

Complaint

IN THE MATTER OF
BEN SELVIZ, INC. ET AL.

COMPLAINT, SETTLEMENT, FINDINGS AND ORDER IN REGARD TO THE ALLEGED VIOLATION OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914, AND OF AN ACT OF CONGRESS APPROVED OCT. 14, 1940

Docket 5905. Complaint, July 9, 1951—Decision, Oct. 9, 1951

Where a corporation and its two officers, engaged in the manufacture, introduction into commerce, and distribution of wool products as defined in the Wool Products Labeling Act—

Misbranded ladies' coats within the intent and meaning of said act and the rules and regulations promulgated thereunder in that, (1) labeled 100% wool, they contained no "wool" but were composed, exclusive of ornamentation, of "reprocessed wool," together with small amounts of rayon and cotton; and (2) their constituent fibers and the percentages thereof were not shown on the tags or labels thereon as required by said act and rules, etc.:

Held, That such acts and practices, under the circumstances set forth, were in violation of said act and said rules and regulations, and constituted unfair and deceptive acts and practices in commerce.

Before *Mr. James A. Purcell*, trial examiner.

Mr. J. M. Doukas and *Mr. C. J. Aimone* for the Commission.

Cohn, Riemer & Pollack, of Boston, Mass., for respondents.

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 Ben Selviz, Inc., a corporation and Robert J. Seder and Leonard Freeman, individually and as officers of said corporation 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 thereto would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Ben Selviz, Inc. is a corporation organized and existing under the laws of the Commonwealth of Massachusetts; Robert J. Seder is its president and Leonard Freeman is its treasurer. The individual respondents formulate, direct, and control the policies, acts and practices of the corporate respondent. The office and principal place of business of both corporate respondent and the individual respondents is located at 763 Washington Street, Newtonville, Mass.

Consent settlement

48 F. T. C.

PAR. 2. Subsequent to July 15, 1941, respondents manufactured for introduction into commerce, introduced into commerce, sold, transported, distributed, delivered for shipment, and offered for sale in commerce, as "commerce" is defined in the Wool Products Labeling Act, wool products as "wool products" are defined therein.

PAR. 3. Certain of said wool products were misbranded in that they were not stamped, tagged or labeled as required under the provisions of section 4(a) (2) of the Wool Products Labeling Act of 1939 in the manner and form as prescribed by the Rules and Regulations promulgated under such act.

PAR. 4. Certain of said wool products, to wit, ladies' coats, were misbranded within the intent and meaning of said act and the rules and regulations promulgated thereunder in that they were falsely and deceptively labeled with respect to the character and amount of their constituent fibers. Typical of the foregoing was the labeling of ladies' coats as 100 percent wool, whereas, in truth and in fact, said products contained no wool, as "wool" is defined in said act, but were composed, exclusive of ornamentation not exceeding 5 per centum of their total fiber weight, of reprocessed wool as "reprocessed wool" is defined in the Wool Products Labeling Act, together with small amounts of rayon and cotton. The said wool products so labeled were further misbranded in that their constituent fibers and the percentage thereof were not shown on the tags or labels thereon as required by said act and in the manner and form required by the said rules and regulations.

PAR. 5. The aforesaid acts and practices of respondents as herein alleged are in violation of the Wool Products Labeling Act of 1939, and the rules and regulations promulgated thereunder and constitute unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

CONSENT SETTLEMENT¹

Pursuant to the provisions of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, the Federal Trade Commission, on July 9, 1951, issued and subsequently served its complaint on the respondents named in the caption hereof, charging them with the violations of the Wool Products Labeling Act of 1939, and

¹ The Commission's "Notice" announcing and promulgating the consent settlement as published herewith, follows:

The consent settlement tendered by the parties in this proceeding, a copy of which is served herewith, was accepted by the Commission on October 9, 1951, and ordered entered of record as the Commission's findings as to the facts, conclusion, and order in disposition of this proceeding.

the rules and regulations promulgated thereunder which constituted unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

The respondents, desiring that this proceeding be disposed of by the consent settlement procedure provided in rule V of the Commission's rules of practice, solely for the purpose of this proceeding, any review thereof, and the enforcement of the order consented to, and conditioned upon the Commission's acceptance of the consent settlement hereinafter set forth, and in lieu of the answer to said complaint heretofore filed and which, upon acceptance by the Commission of this settlement, is to be withdrawn from the record, hereby:

1. Admit all the jurisdictional allegations set forth in the complaint.
2. Consent that the Commission may enter the matters hereinafter set forth as its findings as to the facts, conclusion, and order to cease and desist. It is understood that the respondents, in consenting to the Commission's entry of said findings as to the facts, conclusion, and order to cease and desist, specifically refrain from admitting or denying that they have engaged in any of the acts or practices stated therein to be in violation of law.
3. Agree that this consent settlement may be set aside in whole or in part under the conditions and in the manner provided in paragraph (f) of rule V of the Commission's rules of practice.

The admitted jurisdictional facts, the statement of the acts and practices which the Commission had reason to believe were unlawful, the conclusion based thereon, and the order to cease and desist, all of which the respondents consent may be entered herein in final disposition of this proceeding, are as follows:

FINDINGS AS TO THE FACTS

PARAGRAPH 1. Respondent Ben Selviz, Inc., is a corporation organized and existing under the laws of the Commonwealth of Massachusetts; Robert J. Seder is its president and Leonard Freeman is its treasurer. The individual respondents formulate, direct, and control the policies, acts and practices of the corporate respondent. The office and principal place of business of both corporate respondent and the individual respondents is located at 763 Washington Street, Newtonville, Mass.

PAR. 2. Subsequent to July 15, 1941, respondents manufactured for introduction into commerce, introduced into commerce, sold, transported, distributed, delivered for shipment, and offered for sale in commerce, as "commerce" is defined in the Wool Products Labeling Act, wool products as "wool products" are defined therein.

Order

48 F. T. C.

PAR. 3. Certain of said wool products were misbranded in that they were not stamped, tagged or labeled as required under the provisions of section 4 (a) (2) of the Wool Products Labeling Act of 1939 in the manner and form as prescribed by the rules and regulations promulgated under such act.

PAR. 4. Certain of said wool products, to wit, ladies' coats, were misbranded within the intent and meaning of said act and the rules and regulations promulgated thereunder in that they were falsely and deceptively labeled with respect to the character and amount of their constituent fibers. Typical of the foregoing was the labeling of ladies' coats as 100 percent wool, whereas, in truth and in fact, said products contained no wool, as "wool" is defined in said act, but were composed, exclusive of ornamentation not exceeding 5 per centum of their total fiber weight, of reprocessed wool as "reprocessed wool" is defined in the Wool Products Labeling Act, together with small amounts of rayon and cotton. The said wool products so labeled were further misbranded in that their constituent fibers and the percentages thereof were not shown on the tags or labels thereon as required by said act and in the manner and form required by the said rules and regulations.

CONCLUSION

The aforesaid acts and practices of respondents as herein alleged are in violation of the Wool Products Labeling Act of 1939, and the rules and regulations promulgated thereunder 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

It is ordered, That the respondent Ben Selviz, Inc., a corporation, and its officers, and the respondents Robert J. Seder and Leonard Freeman, individually and as officers of said respondent corporation, and said respondents' respective 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, transportation or distribution in commerce, as "commerce" is defined in the aforesaid acts, of ladies' coats or other wool products, as such products are defined in and subject to the Wool Products Labeling Act of 1939, which products contain, purport to contain or in any way are represented as containing "wool," "reprocessed wool" or "reused wool," as those terms are defined in said act, do forthwith cease and desist from misbranding such products:

1. By representing on any stamp, tag, label or other means of identification the character or amount of the constituent fibers of any of said products.

2. By failing to securely affix or to place on such products a stamp, tag, label or other means of identification showing in a clear and conspicuous manner:

(a) The percentage of the total fiber weight of such wool product, exclusive of ornamentation not exceeding 5 percent of said total fiber weight, of (1) wool, (2) reprocessed wool, (3) reused wool, (4) each fiber other than wool where said percentage by weight of such fiber is 5 percent or more, and (5) the aggregate of other fibers.

(b) The maximum percentage of the total weight of such wool product of any nonfibrous loading, filling, or adulterating matter.

(c) The name or the registered identification number of the manufacturer of such wool product or of one or more persons engaged in introducing such wool product into commerce, or in the offering for sale, sale, transportation, or distribution thereof in commerce, as "commerce" is defined in the Federal Trade Commission Act and in the Wool Products Labeling Act of 1939.

Provided, That the foregoing provisions concerning misbranding shall not be construed to prohibit acts permitted by paragraphs (a) and (b) of section 3 of the Wool Products Labeling Act of 1939; *and provided further*, That nothing contained in this order shall be construed as limiting any applicable provisions of said Act or the Rules and Regulations promulgated thereunder.

BEN SELVIZ, INC.

By (sgd) Robert J. Seder,
ROBERT J. SEDER, *President*,
Ben Selviz, Inc.

(sgd) Robert J. Seder,
ROBERT J. SEDER.

(sgd) Leonard Freeman,
LEONARD FREEMAN.

The foregoing consent settlement is hereby accepted by the Federal Trade Commission and ordered entered of record on this the 9th day of October 1951.

IN THE MATTER OF

R. E. NYE DOING BUSINESS AS INTERNATIONAL
SERVICE BUREAU & ASSOCIATES

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

Docket 5912. Complaint, Aug. 8, 1951—Decision, Oct. 9, 1951

Where an individual engaged under the trade name "International Service Bureau and Associates," in locating delinquent debtors, for his clients, involving business intercourse among persons in various states;

In attempting to secure information concerning their addresses, which he might in turn sell to his clients, through a form letter sent to debtors, together with a form for their use in supplying their address, occupation, etc., and return envelope addressed to "Disbursement Office, International Service Bureau and Associates" at his Washington address—

Falsely represented through said form letters, mailed to the persons concerning whom information was sought at their last known address, that he was holding a sum of money for the recipients or persons of identical name, and that the information was requested in order to positively identify the recipients so that said money might be paid to them;

The facts being nothing of value, excepting a few postage stamps, was sent to the addressees; the whole plan was designed and intended to obtain information by subterfuge; and the addressees' understanding that he was holding money for them was enhanced by the misleading and deceptive expression "Disbursement Office";

With capacity and tendency to mislead and deceive many persons to whom said form letters were sent into the erroneous belief that said representations were true and thereby induce them to supply information which they otherwise would not have supplied:

Held, That such 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. Frank Hier*, trial examiner.

Mr. J. W. Brookfield, Jr. 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 R. E. Nye, an individual trading and doing business as International Service Bureau & Associates, hereinafter referred to as respondent, has violated the provisions of said Act, and it appearing to the Commission that a pro-