

report in writing setting forth in detail the manner and form in which he has complied with the order to cease and desist.

IN THE MATTER OF
HAROLD F. REED, JR.

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

Docket 7879. Complaint, May 4, 1960—Decision, Aug. 5, 1960

Consent order requiring an individual in Boston, Mass., to cease violating the Wool Products Labeling Act by failing to label woolen stocks, and by invoicing certain woolen stocks as of higher cashmere content than was the fact.

Complaint

57 F.T.C.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Harold F. Reed, Jr., an individual, hereinafter referred to as respondent, has violated the provisions of said Acts and the Rules and Regulations promulgated under the Wool Products Labeling Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. The respondent, Harold F. Reed, Jr., is an individual whose last known address was 311 Summer Street, Boston, Mass.

PAR. 2. For several years prior to December 31, 1958, respondent was an employee of Forte, Dupee, Sawyer Company, wool dealers, serving in the Wool Waste Department. From 1956 to December 31, 1958, respondent's duties, among other things, involved purchasing wool stock for the aforesaid company. Respondent also was the principal planner and executor of the various textile waste blends made up by said Department for resale during that period.

PAR. 3. Subsequent to the effective date of the Wool Products Labeling Act of 1939, and more especially since 1956, respondent participated in the manufacture for introduction into commerce, the introduction into commerce, the sale, transportation, distribution, delivery for shipment, and offering for sale in commerce, as "commerce" is defined in said Act, of wool products as "wool products" are defined therein.

PAR. 4. Certain of said wool products, namely, woolen stocks including wool, wool waste and specialty fibers, were misbranded by respondent in that they were not stamped, tagged or labeled as required under the provisions of Section 4(a)(2) of the Wool Products Labeling Act, and in the manner and form prescribed by the Rules and Regulations promulgated under said Act.

PAR. 5. The respondent, in the course and conduct of his business, as aforesaid, was in substantial competition in commerce with other individuals and with firms and corporations likewise engaged in the manufacture and sale of wool products, including woolen stocks.

PAR. 6. The acts and practices of respondent, as above set forth, were and are in violation of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, and constituted, and now constitute, unfair and deceptive acts and practices

and unfair methods of competition in commerce, within the intent and meaning of the Federal Trade Commission Act.

PAR. 7. In the course and conduct of his business operations in commerce, as aforesaid, the respondent invoiced certain woolen stocks containing wool and cashmere fibers as "51% cashmere, 49% wool," "51% cashmere," "75% cashmere," and "82% cashmere," whereas, in truth and in fact, said products contained quantities of reprocessed cashmere and substantially less cashmere than was represented.

PAR. 8. The acts and practices set out in Paragraph Seven, have had and now have the tendency and capacity to mislead and deceive the purchasers of said products as to the true fiber content thereof, and to misbrand products manufactured by them in which said materials were used.

PAR. 9. The acts and practices of respondent set out in paragraph 7 were all to the prejudice and injury of the public and of respondent's competitors and constituted and now constitute unfair and deceptive acts and practices and unfair methods of competition, in commerce, within the intent and meaning of the Federal Trade Commission Act.

DeWitt Puckett, Esq., for the Commission.

Withington, Cross, Park & McCann, by *Charles C. Worth, Esq.*, Boston, Mass., for respondent.

INITIAL DECISION BY ROBERT L. PIPER, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondent on May 4, 1960, charging him with having violated the Wool Products Labeling Act of 1939, the rules and regulations issued thereunder, and the Federal Trade Commission Act, by misbranding and falsely invoicing certain of his woolen stocks, including wool, wool waste and specialty fibers. Respondent appeared by counsel and entered into an agreement, dated June 1, 1960, containing a consent order to cease and desist, disposing of all the issues in this proceeding without further hearings, which agreement has been duly approved by the Director, Associate Director and Assistant Director of the Bureau of Litigation. Said agreement has been submitted to the undersigned, heretofore duly designated to act as hearing examiner herein, for his consideration in accordance with § 3.25 of the Rules of Practice of the Commission.

Respondent, pursuant to the aforesaid agreement, has admitted all of the jurisdictional allegations of the complaint and agreed that the record may be taken as if findings of jurisdictional facts had been made duly in accordance with such allegations. Said agreement further provides that respondent waives all further procedural steps

before the hearing examiner or the Commission, including the making of findings of fact or conclusions of law and the right to challenge or contest the validity of the order to cease and desist entered in accordance with such agreement. It has also been agreed that the record herein shall consist solely of the complaint and said 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 said agreement is for settlement purposes only and does not constitute an admission by respondent that he has violated the law as alleged in the complaint, that said order to cease and desist shall have the same force and effect as if entered after a full hearing and may be altered, modified, or set aside in the manner provided for other orders, and that the complaint may be used in construing the terms of the order.

This proceeding having now come on for final consideration on the complaint and the aforesaid agreement containing the consent order, and it appearing that the order and agreement cover all of the allegations of the complaint and provide for appropriate disposition of this proceeding, the agreement is hereby accepted and ordered filed upon this decision and said agreement becoming part of the Commission's decision pursuant to § 3.21 and § 3.25 of the Rules of Practice, and the hearing examiner accordingly makes the following findings, for jurisdictional purposes, and order:

1. Respondent Harold F. Reed, Jr., is an individual whose principal place of business was located at 311 Summer Street, in the City of Boston, State of Massachusetts. His present location is 113 Country Way, Needham, Mass.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding, and of the respondent hereinabove named. The complaint states a cause of action against said respondent under the Wool Products Labeling Act of 1939 and the Federal Trade Commission Act, and this proceeding is in the interest of the public.

ORDER

It is ordered, That respondent Harold F. Reed, Jr., an individual, his agents, representatives and employees, directly or through any corporate or other device, in connection with the introduction or manufacture for 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 wool waste 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 misbrand-

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Decision

ing such products by failing to affix labels to such products showing each element of information required to be disclosed by § 4(a)(2) of the Wool Products Labeling Act of 1939.

It is further ordered, That respondent Harold F. Reed, Jr., an individual, his agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of wool waste or any other product, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from misrepresenting the constituent fibers of which his products are composed, or the percentages or amounts thereof, on invoices, shipping memoranda or in any other manner.

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

It is ordered, That respondent Harold F. Reed, Jr., an individual, shall within sixty (60) days after service upon him of this order, file with the Commission a report in writing, setting forth in detail the manner and form in which he has complied with the order to cease and desist.