

Decision

IN THE MATTER OF
NASSAU FASHIONS, INC., ET AL.CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION ACT

Docket 7171. Complaint, June 9, 1958—Decision, Apr. 9, 1959

Consent order requiring manufacturers in Cleveland, Ohio, to cease selling their garments made from "Fiocco" rayon fabric simulating wool, without clearly disclosing the rayon content.

Mr. Charles W. O'Connell for the Commission.

Mr. William H. Rosenfeld, of *Rosenfeld, Palay & Fallon*, of Cleveland, Ohio, 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 the Federal Trade Commission Act in certain particulars.

On February 5, 1959, 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 January 30, 1959, 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 Nassau Fashions, Inc., is a corporation, organized, existing and doing business under and by virtue of the laws of the State of Ohio, with its office and principal place of business located at 1974 East 61st Street, in the city of Cleveland, State of Ohio.

Respondent Max Reiter is president and treasurer of said Nassau Fashions, Inc., and his office and place of business is the same as that of the corporate respondent.

2. Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission, on June 9, 1958, issued its complaint in this proceeding against respondents, and a true copy was thereafter duly served on respondents.

3. 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.

4. This agreement disposes of all of this proceeding as to all parties. It is recommended that the complaint be dismissed as to respondent Elsie Reiter for the reasons set forth in the affidavit which is attached hereto and made a part hereof.

5. Respondents waive:

(a) Any further procedural steps before the hearing examiner and the Commission;

(b) The making of findings of fact or conclusions of law; and

(c) 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.

6. The record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and this agreement.

7. This agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Commission.

8. This 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.

9. The following order to cease and desist may be entered in this proceeding by the Commission without further notice to respondents. When so entered it shall have the same force and effect as if entered after a full hearing. It may be altered, modified or set aside in the manner provided for other orders. The complaint may be used in construing the terms of the order.

Upon due consideration of the complaint filed herein and the said "Agreement Containing Consent Order to Cease and Desist," the latter is hereby approved, accepted and ordered filed, the same not to become a part of the record herein, however, unless and until it becomes part of the decision of the Commission. The hearing examiner finds from the complaint and the said "Agreement Containing Consent Order to Cease and Desist" that the Commission has jurisdiction of the subject matter of this pro-

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ceeding and of each of the respondents herein; that the complaint states a legal cause for complaint under the Federal Trade Commission Act against each of the respondents both generally and in each of the particulars alleged therein; that this proceeding is in the interest of the public; that the following order as proposed in said agreement is appropriate for the just disposition of all of the issues in this proceeding as to all of the parties hereto; and that said order therefore should be, and hereby is, entered as follows:

ORDER

It is ordered, That respondents Nassau Fashions, Inc., a corporation, and its officers, and Max Reiter, 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 offering for sale, sale or distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act, of garments made from fabrics composed in whole or in part of rayon, do forthwith cease and desist from:

Failing to set forth the rayon content thereof in a clear and conspicuous manner on invoices, labels and in advertising matter concerning such products.

It is further ordered, That the complaint herein be dismissed as to respondent Elsie Reiter.

DECISION OF THE COMMISSION AND ORDER TO FILE

REPORT OF COMPLIANCE

The Commission having considered the hearing examiner's initial decision, filed February 24, 1959, accepting an agreement containing a consent order to cease and desist, theretofore executed by the respondents and counsel in support of the complaint, and dismissing the complaint as to respondent Elsie Reiter; and

The Commission having determined that the initial decision constitutes an appropriate disposition of this proceeding:

It is ordered, That the initial decision shall, on the 9th day of April, 1959, become the decision of the Commission, with the understanding, however, that nothing therein shall relieve the respondents from their obligation to comply with the requirements of the Textile Fiber Products Identification Act after the effective date thereof or require respondents thereafter to label

or otherwise offer products subject to that Act in any manner contrary to the provisions thereof or the rules and regulations promulgated thereunder by the Commission.

It is further ordered, That the respondents, Nassau Fashions, Inc., a corporation, and Max Reiter, individually and as an officer of said 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.

Complaint

IN THE MATTER OF
KEYSTONE WIRE CLOTH COMPANY, ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION
OF SEC. 2(c) OF THE CLAYTON ACT

Docket 7297. Complaint, Nov. 6, 1958—Decision, Apr. 9, 1959

Consent order requiring a manufacturer of wire cloth with principal place of business in Hanover, Pa., to cease violating Sec. 2(c) of the Clayton Act by paying commissions on sales to the broker who was president and treasurer of the corporate buyer and, with those related to him, owned more than 99% of its common stock; and requiring said buyer and said broker president to cease accepting any brokerage or allowance in lieu thereof in connection with such purchases.

COMPLAINT

The Federal Trade Commission, having reason to believe that the parties respondent named in the caption hereof, and hereinafter more particularly described, have violated and are now violating the provisions of subsection (c) of Section 2 of the Clayton Act (U.S.C., Title 15, Sec. 13), as amended by the Robinson-Patman Act, approved June 19, 1936, hereby issues its complaint, stating its charges with respect thereto as follows:

PARAGRAPH 1. Respondent Keystone Wire Cloth Company, hereinafter sometimes referred to as the seller respondent, is a corporation, organized, existing and doing business under and by virtue of the laws of the State of Pennsylvania, with its principal office and place of business located at Hanover, Pa. Said respondent is now, and for some time last past has been, engaged in the business of manufacturing, selling and distributing wire cloth, including insect wire screening, with annual gross sales amounting to approximately \$3,500,000.

PAR. 2. Respondent Sherwatt Equipment & Manufacturing Co., Inc., hereinafter sometimes referred to as the buyer respondent, is a corporation, organized, existing and doing business under and by virtue of the laws of the State of New York, with its principal office and place of business located at 47 Murray Street, New York, 7, N.Y.

Respondent Arthur Watts is president and treasurer of said corporation and directs, formulates and controls its policies, acts and practices. It is now, and for sometime last past has been, engaged in the business of both manufacturing wire cloth and in