

## Decision

IN THE MATTER OF  
NEW HAVEN QUILT & PAD CO., INC., ET AL.

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

*Docket 6760. Complaint, Apr. 3, 1957—Decision, Sept. 18, 1957*

Consent order requiring a manufacturer in New Haven, Conn., to cease violating the Wool Products Labeling Act by labeling as "All new material consisting of wool battling," bed comforters which contained substantial amounts of fibers other than wool, by failing to label some of the comforters, and by furnishing false guaranties that their wool products were not misbranded; and to cease representing falsely that some of the comforters were mothproofed for five years by "Westinghouse Ultra-Violet" process, contained all new wool and "chlorophyll," and sold regularly at retail at the fictitious price of \$24.95, all on streamers enclosed in individual containers, thereby placing in the hands of retailers a means for deceiving the purchasing public.

*Mr. Michael J. Vitale* and *Mr. Thomas A. Ziebarth* supporting the complaint.

*Mr. Edward Gallagher*, of Washington, D.C., for respondents.

INITIAL DECISION BY JOHN LEWIS, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondents on April 3, 1957, charging them with having violated the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, and the Federal Trade Commission Act, through misbranding certain wool products, furnishing false guarantees that they were not misbranded, falsely representing that certain bed comforters were moth proofed and treated with chlorophyll, and using fictitious prices greatly in excess of the usual and regular retail price of such comforters. After being served with said complaint, respondents appeared by counsel and entered into an agreement containing a consent order to cease and desist, dated June 4, 1957, purporting to dispose of all of this proceeding as to all parties. Said agreement, which has been signed by all respondents, by counsel for said respondents, and by counsel supporting the complaint, and approved by the Director and Assistant Director of the Commission's Bureau of Litigation, has been submitted to the above-named hearing examiner for his considera-

tion, in accordance with Section 3.25 of the Commission's Rules of Practice for Adjudicative Proceedings.

Respondents, pursuant to 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 jurisdictional facts had been made in accordance with such allegations. Said agreement further provides that respondents waive any further procedural steps before the hearing examiner and the Commission, the making of findings of fact or conclusions of law, and all of the rights they may have to challenge or contest the validity of the order to cease and desist entered in accordance with said agreement. It has been agreed that the order to cease and desist issued in accordance with said agreement shall have the same force and effect as if entered after a full hearing and that the complaint may be used in construing the terms of said order. It has also been agreed that the aforesaid 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.

This proceeding having now come on for final consideration on the complaint and the aforesaid agreement containing consent order, and it appearing that the order provided for in said agreement covers all the allegations of the complaint and provides for an appropriate disposition of this proceeding as to all parties, said agreement is hereby accepted and is ordered filed upon this decision's becoming the decision of the Commission pursuant to Sections 3.21 and 3.25 of the Commission's Rules of Practice for Adjudicative Proceedings, and the hearing examiner, accordingly, makes the following jurisdictional findings and order:

1. Respondent New Haven Quilt & Pad Co., Inc., is a corporation existing and doing business under and by virtue of the laws of the State of Connecticut, with its office and principal place of business located at 80-86 Franklin Street, in the City of New Haven, State of Connecticut.

Respondents David H. Levine, Paul B. Levine, and Edward I. Levine are individuals and officers of said corporation. The address and principal place of business of these respondents is the same as 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 Wool Products Labeling Act of 1939 and the Federal Trade Commission Act, and this proceeding is in the interest of the public.

## ORDER

*It is ordered,* That respondents, New Haven Quilt & Pad Co., Inc., a corporation, and its officers, and David H. Levine, Paul B. Levine and Edward I. Levine, 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 or manufacture for introduction into commerce, or the offering for sale, sale, transportation or distribution, in commerce, as "commerce" is defined in the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, of bed comforters or other "wool products," as such products are defined in and subject to said Wool Products Labeling Act, which products contain, purport to contain, or in any way are represented as containing, "wool," "reprocessed wool," or "reused wool" as those terms are defined in said Act, do forthwith cease and desist from:

A. Misbranding such products by:

1. Falsely or deceptively stamping, tagging, labeling or otherwise identifying such products as 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 a clear and conspicuous manner:

(a) The percentage of the total fiber weight of such wool product, exclusive of ornamentation not exceeding five percentum of said total fiber 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 product into commerce, or in the offering for sale, sale, transportation, distribution, or delivery for shipment thereof in commerce, as "commerce" is defined in the Wool Products Labeling Act of 1939.

B. Furnishing false guaranties that bed comforters, or other wool products are not misbranded under the provisions of the Wool Products Labeling Act, when there is reason to believe that the wool products so guaranteed may be introduced, sold, transported or distributed in commerce.

*It is further ordered,* That New Haven Quilt & Pad Co., Inc., a corporation, and its officers, and David H. Levine, Paul B. Levine

and Edward I. Levine, 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 offering for sale, sale or distribution of bed comforters or any other products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or indirectly, that bed comforters or other products are mothproof, when such is not the fact.
2. Representing, directly or indirectly, that bed comforters or other products have been treated with chlorophyll or any other substance, when such is not the fact.
3. Misrepresenting the constituent fiber of material used in products or the respective percentages thereof.
4. Representing that certain amounts are the regular and usual retail prices of bed comforters or other products, when such amounts are in excess of the prices at which such comforters or other products are usually and regularly sold at retail.
5. Putting into operation any plan whereby retailers or others may misrepresent the regular and usual retail prices of merchandise.

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 18th day of September 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  
OLD YORK DISTRIBUTORS, INC., ET AL.

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

*Docket 6790. Complaint, May 3, 1957—Decision, Sept. 18, 1957*

Consent order requiring an incorporated concern in Philadelphia, Pa., to cease using in advertising in newspapers and otherwise purported offers of employment to sell its candy vending machines and misrepresenting profits customers would make operating them; and falsely representing orally and through salesmen that it represented the Hershey Chocolate Corp., and that vending machine purchasers would also be Hershey representatives—among a variety of false and misleading claims, all made for the purpose of inducing purchase of their products.

The same order was issued in default upon the president and co-owner of Old York Distributors, on Feb. 27, 1958, p. 1096 herein.

*Mr. Floyd O. Collins* for the Commission.

*Mr. Mark Charleston*, of Philadelphia, Pa., for respondent.

INITIAL DECISION BY LOREN H. LAUGHLIN, HEARING EXAMINER

The Federal Trade Commission (sometimes hereinafter referred to as the Commission), on May 3, 1957, issued its complaint herein under the Federal Trade Commission Act against the above-named respondents, Old York Distributors, Inc., a corporation, and Kolman Freedman and Henry Perkins, individually and as officers of said corporation, charging said respondents with having violated the provisions of the Federal Trade Commission Act in certain particulars. The respondents were duly served with process.

On July 19, 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 said respondent, Old York Distributors, Inc., respondent Henry Perkins, individually and as an officer of said corporation, and Floyd O. Collins, counsel supporting the complaint, under date of July 15, 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 that Bureau.

The initial hearing set in the notice portion of the complaint for July 15, 1957, was canceled by order dated July 1, 1957, pending the negotiation of an Agreement Containing Consent Order To Cease And Desist. Another order was issued on July 22, 1957, set-