

Decision

IN THE MATTER OF

B. SCHOOLSKY & SON, INC., ET AL.

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

Docket 6763. Complaint, Apr. 4, 1957—Decision, Dec. 10, 1957

Consent order requiring manufacturers in Manville, R.I., to cease violating the Wool Products Labeling Act by failing to label wool stock as required and by representing in sales invoices and other shipping memoranda that certain stock contained various amounts of wool when in fact the fiber content was "reprocessed wool" and "reused wool."

Mr. Morton Nesmith and Mr. John J. Mathias for the Commission.
Mr. Samuel Shapiro, of New York 7, N.Y., and *Mr. Barnett Warner*, of Princeton, N.J., for respondents.

INITIAL DECISION BY JOHN B. POINDEXTER, HEARING EXAMINER

The complaint in this proceeding charges that B. Schoolsky & Son Inc., a corporation, Benjamin Schoolsky, and Robert Schoolsky, individually and as officers of said corporation, hereinafter called respondents, have violated the provisions of the Federal Trade Commission Act, the Wool Products Labeling Act of 1939, and the rules and regulations promulgated under the last-named act by misbranding and mislabeling wool products.

After issuance and service of the complaint, the respondents, their counsel, and counsel supporting the complaint entered into an agreement for a consent order. The order disposes of the matters complained about. The agreement has been approved by the director and assistant director of the Bureau of Litigation.

The pertinent provisions of said agreement are as follows: Respondents admit all jurisdictional facts; the complaint may be used in construing the terms of the order; the order shall have the same force and effect as if entered after a full hearing and the said agreement shall not become a part of the official record of the proceeding unless and until it becomes a part of the decision of the Commission; respondents waive the requirement that the decision must contain a statement of findings of fact and conclusion of law; respondents waive further procedural steps before the hearing examiner and the Commission, and the order may be altered, modified, or set aside in the manner provided by statute for other orders; respondents waive any right to challenge or contest the validity of the order entered in accordance

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with the agreement; and the signing of 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.

The hearing examiner having considered the agreement and proposed order and being of the opinion that the acceptance thereof will be in the public interest, hereby accepts such agreement, makes the following jurisdictional findings, and issues the following order:

JURISDICTIONAL FINDINGS

1. Respondent B. Schoolsky & Son, Inc., is a corporation existing and doing business under and by virtue of the laws of the State of Rhode Island, with its office and principal place of business located at 8 Albion Road, Manville, R.I.

Respondent Benjamin Schoolsky is the president and treasurer, and respondent Robert Schoolsky is the vice president and secretary of the corporate respondent. These individuals formulate, direct and control the acts, policies, and practices of the corporate respondent. The address of the individual respondents 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, and the proceeding is in the public interest.

ORDER

It is ordered, That the respondent, B. Schoolsky & Son, Inc., a corporation, and its officers; respondent Benjamin Schoolsky, individually and as an officer of said corporation, and respondent Robert Schoolsky, 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 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 reprocessed wool or reused wool or other "wool products," as "wool products" are defined in the Wool Products Labeling Act of 1939, do forthwith cease and desist from misbranding or mislabeling such products by:

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 5 per centum of said total fiber weight, of (1) wool, (2) reprocessed wool, (3) reused wool,

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(4) each fiber other than wool where said percentage by weight of such fiber is 5 per centum or more, (5) the aggregate of all other fibers;

(b) The maximum percentage of the total weight of the wool product, of any nonfibrous loading, filling, or adulterating matter;

(c) The name or registered identification number of the manufacturers 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.

It is further ordered, That B. Schoolsky & Son, Inc., a corporation, and its officers; respondent Benjamin Schoolsky, individually and as an officer of said corporation and respondent Robert Schoolsky, 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 offering for sale, sale, or distribution of wool, reprocessed wool or reused wool stock or any other products in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

Misrepresenting the constituent fibers of which their products are composed or the percentages or amounts thereof, in sales invoices, shipping memoranda or in any other manner.

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 10th day of December 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
SUNSET HOUSE DISTRIBUTING CORPORATION ET AL.

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

Docket 6823. Complaint, June 24, 1957—Decision, Dec. 10, 1957

Consent order requiring distributors in Hollywood, Calif., to cease advertising falsely that attachment of their "Color Filter" colored transparent plastic sheet to a black-and-white television set would produce the same visual effect as a color television.

Mr. Brockman Horne for the Commission.

Mr. Marvin A. Freeman, of Hollywood, Calif., for respondents.

INITIAL DECISION BY J. EARL COX, HEARING EXAMINER

The complaint alleges that respondents have been and are engaged in the business of selling and distributing in commerce a product called a "Color Filter", which consists of a sheet of transparent plastic upon which has been sprayed paint of orange color blending into green at one border and blue at the opposite border, and is designed to be fastened over the viewing screen of a television set. It is charged that respondents have violated the Federal Trade Commission Act by falsely and deceptively representing that the product so used on a black-and-white television set will produce the same visual effect as a color television set, in that the objects appearing upon the viewing screen will be shown in the same colors as the objects being televised.

After service of the complaint, the corporate respondent, by its president, Leonard Carlson, and the individual respondents Leonard Carlson, Milton Eisenberg, and Gloria O. Carlson, individually and as officers of the corporate respondent, Marvin A. Freeman as attorney for respondents, 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 of the Commission's Bureau of litigation, and thereafter transmitted to the hearing examiner for consideration.

Attached to the agreement and made a part thereof is an affidavit executed by Leonard Carlson, president of Sunset House Distributing Corp., the corporate respondent herein, stating that Marvin A. Freeman, an attorney at law, is attorney for and also secretary of the corporation; that neither as such secretary nor as attorney, nor in any other capacity does he have any part in the formulation, direction, and control of the policies, acts, and practices of Sunset House