

Decision

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IN THE MATTER OF
RUDBAN COATS, INC., ET AL.

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

Docket 7213. Complaint, Aug. 1, 1958—Decision, Jan. 10, 1959

Consent order requiring operators of some 70 women's apparel retail stores in New York, New Jersey, Pennsylvania, Massachusetts, and other States, to which they distributed merchandise already tagged and priced, to cease preticketing its products including belts, with exaggerated and fictitious prices which were lined out and followed by the real selling price, thereby misrepresenting the usual selling price, the quality of the product, and savings realized by purchasers.

Mr. Terral A. Jordan for the Commission.

Mr. George Nodelman, of New York, N.Y., for respondents.

INITIAL DECISION BY FRANK HIER, HEARING EXAMINER

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission on August 1, 1958, issued and subsequently served its complaint in this proceeding against the above-named respondents.

On November 25, 1958, their was submitted to the undersigned hearing examiner an agreement between respondents and counsel supporting the complaint providing for the entry of a consent order. By the terms of said agreement, respondents admit all the jurisdictional facts alleged in the complaint and agree that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations. By such agreement, respondents waive any further procedural steps before the hearing examiner and the Commission; waive the making of findings of fact and conclusions of law; and waive 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.

Such agreement further provides that it disposes of all of this proceeding as to all parties; that the record on which this initial decision and the decision of the Commission shall be based shall consist solely of the complaint and this agreement; that the latter shall not become a part of the official record unless and until it becomes a part of the decision of the Commission. This agree-

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ment is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint; and the following order to cease and desist may be entered in this proceeding by the Commission without further notice to respondents, and, when so entered, it 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. Paragraphs 5(1) and (3) and 6(1) and (3) of the complaint shall be interpreted to refer to the price tag first quoted in paragraph 4, and paragraphs 5(2) and 6(2) to the price tag second quoted in paragraph 4.

The hearing examiner having considered the agreement and proposed order, and being of the opinion that they provide an appropriate basis for settlement and disposition of this proceeding, the agreement is hereby accepted, the following jurisdictional findings made, and the following order issued.

1. Respondent Rudban Coats, Inc., is a corporation existing and doing business under and by virtue of the laws of the State of New York. Respondents Joseph Norban and Abraham Norban are individuals and are respectively president and vice president of said corporate respondent. The office and principal place of business of the respondents is located at 601 West 26th Street, New York, N.Y.

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 respondents, Rudban Coats, Inc., a corporation, and its officers, and Joseph Norban and Abraham Norban, individually and as officers of said corporation and their agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of women's wearing apparel, accessories, or other articles of merchandise, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from directly or indirectly:

1. Representing that the regular and usual retail selling price of said merchandise is any amount other than that at which respondents have sold said merchandise in the recent regular course of business.

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2. Representing that any price for said merchandise is a reduced price unless it is in fact a reduction from the price at which respondents have sold said merchandise in the recent regular course of business.

3. Representing that the retail value of said merchandise is any amount in excess of the usual and customary retail selling price of merchandise of like grade, quality, design, and workmanship contemporaneously sold in the same general trade area by other retailers and dealers selling such merchandise.

4. Representing that any savings from respondents' usual and customary retail selling prices for said merchandise are afforded to purchasers thereof when the price designated constitutes respondents' usual and customary retail selling price for said merchandise.

5. Furnishing to other persons, firms, or corporations the said merchandise preticketed so as to misrepresent the regular retail selling price, the reduced price, value or the amount of savings in the purchase thereof in the manner aforesaid.

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 10th day of January 1959, 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
FURS BY GARTENHAUS, INC., ET AL.CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION AND THE FUR PRODUCTS LABELING ACTS*Docket 7251. Complaint, Sept. 11, 1958—Decision, Jan. 10, 1959*

Consent order requiring a furrier in Washington, D.C., to cease violating the Fur Products Labeling Act by labeling fur products with fictitious prices represented as usual selling prices; by failing to comply with the invoicing requirements of the Act; by newspaper advertisements representing prices of furs as reduced from purported usual prices which were in fact fictitious, and representing false percentage savings; and by failing to maintain adequate records as a basis for such pricing claims.

John T. Walker, Esq., for the Commission.

Irving R. Pressman, Esq., for respondents.

INITIAL DECISION BY JAMES A. PURCELL, HEARING EXAMINER

The complaint in this proceeding issued September 11, 1958, charges the respondents above named with violation of the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act and the Rules and Regulations promulgated under the last named Act, in connection with the introduction into commerce, manufacturing, or offering for sale, sale, advertising, transportation or distribution of fur products, as the designations "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act.

After the issuance of said complaint respondents, on November 12, 1958, entered into an agreement for a consent order with counsel in support of the complaint, disposing of all of the issues in this proceeding, which agreement was duly approved by the director and assistant director of the Bureau of Litigation of the Federal Trade Commission. It was expressly provided in said agreement that the signing thereof is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint.

By the terms of said agreement, the respondents admitted all of the jurisdictional allegations of the complaint and agreed that the record herein may be taken as though the Commission had made findings of jurisdictional facts in accordance with such allegations. By said agreement the parties expressly waived a hear-