

Decision

IN THE MATTER OF
L. M. CLOTHING CO., INC., ET AL.ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL
TRADE COMMISSION AND THE WOOL PRODUCTS LABELING ACTS*Docket 6889. Complaint, Sept. 27, 1957—Decision, Feb. 27, 1958*

Consent order requiring New York City manufacturers to cease violating the Wool Products Labeling Act by falsely labeling as "All Wool" and "All Wool Exclusive of Ornamentation" men's sport coats which contained a substantial percentage of nonwoolen fibers; by failing to set forth separately on stamps, etc., the character and amount of constituent fibers contained in the interlinings; and by failing in other respects to conform to the requirements of the act.

Michael J. Vitale and *Alvin D. Edelson*, Esqs., for the Commission.
Green & Ettinger, by *Joseph Ettinger*, Esq., of New York, N.Y., for respondents.

INITIAL DECISION BY JAMES A. PURCELL, HEARING EXAMINER

The complaint in this proceeding, issued September 27, 1957, charges the respondents L. M. Clothing Co., Inc., a corporation, and Louis Motzkin and Bertha Motzkin, individually and as officers of the corporate respondent, and Donald Motzkin, individually, with violation of the provisions of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, and of the rules and regulations promulgated under authority of the said Wool Products Labeling Act, in connection with the introduction or manufacture for the introduction into commerce, or offering for sale, sale, transportation or distribution of men's sport coats in commerce, as "commerce" is defined in said acts.

After the issuance of said complaint respondents, on December 6, 1957, entered into an agreement for a consent order with counsel in support of the complaint, disposing of all of the issues in this proceeding, which agreement was duly approved by the director and assistant director of the Bureau of Litigation of the Federal Trade Commission. 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 respondents admitted all of the jurisdictional allegations of the complaint and agreed that the record herein may be taken as though the Commission had made findings of jurisdictional facts in accordance with such allegations.

Order

54 F.T.C.

By said agreement the parties expressly waived a hearing before the hearing examiner or the Commission, the making of findings of fact or conclusions of law by the hearing examiner or the Commission, the filing of exceptions and oral argument before the Commission, and all further and other procedure before the hearing examiner and the Commission to which the respondents may otherwise be entitled under the Federal Trade Commission Act or the rules of practice of the Commission.

By said 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 though made after a full hearing, presentation of evidence and findings and conclusions thereon, and specifically waived any and all right, power or privilege to challenge or contest the validity of such order.

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; and that the said order may be altered, modified or set aside in the manner provided by statute for other orders of the Commission.

Said agreement recites that respondent L. M. Clothing Co., Inc., is a corporation existing under and by virtue of the laws of the State of New York, with its office and principal place of business located at 85 Fifth Avenue, New York, N. Y.; that respondents Louis Motzkin and Bertha Motzkin are individuals and president-treasurer and vice-president-secretary of the corporate respondent; that respondent Donald Motzkin is an individual and general manager of the corporate respondent; that as such they formulate, direct and control the policies, acts and practices of the corporate respondent.

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 all respondents named herein, and that this proceeding is in the interest of the public, wherefore he issues the following order:

ORDER

It is ordered, That the respondent, L. M. Clothing Co., Inc., a corporation, and its officers, Louis Motzkin and Bertha Motzkin,

individually and as officers of said corporation, and Donald Motzkin, individually, 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 men's sports coats or other "wool products," as such products are defined in and subject to the Wool Products Labeling Act of 1939, which products 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 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 5 per centum 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 per centum or more, and (5) the aggregate of all other fibers;

- (b) The maximum percentage of the total weight of such wool products, 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.

3. Using abbreviated words or terms descriptive of fiber content on stamps, tags, labels or other means of identification attached to said wool products;

4. Failing to separately set forth on the required stamp, tag, label or other means of identification, the character and amount of the constituent fibers contained in the interlinings of said wool products.

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 27th day of

February 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.

Decision

IN THE MATTER OF
WASTE FIBRES CORP. ET AL.

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

Docket 6903. Complaint, Oct. 3, 1957—Decision, Feb. 27, 1958

Consent order requiring a manufacturer in Brooklyn, N.Y., to cease violating the Wool Products Labeling Act by failing to label the woolen fibrous stock it made and sold to yarn manufacturers and woolen mills, and by describing it as "100% wool," etc., on sales invoices and shipping memoranda when it contained substantial quantities of reused or reprocessed wool and other non-woolen fibers.

Michael J. Vitale and Thomas A. Ziebarth, Esqs., for the Commission.

INITIAL DECISION BY JAMES A. PURCELL, HEARING EXAMINER

The complaint in this proceeding, issued October 3, 1957, charges the respondents Waste Fibres Corp., a corporation, and George M. Goldman and Ernest Zahler, individually and as officers of the corporate respondent, with violation of the provisions of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, and of the rules and regulations promulgated under authority of the said Wool Products Labeling Act, in connection with the introduction or manufacture for the introduction into commerce, or offering for sale, sale, transportation or distribution of woolen fibrous stock or other wool products, in commerce, as "commerce" is defined in said acts.

After the issuance of said complaint respondents, on December 3, 1957, entered into an agreement for a consent order with counsel in support of the complaint, disposing of all of the issues in this proceeding, which agreement was duly approved by the director and assistant director of the Bureau of Litigation of the Federal Trade Commission. 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 respondents admitted all of the jurisdictional allegations of the complaint and agreed that the record herein may be taken as though the Commission had made findings of jurisdictional facts in accordance with such allegations. By said agreement the parties expressly waived a hearing before the hearing examiner or the Commission, the making of findings of fact or conclusions of law by the hearing examiner or the Commission, the