

IN THE MATTER OF
HENRY MONOSSON ET AL. TRADING AS
MONO FUR COMPANY AND INTERNATIONAL FUR CO.

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

Docket 6629. Complaint, Sept. 12, 1956—Decision, July 11, 1957

Consent order requiring furriers in Los Angeles, Calif., to cease violating the Fur Products Labeling Act by advertising in newspapers which misrepresented prices, grade, and value of fur products, by failing to maintain adequate records as a basis for such pricing claims, and failing to comply with the labeling and invoicing requirements of the Act.

Mr. George E. Steinmetz and Mr. William M. King for the Commission.

Mr. Jerome S. Monosson, of Los Angeles, Calif., for respondents.

INITIAL DECISION BY EARL J. KOLB, HEARING EXAMINER

The complaint in this proceeding issued September 12, 1956, charged respondents Henry Monosson and Yetta Monosson, individually and as copartners trading as Mono Fur Company and International Fur Co., located at 818 South Broadway, Los Angeles, 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 Henry Monosson and Yetta Monosson, individually and as copartners trading as Mono Fur Company and International Fur Co., entered into an agreement for consent order with counsel in support of the complaint disposing of all the issues in this proceeding, except the charge applicable to such records as pleaded in Paragraph Nine of the complaint, which agreement was duly approved by the Director and Assistant Director of the 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 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, except the charge

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applicable to such records as pleaded in Paragraph Nine of 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 parties 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, except the charge applicable to such records as pleaded in Paragraph Nine of the complaint, 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 respondents Henry Monosson and Yetta Monosson, individually and as copartners trading and doing business under the firm names of Mono Fur Company and International Fur Co., or under any other trade name or names, 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 had 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. 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 the fact;

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

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

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

(b) Required information in abbreviated form, or in handwriting.

B. 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 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.

C. Falsely or deceptively advertising fur products through the use of any notice, advertisement, representation or public announce-

ment 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 in excess of the price at which the respondents have usually and customarily sold such products in the recent regular course of their business.

2. Misrepresents the grade, quality or value of certain of said fur products by the use of illustrations depicting higher priced or more valuable products than those actually available at the advertised selling price.

D. Making use in advertisements of percentage savings claims and compared prices unless such claims or prices are based upon current market values or unless the designated time of a bona fide compared price is given.

It is further ordered, That the charge in the complaint applicable to such records as are pleaded in Paragraph Nine thereof, be dismissed without prejudice.

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 11th 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
RENA-WARE DISTRIBUTORS, INC., ET AL.

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

Docket 6734. Complaint, Feb. 27, 1957—Decision, July 17, 1957

Consent order requiring distributors in Opportunity, Wash., of "Rena-Ware" stainless steel cooking utensils designed for so-called "waterless cooking," to cease making false representations—through their distributors and personal solicitors whom they supplied with sales training manuals, charts, cookbooks, brochures, and other advertising literature—as to the comparative merits, unique nature and prices of their cooking utensils, the qualifications of their personnel, and their manufacturing status, among other things.

Morton Nesmith, Esq. for the Commission.

Respondents, pro se.

INITIAL DECISION BY ROBERT L. PIPER, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondents on February 27, 1957, charging them with having violated the Federal Trade Commission Act by making false and misleading representations concerning the properties, characteristics, prices, manufacture and other details of their product, cooking utensils. Respondents entered into an agreement, dated May 17, 1957, containing a consent order to cease and desist, disposing of all the issues in this proceeding without hearing, which agreement has been duly approved by the Director of the Bureau of Litigation. 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 made duly 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 agree-

ment, 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 agreement is hereby accepted and ordered filed upon this decision and said agreement 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 Rena-Ware Distributors, Inc., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Washington, with its office and principal place of business located at Opportunity, Washington (P.O. Box 33). The individual respondents, Fred W. Zylstra and Otto W. Zylstra, are officers and directors of said respondent corporation, and their address is the same as that of the corporate respondent.

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

It is ordered, That respondents, Rena-Ware Distributors, Inc., a corporation, and its officers, and Fred W. Zylstra and Otto W. Zylstra, individually and as officers and directors of said corporation, and respondents' agents, representatives, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale, or distribution, in commerce as "commerce" is defined in the Federal Trade Commission Act, of stainless steel cooking utensils, or any other cooking utensils of substantially similar composition, design, construction, or purpose, do forthwith cease and desist from:

1. Representing, directly or by implication:

- (a) That respondents' utensils are new or revolutionary or are the first or only utensils designed for both cooking and serving food;

(b) That respondents' utensils cook food at a lower temperature than do competing products, or that the results achieved by the use of their utensils are unique as compared with those achieved by the "waterless" method of cooking in other utensils;

(c) That respondents' sales personnel are members of their advertising department or are other than salesmen;

(d) That the offer to sell respondents' utensils is for the purpose of advertising, or that the prices at which their products are offered are special or reduced prices, when such is contrary to the fact;

(e) That respondents employ, or have employed, laboratory technicians, home economists, dietitians, or engineers, or have conducted research in connection with their utensils, or that respondents own, operate, or control a factory wherein their utensils are manufactured, when such is contrary to the fact;

(f) That all the vitamin and mineral content of food is retained when respondents' utensils and the "waterless" method of cooking are used; *Provided*, That nothing herein shall prevent respondents from representing that more vitamins and minerals are retained in food cooked in their utensils and using the "waterless" method of cooking than when cooked in other utensils requiring substantially larger quantities of water;

(g) That minerals in food are destroyed by heat when using any kind of cooking utensils or any method of cooking;

(h) That vitamins in food, other than Vitamin C and some elements of the Vitamin B complex, are destroyed or damaged by heat in cooking, or that these vitamins are destroyed or damaged by heat in cooking, except when subjected to prolonged high temperatures.

2. Furnishing means or instrumentalities to others by and through which they may mislead and deceive the public respecting the matters set forth in Paragraph 1 hereof.

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 17th 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.

Decision

IN THE MATTER OF
AFFILIATED BROKERS, INC., ET AL.

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

Docket 6746. Complaint, Mar. 22, 1957—Decision, July 17, 1957

Consent order requiring two Chicago real estate advertising firms and their common officer to cease representing falsely through oral and written statements and by wording of the corporate names that they were bona fide business brokers or a cooperative organization engaged in the sale of business establishments, that they had ready purchasers, and would guarantee sale of a property or refund the substantial service fee they collected.

Mr. Terral A. Jordan for the Commission.

Blowitz & Ozman, by *Mr. Max Pastin*, of Chicago, Ill., for respondents.

INITIAL DECISION BY J. EARL COX, HEARING EXAMINER

The complaint charges that respondents, in the course of their business in commerce, have represented that they operate business enterprises which offer certain services and facilities in commerce in the offering for sale, selling, buying and exchanging of business properties; and that they are bona fide business brokers or a bona fide cooperative organization engaged in the sale of business properties; that they have ready buyers, guarantee sale of properties, will make refund of "service" deposits, have funds which can be used in financing sales, and in many other respects will afford sellers exceptional brokerage services. The complaint alleges that these representations are false and misleading and in violation of the Federal Trade Commission Act.

After the issuance of the complaint, respondents, their counsel and counsel supporting the complaint entered into an agreement containing consent order to cease and desist, which was approved by the Director and the Assistant Director, Bureau of Litigation of the Commission, and thereafter transmitted to the Hearing Examiner for consideration.

The agreement states that respondents Affiliated Brokers, Inc. and Business Co-Op, Inc. are corporations existing and doing business under and by virtue of the laws of the State of Illinois; that respondent William John Madone is an individual and an officer of