

Complaint

IN THE MATTER OF

WALDBAUM, CIPES, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION AND THE FLAMMABLE FABRICS ACTS

Docket 6381. Complaint, June 29, 1955—Decision, Sept. 20, 1955

Consent order requiring a firm in New York City to cease importing into the United States and selling silk scarves manufactured in Japan which were "so highly flammable as to be dangerous when worn," in violation of the Flammable Fabrics Act.

Before *Mr. John Lewis*, hearing examiner.

Mr. John T. Walker for the Commission.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Flammable Fabrics Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Waldbaum, Cipes, Inc., a corporation, Jay Cipes and Sidney Waldbaum, 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 thereunder, 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 Waldbaum, Cipes, Inc., is a New York corporation. Respondents Jay Cipes and Sidney Waldbaum are president and secretary-treasurer, respectively of respondent Waldbaum, Cipes, Inc. The individual respondents formulate, direct, and control the policies of said corporation. The business address of all respondents is 15 West 37th Street, New York, New York.

PAR. 2. Respondents, subsequent to July 1, 1954, the effective date of the Flammable Fabrics Act, have imported into the United States articles of wearing apparel, as the term "articles of wearing apparel" is defined in the Flammable Fabrics Act, which, under the provisions of Section 4 of said Act, as amended, were so highly flammable as to be dangerous when worn by individuals. Respondents have sold, offered for sale, introduced, delivered for introduction, and transported and caused to be transported in commerce, as "commerce" is defined in the Flammable Fabrics Act, the said articles of wearing apparel, imported as aforesaid. Respondents have also transported and caused to be transported the said articles of wearing apparel, imported as aforesaid, for the purpose of sale and delivery after sale in commerce.

Decision

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Among the articles of wearing apparel mentioned hereinabove were silk scarves manufactured in Japan.

PAR. 3. Respondents, in the course of their business, are engaged in competition in commerce with others in the sale and offering for sale of scarves which are not flammable "articles of wearing apparel" under the definition of the Flammable Fabrics Act.

PAR. 4. The acts and practices of respondents were and are in violation of the Flammable Fabrics Act and of the rules and regulations promulgated thereunder, and as such 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.

INITIAL DECISION BY JOHN LEWIS, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondents on June 29, 1955, charging them with having violated the Flammable Fabrics Act and the rules and regulations issued thereunder, and the Federal Trade Commission Act. After being served with said complaint, respondents entered into an agreement, dated August 2, 1955, containing a consent order to cease and desist disposing of all the issues in this proceeding without hearing. Said agreement has been submitted to the undersigned, heretofore duly-designated to act as hearing examiner herein, for his consideration in accordance with Section 3.25 of the Rules of Practice and Procedure of the Commission.

Respondents, pursuant to the aforesaid agreement, have admitted all the jurisdictional allegations of the complaint and agreed that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations. Said agreement further provides that respondents waive all further procedural steps before the hearing examiner or the Commission, including the making of findings of fact or conclusions of law and the right to challenge or contest the validity of the order to cease and desist entered in accordance with such agreement. It has also been agreed that the record herein shall consist solely of the complaint and said agreement, and that said agreement is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint.

This proceeding having now come on for final consideration on the complaint and the aforesaid agreement containing consent order, and it appearing that the order provided for in said agreement covers all the allegations of the complaint and provides for an appropriate dis-

position of this proceeding, the same is hereby accepted and is ordered filed upon becoming part of the Commission's decision pursuant to Sections 3.21 and 3.25 of the Rules of Practice and Procedure, and the hearing examiner, accordingly, makes the following findings, for jurisdictional purposes, and order:

1. Respondent Waldbaum, Cipes, Inc., is a corporation existing and doing business under and by virtue of the laws of the State of New York, and respondents Jay Cipes and Sidney Waldbaum are president and secretary-treasurer, respectively of respondent Waldbaum, Cipes, Inc. The individual respondents formulate, direct, and control the policies of said corporation. The business address of all respondents is 15 West 37th Street, New York, New York.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents hereinabove named. The complaint states a cause of action against said respondents under the Flammable Fabrics Act and the Federal Trade Commission Act, and this proceeding is in the interest of the public.

ORDER

It is ordered, That the respondent Waldbaum, Cipes, Inc., a corporation, and Jay Cipes and Sidney Waldbaum, individually and as officers of the said corporation, and respondents' representatives, agents, and employees, directly or through any corporate or other device, do forthwith cease and desist from:

1. (a) Importing into the United States; or

(b) Selling, offering for sale, introducing, delivering for introduction, transporting or causing to be transported, in commerce, as "commerce" is defined in the Flammable Fabrics Act; or

(c) Transporting or causing to be transported, for the purpose of sale or delivery after sale in commerce;

any article of wearing apparel, which, under the provisions of Section 4 of the said Flammable Fabrics Act, as amended, is so highly flammable as to be dangerous when worn by individuals.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 20th day of September, 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

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IN THE MATTER OF

BRAINERD L. MELLINGER ET AL. TRADING AS
SKIL-WEAVE CO. ET AL.CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT*Docket 6226. Complaint, June 30, 1954—Decision, Sept. 22, 1955*

Consent order requiring sellers in Los Angeles, Calif., of a correspondence course in reweaving, to cease representing falsely that invisible French reweaving could be learned easily and quickly, and that anyone between 16 and 60 years of age could become an expert weaver through study of their course, could start a prosperous career, doing business at home in any city or on a farm, a large volume of it by mail, with reweaving work supplied by dry cleaners, department stores, and laundries.

Before *Mr. Abner E. Lipscomb*, hearing examiner.

Mr. William L. Pencke and *Mr. Edward F. Downs* for the Commission.

Nash & Donnelly, of Chicago, Ill., for respondents.

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 Brainerd L. Mellinger and Sibyle O. Mellinger, copartners trading and doing business as Skil-Weave Co., and Brainerd L. Mellinger, Jr., and Augustine Ott, 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. Respondents Brainerd L. Mellinger and Sibyle O. Mellinger are copartners trading and doing business under the firm name and style of Skil-Weave Co. and Brainerd L. Mellinger, Jr. and Augustine Ott are individuals who participate in the management and operation of said business and the promulgation of the advertising policies thereof. The principal office and place of business of all of said respondents is located at 1717 Westwood Boulevard, Los Angeles 24, California.

PAR. 2. Respondents are now, and have been for more than two years last past, engaged in the sale and distribution in commerce