

Federal Trade Commission a report setting forth in detail the manner and form in which it intends to comply, is complying, and/or has complied with this order. All compliance reports shall include, among other things that may be from time to time required, a summary of all contacts and negotiations with potential purchasers of the assets to be divested under this order, the identity of all such potential purchasers, and copies of all written communications to and from such potential purchasers.

## VI

*It is further ordered*, That Section IV of this order shall terminate if the Federal Trade Commission, through trade regulation rules or other like non-adjudicative industrywide proceedings, issues rules or guide lines covering the subject matter of this order.

## VII

*It is further ordered*, That the Initial Decision of the hearing examiner be, and it hereby is, vacated.

## VIII

The Federal Trade Commission may, from time to time and upon application by respondent, issue such further orders as it may deem appropriate or just.

Commissioners Reilly and Jones have dissented and have filed separate dissenting statements.

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IN THE MATTER OF

## ALLIED ENTERPRIZES, INC., ET AL.

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

*Docket 8722. Complaint, Dec. 8, 1966—Decision, Apr. 11, 1967*

Order requiring a North Brentwood, Md., distributor of home intercom and fire detection or alarm systems to cease using deceptive referral and demonstration offers to obtain customer leads, misrepresenting that his prices are reduced or special or will result in savings to customer, neglecting to disclose that promissory notes will be sold to a finance company, and falsely representing that his products are new to the market.

## 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 Allied Enterprizes, Inc., a corporation, and William Marion, 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 Allied Enterprizes, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Maryland, with its principal office and place of business located at 4550 Rhode Island Avenue, North Brentwood, Maryland.

Respondent William Marion is now and has been an officer of the corporate respondent and formulates, directs and controls the acts and practices hereinafter set forth. His business 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 offering for sale, sale and distribution of home intercom and fire detection systems 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 Maryland to purchasers thereof located in various other States of the United States and, in the District of Columbia, and maintain, and 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 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 home intercom and fire detection systems of the same general kind and nature as those sold by respondents.

PAR. 5. Respondents in the course and conduct of their business, in offering for sale, selling and distributing their merchandise have engaged in and are engaging in the sale of said systems through a referral selling plan.

Said referral selling plan provides that purchasers will receive prizes in the amount of:

1. \$100 for each person referred who purchases the Nutone Intercom System and Fire Alarm and Panic Alarm Systems.

2. \$335 for the first (15) qualified demonstrations made through representatives.

3. \$335 for the second (15) qualified demonstrations made through representatives.

4. \$335 for the third (15) qualified demonstrations made through representatives.

In the event that the customer desires to participate in the plan and purchase the system from the respondents, he is presented with various documents including a contract, an application for a loan, a promissory note, a Customer's Commission Agreement, and Bonus Demonstration Guarantee.

The purchase of the said system from respondents and the execution of the proper instruments is a prerequisite consideration to participation in respondents' referral plan and any payments thereunder are based upon the chance that a referral named in the aforesaid instrument, in fact, will allow a demonstration of said products, and the chance that said referral's name has not been already given by a previous purchaser. Further payments thereunder are contingent upon the subsequent sale of the merchandise to such person.

PAR. 6. In the course and conduct of explaining their aforesaid referral plan, respondents and their salesmen have represented directly or indirectly to prospective purchasers:

1. That by their participation in respondents' program, purchasers will receive enough commissions from referrals to obtain their intercom systems at little or no cost.

2. That purchasers would receive from respondents sufficient money each month to take care of their monthly installments.

3. That the intercom system is a new product on the market and is being sold at a reduced price as an introductory or advertising plan, and that savings are thereby afforded to purchasers.

PAR. 7. In truth and in fact:

1. Few, if any participants in respondents' program receive enough referral commissions to obtain their intercom systems at little or no cost.

2. Few, if any participants receive sufficient money from respondents to take care of their monthly installments.

3. The intercom system is not a new product on the market, and is not being sold at a reduced price and savings are not thereby afforded to purchasers.

Therefore, the statements and representations referred to in

Paragraph Six above were and are false, misleading and deceptive.

PAR. 8. In the course and conduct of its business as aforesaid and for the purpose of inducing the sale of its said products, respondents or their salesmen fail to inform or to adequately disclose to prospective purchasers that their installment contracts or promissory notes will be discounted and sold to a third party, or that they are signing a deed of trust to secure the total payment of the purchase price of the intercom system, nor are customers or prospective purchasers adequately advised that they are held responsible for the total amount of the purchase contract regardless of any other agreements written or implied.

PAR. 9. The use by respondents of the aforesaid false, misleading and deceptive statements and representations and unfair or deceptive 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 are true and into the purchase of substantial quantities of respondents' product by reason of said erroneous and mistaken belief and by reason of said unfair or deceptive practices.

PAR. 10. The aforesaid acts and practices of respondents as alleged were and are all to the prejudice and injury of the public and respondents' competitors, and constituted and now constitute unfair methods of competition in commerce and unfair or deceptive acts or practices in commerce, in violation of Section 5 of the Federal Trade Commission Act.

*Mr. Sheldon Feldman* and *Mr. Robert E. Freer, Jr.*, supporting the complaint.

No appearance for respondents.

INITIAL DECISION BY ABNER E. LIPSCOMB, HEARING EXAMINER  
FEBRUARY 6, 1967

#### *I. The Complaint and Accompanying Notice*

The complaint in this proceeding was issued on December 8, 1966, charging the respondents named therein with engaging in unfair or deceptive acts or practices in violation of Section 5 of the Federal Trade Commission Act. The respondents were duly served with the complaint and the accompanying notice, which informed them that they were afforded 30 days, after service of the complaint upon them, within which to file an answer to the allegations of the complaint.

The respondents were also given notice that on the 30th day of January 1967, at 10:00 a.m., at the Federal Trade Commission offices, The 1101 Building, 11th Street and Pennsylvania Avenue, NW., Washington, D.C., a hearing would be held on the charges set forth in the complaint, at which time respondents would have the right, under the Federal Trade Commission Act, to appear and show cause why an order should not be entered requiring them to cease and desist from the violations of law charged in the complaint.

## II. *The Hearing and Default Judgment*

At the hearing held herein on January 30, 1967, the respondents failed to appear either in person or by counsel, and counsel supporting the complaint moved the hearing examiner to enter a default judgment against respondents. In support of their motion counsel showed that the respondents had not, within the 30-day period prescribed in the notice accompanying the complaint, submitted an answer to the complaint and that under the provisions of Section 3.5(c) of the Commission's Rules of Practice for Adjudicative Proceedings a default judgment should be entered. The motion was duly granted and the record closed against the further presentation of evidence.

## III. *Findings as to the Facts*

1. Respondent Allied Enterprizes, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Maryland, with its principal office and place of business located at 4550 Rhode Island Avenue, North Brentwood, Maryland.

Respondent William Marion is now and has been an officer of the corporate respondent and formulates, directs and controls the acts and practices hereinafter set forth. His business address is the same as that of the corporate respondent.

2. Respondents are now and for some time last past have been engaged in the offering for sale, sale and distribution of home intercom and fire detection systems to the public.

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 Maryland to purchasers thereof located in various other States of the United States and in the District of Columbia, and maintain, and have maintained, a substantial course of trade in

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

4. 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 home intercom and fire detection systems of the same general kind and nature as those sold by respondents.

5. Respondents in the course and conduct of their business, in offering for sale, selling and distributing their merchandise have engaged in and are engaging in the sale of said systems through a referral selling plan.

Said referral selling plan provides that purchasers will receive prizes in the amount of:

a. \$100 for each person referred who purchases the Nutone Intercom System and Fire Alarm and Panic Alarm Systems.

b. \$335 for the first fifteen (15) qualified demonstrations made through representatives.

c. \$335 for the second fifteen (15) qualified demonstrations made through representatives.

d. \$335 for the third fifteen (15) qualified demonstrations made through representatives.

In the event that the customer desires to participate in the plan and purchase the system from the respondents, he is presented with various documents including a contract, an application for a loan, a promissory note, a Customer's Commission Agreement, and Bonus Demonstration Guarantee.

The purchase of the said system from respondents and the execution of the proper instruments is a prerequisite consideration to participation in respondents' referral plan and any payments thereunder are based upon the chance that a referral named in the aforesaid instrument, in fact, will allow a demonstration of said products, and the chance that said referral's name has not been already given by a previous purchaser. Further payments thereunder are contingent upon the subsequent sale of the merchandise to such person.

6. In the course and conduct of explaining their aforesaid referral plan, respondents and their salesmen have represented directly or indirectly to prospective purchasers:

a. That by their participation in respondents' program, purchasers will receive enough commissions from referrals to obtain their intercom systems at little or no cost.

b. That purchasers would receive from respondents sufficient money each month to take care of their monthly installments.

c. That the intercom system is a new product on the market and is being sold at a reduced price as an introductory or advertising plan, and that savings are thereby afforded to purchasers.

7. In truth and in fact:

a. Few, if any, participants in respondents' program receive enough referral commissions to obtain their intercom systems at little or no cost.

b. Few, if any, participants received sufficient money from respondents to take care of their monthly installments.

c. The intercom system is not a new product on the market, and is not being sold at a reduced price and savings are not thereby afforded to purchasers.

Therefore, the statements and representations referred to in Paragraph 6 above were, and are, false, misleading and deceptive.

8. In the course and conduct of its business as aforesaid and for the purpose of inducing the sale of its said products, respondents or their salesmen fail to inform or to adequately disclose to prospective purchasers that their installment contracts or promissory notes will be discounted and sold to a third party, or that they are signing a deed of trust to secure the total payment of the purchase price of the intercom system, nor are customers or prospective purchasers adequately advised that they are held responsible for the total amount of the purchase contract regardless of any other agreements written or implied.

#### IV. *Conclusions*

The use by respondents of the aforesaid false, misleading and deceptive statements and representations and unfair or deceptive 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 are true and into the purchase of substantial quantities of respondents' products by reason of said erroneous and mistaken belief and by reason of said unfair or deceptive practices.

The aforesaid acts and practices of respondents as herein found were, and are, all to the prejudice and injury of the public and respondents' competitors; they constituted, and now constitute unfair methods of competition in commerce and unfair or deceptive acts or practices in commerce, in violation of Section 5 of the Federal Trade Commission Act; and this proceeding is in the public interest.

## ORDER

*It is ordered,* That respondents Allied Enterprizes, Inc., a corporation, and its officers, and William Marion, individually and as an officer of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of intercom, fire detection or alarm systems, or any other merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Utilizing any program or plan under which the payment of money or other consideration to purchasers of respondents' products is contingent upon (1) the referral of names by such purchasers to respondents or their agents, representatives or employees and (2) the sale or demonstration of respondents' merchandise to such referrals.

2. Using any sales plan, scheme or device wherein false, misleading or deceptive statements or representations are made for the purpose of obtaining leads or the names of prospective purchasers.

3. Representing, directly or by implication, that respondents' customers are able to obtain respondents' products at little or no cost, or will receive earnings or compensation in any amount.

4. Failing to disclose orally at the time of sale and in writing on any conditional sales contract, promissory note or other instrument executed by the purchaser, with such conspicuousness and clarity as is likely to be read and observed by the purchaser that:

- (a) Such conditional sales contract, promissory note or other instrument may, at the option of the seller and without notice to the purchaser, be negotiated or assigned to a finance company or other third party;

- (b) If such negotiation or assignment is effected, the purchaser will then owe the amount due under the contract to the finance company or third party and may have to pay this amount in full whether or not he has claims against the seller under the contract for defects in the merchandise, nondelivery or the like.

5. Failing to reveal, disclose or otherwise inform customers, in a manner that is clearly understood by them, of all the terms and conditions of a sale and of any installment



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contract or promissory note or other instrument to be signed by any customer.

6. Representing directly or by implication that any price at which respondents' merchandise is offered for sale is a special introductory price or a reduced price.

7. Misrepresenting in any way the savings realized by purchasers of respondents' merchandise.

8. Falsely representing that any such merchandise or product is new to the market.

#### FINAL ORDER

No appeal from the initial decision of the hearing examiner having been filed, and the Commission having determined that the case should not be placed on its own docket for review and that pursuant to Section 3.21 of the Commission's Rules of Practice (effective August 1, 1963), the initial decision should be adopted and issued as the decision of the Commission:

*It is ordered,* That the initial decision of the hearing examiner shall, on the 11th day of April, 1967, become the decision of the Commission.

*It is further ordered,* That Allied Enterprizes, Inc., a corporation, and William Marion, individually, and as an officer of said corporation, shall, within sixty (60) days after service of this order upon them, file with the Commission a report in writing, signed by each respondent named in this order, setting forth in detail the manner and form of their compliance with the order to cease and desist.

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#### IN THE MATTER OF

#### SUNRISE FASHIONS, INC., ET AL.

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

*Docket C-1191. Complaint, April 11, 1967—Decision, April 11, 1967*

Consent order requiring a New York City manufacturer of woolen garments to cease misbranding its wool products.

#### COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939 and by virtue

of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Sunrise Fashions, Inc., a corporation, and Hyman Singer and Richard Singer, individually and as officers of said corporation, sometimes hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Wool Products Labeling Act of 1939, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

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

Respondents Hyman Singer and Richard Singer are officers of the corporate respondent. They formulate, direct and control the acts, practices and policies of said corporate respondent, including those hereinafter set forth.

Respondents are engaged in the manufacture of wool products, including ladies' raincoats and car coats, with their office and principal place of business located at 265 West 37th Street, New York, New York.

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

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

Among such misbranded wool products, but not limited thereto, were ladies coats stamped, tagged, labeled, or otherwise identified by respondents as 12% Reprocessed wool, 28% Linen, 20% Cotton, and 40% Rayon, whereas in truth and in fact, said products contained substantially different fibers and amounts of fiber than represented.

PAR. 4. Certain of said wool products were further misbranded by respondents in that they were not stamped, tagged, labeled, or otherwise identified as required under the provisions of Sec-

tion 4(a)(2) of the Wool Products Labeling Act of 1939 and in the manner and form as prescribed by the Rules and Regulations promulgated under said Act.

Among such misbranded wool products, but not limited thereto, was a wool product with a label on or affixed thereto which failed to disclose the percentage of the total fiber weight of the said wool product, exclusive of ornamentation not exceeding 5% of the total fiber weight, of (1) wool; (2) reprocessed wool; (3) reused wool; (4) each fiber other than wool, when said percentage by weight of such fiber was 5% or more; and (5) the aggregate of all other fibers.

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

#### DECISION AND ORDER

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

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

The Commission, having reason to believe that the respondents have violated said Acts, and having determined that complaint should issue stating its charges in that respect, hereby issues its complaint, accepts said agreement, makes the following jurisdictional findings, and enters the following order:

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

business located at 265 West 37th Street, New York, New York.

Respondents Hyman Singer and Richard Singer are officers of the said corporation and their address is the same as that of said corporation.

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

#### ORDER

*It is ordered*, That respondents Sunrise Fashions, Inc., a corporation, and its officers, and Hyman Singer and Richard Singer, 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, distribution, delivery for shipment or shipment, in commerce, of wool products, as "commerce" and "wool product" are defined in the Wool Products Labeling Act of 1939, do forthwith cease and desist from misbranding such products by:

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

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

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

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#### IN THE MATTER OF

#### CROWN TUFT, INC., ET AL.

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

*Docket C-1192. Complaint, April 11, 1967—Decision, April 11, 1967*

Consent order requiring a Dalton, Ga., manufacturer of carpet rolls to cease misbranding its textile fiber products.

## COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Textile Fiber Products Identification Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Crown Tuft, Inc., a corporation, and Arthur B. Lauman and James C. Barbre, individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Textile Fiber Products Identification Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Crown Tuft, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Georgia. Its office and principal place of business is located at 444 North Hamilton Street, Dalton, Georgia.

Individual respondents Arthur B. Lauman and James C. Barbre are officers of said corporate respondent. They formulate, direct and control the acts, practices and policies of the said corporation. Their office and principal place of business is the same as that of said corporate respondent.

The respondents are engaged in the manufacture and sale of carpet rolls.

PAR. 2. Subsequent to the effective date of the Textile Fiber Products Identification Act on March 3, 1960, respondents have been and are now engaged in the introduction, delivery for introduction, manufacture for introduction, sale, advertising, and offering for sale, in commerce, and in the transportation or causing to be transported in commerce, and the importation into the United States, of textile fiber products; and have sold, offered for sale, advertised, delivered, transported and caused to be transported, textile fiber products, which have been advertised or offered for sale in commerce; and have sold, offered for sale, advertised, delivered, transported and caused to be transported, after shipment in commerce, textile fiber products, either in their original state or contained in other textile fiber products; as the terms "commerce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act.

PAR. 3. Certain of said textile fiber products were misbranded by respondents within the intent and meaning of Section 4(a) of the Textile Fiber Products Identification Act and the Rules

and Regulations promulgated thereunder, in that they were falsely and deceptively stamped, tagged, labeled, invoiced, advertised, or otherwise identified as to the name or amount of the constituent fibers contained therein.

Among such textile fiber products, but not limited thereto, were carpet rolls labeled by respondents as "1/3 acrylic, 1/3 wool, 1/3 nylon," whereas, in truth and in fact, such carpet rolls contained substantially different types and amounts of fibers than as represented.

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

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

- (1) To disclose the true generic name of the fibers present; and
- (2) To disclose the true percentage of the fibers present by weight.

PAR. 5. Certain of said textile fiber products were misbranded in violation of the Textile Fiber Products Identification Act in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) In disclosing the constituent fibers in the required information, in instances other than those permitted by Section 4(b) of the Textile Fiber Products Identification Act, a textile fiber present in the amount of less than five per centum of the textile fiber weight of the said textile fiber product, was not designated by the term "other fiber," in violation of Rule 3 of the aforesaid Rules and Regulations.

(b) Required information was set forth on labels in an abbreviated form in instances other than as Rule 33(d) of the Rules and Regulations, in violation of Rule 5 of said Rules and Regulations.

(c) Fiber trademarks were used on labels without a full and complete fiber content disclosure appearing on such labels in accordance with the said Act and Regulations, the first time such fiber trademarks were used on the labels, in violation of Rule 17(b) of the aforesaid Rules and Regulations.

PAR. 6. The acts and practices of respondents, as set forth above were, and are, in violation of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated

thereunder, and constituted, and now constitute, unfair methods of competition and unfair and deceptive acts or practices in commerce under the Federal Trade Commission Act.

#### DECISION AND ORDER

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

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

The Commission, having reason to believe that the respondents have violated said Acts, and having determined that complaint should issue stating its charges in that respect, hereby issues its complaint, accepts said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Crown Tuft, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Georgia, with its office and principal place of business located at 444 North Hamilton Street, Dalton, Georgia.

Respondents Arthur B. Lauman and James C. Barbre are officers of said corporation and their address is the same as that of said corporation.

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

#### ORDER

*It is ordered*, That respondents Crown Tuft, Inc., a corporation, and its officers, and Arthur B. Lauman and James C. Barbre, individually and as officers of said corporation, and respondents'

representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, delivery for introduction, manufacture for introduction, sale, advertising, or offering for sale, in commerce, or the transportation or causing to be transported in commerce, or the importation into the United States of any textile fiber product; or in connection with the sale, offering for sale, advertising, delivery, transportation or causing to be transported, of any textile fiber product, which has been advertised or offered for sale in commerce; or in connection with the sale, offering for sale, advertising, delivery, transportation, or causing to be transported, after shipment in commerce, of any textile fiber product, whether in its original state or contained in other textile fiber products, as the terms "commerce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act, do forthwith cease and desist from misbranding textile fiber products by:

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

2. Failing to affix labels to such textile fiber products showing in a clear, legible and conspicuous manner each element of information required to be disclosed by Section 4(b) of the Textile Fiber Products Identification Act.

3. Failing to designate on labels any fiber or fibers, present in the amount of less than five per centum of the total fiber weight of such textile fiber products, by the term "other fiber" or "other fibers," except as permitted by Section 4(b) of the Textile Fiber Products Identification Act.

4. Setting forth required information on labels in an abbreviated form in violation of Rule 5(a) of the Rules and Regulations, in instances other than as permitted by Rule 33(d) of such Rules and Regulations.

5. Setting forth a generic name or fiber trademark on a label without making a full and complete content disclosure the first time the generic name or fiber trademark appears on the label.

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



## IN THE MATTER OF

## H. L. WHITING COMPANY ET AL.

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

*Docket C-1193. Complaint, April 11, 1967—Decision, April 11, 1967*

Consent order requiring a Los Angeles, Calif., clothing manufacturer to cease misrepresenting the fiber content of its wool products on labels and in advertisements.

## 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 H. L. Whiting Company, a corporation, and Paul H. Blanton and Stanley W. Sharpe, 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 of 1939, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent H. L. Whiting Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of California. Its office and principal place of business is located at 230 West Avenue Twenty-six, Los Angeles, California.

Individual respondents Paul H. Blanton and Stanley W. Sharpe are officers of said corporate respondent. They formulate, direct and control the acts, practices and policies of said corporate respondent, including those complained of herein. Their office and principal place of business is the same as that of the corporate respondent.

Said respondents manufacture and distribute wool products among which are athletic award jackets and clothing.

PAR. 2. Now and for some time last past, respondents have manufactured for introduction into commerce, introduced into commerce, sold, transported, distributed, delivered for shipment, shipped, and offered for sale in commerce, as "commerce" is de-

defined in the Wool Products Labeling Act of 1939, wool products as "wool product" is defined therein.

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

Among such misbranded wool products, but not limited thereto, were men's jackets stamped, tagged, labeled, or otherwise identified by respondents to show that certain portions thereof were composed of "90% reprocessed wool and 10% other fibers," whereas in truth and in fact, said products contained substantially different fibers and amounts of fibers than represented.

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

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

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

PAR. 6. Respondents are now, and for some time last past, have been engaged in the offering for sale, sale and distribution of certain products, namely athletic jackets and clothing to purchasers thereof. 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 California to purchasers thereof in various

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

PAR. 7. In the course and conduct of their business in soliciting the sale and selling their products, respondents falsely and deceptively advertised their said products in catalogues distributed to customers throughout the United States, with respect to the character and amount of the constituent fibers contained therein.

Among such false and deceptive advertisements, but not limited thereto, were advertisements representing their said products as containing 100% wool, whereas in truth and in fact, said products contained substantially different fibers and amounts of fibers than as represented.

PAR. 8. 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 wool products of the same general kind and nature as those sold by respondents.

PAR. 9. 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 dealers and other purchasers into the erroneous and mistaken belief that said statements and representations were, and are, true and into the purchase of substantial quantities of respondents' products by reason of said erroneous and mistaken belief.

PAR. 10. The aforesaid acts and practices of respondents as herein alleged were, and are, to the prejudice and injury of the public and of respondents' competitors, and constituted, and now constitute unfair methods of competition and unfair and deceptive acts and practices in commerce in violation of Section 5(a) (1) of the Federal Trade Commission Act.

#### DECISION AND ORDER

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

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

The Commission, having reason to believe that the respondents have violated said Acts, and having determined that complaint should issue stating its charges in that respect, hereby issues its complaint, accepts said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent H. L. Whiting Company 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 230 West Avenue Twenty-six, Los Angeles, California.

Respondents Paul H. Blanton and Stanley W. Sharpe are officers of said corporation and their address is the same as that of said corporation.

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

#### ORDER

*It is ordered*, That respondents H. L. Whiting Company, a corporation, and its officers, and Paul H. Blanton and Stanley W. Sharpe, 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, distribution, delivery for shipment or shipment, in commerce, of wool products, as "commerce" and "wool product" are defined in the Wool Products Labeling Act of 1939, do forthwith cease and desist from misbranding such products by:

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

2. Failing to securely affix to, or place on, each such product a stamp, tag, label, or other means of identification

correctly showing in a clear and conspicuous manner each element of information required to be disclosed by Section 4(a) (2) of the Wool Products Labeling Act of 1939.

*It is further ordered,* That respondents H. L. Whiting Company, a corporation, and its officers, and Paul H. Blanton and Stanley W. Sharpe, 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 their products in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from misrepresenting the character or amount of constituent fibers contained in jackets or any other textile products in advertisements or in any other manner.

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

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IN THE MATTER OF

ALLAN LAWRENCE DOING BUSINESS AS CROWN MUSIC  
COMPANY

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

*Docket C-1194. Complaint, Apr. 12, 1967—Decision, Apr. 12, 1967*

Consent order requiring a New York City promoter of songwriting services to cease misrepresenting the nature of his services, the potential commercial value of the poems submitted, his connections in the music publishing field, and his own musical background and accomplishments.

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 Allan Lawrence, also known as Larry Allen, doing business as Crown Music 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 it charges in that respect as follows:

PARAGRAPH 1. Respondent Allan Lawrence, also known as Larry Allen, is an individual doing business as Crown Music Company with his office and principal place of business located at 49 West 32nd Street, New York, New York, 10001.

PAR. 2. Respondent is now, and for some time last past has been, engaged in the advertising, offering for sale and sale of songwriting services to the public.

Respondent, under the name Crown Music Company, advertises that poems are wanted which can be set to music and solicits the public to send in poems for free examination. Persons submitting poems in response to the advertisement receive a form letter stating that their poems have been examined and found suitable for adapting to respondent's music. A blank contract enclosed with the letter provides that in consideration of the payment of \$39 Crown Music Company will compose music for the poem consisting of a professional manuscript voice and piano arrangement and will obtain a copyright for the song in the author's name. Also enclosed with the letter accepting the poem is a brochure and other printed materials holding out the promise of a professional songwriting career with the "collaboration" of the respondent. After the initial services are completed the author of the poem continues to receive other promotional material from respondent urging that he avail himself of additional services, upon payment of additional sums, designed to promote the song commercially.

PAR. 3. In the course and conduct of his business respondent now causes, and for some time last past has caused, blank contracts to be transmitted from his place of business in the State of New York, through the United States mails, to prospective purchasers of his services located in various States of the United States, receives from said persons executed contracts and payments and sends to them the completed song manuscripts. Respondent maintains, and at all times mentioned herein has maintained, a substantial course of trade, in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of his business, and for the purpose of inducing the purchase of his services, respondent has made various statements and representations in contact advertising in magazines of national circulation and in followup direct mail promotional material respecting the nature of the services offered, the potential commercial value of poems submitted, his

collaboration with authors of poems, his contacts in the music field, the commercial success of songs produced and promoted by him, and his musical accomplishments, background and connection with the music world.

Among and typical, but not all inclusive, of said statements and representations, are the following:

*The contact advertisements:*

POEMS WANTED  
TO BE SET TO MUSIC

Send one or more of your best poems today for FREE EXAMINATION. Any subject. Immediate consideration. Phonograph records made. Crown Music Co., 49 W 32nd St., Studio 560, New York 1.  
POEMS WANTED for songs  
Send poems.  
Crown Music Co.

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POEMS WANTED for musical setting and recording. Send poems. Free Examination. Crown Music, 49M, West 32, New York 1.

*The followup direct mail promotional material:*

Dear Friend:

Many thanks for submitting your material to us. We have examined your lyrics and will be glad to collaborate with you.

\* \* \* We will compose an appropriate and appealing melody for your words, in an up-to-date, professional manner. Your poem will thus become a complete song.

CROWN MUSIC COMPANY offers you competent, sincere, and professional aid of the highest type available, in the complete preparation of your songs.

We sincerely believe that we are best equipped to work with you in your song writing efforts. And we are right here in New York, the center of the music publishing and recording business.

The small amount we ask you to pay toward collaboration expenses is your investment in the work of your own creation.

Don't delay! Your decision to act now may be the one most important step to get you started on a career with amazing possibilities for FAME and FORTUNE.

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IMPORTANT MESSAGE TO  
EVERY WRITER OF SONG POEMS

Here is your opportunity to have your poems set to music by professional songwriters. Our plan is simple. Submit one or more of your poems to us for free examination. If we find them suitable for musical setting, we will so

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## Complaint

advise you and give you full details and information. If we find them unsuitable, we will tell you so, and return your poems promptly. In either case you are under no obligation, so you have nothing to lose.

But \* \* \* you may have much to gain. CROWN MUSIC COMPANY is one of the foremost professional composing and arranging studios in the field. Our staff is ready to work with you to develop your poem into a fine song. We study your poem, revise it where necessary and set it to music \* \* \* with a good attractive, commercial melody.

The amazing demand for phonograph records and songs by new writers means a greater opportunity for you today than ever before. Take advantage of it \* \* \* now!

The first step is to send us your song lyrics.

How You Can Open the Door to a  
SONG WRITING CAREER

\* \* \* \* \*

## DO YOU WANT TO MAKE MONEY IN SONG WRITING?

This Exceptional Plan Enables You to

Transform Your Poem into a Professionally Correct and Polished Song. A

MINIMUM OF EXPENSE Gets You Started  
on a Song Writing Career.

A GREAT DEAL OF MONEY is being made in the songwriting business. A single song hit can make \$10,000 or \$20,000, or even more for its writers \* \* \* some of the songs which reach the top every season are songs by new composers and lyricists. Unknown \* \* \* *The door is now open to new writers. Writers like yourself.*

MANY WRITERS, perhaps like yourself, produce some really good poems. Poems that may be excellent material for a song. But an undeveloped lyric or poem is not marketable. Not until it is set to good music \* \* \* with good music it becomes a potential hit, a money-maker.

TO SUCCEED you need professional help. There are definite standards and requirements that must be met in order to produce a good commercial song. \* \* \*

## HOW TO GET STARTED \* \* \*

It is important for you, as a songwriter to select a collaborator who can supply a melody that meets \* \* \* professional standards \* \* \* and one who can give you advice and guidance in your songwriting career. CROWN MUSIC COMPANY does these things for you. When we receive your poem we study it very carefully \* \* \* we develop it \* \* \* polish it up \* \* \* bring out the best in it \* \* \* do what a professional writer would do \* \* \* Then we write a melody—a good commercial, attractive melody which has appeal. Your poem \* \* \* gets that professional touch!

## SELECTING THE RIGHT COLLABORATOR IS IMPORTANT

\* \* \* Our melodies reflect the present day treatment essential in all commercially successful songs. Our experience in the music business and our contacts here in the music capital of the nation, New York, where the largest and most important music publishers and record companies are located, gives you a decided advantage in promoting your finished product.

\* \* \* you may be sure that your words will be set to music by the top craftsmen in the field.

\* \* \* At the head of our staff of professional musicians and composers is our



Director and Chief composer, Larry Allen \* \* \* He composed a score for a very successful musical comedy show. He has been in the music business, both as composer, songwriter and orchestra leader for more than 25 years. His long association with songs and songwriters puts him in an excellent position to be of service to you.

\* \* \* \* \*

Q: If I write only words, how can I get good music for my song?

A: Crown Music Company is equipped to give you the highest type of professional music available anywhere. If your words have a good idea, we will polish them up, revise them where needed, compose a beautiful melody and give you a completed professional song.

Q: When I send my song poems to Crown Music Company, will I get an honest opinion as to whether they are worthy of musical setting?

A: Yes. We reject all poems we consider not suitable and return them to the Author with suggestions for improvement.

Q: It is possible for a new writer to succeed in songwriting?

A: Yes. Many song hits are by new writers whose first attempt was a success.

Q: Can [a songwriting] hobby become profitable?

A: Every successful songwriter began by writing songs as a hobby. When their first song became a hit, their hobby turned into a profitable profession. Many have earned \$50,000 from one song.

PAR. 5. Through the use of the above quoted statements and representations, and others of similar import and meaning but not expressly set out herein, respondent represents and has represented, directly or by implication, that:

1. Crown Music Company needs and is making a bona fide request for poems which can suitably be combined with music of its own composition to produce songs, and that authors will be paid for acceptable poems.

2. Crown Music Company's act of accepting a poem evinces a critical evaluation and bona fide determination by it that the poem can be combined with a melody of its own composition to produce a commercially attractive song.

3. Crown Music Company is collaborating with authors in combining its music with their poems in a commercial venture for their mutual profit.

4. In addition to setting the submitted poems to music Crown Music Company will, for the fee of \$39, promote and publicize the resultant song.

5. Respondent has personal contacts with music publishers, recording companies and others in the city of New York through whom he can promote songs containing the submitted poems.

6. Crown Music Company has produced and promoted many commercially successful songs with poems submitted by the pub-

lic; and that songs produced in this way can produce substantial earnings for authors of poems.

7. Respondent composed a score for a successful professional musical comedy show, that he is and has been in the music business as songwriter and orchestra leader for more than twenty years, and that his long association with the songwriting field puts him in position to successfully promote songs.

PAR. 6. In truth and in fact:

1. Crown Music Company is not in need of poems to produce songs nor is the advertised request for poems bona fide. Respondent's contact advertisements are solely for the purpose of obtaining leads to purchasers of his services, and authors whose poems are accepted by respondent do not receive any payment.

2. Crown Music Company, in accepting a poem, has not made a critical evaluation and determination that the poem can be combined with its own melody to produce a commercially attractive song. Rather, respondent indicates acceptance in order to induce the author of the poem to purchase his services.

3. Crown Music Company is not collaborating with authors in combining its music with their poems in a commercial venture for their mutual profit. Instead, respondent combines his music with such poems for the purpose of exploiting the sale of services to authors for his sole profit.

4. The initial contract with the author enumerates the specific services to be performed by respondent for the stated fee of \$39 which does not include promotion of the finished song. However, accompanying advertising material referring to promotion of the song fails to disclose that there will be additional substantial charges for this service, thus representing, by implication, that respondent will promote the song as part of his services under the initial contract.

5. Respondent does not have personal contact with music publishers, recording companies or others in the city of New York which are used to promote songs. Respondent's songs are distributed to a mailing list of firms and individuals with whom he has no personal contact.

6. Crown Music Company has not produced or promoted a commercially successful song with any of the poems submitted to it by the public and songs produced in this way have not produced substantial earnings for authors of poems.

7. Larry Allen has not composed a score for a professional musical comedy. He has not been connected with an orchestra since the end of the 1930's and he has no associations in the song-

writing field which help in the promotion of songs made with poems submitted by the public.

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

PAR. 7. In the course and conduct of his business, at all times mentioned herein, respondent has been in substantial competition in commerce, with corporations, firms, and individuals in the sale of songwriting services.

PAR. 8. The use by respondent of the aforesaid false, misleading and deceptive statements, representations, and practices has had, and now has, the tendency and capacity 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 respondent's services by reason of said erroneous and mistaken belief.

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

#### DECISION AND ORDER

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

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

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Allan Lawrence, also known as Larry Allen, is

an individual doing business as Crown Music Company, with his office and principal place of business located at 49 West 32nd Street, New York, New York, 10001.

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

#### ORDER

*It is ordered*, That Allan Lawrence, also known as Larry Allen, an individual doing business as Crown Music Company, or under any other name or names, and respondent's agents, representatives and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of songwriting or song promotional services or any article of merchandise in connection therewith in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, directly or by implication:

1. That respondent needs or wants poems to be used by him in producing his songs when such poems are neither needed nor wanted for such purpose; or using any advertising, sales plan or procedure involving the use of false, deceptive or misleading statements or representations to obtain leads or prospects for the sale of respondent's services or products; or failing to disclose in any advertisement soliciting the submission of poems that the purpose of such advertising is to obtain leads for the sale of respondent's songwriting and song promotional services.

2. That respondent will pay for poems which are submitted and found acceptable.

3. That in accepting a poem submitted to him pursuant to his contact advertisements respondent makes a critical evaluation of it and a bona fide determination that it can be suitably combined with a melody of his own composition to produce a commercially attractive song; or misrepresenting in any manner, the professional merit or commercial potentialities of songs produced with poems submitted to him by the public.

4. That respondent is collaborating with authors of poems in producing songs as a commercial venture for their mutual profit.

5. That under the initial contract pursuant to which a song is produced by combining respondent's music with the

submitted poem, respondent will promote and publicize the resultant song without additional payment for such services; or misrepresenting, in any manner, the amount, degree or extent of the promotional or publicizing efforts or other services furnished or provided under any express or implied contract or agreement.

6. That respondent has personal contacts with music publishers, recording companies or others engaged or connected with the music business in the city of New York or elsewhere, assuring the successful commercial promotion of or substantial earnings from songs composed with poems submitted by the public; or misrepresenting in any manner respondent's effectiveness in promoting songs commercially or the amount of earnings from songs promoted by respondent.

7. That respondent has produced or promoted any commercially successful songs composed with poems submitted to him by the public.

8. That respondent composed a score for a successful professional musical comedy show; or that he is currently, or has been in the recent past, actively connected with an orchestra; or that he has associations because of his musical and songwriting career which help him to successfully promote the songs composed with poems submitted by the public; or misrepresenting in any manner respondent's accomplishments, abilities, activities, background, associations or connections in the field of music.

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

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IN THE MATTER OF

RAYMOND LENOBEL TRADING AS RAY LENOBEL

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

*Docket C-1195. Complaint, Apr. 17, 1967—Decision, Apr. 17, 1967*

Consent order requiring a Chicago, Ill., independent commission salesman to cease misbranding and falsely advertising his fur products.

## Complaint

## 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 Raymond Lenobel, an individual trading as Ray Lenobel, sometimes hereinafter referred to as respondent, has violated the provisions of said Acts and the Rules and Regulations promulgated under the Fur Products Labeling Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Raymond Lenobel, an individual trading as Ray Lenobel, is an independent commission salesman of fur products with his office and principal place of business located at 162 North State Street, Chicago, Illinois.

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

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

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

1. To show the true animal name of the fur used in the said fur products.

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

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:

1. The term "Dyed Broadtail-processed Lamb" was not set

forth on labels in the manner required by law, in violation of Rule 10 of said Rules and Regulations.

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

3. Information required on labels under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was not set forth in the required sequence, in violation of Rule 30 of the said Rules and Regulations.

PAR. 5. Certain of the fur products were misbranded in that they falsely and deceptively labeled, or otherwise falsely or deceptively identified as the labels affixed to the fur products contained a purported "Appraisal Price" which represented, directly or by implication, that the fur products had been appraised by a qualified and impartial appraiser, having no pecuniary or other interest in the fur products, and that the fur product had a value as represented. In truth and in fact the said fur products were not appraised by a qualified and impartial appraiser, having no pecuniary or other interest in the fur products and was in violation of Section 4(1) of the Fur Products Labeling Act.

PAR. 6. Certain of the fur products were falsely and deceptively advertised in violation of the Fur Products Labeling Act in that certain advertisements intended to aid, promote and assist, directly or indirectly, in the sale and offering for sale of such fur products, were not in accordance with the provisions of Section 5(a) of said Act.

Among and included in the aforesaid false and deceptive advertisements, but not limited thereto, were advertisements of the respondent which appeared in issues of the Chicago Tribune, and of the Chicago Daily News, newspapers published in the city of Chicago, State of Illinois, and having a wide circulation in the State of Illinois and other States of the United States.

Among such false and deceptive advertisements, but not limited thereto, were advertisements which failed:

1. To show the true animal name of the fur used in any such fur product.

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

PAR. 7. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, respondent falsely and deceptively advertised fur products in violation of the Fur Products Labeling Act in that the said fur

products were not advertised in accordance with the Rules and Regulations promulgated thereunder in the following respects:

1. The term "Broadtail Lamb" was not set forth in advertisements in the manner required by law, in violation of Rule 8(b) of the said Rules and Regulations.

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

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

PAR. 8. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, respondent falsely and deceptively advertised fur products in that certain of said fur products were falsely or deceptively identified with respect to the name or designation of the animal or animals that produced the fur from which the said fur products had been manufactured, in violation of 5(a)(5) of the Fur Products Labeling Act.

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

PAR. 9. By means of the aforesaid advertisement and others of similar import and meaning not specifically referred to herein, respondent falsely and deceptively advertised fur products with respect to the name of the country of origin of imported furs contained in such fur products, in violation of Section 5(a)(5) of the Fur Products Labeling Act.

Among such falsely and deceptively advertised fur products, but not limited thereto, were fur products advertised to imply that the country of origin of fur contained in such fur products was the United States, when the country of origin of such furs was, in fact, Argentina.

PAR. 10. By means of the aforesaid advertisements, and others of similar import not specifically referred to herein, the respondent falsely and deceptively advertised fur products in that said advertisements represented that the said fur products came from "One of New York's Largest Wholesale Furriers—Justine Furs, New York, New York" and "From The Vaults of One of The Largest Fine Fur Wholesalers, Justine Furs, New York, New York."



York." In truth and in fact only an infinitesimal number of the fur products offered for sale came from Norton Furs (successor in interest to Justine Furs), with the remaining fur products being furnished from various other sources. The aforementioned representations were in violation of Section 5(a)(5) of the Fur Products Labeling Act and Rule 44(g) of the Rules and Regulations promulgated under the aforesaid Act.

PAR. 11. By means of the aforesaid advertisements and others of similar import not specifically referred to herein, the respondent falsely and deceptively advertised fur products in that said advertisements represented, contrary to truth and fact, that the sale of the fur products was "By Order of the Creditors" in violation of Section 5(a)(5) of the Fur Products Labeling Act and Rule 44(g) of the Rules and Regulations promulgated under the aforesaid Act.

PAR. 12. Certain of said fur products were falsely and deceptively advertised in that the labels affixed to the fur products contained a purported "Appraisal Price" which represented, directly or by implication, that the fur products had been appraised by a qualified and impartial appraiser, having no pecuniary or other interest in the fur products, and that the fur products had values as represented. In truth and in fact the said fur products were not appraised by a qualified and impartial appraiser having no pecuniary or other interest in the fur products and was in violation of Section 5(a)(5) of the Fur Products Labeling Act, and Rule 44(c) of the Rules and Regulations promulgated thereunder.

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

#### DECISION AND ORDER

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

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

The Commission, having reason to believe that the respondent has violated the said Acts, and having determined that complaint should issue stating its charges in that respect, hereby issues its complaint, accepts said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent is an independent commission salesman of fur products, with his office and principal place of business located at 162 North State Street, Chicago, Illinois.

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

#### ORDER

*It is ordered,* That respondent Raymond Lenobel, an individual trading as Ray Lenobel, or under any other name, and respondent's representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce, of any fur product; or in connection with the sale, advertising, offering for sale, transportation or distribution, of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

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

3. Failing to set forth the term "natural" as part of the information required to be disclosed on labels under the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe fur products which are not bleached, dyed, tip-dyed, or otherwise artificially colored.

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

5. Using the term "Appraisal Price" on labels, or terms of similar import or meaning, to represent the value of fur products being offered for sale, unless such evaluations and prices are based upon authentic and bona fide appraisals of value by a qualified appraiser having no pecuniary or other interest in the fur products.

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

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

3. Falsely or deceptively identifies any fur products as to the country of origin of fur contained in such fur products.

4. Fails to set forth the term "Broadtail Lamb" in the manner required where an election is made to use that term instead of the word "Lamb."

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

6. Fails to set forth the term "natural" as part of the information required to be disclosed in advertisements under the Fur Products Labeling Act and the Rules

and Regulations promulgated thereunder to describe such fur products which are not pointed, bleached, dyed, tip-dyed or otherwise artificially colored.

7. Misrepresents, directly or by implication, that any such fur products came from a particular source for the purpose of the sale.

8. Misrepresents, directly or by implication, that any such fur products were secured by respondent from a source that is or was in financial or other distress.

9. Misrepresents, directly or by implication, that the fur products being offered for sale have been appraised as to value by authentic and bona fide appraisals made by a qualified appraiser having no pecuniary or other interest in the fur product.

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

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IN THE MATTER OF

DYNAMIC 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 C-1196. Complaint, April 17, 1967—Decision, April 17, 1967*

Consent order requiring two New York City importers of women's wool slacks to cease misbranding the fiber content of their merchandise.

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 Dynamic Imports, Inc., a corporation, and Dynamic Fashions, Inc., a corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Wool Products Labeling Act of 1939, and it appearing to the Commission that a proceeding by it in respect thereof would be

in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Dynamic Imports, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York. Its office and principal place of business is located at 1370 Broadway, New York, New York. Said corporate respondent imports and sells, among other items, women's slacks composed in whole or in part of wool.

Respondent Dynamic Fashions, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York. Its office and principal place of business is located at 1370 Broadway, New York, New York. Said corporate respondent imports and sells, among other items, women's slacks composed in whole or in part of wool.

PAR. 2. Subsequent to the effective date of the Wool Products Labeling Act of 1939, respondents have introduced into commerce, sold, transported, distributed, delivered for shipment, shipped and offered for sale in commerce, as "commerce" is defined in said Act, wool products as "wool product" is defined therein.

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

Among such misbranded wool products, but not limited thereto, were women's slacks stamped, tagged, labeled, or otherwise identified by respondents as "Finest Reprocessed Wool 92%-Nylon 8%," "Finest Reprocessed Wool 75% ; Stretch Nylon 25%," "90% Reprocessed Wool, 10% Nylon," and "95% Reprocessed Wool, 5% Nylon," whereas in truth and in fact, said products contained substantially different fibers and amounts of fibers than represented.

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

Among such misbranded wool products, but not limited thereto, was a wool product, *viz.*, women's slacks, with a label on or affixed

thereto which failed to disclose the percentage of the total fiber weight of the said wool product, exclusive of ornamentation not exceeding 5% of the total fiber weight, of (1) wool; (2) reprocessed wool; (3) reused wool; (4) each fiber other than wool present in the wool product when said percentage by weight of such fiber was 5% or more; and (5) the aggregate of all other fibers.

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

#### DECISION AND ORDER

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

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

The Commission, having reason to believe that the respondents have violated said Acts, and having determined that complaint should issue stating its charges in that respect, hereby issues its complaint, accepts said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondents Dynamic Imports, Inc., and Dynamic Fashions, Inc., are corporations organized, existing and doing business under and by virtue of the laws of the State of New York, with their office and principal place of business located at 1370 Broadway, New York, New York.

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

## ORDER

*It is ordered,* That respondents Dynamic Imports, Inc., a corporation, and its officers, and Dynamic Fashions, Inc., and its officers, 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, distribution, or delivery for shipment or shipment in commerce, of women's slacks composed in whole or in part of wool, or other wool products, as "commerce" and "wool product" are defined in the Wool Products Labeling Act of 1939, do forthwith cease and desist from misbranding wool products by:

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

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

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

## IN THE MATTER OF

## PICK GALLERIES, INC., ET AL.

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

*Docket C-1197. Complaint, Apr. 18, 1967—Decision, Apr. 18, 1967*

Consent order requiring a Winnetka, Ill., retailer and auctioneer of various commodities, including fur products, to cease falsely invoicing and advertising his fur products.

## COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Pick Galleries, Inc., a corporation, and Harold R. Pick, 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. Respondent Pick Galleries, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois. Respondent Harold R. Pick is the president of said corporate respondent. He formulates, directs and controls the acts, practices and policies of said corporation.

The respondents are engaged in the retail sale and auctioneering of various commodities, including fur products, with their office and principal place of business located at 886 Linden Avenue, Winnetka, Illinois.

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

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

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

1. To show the true animal name of the fur used in the fur products.
2. To show the country of origin of imported furs used in fur products.

PAR. 4. Certain of said fur products were falsely and decep-



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

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

Among and included in the aforesaid false and deceptive advertisements, but not limited thereto, were advertisements of the respondents which appeared in issues of the Chicago Tribune, and of the Chicago Daily News, newspapers published in the city of Chicago, State of Illinois, and having a wide circulation in the State of Illinois and other States of the United States.

Among such false and deceptive advertisements, but not limited thereto, were advertisements which failed:

1. To show the true animal name of the fur used in such fur products.
2. To show the country of origin of imported furs contained in such fur products.

PAR. 6. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, respondents falsely and deceptively advertised fur products in violation of the Fur Products Labeling Act in that the said fur products were not advertised in accordance with the Rules and Regulations promulgated thereunder in the following respects:

1. The term "Broadtail Lamb" was not set forth in advertisements in the manner required by law, in violation of Rule 8(b) of said Rules and Regulations.
2. The term "Dyed Broadtail-processed Lamb" was not set forth in advertisements in the manner required by law, in violation of Rule 10 of the said Rules and Regulations.
3. The term "natural" was not used in advertisements to describe fur products which were not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Rule 19 (g) of said Rules and Regulations.

PAR. 7. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, respondents falsely and deceptively advertised fur products in

that certain of said fur products were falsely or deceptively identified with respect to the name or designation of the animal or animals that produced the fur from which the said fur products had been manufactured, in violation of Section 5(a)(5) of the Fur Products Labeling Act.

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

PAR. 8. By means of the aforesaid advertisement and others of similar import and meaning not specifically referred to herein, respondents falsely and deceptively advertised fur products with respect to the name of the country of origin of imported furs contained in such fur products, in violation of Section 5(a)(5) of the Fur Products Labeling Act.

Among such falsely and deceptively advertised fur products, but not limited thereto, were fur products advertised to imply that the country of origin of fur contained in such fur products was the United States, when the country of origin of such furs was, in fact, Argentina.

PAR. 9. By means of the aforesaid advertisements, and others of similar import not specifically referred to herein, the respondents falsely and deceptively advertised fur products in that the said advertisements represented that the said fur products came from "One of New York's Largest Wholesale Furriers—Justine Furs, New York, New York" and "From the Vaults of One of the Largest Fine Fur Wholesalers, Justine Furs, New York, New York." In truth and in fact only an infinitesimal number of the fur products offered for sale came from Norton Furs (successor in interest to Justine Furs), with the remaining fur products being furnished from various other sources. The aforementioned representations were in violation of Section 5(a)(5) of the Fur Products Labeling Act and Rule 44(g) of the Rules and Regulations promulgated under the aforesaid Act.

PAR. 10. By means of the aforesaid advertisements and others of similar import not specifically referred to herein, the respondents falsely and deceptively advertised fur products in that the said advertisements represented, contrary to truth and fact, that the sale of the fur products was "By Order of the Creditors" in violation of Section 5(a)(5) of the Fur Products Labeling Act and Rule 44(g) of the Rules and Regulations promulgated under the aforesaid Act.

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 methods of competition, and unfair and deceptive acts or practices, in commerce under the Federal Trade Commission Act.

#### DECISION AND ORDER

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

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

The Commission, having reason to believe that the respondents have violated said Acts, and having determined that complaint should issue stating its charges in that respect, hereby issues its complaint, accepts said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Pick Galleries, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois, with its office and principal place of business located at 886 Linden Avenue, Winnetka, Illinois.

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

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

#### ORDER

*It is ordered*, That respondents Pick Galleries, Inc., a corporation, and its officers, and Harold R. Pick, 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 sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce, of any fur product; or in connection with the sale, advertising, offering for sale, transportation or distribution, of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Falsely or deceptively invoicing fur products by:

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

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

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

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

3. Falsely or deceptively identifies any such fur product as to the country of origin of the fur contained in such fur product.

4. Fails to set forth the term "Broadtail Lamb" in the manner required where an election is made to use that term instead of the word "Lamb."

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

6. Fails to set forth the term "natural" as part of the information required to be disclosed in advertisements under the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe such fur products which are not pointed, bleached, dyed, tipped, or otherwise artificially colored.

7. Misrepresents, directly or by implication, that any such fur products came from a particular source for the purpose of the sale.

8. Misrepresents, directly or by implication, that any such fur products were secured by respondents from a source that is or was in financial or other distress.

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

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IN THE MATTER OF

JACK R. GUTTER TRADING AS DUCHESS MINK

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

*Docket C-1198. Complaint, Apr. 18, 1967—Decision, Apr. 18, 1967*

Consent order requiring a Beverly Hills, Calif., manufacturer and wholesaler of fur products to cease misbranding and falsely advertising his fur products.

COMPLAINT

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

PARAGRAPH 1. Respondent Jack R. Gutter is an individual trading as Duchess Mink. Respondent is a manufacturer and

wholesaler of fur products with his office and principal place of business located at 344 North Rodeo Drive, Beverly Hills, California.

PAR. 2. Respondent is now, and for some time last past has been, engaged in the introduction into commerce, and in the manufacture for introduction into commerce, and in the sale, advertising, and offering for sale in commerce, and in the transportation and distribution in commerce, of fur products; and has manufactured for sale, sold, advertised, offered for sale, transported and distributed fur products which have been made in whole or in part of furs which have been shipped and received in commerce, as the terms "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 in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

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

1. To show the true animal name of the fur used in the said fur products.

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

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:

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

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

3. Information required on labels under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was not set forth in the required sequence, in violation of Rule 30 of the said Rules and Regulations.

PAR. 5. Certain of the fur products were misbranded in that they were falsely and deceptively labeled, or otherwise falsely or deceptively identified as the labels affixed to the fur products contained a purported "Appraisal Price" which represented, directly

or by implication, that the fur products had been appraised by a qualified and impartial appraiser, having no pecuniary or other interest in the fur products, and that the fur products had a value as represented. In truth and in fact the said fur products were not appraised by a qualified and impartial appraiser, having no pecuniary or other interest in the fur products and was in violation of Section 4(1) of the Fur Products Labeling Act.

PAR. 6. Certain of the fur products were falsely and deceptively advertised in violation of the Fur Products Labeling Act in that certain advertisements intended to aid, promote and assist, directly or indirectly, in the sale and offering for sale of such fur products, were not in accordance with the provisions of Section 5(a) of said Act.

Among and included in the aforesaid false and deceptive advertisements, but not limited thereto, were advertisements of the respondent which appeared in issues of the Chicago Tribune, and of the Chicago Daily News, newspapers published in the city of Chicago, State of Illinois, and having a wide circulation in the State of Illinois and other States of the United States.

Among such false and deceptive advertisements, but not limited thereto, were advertisements which failed:

1. To show the true animal name of the fur used in any such fur product.
2. To show the country of origin of any imported furs contained in such fur products.

PAR. 7. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, respondent falsely and deceptively advertised fur products in violation of the Fur Products Labeling Act in that the said fur products were not advertised in accordance with the Rules and Regulations promulgated thereunder in the following respects:

1. The term "Broadtail Lamb" was not set forth in advertisements in the manner required by law, in violation of Rule 8(b) of the said Rules and Regulations.
2. The term "Dyed Broadtail-processed Lamb" was not set forth in advertisements in the manner required by law, in violation of Rule 10 of the said Rules and Regulations.
3. The term "natural" was not used in advertisements to describe fur products which were not pointed, bleached, dyed, tipped, or otherwise artificially colored, in violation of Rule 19(g) of said Rules and Regulations.

PAR. 8. By means of the aforesaid advertisements and others of

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

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

PAR. 9. By means of the aforesaid advertisement and others of similar import and meaning not specifically referred to herein, respondent falsely and deceptively advertised fur products with respect to the name of the country of origin of imported furs contained in such fur products, in violation of Section 5(a)(5) of the Fur Products Labeling Act.

Among such falsely and deceptively advertised fur products, but not limited thereto, were fur products advertised to imply that the country of origin of fur contained in such fur products was the United States, when the country of origin of such furs was, in fact, Argentina.

PAR. 10. By means of the aforesaid advertisements, and others of similar import not specifically referred to herein, the respondent falsely and deceptively advertised fur products in that said advertisements represented that the said fur product came from "One of New York's Largest Wholesale Furriers—Justine Furs, New York, New York" and "From the Vaults of One of The Largest Fine Fur Wholesalers, Justine Furs, New York, New York." In truth and in fact only an infinitesimal number of the fur products offered for sale came from Norton Furs, successor in interest to Justine Furs. The remaining fur products were furnished by various other sources, including that of the respondent. The aforesaid representations were in violation of Section 5(a)(5) of the Fur Products Labeling Act and Rule 44(g) of the Rules and Regulations promulgated under the aforesaid Act.

PAR. 11. By means of the aforesaid advertisements and others of similar import not specifically referred to herein, the respondent falsely and deceptively advertised fur products in that said advertisements represented, contrary to truth and fact, that the sale of the fur products was "By Order of the Creditors" in violation of Section 5(a)(5) of the Fur Products Labeling Act and



Rule 44(g) of the Rules and Regulations promulgated under the aforesaid Act.

PAR. 12. Certain of said fur products were falsely and deceptively advertised in that the labels affixed to the fur products contained a purported "Appraisal Price" which represented, directly or by implication, that the fur products had been appraised by a qualified and impartial appraiser, having no pecuniary or other interest in the fur products, and that the fur products had a value as represented. In truth and in fact the said fur products were not appraised by a qualified and impartial appraiser having no pecuniary or other interest in the fur products and was in violation of Section 5(a)(5) of the Fur Products Labeling Act, and Rule 44(c) of the Rules and Regulations promulgated thereunder.

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

#### DECISION AND ORDER

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

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

The Commission, having reason to believe that the respondent has violated the said Acts, and having determined that complaint should issue stating its charges in that respect, hereby issues its complaint, accepts said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Jack R. Gutter is an individual trading as Duchess Mink, with his office and principal place of business located at 344 North Rodeo Drive, Beverly Hills, California.

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

## ORDER

*It is ordered,* That respondent Jack R. Gutter, an individual trading as Duchess Mink, or under any other trade name, and respondent's representatives, agents, and employees, directly or through any corporate or other device, in connection with the introduction, or manufacture for introduction, into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce, of any fur product; or in connection with the manufacture for sale, sale, advertising, offering for sale, transportation or distribution, of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

## A. Misbranding 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. Failing to set forth the term "Dyed Broadtail-processed Lamb" on labels in the manner required where an election is made to use that term instead of the term "Dyed Lamb."

3. Failing to set forth the term "natural" as part of the information required to be disclosed on labels under the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe fur products which are not bleached, dyed, tip-dyed, or otherwise artificially colored.

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

5. Using the term "Appraisal Price" on labels, or

terms of similar import or meaning, to represent the value of fur products being offered for sale, unless such evaluations and prices are based upon authentic and bona fide appraisals of value by a qualified appraiser having no pecuniary or other interest in the fur products.

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

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

3. Falsely or deceptively identifies any fur products as to the country of origin of furs contained in such fur product.

4. Fails to set forth the term "Broadtail Lamb" in the manner required where an election is made to use that term instead of the word "Lamb."

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

6. Fails to set forth the term "natural" as part of the information to be disclosed in advertisements under the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe such fur products which are not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

7. Misrepresents directly or by implication, that any such fur products came from a particular source for the purpose of the sale.

8. Misrepresents directly or by implication, that any such fur products were secured by respondent from a source that is or was in financial or other distress.

9. Misrepresents directly or by implication, that the fur products being offered for sale have been appraised as to value by authentic and bona fide appraisals made

by a qualified appraiser having no pecuniary or other interest in the fur products.

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

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IN THE MATTER OF

CAPITAL CITY QUILTING, INC., ET AL.

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

*Docket C-1199. Complaint, April 20, 1967—Decision, April 20, 1967*

Consent order requiring two affiliated manufacturers of quilted fabrics, batting, and other wool and textile articles with headquarters in Magnolia, Ark., and Des Moines, Iowa, to cease misbranding the fiber content of their wool and textile fiber products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, the Wool Products Labeling Act of 1939 and the Textile Fiber Products Identification Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Capital City Quilting, Inc., a corporation, and Capital City Woolen Mills, Inc., a corporation, and Jacob Ladin, individually and as an officer of said corporations, sometimes hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Wool Products Labeling Act of 1939 and the Textile Fiber Products Identification Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Capital City Quilting, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Arkansas. Its office and principal place of business is located at Waldo Highway, Magnolia, Arkansas.

Respondent Capital City Woolen Mills, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Iowa. Its office and principal place of business is located at 101 SW. Eighth Street, Des Moines, Iowa.

Individual respondent Jacob Ladin is an officer of the said corporations. He formulates, directs and controls the acts, practices and policies of the said corporations. His address is 101 SW. Eighth Street, Des Moines, Iowa.

Said respondents are engaged in the manufacture and sale of wool and textile fiber products, including quilted fabrics and batting.

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

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

Among such misbranded wool products, but not limited thereto, were quilted fabrics that were stamped, tagged, labeled, or otherwise identified by respondents as 90% Orlon Acrylic, 10% Other Fibers, whereas in truth and in fact, said products contained woolen fibers together with substantially different fibers and amounts of fibers than represented.

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

Among such misbranded wool products, but not limited thereto, was a wool product with a label on or affixed thereto which failed to disclose the percentage of the total fiber weight of the said wool product, exclusive of ornamentation not exceeding 5% of the total fiber weight, of (1) wool; (2) reprocessed wool; (3) re-used wool; (4) each fiber other than wool when said percentage

by weight of such fiber was 5% or more; and (5) the aggregate of all other fibers.

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

PAR. 6. Respondents, for some time last past have been, and are now, engaged in the introduction, delivery for introduction, manufacture for introduction, sale, advertising, and offering for sale, in commerce, and in the transportation or causing to be transported in commerce, and in the importation into the United States, of textile fiber products; and have sold, offered for sale, advertised, delivered, transported and caused to be transported, textile fiber products, which had been advertised or offered for sale in commerce; and have sold, offered for sale, advertised, delivered, transported and caused to be transported, after shipment in commerce, textile fiber products, either in their original state or contained in other textile fiber products; as the terms "commerce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act.

PAR. 7. Certain of said textile fiber products were misbranded by respondents within the intent and meaning of Section 4(a) of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder in that they were falsely and deceptively stamped, tagged, labeled, invoiced, advertised, or otherwise identified as to the name of the constituent fibers contained therein.

Among such misbranded textile fiber products, but not limited thereto, were quilted fabrics that were labeled as 70% Orlon Acrylic, 30% Other Fibers, and batting labeled as 100% Acetate, whereas in truth and in fact such products contained substantially different fibers and amounts of fibers than represented.

PAR. 8. Certain of the textile fiber products were misbranded by respondents in that they were not stamped, tagged, labeled, or otherwise identified to show each element of information required to be disclosed by Section 4(b) of the Textile Fiber Products Identification Act, and in the manner and form prescribed by the Rules and Regulations promulgated under said Act.

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

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

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

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

#### DECISION AND ORDER

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

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

The Commission, having reason to believe that the respondents have violated said Acts, and having determined that complaint should issue stating its charges in that respect, hereby issues its complaint, accepts said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Capital City Quilting, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Arkansas, with its office and principal place of business located at Waldo Highway, Magnolia, Arkansas.

Respondent Capital City Woolen Mills, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Iowa, with its office and principal place of business located at 101 SW. Eighth Street, Des Moines, Iowa.

Respondent Jacob Ladin is an officer of said corporations and his address is 101 SW. Eighth Street, Des Moines, Iowa.

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 Capital City Quilting, Inc., a corporation, and its officers, and Capital City Woolen Mills, Inc., a corporation, and its officers, and Jacob Ladin, individually and as an officer of said corporations, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, or manufacture for introduction, into commerce, or the offering for sale, sale, transportation, distribution, delivery for shipment or shipment, in commerce, of wool products, as "commerce" and "wool product" are defined in the Wool Products Labeling Act of 1939, do forthwith cease and desist from misbranding such products by:

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

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

*It is further ordered,* That respondents Capital City Quilting, Inc., a corporation, and its officers, and Capital City Woolen Mills, Inc., a corporation, and its officers, and Jacob Ladin, individually and as an officer of said corporations, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, delivery for introduction, manufacture for introduction, sale, advertising, or offering for sale, in commerce, or the transportation or causing to be transported in commerce, or the importation into the United States, of any textile fiber product; or in connection with the sale, offering for sale, advertising, delivery, transportation, or causing to be transported, of any textile fiber product which has been advertised or offered for sale in commerce; or in connection with the sale, offering for sale, advertising, delivery, transportation, or causing to be transported, after shipment in commerce, of any textile fiber product, either in its original state or contained in other textile fiber products, as the terms "com-



merce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act, do forthwith cease and desist from misbranding textile fiber products by:

1. Falsely or deceptively stamping, tagging, labeling, invoicing, advertising, or otherwise identifying such products as to the name or amount of constituent fibers contained therein.
2. Failing to affix a stamp, tag, label, or other means of identification to each such product showing in a clear, legible and conspicuous manner, each element of information required to be disclosed by Section 4(b) of the Textile Fiber Products Identification Act.

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

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IN THE MATTER OF

L. J. FREIMAN, INC., ET AL.

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

*Docket C-1200. Complaint, April 26, 1967—Decision, April 26, 1967*

Consent order requiring a New York City manufacturing furrier to cease misbranding and falsely invoicing its fur products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that L. J. Freiman, Inc., a corporation, and Louis J. Freiman, Joseph Freiman and Harold Freiman, individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Fur Products Labeling Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent L. J. Freiman, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondents Louis J. Freiman, Joseph Freiman and Harold Freiman are officers of the corporate respondent. They formulate, direct and control the acts, practices and policies of the said corporate respondent including those hereinafter set forth.

Respondents are manufacturers of fur products with their office and principal place of business located at 350 Seventh Avenue, New York, New York.

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

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

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

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

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

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

(b) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was not set forth in the required sequence, in violation of Rule 30 of said Rules and Regulations.

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

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

Among such falsely and deceptively invoiced fur products, but not limited thereto, were fur products covered by invoices which failed to show the true animal name of the furs used in any such fur product.

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

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

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

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

#### DECISION AND ORDER

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

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

The Commission, having reason to believe that the respondents have violated said Acts, and having determined that complaint should issue stating its charges in that respect, hereby issues its complaint, accepts said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent L. J. Freiman, 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.

Respondents Louis J. Freiman, Joseph Freiman and Harold Freiman are officers of said corporation and their address is the same as that of said corporation.

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

#### ORDER

*It is ordered,* That respondents L. J. Freiman, Inc., a corporation, and its officers, and Louis J. Freiman, Joseph Freiman and Harold Freiman, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, or manufacture for introduction, into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce, of any fur product; or in connection with the manufacture for sale, sale, advertising, offering for sale, transportation or distribution, of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding any fur product by:

1. Representing directly or by implication on a label that the fur contained in such product is natural when

the fur contained therein is pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

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

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

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

5. Failing to set forth on a label the item number or mark assigned to such fur product.

B. Falsely or deceptively invoicing any fur product by:

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

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

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

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