

IN THE MATTER OF
MAX GRODNICK TEXTILE CORP., ET AL.

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

Docket 7418. Complaint, Feb. 20, 1959—Decision, June 12, 1959

Consent order requiring distributors in New York City to cease violating the Wool Products Labeling Act by removing, prior to sale, tags attached to wool products when delivered to them, and by failing in other respects to comply with the labeling requirements.

S. F. House, Esq. for the Commission.

Joseph L. Klein, Esq., of New York, N.Y., for respondents.

INITIAL DECISION BY LOREN H. LAUGHLIN, HEARING EXAMINER

The Federal Trade Commission (sometimes also hereinafter referred to as the Commission) on February 20, 1959, issued its complaint herein, charging the above-named respondents with having violated the provisions of both the Federal Trade Commission Act and the Wool Products Labeling Act, together with the Rules and Regulations promulgated thereunder, and the respondents were duly served with process.

On April 20, 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 March 25, 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. Respondents Max Grodnick Textile Corp., Henry Gewirtz Textile Corp., Fleet Fabrics, Inc., and Makel Textile, Inc., are corporations existing and doing business under and by virtue of the laws of the State of New York. The Henry Gewirtz Textile Corp. has its office and principal place of business located at 241 W. 37th Street, New York City, N.Y. The remaining corporations aforementioned have their office and principal place of

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business located at 225 W. 37th Street, New York City, N.Y. Individual respondents Joseph Klein and Frances Klein are president and secretary-treasurer, respectively, of all of the aforementioned corporations, and individual respondents Max Grodnick, Seymour Gewirtz, and Stanley Kane are managers, respectively, of the corporate respondents, Max Grodnick Textile Corp., Henry Gewirtz Textile Corp., and Fleet Fabrics, Inc. Their address is the same as the respective corporate respondents. Said individual respondents cooperate in formulating, directing and controlling the acts, policies and practices of said corporations.

2. 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.

3. This agreement disposes of all of this proceeding as to all parties. It is agreed that the complaint should be dismissed as to Max Klotz for the reasons set out in an affidavit attached to this agreement and made a part thereof.

4. 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.

5. 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.

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

7. 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.

8. 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,"

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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 a 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 proceeding and of each of the respondents herein; that the complaint states a legal cause for complaint under the Federal Trade Commission Act and the Wool Products Labeling Act and the Rules and Regulations promulgated by the Commission under the latter 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:

It is ordered, That respondents Max Grodnick Textile Corp., a corporation; Henry Gewirtz Textile Corp., a corporation; Fleet Fabrics, Inc., a corporation; and Makel Textiles, Inc., a corporation, and their officers, and Joseph Klein, and Frances Klein, individually and as officers of said corporations, and Max Grodnick, Stanley Kane, and Seymour Gewirtz, individually, and respondents' representatives, agents, and employees, directly or through any corporate device, in connection with the introduction, 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 piece goods or other "wool products" as "wool products" are defined in the Wool Products Labeling Act, do forthwith cease and desist from:

A. Misbranding such products by:

1. Falsely or deceptively stamping, tagging, labeling, or otherwise identifying such products as to the character or amount of their constituent fibers contained therein;

2. Failing to affix securely 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 the total fiber weight, of (1) wool, (2) reprocessed wool, (3) reused wool, (4) each fiber other than wool where the percent-

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age 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 product, of any nonfibrous loading, filling, or adulterating matter; and

(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.

B. Causing or participating in the removal or mutilation of any stamp, tag, label or other means of identification affixed to any wool product pursuant to the provisions of the Wool Products Labeling Act of 1939, with intent to violate the provisions of said Act.

It is further ordered, That the complaint be, and the same hereby is, dismissed as to Max Klotz.

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 12th day of June 1959, become the decision of the Commission; and, accordingly:

It is ordered, That the above-named respondents except Max Klotz 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
TEMPLE COMPANY, INC., ET AL.

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

Docket 7296. Complaint, Nov. 6, 1958—Decision, June 13, 1959

Consent order requiring mail order merchandisers in Philadelphia, Pa., to cease using fictitious prices in connection with certain of their products by such practices as offering mink furs at prices purportedly reduced from excessive amounts represented in catalogs and periodicals to be the usual retail prices, and by claiming falsely that a supplier was a manufacturer and wholesaler from whom their customers could buy furs at wholesale prices.

Mr. Alvin D. Edelson for the Commission.

Mr. Harry H. Wachtel, of New York, N.Y., for Samuel Cohen, Lewis Kitei, and Robert X. Pincus.

Jacoby & Maxmin, by *Mr. Henry W. Maxmin*, of Philadelphia, Pa., for Irwin Fisher.

INITIAL DECISION BY WALTER R. JOHNSON, HEARING EXAMINER

In the complaint dated November 6, 1958, the above respondents are charged with violating the provisions of the Federal Trade Commission Act.

On March 19, 1959, respondents Samuel Cohen, Lewis Kitei, Robert X. Pincus, and Irwin Fisher and their attorneys entered into separate agreements with counsel in support of the complaint for a consent order.

The hearing examiner finds that the content of the separate agreements meets all of the requirements of Section 3.25(b) of the Rules of the Commission, and contains a statement that the signing of said agreements is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint.

In the agreement it is recommended that the complaint be dismissed as to Temple Company, Inc., a corporation, for the reason said corporation was dissolved on July 31, 1958. Attached to and forming a part of said agreement is an affidavit executed by Joseph M. Midler. Affiant among other things states that he is secretary of L. & C. Mayers/Temple, Inc., and was secretary of Temple Company, Inc. at the time of its dissolution, that on July 31, 1958, Temple Company, Inc. was merged into L. & C. Mayers/