

Decision

IN THE MATTER OF
ROBERTS, INC., ET AL.

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

Docket 6715. Complaint, Jan. 22, 1957—Decision, July 3, 1957

Consent order requiring furriers in Oklahoma City, Okla., and trading also in Beverly Hills, Calif., to cease violating the Fur Products Labeling Act by labeling fur products with fictitious prices and removing required labels; by invoicing falsely with respect to artificially colored furs and the name of the animal producing certain furs; by advertising which gave other than the producing animal names for certain furs, falsely represented prices as wholesale or less and as reduced, and "sales" as liquidating their entire stock; and by failing in other respects to conform to the requirements of the Act.

Mr. George E. Steinmetz and Mr. Daniel J. Murphy for the Commission.

Mr. Victor Halote and Mr. Samuel Halote, of Beverly Hills, Calif., pro se, and for Roberts, Inc.

INITIAL DECISION BY EARL J. KOLB, HEARING EXAMINER

The complaint in this proceeding issued January 22, 1957, charged respondents Roberts, Inc., an Oklahoma corporation, with its principal office located at 9555 Wilshire Boulevard, Beverly Hills, California; Victor Halote and Samuel Halote, individually and as officers of said Roberts, Inc., located at 9555 Wilshire Boulevard, Beverly Hills, California; and Victor Halote and Samuel Halote, individually and as copartners trading as Halote Bros., located at 9555 Wilshire Boulevard, Beverly Hills, California, with the use of unfair and deceptive acts and practices in interstate commerce in violation of the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder.

After the issuance of said complaint, the respondents Roberts, Inc., and Victor Halote and Samuel Halote, individually and as officers of Roberts, Inc.; also individually and as copartners separately trading as Halote Bros., entered into an agreement for consent order with counsel in support of the complaint disposing of all the issues in this proceeding, which agreement was duly approved by the Director and Acting Director, Bureau of Litigation. It was expressly provided in said agreement that the signing thereof is for settlement purposes only and does not constitute an admission by

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respondents that they have violated the law as alleged in the complaint.

By the terms of said agreement, the said respondents admitted all the jurisdictional facts alleged in the complaint and agreed that the record herein may be taken as if the Commission had made findings of jurisdictional facts in accordance with such allegations.

By said agreement the respondents expressly waived any further procedural steps before the hearing examiner and the Commission; the making of findings of fact or conclusions of law; and all the rights they may have to challenge or contest the validity of the order to cease and desist entered in accordance with the agreement.

Respondents further agreed that the order to cease and desist, issued in accordance with said agreement, shall have the same force and effect as if made after a full hearing.

It was further provided that said agreement, together with the complaint, shall constitute the entire record herein, that the complaint herein may be used in construing the terms of the order issued pursuant to said agreement, and that said order may be altered, modified or set aside in the manner prescribed by the statute for orders of the Commission.

The hearing examiner has considered such agreement and the order therein contained, and, it appearing that said agreement and order 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 in accordance with Sections 3.21 and 3.25 of the Rules of Practice, and, in consonance with the terms of said agreement, the hearing examiner finds that the Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents named herein, and that this proceeding is in the interest of the public, and issues the following order:

ORDER

It is ordered, That the respondents, Roberts, Inc., a corporation, and its officers, and Victor Halote and Samuel Halote, individually and as officers of said corporation; and the said Victor Halote and Samuel Halote, individually and as copartners separately trading under the firm name of Halote Bros., or under any other name, 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 offering for sale, sale, advertising, 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 product" 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 regular price or value of such product when such price or value is not that at which such product is regularly sold by respondents.

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 in 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 of the country of origin of any imported furs used in the fur product.

3. Setting forth on labels attached to fur products:

a. The name or names of any animal or animals other than the name or names provided for in Paragraph A(2)(a) above.

b. Required information in handwriting.

B. Removing or participating in the removal of labels required by the Fur Products Labeling Act to be affixed to fur products, prior to the time any fur product is sold and delivered to the ultimate consumer.

C. Falsely or deceptively invoicing fur products by:

1. Failing to furnish invoices to purchasers of 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 by 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;

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g. The item number or mark pertaining to such products as required by Rule 40 of the regulations under the Fur Products Labeling Act.

2. Using on invoices the name or names of any animal or animals other than the name or names provided for in Paragraph C(1)(a) above.

3. Setting forth required information in abbreviated form.

4. Using the term "blended" to describe any fur products which are dyed or tip-dyed.

D. Falsely or deceptively advertising fur products through the use of any advertisement, 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;

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

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

2. Contains the name or names of any animal or animals other than the name or names provided for in Paragraph D(1)(a) above.

3. Represents directly or by implication:

a. That fur products are offered at prices at or below wholesale prices when contrary to fact, or that the regular or usual price of any fur product is any amount 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 any of such products represent a clearance or a liquidation of their stocks of fur products, contrary to fact;

c. That any such products are for sale at reduced prices as a special clearance or liquidation of stocks of fur products, contrary to fact.

E. Using percentage savings claims and comparative prices in advertising unless such claims and prices are based upon current market values, or unless the designated time of a bona fide compared price is given.

F. Making use of pricing claims or representations in advertising of the type referred to in Paragraph D(3)(a) and E above, unless respondents maintain full and adequate records disclosing the facts upon which such claims or representations are in fact based.

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 3rd day of July, 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.

IN THE MATTER OF
MANDEL BROTHERS, INC.

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

Docket 6434. Complaint, Oct. 27, 1955—Decision, July 5, 1957

Order requiring a Chicago furrier to cease violating the Fur Products Labeling Act by misbranding, falsely advertising, or falsely invoicing its fur products.

William A. Somers, Esq., for the Commission.

Hopkins, Sutter, Owen, Mulroy & Wentz, by William G. Blood, Esq., and James J. McClure, Jr., Esq., of Chicago, Ill., for respondent.

INITIAL DECISION BY ROBERT L. PIPER, HEARING EXAMINER

STATEMENT OF THE CASE

On October 27, 1955, the Federal Trade Commission issued its complaint against Mandel Brothers, Inc. (hereinafter called respondent), charging respondent with misbranding and falsely and deceptively invoicing and advertising certain fur products in violation of the provisions of the Fur Products Labeling Act (hereinafter called the Fur Act), 15 U.S.C. 69(a), *et seq.*, and 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 respondent.

The complaint alleges in substance that respondent (1) misbranded certain of its fur products by not labeling them as required under the Fur Act and the Rules and Regulations promulgated thereunder; (2) falsely and deceptively invoiced certain fur products in violation of the Fur Act and said Rules and Regulations; (3) falsely and deceptively advertised certain fur products by misrepresenting the prices as having been reduced from regular or usual prices, and by means of comparative prices, as having a certain value, in violation of the Act, the Fur Act and Rules and Regulations; and (4) failed to maintain adequate records upon which such price and value representations were based, in violation of the Rules and Regulations. Respondent appeared by counsel and filed an answer admitting the corporate and competition allegations of the complaint, but denying the jurisdictional allegations and all alleged violations of the Act, the Fur Act and the Rules and Regulations.