

Decision

IN THE MATTER OF
K & K QUILTING AND BATTING CORP., ET AL.

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

Docket 7256. Complaint, Sept. 12, 1958—Decision, Jan. 14, 1959

Consent order requiring manufacturers in New York City to cease violating the Wool Products Labeling Act by tagging as "100% Reprocessed Wool," interlinings which contained a substantial quantity of fibers other than wool; and by failing to stamp or label certain wool products as required by the Act.

Mr. Alvin D. Edelson supporting to complaint.

Mr. Hyman Jacobs, of New York City, for respondents.

INITIAL DECISION BY JOHN B. POINDEXTER, HEARING EXAMINER

On September 12, 1958, the Federal Trade Commission issued a complaint charging that K & K Quilting and Batting Corp., a corporation, Jacob Krumholz, Benjamin Krumholz, and Meyer Krumholz, individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated under said Wool Products Labeling Act by misbranding the wool products which they manufacture.

After issuance and service of the complaint, the 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 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,

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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 K & K Quilting and Batting Corp. is a corporation, organized and existing under and by virtue of the laws of the State of New York, with its principal office and place of business located at 59 Scholes Street, Brooklyn, New York, N.Y.

2. Individual respondents Jacob Krumholz, Benjamin Krumholz, and Meyer Krumholz are president, treasurer and secretary, respectively, of the corporate respondent. Each of the individual respondents maintains a business address at the same address as 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, K & K Quilting & Batting Corp., a corporation, and its officers, and Jacob Krumholz, Benjamin Krumholz, and Meyer Krumholz, individually, and as officers of the 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 1939, of woolen interlinings or other "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 other-

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

2. Failing to securely affix to or place 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 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 percentum or more, and (5) the aggregate of all other fibers;

(b) The maximum percentage of the total weight of such wool products, of any non-fibrous 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.

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 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
MUTUAL BENEFIT HEALTH & ACCIDENT ASSOCIATION

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

Docket 6248. Complaint, Oct. 14, 1954—Order, Jan. 16, 1959

Dismissal, for lack of jurisdiction following decision 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), of complaint charging an insurance company in Omaha, Nebr., with misrepresenting the benefits provided by its accident and health policies.

Before Mr. Abner E. Lipscomb, hearing examiner.

Mr. Paul R. Dixon, Mr. William A. Somers and Mr. R. D. Young, Jr. for the Commission.

Mr. L. E. Thorngren, of Omaha, Nebr., Mr. Horace E. Pascal, of New York City, and Mr. Burton K. Wheeler, of Washington, D. C., for respondent.

FINAL ORDER

This matter having come before the Commission upon the appeal of respondent from the hearing examiner's initial decision and upon briefs and oral argument in support of and in opposition thereto; and

The Commission having considered the record and the ruling of the Supreme Court of the United States in its *per curiam* opinion of June 30, 1958, in the combined cases of *Federal Trade Commission v. National Casualty Company* and *The American Hospital and Life Insurance Company*, 357 U.S. 560 (1958), entered subsequent to the filing of the instant appeal, and having concluded that the complaint herein should be dismissed:

It is ordered, That the initial decision herein, filed February 11, 1957, be, and it hereby is, vacated and set aside.

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

Commissioner Kern not participating.