

Decision

IN THE MATTER OF
RENBERG'S, INC., ET AL.

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

Docket 6997. Complaint, Dec. 18, 1957—Decision, Dec. 24, 1958

Consent order requiring furriers in Tulsa, Okla., to cease violating the Fur Products Labeling Act by newspaper advertising which falsely represented prices of fur products as reduced from regular prices which were in fact fictitious, and represented percentage reductions from usual prices without maintaining adequate records for such savings claims.

Mr. S. F. House supporting the complaint.

Mr. G. Duane Vieth and *Mr. Werner Kronstein* of *Arnold, Fortas & Porter*, of Washington, D.C., for respondents.

INITIAL DECISION BY JOHN B. POINDEXTER, HEARING EXAMINER

The complaint in this proceeding charges Renberg's Inc., a corporation, and George Renberg, individually and as an officer of said corporation, hereinafter called respondents, with false advertising of fur products in violation of the Federal Trade Commission Act and the Fur Products Labeling Act.

After issuance and service of the complaint the respondents, through their attorneys, filed a motion to dismiss the complaint, supported by the affidavit of the respondent George Renberg, on the grounds that (1) the respondents did not knowingly participate directly or indirectly in any of the violations charged in the complaint, (2) there is no likelihood that respondents will commit such violations in the future and, therefore, the public interest does not require that further proceedings under the complaint be continued.

Counsel supporting the complaint answered said motion and, among other things, denied the allegations of fact set forth in the supporting affidavit. The hearing examiner denied the motion to dismiss.

Thereafter, respondents, their counsel, and counsel supporting the complaint entered into an agreement for a consent order. The order disposes of the matters complained about. The agreement has been approved by the director and assistant director of the Bureau of Litigation. The agreement recites that the allegation set forth in paragraph 4 of the complaint, to the effect that

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respondents' advertising failed to disclose the name or names of the animal or animals which produced the fur, should be dismissed, for the reason that there is insufficient evidence available to establish such allegation.

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 the decision of the Commission; the record herein shall consist solely of the complaint and the agreement; respondents waive the requirement that the decision must contain a statement of findings of fact and conclusions of law; respondents waive further procedural steps before the hearing examiner and the Commission, and the order may be altered, modified, or set aside in the manner provided by statute for other orders; respondents waive any right to challenge or contest the validity of the order entered in accordance with the agreement and the signing of 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 undersigned hearing examiner having considered the agreement and proposed order and being of the opinion that the acceptance thereof will be in the public interest, hereby accepts such agreement, makes the following jurisdictional findings, and issues the following order:

JURISDICTIONAL FINDINGS

1. Respondent Renberg's, Inc., is a corporation organized and doing business under the laws of the State of Oklahoma, with its office and principal place of business located at 311-313 South Main Street, Tulsa, Okla.

2. The respondent George Renberg is president of said corporation and formulates, directs and controls the acts and policies of said corporation. His address is the same as that of the corporate respondent.

3. 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 Renberg's Inc., a corporation, and its officers and George Renberg, individually and as an officer 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, offering for sale, transportation or distribution of fur products in commerce, 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 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. Represents directly or by implication that the regular or usual price of any fur product is in an amount which is in excess of the price at which the respondents have usually and customarily sold such products in the recent regular course of their business.

2. Represents directly or by implication through percentage savings claims, that the regular or usual retail prices charged by respondents for fur products in the recent regular course of their business, are reduced in direct proportion to the amounts of savings stated, when contrary to the fact.

B. Making price claims and representations, of the types referred to in subparagraphs A-1 and A-2 above, unless there are maintained by respondents full and adequate records disclosing the facts upon which such claims or representations are based.

It is further ordered, That the charge set forth in paragraph 4 of the complaint herein, viz., that respondents, in advertising, failed to disclose the name or names of the animal or animals producing the fur or furs contained in the fur products, should be dismissed, and the same hereby is dismissed without prejudice.

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 24th

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day of December 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
MARY LOUISE GORDON FORMERLY DOING BUSINESS
AS DELUXE FUR COMPANY, ET AL.

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

Docket 7098. Complaint, Mar. 27, 1958—Decision, Dec. 24, 1958

Consent order requiring furriers in Hazleton, Pa., to cease violating the Fur Products Labeling Act by tagging fur products with excessive prices purporting to be the regular retail selling prices; by newspaper and television advertising which failed to disclose the names of animals producing certain furs or that some furs were artificially colored, represented furs falsely as from a business in liquidation, and used comparative prices and percentage savings claims, etc., not based on adequate records; and by failing in other respects to comply with the labeling, invoicing, and advertising requirements of the Act.

Mr. John T. Walker for the Commission.

Marie Louise Gordon and George Gordon, pro se.

INITIAL DECISION BY EVERETT F. HAYCRAFT, HEARING EXAMINER

On March 27, 1958, the Federal Trade Commission issued its complaint against Marie Louise Gordon (erroneously referred to in the complaint as Mary Louise Gordon), an individual formerly doing business as DeLuxe Fur Company, and George Gordon, an individual formerly manager of the DeLuxe Fur Company, hereinafter referred to as respondents, charging them with the use of unfair and deceptive acts and practices in commerce in violation of the provisions of the Federal Trade Commission Act, the Fur Products Labeling Act and the Rules and Regulations promulgated under the Fur Products Labeling Act. In lieu of submitting answer to said complaint, both of the respondents on October 20, 1958, 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.

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 pro-