

Decision

IN THE MATTER OF
RICH'S, INC.

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

Docket 7159. Complaint, May 27, 1958—Decision, Oct. 14, 1958

Consent order requiring a furrier in Atlanta, Ga., to cease violating the
invoicing and advertising requirements of the Fur Products Labeling Act.

Thomas A. Ziebarth, Esq., for the Commission.

*Parker and Parker, by Benjamin M. Parker, Esq., of Atlanta,
Ga., for respondents.*

INITIAL DECISION BY ROBERT L. PIPER,
HEARING EXAMINER

The Federal Trade Commission issued its complaint against the
above-named respondent on May 27, 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 and falsely representing its fur products. Respond-
ent appeared by counsel and entered into an agreement, dated
August 15, 1958, containing a consent order to cease and desist,
disposing of all the issues in this proceeding without further
hearings, which agreement has been duly approved by 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 §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 Com-
mission, 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 agree-
ment. 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

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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 §§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 Rich's, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware with its office and principal place of business located at 41-45 Broad Street, SW., Atlanta, Ga.
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, Rich's, Inc., 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, 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. 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 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 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 person issuing such invoice;

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

(g) The item number or mark assigned to a fur product;

2. Setting forth information required under Section 5(b) (1) of the Fur Products Labeling Act and the Rules and Regulations thereunder in abbreviated form.

3. Setting forth on invoices the name of a country of origin other than the name of the country of origin of the animal that produced the fur.

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 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;

2. Fails to disclose that the fur product contains or is composed of bleached, dyed, or otherwise artificially colored fur, when such is the fact;

3. Contains the name or names of any animal or animals other than the name or names permitted under Section 5(a) (1) of the Fur Products Labeling Act;

4. 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 respondent has usually and customarily sold such products in the recent regular course of its business;

5. Represents, directly or by implication, through percentage

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savings claims, that the regular or usual retail prices charged by respondent for fur products in the recent regular course of respondent's business were reduced in direct proportion to the amount of savings stated, when contrary to the fact;

6. Represents, directly or by implication, that a sale price enables purchasers of fur products to effectuate any savings in excess of the difference between the sale price and the price at which respondent has usually and customarily sold such fur products in the recent regular course of its business.

C. Making price claims or representations in advertisements respecting comparative prices, percentage savings claims, or claims that prices are reduced from regular or usual prices, unless respondent maintains 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 14th day of October 1958, become the decision of the Commission; and, accordingly:

It is ordered, That respondent Rich's, Inc., a corporation, 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.

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IN THE MATTER OF
NEVIUS BROTHERS, INC., ET AL.CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION AND THE FUR PRODUCTS LABELING ACTS*Docket 6957. Complaint, Nov. 25, 1957—Decision, Oct. 15, 1958*

Consent order requiring a furrier in Trenton, N.J., to cease violating the Fur Products Labeling Act by tagging fur products with fictitious prices and failing to comply with other labeling and invoicing requirements; by advertising in newspapers which failed to disclose that certain products contained artificially colored fur and to set out other required information, represented sale prices as reduced from regular prices which were in fact fictitious, and misrepresented percentage reductions; and by failing to keep adequate records as a basis for such pricing claims.

John T. Walker, Esq., in support of the complaint.

Scott Scammell, II., Esq., of Trenton, N.J., for respondents.

INITIAL DECISION BY JAMES A. PURCELL, HEARING EXAMINER

The complaint in this proceeding, issued November 25, 1957, charges the respondents above-named with violation of the provisions of the Federal Trade Commission Act, the Fur Products Labeling Act and the Rules and Regulations promulgated under the last-named Act, in connection with the sale, advertising and offering for sale, transportation and distribution, shipping and receiving in commerce, of fur and fur products, as the designations "commerce," "fur" and "fur products" are defined in the Fur Products Labeling Act.

After issuance and service of said complaint, respondents Nevius Brothers, Inc., and George Nevius entered into an agreement for a consent order with counsel in support of the complaint, disposing of all of the issues in this proceeding as to them, which agreement was duly approved by the director and assistant director of the Bureau of Litigation. It was provided in said agreement that the signing thereof is for settlement purposes only and does not constitute an admission by the signatory respondents that they have violated the law as alleged in the complaint.

Attached to said agreement, and forming an integral part of same for the purposes of the record, are two affidavits:

- (1) that of respondent George Nevius which recites in sub-