

IN THE MATTER OF
ATLANTIC COMMERCIAL AGENCY, INC. ET AL.

COMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION
OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914

Docket 5100. Complaint, Dec. 14, 1943—Decision, Sept. 25, 1944

Where a corporation and two individuals in control thereof, engaged in the interstate collection of accounts for clients and in employing in said connection, to secure needed information, certain form letters, the letterheads of which displayed the trade name "Continental Inheritance Service," and such legends and matter as "examiners for title companies," "actuaries," "correspondents in all principal cities of the world," "missing heirs located," "searchers of records," "genealogists," "estate counselors," and "Inheritance Bureau Division Suite 708, 6th North Michigan Avenue, Chicago, Illinois," and which forms, (1) in case of those to be addressed to the alleged debtor, under caption "Office Use Only" set out words and blanks "Section," "Checked by," "Disbursed by," etc., requested information, as a means of identification in "a matter of distinct importance to you if you are the individual in question," etc., including name and address, and those of spouse, parents, employers, banks, etc.; and (2) in case of forms addressed to other than the alleged debtor, advised addressee, as "relative," "friend," "acquaintance" of former, "We are trying to contact the above person," in a matter which "may be of importance to said person," and "Will you be kind enough to give us any or all the information that may lead us to such contact," followed by request for alleged debtor's last address, names and addresses of employer, relative, bank, or business house, and of any person who might supply information concerning him;

Making use of a plan under which such form letters were placed in envelopes addressed to the person concerning whom information was sought at his last known address, or to those believed to have information concerning him, along with envelopes for their return, addressed to "Inheritance Bureau Division 6 North Michigan Avenue, Suite 708, Chicago, Illinois."—which appeared also as the return address on the outer envelopes—and sent to said Chicago address, at which address of a Secretarial Service they were mailed under arrangement with one "D.B.," who also received replies at said address and forwarded them unopened to the others in New Jersey, and, during a certain period, to their attorney; and, aided in said plan by the essential participation of said "D.B.," and for a time by said attorney—

- (a) Represented directly and by implication to the person to whom said form letters were sent that "Continental Inheritance Service" had correspondents in all principal cities of the world, acted as counsellor to those in charge of estates, was engaged in the business of locating heirs to estates or to interests therein, acted as examiner for title insurance companies, and engaged in genealogical research, actuarial work and searches of records, and that the persons concerning whom information was sought had or might have interests in estates or lands which would be of financial benefit to them;

The facts being that, while said corporation and individuals had access to, and had used various legal and commercial directories, and directories of collection agencies, in connection with their business, which gave the names and addresses of attor-

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neys and collection agencies in all the principal cities of the world, they themselves did not have correspondents in such cities; they had no knowledge of any interest in estates or lands to which the persons concerning whom information was sought might be entitled; and various other representations made as above set forth were false and misleading;

- (b) Falsely represented directly and by implication, through use of the names "Continental Inheritance Service" and "Inheritance Bureau Division," that their said business bore some relation to estates and to the rights and interests of heirs thereof;

When in fact it had nothing to do with estates, other than those of debtors from whom they were trying to collect, or with the rights or interests of persons therein, and said names were merely disguises for the true nature of the business;

With the effect of misleading and deceiving many persons to whom the said form letters were sent, into the erroneous belief that said representations were true, and by reason thereof into giving information which they would not otherwise have supplied, and in many instances, to incur expense for postage in connection therewith:

Held, That said acts and practices, under the circumstances set forth, were all to the prejudice and injury of the public, and constituted unfair and deceptive acts and practices in commerce.

Before *Mr. Arthur F. Thomas*, trial examiner.

Mr. Randolph W. Branch for the Commission.

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 Atlantic Commercial Agency, Inc., a corporation, Gerald H. Strickland and G. Russell Walsh, individually, and as managers, of said corporation, and S. Mortimer Hirshorn and Dorothy Boyden, individuals, 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, Atlantic Commercial Agency, Inc., is a corporation, organized and existing under the laws of the State of New Jersey. Respondents, Gerald H. Strickland and G. Russell Walsh, are now, and at all times mentioned herein have been, in control of the management, policies and operations of said corporation, particularly in respect to the acts and practices herein alleged. Respondent, S. Mortimer Hirshorn, is an individual. All said respondents have an office and principal place of business at 101 North Third Street, Camden, N. J., and in the course and conduct of the business referred to herein have used the names "Continental Inheritance Service," and "Inheritance Bureau Division" in the manner set forth herein. Respondent, Dorothy Boyden, is an individual, who does business under the name "Secretarial Service" with an office and principal place of business at 6 North Michigan Avenue, Chicago, Ill.

PAR. 2. For more than two years prior to about March 1, 1943, the respondents, Atlantic Commercial Agency, Inc., Strickland and Walsh, were

engaged in the business of collecting accounts owed to others; since on or about March 1, 1943, the said business has been conducted by respondents, Strickland, Walsh and Hirshorn, under the name of S. Mortimer Hirshorn. The business has at all times mentioned herein had clients who are located both within and without the State of New Jersey for whom the collection of accounts has been undertaken. Many of the said clients cause goods and other property to be transported from their respective places of business to purchasers thereof in other States of the United States, and maintain, and at all times mentioned herein have maintained courses of trade in such goods and property in commerce between and among the various States of the United States. The course and conduct of the said business by respondents during the periods prior to and subsequent to March 1, 1943, has involved intercourse of a commercial and business nature between said respondents and their clients, respondent, Dorothy Boyden, and persons concerning whom they sought information who are located in States other than the State of New Jersey.

PAR. 3. In the course and conduct of the said collection business, respondents, other than Dorothy Boyden, have frequently desired to ascertain the current addresses and occupations of persons alleged to owe money to their said clients, the names and addresses of the employers of such persons and of the banks in which such persons have money on deposit, and other information concerning them.

For this purpose said respondents have used certain form letters, substantially in the forms exemplified by photostatic copies thereof, marked Exhibits A and B attached hereto and by this reference incorporated herein and made a part hereof.¹

PAR. 4. Respondents, other than respondent, Dorothy Boyden, caused the form letters exemplified by Exhibit A to be placed in envelopes addressed to the persons concerning whom information was sought at their last known addresses, and the letters exemplified by Exhibit B to be placed in envelopes addressed to other persons believed to have information concerning them. Said envelopes bear in the upper left corner:

Inheritance Bureau Division
Suite 708
6 North Michigan Ave.,
Chicago, Illinois.

Also enclosed in these envelopes are other envelopes, for the return of the said form letter, addressed to:

Inheritance Bureau Division
6 North Michigan Avenue
Suite 708 Chicago, Illinois.

Respondents caused the said envelopes and enclosures to be transported to the said Chicago address, where they were received by respondent, Dorothy Boyden, who thereafter caused them to be placed in the United States mail. The said envelopes bore addresses of places located in various States of the United States.

Such of the form letters as were filled out and mailed by the recipients thereof were received by respondent, Dorothy Boyden in Chicago, Ill.,

¹ Exhibits published in the findings at pp. 230-232.

who thereafter caused them to be transported to respondents in the State of New Jersey. Respondents used the information so obtained in collecting, or attempting to collect, the accounts alleged to be due to the persons for whom they have acted. The participation of respondent Dorothy Boyden aided in and essential to the successful operation of the plan for obtaining the desired information.

PAR. 5. By means of the aforesaid form letters and envelopes, respondents have represented, directly and by implication, to the persons to whom they were sent, that "Continental Inheritance Service" has correspondents in all principal cities of the world, acts as counsellor to those in charge of estates, is engaged in the business of locating heirs to estates or to interests therein, acts as examiner for title insurance companies, engages in genealogical research, actuarial work and searches of records, and that the persons concerning whom information is sought have or may have interests in estates or lands which will be of financial benefit to them.

The said representations were false and misleading. In truth and in fact respondents in conducting "Continental Inheritance Service" have not had correspondents in all the principal cities of the world. They have not acted as counsellors to those in charge of estates, nor engaged in the business of locating heirs to estates or interests therein. They have not engaged in making examinations for title insurance companies, or genealogical research, actuarial work or searches of records. They have had no knowledge of any interests in estates or lands to which the persons concerning whom information was sought may be entitled.

PAR. 6. Through the use of the names "Continental Inheritance Service," and "Inheritance Bureau Division" respondents have represented, directly and by implication that the said business bears some relation to estates and to the rights and interests of heirs thereof.

The said representation is false and misleading. In truth and in fact said business has nothing whatever to do with estates or the rights or interests of persons therein, and the said names are merely disguises for the true nature of the business.

PAR. 7. The use, as hereinabove set forth, of the foregoing false and misleading statements, representations and designations has had the capacity and tendency to mislead and deceive, and has misled and deceived, many persons to whom the said form letters were sent, into the erroneous and mistaken belief that said statements, representations and designations were true and correct, and by reason thereof to give information which they would not otherwise have supplied, and in many instances to incur expense for postage in connection therewith.

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

REPORT, FINDINGS AS TO THE FACTS, AND ORDER

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission, on December 14, 1943, issued and subsequently served its complaint upon the respondents, Atlantic Commercial

Agency, Inc., a corporation, and Gerald H. Strickland, G. Russell Walsh, S. Mortimer Hirshorn and Dorothy Boyden, individuals, charging them with the use of unfair and deceptive acts and practices in commerce in violation of the provisions of said act. After the service of said complaint, and the filing of an answer by respondent, Hirshorn, no answer being filed by the other respondents, testimony and other evidence in support of the allegations of the complaint were introduced by R. W. Branch, attorney for the Commission, and in opposition to the allegations of the complaint by the respondents, before Arthur F. Thomas, an examiner of the Commission, theretofore duly designated by it, and said testimony and other evidence were duly recorded and filed in the office of the Commission. Thereafter, respondents waived the filing of a report upon the evidence by the examiner, the filing of briefs and oral argument and agreed that the matter might be disposed of by the Commission upon the record. Thereafter, the matter came on for final hearing upon the said complaint, answer of respondent, Hirshorn, and said testimony and other evidence, and the Commission, having duly considered the matter and being now fully advised in the premises, finds that this proceeding is in the interest of the public and makes this its findings as to the facts and its conclusion drawn therefrom.

FINDINGS AS TO THE FACTS

PARAGRAPH 1. Respondent, Atlantic Commercial Agency, Inc., is a corporation, organized and existing under the laws of the State of New Jersey; it has not been active since on or about March 1, 1943. During its active corporate life, which began in 1937, respondents, Gerald H. Strickland and G. Russell Walsh, were in control of its management, policies and operation. The business of the corporation was the collection of debts owed to others. In November, 1943, the connection of respondent Walsh with the enterprise was severed, and the business was thereafter conducted by respondent Strickland under the trade name "Atlantic Commercial Agency." From about March 1, 1943, to the time of the withdrawal of respondent, Walsh, in November, 1943, liquidation of the corporation and the withdrawal of either Walsh or Strickland from the business was in contemplation, and during that period it was desired to keep the business intact, with a view to an orderly transfer of the business to the new ownership. During this period, respondent, S. Mortimer Hirshorn, was to notify those who sent claims to the Atlantic Commercial Agency, Inc., to send the claims to him, the clients to be notified when the transfer of the business to the new owner had been accomplished. This was done, and during this period, respondent, Hirshorn, operated the business through respondents, Walsh and Strickland who, in fact, conducted the business as they had previously done. Respondent, Hirshorn, who is an attorney at law practicing in Camden, N. J., was acting as a sort of conservator for the business; the business was conducted in his name, and he was aware of the use by respondents, Walsh and Strickland, of the form letters hereinafter referred to. During this period, so far as clients of the business were concerned, the claims were being collected by respondent, Hirshorn. The collection business was at all times conducted from 101 North Third Street, Camden, N. J.

Respondent, Dorothy Boyden, is connected with a secretarial service located in Suite 708 in the Tower Building, 6 North Michigan Avenue, Chicago, Ill., which service includes the furnishing of an address at which persons may have mail received and forwarded. The services rendered by respondent, Dorothy Boyden, to the other respondents, hereinafter set forth, were discontinued in November or December, 1943.

PAR. 2. Respondents, Atlantic Commercial Agency, Inc., Walsh and Strickland, were engaged, subsequent to 1937, in the business of collecting accounts owed to others. The business has at all times had clients who were located both within and without the State of New Jersey for whom the collection of accounts has been undertaken. Many of said clients caused goods and other property to be transported from their respective places of business to purchasers thereof in other States of the United States, and maintain, and have maintained, courses of trade in such goods and property in commerce between and among the various States of the United States. The course and conduct of the said business during the periods prior to and subsequent to March 1, 1943, has involved intercourse of a commercial and business nature between respondents, other than Dorothy Boyden, and their clients, and with respondent, Dorothy Boyden, and with persons concerning whom information was sought located in States other than the State of New Jersey.

PAR. 3. In the course and conduct of the said collection business, respondents, other than Dorothy Boyden, have frequently desired to ascertain the current addresses and occupations of persons alleged to owe money to their clients, the names and addresses of the employers of such persons and of the banks in which such persons have money on deposit, and other information concerning them.

For this purpose, these said respondents have used certain form letters, which are exemplified by copies thereof, marked Exhibits A and B, attached hereto, and by this reference incorporated herein and made a part hereof.

PAR. 4. Respondents, Walsh, Strickland and Atlantic Commercial Agency, Inc., caused the form letters exemplified by Exhibit A to be placed in envelopes addressed to the persons concerning whom information was sought at their last known addresses, and the letters exemplified by Exhibit B to be placed in envelopes addressed to other persons believed to have information concerning them. Said envelopes bear, in the upper left corner:

Inheritance Bureau Division
Suite 708
6 North Michigan Ave.,
Chicago, Illinois.

Also enclosed in these envelopes are other envelopes, for the return of the said form letters, addressed to:

Inheritance Bureau Division
6 North Michigan Avenue
Suite 708 Chicago, Illinois.

Respondents, Walsh, Strickland and Atlantic Commercial Agency, Inc., caused the said envelopes and enclosures to be transported to the said

Chicago address, where they were received by respondent, Dorothy Boyden, who thereafter caused them to be placed in the United States mail. The said envelopes bore addresses of places located in various States of the United States. The participation of respondent, Dorothy Boyden, aided in and was essential to the successful operation of the plan for obtaining the desired information.

Such of the form letters as were filled out and mailed by the recipients thereof were received by respondent, Dorothy Boyden, in Chicago, Ill., who thereafter caused them to be transported, unopened, to the other respondents in the State of New Jersey. Respondent, Boyden, was supplied with large envelopes in which to mail the returned form letters; some of these envelopes were already addressed to respondent, Hirshorn.

PAR. 5. By means of the aforesaid form letters and envelopes, respondents have represented, directly and by implication, to the persons to whom they were sent, that "Continental Inheritance Service" has correspondents in all principal cities of the world, acts as counsellor to those in charge of estates, is engaged in the business of locating heirs to estates or to interests therein, acts as examiner for title insurance companies, engages in genealogical research, actuarial work and searches of records, and that the persons concerning whom information is sought have or may have interests in estates or lands which will be of financial benefit to them.

The said representations were false and misleading. In truth and in fact, respondents in conducting "Continental Inheritance Service" have not had correspondents in all the principal cities of the world, although they have had access to, and have used, various legal and commercial directories and directories of collection agencies in connection with the business. Such lists and directories give the names and addresses of attorneys and collection agencies in all the principal cities of the world. They have not acted as counsellors to those in charge of estates, nor engaged in the business of locating heirs to estates or interests therein. They have not engaged in making examinations for title insurance companies, or genealogical research, actuarial work or searches of records. They have had no knowledge of any interests in estates or lands to which the persons concerning whom information was sought may be entitled.

PAR. 6. Through the use of the names "Continental Inheritance Service" and "Inheritance Bureau Division," respondents have represented, directly and by implication, that the said business bears some relation to estates and to the rights and interests of heirs thereof.

The said representation is false and misleading. In truth and in fact, said business has nothing whatever to do with estates, other than those of debtors from whom they are trying to collect, or the rights or interests of persons therein, and the said names are merely disguises for the true nature of the business.

PAR. 7. The use, as hereinabove set forth, of the foregoing false and misleading statements and representations, including the use of the names "Continental Inheritance Service" and "Inheritance Bureau Division," has had the capacity and tendency to mislead and deceive, and has misled and deceived, many persons to whom the said form letters were sent, into the erroneous and mistaken belief that said statements and representations were true and that the names "Continental Inheritance Service" and "Inheritance Bureau Division" truthfully indicated and described the

character of the concern making inquiry and requesting the information, and by reason thereof to give information which they would not otherwise have supplied, and in many instances, to incur expense for postage in connection therewith.

CONCLUSION

The aforesaid acts and practices of respondents, as herein found, are all to the prejudice and injury of the public, and constitute unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission, the answer of respondent, S. Mortimer Hirshorn, and testimony and other evidence taken before Arthur F. Thomas, an examiner of the Commission theretofore duly designated by it, in support of the allegations of the complaint and in opposition thereto, respondents having waived all intervening procedure and further hearings as to the facts, and the Commission having made its findings as to the facts and its conclusion that the respondents have violated the provisions of the Federal Trade Commission Act.

It is ordered, That respondent, Atlantic Commercial Agency, Inc., a corporation, its officers, agents, representatives and employees, and respondents, Gerald H. Strickland, G. Russell Walsh, S. Mortimer Hirshorn, and Dorothy Boyden, individuals, their agents, representatives and employees, directly or through the use of any corporate or other device, in connection with the use of form letters, post cards, or other mailable matter in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using the words "Continental Inheritance Service" or "Inheritance Bureau Division" or any other word or words which import or imply a relationship to estates or to the rights or interests of heirs thereof, to designate, describe or refer to the business of respondents, or any of them, in seeking information concerning debtors or alleged debtors.

2. Representing, directly or by implication, that respondents, or any of them, in the seeking of information concerning debtors or alleged debtors, have correspondents in all principal cities of the world.

3. Representing, directly or by implication, that respondents, or any of them, in the seeking of information concerning debtors or alleged debtors, act as counselors to those in charge of estates or are engaged in the business of locating heirs to estates or to interests therein.

4. Representing, directly or by implication, that respondents, or any of them, in the seeking of information concerning debtors or alleged debtors, act as examiners for title insurance companies.

5. Representing, directly or by implication, that respondents, or any of them, in the seeking of information concerning debtors or alleged debtors, are engaged in genealogical research, actuarial work or the searching of records.

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6. Representing, directly or by implication, that persons concerning whom information is sought by means of form letters, post cards or other mailable matter, to be used in the collection of debts, have or may have interests in estates or lands.

7. Using form letters, post cards or other mailable matter for the purpose of obtaining information to be used in the collection of debts which

Exhibit A

EXAMINERS FOR TITLE COMPANIES
ACTUARIESCORRESPONDENTS IN ALL PRINCIPAL CITIES OF THE WORLD
MISSING HEIRS LOCATEDSEARCHERS OF RECORDS
GENEALOGISTS**Continental Inheritance Service**

Established 1926

ESTATE COUNSELLORS

INHERITANCE BUREAU DIVISION

Suite 708
6 North Michigan Avenue
Chicago, IllinoisAll Replies Considered
Confidential

Office Use Only

Section

Checked By

Disbursed By

Date of Disbursement

Ok'd By

Date This Form Returned

DEAR FRIEND:

We have been endeavoring to communicate with a person of your name and our investigation now leads us to believe that you are the interested party. So that we may verify our belief in this direction, we ask that you give us the information requested on the reverse side of this sheet.

The information contained will be treated in the strictest of confidence, and used to our best advantage.

A great many people write to us asking that we give an explanation of our action in sending this form. This we cannot do, as you can readily understand that if valuable information were to get in the hands of the wrong party, it would react to the disadvantage of the proper one. Therefore, please do not ask us to break our standard rule as we cannot do so.

This is a matter of distinct importance to you if you are the individual in question and we ask that you mail this form back to us IMMEDIATELY. You will be communicated with in three or four weeks. If it does not check with our records, the form will be carefully indexed, and filed in the event something develops later that will again bring you into the possibility of being the correct party.

Do not send any money, the service is rendered to you without charge.

Yours very truly,

By _____
Examiner

This form will not bear the name and address of the person to whom it is sent. Your name immediately refers us to this investigation. This is done so as to devote more time to accomplish results in the actual examination.

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Exhibit A

IF NECESSARY, USE SEPARATE SHEET FOR ADDITIONAL INFORMATION

Gentlemen:

Date 194

I give you the following information with the distinct understanding that I am not obligated in any manner:

My Full Name

Present Address

City and State Present Occupation

Place of Birth Date

Do you have a son or father, who has the exact same name? If so, state which His age

Address City and State

(check (✓) which)

(Such as Italian, German, Jewish, etc.)

Social Security No.

Color: White Negro Race

Previous Address

1 year ago City and State

2 years ago City and State

3 years ago City and State

4 years ago City and State

5 years ago City and State

History

MY PARENTS

Father's Name

Address

Mother's Name

Address

Mother's Maiden Name

MY WIFE'S PARENTS

Father's Name

Address

Mother's Name

Address

(If it develops that it is your wife we are interested in, a separate form for her will follow.)

THE FOLLOWING PERSONS CAN IDENTIFY ME:
(To guard against imposters.)

Name Address

Name Address

Name Address

I CAN ALSO BE IDENTIFIED BY THE FOLLOWING:

My present employer (name of firm)

Address My badge number

My previous employer

Address My badge number

Name of my banking institution

Address Is it a checking or savings account

Does this institution have your signature on file

Other than my father and mother, the following relatives can vouch for me:

Name Address

Name Address

Cross Reference

My present wife's full name

Her present address

She was born at Date

If wife is dead, give date and place

She can be identified by her employer, who is

Her employer's address City and State

(If previously married, give first wife's full name)

Signed
(without obligation)

If you have reason to believe you have money coming to you, advise full details on separate sheet.

Exhibit B

EXAMINERS FOR TITLE COMPANIES
ACTUARIESCORRESPONDENTS IN ALL PRINCIPAL CITIES OF THE WORLD
MISSING HEIRS LOCATEDSEARCHERS OF RECORDS
GENEALOGISTS**Continental Inheritance Service**

ESTABLISHED 1929

ESTATE COUNSELLORS**INHERITANCE BUREAU DIVISION**Suite 708
6 North Michigan Ave.
Chicago, IllinoisAll Replies Considered
Confidential

This is the person we are trying to contact.

Dear Friend:

We are trying to contact the above person and our records include your name as one who is a relative, friend or acquaintance.

Will you be kind enough to give us any or all the information that may lead us to such contact, as follows:

His (or her) last
known address

City & State

It may be that his (her) employer, has the
proper address on file, therefore please advise
name of employer

Address

Name of
Relative

Address

Any Other Suggestion

(such as his bank or business house who may
may have an address on their books.If you haven't seen above mentioned party
recently, kindly give name and address of
person or persons that can supply the necessary
information to help us in our important
inquiry.This may be of importance to said person. May we hear from you promptly by return mail in the
enclosed envelope. We highly appreciate your courtesy.

Yours truly,

CONTINENTAL INHERITANCE SERVICE

represent, directly or by implication, that the purpose of the inquiry is
other than that of obtaining information to be so used.*It is further ordered,* That the respondents shall, within 60 days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

Complaint

IN THE MATTER OF
CRAVAT-SILKS, INC.

COMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION ACT, APPROVED SEPT. 26, 1914, AND THE WOOL PRODUCTS LABELING ACT OF 1939, APPROVED OCT. 14, 1940

Docket 5022. Complaint, Aug. 10, 1943—Decision, Sept. 26, 1944

Where a corporation engaged in interstate sale and distribution of various types of fabrics used in the manufacture of men's neckties, including certain fabrics which were composed of approximately 93% rayon and 7% wool, and which simulated silk in texture and appearance—

- (a) Failed to follow practice of disclosing affirmatively to its customers—though supplying the information on inquiry—the fact that said fabrics contained rayon which, when made to simulate silk, is practically indistinguishable by the purchasing public from silk, a product of the cocoon of the silk worm and products of which have long been held in high esteem and widely demanded;

With tendency and capacity to mislead and deceive a substantial number of purchasers and prospective purchasers of such fabrics with respect to the fibers or materials of which they were made, and to cause them to purchase substantial quantities of such fabrics as a result of such erroneous belief; and

- (b) Sold certain wool products, misbranded in violation of the Wool Products Labeling Act of 1939 and the rules and regulations promulgated thereunder, in that they did not have affixed thereto a stamp, tag, etc., showing the percentage of the total fiber weight of wool, reprocessed wool, and reused wool and non-wool fiber, and maximum percentage of adulterating matter; and proper identification of the manufacturer, seller, etc., as required by the Act:

Held, That such acts and practices, under the circumstances set forth, were in violation of the Wool Products Labeling Act, and the rules and regulations promulgated thereunder, and were all to the prejudice of the public and constituted unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

Before *Mr. Miles J. Furnas*, trial examiner.

Mr. DeWitt T. Puckett for the Commission.

Kent & Kent, of New York City, for respondent.

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 Cravat-Silks, Inc., a corporation, hereinafter referred to as respondent, had violated the provisions of the 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: