

IN THE MATTER OF
LEO WALZER ET AL. TRADING AS
H. WALZER & COMPANY

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

Docket 7088. Complaint, Mar. 20, 1958—Decision, Aug. 14, 1958

Consent order requiring Chicago furriers to cease violating the Fur Products Labeling Act by attaching to fur products tags bearing fictitious prices purporting to be regular retail prices; by advertising in newspapers which failed to disclose the names of animals producing the fur in certain products or that some products contained artificially colored fur, which misused the term "blended," and which falsely advertised percentage savings and distress sales; by failing to maintain adequate records as the basis for such pricing claims; and by failing in other respects to comply with the labeling, invoicing, and advertising requirements of the Act.

William A. Somers, Esq., for the Commission.

INITIAL DECISION BY JAMES A. PURCELL, HEARING EXAMINER

The complaint in this proceeding, issued March 20, 1958, charges the respondents above-named with violation of the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act and the Rules and Regulations promulgated under the last-named Act, in connection with the introduction into commerce, and in the sale, advertising, and offering for sale in commerce, and in the transportation and distribution, shipping and receiving in commerce, of fur and fur products, as the designations "commerce," "fur," and "fur product" are defined in the Fur Products Labeling Act.

After the issuance of said complaint respondents, on May 27, 1958, entered into an agreement for a consent order with counsel in support of the complaint, disposing of all of the issues in this proceeding, which agreement was duly approved by the director and assistant director of the Bureau of Litigation of the Federal Trade Commission. It was expressly provided in said agreement that the signing thereof is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint.

By the terms of said agreement, the respondents admitted all the jurisdictional allegations of the complaint and agreed that

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the record herein may be taken as though the Commission had made findings of jurisdictional facts in accordance with such allegations. By said agreement the parties expressly waived a hearing before the hearing examiner or the Commission, the making of findings of fact or conclusions of law by the hearing examiner or the Commission, the filing of exceptions and oral argument before the Commission, and all further and other procedure before the hearing examiner and the Commission to which the respondents may otherwise be entitled under the Federal Trade Commission Act or the Rules of Practice of the Commission.

By said agreement, respondents further agreed that the order to cease and desist issued in accordance with said agreement shall have the same force and effect as though made after a full hearing, presentation of evidence and findings and conclusions thereon, and specifically waived any and all right, power or privilege to challenge or contest the validity of such order.

It was further provided that said agreement, together with the complaint, shall constitute the entire record herein; that the complaint herein may be used in construing the terms of the order issued pursuant to said agreement; and that the said order may be altered, modified or set aside in the manner provided by statute for other orders of the Commission.

Said agreement recites that respondents Leo Walzer and Joseph Walzer are individuals and copartners trading as H. Walzer & Company with offices and principal place of business located at 190 North State Street, Chicago, Ill.

The hearing examiner has considered such agreement and the order therein contained, and, it appearing that said agreement and order provides for an appropriate disposition of this proceeding, the same is hereby accepted and, without further notice to respondents, is ordered filed upon becoming part of the Commission's decision in accordance with Sections 3.21 and 3.25 of the Rules of Practice, and in consonance with the terms of said agreement, the hearing examiner finds that the Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents named herein, and that this proceeding is in the interest of the public, wherefore he issues the following order:

ORDER

It is ordered, That respondents, Leo Walzer and Joseph Walzer, individually and as co-partners trading as H. Walzer & Company,

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or under any other name, and respondents' agents, representatives, 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. Misbranding fur products by:

1. Representing on labels attached to fur products, or in any other manner, that certain amounts are the regular and usual prices of fur products when such amounts are in excess of the prices at which such products are usually and customarily sold by respondents in the recent regular course of their business.

2. Falsely or deceptively labeling or otherwise identifying any such product as to the name or names of the animal or animals that produced the fur from which such product was manufactured.

3. 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 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.

(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, sold it in commerce, advertised or offered it for sale, in commerce, or transported 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.

4. Setting forth on labels attached to fur products:

(a) Information required under Section 4(2) of the Fur Prod-

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ucts Labeling Act and the Rules and Regulations thereunder in abbreviated form.

(b) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations thereunder mingled with nonrequired information.

(c) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations thereunder in handwriting.

5. Failing to show separately on labels attached to a fur product composed of two or more sections containing different animal furs information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations thereunder with respect to the furs comprising each section.

B. Falsely or deceptively invoicing fur products by:

1. Failing to furnish invoices 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 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 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 and address of the person issuing such invoice.

(f) The name of the country of origin of any imported furs contained in the fur products.

C. Falsely or deceptively advertising fur products through the use of any advertisement, representation, 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:

(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 products contain or are composed of bleached, dyed or otherwise artificially colored fur, when such is the fact.

(c) All the information required under Section 5(a) of the

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Fur Products Labeling Act and the Rules and Regulations thereunder in type of equal size and conspicuousness and in close proximity with each other.

2. Contains the term "blended" as part of the information required under Section 5(a) of the Fur Products Labeling Act and the Rules and Regulations thereunder to describe the pointing, bleaching, dyeing or tip-dyeing of furs.

3. Represents directly or by implication that respondents' regular price of any fur product is any amount which is in excess of the price at which respondents have regularly or customarily sold such products in the recent regular course of their business.

4. Represents directly or by implication through percentage savings claims that the regular or usual retail prices charged by respondents for fur products in the recent regular course of their business were reduced in direct proportion to the amount of savings stated, when contrary to the fact.

5. Represents directly or by implication that any fur products offered for sale are from the stock of a business in a state of liquidation, when contrary to the fact.

D. Making claims and representations in advertisements respecting comparative prices, percentage savings claims or claims that prices are reduced from regular or usual prices unless there is maintained by respondents full and adequate records disclosing the facts upon which such claims and representations 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 14th day of August 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.

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IN THE MATTER OF
TOWNECRAFT INDUSTRIES, INC., ET AL.CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION ACT*Docket 7041. Complaint, Jan. 15, 1958—Decision, Aug. 15, 1958*

Consent order requiring distributors in Ridgefield, N.J., of stainless steel cooking utensils known as "Chef's Ware" designed to employ the so-called "waterless" method of cooking, to cease representing falsely—in advertising and through salesmen furnished by it with sales manuals, talks, and sales talk visualizers—that use of its cooking utensils and waterless cooking preserved all food elements, was more conducive to health than other cooking utensils, and would assure good health; that odors in cooking meant that vitamins and minerals were being cooked out of food; and that food cooked in aluminumware becomes tainted because of previously cooked food retained in the porous metal.

INITIAL DECISION AS TO RESPONDENTS

TOWNECRAFT INDUSTRIES, INC., HENRY ZADIKOFF,
MICHAEL G. NAKASH, AND ERNEST BARBARISBefore *William L. Pack*, hearing examiner.*Mr. Kent P. Kratz* for the Commission.*Guggenheimer & Untermyer*, of New York, N.Y., by *Mr. Louis Newman* for Townecraft Industries, Inc.; Henry Zadikoff, Michael G. Nakash, and Ernest Barbaris.*Mr. Joseph G. Abramson*, of New York, N.Y., for Arthur I. Meyer.

The complaint in this matter charges the respondents with the making of certain misrepresentations in connection with stainless steel cooking utensils sold by them. An agreement has now been entered into by all of the respondents, except Arthur I. Meyer, providing for disposition of the proceeding as to these respondents by means of a consent order. The word respondents as used hereinafter will not include respondent Meyer.

The agreement provides, among other things, that respondents admit all of the jurisdictional allegations in the complaint; that the record on which the initial decision and 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 hear-