

IN THE MATTER OF

CHARLES CAPPELL ET AL. TRADING AS CAPPELL
TRADING COMPANYCONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT*Docket 7541. Complaint, July 14, 1959—Decision, Oct. 28, 1959*

Consent order requiring New York City distributors of hosiery to cease selling without clear disclosure that it was not first quality, imperfect hosiery which they purchased and repaired, if required, and dyed and sold to retailers with no marking to indicate its imperfect quality.

Mr. Brockman Horne for the Commission.

Mr. Irving Markowitz, of New York, N.Y., for respondents.

INITIAL DECISION BY WALTER R. JOHNSON, HEARING EXAMINER

In the complaint dated July 14, 1959, the respondents are charged with violating the provisions of the Federal Trade Commission Act.

On August 26, 1959, the respondents entered into an agreement with counsel in support of the complaint for a consent order.

Under the foregoing agreement, the respondents admit the jurisdictional facts alleged in the complaint. The parties agree, among other things, that the cease and desist order there set forth may be entered without further notice and have the same force and effect as if entered after a full hearing and the document includes a waiver by the respondents of all rights to challenge or contest the validity of the order issuing in accordance therewith. The agreement further recites that it is for settlement purposes only and does not constitute an admission by the respondents that they have violated the law as alleged in the complaint.

The hearing examiner finds that the content of the agreement meets all of the requirements of Section 3.25(b) of the Rules of the Commission.

The hearing examiner being of the opinion that the agreement and the proposed order provide an appropriate basis for disposition of this proceeding as to all of the parties, the agreement is hereby accepted and it is ordered that the 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 following jurisdictional findings are made and the following order issued.

1. Respondents Charles Cappell, Israel Cappell and Jacob Cappell are individuals and co-partners trading as Cappell Trading Com-

pany, with their office and principal place of business located at 620 Broadway, in the City of New York, State of New York.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered. That respondents Charles Cappell, Israel Cappell and Jacob Cappell, individually and as co-partners trading as Cappell Trading Company, 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 imperfect hosiery, or other imperfect products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Selling or distributing any such product without clearly and conspicuously marking it with the words "imperfect," "second quality" or "irregular," or some other word or words of similar import, in such manner that such markings cannot be readily obliterated.

2. Representing in any manner, directly or by implication, that any such product is of first quality.

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 28th day of October, 1959, become the decision of the Commission; and, accordingly:

It is ordered. That the respondents herein 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

ROYAL SEWING MACHINE CORPORATION ET AL.

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