

IN THE MATTER OF

NATIONWIDE CLOTHIERS, INC., ET AL.

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

Docket 7038. Complaint, Jan. 15, 1958—Decision, May 21, 1958

Consent order requiring a manufacturer of men's and boys' clothing, operating a national chain of some 30 retail stores and with main offices in Brooklyn and New York City, to cease violating the Wool Products Labeling Act by labeling as "100% All Wool," men's sport coats which contained a substantial percentage of nonwool fibers, by failing in other respects to comply with the labeling requirements of the act, and by making fictitious pricing claims for their garments in newspaper advertising.

Mr. Michael J. Vitale and Mr. Alvin D. Edelson for the Commission.
Mr. Morris K. Bauer, 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 January 15, 1958, issued its complaint herein under the Federal Trade Commission Act and the Wool Products Labeling Act of 1939 against the above-named respondents, Nationwide Clothiers, Inc., a corporation; A. B. Joffe Co., Inc., a corporation; and Albert B. Joffe and Julius Blankstein, individually and as officers of said corporations. The complaint charges respondents with having violated in certain particulars the provisions of said acts. The respondents were duly served with process.

On March 27, 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 March 20, 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 an 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 Nationwide Clothiers, Inc. is a corporation, organized and existing under and by virtue of the laws of the State of

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Delaware, with its principal place of business located at 268 Fourth Avenue, New York City, N.Y.

Respondent A. B. Joffe Co., Inc. is a corporation, organized and existing under and by virtue of the laws of the State of New York, with its principal place of business located at No. 1 Junius Street, Brooklyn, New York, N.Y.

The individual respondents, Albert B. Joffe and Julius Blankstein, are officers of the aforementioned corporate respondents and maintain business addresses at the same addresses as the corporate respondents.

2. Pursuant to the provisions of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, the Federal Trade Commission, on January 15, 1958, 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;

(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

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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, if and when it shall have become a part of the Commission's decision. The hearing examiner finds 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 and the Wool Products Labeling Act of 1939 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; and that said order therefore should be, and hereby is, entered as follows:

ORDER

It is ordered, That the respondents, Nationwide Clothiers, Inc., a corporation, and its officers, and A. B. Joffe Co., Inc., a corporation, and its officers, and Albert B. Joffe and Julius Blankstein, individually, and as officers of the aforementioned corporate respondents, 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 Labeling Act of 1939, of 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 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, label or other means of identification showing in a clear and conspicuous manner:

- (a) The percentage of the total fiber weight of such wool products, 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;

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(b) The maximum percentage of the total weight of such wool products, 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;

3. Using abbreviated words or terms descriptive of fiber content on stamps, tags, labels or other means of identification attached to said wool products;

4. Failing to separately set forth on the required stamp, tag, label, or other means of identification, the character and amount of the constituent fibers contained in the interlinings of said wool products;

5. Failing to attach a stamp, tag, or label or other mark of identification containing the information required under section 4(a)(2) of the Wool Products Labeling Act on each unit of multiple-piece garments.

It is further ordered, That respondents Nationwide Clothiers, Inc., a corporation, and its officers, and A. B. Joffe Co., Inc., a corporation, and its officers, and Albert B. Joffe and Julius Blankstein, individually, and as officers of the aforementioned corporate respondents, 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 men's or boy's clothing or other merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, directly or by implication, that certain amounts are the regular or usual retail price of their clothing, or other merchandise, when such amounts are in excess of the price at which the respondents have regularly or usually sold said clothing, or other merchandise, through their various retail stores.

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
FELIX PRESBURGER TRADING AS FELIX PRESBURGER

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

Docket 6974. Complaint, Dec. 11, 1957—Decision, May 22, 1958

Consent order requiring a furrier in Los Angeles, Calif., to cease violating the Fur Products Labeling Act by mutilating labels attached to fur products prior to sale to the ultimate consumer; by falsely naming the animals producing the fur, on labels and invoices; by falsely naming the country of origin on invoices; and by failing in other respects to comply with the invoicing and labeling requirements; by advertising in newspapers which failed to disclose the names of animals producing furs, that certain products contained artificially colored or cheap or waste fur, etc., which falsely represented furs as "Direct from factory to you" and misrepresented prices; and by failing to keep adequate records as the basis for pricing claims.

Mr. John J. McNally supporting the complaint.

Mr. Norman S. Berliner, of Los Angeles, Calif., for respondent.

INITIAL DECISION BY JOSEPH CALLAWAY, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondent on December 11, 1957, charging him with having violated the Fur Products Labeling Act, the rules and regulations issued thereunder, and the Federal Trade Commission Act by misbranding, falsely invoicing and falsely advertising certain fur products. After being served with the complaint respondent entered into an agreement, dated February 13, 1958, containing a consent order to cease and desist, disposing of all the issues in this proceeding without hearing, which agreement has been duly approved by the Assistant Director and the Director of the Bureau of Litigation. Said agreement has been submitted to the undersigned, heretofore duly designated to act as hearing examiner herein, for his consideration in accordance with section 3.25 of the rules of practice of the Commission.

Respondent, pursuant to the aforesaid agreement, has admitted all of the jurisdictional allegations of the complaint and agreed that the record may be taken as if findings of jurisdictional facts had been made duly in accordance with such allegations. Said agreement further provides that respondent waives all further procedural steps before the hearing examiner or the Commission, including the making of findings of fact or conclusions of law and the right to challenge