

IN THE MATTER OF

FIELDCREST MILLS, INC., TRADING AS
KARASTAN RUG MILLS, INC.CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION ACT*Docket 7445. Complaint, Mar. 17, 1959—Decision, Aug. 26, 1959*

Consent order requiring a manufacturer in Spray, N.C., to cease attaching to its rugs, labels giving an "approx" size which was larger than was the fact, thus enabling retailers to mislead the public.

Mr. Alvin D. Edelson for the Commission.

Lovejoy, Morris, Wasson & Huppuch, of New York, N.Y., for respondent.

INITIAL DECISION BY ABNER E. LIPSCOMB, HEARING EXAMINER

The complaint herein was issued on March 17, 1959, charging respondent with the use on labels of false, misleading and deceptive statements as to the sizes of its rugs, and with placing in the hands of retailers means and instrumentalities by and through which they may mislead the public with respect thereto, in violation of the provisions of the Federal Trade Commission Act.

Thereafter, on June 17, 1959, respondent, its counsel, and counsel supporting the complaint herein 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 submitted to the hearing examiner for consideration.

The agreement identifies respondent Fieldcrest Mills, Inc., as a Delaware corporation, with its office and principal place of business located in Spray, North Carolina, and Karastan Rug Mills, Inc., as an unincorporated subdivision of the corporate respondent, with office and principal place of business at 295 Fifth Avenue, New York, New York.

Respondent admits all the jurisdictional facts alleged in the complaint and agrees that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations.

Respondent waives any further procedure before the hearing examiner and the Commission; the making of findings of fact and conclusions of law; and all of the rights it may have to challenge or contest the validity of the order to cease and desist entered in

accordance with the agreement. All parties agree that the record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and the agreement; that the order to cease and desist, as contained in the agreement, when it shall have become a part of the decision of the Commission, 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; that the complaint herein may be used in construing the terms of said order; and that the agreement is for settlement purposes only and does not constitute an admission by the Respondent that it has violated the law as alleged in the complaint.

After consideration of the allegations of the complaint and the provisions of the agreement and the proposed order, the hearing examiner is of the opinion that such order constitutes a satisfactory disposition of this proceeding. Accordingly, in consonance with the terms of the aforesaid agreement, the hearing examiner accepts the Agreement Containing Consent Order To Cease And Desist; finds that the Commission has jurisdiction over the respondent and over its acts and practices as alleged in the complaint; and finds that this proceeding is in the public interest. Therefore,

It is ordered, That respondent Fieldcrest Mills, Inc., a corporation, trading as Karastan Rug Mills, Inc., or under any other name, and respondent's agents, representatives and employees, directly or through any corporate or other device in connection with the manufacture, offering for sale, sale or distribution of rugs or other merchandise, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

Representing, directly or by implication, the size of their said rugs or other merchandise to be of larger dimensions than is the fact.

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 26th day of August, 1959, become the decision of the Commission; and accordingly:

It is ordered, That respondent Fieldcrest Mills, Inc., a corporation, trading as Karastan Rug Mills, Inc., shall, within sixty (60) days after service upon it of this order, file with the Commission a report in writing, setting forth in detail the manner and form in which it has complied with the order to cease and desist.

IN THE MATTER OF
STEVENS FURS, INC., ET AL.

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

Docket 7258. Complaint, Sept. 12, 1958—Decision, Aug. 27, 1959

Order requiring a New York City furrier to cease violating the Fur Products Labeling Act by failing to comply with labeling and invoicing requirements.

Mr. John T. Walker for the Commission.

Mr. Jonas H. Bernstein and *Mr. Joseph J. Bernstein*, of New York, N.Y., for respondents.

INITIAL DECISION BY ABNER E. LIPSCOMB, HEARING EXAMINER

The complaint herein was issued on September 12, 1958, charging respondents with misbranding and falsely and deceptively invoicing certain of their fur products, in violation of the Federal Trade Commission Act and of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder.

Thereafter, on March 5, 1959, respondents and counsel supporting the complaint herein entered into a Stipulation As To The Facts, subject to the approval of the hearing examiner, whereby they agreed that the statement of facts so made should become a part of the record herein and might be taken as the facts in this proceeding in lieu of evidence in support of the charges stated in the complaint or in opposition thereto. The stipulation further provided that the hearing examiner might proceed, on the basis of said stipulation of facts, to make his initial decision, stating his findings as to the facts, including inferences which he might draw from the stipulation as to the facts, and his conclusions based thereon, and might enter an order disposing of this proceeding without the necessity of counsel filing proposed findings as to the facts and proposed conclusions, or the presentation of oral argument.

The Stipulation As To The Facts further provided that the Federal Trade Commission might, if this proceeding should come before it upon appeal or by review upon its own motion, set aside the stipulation and remand the case to the hearing examiner for further proceedings under the complaint.

The stipulation further provided that all admissions of fact made by the respondents therein are solely for the purpose of this proceeding, including any reviews thereof by the Courts.