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*It is ordered*, That respondent Robert Field, an individual doing business as Pacific Record Distributors, 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.

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IN THE MATTER OF

A. & G. HAT & CAP MFG. CO. INC., ET AL.

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

*Docket 7889. Complaint, May 13, 1960—Decision, Sept. 7, 1960*

Consent order requiring manufacturers in Scranton, Pa., to cease violating the Wool Products Labeling Act by labeling as "50% wool, 50% reprocessed wool", men's and boys' caps which contained substantially less than 100% woolen fibers, and by failing to label certain of such products 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 A. & G. Hat & Cap Mfg. Co. Inc., a corporation, and Louis Miller, Henry Goldberg and Harry Mack, individually and as officers of said 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 A. & G. Hat & Cap Mfg. Co. Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Pennsylvania, with its principal place of business located at 315 Pennsylvania Avenue, Scranton, Pa.

Individual respondents, Louis Miller, Henry Goldberg and Harry Mack, are president, vice president and secretary-treasurer, respectively, of said corporate respondent. Said individual respondents formulate, direct and control the acts, practices and policies of the corporate respondent. The office and principal place of business of the individual respondents is the same as the corporate respondent.

PAR. 2. Subsequent to the effective date of the Wool Products Labeling Act of 1939, and more especially since January 1958, respondents have manufactured for introduction into commerce, introduced into commerce, sold, transported, distributed, delivered for shipment and offered for sale in commerce, as "commerce" is defined in the Wool Products Labeling Act of 1939, 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 fiber contained therein.

Among such misbranded products were men's and boys' caps labeled or tagged by respondents as "50% wool, 50% reprocessed wool", whereas, in truth and in fact, said caps contained substantially less than 100% woolen fibers.

PAR. 4. Certain of said wool products were 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 of 1939, 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 with other corporations, firms and individuals likewise engaged in the manufacture and sale of wool products, including men's and boys' caps, in commerce.

PAR. 6. The acts and practices of respondents, as set forth herein, were in violation of the Wool Products Labeling Act of 1939 and the Rules and Regulations 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. Terral A. Jordan* for the Commission.

*Nogi, O'Malley & Harris*, by *Mr. Sheldon Rosenberg*, of Scranton, Pa., for respondents.

INITIAL DECISION BY J. EARL COX, HEARING EXAMINER

The complaint charges respondents with misbranding certain of their wool products, in violation of the Wool Products Labeling Act of 1939 and the Rules and Regulations thereunder, and of the Federal Trade Commission Act.

After the issuance of the complaint, respondents, their counsel, and counsel supporting the complaint entered into an agreement containing consent order to cease and desist, which was approved by the Director, Associate Director, and Assistant Director of the Commission's Bureau of Litigation, and thereafter transmitted to the hearing examiner for consideration.

The agreement states that respondent A. & G. Hat & Cap Mfg. Co. is a corporation existing and doing business under and by virtue of the laws of the State of Pennsylvania; that respondents Louis Miller, Henry Goldberg and Harry Mack are individuals and officers of said corporate respondent; and that respondents' place of business is located at 315 Pennsylvania Avenue, in the city of Scranton, State of Pennsylvania.

The agreement provides, among other things, that respondents admit all the jurisdictional facts alleged in the complaint, and agree that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations; that the record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and this 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 the complaint may be used in construing the terms of the order agreed upon, which may be altered, modified or set aside in the manner provided for other orders; that the agreement is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint; and that the order set forth in the agreement and hereinafter included in this decision shall have the same force and effect as if entered after a full hearing.

Respondents waive any further procedural steps before the hearing examiner and the Commission, the making of findings of fact or

conclusions of law, and all of the rights they may have to challenge or contest the validity of the order to cease and desist entered in accordance with the agreement.

The order agreed upon fully disposes of all the issues raised in the complaint, and adequately prohibits the acts and practices charged therein as being in violation of the wool Products Labeling Act of 1939 and the Rules and Regulations thereunder, and of the Federal Trade Commission Act. Accordingly, the hearing examiner finds this proceeding to be in the public interest, and accepts the agreement containing consent order to cease and desist as part of the record upon which this decision is based. Therefore,

*It is ordered*, That respondents A. & G. Hat & Cap Mfg. Co., Inc., a corporation, and its officers, and Louis Miller, Henry Goldberg and Harry Mack, individually and as officers of said corporation, and their representatives, agents 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 men's and boys' caps or other "wool products", as such products are defined in and subject to the Wool Products Labeling Act, do forthwith cease and desist from misbranding such products by:

1. Falsely or deceptively stamping, tagging or labeling or otherwise identifying such products as to the character or amount of the constituent fibers contained therein;
2. 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.

#### 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 7th day of September 1960, become the decision of the Commission; and, accordingly:

*It is ordered*, That respondents A. & G. Hat & Cap Mfg. Co. Inc., a corporation, and Louis Miller, Henry Goldberg and Harry Mack, individually and as officers of said corporation, 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.

Complaint

57 F.T.C.

IN THE MATTER OF  
FIESTA RECORD COMPANY, INC., ET AL

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

*Docket 7895. Complaint, May 20, 1960—Decision, Sept. 7, 1960*

Consent order requiring New York City distributors of phonograph records to cease giving concealed payola to disc jockeys or other personnel of radio and television programs to induce frequent playing of their records to increase their sales.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that Fiesta Record Company, Inc., a corporation, and Jose Morand, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said 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 Fiesta Record Company, 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 office and place of business located at 1619 Broadway, in the City of New York, State of New York.

Respondent Jose Morand is an officer of the corporate respondent. He formulates, directs and controls the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. His address is the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the distribution, offering for sale, and sale, of phonograph records to distributors.

PAR. 3. In the course and conduct of their business, respondents now cause, and for some time last past have caused, their said records, when sold, to be shipped from one state of the United States to purchasers thereof located in various other States of the United States, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said phonograph records in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business, and at all times mentioned herein, respondents have been in competition, in