

IN THE MATTER OF
THE HOUSE OF KUDRA FURS ET AL.

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

Docket 6730. Complaint, Feb. 21, 1957—Decision, July 6, 1957

Consent order requiring a furrier in Trenton, N.J., to cease violating the Fur Products Labeling Act by invoicing which named an animal other than that producing a particular fur; by advertising in newspapers which falsely represented the prices of fur products as reduced when the so-called regular prices were fictitious, and misrepresented comparative prices and percentage savings and values; and by failing in other respects to conform to the requirements of the Act.

Mr. Harry E. Middleton, Jr., supporting the complaint.

Gill & Phelan by *Mr. Edmund J. Phelan* of Trenton, N.J., for respondents.

INITIAL DECISION BY JOSEPH CALLAWAY, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above named respondents on February 21, 1957 charging them with violation of the Federal Trade Commission Act and the Fur Products Labeling Act and the Rules and Regulations promulgated under the last mentioned act as set forth in said complaint. After service of the complaint respondents on May 8, 1957 entered into an agreement with counsel supporting the complaint for a consent order to cease and desist from the practices complained of, which agreement purports to dispose of all the issues in this proceeding without hearing. This agreement has been duly approved by the Assistant Director and the Director of the Bureau of Litigation and has been submitted to the undersigned, heretofore designated to act as hearing examiner herein, for his consideration in accordance with Rule 3.25 of the Commission's Rules of Practice.

Respondents in the aforesaid agreement have admitted all the jurisdictional facts alleged in the complaint and have agreed that the record may be taken as if findings of the jurisdictional facts had been duly made in accordance with such allegations. Said agreement provides further 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 the agreement. It has also been agreed that the record herein shall consist solely of the com-

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plaint 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 of the Commission 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 agreement and order cover all the allegations of the complaint and provide for appropriate disposition of this proceeding, the order and agreement 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 The House of Kudra Furs is a corporation existing and doing business under and by virtue of the laws of the State of New Jersey, with its office and principal place of business located at 999 South Broad Street, in the City of Trenton, State of New Jersey.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents named. The complaint states a cause of action against said respondents under the Federal Trade Commission Act and the Fur Product Labeling Act and the Rules and Regulations promulgated under the last mentioned act. This proceeding is in the public interest.

ORDER

It is ordered, That respondent The House of Kudra Furs, a corporation, and its officers, and respondent George M. Kudra, individually and as an officer 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

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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. Failing to affix labels to such 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 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.

2. Setting forth on labels attached to fur products required information which is mingled with non-required information.

3. Failing to set forth on labels the information required by Rule 36 of the Rules and Regulations promulgated under the Fur Products Labeling Act, when a fur product is composed of two or more sections containing different animal furs.

4. Failing to affix labels to fur products showing item numbers required under Rule 40 of the aforesaid Rules and Regulations.

B. Falsely or deceptively invoicing fur products by:

1. Failing to show:

(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 otherwise 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 a fur product.

C. 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. Represents directly or by implication that the regular or usual price of any fur product is any amount which is in excess of the price at which respondents have usually and customarily sold such products in the recent, regular course of their business;

2. Represents directly or by implication that fur products are of a certain value or quality unless such representations or claims are true in fact;

3. Makes use of comparative prices and percentage savings 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;

4. Makes pricing claims or representations of the type referred to in Paragraphs C—1, 2 and 3 above unless there are maintained by respondents full and adequate records disclosing the facts upon which such claims or representations are 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 6th 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
INTERCOAST RESEARCH CO., INC., ET AL.

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

Docket 6740. Complaint, Mar. 8, 1957—Decision, July 6, 1957

Consent order requiring a seller in New York City of printed mailing forms for use by collection agencies, merchants, etc., in obtaining information concerning their debtors, to cease using on such forms the term "Office of Security Service" or otherwise representing that requests for information concerning delinquent debtors were from the U.S. Government or its agency, and using the name "Consumers Statistical Surveys" or any similar name representing that it was engaged in research.

Mr. Michael J. Vitale for the Commission.

Mr. Sol H. Erstein, of New York, N.Y., for respondents.

INITIAL DECISION BY WILLIAM L. PACK, HEARING EXAMINER

The complaint in this matter charges the respondents with the use of misrepresentations in connection with the obtaining of information regarding delinquent debtors, in violation of the Federal Trade Commission Act. An agreement has now been entered into by counsel supporting the complaint and respondents which provides, among other things, that respondents admit all of the jurisdictional allegations in the complaint; that the record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and the agreement; that the inclusion of findings of fact and conclusions of law in the decision disposing of this matter is waived, together with any further procedural steps before the hearing examiner and the Commission; that the order hereinafter set forth may be entered in disposition of the proceeding, such order to have the same force and effect as if entered after a full hearing, respondents specifically waiving any and all rights to challenge or contest the validity of such order; that the order may be altered, modified, or set aside in the manner provided for other orders of the Commission; that the complaint may be used in construing the terms of the order; and that the 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.

Upon consideration of the agreement and proposed order, the hearing examiner is of the view that they provide an adequate basis for