

Decision

IN THE MATTER OF
HENRY KLOUS COMPANY, INC., ET AL.

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

Docket 7371. Complaint, Jan. 23, 1959—Decision, May 21, 1959

Consent order requiring a manufacturer in Lawrence, Mass., to cease violating the Wool Products Labeling Act by labeling as "Wool," bales of wool stock which contained a substantial quantity of reprocessed wool, and by failing to label other wool products as required.

Mr. Alvin D. Edelson for the Commission.
Respondents, for themselves.

INITIAL DECISION BY J. EARL COX, HEARING EXAMINER

The complaint charges respondents with misbranding certain of their wool products, in violation of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, and of the Federal Trade Commission Act.

After the issuance of the complaint, respondents Henry Klous Company, Inc., a corporation, and Aylward W. Corcoran, individually and as an officer of said corporation, and counsel supporting the complaint entered into an agreement containing consent order to cease and desist, which was approved by the director and an assistant director of the Commission's Bureau of Litigation, and thereafter transmitted to the hearing examiner for consideration.

The agreement states that respondent Henry Klous Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Massachusetts, with its principal place of business at 500 Merrimack Street, Lawrence, Mass., and that individual respondent Aylward W. Corcoran is president of the said corporate respondent and maintains a business address at the same address as the corporate respondent.

The agreement disposes of all of this proceeding as to all parties save respondent G. Ernest Chiras, as to whom it is recommended therein that this proceeding be dismissed, for reasons set forth in an affidavit attached to the agreement.

The agreement provides, among other things, that the respondents signatory thereto admit all the jurisdictional facts alleged

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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; that 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; that the agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Commission; that the complaint may be used in construing the terms of the order agreed upon, which may be altered, modified or set aside in the manner provided for other orders; that the agreement is for settlement purposes only and does not constitute an admission by respondents signatory thereto that they have violated the law as alleged in the complaint; and that the order set forth in the agreement and hereinafter included in this decision shall have the same force and effect as if entered after a full hearing.

Respondents signatory to the agreement waive any further procedural steps before the hearing examiner and the Commission, the making of findings of fact or conclusions of law, and all of the rights they may have to challenge or contest the validity of the order to cease and desist entered in accordance with the agreement.

The order agreed upon fully disposes of all the issues raised in the complaint, and adequately prohibits the acts and practices charged therein as being in violation of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, and of the Federal Trade Commission Act. Accordingly, the hearing examiner finds this proceeding to be in the public interest, and accepts the agreement containing consent order to cease and desist as part of the record upon which this decision is based. Therefore,

It is ordered, That respondents Henry Klous Company, Inc., a corporation, and its officers, and Aylward W. Corcoran, individually and as an officer of the corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the 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, do forthwith cease and desist from misbranding such products by:

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1. Falsely or deceptively stamping, tagging, labeling, or otherwise 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 nonfibrous loading, filling or adulterating matter; (c) the name or the registered identification number of a manufacturer of such wool product or of one or more purchasers engaged in introducing such wool products in 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 the complaint as to G. Ernest Chiras should be, and same hereby is, dismissed.

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 21st day of May 1959, become the decision of the Commission; and, accordingly:

It is ordered, That respondents Henry Klous Company, Inc., a corporation, and Aylward W. Corcoran, 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.

IN THE MATTER OF
STEWART & STEVENSON SERVICES, INC., ET AL.

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

Docket 7002. Complaint, Dec. 19, 1957—Decision, May 23, 1959¹

Consent order requiring five franchised wholesale distributors of General Motors diesel engines and replacement parts to cease conspiring to fix or maintain prices, terms, and conditions of sale for such replacement parts.

Before *Mr. Frank Hier*, hearing examiner.

Mr. F. C. Mayer, Mr. W. W. Rogal, and Mr. F. A. Snyder for the Commission.

Fulbright, Crooker, Freeman, Bates & Jaworski, by *Mr. W. N. Arnold, Jr.*, of Houston, Tex., for Stewart & Stevenson Services, Inc.

Taylor, Costen & Taylor, by *Mr. Hillman Taylor*, of Memphis Tenn., for Lewis Diesel Engine Company (Inc.) of Memphis, Tenn., and Lewis Diesel Engine Company (Inc.) of Little Rock, Ark.

Monnet, Hayes, Bullis, Grubb & Thompson, by *Mr. Coleman Hayes*, of Oklahoma City, Okla., for Diesel Power Company.

Adams & Reese, by *Mr. W. Ford Reese*, of New Orleans, La., for George Engine Company, Inc.

INITIAL DECISION AS TO CERTAIN RESPONDENTS

Pursuant to the provisions of Section 5 of the Federal Trade Commission Act, the Federal Trade Commission on December 19, 1957, issued and subsequently served its complaint in this proceeding against respondents Stewart & Stevenson Services, Inc.; Lewis Diesel Engine Company (Inc.), of Memphis, Tenn.; Lewis Diesel Engine Company (Inc.), of Little Rock, Ark.; Diesel Power Company; and George Engine Company Inc.

On March 10, 1959, there were submitted to the undersigned hearing examiner separate agreements by the above-named respondents and counsel supporting the complaint providing for the entry of a consent order. By the terms of said agreements, the signatory respondents admit all the jurisdictional facts al-

¹ A similar order as to three other wholesalers was issued Nov. 20, 1959, 56 F. T. C. ____, at which time the complaint was dismissed as to Kennedy Marine Engine Co., Inc.