

Decision

IN THE MATTER OF

LAWRENCE GREENWALD TRADING AS
LARRY GREENWALD COMPANY ET AL.

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

Docket 6727. Complaint, Feb. 19, 1957—Decision, June 7, 1957

Consent order requiring a manufacturer in New York City to cease violating the Wool Products Labeling Act by labeling as "100% Reprocessed Wool, Cotton Backing", etc., rolls of interlining material which did not consist of 100% reprocessed wool, and by failing to label other rolls to show the percentages of the fiber weight, as required by the Act.

Mr. Harry E. Middleton, Jr., for the Commission.

Respondents, *pro se*.

INITIAL DECISION AND ORDER BY LOREN H. LAUGHLIN,
HEARING EXAMINER

The Federal Trade Commission (hereinafter referred to as the Commission) on February 19, 1957, issued its complaint herein under the Federal Trade Commission Act, and the Wool Products Labeling Act of 1939 against the above-named respondents Lawrence Greenwald, an individual trading as Larry Greenwald Company, and Emmett Greenwald, an individual. The complaint charges respondents with having violated in certain particulars the provisions of said Acts and the Rules and Regulations promulgated under said Wool Products Labeling Act. The respondents were duly served with process. Upon being advised that Commission's counsel and the respondents were negotiating an agreement for a consent cease and desist order pursuant to § 3.25 of the Commission's Rules of Practice for Adjudicative Proceedings, the times for answer and for initial hearing were postponed by appropriate order, pending the negotiation of such an agreement.

On April 17, 1957, there was submitted to the undersigned hearing examiner of the Commission for his consideration and approval an "Agreement Containing Consent Order to Cease and Desist," which had been entered into by and between each of the said individual respondents, and Harry E. Middleton, Jr., counsel supporting the complaint, under date of April 9, 1957, and subject to the approval of the Bureau of Litigation of the Commission. Such agreement had been thereafter duly approved by the Director and Assistant Director of the Commission's Bureau of Litigation.

On due consideration of the said agreement containing consent order to cease and desist, the hearing examiner finds that said agreement both in form and content is in accord with said § 3.25 of the Rules of Practice and Procedure of the Commission and that by said agreement the parties have specifically agreed that:

1. Respondents Lawrence Greenwald, an individual, trading as Larry Greenwald Company and Emmett Greenwald, an individual, have their offices and principal place of business located at 340 West 38th Street, New York, New York.

2. Pursuant to the provisions of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, the Federal Trade Commission on February 19, 1957, issued its complaint in this proceeding against respondents, and a true copy was thereafter duly served on respondents.

3. Respondents admit all the jurisdictional facts alleged in the complaint and agree that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations.

4. This agreement disposes of all of this proceeding as to all parties.

5. Respondents waive:

(a) Any further procedural steps before the hearing examiner and the Commission;

(b) The makings of findings of fact or conclusions of law; and

(c) All of the rights they may have to challenge or contest the validity of the order to cease and desist entered in accordance with this agreement.

6. The record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and this agreement.

7. This agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Commission.

8. This 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.

The parties have further specifically agreed that the proposed order to cease and desist included in said agreement may be entered in this proceeding by the Commission without further notice to respondents; that when so entered it shall have the same force and effect as if entered after a full hearing; that it 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.

Upon due consideration of the complaint filed herein and the said "Agreement Containing Consent Order to Cease and Desist," the latter is hereby approved, accepted and ordered filed, the same not to become a part of the record herein, however, unless and until it becomes part of the decision of the Commission. The hearing examiner finds from the complaint and the said "Agreement Containing Consent Order to Cease and Desist" that the Commission has jurisdiction of the subject matter of this proceeding and of the persons of each of the respondents herein; that the complaint states a legal cause for complaint under the Federal Trade Commission Act and the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated under the latter Act, against each of the respondents both generally and in each of the particulars alleged therein; that this proceeding is in the interest of the public; that the following order as proposed in said agreement is appropriate for the just disposition of all of the issues in this proceeding, such order to become final only if and when it becomes the order of the Commission; and that said order therefore should be, and hereby is, entered as follows:

ORDER

It is ordered, That the respondents Lawrence Greenwald, an individual, trading as Larry Greenwald Company, or under any other name or names and Emmett Greenwald, an individual, and respondents' 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 or distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, of interlining material or other wool products, do forthwith cease and desist from misbranding such wool products by:

1. Falsely or deceptively labeling or tagging or otherwise identifying said products with respect to the character or amount of the constituent fibers contained therein.

2. Failing to securely affix to or place on each such product a stamp, tag, label or other means of identification, showing in 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 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 into commerce or in the offering for sale, sale, or distribution thereof in commerce, as "commerce" is defined in the Wool Products Labeling Act of 1939.

It is further ordered, That the respondents Lawrence Greenwald, an individual trading as Larry Greenwald Company, or under any other name or names, and Emmett Greenwald, an individual, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of interlining material or other merchandise, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from directly or indirectly:

Misrepresenting in sales invoices, shipping memoranda, or in any other manner the fiber content of said products.

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 7th day of June, 1957, 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.

Decision

IN THE MATTER OF
WILLIAM J. MISHEL ET AL. DOING BUSINESS AS
TANNERS SHOE COMPANY

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

Docket 6590. Complaint, July 19, 1956—Decision, June 13, 1957

Order requiring three copartners in Brockton, Mass., selling shoes which they bought from the manufacturer through house-to-house salesmen on a commission basis, to cease representing falsely in newspaper and other advertisements for salesmen that shoe repairmen could expect to earn \$50 to \$100 per week selling their shoes in addition to the income from their regular occupations; and representing falsely in advertisements in magazines, catalogues, etc., and through use of the term "orthopedic," that their shoes had health features which would prevent and cure abnormalities and diseases of the feet, and that they manufactured their shoes.

Frederick J. McManus, Esq., for the Commission.

Roland A. Cormier, Esq., of Boston, Mass., and Hogan & Hartson, by Joseph J. Smith, Jr., Esq., and E. Barrett Prettyman, Jr., Esq., of Washington, D.C., for respondents.

INITIAL DECISION BY ROBERT L. PIPER, HEARING EXAMINER

STATEMENT OF THE CASE

On July 19, 1956, the Federal Trade Commission issued its complaint against William J. Mishel, Bernard S. Lazarus and Manuel Alter, copartners doing business as Tanners Shoe Company (hereinafter collectively called respondents), charging them with the use of unfair methods of competition and unfair and deceptive acts and practices in commerce in violation of Section 5 of the Federal Trade Commission Act (hereinafter called the Act), 15 U.S.C. 41, *et seq.* Copies of said complaint together with a notice of hearing were duly served upon respondents.

The complaint alleges in substance that respondents, in connection with the sale and disposition of their product, men's shoes, made certain false representations with respect to such product. Respondents appeared by counsel and filed a joint answer admitting the partnership, commerce and competition allegations of the complaint and some of the representations set forth therein, but denying any false representations or violations of the Act.

Thereafter on January 14, 1957, the parties entered into a stipulation of facts in lieu of formal hearings. Subsequently, pursuant