

IN THE MATTER OF
RANSOHOFF'S, INC.

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

Docket 6851. Complaint, July 25, 1957—Decision, Apr. 3, 1958

Consent order requiring a furrier in San Francisco to cease violating the Fur Products Labeling Act by failing to comply with the invoicing and labeling requirements; by advertising in newspapers which failed to disclose the names of animals producing the fur in certain products, represented prices as reduced from regular prices which were in fact fictitious, and used comparative prices and percentage savings claims not based on current market values; and by failing to maintain adequate records as the basis for such purported pricing claims.

Mr. John J. McNally for the Commission.

Livingston & Borregard, by *Mr. Lawrence Livingston*, of San Francisco, Calif., for respondent.

INITIAL DECISION BY J. EARL COX, HEARING EXAMINER

The complaint charges respondent with misbranding and falsely and deceptively invoicing and advertising certain of their fur products, in violation of the Fur Products Labeling Act and the rules and regulations promulgated thereunder, and in violation of the Federal Trade Commission Act.

After the issuance of the complaint, respondent, its counsel, 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.

The agreement states that respondent Ransohoff's, Inc., is a corporation existing and doing business under and by virtue of the laws of the State of California, with its office and principal place of business located at 259 Post Street (incorrectly spelled in the complaint as Host), San Francisco, Calif.; that during the times material to the charges of the complaint herein, respondent's fur department was leased to Teitelbaum Furs, a California corporation with its office and principal place of business located at 414 North Rodeo Drive, Beverly Hills, Calif.; that said lessee, as the operator or concessionaire of said fur department, hired its own employees, purchased, invoiced, labeled, tagged and sold all fur products, prepared all advertisements and

generally conducted said fur department as if it were its own retail business, with full responsibility for the operation thereof, subject to compliance with respondent's merchandising and other store policies; and that said lease was terminated on June 18, 1956.

The agreement provides, among other things, that the respondent admits all the jurisdictional facts alleged in the complaint, and agrees that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations; that the record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and this agreement; that the agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Commission; that the complaint may be used in construing the terms of the order agreed upon, which may be altered, modified or set aside in the manner provided for other orders; that the agreement is for settlement purposes only and does not constitute an admission by the respondent that it has violated the law as alleged in the complaint; and that the order set forth in the agreement and hereinafter included in this decision shall have the same force and effect as if entered after a full hearing.

Respondent waives 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 it may have to challenge or contest the validity of the order to cease and desist entered in accordance with the agreement.

The order agreed upon fully disposes of all the issues raised in the complaint, and adequately prohibits the acts and practices charged therein as being in violation of the Fur Products Labeling Act and the rules and regulations promulgated thereunder, and of the Federal Trade Commission Act. Accordingly, the hearing examiner finds this proceeding to be in the public interest, and accepts the agreement containing consent order to cease and desist as part of the record upon which this decision is based. Therefore,

It is ordered, That respondent Ransohoff's, Inc., a corporation, and its officers, and its representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction into commerce, or the sale, advertising, or offering for sale, in commerce, or the transportation or distribution in commerce, of fur products, or in connection with the sale, advertising, offering for sale, transportation or distribution of fur products which have been made in whole or in part of fur which has been shipped and received in commerce, as "commerce," "fur," and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding fur products by:

1. Failing to affix labels to fur products showing:

(a) The name or names of the animal or animals producing the fur or furs contained in the fur product as set forth in the Fur Products Name Guide and as prescribed under the Rules and Regulations;

(b) That the fur product contains or is composed of used fur, when such is the fact;

(c) That the fur product contains or is composed of bleached, dyed or otherwise artificially colored fur, when such is the fact;

(d) That the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact;

(e) The name, or other identification issued and registered by the Commission, of one or more persons who manufactured such fur product for introduction into commerce, introduced it into commerce, sold it in commerce, advertised or offered it for sale, or transported or distributed it in commerce;

(f) The name of the country of origin of any imported furs used in the fur product;

2. Setting forth on labels attached to fur products:

(a) Information required under section 4(2) of the Fur Products Labeling Act and the rules and regulations thereunder, in abbreviated form or in handwriting;

(b) Information required under section 4(2) of the Fur Products Labeling Act and the rules and regulations thereunder mingled with non-required information;

B. Falsely or deceptively invoicing fur products by:

1. Failure to furnish invoices to purchasers of fur products showing:

(a) The name or names of the animal or animals producing the fur or furs contained in the fur product as set forth in the Fur Products Name Guide and as prescribed under the rules and regulations;

(b) That the fur product contains or is composed of used fur, when such is the fact;

(c) That the fur product contains or is composed of bleached, dyed, or otherwise artificially colored fur, when such is the fact;

(d) That the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact;

(e) The name and address of the person issuing such invoice;

(f) The name of the country of origin of any imported fur contained in a fur product;

2. Setting forth information required under section 5(b)(1) of the Fur Products Labeling Act and the rules and regulations thereunder in abbreviated form;

C. Falsely or deceptively advertising fur products through the use of any advertisement, representation, public announcement or notice which is intended to aid, promote or assist, directly or indirectly, in the sale or offering for sale of fur products, and which:

1. Fails to disclose the name or names of the animal or animals producing the fur or furs contained in the fur product as set forth in the Fur Products Name Guide and as prescribed under the rules and regulations;

2. Represents, directly or by implication, that the regular or usual price of any fur product is any amount which is in excess of the prices at which such products, in the recent regular course of business, have been usually and customarily sold by the respondent;

3. Makes use of comparative prices or percentage savings claims unless such comparative prices or percentage savings are based upon current market values or unless a bona fide price at a designated time is stated;

4. Makes pricing claims and representations of the type referred to in paragraphs 2 and 3 above, unless there are maintained by respondent full and adequate records disclosing the facts upon which such claims or representations are based, as required by rule 44(e) of the rules and regulations.

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 3d day of April 1958, become the decision of the Commission; and, accordingly:

It is ordered, That respondent Ransohoff's, Inc., a corporation, shall, within sixty (60) days after service upon it of this order, file with the Commission a report in writing, setting forth in detail the manner and form in which it has complied with the order to cease and desist.

IN THE MATTER OF
NEL-KAYE RECORD CO., INC., ET AL.

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

Docket 7012. Complaint, Dec. 27, 1957—Decision, Apr. 3, 1958

Order dismissing without prejudice, for failure to obtain service on respondents, complaint charging sellers in New York City with representing falsely in advertising that they had complete stocks of long-playing phonograph records always available and that purchasers of their records were afforded substantial savings.

Mr. Floyd O. Collins supporting the complaint.

No appearance for respondents.

INITIAL DECISION BY JOHN B. POINDEXTER, HEARING EXAMINER

On December 27, 1957, the Federal Trade Commission issued a complaint in this proceeding alleging that Nel-Kaye Record Co., Inc., a corporation, Jack Nelson and Eugene Kestenbaum, individually and as officers of Nel-Kaye Record Co., Inc., have violated the provisions of the Federal Trade Commission Act in the advertising and sale of phonograph records.

Copies of the complaint were sent to the respondents by registered mail and were returned to the Commission by the postal authorities with the notation "Removed—Left No Address."

Subsequently, representatives of the Commission have attempted to obtain personal service on respondents but were unable to locate any of the individual respondents. The respondent corporation is reported to be in bankruptcy.

On February 27, 1958, counsel supporting the complaint filed a motion addressed to the hearing examiner in this proceeding setting out the facts recited above and requesting that the complaint be dismissed.

Upon consideration, the hearing examiner is of the opinion that the motion to dismiss should be granted. Accordingly,

It is ordered, That the complaint herein be, and it hereby is, dismissed, without prejudice to the right of the Federal Trade Commission to take such further action in the future against the respondents or either of them as the facts and circumstances may warrant.