

of the order to cease and desist shall, on or before June 30, 1960, 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
STEIN'S STORES, INC.

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

Docket 7729. Complaint, Jan. 6, 1960—Decision, May 5, 1960

Consent order requiring a New York City operator of an interstate chain of some 85 retail stores, to cease violating the Wool Products Labeling Act by tagging as "Dacron and Worsted," men's suits which were in fact 48% dacron, 44% wool, and 8% rayon, as disclosed by a separate label; and to cease representing falsely in advertising that certain suits had regularly sold at an excessive price set out as "Value," and were selling at "Factory Price," and that the fabric therein was "guaranteed" without disclosing the extent of the guarantee.

John J. Mathias, Esq., for the Commission.

Drechsler & Leff, of New York, N.Y., for respondent.

INITIAL DECISION BY LOREN H. LAUGHLIN, HEARING EXAMINER

The Federal Trade Commission (sometimes also hereinafter referred to as the Commission) on January 6, 1960, issued its complaint herein, charging the respondent Stein's Stores, Inc., a corporation, with having violated the provisions of both the Federal Trade Commission Act and the Wool Products Labeling Act, together with the Rules and Regulations promulgated thereunder, and the respondent was duly served with process. In September 1959, the respondent changed its corporate name to Coghlen Corp., and subsequent to the filing of the complaint herein, pursuant to joint motion of the parties, the complaint was ordered amended to accord with such changed name.

On February 17, 1960, there was submitted to the undersigned hearing examiner of the Commission for his consideration and approval an "Agreement Containing Consent Order To Cease And Desist," which had been entered into by and between respondent and the attorneys for both parties, under date of February 11, 1960, subject to the approval of the Bureau of Litigation of the Commission, which had subsequently duly approved the same.

On due consideration of such agreement, the hearing examiner finds that said agreement, both in form and in content, is in accord with §3.25 of the Commission's Rules of Practice for Adjudicative Proceedings, and that by said agreement the parties have specifically agreed to the following matters:

1. Respondent Coghlen Corp. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 71 Fifth Avenue, in the City of New York, State of New York.

It is stipulated and agreed that the complaint may be amended to state that the above address is the correct address of respondent.

In September 1959, corporate respondent caused its name to be changed from Stein's Stores, Inc., to Coghlen Corp. Joint motion of counsel was filed to amend the complaint accordingly.

2. 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.

3. This agreement disposes of all of this proceeding as to all parties.

4. Respondent waives:

(a) Any further procedural steps before the hearing examiner and the Commission;

(b) The making of findings of fact or conclusions of law; and

(c) All of the rights it may have to challenge or contest the validity of the order to cease and desist entered in accordance with this agreement.

5. The record on which the initial decision and the decision of the Commission shall be based shall consist solely of the amended complaint and this agreement.

6. This agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Commission.

7. This agreement is for settlement purposes only and does not constitute an admission by respondent that it has violated the law as alleged in the complaint.

8. The following order to cease and desist may be entered in this proceeding by the Commission without further notice to respondent. When so entered it shall have the same force and effect as if entered after a full hearing. It may be altered, modified or set aside in the manner provided for other orders. The amended complaint may be used in construing the terms of the order.

Upon due consideration of the complaint filed herein and the said "Agreement Containing Consent Order To Cease And Desist," the

latter is hereby approved, accepted and ordered filed, the same not to become a part of the record herein, however, unless and until it becomes a part of the decision of the Commission. The hearing examiner finds from the complaint and the said "Agreement Containing Consent Order To Cease And Desist" that the Commission has jurisdiction of the subject matter of this proceeding and of the respondent herein; that the complaint states a legal cause for complaint under the Federal Trade Commission Act and the Wool Products Labeling Act and the Rules and Regulations promulgated by the Commission under the latter Act, against the respondent both generally and in each of the particulars alleged therein; that this proceeding is in the interest of the public; that the following order as proposed in said agreement is appropriate for the just disposition of all of the issues in this proceeding as to all of the parties hereto; and that said order therefore should be, and hereby is, entered as follows:

It is ordered, That respondent Coghlen Corp., a corporation, and its officers, representatives, agents, and employees, directly or through any corporate or other device, in connection with the introduction into commerce, or the offering for sale, sale, transportation, or distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, of woolen men's clothing or other "wool products," as such products are defined in and subject to the Wool Products Labeling Act of 1939, do forthwith cease and desist from misbranding such products by:

Falsely or deceptively stamping, tagging, labeling, or otherwise identifying such products as to the character or amount of the constituent fibers included therein.

It is further ordered, That respondent Coghlen Corp., a corporation, and its officers, representatives, and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale, or distribution of men's clothing or other merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

A. Representing, directly or indirectly:

1. That any amount is respondent's usual and customary retail price of merchandise when it is in excess of the price at which said merchandise has been customarily and usually sold by respondent in the recent, regular course of its business;

2. That respondent sells its merchandise at the price charged by the factory;

3. That such merchandise is guaranteed, unless the nature and extent of the guarantee, and the manner in which the guarantor will perform thereunder, are clearly and conspicuously set forth;

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Order

B. Misrepresenting in any manner the amount of savings available to purchasers of respondent's 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 shall, on the 5th day of May, 1960, become the decision of the Commission; and, accordingly:

It is ordered, That respondent Coghlen Corp. (formerly Stein's Stores, 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