

IN THE MATTER OF
FAMOUS FURS, LTD., ET AL.

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

Docket 7157. Complaint, May 26, 1958—Decision, Sept. 23, 1958

Consent order requiring furriers in Jersey City, N.J., to cease violating the Fur Products Labeling Act by failing to disclose in advertisements and on labels and invoices when fur products contained "secondhand used fur"; by setting forth in advertisements and on invoices the name of an animal in addition to that producing the fur, and the names of fictitious animals; by failing in other respects to comply with the invoicing and labeling requirements; by failing in advertising to disclose the names of animals producing certain furs or that some fur products contained artificially colored furs; and by advertising in newspapers which represented prices of fur products as reduced from regular prices which were in fact fictitious, and as reduced due to fire, smoke, and water damage, and which made comparative and reduced price claims while failing to keep adequate records as a basis therefor.

Mr. John T. Walker for the Commission.

No appearance for respondents.

INITIAL DECISION BY WILLIAM L. PACK, HEARING EXAMINER

The complaint in this matter charges the respondents with certain violations of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder, and the Federal Trade Commission Act. An agreement has now been entered into by respondents and counsel supporting the complaint which 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 hearing, 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

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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 respondents that they have violated the law as alleged in the complaint.

The hearing examiner having considered the agreement and proposed order and being of the opinion that they 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 Famous Furs, Ltd., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey. Individual respondents Samuel Weinberg, Lawrence Weinberg and William Weinberg, are president, secretary-treasurer and vice president, respectively, of said corporation, and control, direct and formulate the acts, practices and policies of the corporate respondent. The office and principal place of business of said respondents is located at 384 Jackson Avenue, Jersey City, N.J.

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

ORDER

It is ordered, That respondents, Famous Furs, Ltd., a corporation, and its officers, and Samuel Weinberg, Lawrence Weinberg and William Weinberg, 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 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 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 fur product for introduction into commerce, introduced it into commerce, sold it in commerce, advertised or offered it for sale, 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) That the product contains secondhand fur when such is the fact.

B. 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 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 fur contained in a fur product;

(g) That the fur product contains secondhand fur when such is the fact;

(h) The item number or mark assigned to a fur product.

2. Setting forth the name or names of any animal or animals in addition to the name or names specified in Section 5(b)(1)(A) of the Fur Products Labeling Act.

3. Setting forth the name of an animal which is in fact fictitious or nonexistent.

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

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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 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 contains or is composed of second-hand fur, when such is the fact.

2. Contains the name or names of any animal or animals in addition to the name or names specified in Section 5(a)(1) of the Fur Products Labeling Act.

3. Contains the name of an animal which is in fact fictitious or nonexistent.

4. Represents directly or by implication:

(a) That the regular or usual prices of any fur product is any amount which is in excess of the price at which respondents have usually and customarily sold such products in the recent regular course of their business;

(b) That the regular or usual price of any fur product is reduced due to damage by fire, smoke, water or any other cause, when contrary to fact.

D. Making pricing claims or representations in advertisements respecting comparative prices or reduced prices unless there is maintained by respondents 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 23d 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
MIDWEST WAREHOUSE DISTRIBUTORS, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION
OF SEC. 2(f) OF THE CLAYTON ACT

Docket 6888. Complaint, Sept. 17, 1957—Decision, Sept. 24, 1958

Consent order requiring a trade association in Kansas City, Mo., and its twenty-one jobber members in eleven Midwestern States from Illinois to Colorado, to cease violating Section 2(f) of the Clayton Act by inducing and accepting illegal price advantages from their suppliers of automotive products.

COMPLAINT

The Federal Trade Commission, having reason to believe that the party respondents named in the caption hereof, and hereinafter more particularly designated and described, have violated and are now violating the provisions of subsection (f) of Section 2 of the Clayton Act, as amended by the Robinson-Patman Act, approved June 19, 1936 (U.S.C., Title 15, Sec. 13), hereby issues its complaint stating its charges with respect thereto as follows:

PARAGRAPH 1. Respondent Midwest Warehouse Distributors, Inc., hereinafter sometimes referred to as respondent MWDI, is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Missouri, with its principal office and place of business located at 1801-05 Grand Avenue, Kansas City, Mo.

Respondent MWDI, although utilizing corporate form, is a membership organization, organized, maintained, managed, controlled, and operated by and for its members. The membership of respondent MWDI is composed of corporations, partnerships, and individuals whose business consists of the jobbing of automotive products and supplies.

Respondent MWDI, as constituted and operated, is known and referred to in the trade as a buying group.

Respondent Eugene T. Wanderer is the chief administrative officer of respondent MWDI, with the title of general manager. His office and principal place of business as general manager of respondent MWDI is located at 1801-05 Grand Avenue, Kansas City, Mo.

PAR. 2. The following respondent corporations and individuals,