

IN THE MATTER OF
HOMEMAKER RUGS, INC., ET AL.

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

Docket 7404. Complaint, Feb. 12, 1959—Decision, Aug. 28, 1959

Consent order requiring a distributor in New York City to cease representing falsely—by such practices as use on attached labels of the terms “The Woolette,” “The Wool-O-Way,” etc.—that rugs which contained a substantial quantity of “reprocessed” wool were composed entirely of “wool”; and to cease selling rugs composed in part of rayon without clearly disclosing the rayon content.

Mr. Alvin D. Edelson for the Commission.
Berley & Berley, of New York, N.Y., for respondents.

INITIAL DECISION BY J. EARL COX, HEARING EXAMINER

The complaint charges respondents with the use of false, misleading and deceptive statements as to the fiber content of their rugs, by means of various terms descriptive thereof on labels attached thereto, representing that said rugs were composed entirely of wool; and with failing to disclose the rayon content of their rugs, in violation of the Federal Trade Commission Act.

After the issuance of the complaint, respondents, their counsel, 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 Homemaker Rugs, Inc., is a corporation existing and doing business under and by virtue of the laws of the State of New York, with its office and place of business located at 295 Fifth Avenue, New York, New York, and that respondents Bernard G. Blum and Molly Blum are officers of the said corporate respondent, and also trade as copartners under the name of B. G. Blum Associates, the address of the individual respondents and the partnership being the same as that of the corporate respondent.

The agreement provides, among other things, that 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; 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 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 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 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 Homemaker Rugs, Inc., a corporation, and its officers, and Bernard G. Blum and Molly Blum, individually and as officers of said corporation, and trading under the name of B. G. Blum Associates, or under any other name, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of carpets and floor coverings, or other merchandise, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Misrepresenting the fiber content of their merchandise;
2. Using the word "wool," or any word or term indicative of wool, to designate or describe any product or portion thereof which has been reclaimed from any woven or felted product, provided, however, that nothing herein shall prohibit the use of the term "re-processed wool" when the product, or those portions thereof referred to, have been reclaimed from woven or felted products;
3. Failing to clearly set forth the rayon content of merchandise composed in whole or in part of rayon on invoices and labels and in the advertising of such merchandise.

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 did, on the 28th day of August, 1959, become the decision of the Commission; and, accordingly:

It is ordered, That respondents Homemaker Rugs, Inc., a corporation, and Bernard G. Blum and Molly Blum, individually and as officers of said corporation, and as copartners trading as B. G. Blum Associates, 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
IRVING LEBO & SON, INC., ET AL.

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

Docket 7425. Complaint, Feb. 26, 1959—Decision, Aug. 28, 1959

Consent order requiring New York City furriers to cease violating the Fur Products Labeling Act by failing to furnish to purchasers invoices showing required information; by representing, on invoices and in advertisements, prices of fur products as reduced from regular prices which were in fact fictitious; and by failing to keep adequate records as a basis for such pricing claims.

Mr. John T. Walker for the Commission.

Mr. Fred L. Weisler of New York, N.Y., for respondents.

INITIAL DECISION BY JOHN B. POINDEXTER, HEARING EXAMINER

On February 26, 1959 the Federal Trade Commission issued a complaint charging Irving Lebo & Son, Inc., a corporation, and Irving Lebo, Stanley Lebo, and Harvey Lebo, individually and as officers of said corporation, hereinafter referred to as respondents, with falsely and deceptively invoicing and advertising certain of their fur products in violation of the Federal Trade Commission Act and the Fur Products Labeling Act.

After issuance and service of the complaint, the respondents and counsel supporting the complaint entered into an agreement for a consent order. The agreement has been approved by the Director and the Assistant Director of the Bureau of Litigation. The agreement disposes of the matters complained about.

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, 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