

Complaint

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IN THE MATTER OF
STANLEY MARTIN AND STEPHEN BALUT TRADING AS
MARTIN-BALUT FUR FACTORY

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

Docket 6379. Complaint, June 29, 1955—Decision, Dec. 1, 1955

Consent order requiring furriers in Wilkes-Barre, Pa., to cease violating the Fur Products Labeling Act by failing to comply with labeling requirements; and disseminating advertising in newspapers, etc., which failed to disclose the names of animals producing certain fur and other required information, misrepresented prices as reduced, savings possible to purchasers, and fur products as being from the stock of a liquidating business.

Before *Mr. John Lewis*, hearing examiner.

Mr. John T. Walker for the Commission.

Mr. Donald S. Mills, of Wilkes-Barre, Pa., 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 Stanley Martin and Stephen Balut, as individuals and as copartners trading as Martin-Balut Fur Factory, 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. Respondents Stanley Martin and Stephen Balut are individuals and copartners, trading as Martin-Balut Fur Factory, with their office and principal place of business located at 685 Carey Avenue, Wilkes-Barre, Pennsylvania.

PAR. 2. Subsequent to the effective date of the Fur Products Labeling Act on August 9, 1952, respondents have been, and are now, engaged in the introduction into commerce, and in the sale, advertising, and offering for sale in commerce, and in the transportation and distribution in commerce of fur products, and have sold, advertised, offered for sale, transported and distributed fur products which have been made in whole or in part of fur which had been shipped

and received in commerce, as "commerce," "fur," and "fur products" are defined in the Fur Products Labeling Act.

PAR. 3. Certain of said fur products were misbranded in that they were not labeled as required under the provisions of Section 4 (2) of the Fur Products Labeling Act, and in the manner and form prescribed by the rules and regulations promulgated thereunder.

PAR. 4. Certain of said fur products were misbranded, in violation of the Fur Products Labeling Act, in that they were not labeled in accordance with the rules and regulations promulgated thereunder in the following respects:

(a) Required information was set forth in abbreviated form, in violation of Rule 4 of the aforesaid Rules and Regulations.

(b) Required information was mingled with non-required information on labels, in violation of Rule 29 (a) of the aforesaid Rules and Regulations.

(c) Required information was set forth in handwriting on labels, in violation of Rule 29 (b) of the aforesaid Rules and Regulations.

PAR. 5. Certain of said fur products were falsely and deceptively advertised, in violation of the Fur Products Labeling Act, in that respondents caused the dissemination in commerce, as "commerce" is defined in said Act, of certain advertisements concerning said fur products, by means of newspapers and by various other means, which advertisements were not in accordance with the provisions of Section 5 (a) of the Fur Products Labeling Act, and which advertisements were intended to and did aid, promote, and assist, directly or indirectly, in the sale and offering for sale of said fur products.

PAR. 6. Among and including the advertisements, as aforesaid, but not limited thereto, were advertisements of respondents which appeared in issues of the "Times Leader," Wilkes-Barre, Pennsylvania, a newspaper having wide circulation in the State of Pennsylvania and other States of the United States.

By means of the aforesaid advertisements, and through others of the same import and meaning, not specifically referred to herein, respondents falsely and deceptively:

(a) Failed to disclose the name or names of the animal or animals producing the fur or furs contained in the fur products, as set forth in the Fur Products Name Guide in violation of Section 5 (a) (1) of the Fur Products Labeling Act.

(b) Failed to disclose that the fur products contained or were composed of bleached, dyed or otherwise artificially colored fur, when such was a fact, in violation of Section 5 (a) (3) of the Fur Products Labeling Act.

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(c) Misrepresented prices of fur products as having been reduced from regular or usual prices, where the so-called regular or usual prices were in fact fictitious, in that they were not the prices at which said merchandise was usually sold by respondents, in the recent regular course of their business, in violation of Rule 44 (a) of the aforesaid Rules and Regulations.

(d) Misrepresented, by means of comparative prices and other statements as to "value" not based on current market values, the amount of savings to be effectuated by purchasers of said fur products, in violation of Rule 44 (b) and (c) of the aforesaid Rules and Regulations.

(e) Misrepresented, in violation of Rule 44 (g) of said Rules and Regulations, fur products as being from the stock of a business in the state of liquidation.

PAR. 7. The aforesaid acts and practices of respondents, as herein alleged, are in violation of the Fur Products Labeling Act, and the Rules and Regulations promulgated thereunder and constitute unfair methods of competition and unfair and deceptive acts and practices in commerce under 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 Fur Products Labeling Act and the rules and regulations issued thereunder, and the Federal Trade Commission Act. After being served with said complaint, respondents appeared by counsel and entered into an agreement, dated October 11, 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

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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 disposition 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. Respondents Stanley Martin, and Stephen Balut, are individuals and copartners, trading as Martin-Balut Fur Factory, with their office and principal place of business located at 685 Carey Avenue, Wilkes-Barre, Pennsylvania.

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 Fur Products Labeling Act and the Federal Trade Commission Act, and this proceeding is in the interest of the public.

ORDER

It is ordered, That respondents Stanley Martin, and Stephen Balut, individuals and as copartners, trading as Martin-Balut Fur Factory, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction into commerce, or the sale, advertising, or offering for sale in commerce, or the transportation or distribution in commerce, of fur products, or in connection with the sale, advertising, offering for sale, transportation, or distribution of fur products which have been made in whole or in part of fur which has been shipped and received in commerce, as "commerce," "fur," and "fur products" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding fur products by:

1. Falsely or deceptively labeling or otherwise identifying any such product as to the name or names of the animal or animals that produced the fur from which such product was manufactured;

2. Failing to affix labels to fur products showing:

(a) The name or names of the animal or animals producing the fur or furs contained in the fur product as set forth in the Fur Prod-

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ucts Name Guide and as prescribed under the rules and regulations;

(b) That the fur product contains or is composed of used fur when such is a fact;

(c) That the fur product contains or is composed of bleached, dyed, or artificially colored fur when such is a fact;

(d) That the fur product is composed in whole or in substantial part of paws, tails, bellies or waste fur when such is a fact;

(e) The name, or other identification issued and registered by the Commission, of one or more persons who manufactured such fur product for introduction into commerce, introduced it into commerce, sold it in commerce, advertised or offered it for sale in commerce, or transported or distributed it in commerce;

(f) The name of the country of origin of any imported furs used in the fur product.

3. Setting forth, on labels attached to fur products, the name or names of any animal or animals other than the name or names provided for in Paragraph A (2) (a) above.

4. Setting forth on labels attached to fur products:

(a) Non-required information mingled with required information:

(b) Required information in handwriting.

B. Falsely or deceptively advertising fur products, through the use of any advertisement, representation, public announcement, or notice which is intended to aid, promote or assist, directly or indirectly, in the sale or offering for sale of fur products, and which:

1. Fails to disclose:

(a) The name or names of the animal or animals producing the fur or furs contained in the fur products as set forth in the Fur Products Name Guide and as prescribed under the rules and regulations:

(b) That the fur products contain or are composed of bleached, dyed, or otherwise artificially colored fur when such is a fact;

2. Represents directly or by implication:

(a) That the regular or usual price of any fur product is any amount which is in excess of the price at which the respondents have usually and customarily sold such products in the recent regular course of their business;

(b) That a sale price enables purchasers of fur products to effectuate any savings in excess of the difference between the said price and the price at which comparable products were sold during the time specified or, if no time is specified, in excess of the difference between said price and the current price at which comparable products are sold;

(c) The value of fur products when such claims or representations are not true in fact;

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(d) That any such products are from the stock of a business in a state of liquidation contrary to fact.

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 1st day of December, 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.

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IN THE MATTER OF

MAYFLOWER TELEVISION COMPANY, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION ACT*Docket 6404. Complaint, Aug. 24, 1955—Decision, Dec. 1, 1955*

Consent order requiring a firm in Washington, D. C., to cease misrepresenting, in television and newspaper advertising, their service charge for servicing and repairing a television set, and representing falsely that their service men were experts and that nine times out of ten a television set could be repaired in the home.

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

Mr. Michael J. Vitale for the Commission.

Mr. Charles H. Day, of Arlington, Va., 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 Mayflower Television Company, Inc., a corporation, and Raymond H. Bente, Lowell Ewing, and Lillian Turner, individually and as officers of said corporation, 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 Mayflower Television Company, Inc., is a corporation, organized and existing under the laws of the State of Delaware, with its principal office and place of business located at 1529 17th Street, N. W., Washington, D. C. Respondents Raymond H. Bente, Lowell Ewing, and Lillian Turner are President-Treasurer, Vice-President, and Secretary, respectively, of this corporate respondent.

All of the aforesaid respondents cooperate and act together in performing the acts and engaging in the practices hereinafter set forth.

PAR. 2. Respondents, for more than several years last past, have been engaged in the sale and distribution of television and radio replacement parts. An essential and integral part of respondents' said business is the furnishing of television repair services. In connection with their television repair service respondents remove tele-