

Decision

55 F.T.C.

IN THE MATTER OF
SOUTH VILLAGE MILLS, INC., ET AL.

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

Docket 7217. Complaint, Aug. 4, 1958—Decision, Dec. 20, 1958

Consent order requiring a corporate manufacturer and its president in Webster, Mass., to cease violating the Wool Products Labeling Act by tagging and invoicing as "100% Vicuna," woolen fabrics which did not contain vicuna or contained substantially less than said quantity, and by failing to label wool products as required by the Act.

As to the general manager of respondent corporation, the matter was disposed of by order of Oct. 21, 1959, 56 F.T.C. —.

Mr. Daniel T. Coughlin and Mr. Thomas F. Howder for the Commission.

Ely, Bartlett and Brown, of Boston, Mass., by Mr. Norman T. Byrnes, for South Village Mills, Inc., and Edward Kunkel.

INITIAL DECISION AS TO RESPONDENTS SOUTH VILLAGE MILLS, INC.,
AND EDWARD KUNKEL BY WILLIAM L. PACK, HEARING EXAMINER

The complaint in this matter charges the respondents with violation of the Wool Products Labeling Act, and the Rules and Regulations promulgated thereunder, and the Federal Trade Commission Act, in connection with the sale and distribution of certain wool products.

An agreement for disposition of the proceeding by means of a consent order has now been entered into by counsel supporting the complaint and respondents South Village Mills, Inc., and Edward Kunkel. Respondent Joseph Crowley is not a party to the agreement, and the term "respondents" as used hereinafter will not include this individual.

The agreement 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,

906

Order

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 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 as to the present respondents, the agreement is hereby accepted, the following jurisdictional findings made, and the following order issued:

1. Respondent South Village Mills, Inc., is a corporation existing and doing business under the laws of the Commonwealth of Massachusetts, with its office and principal place of business located at South Main Street, Webster, Mass. Individual respondent Edward Kunkel is located at the same address as that of the corporate respondent.

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 the respondents, South Village Mills, Inc., a corporation, and its officers and Edward Kunkel, individually and as an officer of said corporation, and respondents' agents, representatives 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 1939, of "wool products," as such products are defined in and subject to the Wool Products Labeling Act of 1939, do forthwith cease and desist from misbranding such products by:

1. Falsely or deceptively stamping, tagging, labeling or otherwise identifying such products as to the character or amount of the constituent fibers contained or included therein;

2. Falsely or deceptively identifying such products as to the character or amount of the constituent fibers contained or included therein on sales invoices or shipping memoranda applicable thereto;

3. Failing to securely affix to or place on each such product

Decision

55 F.T.C.

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 per centum of said total fiber weight, of (1) wool, (2) reprocessed wool, (3) reused wool, (4) each fiber other than wool where said percentage by weight of such fiber is five per centum or more and (5) the aggregate of all other fibers;

(b) The maximum percentages 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 thereof in commerce, as "commerce" is defined in the Wool Products Labeling Act of 1939.

It is further ordered, That South Village Mills, Inc., a corporation, and Edward Kunkel, individually and as an officer of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of Vicuna products or materials or any other products or materials in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from directly or indirectly:

Misrepresenting the constituent fibers of which their products are composed or the percentages or amounts thereof in sales invoices, shipping memoranda or in any other manner.

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 as to respondents South Village Mills, Inc., and Edward Kunkel of the hearing examiner shall, on the 20th day of December 1958, become the decision of the Commission; and, accordingly:

It is ordered, That respondents South Village Mills, Inc., and Edward Kunkel, 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.

Order

IN THE MATTER OF
COMBINED INSURANCE COMPANY OF AMERICAORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION ACT

Docket 6280. Complaint, Dec. 28, 1954—Order, Dec. 22, 1958

Order vacating and setting aside initial decision on jurisdictional grounds, following the ruling of the Supreme Court of the United States in the combined cases of *Federal Trade Commission v. National Casualty Co.* and *Federal Trade Commission v. The American Hospital and Life Insurance Co.*, 357 U.S. 560, and dismissing complaint charging a Chicago insurance company with falsely advertising its accident and health insurance policies.

Before *Mr. Loren H. Laughlin*, hearing examiner.

Mr. Roslyn D. Young, Jr. and *Mr. Paul R. Dixon* for the Commission.

Arrington & Healy, of Chicago, Ill., for respondent.

FINAL ORDER

This matter having come on to be heard upon the appeals of counsel supporting the complaint and of counsel for respondent from the hearing examiner's initial decision filed prior to the ruling of the Supreme Court of the United States in the combined cases of *Federal Trade Commission v. National Casualty Company* and *Federal Trade Commission v. The American Hospital and Life Insurance Company*, 357 U.S. 560 (1958); and

The Commission having considered said appeals and the record and having concluded that this proceeding should be dismissed on jurisdictional grounds upon the authority of said ruling of the Supreme Court:

It is ordered, That the initial decision herein, filed July 15, 1957, be, and it hereby is, vacated and set aside.

It is further ordered, That the complaint herein be, and it hereby is, dismissed.