

Decision

IN THE MATTER OF
LAURY RICH SPORTSWEAR, INC., ET AL.

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

Docket 7028. Complaint, Jan. 14, 1958—Decision, Oct. 23, 1958

Consent order requiring affiliated manufacturers of ladies' sportswear, with places of business in New York City and Paterson, N.J., to cease violating the Wool Products Labeling Act by labeling as "100% reprocessed wool," interlinings of car coats which contained substantial quantities of fibers other than reprocessed wool, and by failing to comply in other respects with the labeling requirements of the Act.

Mr. John T. Walker for the Commission.

Mr. Howard L. Klein, of *Ellenbogen & Klein*, of New York, N.Y., for respondents.

INITIAL DECISION BY EVERETT F. HAYCRAFT, HEARING EXAMINER

On January 14, 1958, the Federal Trade Commission issued its complaint against the above-named respondents charging them with the use of unfair and deceptive acts and practices and unfair methods of competition in commerce in violation of the provisions of the Federal Trade Commission Act, the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated under said Wool Products Labeling Act. In lieu of submitting answer to said complaint, respondents Laury Rich Sportswear, Inc., a corporation; Vee Manufacturing Corporation, a corporation; and Seymour Rubinfeld, individually and as officer of said corporations; Shirley Rubinfeld, as officer of Laury Rich Sportswear, Inc.; and Samuel Rosenthal, as officer of Vee Manufacturing Corporation, entered into an agreement for consent order with counsel supporting the complaint disposing of all the issues in this proceeding in accordance with Section 3.25 of the Rules of Practice and Procedure of the Commission, which agreement has been duly approved by the Bureau of Litigation. It was recommended in the agreement that the complaint be dismissed as to Laury Rich Frocks, Inc., and Shirley Rubinfeld and Samuel Rosenthal, individually, but not as officers of Laury Rich Sportswear, Inc., and Vee Manufacturing Corporation, respectively. In support of said recommendation, four affidavits were attached to the agreement and by reference made a part thereof.

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The reference to "respondents" herein is only to the corporate respondents Laury Rich Sportswear, Inc., and Vee Manufacturing Corporation, and to Seymour Rubinfeld, individually and as officer of said corporations, Shirley Rubinfeld, as officer of Laury Rich Sportswear, Inc., and Samuel Rosenthal, as officer of Vee Manufacturing Corporation.

By the terms of said agreement, the respondents admitted all the jurisdictional facts alleged in the complaint and agreed that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations. Respondents in the agreement expressly waived any further procedural steps before the hearing examiner and the Commission; the making of findings of fact or conclusions of law; and all of the rights they may have to challenge or contest the validity of the order to cease and desist entered in accordance with this agreement.

It was further provided in said agreement that the record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and the said agreement. It was further agreed 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, and 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. The agreement also provided that the order to cease and desist issued in accordance with said agreement shall have the same force and effect as if entered after a full hearing; that it 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 by the hearing examiner on the complaint and the aforesaid agreement for consent order, and it appearing that said agreement provides for an appropriate disposition of this proceeding, the aforesaid agreement is hereby accepted and 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 makes the following jurisdictional findings and order:

1. Respondent Laury Rich Sportswear, Inc., is a corporation existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of

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business formerly located at 44 West 18th Street, New York, N.Y., and now located at 1407 Broadway, New York, N.Y.

Respondent Vee Manufacturing Corporation is a corporation existing and doing business under and by virtue of the laws of the State of New Jersey, with its office and principal place of business located at 24½ Van Houten Street, Paterson, N.J.

Respondent Seymour Rubinfeld is an individual and is president of corporate respondents Laury Rich Sportswear, Inc., and Vee Manufacturing Corporation. His address is the same as that of respondent Laury Rich Sportswear, Inc.

Respondent Shirley Rubinfeld is secretary-treasurer of corporate respondent Laury Rich Sportswear, Inc., and has the same address as that corporate respondent.

Respondent Samuel Rosenthal is secretary-treasurer of corporate respondent Vee Manufacturing Corporation, and has the same address as that corporate respondent.

2. 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 Federal Trade Commission Act and the Wool Products Labeling Act of 1939, and this proceeding is in the interest of the public.

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It is ordered, That the respondents Laury Rich Sportswear, Inc., a corporation, and Vee Manufacturing Corporation, a corporation, and their officers, and Seymour Rubinfeld, individually and as officer of said corporations, Shirley Rubinfeld, as officer of respondent Laury Rich Sportswear, Inc., and Samuel Rosenthal, as officer of respondent Vee Manufacturing Corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction or manufacture for introduction into commerce, or the offering for sale, sale, transportation or distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act and the Wool Products Labeling Act, of garments or other wool products, as "wool products" are defined in and subject to the Wool Products Labeling Act of 1939, do forthwith cease and desist from:

A. Misbranding wool products by:

1. Falsely or deceptively stamping, tagging, labeling or other-

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wise identifying such products as to the character or amount of their constituent fibers;

2. Failing to affix securely on each such product a stamp, tag, label, or other means of identification showing in a clear and conspicuous manner:

(a) The percentage of the total fiber weight of such wool product, exclusive of ornamentation not exceeding five percentum of the total fiber weight, of (1) wool, (2) reprocessed wool, (3) reused wool, (4) each fiber other than wool where the percentage of weight of such fiber is five percentum or more, and (5) the aggregate of all other fibers;

(b) The maximum percentage of the total weight of such wool product, of any nonfibrous loading, filling or adulterating matter;

(c) The name or the registered identification number of the manufacturer of such wool product or of one or more persons engaged in introducing such wool product into commerce, or in the offering for sale, sale, transportation, distribution, or delivery for shipment of such wool product in commerce, as "commerce" is defined in the Wool Products Labeling Act.

It is further ordered, That the complaint be, and hereby is, dismissed as to Laury Rich Frocks, Inc., a corporation, and Shirley Rubinfeld, and Samuel Rosenthal, individually, but not as officers of Laury Rich Sportswear, Inc., and Vee Manufacturing Corporation, respectively.

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

It is ordered, That respondents Laury Rich Sportswear, Inc., a corporation, and Vee Manufacturing Corporation, a corporation, and their officers, and Seymour Rubinfeld, individually and as officer of said corporations, Shirley Rubinfeld, as officer of respondent Laury Rich Sportswear, Inc., and Samuel Rosenthal, as officer of respondent Vee Manufacturing Corporation, 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
GITTELMAN'S SONS, INC., ET AL.

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

Docket 7161. Complaint, May 27, 1958—Decision, Oct. 29, 1958

Consent order requiring a Philadelphia furrier to cease violating the labeling, invoicing, and advertising provisions of the Fur Products Labeling Act.

Mr. John J. Mathias, for the Commission.

Mr. Nathan L. Posner, of *Fox, Rothschild, O'Brien & Frankel*, of Philadelphia, Pa., for respondents.

INITIAL DECISION BY LOREN H. LAUGHLIN, HEARING EXAMINER

The Federal Trade Commission (sometimes also hereinafter referred to as the Commission) issued its complaint herein, charging the above-named respondents with having violated the provisions of both the Federal Trade Commission Act and the Fur Products Labeling Act, together with the Rules and Regulations promulgated thereunder, and the respondents were duly served with process.

On September 11, 1958, there was submitted to the undersigned hearing examiner of the Commission for his consideration and approval an "Agreement Containing Consent Order to Cease and Desist," which had been entered into by and between respondents and the attorneys for both parties, under date of September 8, 1958, subject to the approval of the Bureau of Litigation of the Commission, which had subsequently duly approved the same.

On due consideration of such agreement, the hearing examiner finds that said agreement, both in form and in content, is in accord with §3.25 of the Commission's Rules of Practice for Adjudicative Proceedings, and that by said agreement the parties have specifically agreed to the following matters:

1. Respondent Gittelman's Sons, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Pennsylvania, with its office and principal place of business located at 1212 Chestnut Street, in the city of Philadelphia, State of Pennsylvania. Respondents Richard Gittelman, Morton Gittelman and William J. Welding are officers of said corporation. These individuals dominate, control and direct