

IN THE MATTER OF
TEITELBAUM OF BEVERLY HILLS ET AL.

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

Docket 6998. Complaint, Dec. 18, 1957—Decision, Sept. 3, 1958

Consent order requiring a furrier in Los Angeles, Calif., to cease violating the Fur Products Labeling Act by failing to comply with the invoicing requirements; by advertising in newspapers which failed to disclose the names of animals producing the fur in certain products or the country of origin of imported furs, or that some products were artificially colored; misused the word "blended"; represented prices as reduced from regular prices which were in fact fictitious, and misrepresented percentage savings and appraised values; and by failing to keep adequate records as a basis for such pricing claims.

Mr. John J. McNally supporting the complaint.

Mr. David Blonder of Los Angeles, Calif., for respondents.

INITIAL DECISION BY JOSEPH CALLAWAY, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondents on December 18, 1957, charging them with having violated the Fur Products Labeling Act, the rules and regulations issued thereunder, and the Federal Trade Commission Act by falsely advertising and falsely invoicing their fur products. After being served with the complaint respondents entered into an agreement, dated April 15, 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.

The complaint alleges that respondent David Weisz is not an officer of the corporate respondent. The said agreement states among other things that David Weisz, while not an officer of said corporate respondent at the time of the issuance of the complaint, became president of the corporate respondent on February 12, 1958. The agreement further provides that the agreed order to cease and desist shall run against David Weisz individually and as an officer of said corporation. To that extent the said agree-

ment is, in effect, a motion to amend the complaint, agreed to by respondents, so as to make David Weisz a party respondent in his capacity as an officer of the corporate respondent as well as in his individual capacity. Said motion is granted and the complaint is considered as amended.

Respondents, pursuant to the aforesaid agreement, have 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 respondents waive 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 or contest the validity of the order to cease and desist entered in accordance with such agreement. It has also been agreed that the record herein shall consist solely of the complaint and said agreement, that the agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Commission, 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, that said order to cease and desist 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, and that the complaint may be used in construing the terms of the order.

This proceeding having now come on for final consideration on the complaint and the aforesaid agreement containing the consent order, and it appearing that the order and agreement cover all of the allegations of the complaint and provide for appropriate disposition of this proceeding, the agreement is hereby accepted and ordered filed upon this decision and said agreement becoming part of the Commission's decision pursuant to Sections 3.21 and 3.25 of the Rules of Practice, and the hearing examiner accordingly makes the following findings, for jurisdictional purposes, and order:

1. Respondent Teitelbaum of Beverly Hills is a corporation organized, existing and doing business under and by virtue of the laws of the State of California.

2. Respondents Milton J. Wershow, individually, and David Weisz, individually and as an officer of said corporate respondent, control, direct, and formulate the acts, practices and policies of corporate respondent. The offices and principal places of business

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of all said respondents are located at 7213 Melrose Avenue, Los Angeles, Calif., and 840 San Julian Street, Los Angeles, Calif.

3. 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 Fur Products Labeling Act and the Federal Trade Commission Act, and this proceeding is in the interest of the public.

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It is ordered, That respondents Teitelbaum of Beverly Hills, a corporation, and its officers, and David Weisz, individually, and as an officer of said corporation, and Milton J. Wershow, individually, 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 or offering for sale in commerce, or the transportation or distribution in commerce of any fur product or in connection with the sale, advertising, offering for sale, transportation or distribution of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as the terms "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:

1. Falsely or deceptively invoicing 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.

2. 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 under the Rules and Regulations.

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

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

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

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

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

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- (g) The item number or mark assigned to a fur product;
- (h) That the fur product contains "secondhand used fur" when such is a fact.

3. Setting forth on invoices pertaining to fur products:

(a) Information required under Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form.

(b) The term "blended" to describe the pointing, bleaching, dyeing or tip-dyeing of furs.

B. 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 product contains or is composed of bleached, dyed or otherwise artificially colored fur when such is a fact;

(c) That the fur product contains "secondhand used fur" when such is a fact;

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

2. Contains the term "blended" to describe the pointing, dyeing or tip-dyeing of furs.

3. Represents directly or by implication that the regular or usual price of any fur product is any amount which is in excess of the price at which the respondents have usually and 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 fur products are of a certain certified appraised value when contrary to fact.

6. Represents directly or by implication that no merchandise has been added to the original inventory obtained from a well-known and famous furrier when such is not the fact.

C. Making pricing claims and representations of the types

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referred to in subparagraphs B3 and B4 above unless there are maintained by respondents full and adequate records disclosing the facts upon which such claims or 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 3d day of September 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
HACHMEISTER, INC., ET AL.ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION ACT

Docket 7008. Complaint, Dec. 26, 1957—Decision, Sept. 3, 1958

Order dismissing—due to lack of a compelling public interest, removal of the product from the market, and change in formula prior to issuance of complaint—complaint charging manufacturers in Pittsburgh, Pa., with representing falsely, on labels and in promotional literature distributed to dealers and by use of a "hallmark," that their adhesives for the installation of clay tile sold under the name "Hako No. 600 Ceramic Tile Cement" complied with the specifications set forth in Commercial Standard 181-52 promulgated by the U.S. Department of Commerce.

Edward F. Downs and Garland S. Ferguson, Esqs., in support of the complaint.

Dickie, McCamey, Chilcote & Robinson, of Pittsburgh, Pa., for respondents.

INITIAL DECISION BY JAMES A. PURCELL, HEARING EXAMINER

On December 26, 1957, the Federal Trade Commission, pursuant to authority vested in it by the provisions of the Federal Trade Commission Act, issued its complaint which, in charging the respondents with certain acts and practices violative of the aforesaid Act, recited that a proceeding by it would be in the public interest, specifically charging respondents with falsely representing that their product, known as "Hako No. 600 Ceramic Tile Cement," being an adhesive used for the installation of clay or ceramic tile, complied with the requirements of Commercial Standard 181-52 promulgated by the United States Department of Commerce and, in furtherance of said false representations, charged that respondents made use of a designated "hallmark," indicative of compliance with said Commercial Standard as authorized and prescribed by said standard for use upon, and to properly identify, such products as do in fact comply with the standard requirement.

A hearing for the purpose of receiving testimony and evidence was held in Philadelphia, Pa., on May 12, 1958, stenographically reported, reduced to writing and filed in the office of the Federal Trade Commission in Washington, D.C., as required by law.