

IN THE MATTER OF
NEDERLANDSCHE WEVERIJ, N.V., ET AL.

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

Docket 6953. Complaint, Nov. 25, 1957—Decision, May 20, 1958

Consent order requiring a Dutch manufacturer and its American agents, with place of business in New York City, to cease violating the Wool Products Labeling Act by tagging as "100% Cashmere," fabrics which contained substantial amounts of fibers other than Cashmere; by misrepresenting such products on invoices and shipping memoranda; and by failing in other respects to comply with the labeling requirements of the act.

Mr. Thomas A. Ziebarth for the Commission.

Covington & Burling, of Washington, D.C., by *Mr. Harry L. Schneiderman* for respondent *Nederlandsche Weverij, N.V.*

Augenblick & Frost, of New York, N.Y., by, *Mr. Robert L. Augenblick* for all other respondents.

INITIAL DECISION BY WILLIAM L. PACK, HEARING EXAMINER

The complaint in this matter charges the respondents with misbranding certain wool products in violation of the Wool Products Labeling Act and the rules and regulations promulgated thereunder, and the Federal Trade Commission Act. An agreement has now been entered into by counsel supporting the complaint and all of the respondents, except John Filbert, which provides, among other things, that all of said respondents admit all of the jurisdictional allegations in the complaint; that the record on which the initial decision and the the decision of the Commission shall be based shall consist solely of the complaint and agreement; that the inclusion of findings of fact and conclusions of law in the decision disposing of this matter is waived, together with any further procedural steps before the hearing examiner and the Commission; that the order hereinafter set forth may be entered in disposition of the proceeding, such order to have the same force and effect as if entered after a full hearing, said respondents specifically waiving any and all rights to challenge or contest the validity of such order; that the order may be altered, modified, or set aside in the manner provided for other orders of the Commission; that the complaint may be used in construing the terms of the order; and that the agreement is for settlement purposes only and does not constitute an admission by said respondents that they have violated the law as alleged in the complaint.

With respect to respondent John Filbert, it appears that while he has been a nominal officer and director of respondent Kordin, Inc., he has at no time participated in the formulation, direction or control of any of the acts, policies or practices of the corporation. The agreement and proposed order therefore provide for the dismissal of the complaint as to this respondent.

As to respondents Gerard V. Korda and Sam Sherman, who are joined in the proceeding both individually and as copartners trading as Gerard V. Korda Co., the agreement shows that the partnership was terminated on January 31, 1958. For this reason the two individuals are not included in the proposed order as copartners.

In view of the circumstances set forth above, the provisions of the agreement and proposed order with respect to respondents John Filbert, Gerard V. Korda, and Sam Sherman appear to be appropriate.

The hearing examiner being of the view that the agreement and proposed order provide an adequate basis for appropriate disposition of the proceeding, the agreement is hereby accepted, the following jurisdictional findings made, and the following order issued:

1. Respondent Nederlandsche Weverij, N.V., is a corporation organized and existing under and by virtue of the laws of Holland and doing business in the United States.

Respondents Gerard V. Korda and Sam Sherman are individuals and were copartners trading as Gerard V. Korda Co. until January 31, 1958.

Respondent Kordin, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York. Respondent Gerard V. Korda is president-treasurer thereof. He formulates, directs, and controls the acts, policies, and practices of corporate respondent, Kordin, Inc.

The office and principal place of business in the United States of all respondents is located at 40 East 34th Street, New York, N.Y.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the said respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That respondent Nederlandsche Weverij, N.V., a corporation, and its officers, and respondents Gerard V. Korda and Sam Sherman, individually, and respondent Kordin, Inc., a corporation, and its officers, and respondent Gerard V. Korda, individually

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and as an officer of said Kordin, Inc., 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, or transportation or distribution in commerce, as "commerce" is defined in the Wool Products Labeling Act of 1939, of fabrics or other "wool products," as such products are defined in and subject to the Wool Products Labeling Act of 1939, do forthwith cease and desist from misbranding such products by:

(1) Falsely or deceptively stamping, tagging, labeling, or otherwise falsely 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, or 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 percent 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 5 percent or more, and (5) the aggregate of all other fibers;

(b) The maximum percentage of the total weight of such wool product 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 delivering for shipment thereof in commerce, as "commerce" is defined in the Wool Products Labeling Act of 1939.

It is further ordered, That respondent Nederlandsche Weverij, N.V., a corporation, and its officers, and respondents Gerard V. Korda and Sam Sherman, individually, and respondent Kordin, Inc., a corporation, and its officers, and respondent Gerard V. Korda, individually and as an officer of said Kordin, Inc., and respondents' representatives, agents, and employees, directly or through any corporate or other device, in connection with the sale or distribution of fabrics or any other products in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from directly or indirectly:

Misrepresenting the constituent fibers of which their products are composed or the percentages or amounts thereof, in sales invoices, shipping memoranda, or in any other manner.

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It is further ordered, That the complaint herein be, and the same hereby is, dismissed as to respondent John Filbert.

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 20th day of May 1958, become the decision of the Commission; and, accordingly:

It is ordered, That respondents Nederlandsche Weverij, N.V., a corporation, and Gerard V. Korda and Sam Sherman, individually, and Kordin, Inc., a corporation, and Gerard V. Korda, individually and as an officer of said Kordin, Inc., 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
ISRAELSON-LEVY, INC., ET AL.

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

Docket 6996. Complaint, Dec. 17, 1957—Decision, May 20, 1958

Consent order requiring manufacturers in New York City to cease violating both the Wool Products Labeling Act and the Fur Products Labeling Act by labeling as "100% wool," coats which contained substantial amounts of other fibers, and by failing to identify on labels the name of the animal producing the fur from which certain coat linings were made or to reveal that the fur was dyed.

Mr. Thomas A. Ziebarth supporting the complaint.

Mr. David J. Almour, of New York, N.Y., for respondents.

INITIAL DECISION OF JOHN LEWIS, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondents on December 17, 1957, charging them with having violated the Federal Trade Commission Act, the Wool Products Labeling Act of 1939, and the Fur Products Labeling Act, and the rules and regulations issued under the latter two acts, through the misbranding of certain wool and fur products. After being served with said complaint, respondents appeared by counsel and subsequently entered into an agreement, dated March 17, 1958, containing a consent order to cease and desist purporting to dispose of all this proceeding as to all parties. Said agreement, which has been signed by all respondents, by counsel for said respondents, and by counsel supporting the complaint, and approved by the director and assistant director of the Commission's Bureau of Litigation, has been submitted to the above-named hearing examiner for his consideration, in accordance with section 3.25 of the Commission's rules of practice for adjudicative proceedings.

Respondents, pursuant to the aforesaid agreement, have admitted all 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 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 they may have to challenge or contest the validity of the order to cease and

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desist entered in accordance with such agreement. It has been agreed that the order to cease and desist issued in accordance with said agreement shall have the same force and effect as if entered after a full hearing and that the complaint may be used in construing the terms of said order. It has also been agreed that the record herein shall consist solely of the complaint and said agreement, and that said 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.

This proceeding having now come on for final consideration on the complaint and the aforesaid agreement containing consent order, and it appearing that the order provided for in said agreement covers all the allegations of the complaint and provides for an appropriate disposition of this proceeding as to all parties, said agreement is hereby accepted and is ordered filed upon this decision's becoming the decision of the Commission pursuant to sections 3.21 and 3.25 of the Commission's rules of practice, and the hearing examiner, accordingly, makes the following jurisdictional findings and order:

1. Respondent Israelson-Levy, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 512 Seventh Avenue, New York, N.Y. Individual respondents Charles Israelson and Mildred Israelson are president-treasurer and secretary, respectively, of the corporate respondent with their office and principal place of business at the same location as the corporate respondent.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents hereinabove named. The complaint states a cause of action against said respondents under the Wool Products Labeling Act of 1939, the Fur Products Labeling Act and the Federal Trade Commission Act, and this proceeding is in the interest of the public.

ORDER

It is ordered. That respondents Israelson-Levy, Inc., a corporation, and its officers, and Charles Israelson and Mildred Israelson, 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 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 La-

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beling Act, of coats or other "wool products" as such products are defined in and subject to said Wool Products Labeling Act, do forthwith cease and desist from:

A. Misbranding such products by:

1. Falsely or deceptively stamping, tagging, labeling, or otherwise identifying such products as to the character or amount of 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 percent 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 5 percent or more, and (5) the aggregate of all other fibers:

(b) The maximum percentage of the total weight of such wool product 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.

It is further ordered, That Israelson-Levy, Inc., a corporation, and its officers, and Charles Israelson and Mildred Israelson, individually and as officers of said corporation, and respondents' agents, representatives, and employees, directly or through any corporate or other device, in connection with the introduction or manufacture for 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 manufacture, 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;

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(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 product for introduction into commerce, introduced it into commerce, sold it in commerce, advertised or offered it for sale in commerce, or transported or distributed it in commerce;

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

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 20th day of May 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.

IN THE MATTER OF
RIPLEY MANUFACTURING CORPORATION

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

Docket 6870. Complaint, Aug. 20, 1957—Decision, May 21, 1958

Consent order requiring a large retail clothing chain, with principal office in New York City and owning numerous subsidiary corporations operating retail clothing stores in various States, to cease representing falsely in advertising in newspapers and by radio that it manufactured all the merchandise sold in its stores and sold it at prices substantially below those charged by other retailers; that it was a wholesaler and sold to the public at wholesale prices; and that its clothing was rated the best buy in America by "America's top consumer group," purportedly based on a report by Consumers Union.

Mr. Edward F. Downs, and Mr. Thomas A. Sterner, for the Commission.

Mr. Bernard Newman, for respondent.

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 respondent with having violated the provisions of the Federal Trade Commission Act in certain particulars.

On March 19, 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 respondent, and counsel for both parties, under date of March 12, 1958, subject to the approval of the Bureau of Litigation of the Commission, which had subsequently duly approved the same.

On due consideration of such agreement, 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 to the following matters:

1. Respondent Ripley Manufacturing Corp. is a corporation existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 80 West End Avenue, New York, N.Y.