

Complaint

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## IN THE MATTER OF

LEANN FINE FURS, INC., ET AL.

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

*Docket 6503. Complaint, Feb. 10, 1956—Decision, May 24, 1956*

Consent order requiring furriers in East St. Louis, Ill., to cease violating the Fur Products Labeling Act by failing to disclose in newspaper ads, on attached labels, and on invoices information required by the Act; and in such advertising, naming animals other than those specified in the Fur Products Name Guide, and misrepresenting the amount of savings possible to purchasers.

Before *Mr. Robert L. Piper*, hearing examiner.

*Mr. R. D. Young, Jr.* for the Commission.

*Brady, Donovan & Hatch*, of East St. Louis, Ill., 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 LeAnn Fine Furs, Inc., a corporation, and David Sandow and Sylvia Sandow, 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 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. The corporate respondent LeAnn Fine Furs, Inc., is a corporation, organized and existing under and by virtue of the laws of the State of Illinois.

Individual respondent David Sandow is President and Treasurer, and individual respondent Sylvia Sandow is Secretary and Vice-President of the corporate respondent. These individual respondents formulate, direct and control the acts, practices and policies of the corporate respondent. The office and principal place of business of all said respondents is located at 334 Collinsville Avenue, East St. Louis, Illinois.

PAR. 2. Subsequent to the effective date of the Fur Products Labeling Act on August 9, 1952, respondents have introduced, sold, advertised, offered for sale, transported and distributed fur products in

commerce, 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 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 the Fur Products Labeling Act, of certain advertisements concerning said 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 and indirectly, in the sale and offering for sale of said fur products.

PAR. 4. Among and including the advertisements as aforesaid, but not limited thereto, were advertisements of respondents which appeared in various issues of the East St. Louis Journal, a publication having wide circulation in the State of Illinois and in the adjacent areas of other States of the United States.

By means of the aforesaid advertisements, and through others of similar import and meaning, not specifically referred to herein, respondents falsely and deceptively advertised their fur products in that said advertisements:

(a) Failed to disclose 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 Products Name Guide, in violation of Section 5 (a) (1) of the Fur Products Labeling Act.

(b) Failed to disclose that fur products contained or were composed of secondhand or used fur, when such was the fact, in violation of Section 5 (a) (2) of the Fur Products Labeling Act.

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

(d) Contained the name or names of an animal or animals other than the name or names specified in the Fur Products Name Guide, in violation of Section 5 (a) (5) of the Fur Products Labeling Act.

(e) Failed to disclose the name of the country of origin of imported furs contained in such fur products in violation of Section 5 (a) (6) of the Fur Products Labeling Act.

(f) Misrepresented, by means of comparative prices and percentage savings claims not based on current market values, the amount

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of savings to be effectuated by purchasers of said fur products, in violation of Rule 44 (b) of the aforesaid Rules and Regulations.

PAR. 5. Certain of said fur products are misbranded in violation of Section 4 (1) of the Fur Products Labeling Act, in that the name or names of the animal or animals producing the fur contained in such fur products were falsely and deceptively identified on the stamps, tags or labels attached to said fur products.

PAR. 6. Certain of said fur products are misbranded in that they were not labeled as required under provisions of Section 4 (2) of the Fur Products Labeling Act and in the manner and form prescribed in the Rules and Regulations promulgated thereunder.

PAR. 7. Certain of said fur products are misbranded in that respondents, on labels attached thereto, set forth the name of an animal other than the name of the animal that produced the fur, in violation of Section 4 (3) of the Fur Products Labeling Act.

PAR. 8. 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) Respondents failed to set forth the names of the pieces of which the fur products were composed in violation of Rule 20 of said Rules and Regulations.

(b) Respondents failed to disclose that the fur contained in fur products was secondhand or used fur, when such was the fact, in violation of Rules 21 and 23 of said Rules and Regulations.

(c) Respondents failed to maintain full and adequate records disclosing the facts upon which comparative prices were purportedly based in violation of Rule 44 (e) of said Rules and Regulations.

PAR. 9. Certain of said fur products were falsely and deceptively invoiced, in that they were not invoiced as required under the provisions of Section 5 (b) (1) of the Fur Products Labeling Act, and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

PAR. 10. The aforesaid acts and practices of respondents were in violation of the Fur Products Labeling Act and of the Rules and Regulations promulgated thereunder, and constituted unfair and deceptive acts and practices in commerce under the Federal Trade Commission Act.

INITIAL DECISION BY ROBERT L. PIPER, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondents on February 10, 1956, charging them with having violated the Fur Products Labeling Act, the rules and regu-

lations issued thereunder, and the Federal Trade Commission Act. After being served with said complaint, respondents appeared by counsel and entered into an agreement, dated March 21, 1956, 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 of the Commission.

Respondents, pursuant to the aforesaid agreement, have admitted all of 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, that the agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Commission, 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, that said order to cease and desist shall have the same force and effect as if entered after a full hearing and may be altered, modified, or set aside in the manner provided for other orders, and that the complaint may be used in construing the terms of the order.

This proceeding having now come on for final consideration on the complaint and the aforesaid agreement containing the consent order, and it appearing that the order and agreement cover all of the allegations of the complaint and provide for appropriate disposition of this proceeding, the same are hereby accepted and ordered filed upon becoming part of the Commission's decision pursuant to Sections 3.21 and 3.25 of the Rules of Practice, and the hearing examiner accordingly makes the following findings, for jurisdictional purposes, and order:

1. Respondent LeAnn Fine Furs, Inc., is a corporation existing and doing business under and by virtue of the laws of the State of Illinois, with its office and principal place of business located at 334 Collinsville Avenue, in the City of East St. Louis, State of Illinois. Individual respondents have their office and principal place of business at the same place as corporate respondent.

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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<sup>1</sup>

*It is ordered.* That respondent LeAnn Fine Furs, Inc., a corporation, and its officers, and respondent David Sandow and respondent Sylvia Sandow, individually and as officers of said corporation, 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. 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 product 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 secondhand or used fur when such is a fact;

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

(d) The name of the country of origin of imported furs contained in the fur products.

2. Makes use of comparative prices or percentage saving claims unless such compared prices or claims are based upon the current market value of the fur product or upon a bona fide compared price at a designated time.

3. Contains the name or names of an animal or animals other than those producing the fur contained in the fur product.

B. Misbranding fur products by:

<sup>1</sup> Order published as modified by Commission order of July 27, 1956.

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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 Products 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) That name of the country of origin of any imported furs used in the fur product.

C. Making comparative pricing claims or representations unless there is maintained full and adequate records disclosing the facts upon which such claims or representations are based.

D. Falsely or deceptively invoicing fur products by:

1. Failing to furnish invoices 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 Products 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 and address of the person issuing such invoices;

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

Decision

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## 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 24th day of May, 1956, 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  
FALLS YARN MILLS, INC., ET AL.CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE  
FEDERAL TRADE COMMISSION AND THE WOOL PRODUCTS LABELING ACTS*Docket 6511. Complaint, Feb. 17, 1956—Decision, May 24, 1956*

Consent order requiring manufacturers in Woonsocket, R. I., to cease violating the Wool Products Labeling Act by labeling and invoicing as "65% 70-80 Lambs' Wool—30% mink 5% nylon" cones of yarn which contained substantially less than 30% mink fur fibers.

Before *Mr. J. Earl Cox*, hearing examiner.

*Mr. Frederick McManus* for the Commission.

*Edwards & Angell*, of Providence, R. I., 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 Falls Yarn Mills, Inc., a corporation, and John Cavedon, Sr., individually and as an officer of said corporation, and John Cavedon, Jr., individually, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under said Wool 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 Falls Yarn Mills, Inc., is a corporation, organized, existing and doing business under and by virtue of the laws of the State of Rhode Island, with its offices and principal place of business located at 68 South Main Street, Woonsocket, Rhode Island.

PAR. 2. The individual respondent John Cavedon, Sr. is president and treasurer of the corporate respondent and the individual respondent John Cavedon, Jr. is the production manager of corporate respondent. These individuals cooperate in formulating, directing and controlling the acts, policies and practices of the corporate respondent. Their address is the same as that of the corporate respondent.

PAR. 3. Subsequent to the effective date of the Wool Products Labeling Act of 1939, and more especially since January 1, 1954, respondents have manufactured for introduction into commerce, sold,