

Decision

IN THE MATTER OF
CROWN QUILTING 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 6864. Complaint, Aug. 14, 1957—Decision, Jan. 16, 1958

Consent order requiring a manufacturer in New York City to cease violating the Wool Products Labeling Act by labeling and invoicing as "100% Re-processed Wool" or "100% Repr. Wool", quilted interlining materials containing substantial amounts of nonwoolen fibers.

Mr. John T. Walker supporting the complaint.

Mr. Irving Israel, of New York, N.Y., for respondents.

INITIAL DECISION OF JOHN LEWIS, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondents on August 14, 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 the misbranding of certain wool products and falsely representing the composition of certain quilted interlining material on sales invoices and shipping memoranda. After being served with said complaint, respondents appeared by counsel and filed their answer thereto. Thereafter the parties entered into an agreement containing consent order to cease and desist, dated October 21, 1957, purporting to dispose of all of this proceeding as to all parties without hearing. 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 consideration, 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

Order

54 F.T.C.

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, Crown Quilting Co., Inc., is a corporation existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 115 Christopher Street, in the City of New York, State of New York. Respondent, Seymour Bermak, is an officer of said corporate respondent and formulates, directs and controls the policies, acts, and practices of said 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 the respondents, Crown Quilting Co., Inc., a corporation, and its officers, and Seymour Bermak, 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 intro-

duction into commerce, or the offering for sale, sale, transportation or distribution in commerce, as "commerce" is defined in the Federal Trade Act and the Wool Products Labeling Act of 1939, of quilted interlining material or other "wool products," as such products are defined in and subject to the Wool Products Labeling Act of 1939, 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 misbranding such products by:

1. Falsely or deceptively stamping, tagging, labeling or otherwise identifying such products as to character or amount of the constituent fibers included therein;

2. Failing to securely affix or to 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 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 5 percentum or more, and (5) the aggregate of all other fibers;

- (b) The maximum percentages of the total weight of such wool product of any nonfibrous 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.

It is further ordered, That Crown Quilting Co., Inc., a corporation, and its officers, and Seymour Bermak, 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 quilted interlining material 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

54 F.T.C.

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 16th day of January 1958, 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.

Complaint

IN THE MATTER OF
THE AMALGAMATED SUGAR CO.CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF SEC.
2 (a) OF THE CLAYTON ACT*Docket 6768. Complaint, Apr. 8, 1957—Decision, Jan. 21, 1958*

Consent order requiring a major manufacturer in the beet sugar industry—with principal office at Ogden, Utah, and with plants and warehouses in Utah, Idaho, Oregon, and Washington, and annual sales volume approximating \$46,000,000—to cease violating section 2(a) of the Clayton Act by reducing the price of its sugar on various occasions in Utah only, in which State it sold only a small percentage of its total output, which discriminations in price were particularly harmful to its processor competitors who sold a large part of their sugar in Utah and would have diverted business from them if they had not immediately met the price reductions, and had an additional injurious effect on the growers who supplied beets under contract to respondent and its competitors in the Utah area and whose price received for beets depended on the net returns of the processor.

Mr. Cecil G. Miles and *Mr. James R. Fruchterman* for the Commission.

Howrey & Simon, by *Mr. William Simon*, of Washington, D.C., and *Ray, Quinney & Nebeker*, by *Mr. Paul H. Ray*, of Salt Lake City, Utah, for respondent.

COMPLAINT

The Federal Trade Commission, having reason to believe that the party respondent named in the caption hereof, and hereinafter more particularly designated and described, has violated and is now violating the provisions of subsection (a) of section 2 of the Clayton Act (U.S.C. Title 15, section 13), as amended by the Robinson-Patman Act, approved June 19, 1936, hereby issues its complaint, stating its charges with respect thereto as follows:

PARAGRAPH 1. The Amalgamated Sugar Co. is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Utah, with its principal office and place of business located at 801 First Security Bank Building, 24th Street and Washington Boulevard, Ogden, Utah, with factories and warehouses located as indicated below.