

## Complaint

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## IN THE MATTER OF

PAUL A. RAICH

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF  
THE FEDERAL TRADE COMMISSION ACT AND OF THE WOOL PRODUCTS  
LABELING ACT*Docket 6335. Complaint, Apr. 26, 1955—Decision, July 8, 1955*

Consent order requiring a seller in New York City to cease violating the Wool Products Labeling Act by advertising and branding as "Pure Imported Cashmere", etc., blankets which were made entirely of sheep's wool or contained very little Cashmere; and to cease pre-ticketing the blankets with excessive and fictitious prices.

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

*Mr. George E. Steinmetz* for the Commission.

*Mr. Lester A. Lazarus* and *Mr. Frederick E. M. Ballon*, 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 Paul A. Raich, an individual, herein-after referred to as the respondent, has violated the provisions of said Acts, and it appearing to the Commission that a proceeding by it with respect to the said Paul A. Raich would be in the public interest, hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. Respondent, Paul A. Raich, during the period running from about September 18, 1953 until March 9, 1954, acted as the president of the corporation incorporated under the laws of the State of New Jersey, known as "Cashmere-Wool, Ltd.". Both Paul A. Raich and the said corporation maintained their offices and their principal place of business at 450 Seventh Avenue, New York, New York, and the said respondent Paul A. Raich now resides at 287 Terhune Avenue, Passaic, New Jersey.

PAR. 2. During all of the times mentioned the said respondent Paul A. Raich directed and controlled the acts, policies, and practices of the said corporation, namely, Cashmere-Wool, Ltd.

PAR. 3. The said corporation, Cashmere-Wool, Ltd., was adjudicated a bankrupt in the District Court of the United States for the District of New Jersey on or about March 9, 1954, and the business of said corporation has since been terminated and all of its assets

since sold and disposed of pursuant to Orders entered by said United States Court.

PAR. 4. Subsequent to the effective date of the Wool Products Labeling Act of 1939, and particularly during the period running from said September 18, 1953, through and until on or about March 9, 1954, the respondent, Paul A. Raich, acting through the said corporate organization known as Cashmere-Wool, Ltd., manufactured for introduction, introduced, 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. 5. Certain of said wool products were misbranded within the intent and meaning of Section 4 (a) (1) of said Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder in that they were falsely and deceptively labeled or tagged with respect to the character and amount of the constituent fibers contained therein.

Among such misbranded wool products were blankets labeled or tagged by respondent Paul A. Raich, acting by and through said bankrupt corporation Cashmere-Wool, Ltd., as consisting of "Minimum 90% Pure Iranian Cashmere," "Contains Pure Imported Cashmere," whereas, in truth and in fact said products were composed entirely of wool from the genus sheep or composed of wool of the genus sheep with only small amounts of Cashmere fiber, being the hair or fleece of the Cashmere goat.

PAR. 6. Certain of said wool products described as blankets 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 of 1939, and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

PAR. 7. The acts and practices of the said respondent Paul A. Raich, as hereinafter alleged, were and 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 meaning and intent of the Federal Trade Commission Act.

PAR. 8. In the course and conduct of the business of said bankrupt corporation, Cashmere-Wool, Ltd., under the direction and control of respondent Paul A. Raich, for the purpose of inducing the purchase of the products manufactured and sold as aforesaid, published in magazines, during December 1953 advertisements containing various statements and representations concerning the products above

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referred to. Among and typical of such advertising statements and representations were the following:

One  
of the world's  
most  
luxurious  
blankets  
For a lifetime of  
downy-soft comfort,  
there can be nothing  
finer than this  
treasured blanket in  
which rare imported  
cashmere\* provides  
the ultimate in  
quality. In 10 lovely  
decorator colors,  
Mitin mothproofed  
for lasting protection.  
CASHMERE-WOOL, LTD.  
72 x 90, richly  
bound on four sides,  
gift-boxed. Price: \$99.50

For baby, too . . .  
in crib size  
36 x 50 . . . pink,  
blue, or maize.  
Price \$49.50

Illustration

CASHMERE-WOOL, LTD.  
Blanket  
Contains Pure Imported Cashmere  
U. S. Testing Co.

Seal

\*Certified and approved by  
United States Testing Co., Inc.  
U. S. Testing Co.

Seal

\*Certified Quality Control by United States  
Testing Co., Inc. minimum content  
"90% Iranian Cashmere"  
Cashmere-Wool Ltd.,  
1127 West Division St.,  
Chicago 2, Ill.

PAR. 9. The above and foregoing advertisement was represented in toto in the form of advertising "flyers" or inserts, with the addition at the start there of the words reading "As Advertised in Vogue," and thereafter enclosed in the individual boxes or containers for said blankets and repeated in substance on fold-over paper labels attached to each individual blanket.

PAR. 10. Through the use of the term "Cashmere" together with the statements of the percentage thereof, the respondent Paul A. Raich, acting by and through said corporation, Cashmere-Wool, Ltd., directly and by implication represented that said blankets were composed of at least 90% Cashmere, or of Pure Iranian Cashmere, as the term "Cashmere" is generally understood by a substantial portion of the purchasing public; namely, the hair or fleece of the Cashmere goat. Further, respondent, through the use of the words and figures "Price: \$99.50" and "Price: \$49.50," represented that such amounts were the prices, at which the blankets to which they refer, were sold by retailers in their usual and regular course of business.

PAR. 11. The said representations were untrue since, in truth and in fact, said blankets were composed entirely of wool of the genus sheep, or composed of wool of the genus sheep with only small amounts of Cashmere fiber, being the hair or fleece of the Cashmere goat. The amounts of \$99.50 and \$49.50 were fictitious and greatly in excess of the prices at which retailers offered to sell and sold such blankets in their usual and regular course of business. This practice of respondent provides a means and instrumentality by and through which retailers may misrepresent the usual and regular retail price of such blankets.

PAR. 12. The respondent Paul A. Raich, acting by and through the corporation Cashmere-Wool, Ltd., was at all times mentioned herein, in competition, in commerce, with other individuals and with firms and corporations likewise engaged in the sale of blankets.

PAR. 13. The use by said respondent Paul A. Raich, acting by and through said bankrupt and defunct corporation, of said deceptive and misleading statements and representations with respect to said described blankets had the tendency and capacity to mislead a substantial portion of the purchasing public into the erroneous and mistaken belief that said statements and representations were true, and to cause substantial purchases of said blankets because of such erroneous and mistaken belief. As a consequence thereof, substantial trade in commerce was unfairly diverted to the respondent Paul A. Raich and the said corporation through which said respondent operated, from their competitors, with substantial injury being done to competition in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 14. The acts and practices of the said respondent as hereinabove alleged in Paragraphs Eight to Twelve, inclusive, were all to the prejudice and injury of the public and of respondent's competitors, and constitute unfair and deceptive acts and practices and unfair methods of competition, in commerce, within the intent and meaning of the Federal Trade Commission Act.

INITIAL DECISION BY JAMES A. PURCELL, HEARING EXAMINER

1. The Federal Trade Commission on April 26, 1955, issued its complaint in this proceeding charging respondent with violation 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 24, 1955, respondent entered into a Stipulation or Agreement for Consent Order with counsel supporting the complaint, all in conformity with Rule No. 3.25 of the Commission's Rules of Practice. Thereafter said Agreement was submitted to the hearing examiner who, being of opinion that the Agreement effectually disposes of all of the issues herein, hereby accepts same, with the proviso that this Initial Decision shall not become a part of the official record of this proceeding unless and until it becomes the official decision of the Commission.

2. The Agreement recites that respondent, Paul A. Raich, was, during the period September 18, 1953, to on or about March 9, 1954, the president of Cashmere-Wool, Ltd., a corporation organized under the laws of the State of New Jersey with offices and principal place of business located at No. 450 Seventh Avenue, New York, N. Y., and as president, as aforesaid, directed and controlled the acts, policies and practices of said corporation which form the basis of the complaint herein; that said corporation was duly adjudged bankrupt in the United States District Court for the District of New Jersey and its affairs liquidated.

3. By said Agreement respondent specifically admits all of the jurisdictional allegations set forth in the complaint and agrees that the record herein may be taken as though the hearing examiner or the Commission had made findings of jurisdictional facts in accordance with such allegations; that the order therein agreed upon shall have the same force and effect as though made upon a full hearing, presentation of evidence and findings and conclusions based thereon, specifically waiving any and all right, power or privilege to contest the validity of said order: that the complaint herein may be used in construing the terms of said order, which order may be altered, modified or set aside in the manner provided by statute affecting orders of the Commission.

4. All of the parties to said Agreement waived the filing of answer; hearing before a hearing examiner or the Commission; making of findings of fact or conclusions of law by the hearing examiner or the Commission; filing of exceptions and oral argument before the Commission; all further and other procedure before the hearing examiner and the Commission to which the respondent might otherwise, but for the execution of said Agreement, be entitled under the Federal Trade Commission Act, or the Wool Products Labeling Act of 1939, or the Rules of Practice of the Commission (effective May 21, 1955): Further, it was agreed that the aforesaid Agreement, together with the complaint, shall constitute the entire record herein.

Pursuant to the intent of said Agreement and of the facts therein recited, and that the order embodied therein is identical with the order *nisi* accompanying the complaint, the hearing examiner, being of opinion that the order agreed upon will effectually safeguard the public interest, finds that this proceeding is in the public interest and issues the following order:

## ORDER

*It is ordered*, That the respondent Paul A. Raich, individually, and his representatives, agents, and employees, directly or through any corporate or other device, in connection with the introduction or manufacture for introduction in 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 blankets 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 those terms are defined in said Act, do forthwith cease and desist from misbranding or misrepresenting 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 therein;

2. Failing to securely affix or to 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 products, 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 percentages by weight of such

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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 delivering for shipment thereof in commerce, as "commerce" is defined in the Wool Products Labeling Act of 1939.

3. Falsely or deceptively stamping, tagging, labeling, or otherwise identifying such products as containing hair or fleece of the Cashmere goat;

4. Stamping, tagging, labeling, or otherwise identifying such products as containing hair or fleece of the Cashmere goat without setting forth in a clear and conspicuous manner on each of the required stamps, tags, labels or other means of identification the percentage of such Cashmere fiber therein;

*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.

*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.

*It is further ordered*, That the respondent Paul A. Raich, individually, and his representatives, agents, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act, of blankets or other products, do forthwith cease and desist from, directly or indirectly:

1. Using the word "Cashmere," or any simulation thereof, either alone or in conjunction with other words, to designate, describe or refer to any product which is not composed entirely of the hair of the Cashmere goat: *Provided*, however, that in the case of any product composed in part of the hair of the Cashmere goat and in part of other fibers or materials, such word may be used as descriptive of the Cashmere content if there are used in immediate connection therewith, in letters of at least equal conspicuousness, words truthfully describing such other constituent fibers or materials.

2. Representing in any manner that said products contain a greater percentage of Cashmere than is the fact.

3. Representing in any manner that certain amounts are the usual and regular retail prices of said products when such amounts are in

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excess of the prices at which said products are usually and regularly sold at retail.

4. Making any false statement or representation or engaging in any deceptive practice or plan which would provide retailers of said products with a means of misrepresenting their usual and regular retail prices.

## 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 8th day of July, 1955, become the decision of the Commission; and, accordingly:

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

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## IN THE MATTER OF

## AL A. ROSENBLATT CO., INC., ET AL.

CONSENT AND DEFAULT ORDERS, ETC., IN REGARD TO THE ALLEGED VIOLATION  
OF THE FEDERAL TRADE COMMISSION ACT AND OF THE FUR PRODUCTS  
LABELING ACT

*Docket 6299. Complaint, Feb. 25, 1955—Decision, July 13, 1955*

Consent and default orders requiring the consenting respondent and the defaulting respondents, furriers in Boston, Mass., and Buffalo, N. Y., respectively, to cease violating the Fur Products Labeling Act and the Federal Trade Commission Act by representing falsely in advertising, by statements of salesmen, on tags or labels and in invoices, the composition, prices, quality, source, etc., of their fur products, and by failing in other respects to conform to the requirements of the Act.

Before *Mr. Everett F. Haycraft*, hearing examiner.

*Mr. John J. McNally* for the Commission.

*Arenella & Arenella*, of Boston, Mass., for respondents.

## 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 Al A. Rosenblatt Co., Inc., a corporation, and Lila Rosenblatt, individually and as President of said corporation, and Mac Goldman, an individual trading as Mac Goldman Company, 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 Al A. Rosenblatt Co., 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 683 Main Street, Buffalo, New York.

Respondent Lila Rosenblatt, an individual, is President of respondent Al A. Rosenblatt Co., Inc., and in said capacity controls, formulates and directs the acts, practices and policies of said corporate respondent. Her business address is the same as that of said corporate respondent.

Respondent Mac Goldman is an individual, trading as Mac Goldman Company, with his principal office and place of business located at 600 Washington Street, Boston, Massachusetts.