

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

and that by said agreement the parties have specifically agreed that:

1. Respondent Government Employees Exclusively is a corporation organized, 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 2436 Auburn Boulevard, in the city of Sacramento, State of California.

Respondents Dewey Ehrenberg and Charles Ehrenberg are individuals and are copartners trading as Ehrenberg Bros. with their office and principal place of business located at 140 Geary Street, in the city of San Francisco, State of California.

2. Pursuant to the provisions of the Federal Trade Commission Act and of the Fur Products Labeling Act, the Federal Trade Commission on December 5, 1957, issued its complaint in this proceeding against respondents and a true copy thereof was thereafter duly served on respondents.

3. Respondents admit all of 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.

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, unless and until it becomes a part of the decision of the Commission. The hearing examiner finds from the complaint and the said "agreement containing consent

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order to cease and desist" that the Commission has jurisdiction of the subject matter of this proceeding and of the person of the respondents signatory to said agreement; that the complaint states a legal cause for complaint under the Federal Trade Commission Act and under the Fur Products Labeling Act and the rules and regulations promulgated thereunder, both generally and in each of the particular charges 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 full disposition of all 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 Government Employees Exclusively, a corporation, and its officers, and Dewey Ehrenberg and Charles Ehrenberg, individually and as copartners trading as Ehrenberg Bros. or under any other trade name, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction into commerce, or the sale, advertising, offering for sale, transportation or distribution of fur products in commerce, 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. Falsely or deceptively invoicing fur products by failing to furnish invoices to purchasers of fur products showing:

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

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

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

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

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

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B. Falsely or deceptively advertising fur products through the use of any advertisement, 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 that fur products contain or are composed of bleached, dyed, or otherwise artificially colored fur, when such is the fact;

(2) Fails to set forth the information required under section 5(a) of the Fur Products Labeling Act and the rules and regulations promulgated thereunder in type of equal size and conspicuousness and in close proximity with each other;

(3) Represents, directly or by implication, the aggregate retail prices of fur products when such claims and representations are not true in fact;

(4) Represents through percentage savings claims that the regular or usual retail prices charged by respondents for fur products of similar grade and quality in the recent regular course of their business are reduced in direct proportion to the percentage of savings stated when such is not the fact;

(5) Contains any qualifying statement or statements in regard to representations concerning the retail selling prices of fur products unless such qualifying statement or statements are set forth prominently, conspicuously and in sufficiently close conjunction with said representations as to avoid deception;

C. Making percentage savings claims in advertising unless there are maintained by respondents full and adequate records disclosing the facts upon which such claims are based.

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 Government Employees Exclusively, a corporation, and Dewey Ehrenberg and Charles Ehrenberg, individually and as copartners trading as Ehrenberg Bros., 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
WASHINGTON FORGE, INC., ET AL.

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

Docket 7053. Complaint, Jan. 27, 1958—Decision, May 3, 1958

Consent order requiring manufacturers of tableware and cutlery in Englishtown, N.J., to cease—in catalogs, promotional literature and letters, on containers, and on tags and labels affixed to their products—representing fictitious and excessive amounts as the usual retail prices, and representing falsely that certain products, actually coated with a thin finish by electrolysis, were “24 karat gold plated.”

Mr. Terral A. Jordan for the Commission

Mr. Simon J. Trosty, of New York, N.Y., for 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, Washington Forge, Inc., a corporation, and Milton Berger and Anna Berger, individually and as officers of said corporation, with having violated the provisions of the Federal Trade Commission Act in certain particulars. Respondents were duly served with process.

On March 10, 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 Milton and Anna Berger, individually and as officers of said corporate respondent, and attorneys for both parties, under date of March 4, 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 and that by said agreement the parties have specifically agreed that:

1. Respondent Washington Forge, Inc., is a corporation existing and doing business under and by virtue of the laws of the State of New Jersey. Respondents Milton Berger and Anna Berger are