

Decision

IN THE MATTER OF  
D. H. HOLMES COMPANY, LTD.

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

*Docket 7172. Complaint, June 9, 1958—Decision, Oct. 7, 1958*

Consent order requiring a furrier in New Orleans, La., to cease violating the Fur Products Labeling Act by labeling fur products falsely with respect to the names of animals producing the fur and by failing to comply with other labeling requirements; by deceptive invoicing; and by advertising in newspapers which failed to disclose the names of animals producing certain fur or the country of origin of imported furs or that some furs contained artificially colored or cheap or waste fur, or which contained the names of animals other than those producing certain furs.

*Mr. Thomas A. Ziebarth* supporting the complaint.

*Mr. Leon Sarpy of Chaffe, McCall, Phillips, Burke & Hopkins* of New Orleans, La., for respondent.

INITIAL DECISION BY JOSEPH CALLAWAY, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondent on June 9, 1958, charging it 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 July 28, 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

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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 respondent that it has 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 D. H. Holmes Company, Ltd., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Louisiana with its office and principal place of business located at 819 Canal Street, New Orleans, La.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent hereinabove named. The complaint states a cause of action against said respondent under the Fur Products Labeling Act and the Federal Trade Commission Act, and this proceeding is in the interest of the public.

## ORDER

*It is ordered,* That respondent, D. H. Holmes Company, Ltd., a corporation and its officers, and respondent's 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, trans-

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portation, or distribution of fur products which have been made in whole or in part of furs which had 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. Falsely or deceptively labeling or otherwise falsely 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 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 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 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 of such fur product.

3. Setting forth on labels attached to fur products:

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

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

4. Failing to show on labels affixed to fur products all the information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations thereunder, on one side of such labels.

B. Falsely or deceptively invoicing fur products by:

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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 products 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 and address of the person issuing such invoice;

f. The name of the country of origin of any imported furs contained in the fur product.

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. That the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact; and

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

2. Contains the name or names of an animal or animals other than those producing the fur contained in the fur product.

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 7th day of October 1958, become the decision of the Commission; and, accordingly:

*It is ordered,* That the respondent herein shall within sixty (60) days after service upon it of this order file with the Commission a report in writing setting forth in detail the manner and form in which it has complied with the order to cease and desist.

IN THE MATTER OF  
HOWE SEWING CENTERS, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF  
THE FEDERAL TRADE COMMISSION ACT

*Docket 7156. Complaint, May 26, 1958—Decision, Oct. 8, 1958*

Consent order requiring sellers in St. Paul, Minn., to cease using bait advertising to sell rebuilt sewing machines and vacuum cleaners, representing falsely that such products were guaranteed in writing, and representing fictitiously high prices as regular retail prices.

*Mr. Charles W. O'Connell* supporting the complaint.

*Mr. Jack L. Prescott*, of Minneapolis, Minn., for respondents.

INITIAL DECISION BY JOHN B. POINDEXTER, HEARING EXAMINER

On May 26, 1958, the Federal Trade Commission issued a complaint alleging that Howe Sewing Centers, Inc., a corporation, Royal Appliance Stores, Inc., a corporation, Joseph B. Peters, Jack L. Prescott, Thomas S. Peters, and Emogene Peters, individually and as officers of said corporations, had violated the provisions of the Federal Trade Commission Act by making false and misleading representations by means of radio broadcasts, advertisements in newspapers and statements on postcards sent through the United States mails, in connection with the sale and distribution of sewing machines and vacuum cleaners.

After issuance and service of the complaint, the respondents Howe Sewing Centers, Inc., Royal Appliance Stores, Inc., Joseph B. Peters, individually and as an officer of said corporations, and Jack L. Prescott, Thomas S. Peters, and Emogene Peters, individually, hereinafter referred to as respondents, their attorney and counsel supporting the complaint, entered into an agreement for a consent order. It was agreed that the complaint be dismissed as to Jack L. Prescott, Thomas S. Peters and Emogene Peters as officers of said corporations since neither is an officer of either of said corporations.

The pertinent provisions of said agreement are as follows: Respondents admit all jurisdictional facts; the complaint may be used in construing the terms of the order; the order shall have the same force and effect as if entered after a full hearing and the said agreement shall not become a part of the official record of the proceeding unless and until it becomes a part of