
IN THE MATTER OF
HAYWARD-SCHUSTER WOOLEN MILLS, INC., ET AL.

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

Docket 7742. Complaint, Jan. 12, 1960—Decision, Aug. 25, 1960

Consent order requiring a manufacturer of wool fabrics and its corporate sales agent, in East Douglas, Mass., and New York City, respectively, to cease violating the Wool Products Labeling Act by such practices as labeling as "25% camel hair, 75% wool" and "15% camel hair and 85% wool", fabrics which contained substantially less than the stated amount of camel hair fibers, and by failing to label certain of such fabrics as required.

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 Hayward-Schuster Woolen Mills, Inc., a corporation, and Winfield Schuster, Robert J. Frost and Bayliss Aldrich, individually and as officers of said corporation, and Schuster Woolens, Inc., a corporation, hereinafter referred to as respondents, have 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. Respondent Hayward-Schuster Woolen Mills, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the Commonwealth of Massachusetts. Individual respondents Winfield Schuster, Robert J. Frost and Bayliss Aldrich are officers of Hayward-Schuster Woolen Mills, Inc., and cooperate in formulating, directing and controlling the acts and practices hereinafter referred to. All of the foregoing respondents have their office and principal place of business in East Douglas in the Commonwealth of Massachusetts.

Respondent Schuster Woolens, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its principal place of business located at 112 West 34th Street, in the City of New York, State of New York.

Schuster Woolens, Inc., is a sales agent of respondent Hayward-Schuster Woolen Mills, Inc.

PAR. 2. Subsequent to the effective date of the Wool Products Labeling Act of 1939, and more especially since June 1, 1958, respondent Hayward-Schuster Woolen Mills, Inc., has manufactured for introduction into commerce and said respondent and respondent Schuster Woolens, Inc., have introduced into commerce, sold, transported, distributed, delivered for shipment, and offered for sale in commerce, as "commerce" is defined in said Act, wool products, as "wool products" are defined therein.

PAR. 3. Certain of said wool products were misbranded by the respondents, within the intent and meaning of Section 4(a)(1) of the Wool Products Labeling Act and the Rules and Regulations promulgated thereunder, in that they were falsely and deceptively labeled or tagged with respect to the character and amount of the constituent fibers contained therein.

Among such misbranded products were fabrics labeled or tagged by respondents as "25% camel hair, 75% wool" and "15% camel hair and 85% wool", whereas, in truth and in fact, the fabrics labeled or tagged as containing 25% camel hair, 75% wool contained

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substantially less than 25% camel hair fibers and the fabrics labeled or tagged as containing 15% camel hair and 85% wool contained substantially less than 15% camel hair fibers.

PAR. 4. Certain of said wool products were further misbranded by respondents 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 as prescribed by the Rules and Regulations promulgated under said Act.

PAR. 5. The respondents in the course and conduct of their business, as aforesaid, were and are in substantial competition in commerce with other corporations, firms and individuals likewise engaged in the manufacture and sale of wool products, including fabrics containing camel hair fibers.

PAR. 6. The acts and practices of respondents, as set forth above, 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.

Mr. Frederick McManus for the Commission.

Griffin and Pickens, of Washington, D.C., by *Mr. John K. Pickens* for respondents.

INITIAL DECISION BY EARL J. KOLB, HEARING EXAMINER

The complaint in this proceeding issued January 12, 1960, charged the respondents Hayward-Schuster Woolen Mills, Inc., a Massachusetts corporation, located at East Douglas, Mass., Winfield Schuster, Robert J. Frost, and Bayliss Aldrich, individually and as officers of said corporation, and located at the same address as the corporate respondent, and Schuster Woolens, Inc., a New York corporation, located at 112 West 34th Street, New York, N.Y., with the use of unfair and deceptive acts and practices and unfair methods of competition in interstate commerce in violation of the provisions of the Federal Trade Commission Act, and the Wool Products Labeling Act of 1939, and the Rules and Regulations made pursuant thereto, by misbranding certain wool products manufactured by them for introduction into commerce.

After the issuance of the complaint, respondents entered into an agreement containing consent order to cease and desist with counsel in support of the complaint, disposing of all the issues as to all parties in this proceeding.

It was expressly provided in said agreement that the signing thereof is for settlement purposes only, and does not constitute an

admission by respondents that they have violated the law as alleged in the complaint.

By the terms of said agreement, the respondents admitted all the jurisdictional facts alleged in the complaint and agreed that the record herein may be taken as if the Commission had made findings of jurisdictional facts in accordance with the allegations.

By said agreement, the parties expressly waived any further procedural steps before the hearing examiner and the Commission; the making of findings of fact or conclusions of law; and all the rights they may have to challenge or contest the validity of the order to cease and desist entered in accordance with the agreement.

Respondent further agreed that the order to cease and desist, issued in accordance with said agreement, shall have the same force and effect as if made after a full hearing.

It was further provided that said agreement, together with the complaint, shall constitute the entire record herein; that the complaint herein may be used in construing the terms of the order issued pursuant to said agreement; and that said order may be altered, modified or set aside in the manner prescribed by the statute for orders of the Commission.

The hearing examiner has considered such agreement and the order therein contained, and, it appearing that said agreement and order provides for an appropriate disposition of this proceeding, the same is hereby accepted and is ordered filed upon becoming part of the Commission's decision in accordance with Sections 3.21 and 3.25 of the Rules of Practice, and, in consonance with the terms of said agreement, the hearing examiner finds that the Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents named herein, that this proceeding is in the interest of the public, and issues the following order:

ORDER

It is ordered, That respondents Hayward-Schuster Woolen Mills, Inc., a corporation, and its officers, and Winfield Schuster, Robert J. Frost and Bayliss Aldrich, individually and as officers of said corporation, and respondents' 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 and distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, of wool fabrics or other "wool products," as such products are defined in

and subject to the said Wool Products Labeling Act, do forthwith cease and desist from misbranding such products by:

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

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

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

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

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

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 25th day of August 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.

IN THE MATTER OF MARCH OF TOYS, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
SEC. 2(f) OF THE CLAYTON ACT

Docket 7070. Complaint, Feb. 20, 1958—Decision, Aug. 26, 1960