

IN THE MATTER OF
MARCUS ROSENFELD ET AL. TRADING AS
TOWEL SHOP, ETC.

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

Docket 7533. Complaint. July 13, 1959—Decision, Mar. 12, 1960

Consent order requiring St. Louis distributors of non-woven fabrics, consisting of fibers held together by bonding agents, to cease advertising falsely by statements and photographs that a 12 by 18-inch towel was of the large size and general appearance, texture, and thickness of fabric towels in common use and was far superior to woven fabric towels in every way; that money would be refunded to dissatisfied purchasers; that tes-

testimonial letters they used were unsolicited; that they guaranteed the success of those who sold their product and that there was no competition; and that the product was made by a new scientific process.

Mr. Charles W. O'Connell supporting the complaint.

Kramer and Chused by *Mr. Joseph Chused* of St. Louis, Mo., for respondents.

INITIAL DECISION BY EDWARD CREEL, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondents on July 13, 1959 charging them with having violated the provisions of the Federal Trade Commission Act. The complaint alleged that respondents used various kinds of false advertising of the size and quality of their non-woven towels and of their guarantees.

On January 13, 1960 there was submitted to the undersigned hearing examiner an agreement between the above-named respondents, their counsel, and counsel supporting the complaint providing for the entry of 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 having considered the agreement and proposed order, and being of the opinion that they provide an appropriate basis for settlement and disposition of this proceeding, the agreement is hereby accepted, and it is ordered that said agreement shall not become a part of the official record 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 Marcus Rosenfeld and Leon Rosenfeld are individuals and copartners trading as Towel Shop, L and M Company, 40 Towel Co., 50 Towel Co., and Wholesale Towel Company. Their

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principal office and place of business is located at 415 N. 8th Street, St. Louis, Missouri.

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 Marcus Rosenfeld and Leon Rosenfeld, individually and as copartners trading as Towel Shop, L and M Company, 40 Towel Co., 50 Towel Co., and Wholesale Towel Company or under any other name, their agents, representatives and employees, directly or through any corporate or other device in connection with the offering for sale, sale or distribution of their non-woven cotton and rayon fiber product, or any other like merchandise, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication, through the use of photographs, or in any other manner, that their non-woven product has the appearance, thickness or texture of fabric towels in common use or misrepresenting in any manner the appearance, thickness or texture of their said product.

2. Using the word "towel" or any other word or words of similar import or meaning to describe their non-woven product, unless it is affirmatively stated, clearly and conspicuously, that their non-woven product does not have the appearance, texture and thickness of fabric towels in common use.

3. Representing, directly or by implication:

(a) That products referred to as towels, whose dimensions are 12" x 18" are large, or misrepresenting in any manner the size of their said product;

(b) That the money paid for their product will be refunded to dissatisfied purchasers, unless all of the money paid, including postage, is refunded; provided, however, that nothing herein shall prevent respondents from truthfully representing that a specific amount will be refunded to dissatisfied purchasers;

(c) That respondents' product is superior to ordinary woven towels in every way; or in any way that is not in accordance with the fact;

(d) That any solicited testimonial letter used by respondents was unsolicited;

(e) That respondents guarantee the success of those selling their product or that they do not have competition;

(f) That respondents' product is made by a scientific new process.

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 March, 1960, become the decision of the Commission; and, accordingly:

It is ordered. That respondents herein shall within sixty (60)