

Complaint

IN THE MATTER OF

UNIVERSAL WOOL BATTING CORP. ET AL.

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

Docket 6326. Complaint, Apr. 6, 1955—Decision, July 1, 1955

Consent order requiring manufacturers in New York City to cease violating the Wool Products Labeling Act by falsely labeling wool batts or battings as "80% Reused Wool, 20% Cotton & Rayon or Other Fibers" and "80% Reused Wool, 20% Other Fibers", and by failing to label said wool products as required.

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

Mr. George E. Steinmetz for the Commission.

Mr. Myron Goldman, of New York City, 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 Universal Wool Batting Corp., a corporation, and Jacob Louis, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts, 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. The corporate respondent, Universal Wool Batting Corp. is a corporation organized and existing under and by virtue of the laws of the State of New York. Respondent Jacob Louis is president thereof, and this individual formulates, directs, and controls the acts, policies, and practices of said corporate respondent. The offices and principal place of business of each of said respondents are located at 515 Tiffany Street, New York 59, New York.

PAR. 2. Subsequent to the effective date of the Wool Products Labeling Act of 1939 and more especially since January 1, 1953, respondents have manufactured for introduction into commerce, introduced into commerce, sold, transported, distributed, delivered for shipment, and offered for sale in commerce, as "commerce" is defined in said Act, wool products, as "wool products" are defined therein.

PAR. 3. Certain of said wool products were misbranded within the intent and meaning of Section 4 (a) (1) of said Wool products Labeling Act and the Rules and Regulations promulgated thereunder in that they were falsely and deceptively stamped, tagged, or labeled

with respect to the character and amount of the constituent fibers contained therein.

Among such misbranded wool products were batts or battings stamped, tagged, or labeled by respondents as consisting of "80/20% Reused"; "80% Reused Wool, 20% Cotton & Rayon or Other Fibers"; and "80% Reused Wool, 20% Other Fibers"; whereas, in truth and in fact said products actually contained substantially less quantities of reused wool and substantially greater quantities of non-woolen fibers than represented by said respondents as aforesaid.

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

PAR. 5. The acts and practices of the respondents, as herein alleged, were and are in violation of the Wool Products Labeling Act of 1939 and of the Rules and Regulations pursuant thereto, and constitute unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

INITIAL DECISION BY JAMES A. PURCELL, HEARING EXAMINER

The Federal Trade Commission on April 6, 1955, issued its complaint in this proceeding charging respondents with the violation of the provisions of the Federal Trade Commission Act and of the Wool Products Labeling Act of 1939, as will more particularly appear by reference to said complaint. On May 2, 1955, respondents filed their formal answer to the complaint and thereafter, on May 16, 1955, respondents entered into a consent agreement with counsel supporting the complaint and pursuant thereto submitted to the hearing examiner a stipulation for consent order disposing of all of the issues of this proceeding.

In said stipulation the respondent, Universal Wool Batting Corp., is identified as a corporation organized and existing by virtue of the laws of the State of New York, with its office and principal place of business located at No. 515 Tiffany Street, New York (59), New York. The individual respondent, Jacob Louis, is President of the corporate respondent and maintains his office and place of business at the same address as that of the corporate respondent, as above.

Respondents admit all of the jurisdictional allegations set forth in the complaint and agree that the record herein may be taken as if the hearing examiner and the Commission had made findings of jurisdictional facts in accordance therewith. All parties agreed that the formal answer filed herein on May 2, 1955, be withdrawn from record,

which action is hereby authorized. All parties expressly waive a hearing before the hearing examiner or the Commission; the making of findings of fact or conclusions of law by the hearing examiner or the Commission; the filing of exceptions and oral argument before the Commission and all other and further procedure before the hearing examiner and the Commission to which the said respondents might otherwise be entitled under the provisions of the aforesaid Acts and the Rules of Practice of the Commission.

Said stipulation provided further that it was executed for settlement purposes only and does not constitute an admission by said respondents that they have violated the law as alleged in the complaint. It was further agreed by the respondents that the Order contained in the stipulation shall have the same force and effect as if made after full hearing, presentation of evidence, and findings and conclusions thereon, and they specifically waive any and all right, power or privilege to challenge or contest the validity of the Order entered in accordance with said stipulation. They also agree that said stipulation, together with the complaint, shall constitute the entire record in this proceeding and that the complaint herein may be used in construing the terms of the hereinafter passed Order, which may be altered, modified, or set aside in the manner provided by the statute for the orders of the Commission.

In view of the facts above recited and that the Order embodied in said stipulation is identical with the Order *nisi* accompanying the complaint and that the acceptance thereof will effectively safeguard the public interest and pursuant to the express terms and provisions of said stipulation, the hearing examiner finds that this proceeding is in the public interest, accepts the aforesaid stipulation for consent order and issues the following order:

ORDER

It is ordered, That respondent Universal Wool Batting Corp., a corporation, and its officers, and respondent Jacob Louis, individually, and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device in connection with the introduction or manufacture for introduction into commerce, or the offering for sale, sale, transportation or distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, of batts or battings or other "wool products," as such products are defined in and are 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

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such terms are defined in said Act, do forthwith cease and desist from misbranding such products by:

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

2. Failing to 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:

(a) The percentage of the total fiber weight of such wool product, exclusive of ornamentation not exceeding five percentum 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 five percentum or more, and (5) the aggregate of all other fibers;

(b) The maximum percentage of the total weight of such wool product of any non-fibrous 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, distribution or delivery for shipment thereof in commerce, as "commerce" is defined 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.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Sec. 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 1st day of July, 1955, become the decision of the Commission; and, accordingly:

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

Complaint

IN THE MATTER OF

WILLIAM BOGOLUB DOING BUSINESS AS FABRICON
COMPANY

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

Docket 6282. Complaint, Jan. 10, 1955—Decision, July 6, 1955

Consent order requiring an individual in Chicago to cease misrepresenting in advertising the ease of learning his correspondence course in reweaving and the opportunities and earnings available to students completing the course.

Before *Mr. Frank Hier*, hearing examiner.

Mr. Edward F. Downs for the Commission.

Mr. Bernard H. Sokol, of Chicago, Ill., for respondent.

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 William Bogolub, an individual doing business as Fabricon Company, hereinafter referred to as respondent, has violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. Respondent William Bogolub is an individual trading and doing business under the firm name and style of Fabricon Company, with his principal office and place of business located at 8342 South Prairie Avenue, Chicago, Illinois.

PAR. 2. Respondent is now, and has been for more than one year last past engaged in the sale and distribution in commerce, among and between the various States of the United States, of a course of study and instruction designed to prepare students thereof for work as commercial reweavers. Said course is pursued through the medium of the United States mails. Respondent, in the course and conduct of said business, causes his said course of study and instruction to be transported from his said place of business in the State of Illinois to the purchasers thereof located in other States of the United States. Respondent maintains, and at all times mentioned herein has maintained, a substantial course of trade in said correspondence course, in commerce, among and between the various States of the United States.