

IN THE MATTER OF
GREENHOUSE FURS, INC., ET AL.

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

Docket 7013. Complaint, Dec. 30, 1957—Decision, May 21, 1958

Consent order requiring furriers, with places of business at Perth Amboy and West New York, N.J., to cease violating the Fur Products Labeling Act by removing labels from fur products prior to sale to the ultimate consumer; by failing to comply with the labeling and invoicing requirements; and by advertising in newspapers which failed to disclose the names of animals producing certain furs, that certain products were composed of artificially colored or cheap or waste fur, or the country of origin of imported furs, and which represented fur products falsely as being bankrupt or auction stock or stock from a famous manufacturer.

Mr. John T. Walker for the Commission.

Respondents, for themselves.

INITIAL DECISION BY ABNER E. LIPSCOMB, HEARING EXAMINER

The complaint herein was issued on December 30, 1957, charging respondents with misbranding and falsely and deceptively invoicing and advertising certain of their fur products, in violation of the Federal Trade Commission Act and of the Fur Products Labeling Act and the rules and regulations promulgated thereunder.

Thereafter, on March 27, 1958, respondents and counsel supporting the complaint herein entered into an agreement containing consent order to cease and desist, which was approved by the Director and an Assistant Director of the Commission's Bureau of Litigation, and thereafter submitted to the hearing examiner for consideration.

The agreement identifies respondent Greenhouse Furs, Inc., as a New Jersey corporation, with its office and principal place of business located at 195 Smith Street, Perth Amboy, N.J., and individual respondent Abraham Cherkoss as president thereof and having the same address; respondent Maxwell Furs, Inc., as a New Jersey corporation with its office and principal place of business located at 4921 Bergenline Avenue, West New York, N.J., and individual respondent Max A. Perry as president thereof and having the same address.

Respondents admit all the jurisdictional facts alleged in the complaint, and agree that the record may be taken as if findings of

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jurisdictional facts had been duly made in accordance with such allegations.

Respondents waive any further procedure before the hearing examiner and the Commission; the making of findings of fact and conclusions of law; and all of the rights they may have to challenge or contest the validity of the order to cease and desist entered in accordance with the agreement. All parties agree that the record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and the agreement; that the order to cease and desist, as contained in the agreement, when it shall have become a part of the decision of the Commission, shall have the same force and effect as if entered after a full hearing, and may be altered, modified or set aside in the manner provided for other orders; that the complaint herein may be used in construing the terms of said order; and that the agreement is for settlement purposes only and does not constitute an admission by the respondents that they have violated the law as alleged in the complaint.

After consideration of the allegations of the complaint and the provisions of the agreement and the proposed order, the hearing examiner is of the opinion that such order constitutes a satisfactory disposition of this proceeding. Accordingly, in consonance with the terms of the aforesaid agreement, the hearing examiner accepts the agreement containing consent order to cease and desist; finds that the Commission has jurisdiction over the respondents and over their acts and practices as alleged in the complaint; and finds that this proceeding is in the public interest. Therefore,

It is ordered, That Greenhouse Furs, Inc., a corporation, and its officers, and Abraham Cherkoss, individually and as president of said corporation, and Maxwell Furs, Inc., and its officers, and Max A. Perry, individually and as president of said corporation, 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. Removing or causing the removal or participating in the removal of labels required to be affixed to fur products, prior to the

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time fur products are sold and delivered to the ultimate purchaser of such products;

B. 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 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, 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;

(g) The item number or mark assigned to a fur product;

2. Setting forth on labels affixed to fur products:

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

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

(c) Information required under section 4(2) of the Fur Products Labeling Act and the rules and regulations promulgated thereunder in handwriting;

C. Falsely or deceptively invoicing fur products by:

1. Failing 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 by 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;

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(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 furs used in a fur product;

(g) The item number or mark assigned to a fur product;

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

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

1. Fails to disclose:

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

(b) That the fur products contain or are composed of bleached, dyed, or otherwise artificially colored fur, when such is the fact;

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

(d) The name of the country of origin of the imported furs contained in fur products;

2. Represents that fur products are auction stock, bankrupt stock, or stock from a famous New York wholesaler, or words of similar import, when such is contrary to the fact.

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 21st day of May 1958, become the decision of the Commission; and, accordingly:

It is ordered, That respondents named in the caption hereof 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
METROPOLITAN FIBRE BATTING CORP. ET AL.

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

Docket 7023. Complaint, Jan. 9, 1958—Decision, May 21, 1958

Consent order requiring manufacturers with place of business in Glendale, Long Island, N.Y., to cease violating the Wool Products Labeling Act by labeling as "70% Reprocessed Wool," "80% Reused Wool," and "100% Reprocessed Wool" wool battings which contained substantially less reprocessed or reused wool than the percentages thus represented; by making similar false statements on sales invoices and shipping memoranda; and by failing to comply with other labeling requirements of the act.

Mr. Thomas A. Ziebarth for the Commission.

Mr. Nathan Lieberman, pro se, and for Metropolitan Fibre Batting Corp., and Celina Lieberman.

INITIAL DECISION BY EVERETT F. HAYCRAFT, HEARING EXAMINER

On January 9, 1958, the Federal Trade Commission issued its complaint against Metropolitan Fibre Batting Corp., a corporation, and Nathan Lieberman and "Celina" Lieberman, erroneously referred to in the complaint as "Calina" Lieberman, individually and as officers of said corporation, charging them with the use of unfair and deceptive acts and practices in commerce in violation of the provisions of the Federal Trade Commission Act, the Wool Products Labeling Act of 1939 and the rules and regulations promulgated under said Wool Products Labeling Act. After the issuance of said complaint and the filing of their answer thereto, the respondents on March 10, 1958, entered into an agreement for consent order with counsel supporting the complaint disposing of all the issues in this proceeding in accordance with section 3.25 of the rules of practice and procedure of the Commission, which agreement has been duly approved by the Bureau of Litigation.

By the terms of said agreement, the respondents admitted all the jurisdictional facts alleged in 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. Respondents in the agreement 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 of the rights they may have to challenge or