

Decision

IN THE MATTER OF

KAUFMAN CARPET CO., INC., ET AL.

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

Docket 6963. Complaint, Nov. 27, 1957—Decision, May 3, 1958

Consent order requiring a corporation in New York City and its seven wholly owned subsidiaries, all engaged in the retail sale of carpets and floor coverings, to cease misrepresenting in advertising the price, construction, and fiber content of its products; and to disclose clearly that certain of its carpeting was of Japanese origin.

Mr. Alvin D. Edelson for the Commission.

Amster & Levy, by *Mr. Edward F. Levy*, of New York, N.Y., for respondents.

INITIAL DECISION BY LOREN H. LAUGHLIN, HEARING EXAMINER

The Federal Trade Commission (hereinafter referred to as the Commission) on November 27, 1957, issued its complaint herein under the Federal Trade Commission Act against the above-named respondents, Kaufman Carpet Co., Inc., a corporation, and Harry Kaufman and Daniel Schoen, individually and as officers of said corporation. The complaint charges respondents with having violated in certain particulars the provisions of said act. The respondents were duly served with process.

On March 6, 1958, there was submitted to the undersigned hearing examiner of the Commission for his consideration and approval an "agreement containing consent order to cease and desist," which had been entered into by and between respondents, their counsel, and counsel supporting the complaint, under date of February 28, 1958, and subject to the approval of the Bureau of Litigation of the Commission. Such agreement had been thereafter duly approved by the director and assistant director of that Bureau.

On due consideration of the said "agreement containing consent order to cease and desist," the hearing examiner finds that said agreement, both in form and in content, is in accord with section 3.25 of the Commission's rules of practice for adjudicative proceedings, and that by said agreement the parties have specifically agreed that:

1. Respondent Kaufman Carpet Co., Inc., is a corporation, organized and existing under and by virtue of the laws of the State of

New York, with its office and principal place of business at 1800 Boston Road, Bronx, New York City, N.Y.

Individual respondents Harry Kaufman and Daniel Schoen are president and secretary-treasurer, respectively, of the corporate respondent. All of the individual respondents have the same business address as that of the corporate respondent.

2. Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission, on November 27, 1957, issued its complaint in this proceeding against respondents, and a true copy was thereafter duly served on respondents.

3. Respondents admit all the jurisdictional facts alleged in the complaint and agree that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations.

4. This agreement disposes of all of this proceeding as to all parties.

5. Respondents waive:

(a) Any further procedural steps before the hearing examiner and the Commission;

(b) The making of findings of fact or conclusions of law; and

(c) All of the rights they may have to challenge or contest the validity of the order to cease and desist entered in accordance with this agreement.

6. 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.

7. This agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Commission.

8. This 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 parties have further specifically agreed that the proposed order to cease and desist included in said agreement may be entered in this proceeding by the Commission without further notice to respondents; that when so entered it shall have the same force and effect as if entered after a full hearing; that it may be altered, modified or set aside in the manner provided for other orders; and that the complaint may be used in construing the terms of the order.

Upon due consideration of the complaint filed herein and the said "agreement containing consent order to cease and desist," the latter is hereby approved, accepted and ordered filed, the same not to become a part of the record herein, however, unless and until it becomes part of the decision of the Commission. The hearing examiner finds

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from the complaint and the said "agreement containing consent order to cease and desist" that the Commission has jurisdiction of the subject matter of this proceeding and of the persons of each of the respondents herein; that the complaint states a legal cause for complaint under the Federal Trade Commission Act against each of the respondents both generally and in each of the particulars alleged therein; that this proceeding is in the interest of the public; that the following order as proposed in said agreement is appropriate for the just disposition of all of the issues in this proceeding, such order to become final only if and when it becomes the order of the Commission; and that said order therefore should be, and hereby is, entered as follows:

ORDER

It is ordered, That respondents Kaufman Carpet Co., Inc., a corporation, and its officers; Harry Kaufman and Daniel Schoen, individually and as officers of the aforementioned 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 carpets, floor coverings, or other merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication, that any amount is the regular or usual price of merchandise when such amount is in excess of the price at which such merchandise has been sold by respondents in their normal course of business;
2. Misrepresenting either the construction or fiber content of their merchandise;
3. Offering for sale or selling carpets, floor coverings or any other merchandise, the whole or any substantial part of which is made in Japan, or in any other foreign country, without clearly disclosing the foreign origin of such product, or of such part, as the case may be.

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 May 1958, become the decision of the Commission; and, accordingly:

It is ordered, That respondents Kaufman Carpet Co., Inc., a corporation, and Harry Kaufman, and Daniel Schoen, individually and as officers of said corporation, 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
GOVERNMENT EMPLOYEES EXCLUSIVELY ET AL.

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

Docket 6970. Complaint, Dec. 5, 1957—Decision, May 3, 1958

Consent order requiring furriers doing business in San Francisco and also operating the fur department of a store in Sacramento, Calif., to cease violating the Fur Products Labeling Act by invoicing products falsely; by advertising in newspapers which failed to disclose that certain fur products were artificially colored and to set forth other required information, and which misrepresented selling prices and percentage reductions; and by failing to maintain adequate records as a basis for such pricing claims.

Mr. John J. McNally for the Commission.

Wilke & Sapunor, by *Mr. Sherman C. Wilke*, of Sacramento, Calif., for the respondents.

INITIAL DECISION BY LOREN H. LAUGHLIN, HEARING EXAMINER

The Federal Trade Commission (sometimes also hereinafter referred to as the Commission) issued its complaint herein, charging the above-named respondents, Government Employees Exclusively, a corporation, and Dewey Ehrenberg and Charles Ehrenberg, individually and as copartners trading as Ehrenberg Bros., with having violated the provisions of the Federal Trade Commission Act and of the Fur Products Labeling Act and the rules and regulations promulgated thereunder, in certain particulars. Respondents were duly served with process.

On February 25, 1958, there was submitted to the undersigned hearing examiner of the Commission for his consideration and approval an "agreement containing consent order to cease and desist," which had been entered into by and between the respondent corporation and Dewey and Charles Ehrenberg, individually and as copartners trading as Ehrenberg Bros., and attorneys for both parties, under date of February 7, 1958, subject to the approval of the Bureau of Litigation of the Commission. Such agreement had been thereafter duly approved by that Bureau.

On due consideration of the said "agreement containing consent order to cease and desist," the hearing examiner finds that said agreement, both in form and in content, is in accord with section 3.25 of the Commission's rules of practice for adjudicative proceedings