herein was issued on November 28, 1960, charging the Respondents with violation of the Federal Trade Commission Act and of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder, by falsely and deceptively advertising certain of their fur products, and by failing to maintain full and adequate records disclosing the facts upon which were based certain claims and representations respecting the prices and values of fur products.

Thereafter, on February 1, 1961, Respondents, their counsel, and counsel supporting the complaint herein entered into an Agreement Containing Consent Order To Cease and Desist, which was approved by the Director, Associate Director and Assistant Director of the Commission's Bureau of Litigation, and thereafter, on February 17, 1961, submitted to the Hearing Examiner for consideration.

The agreement identifies Respondents Bernard M. Abrahams, Sherman Abrahams and Donald M. Abrahams as individuals and copartners trading as Abrahams Brothers, with their office and principal place of business located at 119 West 40th Street, New York, New York.

Respondents admit all the jurisdictional facts alleged in the complaint, and agree that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations.

Respondents waive any further procedure before the Hearing Examiner and the Commission; the making of findings of fact and conclusions of law; and all of the rights they may have to challenge or contest the validity of the order to cease and desist entered in accordance with the agreement. All parties agree that the record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and the agreement; that the order to cease and desist, as contained in the agreement, when it shall have become a part of the decision of the Commission, shall have the same force and effect as if entered after a full hearing, and may be altered, modified or set aside in the manner provided for other orders; that the complaint herein may be used in construing the terms of said order; and that the agreement is for settlement purposes only and does not constitute an admission by Respondents that they have violated the law as alleged in the complaint.

After consideration of the allegations of the complaint, and the provisions of the agreement and the proposed order, the Hearing Examiner is of the opinion that such order constitutes a satisfactory disposition of this proceeding. Accordingly, in consonance with the terms of the aforesaid agreement, the Hearing Examiner accepts the Agreement Containing Consent Order To Cease And Desist; finds that the Commission has jurisdiction over the Respondents and over their acts and practices as alleged in the complaint; and finds that this proceeding is in the public interest. Therefore,

It is ordered, That Bernard M. Abrahams, Sherman Abrahams and Donald M. Abrahams, individually and as copartners trading as Abrahams Brothers or under any other trade name, and Respondents' representatives, agents and employees, directly or through any corpo-

rate 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 fur products, or in connection with the sale, advertising, offering for sale, transportation, or distribution of fur products which are made in whole or in part of fur which has been shipped and received in commerce, as "commerce", "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

1. Falsely or deceptively advertising fur products 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 the offering for sale of fur products and which:

A. Fails to disclose:

1. The name or names of the animal or animals producing the fur or furs contained in the fur products as set forth in the Fur Products Name Guide and as prescribed under the Rules and Regulations;

2. The name of the country of origin of any imported furs contained in a fur product;

B. Fails to set forth the information required under §5(a) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in type of equal size and conspicuousness and in close proximity with each other;

C. Represents directly or by implication that the regular or usual price of any fur product is any amount which is in excess of the price at which Respondents have usually and customarily sold such products in the recent regular course of business;

D. Represents directly or by implication through percentage savings claims that the regular or usual prices charged by Respondents for fur products in the recent regular course of business were reduced in direct proportion to the amount of savings stated when contrary to the fact;

Making pricing claims or representations respecting prices or values of fur products unless Respondents maintain full and adequate records disclosing the facts upon which such claims and representations are based.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 6th day of April 1961, become the decision of the Commission; and, accordingly:

It is ordered, That respondents Bernard M. Abrahams, Sherman Abrahams and Donald M. Abrahams, individually and as copartners

trading as Abrahams Brothers, 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.

IN THE MATTER OF

GEORGE L. WESTENBERGER ET AL. TRADING AS WESTENBERGER'S

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

Docket 8189. Complaint, Nov. 28, 1960—Decision, Apr. 6, 1961

Consent order requiring Springfield, Ill., furriers to cease violating the Fur Products Labeling Act by advertising in newspapers which failed to disclose the names of animals producing certain furs or the country of origin of imported furs, represented prices as reduced from so-called regular prices which were, in fact, fictitious, and, by use of such phrases as "Save to 20% or more on any fur in stock", that regular prices were reduced in that percentage when such was not true, and which failed in other respects to comply with requirements of the Act; and by failing to keep adequate records as a basis for pricing claims.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that George L. Westenberger and Mary E. Westenberger II, individually and as copartners trading as Westenberger's, 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. George L .Westenberger and Mary E. Westenberger II are individuals and copartners trading as Westenberger's with their office and principal place of business located at 206 South Sixth Street, Springfield, Illinois.

PAR. 2. Subsequent to the effective date of the Fur Products Labeling Act on August 9, 1952, respondents in conjunction with lessees of their fur department, have been and are now 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 fur which had been shipped and received in commerce, as the terms "commerce", "fur" and "fur product" are defined in the Fur Products Labeling Act.

PAR. 3. Certain of said fur products were falsely and deceptively advertised in violation of the Fur Products Labeling Act in that respondents caused the dissemination in commerce, as "commerce" is defined in said Act, of certain newspaper advertisements, concerning said products, which were not in accordance with the provisions of Section 5(a) of the said Act and the Rules and Regulations promulgated thereunder; and which advertisements were intended to aid, promote and assist, directly or indirectly, in the sale and offering for sale of said fur products.

PAR. 4. Among and included in the advertisements as aforesaid, but not limited thereto, were advertisements of respondents which appeared in issues of the Illinois State Register, a newspaper published in the City of Springfield, State of Illinois, and having a wide circulation in said State and various other States of the United States.

By means of said advertisements and others of similar import and meaning, not specifically referred to herein, respondents falsely and deceptively advertised fur products in that said advertisements:

(a) Failed to disclose the name or names of the animal or animals that produced the fur contained in the fur product as set forth in the Fur Products Name Guide, in violation of Section 5(a)(1) of the Fur Products Labeling Act.

(b) Failed to disclose the name of the country of origin of the imported furs contained in the fur products, in violation of Section 5(a)(6) of the Fur Products Labeling Act.

(c) Contained information required under Section 5(a) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder which was not set forth in type of equal size and conspicuousness and in close proximity with each other, in violation of Rule 38(a) of said Rules and Regulations.

(d) Represented prices of fur products as having been reduced from regular or usual prices where the so-called regular or usual prices were in fact fictitious in that they were not the prices at which said merchandise was usually sold by respondents in the recent regular course of business, in violation of Section 5(a)(5) of the Fur Products Labeling Act and Rule 44(a) of said Rules and Regulations.

(e) Represented through the use of percentage savings claims such as "Save to 20% or more on any fur in stock" that the regular

or usual prices charged by respondents for fur products in the recent regular course of business were reduced in direct proportion to the percentage of savings stated when such was not the fact in violation of Section 5(a)(5) of the Fur Products Labeling Act.

PAR. 5. Respondents in advertising fur products for sale as aforesaid made claims and representations respecting the prices and values of fur products. Respondents in making such claims and representations failed to maintain full and adequate records disclosing the facts upon which such claims and representations were based in violation of Rule 44(e) of the said Rules and Regulations.

PAR. 6. 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 and deceptive acts and practices in commerce under the Federal Trade Commission Act.

Mr. Michael P. Hughes for the Commission.

Mr. A. Louis Oresman, by *Mr. David M. Levitan*, of New York, N. Y., for respondents.

INITIAL DECISION BY ABNER E. LIPSCOMB, HEARING EXAMINER

The complaint herein was issued on November 28, 1960, charging the Respondents with violation of the Federal Trade Commission Act and of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder, by falsely and deceptively advertising certain of their fur products, and by failing to maintain full and adequate records disclosing the facts upon which were based certain claims and representations respecting the prices and values of fur products.

Thereafter, on January 28, 1961, Respondents, their counsel, and counsel supporting the complaint herein entered into an Agreement Containing Consent Order To Cease And Desist, which was approved by the Director, Associate Director and Assistant Director of the Commission's Bureau of Litigation, and thereafter, on February 17, 1961, submitted to the Hearing Examiner for consideration.

The agreement identifies Respondents George L. Westenberger and Mary E. Westenberger II as individuals and copartners trading as Westenberger's, with their principal place of business located at 206 South Sixth Street, Springfield, Illinois.

Respondents admit all the jurisdictional facts alleged in the complaint, and agree that the record may be taken if findings of jurisdictional facts had been duly made in accordance with such allegations.

Respondents waive any further procedure before the Hearing Examiner and the Commission; the making of findings of fact and conclusions of law; and all of the rights they may have to challenge or contest the validity of the order to cease and desist entered in accordance with the agreement. All parties agree that the record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and the agreement; that the order to cease and desist, as contained in the agreement, when it shall have become a part of the decision of the Commission, shall have the same force and effect as if entered after a full hearing, and may be altered, modified or set aside in the manner provided for other orders; that the complaint herein may be used in construing the terms of said order; and that the agreement is for settlement purposes only and does not constitute an admission by Respondents that they have violated the law as alleged in the complaint.

After consideration of the allegations of the complaint, and the provisions of the agreement and the proposed order, the Hearing Examiner is of the opinion that such order constitutes a satisfactory disposition of this proceeding. Accordingly, in consonance with the terms of the aforesaid agreement, the Hearing Examiner accepts the Agreement Containing Consent Order To Cease And Desist; finds that the Commission has jurisdiction over the Respondents and over their acts and practices as alleged in the complaint; and finds that this proceeding is in the public interest. Therefore,

It is ordered, That George L. Westenberger and Mary E. Westenberger II, individually and as copartners trading as Westenberger's or under any other trade name, 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 fur products, or in connection with the sale, advertising, offering for sale, transportation, or distribution of fur products which are made in whole or in part of fur which has been shipped and received in commerce, as "commerce", "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

1. Falsely or deceptively advertising fur products 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 the offering for sale of fur products and which:

A. Fails to disclose:

(1) The name or names of the animal or animals producing the fur or furs contained in the fur products as set forth in the Fur Products Name Guide and as prescribed under the Rules and Regulations;

(2) The name of the country of origin of any imported furs contained in a fur product;

B. Fails to set forth the information required under §5(a) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in type of equal size and conspicuousness and in close proximity with each other;

C. Represents directly or by implication that the regular or usual price of any fur product is any amount which is in excess of the price at which Respondents have usually and customarily sold such products in the recent regular course of business;

D. Represents directly or by implication through percentage savings claims that the regular or usual price charged by Respondents for fur products in the recent regular course of business were reduced in direct proportion to the amount of savings stated when contrary to the fact;

2. Making pricing claims or representations respecting prices or values of fur products unless Respondents maintain full and adequate records disclosing the facts upon which such claims and representations are based.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 6th day of April 1961, become the decision of the Commission; and, accordingly:

It is ordered, That respondents George L. Westenberger and Mary E. Westenberger II, individually and as copartners trading as Westenberger's, 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.

In The Matter Of

LOUIS J. BEDELL ET AL. DOING BUSINESS AS ERA RECORDS

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

Docket 8191. Complaint, Nov. 28, 1960—Decision, Apr. 6, 1961

Consent order requiring Hollywood manufacturers of phonograph records to cease giving concealed payola to disc jockeys and other personnel of radio and television stations to induce frequent playing of their records in order to increase sales.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in by by said Act, the Federal Trade Commission, having reason to believe that Louis J. Bedell, Max Newman and Herbert Newman, individually, and formerly operating as copartners, trading and doing business as Era Records, 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. Individual respondents Louis J. Bedell, Max Newman and Herbert Newman were copartners, trading and doing business as Era Records. Louis J. Bedell's and Max Newman's present office and principal place of busines is located at 1481 North Vine Street, in the City of Hollywood, State of California. Herbert Newman's office is located at 6425 Hollywood Boulevard, in the City of Hollywood, State of California.

PAR. 2. Respondents, prior to May 1959, were engaged in the manufacture and distribution, offering for sale and sale of phonograph records to distributors and various retail outlets when trading and doing business as Era Records. Respondents are now, and for some time last past have been, engaged in the manufacture and distribution, offering for sale and sale of phonograph records to distributors and various retail outlets, under separate corporate entities.

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

PAR. 4. In the course and conduct of their said business, and at all times mentioned herein, respondents have been in competition, in commerce, with corporations, firms and individuals in the sale of phonograph records.

PAR. 5. After World War II when TV and radio stations shifted from "live" to recorded performances for much of their programming, the production, distribution and sale of phonograph records emerged as an important factor in the musical industry, with a sales volume of approximately $400,000,000 in 1958.

Record manufacturing companies and distributors ascertained that popular disc jockeys could, by "exposure" or the playing of a record day after day, sometimes as high as 6 to 10 times a day,

substantially increase the sales of those records so "exposed." Some record manufacturers and distributors obtained and insured the "exposure" of certain records in which they were financially interested by disbursing "payola" to individuals authorized to select and "expose" records for both radio and TV programs.

"Payola," among other things, is the payment of money or other valuable consideration to disc jockeys of musical programs on radio and TV stations to induce, stimulate or motivate the disc jockey to select, broadcast, "expose" and promote certain records in which the payer has a financial interest.

Disc jockeys, in consideration of their receiving the payments heretofore described, either directly or by implication, represent to their listening public that the records "exposed" on their broadcasts have been selected on their personal evaluation of each record's merits or its general popularity with the public, whereas, in truth and in fact, one of the principal reasons or motivations guaranteeing the record's "exposure" is the "payola" payoff.

PAR. 6. In the course and conduct of their business, in commerce, during the period indicated herein, respondents as copartners have engaged in unfair and deceptive acts and practices and unfair methods of competition in the following respects:

The respondents alone or with certain unnamed record distributors negotiated for and disbursed "payola" to disc jockeys broadcasting musical programs over radio or television stations broadcasting across state lines, or to other personnel who influence the selection of the records "exposed" by the disc jockeys on such programs.

Deception is inherent in "payola" inasmuch as it involves the payment of a consideration on the express or implied understanding that the disc jockey will conceal, withhold or camouflage such fact from the listening public.

The respondents by participating individually or in a joint effort with certain collaborating record distributors have aided and abetted the deception of the public by various disc jockeys by controlling or unduly influencing the "exposure" of records by disc jockeys with the payment of money or other consideration to them, or to other personnel which select or participate in the selection of the records used on such broadcasts.

Thus, "payola" has been used by respondents to mislead the public into believing that the records "exposed" were the independent and unbiased selection of the disc jockeys based either on each record's merit or public popularity. This deception of the public has the capacity and tendency to cause the public to purchase the "exposed" records which they might otherwise not have purchased and also to

enhance the popularity of the "exposed" records in various popularity polls, which in turn has the capacity and tendency to substantially increase the sales of the "exposed" records.

PAR. 7. The aforesaid acts, practices and methods have the capacity and tendency to mislead and deceive the public and to hinder, restrain and suppress competition in the manufacture, sale or distribution of phonograph records, and to divert trade unfairly to the respondents from their competitors, and injury has thereby been done and may continue to be done to competition in commerce.

PAR. 8. The aforesaid acts and practices of respondents, as alleged herein, were and are all to the prejudice and injury of the public and of respondents' competitors and constitute unfair and deceptive acts and practices and unfair methods of competition in commerce within the intent and meaning of the Federal Trade Commission Act.

Mr. Arthur Wolter, Jr., for the Commission.

Lesser & Graff, by *Mr. Irving Graff*, of Beverly Hills, Calif., for respondents.

INITIAL DECISION BY LOREN H. LAUGHLIN, HEARING EXAMINER

The Federal Trade Commission (sometimes also hereinafter referred to as the Commission) on November 28, 1960, issued its complaint herein, charging the individual respondents Louis J. Bedell, Max Newman and Herbert Newman, who are now engaged in the manufacture, distribution, offering for sale and sale of phonograph records to distributors and various retail outlets(and were so engaged prior to May, 1959, when trading and doing business as Era Records), with violation of the Federal Trade Commission Act, in that respondents, alone or with certain unnamed record distributors, have negotiated for and disbursed "payola", i.e., the payment of money or other valuable consideration to disc jockeys of musical programs on radio and television stations, to induce, stimulate or motivate the disc jockeys to select, broadcast, "expose" and promote certain records, in which respondents are financially interested, on the express or implied understanding that the disc jockeys will conceal, withhold or camouflage the fact of such payment from the listening public. Respondents were duly served with process.

On January 27, 1961, there was submitted to the undersigned hearing examiner of the Commission for his consideration and approval an "Agreement Containing Consent Order To Cease And Desist", which had been entered into by respondents, their counsel, and counsel supporting the complaint on January 17, 1961, subject to the approval of the Bureau of Litigation of the Commission, which had subsequently duly approved the same.

After due consideration, the hearing examiner finds that said agreement, both in form and in content, is in accord with §3.25 of the Commission's Rules of Practice for Adjudicative Proceedings, and that by said agreement the parties have specifically agreed to the following matters:

1. Individual respondents Louis J. Bedell, Max Newman and Herbert Newman were copartners, trading and doing business as Era Records. Louis J. Bedell's and Max Newman's present office and principal place of business is located at 1481 North Vine Street, Hollywood, California. Herbert Newman's office is located at 6425 Hollywood Boulevard, Hollywood, California.

2. Respondents admit all the jurisdictional facts alleged in the complaint and agree that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations.

3. This agreement disposes of all of this proceeding as to all parties.

Respondents waive:

(a) Any further procedural steps before the hearing examiner and the Commission;

(b) The making of findings of fact or conclusions of law; and

(c) All of the rights they may have to challenge or contest the validity of the order to cease and desist entered in accordance with this agreement.

5. The record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and this agreement.

6. This agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Commission.

7. This agreement is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint.

8. The following order to cease and desist may be entered in this proceeding by the Commission without further notice to respondents. When so entered it shall have the same force and effect as if entered after a full hearing. It may be altered, modified or set aside in the manner provided for other orders. The complaint may be used in construing the terms of the order.

Upon due consideration of said complaint and agreement, the hearing examiner approves and accepts the said "Agreement Containing Consent Order To Cease And Desist"; finds that the Commission has jurisdiction of the subject matter of this proceeding and of the respondents herein; that the complaint states a legal cause

for complaint under the Federal Trade Commission Act against the respondents, both generally and in each of the particulars alleged therein; that this proceeding is in the interest of the public; and that the following order, as proposed in said agreement, is appropriate for the just disposition of all of the issues in this proceeding as to all of the parties hereto. The hearing examiner therefore issues the said order, as follows:

It is ordered, That respondents Louis J. Bedell, Max Newman and Herbert Newman, individually and formerly operating as copartners trading and doing business as Era Records, or under any other name, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with phonograph records which have been distributed in commerce, or which are used by radio or television stations in broadcasting programs in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

(1) Giving, or offering to give, without requiring public disclosure, any sum of money or other material consideration, to any person, directly or indirectly, to induce that person to select, or participate in the selection of, and the broadcasting of, any such records in which respondents, or any of them, have a financial interest of any nature;

(2) Giving, or offering to give, without requiring public disclosure, any sum of money, or other material consideration, to any person, directly or indirectly, as an inducement to influence any employee of a radio or television broadcasting station, or any other person, in any manner, to select, or participate in the selection of, and the broadcasting of, any such records in which respondents, or any of them, have a financial interest of any nature.

There shall be "public disclosure" within the meaning of this order, by any employee of a radio or television broadcasting station, or any other person, who selects or participates in the selection and broadcasting of a record when he shall disclose, or cause to have disclosed, to the listening public at the time the record is played, that his selection and broadcasting of such record are in consideration for compensation of some nature, directly or indirectly received by him or his employer.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 6th day of April 1961, become the decision of the Commission; and, accordingly:

It is ordered, That the above-named respondents 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.

IN THE MATTER OF

APEX PRODUCING CORPORATION ET AL.

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

Docket 7902. Complaint, May 20, 1960—Decision, Apr. 11, 1961

Consent order requiring Chicago distributors of phonograph records to cease giving concealed "payola" to disc jockeys and other personnel of television and radio programs to induce frequent playing of their recordings in order to increase sales.

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 Apex Producing Corporation, a corporation, and Dempsey Nelson, Jr., individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Apex Producing Corporation is a corporation organized and existing under and by virtue of the laws of the State of Delaware, with its principal office and place of business located at 951 East 47th Street, Chicago 15, Illinois.

Respondent Dempsey Nelson, Jr. is president and treasurer of said corporate respondent and formulates, directs and controls the acts and practices of said corporate respondent including the acts and practices herein set out. The address of the individual respondent is the same as that of said corporate respondent.

PAR. 2. Respondents are now, and for some time last past have been engaged in the offering for sale, sale and distribution of phonograph records in various states of the United States.

In the course and conduct of their business, respondents now cause, and for some time last past have caused, the records they distribute, when sold, to be shipped from their place of business in the State of Illinois, to purchasers therof located in various other states of

the United States, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in phonograph records in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 3. In the course and conduct of their business, at all times mentioned herein, respondents have been, and are now, in substantial competition, in commerce, with corporations, firms and individuals in the sale and distribution of phonograph records.

PAR. 4. After World War II, when television and radio stations shifted from "live" to recorded performances for much of their programming, the production, distribution and sale of phonograph records emerged as an important factor in the musical industry, with a sales volume of approximately $400,000,000 in 1958.

Record manufacturing companies and distributors ascertained that popular disc jockeys could, by "exposure" or the playing of a record day after day, sometimes as high as 6 to 10 times a day, substantially increase the sales of those records so "exposed." Some record manufacturers and distributors obtained and insured the "exposure" of certain records in which they were financially interested by disbursing "payola" to individuals authorized to select and "expose" records for both radio and television programs.

"Payola", among other things, is the payment of money or other valuable consideration to disc jockeys of musical programs on radio and television stations to induce, stimulate or motivate the disc jockey to select, broadcast, "expose" and promote certain records in which they payer has a direct financial interest.

Disc jockeys, in consideration of their receiving the payments heretofore described, either directly or by implication represent to their listening public that the records "exposed" on their broadcasts have been selected on their personal evaluation of each record's merits or its general popularity with the public, whereas, in truth and in fact, one of the principal reasons or motivations guaranteeing the record's "exposure" is the "payola" payoff.

PAR. 5. In the course and conduct of their business in commerce during the last several years, the respondents have engaged in unfair and deceptive acts and practices and unfair methods of competition in the following respects:

The respondents have negotiated for and disbursed "payola" to disc jockeys broadcasting musical programs over radio or television stations broadcasting across state lines, or to other personnel who influence the selection of the records "exposed" by the disc jockeys on such programs.

Deception is inherent in "payola" inasmuch as it involves the payment of a consideration on the express or implied understanding that

the disc jockey will conceal, withhold or camouflage such fact from the listening public.

The respondents have aided and abetted the deception of the public by various disc jockeys by controlling or unduly influencing the "exposure" of records by disc jockeys with the payment of money or other consideration to them, or to other personnel which select or participate in the selection of the records used on such broadcasts.

Thus, "payola" is used by the respondents to mislead the public into believing that the records "exposed" were the independent and unbiased selections of the disc jockeys based either on each record's merit or public popularity. This deception of the public has the capacity and tendency to cause the public to purchase the "exposed" records which they otherwise might not have purchased and, also, to enhance the popularity of the "exposed" records in various popularity polls, which in turn has the capacity and tendency to substantially increase the sales of the "exposed" records.

PAR. 6. The aforesaid acts, practices and methods have the capacity and tendency to mislead and deceive the public and to hinder, restrain and suppress competition in the offering for sale, sale and distribution of phonograph records, and to divert trade unfairly to the respondents from their competitors and substantial injury has thereby been done and may continue to be done to competition in commerce.

PAR. 7. The aforesaid acts and practices of respondents, as alleged herein, were and are all to the prejudice and injury of the public and of respondents' competitors and constitute unfair and deceptive acts and practices and unfair methods of competition in commerce within the intent and meaning of the Federal Trade Commission Act.

Mr. John T. Walker for the Commission.
Respondents, *pro se.*

INITIAL DECISION BY EDWARD CREEL, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondents on May 20, 1960, charging them with having violated the provisions of the Federal Trade Commission Act by unfairly paying money or other valuable consideration to induce the playing of phonograph records over radio and television stations in order to enhance the popularity of such records.

On February 24, 1961, there was submitted to the undersigned hearing examiner an agreement between the above-named respondents and counsel supporting the complaint providing for the entry of a consent order.

Under the terms of the agreement, the respondents admit the jurisdictional facts alleged in the complaint. The parties agree, among other things, that the cease and desist order there set forth may be entered without further notice and have the same force and effect as if entered after a full hearing and the document includes a waiver by the respondents of all rights to challenge or contest the validity of the order issuing in accordance therewith. The agreement further recites that it is for settlement purposes only and does not constitute an admission by the respondents that they have violated the law as alleged in he complaint.

The hearing examiner finds that the content of the agreement meets all of the requirements of Section 3.25(b) of the Rules of the Commission.

The hearing examiner having considered the agreement and proposed order, and being of the opinion that they provide an appropriate basis for settlement and disposition of this proceeding, the agreement is hereby accepted, and it is ordered that said agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Commission. The following jurisdictional findings are made and the following order issued:

1. Respondent Apex Producing Corporation is a Delaware corporation with its office and principal place of business located at 951 East 47th Street, Chicago, Illinois. Individual respondent Dempsey Nelson, Jr., is president and treasurer of said corporate respondent and his address is the same as that of the corporate respondent.

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 Apex Producing Corporation, a corporation, and its officers, and Dempsey Nelson, Jr., individually and as an officer of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with phonograph records which have been distributed in commerce, or which are used by radio or television stations in broadcasting programs in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

(1) Giving or offering to give, without requiring public disclosure, any sum of money, or other material consideration, to any person, directly or indirectly, to induce that person to select, or participate in the selection of, and the broadcasting of, any such records in which

respondents, or either of them, having a financial interest of any nature.

(2) Giving or offering to give, without requiring public disclosure, any sum of money, or other material consideration, an any person, directly or indirectly, as an inducement to influence any employee of a radio or television broadcasting station, or any other person, in any manner, to select, or participate in the selection of, and the broadcasting of, any such records in which respondents, or either of them, have a financial interest of any nature.

There shall be "public disclosure" within the meaning of this order, by any employee of a radio or television broadcasting station, or any other person, who selects or participates in the selection and broadcasting of a record when he shall disclose, or cause to have disclosed, to the listening public at the time the record is played, that his selection and broadcasting of such record are in consideration for compensation of some nature, directly or indirectly, received by him or his employer.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 1t1h day of April 1961, become the decision of the Commission; and, accordingly:

It is 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 the order to cease and desist.

In The Matter Of

RUGBY RUG MILLS, INC., ET AL.

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

Docket 7944. Complaint, June 15, 1960—Decision, Apr. 12, 1961

Consent order requiring New York City distributors of rugs to retailers for resale to cease attaching to their rugs labels on which the "approximate" size was almost invariably larger than the true dimensions.

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 Rugby Rug Mills, Inc., a corporation, and Herbert S. Rosenfeld and Helene M. Rosenfeld, individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Rugby Rug Mills, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its principal office and place of business located at 10 West 33rd Street in the City of New York, State of New York.

Respondents Herbert S. Rosenfeld and Helene M. Rosenfeld 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. Their address is the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the advertising, offering or sale, sale and distribution of rugs to retailers for resale 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 products, when sold, to be shipped from their place of business in the State of New York to purchasers thereof located in various other states of the United States, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. Respondents, for the purpose of inducing the purchase of their products, have engaged for some time in the practice of attaching labels to their rugs, which, among other information, purport to give the size of said rugs. Said representations as to size are in almost all cases preceded by the term "approximate", thus connoting that the approximate, and not the actual, size of the rug is given. In almost all instances, and with constant consistency, the approximate size stated by respondents on their labels is larger than the actual size of the rug. By the aforesaid means, respondents, over a course of years, have falsely represented the size of said rugs in that the cumulative effect of such representations has the tendency and capacity to create the erroneous and mistaken belief in the public mind that said rugs are sometimes larger and sometimes smaller than the approximate size stated on labels. Whereas, in truth and in fact, said rugs are almost invariably smaller than the approximate sizes given.

PAR. 5. By the aforesaid practices, respondents place in the hands of retailers means and instrumentalities by and through which they may mislead the public as to the sizes of said rugs.

PAR. 6. In the conduct of their business, at all times mentioned herein, respondents have been in substantial competition, in commerce, with corporations, firms and individuals in the sale of rugs of the same general kind and nature as those sold by respondents.

PAR. 7. 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. As a consequence thereof, substantial trade in commerce has been, and is being, unfairly diverted to respondents from their competitors and substantial injury has thereby been, and is being, done to competition in commerce.

PAR. 8. 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 and deceptive acts and practices and unfair methods of competition, in commerce, within the intent and meaning of the Federal Trade Commission Act.

Charles W. O'Connell, Esq., for the Commission.
Marcus J. Friedman, Esq., of New York, N. Y., for respondents.

INITIAL DECISION BY ROBERT L. PIPER, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondents on June 15, 1960, charging them with having violated the Federal Trade Commission Act by misrepresenting the size of the rugs they sell in commerce. Respondents appeared by counsel and entered into an agreement, dated February 6, 1961, containing a consent order to cease and desist, disposing of all the issues in this proceeding without further hearing, which agreement has been duly approved by the Bureau of Litigation. Said agreement has been submitted to the undersigned, heretofore duly designated to act as hearing examiner herein, for his consideration in accordance with §3.25 of the Rules of Practice of the Commission.

Respondents, pursuant to the aforesaid agreement, have admitted all of the jurisdictional allegations of the complaint and agreed that the record may be taken as if findings of jurisdictional facts had been made duly in accordance with such allegations. Said agreement further provides that respondents waive all further procedural steps

before the hearing examiner or the Commission, including the making of findings of fact or conclusions of law and the right to challenge or contest the validity of the order to cease and desist entered in accordance with such agreement. It has also been agreed that the record herein shall consist solely of the complaint and said agreement, that the agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Commission, that said agreement is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint, and that said order to cease and desist shall have the same force and effect as if entered after a full hearing and may be altered, modified, or set aside in the manner provided for other orders, and that the complaint may be used in construing the terms of the order.

This proceeding having now come on for final consideration on the complaint and the aforesaid agreement containing the consent order, and it appearing that the order and agreement cover all of the allegations of the complaint and provide for appropriate disposition of this proceeding, the agreement is hereby accepted and order filed upon this decision and said agreement becoming part of the Commission's decision pursuant to §§3.21 and 3.25 of the Rules of Practice, and the hearing examiner accordingly makes the following findings, for jurisdictional purposes, and order:

1. Respondent Rugby Rug Mills, Inc., is a corporation 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 10 West 33rd Street, in the City of New York, State of New York.

Respondents Herbert S. Rosenfeld and Helene M. Rosenfeld are officers of the corporate respondent. They formulate, direct and control the acts and practices of the corporate respondent. Their address is the same as that of the corporate respondent.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents hereinabove named. The complaint states a cause of action against said respondents under the Federal Trade Commission Act, and this proceeding is in the interest of the public.

ORDER

It is ordered, That respondent Rugby Rug Mills, Inc., a corporation, and its officers, and respondents Herbert S. Rosenfeld and Helene M. Rosenfeld, individually and as officers of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of rugs or other merchandise, in com-

merce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

Misrepresenting, directly or by implication, the size of their said rugs or merchandise to be of larger dimensions than is the fact.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 12th day of April 1961, become the decision of the Commission; and, accordingly:

It is ordered, That the above-named respondents 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.

In The Matter Of

PENICK & FORD LTD., INCORPORATED

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

Docket 8118. Complaint, Sept. 16, 1960—Decision, Apr. 12, 1961

Consent order requiring a manufacturer of food products—including such items as dessert preparations, corn syrup, maple syrup, molasses, pie fillings, and puddings—with annual sales exceeding $50,000,000, to cease discriminating among its customers in violation of Sec. 2(d) of the Clayton Act, by such practices as paying a retail grocery chain with headquarters in Burlington, Iowa, the amount of $450 as compensation for advertising in connection with the sale of its products, while not making comparable payments available to the latter's competitors.

Complaint

The Federal Trade Commission, having reason to believe that the party respondent named in the caption hereof, and hereinafter more particularly designated and described, has violated and is now violating the provisions of subsection (d) of Section 2 of the Clayton Act, as amended by the Robinson-Patman Act (U.S.C. Title 15, Section 13), hereby issues it complaint, stating its charges with respect thereto as follows:

Paragraph 1. Respondent Penick & Ford Ltd., Incorporated, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 750 Third Avenue, New York, New York.

PAR. 2. Respondent is now and has been engaged in the manufacture, sale and distribution of food products, including such items as dessert preparations, corn syrup, maple syrup, molasses, pie fillings and puddings. Respondent sells and distributes its products to wholesalers and retailers, including retail chain store organizations. Respondent's sales of its products are substantial, exceeding $50,000,000 annually.

PAR. 3. Respondent sells and causes its products to be transported from its principal place of business in the State of New York to customers located in other States in the United States. There has been at all times mentioned herein a continuous course of trade in said products in commerce, as "commerce" is defined in the Clayton Act, as amended.

PAR. 4. In the course and conduct of its business in commerce, and particularly since 1958, respondent paid or contracted for the payment of something of value to or for the benefit of some of its customers as compensation or in consideration for services or facilities furnished by or through such customers in connection with their offering for sale or sale of products sold to them by respondent, and such payments were not made available on proportionally equal terms to all other customers competing in the sale and distribution of respondent's products.

PAR. 5. For example, in the year 1959, respondent contracted to pay and did pay to Benner Tea Company, a retail grocery chain with headquarters in Burlington, Iowa, the amount of $450.00 as compensation or as an allowance for advertising or other services or facilities furnished by or through Benner Tea Company in connection with its offering for sale or sale of products sold to it by respondent. Such compensation or allowance was not made available on proportionally equal terms to all other customers competing with Benner Tea Company in the sale and distribution of products of like grade and quality purchased from respondent.

PAR. 6. The acts and practices of respondent, as alleged, are in violation of subsection (d) of Section 2 of the Clayton Act, as amended by the Robinson-Patman Act.

Mr. John Perechinsky supporting the complaint.
Breed, Abbott & Morgan of New York, N. Y., for respondent

INITIAL DECISION BY JOHN B. POINDEXTER, HEARING EXAMINER

The complaint in this proceeding alleges that the above-named respondent in the course and conduct of its business in commerce has violated Section 2 of the Clayton Act, as amended by the Robinson-Patman Act.

After issuance and service of the complaint, the above-named respondent, its attorneys and counsel supporting the complaint entered into an agreement for a consent order. The agreement has been approved by the Director and the Associate Director of the Bureau of Litigation. The agreement disposes of the matters complained about.

The pertinent provisions of said agreement are as follows: Respondent admits all jurisdictional facts; the complaint may be used in construing the terms of the order; the order shall have the same force and effect as if entered after a full hearing and the said agreement shall not become a part of the official record of the proceeding unless and until it becomes a part of the decision of the Commission; the record herein shall consist solely of the complaint and the agreement; respondent waives the requirement that the decision must contain a statement of findings of fact and conclusions of law; respondent waives further procedural steps before the hearing examiner and the Commission, and the order may be altered, modified, or set aside in the manner provided by statute for other orders; respondent waives any right to challenge or contest the validity of the order entered in accordance with the agreement and the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that it has violated the law as alleged in the complaint.

The undersigned hearing examiner having considered the agreement and proposed order, hereby accepts such agreement, makes the following jurisdictional findings, and issues the following order:

JURISDICTIONAL FINDINGS

1. Respondent, Penick & Ford Ltd., Incorporated, is a corporation existing and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 750 Third Avenue, New York, New York.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent hereinabove named. The complaint states a cause of action against said respondent under the Clayton Act, as amended.

ORDER

It is ordered, That respondent Penick & Ford Ltd., Incorporated, a corporation, and its officers, employees, agents and representatives, directly or through any corporate or other device, in or in connection with the offering for sale, sale or distribution of any of its products

in commerce, as "commerce" is defined in the Clayton Act, as amended, do forthwith cease and desist from:

Paying or contracting for the payment of anything of value to, or for the benefit of, any customer of respondent as compensation or in consideration for any services or facilities furnished by or through such customer in connection with the offering for sale, sale or distribution of respondent's products, unless such payment or consideration is made available on proportionally equal terms to all other customers competing in the distribution of such products.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall on the 12th day of April 1961, become the decision of the Commission; and, accordingly:

It is 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 the order to cease and desist.

IN THE MATTER OF

ASHEVILLE TEXTILES CORP. ET AL.

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

Docket 8233. Complaint, Dec. 27, 1960—Decision, Apr. 12, 1961

Consent order requiring New York City distributors to cease violating the Wool Products Labeling Act by tagging as "30% wool, 70% other fibers", woolen fabrics which contained nylon and acetate, each in excess of 5% of the total fiber weight, and by failing to label certain other of their products as required.

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 Asheville Textiles Corp., a corporation, and Lawrence Herman and Max Kovner, 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 Wool 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 Asheville Textiles Corp. is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York. Individual respondents Lawrence Herman and Max Kovner are officers of the corporate respondent. Said individual respondents cooperate in formulating, directing and controlling the acts, policies and practices of the corporate respondent, including the acts and practices hereinafter referred to. All respondents have their office and principal place of business at 450 Seventh Avenue in New York, New York.

PAR. 2 Subsequent to the effective date of the Wool Products Labeling Act of 1939, and more especially since 1958, respondents have introduced into commerce, sold, transported, distributed, delivered for shipment, and offered for sale in commerce, as "commerce" is defined in said Act, wool products as "wool products" are 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 and the Rules and Regulations promulgated thereunder, in that they were falsely and deceptively labeled or tagged with respect to the character and amount of the constituent fibers contained therein.

Among such products were woolen fabrics labeled or tagged by respondents as "30% wool, 70% other fibers," whereas said fabrics contained nylon and acetate, each in excess of 5% of the total fiber weight.

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

PAR. 5. In the course and conduct of their business, respondents were and are in substantial competition, in commerce, with corporations, firms and individuals likewise engaged in the sale of woolen fabrics.

PAR. 6. The acts and practices of the respondents, as set forth above, were and are in violation of the Wool Products Labeling Act and the Rules and Regulations promulgated thereunder, and constituted and now constitute unfair and deceptive acts and practices and unfair methods of competition, in commerce, within the intent and meaning of the Federal Trade Commission Act.

PAR. 7. In the course and conduct of their business, respondents have made certain statements with respect to the fibers of which their wool products were composed on invoices covering the shipment of said fabrics, among which the following is typical:

95% Reprocessed Wool—5% Nylon

whereas, in truth and in fact, said fabrics contained substantially less woolen fibers than that set forth on the said invoices.

PAR. 8. The acts and practices set out in Paragraph Seven had and now have the tendency and capacity to mislead and deceive purchasers of said products as to the true fiber content thereof and to misbrand products manufactured by them in which said products were used.

PAR. 9. The acts and practices of the respondents, as set forth in Paragraph Seven constituted and now constitute unfair and deceptive acts and practices and unfair methods of competition, in commerce, within the intent and meaning of the Federal Trade Commission Act.

Mr. DeWitt T. Puckett for the Commission.
Mr. Ruben Schwartz, of New York, N.Y., for respondents.

INITIAL DECISION BY HERMAN TOCKER, HEARING EXAMINER

The complaint in this proceeding, issued December 27, 1960, charged the respondents, Asheville Textiles Corp., a New York corporation, located at 450 Seventh Avenue, New York 1, New York, and Lawrence Herman and Max Kovner, individually and as officers of said corporation, and located at the same address as the corporate respondent, with violation of the provisions of the Federal Trade Commission Act, and the Wool Products Labeling Act of 1939 and the Rules and Regulations made pursuant thereto, by misbranding certain wool products manufactured by them for introduction into commerce.

After the issuance of the complaint, respondents entered into an agreement containing consent order to cease and desist with counsel in support of the complaint, disposing of all the issues as to all parties in this proceeding.

It was expressly provided in said agreement that the signing thereof is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint.

By the terms of said agreement, the respondents admitted all the jurisdictional facts alleged in the complaint and agreed that the

record herein may be taken as if the Commission had made findings of jurisdictional facts in accordance with the allegations.

By said agreement, the parties expressly waived any further procedural steps before the hearing examiner and the Commission; the making of findings of fact or conclusions of law; and all rights they may have to challenge or contest the validity of the order to cease and desist entered in accordance with the agreement.

Respondents further agreed that the order to cease and desist, issued in accordance with said agreement, shall have the same force and effect as if made after a full hearing.

It was further provided that said agreement, together with the complaint, shall constitute the entire record herein; that the complaint herein may be used in construing the terms of the order issued pursuant to said agreement; and that said order may be altered, modified or set aside in the manner prescribed by the statute for orders of the Commission.

The hearing examiner has considered such agreement and the order therein contained, and, it appearing that said agreement and order provide for an appropriate disposition of this proceeding, the same is hereby accepted and, upon becoming part of the Commission's decision in accordance with Sections 3.21 and 3.25 of the Rules of Practice, shall be filed; and, in consonance with the terms thereof, the hearing examiner finds that the Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents named herein, and that this proceeding is in the interest of the public, and issues the following order:

ORDER

It is ordered, That respondents Asheville Textiles Corp., a corporation, and its officers, and Lawrence Herman and Max Kovner, 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 offering for sale, sale, transportion or distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, of woolen fabrics or other "wool products", as such products are defined in and subject to 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 included therein;

2. Failing to affix labels to such products showing each element of information required to be disclosed by Section 4(a)(2) of the Wool Products Labeling Act of 1939.

It is further ordered, That respondents Asheville Textiles Corp., a corporation, and its officers, and Lawrence Herman and Max Kovner, 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 offering for sale, sale or distribution of fabrics or any other product in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from misrepresenting the constituent fibers of which their products are composed, or the percentages thereof, on invoices, shipping memoranda or in any other manner.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 12th day of April 1961, become the decision of the Commission; and, accordingly:

It is 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 the order to cease and desist.

In The Matter Of

DALLAS HOSIERY MILLS, INC., ET AL.

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

Docket 7600. Complaint, Sept. 29, 1959—Decision, Apr. 13, 1961

Consent order requiring manufacturers in Dallas, Ga., to cease violating the Wool Products Labeling Act by tagging men's hosiery as "100% WOOL SOLE CUSHIONING—TOP, BODY ALL COTTON" when the soles of such products contained substantially less than 100% wool, and by failing to label recognizably distinct sections as required.

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 Act, the Federal Trade Commission, having reason to believe that Dallas Hosiery Mills, Inc., a corporation,

and Ernest L. Burch, 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, 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 Dallas Hosiery Mills, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Georgia. Respondent Ernest L. Burch is President and a Director of the corporate respondent. Said individual respondent formulates, directs and controls the acts, policies and practices of the corporate respondent, including the acts and practices herein referred to. All respondents have their office and principal place of business at Dallas Hosiery Mills, Inc., Main Street, Dallas, Georgia.

PAR. 2. Subsequent to the effective date of the Wool Products Labeling Act of 1939 and more especially since 1957, respondents have manufactured for introduction into commerce, introduced into commerce, sold, transported, distributed, delivered for shipment and offered for sale in commerce, as "commerce" is defined in said Act, wool products as "wool products" are 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 or labeled with respect to the character and amount of the constituent fibers contained therein. Among such misbranded wool products were men's hosiery stamped, tagged or labeled by respondents as:

100% WOOL
SOLE CUSHIONING
TOP, BODY ALL COTTON

Through the use of such identifications the respondents represented that said wool products were composed of cotton except for the soles thereof, which portions were represented as consisting of 100% wool, whereas in truth and in fact, the wool content of these portions of said wool products was substantially less than 100%.

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

PAR. 5. Certain of said wool products were further misbranded in violation of the Wool Products Labeling Act in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder in that they failed to disclose, by sections which are recognizably distinct, the fiber content required to be stated upon the stamp, tag, label or other means of identification in such a manner as to show the fiber composition of each section in violation of Rule 23 of the Rules and Regulations promulgated under the Wool Products Labeling Act.

Among such misbranded wool products were men's hosiery stamped, tagged or labeled as follows:

100% WOOL
SOLE CUSHIONING
TOP, BODY ALL COTTON

Through the use of such identification the respondents represented that the soles of said hose were composed of 100% wool, whereas, in truth and in fact, the wool content of that portion of said wool products was substantially less than 100%.

PAR. 6. Respondents in the course and conduct of their business as aforesaid and as hereinafter set forth were and are in competition in commerce with other corporations, firms and individuals likewise engaged in the manufacture and sale of hosiery containing wool.

PAR. 7. The aforesaid acts and practices of respondents 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 said Act.

PAR. 8. In the course and conduct of their business as aforesaid, respondents have made various statements concerning their said products on sales invoices and shipping memoranda covering shipments of their said products in commerce.

Among and typical but not all inclusive of such statements are the following: "Transfer to read: #1 transfer. 100% WOOL CUSHION SOLE, 65% COTTON, 35% WOOL."

PAR. 9. The aforesaid statements were false, misleading and deceptive since, in truth and in fact, respondents' product represented as 65% cotton, 35% wool, 100% wool cushion sole, contained no wool except for the sole thereof and the wool content of that portion of said wool product was substantially less than 100%. Moreover, the percentage by weight of wool in said product was substantially less than 35%.

PAR. 10. The use by respondents of false, misleading and deceptive statements and representations on invoices and shipping memoranda as aforesaid had, and now has, the tendency and capacity to cause others to misrepresent such products to their customers.

PAR. 11. The acts and practices of said respondents as hereinabove alleged in Paragraph Eight were all to the prejudice and injury of the public and respondents' competitors and constituted and now constitute unfair and deceptive acts and practices and unfair methods of competition, in commerce, within the intent and meaning of the Federal Trade Commission Act.

Mr. Charles S. Cox for the Commission.

Wright, Rogers, Magruder & Hoyt, of Rome, Ga., by *Mr. Dudley B. Magruder, Jr.*, for respondents.

INITIAL DECISION BY EDWARD CREEL, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondents on September 29, 1959, charging them with violation of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939 in connection with the distribution or sale of wool products, including men's hosiery.

On February 17, 1961, there was submitted to the undersigned hearing examiner an agreement between respondents, their counsel, and counsel supporting the complaint providing for the entry of a consent order.

Under the terms of the agreement, the respondents admit the jurisdictional facts alleged in the complaint. The parties agree, among other things, that the cease and desist order there set forth may be entered without further notice and have the same force and effect as if entered after a full hearing, and the document includes a waiver by the respondents of all rights to challenge or contest the validity of the order issuing in accordance therewith. The agreement further recites that it is for settlement purposes only and does not constitute an admission by the respondents that they have violated the law as alleged in the complaint.

The hearing examiner finds that the content of the agreement meets all of the requirements of §3.25(b) of the Rules of the Commission.

The hearing examiner having considered the agreement and proposed order, and being of the opinion that they provide an appropriate basis for settlement and disposition of this proceeding, hereby accepts the agreement, and it is ordered that said agreement shall not become a part of the official record unless and until it becomes

a part of the decision of the Commission. The following jurisdictional findings are made and the following order issued:

1. Respondent Dallas Hosiery Mills, Inc., is a Georgia corporation, and respondent Ernest L. Burch is President and a Director of the corporate respondent. Said individual respondent formulates, directs and controls the acts, practices and policies of the corporate respondent. All respondents have their office and principal place of business at Dallas Hosiery Mills, Inc., Main Street, Dallas, Georgia.

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 Dallas Hosiery Mills, Inc., a corporation, and its officers, and Ernest L. Burch, 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 the introduction into commerce, or the offering for sale, sale, transportation or distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, of hosiery composed in whole or in part of wool or other wool products, as such products are defined in and subject to 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 included therein.

2. Failing to affix labels to wool products showing each element of information required to be disclosed by Section 4(a)(2) of the Wool Products Labeling Act of 1939; provided, however, that the over-all content of the wool products need not be given if such products are labeled in accordance with Rule 23 of the Rules and Regulations promulgated under said Act.

3. Failing to set forth on stamps, tags, labels or other means of identification attached to such products the information required under Section 4(a)(2)(A) of the Wool Products Labeling Act with respect to each specifically designated section of a wool product composed of two or more sections where such sections are of a different fiber composition and are recognizably distinct.

4. Falsely or deceptively designating the character or amount of the fibers contained in any section of a wood product composed of two or more sections which are recognizably distinct in violation of

Rule 23 of the Rules and Regulations promulgated pursuant to the Wool Products Labeling Act of 1939.

It is further ordered, That the charges contained in Paragraph Ten of the complaint be, and the same hereby are, dismissed.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 13th day of April 1961, become the decision of the Commission; and, accordingly:

It is 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 the order to cease and desist.

IN THE MATTER OF

ELECTRONIC VIDEO, INC., ET AL.

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

Docket 7914. Complaint, June 3, 1960—Decision, Apr. 13, 1961

Consent order requiring Brooklyn, N. Y., manufacturers of rebuilt television picture tubes containing used parts to cease representing falsely that such tubes were entirely new and were guaranteed by attaching tags stating "THIS IS A BRAND NEW FULLY GUARANTEED T. V. PICTURE TUBE", or by other means; and to disclose clearly that such tubes were rebuilt and contained used parts.

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 Electronic Video, Inc., a corporation, and Jerome D. Farkas, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges in that respect at follows:

PARAGRAPH 1. Respondent Electronic Video, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its principal office and place of business located at 1946 Pitkin Avenue, Brooklyn, New York.

Respondent Jerome D. Farkas is president of said corporate respondent. He formulates, directs and controls the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. His address is the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the manufacturing, offering for sale, sale and distribution of rebuilt television picture tubes containing used parts to wholesalers who in turn sell to retailers and television repairmen for resale 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 place of business in the State of New York to purchasers thereof located in various other states of the United States, and maintain, and at all times mentioned herein have maintained, a course of trade in said product, in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business, and for the purpose of inducing the sale of their products, respondents made certain statements concerning their products on tags and labels and by other media. Among and typical of such statements is the following:

THIS IS A BRAND NEW
FULLY GUARANTEED
T. V. PICTURE TUBE

PAR. 5. Through the use of the aforesaid statement, respondents represented:

1. That certain of their television picture tubes were new in their entirety.

2. The guarantee provided for respondents' television picture tubes was limited both as to time and extent.

PAR. 6. Said statements and representations were false, misleading and deceptive. In truth and in fact:

1. The television picture tubes represented as being "brand new" are not new in their entirety.

2. The guarantee provided for respondents' television picture tubes were limited both as to time and extent.

PAR. 7. The television picture tubes sold by respondents are rebuilt and contain used parts. Respondents do not disclose on the tubes, or on the cartons in which they are packed, or on invoices, or in any other manner that said television picture tubes are rebuilt and contain used parts.

When television picture tubes are rebuilt containing used parts, in the absence of a disclosure to the contrary, such tubes are understood to be and are readily accepted by the public as new tubes.

PAR. 8. By failing to disclose the facts as set forth in Paragraphs Six and Seven, respondents place in the hands of uninformed or unscrupulous dealers means and instrumentalities whereby they may mislead and deceive the public as to the nature of their said television picture tubes.

PAR. 9. 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 engaged in the sale of television picture tubes.

PAR. 10. The use by respondents of the aforesaid false, misleading and deceptive statements and representations and the failure of respondents to disclose on their television picture tubes, and on the cartons in which they are packed, on invoices, or in any other manner that they are rebuilt containing used parts, 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' said tubes by reason of said erroneous and mistaken belief. As a consequence thereof, substantial trade in commerce has been, and is being, unfairly directed to respondents from their competitors and substantial injury has thereby been, and is being, done to competition in commerce.

PAR. 11. 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 and deceptive acts and practices and unfair methods of competition in commerce, within the intent and meaning of the Federal Trade Commission Act.

Mr. Michael J. Vitale for the Commission.
Mr. George I. Cohen, of New York, N. Y., for respondents.

INITIAL DECISION BY EDGAR A. BUTTLE, HEARING EXAMINER

On June 3, 1960, the Federal Trade Commission issued its complaint against the above-named respondents charging them with violating the provisions of the Federal Trade Commission Act in connection with the manufacturing, offering for sale, sale and distribution of rebuilt television picture tubes containing used parts.

On January 25, 1961, the respondents and counsel supporting the complaint entered into an agreement containing a consent order to

cease and desist in accordance with section 3.25(a) of the Rules of Practice and Procedure of the Commission.

Under the foregoing agreement, the respondents admit the jurisdictional facts alleged in the complaint and agree, among other things, that the cease and desist order there set forth may be entered without further notice and shall have the same force and effect as if entered after a full hearing. The agreement includes a waiver by the respondents of all rights to challenge or contest the validity of the order issuing in accordance therewith; and recites that the said agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Commission, and that it is for settlement purposes only and does not constitute an admission by the respondents that they have violated the law as alleged in the complaint. The hearing examiner finds that the content of the said agreement meets all the requirements of section 3.25(b) of the Rules of Practice.

This proceeding having now come on for final consideration by the hearing examiner on the complaint and the aforesaid agreement for consent order, and it appearing that said agreement provides for an appropriate disposition of this proceeding, the aforesaid agreement is hereby accepted and is ordered filed upon becoming part of the Commission's decision in accordance with section 3.21 of the Rules of Practice; and in consonance with the terms of said agreement, the hearing examiner makes the following jurisdictional findings and order:

1. Respondent Electronic Video, 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 1946 Pitkin Avenue, Brooklyn, New York.

Respondent Jerome D. Farkas is an officer of said corporate respondent. He formulates, directs and controls the acts and practices of said corporate respondent. His address is the same as that of the corporate respondent.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents hereinabove named. The complaint states a cause of action against said respondents under the Federal Trade Commission Act, and this proceeding is in the interest of the public.

ORDER

It is ordered, That respondents Electronic Video, Inc., a corporation, and its officers, and Jerome D. Farkas, individually and as an officer of said corporation, and said respondents' representatives,

agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of rebuilt television picture tubes containing used parts, 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 such television picture tubes are new.

2. Failing to disclose on the tubes, on the cartons in which they are packed, on invoices and in advertising, that said tubes are rebuilt and contain used parts.

3. Representing, directly or by implication, that said tubes are guaranteed, unless the nature and extent of the guarantee and the manner in which the guarantor will perform thereunder are clearly and conspicuously disclosed.

4. Placing any means or instrumentality in the hands of others whereby they may mislead the public as to the nature and condition of their television picture tubes.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 13th day of April 1961, become the decision of the Commission; and, accordingly:

It is 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 the order to cease and desist.

IN THE MATTER OF

BRUCE A. GRAVES DOING BUSINESS AS BRUCE A. GRAVES & SON

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

Docket 8063. Complaint, Aug. 3, 1960—Decision, Apr. 13, 1961

Consent order requiring a dealer in Nashville, Tenn., to cease violating Sec. 2(c) of the Clayton Act by accepting on substantial purchases of citrus fruit from a number of Florida packers, a commission or brokerage, usually at the rate of 10 cents per 1-3/5 bushel box, and in many instances a lower price reflecting such commission.

COMPLAINT

The Federal Trade Commission, having reason to believe that the party respondent named in the caption hereof, and hereinafter more particularly described, has been and is now violating the provisions of subsection (c) of Section 2 of the Clayton Act, as amended (U.S.C. Title 15, Section 13), hereby assues its complaint, stating its charges with respect thereto as follows:

PARAGRAPH 1. Bruce A. Graves is an individual doing business as Bruce A. Graves, under and by virtue of the laws of the State of Tennessee, with his office and principal place of business located at 815 Fourth Avenue, North, Nashville, Tennessee.

PAR. 2. Respondent is now, and for the past several years has been, engaged primarily in the business of buying, selling and distributing, for his own account, citrus fruit and produce and other food products, all of which are hereinafter referred to as food products. Respondent purchases his food products from a large number of suppliers located in many sections of the United States, particularly in the State of Florida. The annual volume of business done by respondent in the purchase and sale of food products is substantial.

PAR. 3. In the course and conduct of his business for the past several years, respondent has purchased and distributed, and is now purchasing and distributing, food products in commerce, as "commerce" is defined in the aforesaid Clayton Act, as amended, from suppliers or sellers located in several States of the United States other than the State of Tennessee, in which respondent is located. Respondent transports or causes such food products, when purchased, to be transported from the places of business or packing plants of his suppliers located in various other States of the United States to respondent who is located in the State of Tennessee, or to respondent's customers located in said State, or elsewhere. Thus, there has been at all times mentioned herein a continuous course of trade in commerce in the purchase of said food products across state lines between respondent and his respective suppliers of such products.

PAR. 4. In the course and conduct of his business for the past several years, but more particularly since January 1, 1959, respondent has been and is now making substantial purchases of food products for his own account for resale from some, but not all, of his suppliers, and on a large number of these purchases respondent has received and accepted, and is now receiving and accepting, from said suppliers a commission, brokerage, or other compensation, or an allowance or discount in lieu thereof, in connection therewith.

For example, respondent makes substantial purchases of citrus fruit from a number of packers or suppliers located in the State of Florida, and receives on said purchases, a brokerage or commission, or a discount in lieu thereof, usually at the rate of 10 cents per 1⅗ bushel box, or equivalent. In many instances respondent receives a lower price from the supplier which reflects said commission or brokerage.

PAR. 5. The acts and practices of respondent in receiving and accepting a brokerage or a commission, or an allowance or discount in lieu thereof, on his own purchases, as above alleged and described, are in violation of subsection (c) of Section 2 of the Clayton Act, as amended (U.S.C. Title 15, Section 13).

Cecil G. Miles, Esq., and *Ernest G. Barnes, Esq.*, supporting the complaint.

D. L. Lansden, Esq., of *Waller, Davis & Lansden*, of Nashville, Tenn., for respondent.

INITIAL DECISION BY LEON R. GROSS, HEARING EXAMINER

On August 3, 1960, the Federal Trade Commission issued a complaint against the above-named respondent, in which he was charged with violating §2(c) of the Clayton Act, as amended (U.S.C. Title 15, §13), by, among other things, receiving and accepting a brokerage or commission or an allowance or discount in lieu thereof, on the purchases of food products which he sells and transports in interstate commerce, as "commerce" is defined in the Clayton Act. A true and correct copy of the complaint was served upon respondent as required by law. Thereafter respondent agreed to dispose of this proceeding without a formal hearing, pursuant to the terms of an agreement dated February 2, 1961, containing consent order to cease and desist. The agreement was submitted to the undersigned hearing examiner on February 9, 1961, in accordance with §3.25 of the Commission's Rules of Practice for Adjudicative Proceedings. The agreement purports to dispose of this proceeding as to the respondent and contains the form of a consent cease and desist order which the parties have represented is dispositive of the issues involved in this proceeding. The agreement has ben signed by the respondent, his attorney and by counsel supporting the complaint, and has been approved by the Associate Director and the Director of the Bureau of Litigation of the Federal Trade Commission. In said agreement respondent admits all of the jurisdictional facts alleged in the com-

plaint and agrees that the record may be taken as if findings of jurisdictional facts had been made in accordance with such allegations. In the agreement the respondent waives: (a) any further procedural steps before the hearing examiner and the Commission; (b) the making of findings of fact or conclusions of law; and (c) all rights respondent may have to challenge or contest the validity of the order to cease and desist entered in accordance with the agreement.

The parties further agree, in said agreement, that the record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and the agreement; that the agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Federal Trade Commission; that the order to cease and desist entered in this proceeding by the Commission may be entered without further notice to the respondent, and when so entered such order will have the same force and effect as if entered after a full hearing. Said order may be altered, modified or set aside in the manner provided for other orders, and the complaint may be used in construing the terms of the order.

The parties have convenanted that the said agreement is for settlement purposes only and does not constitute an admission by the respondent that he has violated the law as alleged in the complaint.

This proceeding having now come on for final consideration on the complaint and the aforesaid agreement containing consent order, and it appearing that the order which is approved in and by said agreement disposes of all the issues presented by the complaint as to all of the parties involved, said agreement is hereby accepted and approved as complying with §§3.21 and 3.25 of the Commission's Rules of Practice for Adjudicative Proceedings. The undersigned hearing examiner, having considered the agreement and proposed order and being of the opinion that the acceptance thereof will be in the public interest, makes the following findings and issues the following order:

FINDINGS

1. The Federal Trade Commission has jurisdiction over the parties and the subject matter of this proceeding; and this proceeding is in the public interest;

2. Respondent Bruce A. Graves is an individual doing business as Bruce A. Graves & Son, incorrectly named in the complaint as Bruce A. Graves, under and by virtue of the laws of the State of

Tennessee, with his office and principal place of business located at 815 Fourth Avenue, North, in the City of Nashville, State of Tennessee;

3. Respondent is engaged in commerce as "commerce" is defined in the pertinent statutes which are invoked by the complaint herein. Now, therefore,

It is ordered, That Bruce A. Graves, an individual doing business as Bruce A. Graves & Son, and respondent's agents, representatives, and employees, directly or through any corporate, partnership, sole proprietorship, or other device, in connection with the purchase of citrus fruit or produce in commerce, as "commerce" is defined in the Clayton Act, do forthwith cease and desist from:

Receiving or accepting, directly or indirectly, from any seller, anything of value as a commission, brokerage, or other compensation, or any allowance or discount in lieu thereof, upon or in connection with any purchase of citrus fruit or produce for his own account, or where respondent is the agent, representative, or other intermediary acting for or in behalf, or is subject to the direct or indirect control, of any buyer.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

The Commission having considered the hearing examiner's initial decision, filed February 21, 1961, accepting an agreement containing a consent order theretofore executed by the respondent and counsel in support of the complaint; and

It appearing that the first sentence in the initial decision, purporting to summarize the charge in the complaint is in error; and the Commission being of the opinion that this error should be corrected:

It is ordered, That the initial decision be, and it hereby is, modified by striking from the sixth and seventh lines of the first paragraph on page two of said decision the words "which he sells and transports" as they appear immediately following the word "products" in the sixth line.

It is further ordered, That the initial decision, as herein modified, shall on the 13th day of April, 1961, become the decision of the Commission.

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

IN THE MATTER OF

BERNARD M. HAMBERG DOING BUSINESS AS TRU-SITE OPTICAL COMPANY

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

Docket 8166. Complaint, Nov. 8, 1960—Decision, Apr. 13, 1961

Consent order requiring a Philadelphia seller of contact lenses to cease representing falsely in advertising that his contact lenses could be worn successfully all day without discomfort by all persons, that they would correct all defects in vision, afford protection to the eye, and were unbreakable.

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 Bernard M. Hamberg, individually and trading and doing business as Tru-Site Optical Company, 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 Bernard M. Hamberg is an individual trading and doing business as Tru-Site Optical Company, with his office and principal place of business located at 107 North 9th Street, Philadelphia, Pennsylvania. He also trades and does business under the name of Tru-Site Optical Company at the following addresses: 4615 Frankfurt Avenue and 67 West Chelten Avenue, in Philadelphia, Pennsylvania; 509 Market Street, Chester, Pennsylvania; and 28 North Main Street, Souderton, Pennsylvania.

PAR. 2. Respondent is now, and for some years last past has been, engaged in the advertising, offering for sale and sale to the public of, among other things, corneal contact lenses. Corneal contact lenses are designed to correct errors and deficiencies in the vision of the wearer and are devices, as "device" is defined in the Federal Trade Commission Act.

PAR. 3. Respondent causes said contact lenses, when sold, to be transported from his places of business in Philadelphia, Pennsylvania, to purchasers thereof located in various other states of the United States. Respondent maintains, and at all times mentioned herein has maintained, a course of trade in said contact lenses in

commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of his aforesaid business respondent has disseminated, and has caused the dissemination of, advertisements concerning his said devices by the United States mails and by various means in commerce, as "commerce" is defined in the Federal Trade Commission Act, including but not limited to advertisements inserted in newspapers of general circulation and by brochures, for the purpose of inducing, and which are likely to induce, directly or indirectly, the purchase of said devices; and respondent has also disseminated, and caused the dissemination of, advertisements concerning his said devices by the aforesaid means for the purpose of inducing and which were likely to induce, directly or indirectly, the purchase of his said devices in commerce, as "commerce" is defined in the Federal Trade Commission Act.

Among and typical of the statements and representations contained in the advertisements disseminated and caused to be disseminated by respondent are the following:

My Glasses Are Invisible . . . I'm Wearing Tru-Tact Contact Lenses! You too, can read, work, dance, swim, play: do whatever you like without a thought about how you see! Your contact lenses are invisible, absolutely undetectable, supremely comfortable! You'll look better, see better, feel better with contact lenses!

The finest way to better vision.

Enjoy your vacation with contact lenses fitted by TRU-SITE. Wear Now Pay Later Invisible, Comfortable, All day wearing.

Contact lenses actually afford protection to the eye.

. . . they are unbreakable.

PAR. 5. By and through the statements in said advertisements disseminated and caused to be disseminated, as aforesaid, respondent represented, directly or by implication, that:

1. All persons in need of visual correction can successfully wear respondent's contact lenses.

2. Respondent's contact lenses will correct all defects in vision.

3. There is no discomfort in wearing respondent's contact lenses.

4. Respondent's contact lenses can be worn all day in complete comfort.

5. Respondent's contact lenses afford protection to the eye of the wearer.

6. Respondent's contact lenses are unbreakable.

PAR. 6. The advertisements containing the aforesaid statements and representations were, and are, misleading in material respects and constituted, and now constitute, "false advertisements", as that

term is defined in the Federal Trade Commission Act. In truth and in fact:

1. A significant number of people in need of visual correction cannot successfully wear respondent's contact lenses.

2. Respondent's lenses will not correct all defects in vision.

3. Practically all persons will experience some discomfort when first wearing respondent's lenses. In a significant number of cases discomfort will be prolonged.

4. Many persons cannot wear respondent's contact lenses all day without discomfort and no person can wear said lenses all day without discomfort until such person has become fully adjusted thereto.

5. Respondent's contact lenses cover only a small portion of the eye and afford protection only to the portion of the eye that is covered.

6. Respondent's contact lenses are breakable.

PAR. 7. The dissemination by the respondent of the false advertisements, as aforesaid, constituted unfair and deceptive acts and practices in commerce, within the intent and meaning of the Federal Trade Commission Act.

Mr. Garland S. Ferguson supporting the complaint.

Balka and Balka by *Mr. Henry W. Balka* of Philadelphia, Pa., for respondent.

INITIAL DECISION BY WALTER K. BENNETT, HEARING EXAMINER

The Commission issued its complaint November 8, 1960 against respondent charging him with disseminating false advertisements concerning contact lenses. The complaint further charged that the dissemination of such advertisements constituted unfair and deceptive acts and practices in commerce, within the intent and meaning of the Federal Trade Commission Act.

Council presented to the undersigned hearing examiner on February 8, 1961 an agreement dated February 1, 1961, among respondent, Bernard M. Hamberg, his counsel, and counsel supporting the complaint providing for the entry without further notice of a cease and desist order. Said agreement has been duly approved by the Director, the Assistant Director and the Associate Director of the Bureau of Litigation.

The hearing examiner finds that said agreement includes all of the provisions required by Section 3.25(b) of the Rules of the Commission, that is:

A. An admission by respondent of all jurisdictional facts alleged in the complaint.

B. Provisions that:

1) The complaint may be used in construing the terms of the order;

2) The order shall have the same force and effect as if entered after a full hearing;

3) The agreement shall not become a part of the official record of the proceeding unless and until it becomes a part of the decision of the Commission;

4) The entire record on which any cease and desist order may be based shall consist solely of the complaint and the agreement;

5) The order may be altered, modified, or set aside in the manner provided by statute for other orders.

C. Waivers of:

1) The requirement that the decision must contain a statement of findings of fact and conclusion of law;

2) Further procedural steps before the hearing examiner and the Commission.

In addition the agreement contains the following permissive provisions: A waiver by the respondent of any right to challenge or contest the validity of the order entered in accordance with the agreement, and a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that he has violated the law as alleged in the complaint.

Having considered said agreement including the proposed order and being of the opinion that they provide an appropriate basis for settlement and disposition of this proceeding, the hearing examiner hereby accepts the agreement but orders that it shall not become a part of the official record unless and until it becomes a part of the decision of the Commission.

The following jurisdictional findings are made and the following order issued:

1. Bernard M. Hamberg is an individual trading and doing business as Tru-Site Optical Company, with his principal place of business located at 107 North 9th Street, Philadelphia, Pennsylvania. He also trades and does business under the name of Tru-Site Optical Company at other addresses in the State of Pennsylvania, as set forth in the complaint.

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

ORDER

It is ordered, That respondent Bernard M. Hamberg, individually and trading and doing business as Tru-Site Optical Company, or trading under any other name, and his representatives, agents and employees, directly or through any corporate or other device, in connection with the sale of his contact lenses, do forthwith cease and desist from, directly or indirectly:

1. Disseminating, or causing to be disseminated, any advertisement by means of the United States mails or by any means in commerce, as "commerce" is defined in the Federal Trade Commission Act, which advertisement represents directly, indirectly or by implication, that:

(a) All persons in need of visual correction can successfully wear respondent's contact lenses.

(b) Said lenses will correct all defects in vision.

(c) There is no discomfort in wearing respondent's lenses.

(d) A person can wear said lenses all day unless it is clearly disclosed that this is possible only after such person has been fully adjusted thereto.

(e) Said contact lenses afford protection to the eye of the wearer, unless limited to the small portion covered thereby.

(f) Said contact lenses are unbreakable.

2. Disseminating, or causing the dissemination of any advertisement, by any means, for the purpose of inducing or which is likely to induce, directly or indirectly, the purchase in commerce, as "commerce" is defined in the Federal Trade Commission Act, of said contact lenses, which advertisement contains any of the representations prohibited in Paragraph 1 hereof.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall on the 13th day of April 1961, become the decision of the Commission; and, accordingly:

It is 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 the order to cease and desist.

IN THE MATTER OF

EUROPE CRAFT IMPORTS, INC., ET AL.

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

Docket 8211. Complaint, Dec. 7, 1960—Decision, Apr. 13, 1961

Consent order requiring New York City importers of wool products from Holland to cease violating the Wool Products Labeling Act by labeling as "55% Wool 45% Helanca", ladies' and men's ski pants which contained substantially less woolen fibers than thus represented, by rendering inconspicuous the required information as to fiber content on labels by reason of insufficient background contrast, and by using the term "Helanca" instead of the common generic name of the fiber; and to cease representing falsely, by use in advertising matter and on labels of two ski sticks inserted in a snow-covered slope and the words "Piz Palu" (a Swiss mountain) and "St. Moritz" (a Swiss village), that their said ski pants were manufactured in Switzerland.

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 Europe Craft Imports, Inc. a corporation, and Herman Feigenheimer and Gerda Feigenheimer, 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 Wool 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 Europe Craft Imports, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York. Individual respondents Herman Feigenheimer and Gerda Feigenheimer are officers of the corporate respondent. Said individual respondents cooperate in formulating, directing and controlling the acts, policies and practices of the corporate respondent, including the acts and practices hereinafter referred to. All respondents have their office and principal place of business at 488 7th Avenue, New York, New York.

PAR. 2. Subsequent to the effective date of the Wool Products Labeling Act of 1939 and more especially since 1959 respondents have imported from Holland, introduced into commerce, offered

for sale, transported and distributed in commerce, as "commerce" is defined in said Act, wool products, as "wool products" are 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 and the Rules and Regulations promulgated thereunder, in that they were falsely and deceptively labeled or tagged with respect to the character and amount of the constituent fibers contained therein.

Among such misbranded wool products were ladies' and men's ski pants labeled or tagged as "55% Wool 45% Helanca", whereas, in truth and in fact, said products contained substantially less woolen fibers than represented.

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

PAR. 5. Certain of said wool products were further misbranded in violation of the Wool Products Labeling Act in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) The required information descriptive of the fiber content contained on the labels attached to the wool products was minimized and rendered inconspicuous, so as likely to be unnoticed by purchasers and the purchaser-consumers, by reason of insufficient background contrast, making the fiber contents inconspicuous, in violation of Rule 11 of the aforesaid Rules and Regulations.

(b) The labels or tags attached to the wool products described a portion of the fiber content as Helanca instead of using the common generic name of the fiber, in violation of Rule 8 of the aforesaid Rules and Regulations.

PAR. 6. The respondents in the course and conduct of their business as aforesaid were and are in substantial competition in commerce with corporations, firms and individuals likewise engaged in the sale of wool products, including ladies' and men's ski pants.

PAR. 7. The acts and practices of the respondents as above set forth were, and are, in violation of the Wood Products Labeling Act and the Rules and Regulations promulgated thereunder, and constituted, and now constitute, unfair and deceptive acts and practices and unfair methods of competition, in commerce, within the intent and meaning of the Federal Trade Commission Act.

PAR. 8. In the course and conduct of their business respondents in advertising matter and on labels attached to their said ski pants depict a snow covered slope with two ski sticks inserted in the snow and accompanied with the words "Piz Palu" (a Swiss mountain) and "St. Moritz" (a Swiss village) thereby representing, directly or by implication, that their said ski pants are manufactured in Switzerland.

PAR. 9. Said statements, representations and depictions are false, misleading and deceptive. In truth and in fact, respondents said ski pants were manufactured in Holland.

PAR. 10. There is a preference on the part of many dealers and members of the public for ski pants made in Switzerland.

PAR. 11. The use by the respondents of the aforesaid false, misleading and deceptive statements, representations and depictions has had, and now has, the capacity and tendency to lead dealers and members of the public into the erroneous and mistaken belief that said statements, representations and depictions were and are true and into the purchase of substantial quantities of respondents' product by reason of said erroneous and mistaken belief. As a consequence thereof substantial trade, in commerce has been diverted to respondents from their competitors and substantial injury has been, and is being, done to competition in commerce.

PAR. 12. The acts and practices of said respondents as hereinabove alleged in Paragraph Eight were, and are, all to the prejudice and injury of the public and of respondents' competitors and constituted, and now constitute, unfair and deceptive acts and practices and unfair methods of competition, in commerce, within the intent and meaning of the Federal Trade Commission Act.

Mr. Michael P. Hughes and *Mr. Charles W. O'Connell* supporting the complaint.

Galef & Jacobs by *Mr. Gabriel Galef* of New York, N. Y., for respondents.

INITIAL DECISION BY WALTER K. BENNETT, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondents on December 7, 1960. The complaint charged respondents with mislabeling and misbranding woolen ski pants and with representing directly or by implication that said ski pants were manufactured in Switzerland rather than Holland. Said acts and practices were charged to be in violation of both the Wool Products Labeling Act and the Federal Trade Commission Act. The proceeding has abated as to Herman Feigenheimer who is dead.

On February 1, 1961, Counsel submitted to the undersigned hearing examiner an agreement among surviving respondents, counsel representing them and counsel supporting the complaint, providing for the entry without further notice of a consent order. The agreement was duly approved by the Director, the Acting Associate Director and the Assistant Director of the Bureau of Litigation.

The hearing examiner finds that said agreement includes all of the provisions required by Section 3.25(b) of the Rules of the Commission, that is:

A. An admission by all the respondent parties thereto of jurisdictional facts;

B. Provisions that:

1) The complaint may be used in construing the terms of the order;

2) The order shall have the same force and effect as if entered after a full hearing;

3) The agreement shall not become a part of the official record of the proceeding unless and until it becomes a part of the decision of the Commission;

4) The entire record on which any cease and desist order may be based shall consist solely of the complaint and the agreement;

5) The order may be altered, modified, or set aside in the manner provided by statute for other orders;

C. Waivers of:

1) The requirement that the decision must contain a statement of findings of fact and conclusion of law;

2) Further procedural steps before the hearing examiner and the Commission.

In addition the agreement contains the following permissive provisions: A waiver by the respondents of any right to challenge or contest the validity of the order entered in accordance with the agreement, and a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint.

Having considered said agreement, including the proposed order, and being of the opinion that they provide an appropriate basis for settlement and disposition of this proceeding; the hearing examiner hereby accepts the agreement but orders that it shall not become a part of the official record unless and until it becomes a part of the decision of the Commission.

The following jurisdictional findings are made and the following order issued:

1. Respondent Europe Craft Imports, Inc., is a corporation 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 488—7th Avenue, in the City of New York, State of New York.

2. Individual respondent Gerda Feigenheimer is an officer of the corporate respondent. Said individual respondent formulates, directs and controls the acts and practices of the corporate respondent. Her office and principal place of business is located at the same address as that of the corporate respondent.

3. Reliable information has been presented to the Commission that discloses that individual respondent Herman Feigenheimer is deceased.

4. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents.

ORDER

It is ordered, That respondents, Europe Craft Imports, Inc., a corporation, and its officers, and Gerda Feigenheimer, 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 into commerce, or the offering for sale, sale, transportation, or distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, of ski pants or other "wool products" as such products are defined in and subject to 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 included therein.

2. Failing to affix labels to such products showing each element of information required to be disclosed by Section 4(a)(2) of the Wool Products Labeling Act of 1939.

3. Failing to use the common generic name when naming fibers in the required information.

4. Using stamps, tags, labels or other means of identification upon such wool products, which have insufficient background contrast, making the fiber contents inconspicuous.

It is further ordered, That respondents, Europe Craft Imports, Inc., a corporation, and its officers, and Gerda Feigenheimer, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of ski pants or any other product in commerce, as "commerce" is defined in the Federal Trade Commission Act, do

forthwith cease and desist from misrepresenting, directly or by implication, in any manner, the country of origin of their ski pants or of any other product.

It is further ordered, That the complaint be dismissed as to Herman Feigenheimer.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall on the 13th day of April 1961, become the decision of the Commission; and, accordingly:

It is ordered, That respondents Europe Craft Imports, Inc., a corporation, and Gerda Feigenheimer 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.

IN THE MATTER OF

SAMUEL SCHENKER, INC., ET AL.

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

Docket 8250. Complaint, Dec. 28, 1960—Decision, Apr. 13, 1961

Consent order requiring a New York City furrier to cease violating the Fur Products Labeling Act by failing to comply with labeling and invoicing requirements.

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 Samuel Schenker, Inc., a corporation, and Samuel Schenker, 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 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. Samuel Schenker, 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 252 West 37th Street, New York, New York.

Samuel Schenker is president of the said corporate respondent and controls, directs and formulates the acts, practices and policies of the said corporate respondent, including the acts and practices hereinafter set forth. His office and principal place of business is the same as that of the corporate respondent.

PAR. 2. Subsequent to the effective date of the Fur Products Labeling Act on August 9, 1952, respondents have been and are now engaged in the introduction into commerce, and in the manufacture for introduction into commerce, and in the sale, advertising and offering for sale, 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 fur which had been shipped and received in commerce as the terms "commerce", "fur" and "fur product" are defined in the Fur Products Labeling Act.

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.

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) 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.

(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 respondent in that they were not invoiced as required by Section 5(b)(1) of the Fur Products Labeling Act, and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

PAR. 6. Certain of said fur products were falsely and deceptively invoiced in violation of the Fur Products Labeling Act as they were not invoiced in accordance with the Rules and Regulations promulgated thereunder in that required item numbers were not set forth on invoices in violation of Rule 40 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 and deceptive acts and practices in commerce under the Federal Trade Commission Act.

Mr. Ernest D. Oakland for the Commission.

Mr. Stanley S. Horvath of *Schaeffer & Goldstein*, of New York, N. Y., for responents.

INITIAL DECISION BY HERMAN TOCKER, HEARING EXAMINER

The complaint in this proceeding, issued December 28, 1960, charged the respondents, Samuel Schenker, Inc., a corporation located at 252 West 37th Street, New York, New York, and Samuel Schenker, individually and as officer of said corporation, and located at the same address as the corporate respondent, with violation of the Fur Products Labeling Act by failing to label products, and deceptively invoicing other products introduced by them into commerce.

After the issuance of the complaint, respondents entered into an agreement containing consent order to cease and desist with counsel in support of the complaint, disposing of all the issues as to all parties in this proceeding.

It was expressly provided in said agreement that the signing thereof is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint.

By the terms of said agreement, the respondents admitted all the jurisdictional facts alleged in the complaint and agreed that the record herein may be taken as if the Commission had made findings of jurisdictional facts in accordance with the allegations.

By said agreement, the parties expressly waived any further procedural steps before the hearing examiner and the Commission; the making of findings of fact or conclusions of law; and all rights they may have to challenge or contest the validity of the order to cease and desist entered in accordance with the agreement.

Respondents further agreed that the order to cease and desist, issued in accordance with said agreement, shall have the same force and effect as if made after a full hearing.

It was further provided that said agreement, together with the complaint, shall constitute the entire record herein; that the complaint herein may be used in construing the terms of the order issued pursuant to said agreement; and that said order may be altered, modified or set aside in the manner prescribed by the statute for orders of the Commission.

The hearing examiner has considered such agreement and the order therein contained, and, it appearing that said agreement and order provide for an appropriate disposition of this proceeding, the same is hereby accepted, and, upon becoming part of the Commission's decision in accordance with Sections 3.21 and 3.25 of the Rules of Practice, shall be filed; and, in consonance with the terms thereof, the hearing examiner finds that the Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents named herein, and that this proceeding is in the interest of the public, and issues the following order:

ORDER

It is ordered, That respondents, Samuel Schenker, Inc., a corporation, and its officers, and Samuel Schenker, 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 sale, advertising or offering for sale, transporation or distribution in commerce of fur products; or in connection with the sale, manufacture for sale, advertising, offering for sale, transportation or distribution of fur products which have been made in whole or in part of fur which has been shipped and received in commerce, as "commerce", "fur" and "fur products" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding fur products by:

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

(2) Setting forth in handwriting on labels affixed to fur products information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder.

(3) Failing to set forth on labels affixed to fur products the item number or mark assigned to a fur product.

B. Falsely or deceptively invoicing fur products by:

(1) Failing to furnish to purchasers of fur products invoices showing 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 on invoices pertaining to fur products the item number or mark assigned to a fur product.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 13th day of April 1961, become the decision of the Commission; and, accordingly:

It is 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 the order to cease and desist.

IN THE MATTER OF

INCE-SIEGEL, INC., ET AL.

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

Docket 8263. Complaint, Dec. 30, 1960—Decision, Apr. 13, 1961

Consent order requiring Los Angeles furriers to cease violating the Fur Products Labeling Act by affixing to fur products tags printed with false guarantees that the products were not misbranded; by advertisements in newspapers which failed to disclose the names of animals producing the fur in certain products or that some furs were artificially colored, used the term "blended" improperly, and guaranteed falsely that fur products were not misbranded or advertised falsely; and by failing in other respects to comply with invoicing and labeling requirements.

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 Ince-Siegel, Inc., a corporation, and Harry Ince and Jules Siegel, 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. Ince-Siegel, 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 706 South Hill Street, Los Angeles, California.

Respondents Harry Ince and Jules Siegel control, formulate and direct the acts and practices of the corporate respondent, including the acts and practices hereinafter referred to. Their address is the same as that of the corporate respondent.

PAR. 2. Subsequent to the effective date of the Fur Products Labeling Act on August 9, 1952, respondents have been and are now engaged in the introduction into commerce and in the sale, advertising, offering for sale, 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 fur which had been shipped and received in commerce, as the terms "commerce", "fur" and "fur product" are defined in the Fur Products Labeling Act.

PAR. 3. Certain of said fur products were misbranded or otherwise falsely and deceptively labeled in violation of Section 4(1) of the Fur Products Labeling Act in that labels affixed to fur products contained the following guarantee: "We guarantee that the fur products or furs specified herein are not misbranded nor falsely or deceptively advertised or invoiced under the provisions of the Fur Products Labeling Act and the Rules and Regulations thereunder", when in truth and in fact such products were misbranded in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder.

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.

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 the Rules and Regulations promulgated thereunder in that information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was not completely set out on one side of labels in violation of Rule 29(a) of said Rules and Regulations.

PAR. 6. Certain of said fur products were falsely and deceptively invoiced by respondents in that they were not invoiced as required by Section 5(b)(1) of the Fur Products Labeling Act, and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

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

promulgated thereunder in that the required item numbers were not set forth on invoices in violation of Rule 40 of said Rules and Regulations.

PAR. 8. Certain of said fur products were falsely and deceptively advertised in violation of the Fur Products Labeling Act in that respondents caused the dissemination in commerce, as "commerce" is defined in said Act, of certain newspaper advertisements, concerning said products, which were not in accordance with the provisions of Section 5(a) of the said Act and the Rules and Regulations promulgated thereunder; and which advertisements were intended to aid, promote and assist, directly or indirectly, in the sale and offering for sale of said fur products.

PAR. 9. Among and included in the advertisements as aforesaid, but not limited thereto, were advertisements of respondents which appeared in issues of the Las Vegas Review-Journal, a newspaper published in the City of Las Vegas, State of Nevada, and having a wide circulation in said State and various other states of the United States.

By means of said advertisements and others of similar import and meaning, not specifically referred to herein, respondents falsely and deceptively advertised fur products in that said advertisements:

(a) Failed to disclose the name or names of the animal or animals that produced the fur contained in the Fur product as set forth in the Fur Products Name Guide, in violation of Section 5(a)(1) of the Fur Products Labeling Act.

(b) Failed to disclose that fur products contained or were composed of bleached, dyed or otherwise artificially colored fur, when such was the fact, in violation of Section 5(a)(3) of the Fur Products Labeling Act.

(c) Used the term "blended" as part of the information required under Section 5(a) of the Fur Products Iabeling Act and the Rules and Regulations promulgated thereunder to describe the pointing, bleaching, dyeing or tip-dyeing of furs, in violation of Rule 19(e) of said Rules and Regulations.

PAR. 10. In advertising fur products for sale as aforesaid respondents falsely and deceptively advertised fur products in violation of Section 5(a)(5) of the Fur Products Labeling Act by setting out in advertisements the following guarantee: "We guarantee that the fur products or furs specified herein are not misbranded nor falsely nor deceptively advertised under the provisions of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder", when in truth and in fact such fur products were falsely

and deceptively advertised in violation of the Fur Products Labeling Act and the Regulations promulgated thereunder.

PAR. 11. 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 and deceptive acts and practices in commerce under the Federal Trade Commission Act.

Arthur Wolter, Jr., Esq., supporting the complaint.
J. Robert Arkush, Esq., of Los Angeles, Calif., for respondents.

INITIAL DECISION BY LEON R. GROSS, HEARING EXAMINER

On December 30, 1960, the Federal Trade Commission issued a complaint against the above-named respondents, in which they were charged with violating the Federal Trade Commission Act, and the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder by, among other things, misbranding fur products by setting out a guarantee in their advertising and on labels affixed thereto, failing to affix labels which plainly disclose required information; falsely or deceptively invoicing fur products by failing (1) to furnish required information thereon, and (2) to set forth on invoices the item numbers; and falsely and deceptively advertising fur products by failing to disclose (1) the name of the animal, producing the fur contained in the fur product advertised, or (2) it is composed of artificially colored or blended fur, in the products they sell in interstate commerce. A true and correct copy of the complaint was served upon the respondents and each and all of them, as required by law.

Thereafter respondents appeared by counsel and agreed to dispose of this proceeding without a formal hearing pursuant to the terms of an agreement dated February 7, 1961, containing consent order to cease and desist. The agreement was submitted to the undersigned hearing examiner on February 17, 1961, in accordance with §3.25 of the Commission's Rule of Practice for Adjudicative Proceedings. The agreement purports to dispose of this proceeding as to the respondents and each and all of them and contains the form of a consent cease and desist order which the parties have represented is dispositive of the issues involved in this proceeding. The agreement has been signed by the corporate respondent by its president, by the individual respondents individually and as officers of said corporation, by the attorneys for the parties, and has been approved by the Assistant Director, Associate Director, and Director of the Bureau

of Litigation of the Federal Trade Commission. In said agreement respondents admit all of the jurisdictional facts alleged in the complaint and agree that the record may be taken as if findings of jurisdictional facts had been made in accordance with such allegations. In the agreement the respondents waive: (a) any further procedural steps before the hearing examiner and the Commission; (b) the making of findings of fact or conclusions of law; and (c) all rights respondents may have to challenge or contest the validity of the order to cease and desist entered in accordance with the agreement.

The parties further agree, in said agreement, that the record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and the agreement; that the agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Federal Trade Commission; that the order to cease and desist entered in this proceeding by the Commission may be entered without further notice to the respondents, and when so entered such order will have the same force and effect as if entered after a full hearing. Said order may be altered, modified or set aside in the manner provided for other orders. The complaint may be used in construing the terms of the order.

The parties have covenanted that the said agreement is for settlement purposes only and does not constitute an admission by the respondents that they have violated the law as alleged in the complaint.

This proceeding having now come on for final consideration on the complaint and the aforesaid agreement of February 7, 1961, containing consent order, and it appearing that the order which is approved in and by said agreement disposes of all the issues presented by the complaint as to all of the parties involved, said agreement is hereby accepted and approved as complying with §§3.21 and 3.25 of the Commission's Rules of Practice for Adjudicative Proceedings. The undersigned hearing examiner, having considered the agreement and proposed order and being of the opinion that the acceptance thereof will be in the public interest, makes the following findings and issues the following order:

FINDINGS

1. The Federal Trade Commission has jurisdiction over the parties and the subject matter of this proceeding; and this proceeding is in the public interest;

2. Respondent Ince-Siegel, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State

of California. Individual respondents Harry Ince and Jules Siegel are officers of said corporate respondent. Said individual respondents formulate, direct and control the acts, policies and practices of the corporate respondent. All respondents have their office and principal place of business at 706 South Hill Street, Los Angeles, California.

3. Respondents are engaged in commerce as "commerce" is defined in the pertinent statutes which are invoked by the complaint filed herein. Now, therefore,

It is ordered, That Ince-Siegel, Inc., a corporation, and Harry Ince and Jules Siegel, 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 fur products, or in connection with the sale, advertising, offering for sale, transportation, or distribution of fur products which are made in whole or in part of fur which has been shipped and received in commerce, as "commerce", "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

1. Misbranding fur products by:

A. Setting out a guarantee on labels affixed thereto that such fur products are not misbranded or falsely or deceptively invoiced or advertised under the provisions of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder when such is not the fact;

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

C. Failing to set forth on labels affixed to fur products all the information required to be disclosed under §4(2) of the Fur Products Labeling Act and the Rules and Regulations thereunder on one side of such labels.

2. Falsely or deceptively invoicing fur products by:

A. Failing to furnish to purchasers of fur products invoices showing all the information required to be disclosed by each of the subsections of Section 5(b)(1) of the Fur Products Labeling Act;

B. Failing to set forth on invoices the item number or mark assigned to a fur product.

3. Falsely or deceptively advertising fur products 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 fur products and which:

A. Fails to disclose:

1. The name or names of the animal or animals producing the fur or furs contained in the fur products as set forth in the Fur Products Name Guide and as prescribed under the Rules and Regulations;

2. That the fur product contains or is composed of bleached, dyed or otherwise artificially colored fur when such is the fact.

B. Sets forth the term "blended" as part of the information required under §5(a) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe the pointing, bleaching, dyeing or tip-dyeing of furs.

4. Falsely or deceptively advertising fur products by setting out a guarantee in advertising that such fur products are not misbranded or falsely and deceptively invoiced or falsely or deceptively advertised under the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder when such is not the fact.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 13th day of April 1961, become the decision of the Commission; and, accordingly:

It is ordered, That the above-named respondents 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.

In The Matter Of

MINX THRIFT SHOP, INC., ET AL.

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

Docket 8268. Complaint, Dec. 30, 1960—Decision, Apr. 13, 1961

Consent order requiring New York City furriers to cease violating the Fur Products Labeling Act by failing to set forth the term "Dyed Mouton processed Lamb" on labels as required; by failing to use the words "Persian Lamb" properly on invoices; by advertising in newspapers which failed to disclose the names of animals producing certain furs or that some products were made of used fur, and to use the words "secondhand used fur" when required; and by failing in other respects to comply with advertising, invoicing, and labeling requirements.

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 Minx Thrift Shop, Inc., a corporation, and Harry Felcher and Moses Gottlieb, 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. Minx Thrift Shop, 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 1490 Third Avenue, New York, New York.

Harry Felcher is president of said corporate respondent and Moses Gottlieb is secretary-treasurer of the said corporate respondent. These individuals control, formulate and direct the acts, practices and policies of the said corporate respondent. Their office and principal place of business is the same as that of the said corporate respondent.

PAR. 2. Subsequent to the effective date of the Fur Products Labeling Act on August 9, 1952, respondents have been and are now 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 fur which had been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act.

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.

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) Failure to set forth the term "Dyed Mouton processed Lamb" in the manner required where an election was made to use that term instead of Lamb in violation of Rule 9 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 mingled with non-required information in violation of Rule 29(a) of said Rules and Regulations.

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

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 in abbreviated form, in violation of Rule 4 of said Rules and Regulations.

(b) The term "Persian Lamb" was not set forth in the manner required where an election was made to use that term instead of Lamb in violation of Rule 8 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 respondents caused the dissemination in commerce, as "commerce" is defined in said Act, of certain newspaper advertisements, concerning said products, which were not in accordance with the provisions of Section 5(a) of the said Act and the Rules and Regulations promulgated thereunder; and which advertisements were intended to aid, promote and assist, directly or indirectly, in the sale and offering for sale of said fur products.

PAR. 8. Among and included in the advertisements, as aforesaid, but not limited thereto, were advertisements of respondents which appeared in issues of the New York Times, a newspaper published in the City of New York, State of New York and having a wide circulation in said State and various other States of the United States.

By means of said advertisements, and others of similar import and meaning not specifically referred to, respondents falsely and deceptively advertised fur products in that said advertisements:

(a) Failed to disclose the name or names of the animal or animals that products the fur contained in the fur product, as set forth in the Fur Products Name Guide, in violation of Section 5(a)(1) of the Fur Products Labeling Act.

(b) Failed to disclose that fur products were composed of used fur, when such was the fact, in violation of Section 5(a)(2) of the Fur Products Labeling Act.

(c) Contained information required under Section 5(a) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder set forth in abbreviated form in violation of Rule 4 of said Rules and Regulations.

(d) The term "Persian Lamb" was not set forth in the manner required where an election was made to use that term instead of Lamb in violation of Rule 8 of said Rules and Regulations.

(e) Failed to use the term "secondhand used fur" where required, in violation of Rules 21 and 23 of said Rules and Regulations.

PAR. 9. 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 and deceptive acts and practices in commerce under the Federal Trade Commission Act.

Mr. Anthony J. Kennedy, Jr., for the Commission.
Mr. Henry Parker, of New York, N. Y., for respondents.

INITIAL DECISION BY ABNER E. LIPSCOMB, HEARING EXAMINER

The complaint herein was issued on December 30, 1960, charging Respondents with violation of the Federal Trade Commission Act and of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder, by misbranding and by falsely and deceptively invoicing and advertising certain of their fur products.

Thereafter, on February 17, 1961, Respondents, their counsel, and counsel supporting the complaint herein entered into an Agreement Containing Consent Order To Cease And Desist, which was approved by the Director, Associate Director and Assistant Director of the Commission's Bureau of Litigation, and, on February 24, 1961, submitted to the Hearing Examiner for consideration.

The agreement identifies Respondent Minx Thrift Shop, Inc., as a New York corporation, with its office and principal place of business located at 1490 Third Avenue, New York, New York; Respondent Harry Felcher as an officer of the corporate Respondent, located at the same address; and Respondent Moses Gottlieb as a former officer of the corporate Respondent, his address being 165 East 179th Street, Bronx, New York. The agreement states that individual Respondents Harry Felcher and Moses Gottlieb formulated, controlled and directed the acts and practices of the corporate Respondent, including the acts and practices complained of in the subject complaint.

Respondents admit all the jurisdictional facts alleged in the complaint, and agree that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations.

Respondents waive any further procedure before the Hearing Examiner and the Commission; the making of findings of fact and conclusions of law; and all of the rights they may have to challenge or contest the validity of the order to cease and desist entered in accordance with the agreement. All parties agree that the record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and the agreement; that the order to cease and desist, as contained in the agreement, when it shall have become a part of the decision of the Commission, shall have the same force and effect as if entered after a full hearing, and may be altered, modified or set aside in the manner provided for other orders; that the complaint herein may be used in construing the terms of said order; and that the agreement is for settlement purposes only and does not constitute an admission by Respondents that they have violated the law as alleged in the complaint.

After consideration of the allegations of the complaint, and the provisions of the agreement and the proposed order, the Hearing Examiner is of the opinion that such order constitutes a satisfactory disposition of this proceeding. Accordingly, in consonance with the terms of the aforesaid agreement, the Hearing Examiner accepts the Agreement Containing Consent Order To Cease And Desist; finds that the Commission has jurisdiction over the Respondents and over their acts and practices as alleged in the complaint; and finds that this proceeding is in the public interest. Therefore,

It is ordered, That Respondents Minx Thrift Shop, Inc., a corporation, and its officers, and Harry Felcher, individually and as an officer of said corporation, and Moses Gottlieb, individually and as a former officer of the corporate Respondent, 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, transportation or distribution in commerce of fur products; or in connection with the sale, advertising, offering for sale, transportation or distribution of fur products which are made in whole or in part of fur which has been shipped and received in commerce, as "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. Failing to affix labels to fur products showing in words and figures plainly legible all the information required to be disclosed by each of the subsections of §4(2) of the Fur Products Labeling Act;

2. Failing to set forth the term "Dyed Mouton processed Lamb" where an election is made to use that term instead of Lamb;

3. Setting forth on labels affixed to fur products information required under §4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder mingled with non-required information;

B. Falsely or deceptively invoicing fur products by:

1. Failing to furnish invoices to purchasers of fur products showing all the information required to be disclosed by each of the subsections of §5(b)(1) of the Fur Products Labeling Act;

2. Setting forth information required under §5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form;

3. Failing to set forth the term "Persian Lamb" where an election was made to use that term instead of Lamb;

C. Falsely or deceptively advertising fur products 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 fur products and which:

1. Fails to disclose:

(a) The name or names of the animal or animals producing the fur or furs contained in the fur product, as set forth in the Fur Products Name Guide and as prescribed under the Rules and Regulations;

(b) That the fur product is composed of used fur, when such is the fact;

2. Sets forth information required under §5(a) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form;

3. Fails to set forth the term "Persian Lamb" where an election is made to use that term instead of Lamb;

4. Fails to disclose that fur products contain or are composed of "secondhand used fur", when such is the fact.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner, shall on the 13th day of April 1961, become the decision of the Commission; and, accordingly:

It is ordered, That respondents Minx Thrift Shop, Inc., a corporation, and Harry Felcher, individually and as an officer of said corpo-

ration, and Moses Gottlieb, individually and as a former officer of the corporate respondent, 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.

In The Matter Of

CHAMBERS-SHERWIN, INC., ET AL.

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

Docket 8269. Complaint, Dec. 30, 1960—Decision, Apr. 13, 1961

Consent order requiring New York City furriers to cease violating the Fur Products Labeling Act by failing to comply with invoicing and labeling requirements.

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 Chambers-Sherwin, Inc., a corporation, and Albert M. Chambers and Monroe Sherwin, 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. Chambers-Sherwin, 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 350 Seventh Avenue, New York, New York.

Albert M. Chambers and Monroe Sherwin are officers of the corporate respondent. They control, formulate and direct the acts and practices of the corporate respondent. Their address is the same as that of the corporate respondent.

Par. 2. Subsequent to the effective date of the Fur Products Labeling Act on August 9, 1952, respondents have been and are now engaged in the introduction into commerce, and in the manufacture for introduction into commerce, and in the sale, advertising, offering for sale, transportation and distribution, in commerce, of fur products; and have manufactured for sale, sold, advertised,