

1275

Decision

in writing, setting forth in detail the manner and form in which they have complied with the order to cease and desist as modified.

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IN THE MATTER OF

MICHAELIAN & KOHLBERG, INC., TRADING AS  
SPINNING WHEEL RUGS ET AL.

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

*Docket 7642. Complaint, Oct. 29, 1959—Decision, Apr. 19, 1960*

Consent order requiring New York City distributors of rugs and floor coverings, some of them imported, to cease representing falsely on attached labels, invoices, price lists and other sales literature, that the pile or wearing surface of their imported "Manor House" and "Heritage" rugs was "All Wool" when it actually contained a substantial quantity of other fibers.

*Mr. Terral A. Jordan* for the Commission.  
Respondents, *pro se*.

INITIAL DECISION BY EDGAR A. BUTTLE, HEARING EXAMINER

On October 29, 1959, the Federal Trade Commission issued its complaint against the above-named respondents charging them with violating the provisions of the Federal Trade Commission Act in connection with the advertising, offering for sale, sale and distribution of rugs and floor coverings, some of which are imported from foreign countries. On November 25, 1959, the respondents and counsel supporting the complaint entered into an agreement containing a consent order to cease and desist in accordance with section 3.25(a) of the Rules and Practice and Procedure of the Commission.

Under the foregoing agreement, the respondents admit the jurisdictional facts alleged in the complaint and agree, among other things, that the cease and desist order there set forth may be entered without further notice and shall have the same force and effect as if entered after a full hearing. The agreement includes a waiver by the respondents of all rights to challenge or contest the validity of the order issuing in accordance therewith; and recites that the said agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Commission, and that it is for settlement purposes only and does

Order

56 F.T.C.

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 said agreement meets all the requirements of section 3.25(b) of the Rules of Practice.

This proceeding having now come on for final consideration by the hearing examiner on the complaint and the aforesaid agreement for consent order, and it appearing that said agreement provides for an appropriate disposition of this proceeding, the aforesaid agreement is hereby accepted and is ordered filed upon becoming part of the Commission's decision in accordance with section 3.21 of the Rules of Practice; and in consonance with the terms of said agreement, the hearing examiner makes the following jurisdictional findings and order:

1. Respondent Michaelian & Kohlberg, 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 principal place of business located at 295 Fifth Avenue in the City of New York, State of New York. Corporate respondent trades and does business under the name of Spinning Wheel Rugs.

Respondents Frank M. Michaelian, L. P. Michaelian, M. A. Michaelian and P. G. Evraets are individuals and are officers of the corporate respondent. Their address is the same as that of the corporate respondent.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents hereinabove named. The complaint states a cause of action against said respondents under the Federal Trade Commission Act, and this proceeding is in the interest of the public.

## ORDER

*It is ordered*, That respondents Michaelian & Kohlberg, Inc., a corporation, trading and doing business under its own name or under the name of Spinning Wheel Rugs or under any other name and its officers, and Frank M. Michaelian, L. P. Michaelian, M. A. Michaelian and P. G. Evraets, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution, of rugs and floor coverings or any other textile product in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

Using the terms "wool" or "all wool" or any other word or term indicative of wool to designate or describe any product or portion thereof which is not composed wholly of wool, the fiber from the fleece of the sheep or lamb, or hair of the Angora or Cashmere goat, or hair of the camel, alpaca, llama, or vicuna, which has never been reclaimed from any woven or felted product; provided, that in the case of products or portions thereof which are composed in substantial part of wool and in part of other fibers or materials, the term "wool" may be used as descriptive of the wool content of the product or portion thereof if there are used in immediate connection or conjunction therewith, in letters of at least equal size and conspicuousness, words truthfully designating each constituent fiber or material thereof in the order of its predominance by weight; provided further, that if any fiber or material so designated is not present in a substantial quantity, the percentage thereof shall be stated. Nothing herein shall prohibit the use of the terms "reprocessed wool" or "reused wool" when the products or those portions thereof referred to are composed of such fibers.

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 19th day of April, 1960, become the decision of the Commission; and, accordingly:

*It is ordered,* That 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.

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IN THE MATTER OF

B. GERTZ, INC.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE