

IN THE MATTER OF
BART SCHWARTZ INTERNATIONAL TEXTILES
LTD. ET AL.

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

Docket 6952. Complaint, Nov. 22, 1957—Decision, Mar. 18, 1958

Consent order requiring sellers in New York City of fabrics, some of which were composed of rayon so made as to simulate wool, to cease selling such fabrics without making adequate disclosure of the true fiber content, and to cease placing in the hands of others for use in conjunction with said fabrics and garments made therefrom, tags, labels, and advertising matter which failed to disclose the rayon content.

Mr. Michael J. Vitale and *Mr. Thomas A. Ziebarth* for the Commission.

Mr. E. Fulton Brylawski, of Washington, D.C., for the respondents.

INITIAL DECISION BY EARL J. KOLB, HEARING EXAMINER

The complaint in this proceeding issued November 22, 1957, charges the respondents Bart Schwartz International Textiles Ltd., a corporation, located at 1407 Broadway, New York, N.Y., and Bart Schwartz and Louis Rudolph, individually and as officers of said corporation, located at the same address as the corporate respondent, with violation of the provisions of the Federal Trade Commission Act in the importation, promotion, sale and distribution of certain rayon fabrics.

After the issuance of the complaint, respondents Bart Schwartz International Textiles Ltd., a corporation, and Bart Schwartz and Louis Rudolph, individually and as officers of said corporation, entered into an agreement containing consent order to cease and desist with counsel in support of the complaint, disposing of all the issues in this proceeding, 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 and agreed that the record herein may be taken as if the Commission had made findings of jurisdictional facts in accordance with the 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; 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, that this proceeding is in the interest of the public, and issues the following order:

ORDER

It is ordered, That respondents Bart Schwartz International Textiles, Ltd., a corporation, and its officers, and Bart Schwartz and Louis Rudolph, 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 in commerce, as "commerce" is defined in the Federal Trade Commission Act, of fabrics composed in whole or in part of rayon, do forthwith cease and desist from:

1. Failing to set forth the rayon content thereof in a clear and conspicuous manner on invoices, labels, and in all advertising matter concerning such products.

2. Supplying to or placing in the hands of others, for use in designating or identifying respondents' said fabrics or garments made therefrom, tags, labels or advertising materials which are not in accordance with paragraph 1 above.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT
OF COMPLIANCE

The Commission having considered the hearing examiner's initial decision, filed February 11, 1958, which decision was based on an agreement containing, a consent order to cease and desist, theretofore executed by the respondents and counsel in support of the complaint; and

It appearing that, through inadvertence, the word "as" was omitted from the eighth line of the introductory paragraph of the order contained in said decision; and

The Commission being of the opinion that this clerical error should be corrected to conform the order in the initial decision with the form of order contained in the agreement of the parties:

It is ordered, That the order in the initial decision of the hearing examiner be, and it hereby is, modified to read as follows:

It is ordered, That respondents Bart Schwartz International Textiles, Ltd., a corporation, and its officers, and Bart Schwartz and Louis Rudolph, 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 in commerce, as "commerce" is defined in the Federal Trade Commission Act, of fabrics composed in whole or in part of rayon, do forthwith cease and desist from:

1. Failing to set forth the rayon content thereof in a clear and conspicuous manner on invoices, labels, and in all advertising matter concerning such products.
2. Supplying to or placing in the hands of others, for use in designating or identifying respondents' said fabrics or garments made therefrom, tags, labels or advertising materials which are not in accordance with paragraph 1 above.

It is further ordered, That the initial decision as so modified be, and it hereby is, adopted as the decision of the Commission.

It is further ordered, That respondents Bart Schwartz International Textiles, Ltd., a corporation, and Bart Schwartz and Louis Rudolph, individually and as officers of said corporation, shall within sixty (60) days after service upon them of this decision, file with the Commission a report, in writing, setting forth in detail the manner and form in which they have complied with the aforesaid order to cease and desist.

Decision

IN THE MATTER OF
FIRE SAFETY SERVICES, INC., ET AL.CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT

Docket 6916. Complaint, Oct. 17, 1957—Decision, Mar. 19, 1958

Consent order requiring distributors of home fire alarm systems in Washington, D.C., to cease representing falsely, through salesmen who gave demonstrations in the homes of prospects, that said representatives were not salesmen but demonstrators desiring only to make a fire prevention talk to specially selected prospects and to cease in such demonstrations, exhibiting newspaper clippings and horror pictures to induce sale of the products; misrepresenting the cost of the systems and representing falsely that all or most of it could be earned by submission of names of other prospects which would be held in confidence; inducing purchasers to sign in blank, contracts and promissory notes which were later filled in with total costs and carrying charges, contrary to the representations made, and failing to reveal that the contracts and notes would be discounted.

Mr. Edward F. Downs and *Mr. Garland S. Ferguson* supporting the complaint.

Mr. Milton Handler, of New York City, for respondents.

INITIAL DECISION BY JOSEPH CALLAWAY, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondents on October 17, 1957, charging them with violation of the Federal Trade Commission Act as set forth in said complaint. After issuance and service of the complaint, all respondents on January 22, 1958, entered into an agreement for a consent order to cease and desist from the practices complained of which agreement disposes of all the issues in this proceeding without hearing. This agreement has been duly approved by the assistant director and director of the Bureau of Litigation and has been submitted to the undersigned, heretofore designated to act as hearing examiner herein for his consideration in accordance with rule 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 duly made in accordance with such allegations. Said agreement further provides that respondents waive all further procedural steps before the hearing examiner or the Commission, includ-