

Complaint

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IN THE MATTER OF

TOWER WOOLEN CORPORATION ET AL.

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

Docket 7945. Complaint, June 15, 1960—Decisions, Nov. 9, 1960

Two identical consent orders requiring New York City distributors to cease violating the Wool Products Labeling Act by labeling as "85% wool and 15% camel hair", wool fabrics which contained substantially less wool and camel hair than thus indicated; by failing to label certain wool products as required; and by removing identifying tags from wool fabrics before selling them to garment manufacturers.

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 Tower Woolen Corporation, a corporation, and Jack Forman and Raymond Garskoff, 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 Tower Woolen Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York. Individual respondents Jack Forman and Raymond Garskoff are officers of the corporate respondent. Said individual respondents cooperate in formulating, directing and controlling the acts, policies and practices hereinafter referred to. All respondents have their office and principal place of business at 240 West 37th Street, New York, New York.

PAR. 2. Subsequent to the effective date of the Wool Products Labeling Act of 1939 and more especially since 1958 respondents 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 wool products were wool fabrics labeled or tagged by respondents as 85% wool and 15% camel hair whereas, in truth and in fact, said products contained substantially less than 85% wool, as "wool" is defined in the Wool Products Labeling Act and substantially less than 15% camel hair.

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. Certain of said wool products purchased in and transported to respondents in commerce had affixed thereto, when delivered to them at their said place of business, stamps, tags, labels or other means of identification required by the Wool Products Labeling Act. Thereafter, and before being offered for sale or sold by respondents to garment manufacturers, the respondents, with intent to violate the provisions of said Wool Products Labeling Act and the Rules and Regulations promulgated thereunder, removed or participated in and caused the removal of such stamps, tags, labels, or other means of identification which purported to contain the information required by the provisions of said Act and the Rules and Regulations thereunder, in violation of Section 5 of the Wool Products Labeling Act.

PAR. 6. 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 sale of wool products, including woolen fabrics.

PAR. 7. The acts and practices of the 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.

Before *Mr. William L. Pack*, hearing examiner.

Mr. DeWitt T. Puckett for the Commission.

Mr. Murray Lichtenberg, of New York, N.Y., for respondents Tower Woolen Corporation and Raymond Garskof.

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INITIAL DECISION AS TO RESPONDENTS TOWER WOOLEN CORPORATION
AND RAYMOND GARSKOF

The complaint in this matter charges the respondents with violation of the Wool Products Labeling Act of 1939, and the Rules and Regulations promulgated thereunder, and the Federal Trade Commission Act in connection with the sale of wool products. An agreement has now been entered into by respondents Tower Woolen Corporation and Raymond Garskof and counsel supporting the complaint which provides, among other things, that said respondents admit all of the jurisdictional allegations in the complaint; that the record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and agreement; that the inclusion of findings of fact and conclusion of law in the decision disposing of this matter is waived, together with any further procedural steps before the hearing examiner and the Commission; that the order hereinafter set forth may be entered in disposition of the proceeding, such order to have the same force and effect as if entered after a full hearing, said respondents specifically waiving any and all rights to challenge or contest the validity of such order; that the order may be altered, modified, or set aside in the manner provided for other orders of the Commission; that the complaint may be used in construing the terms of the order; that the agreement is for settlement purposes only and does not constitute an admission by said respondents that they have violated the law as alleged in the complaint.

The hearing examiner having considered the agreement and proposed order and being of the opinion that they provide an adequate basis for appropriate disposition of the proceeding, the agreement is hereby accepted, the following jurisdictional findings made, and the following order issued:

1. Respondent Tower Woolen Corporation is a New York corporation, with its office and principal place of business located at 240 West 37th Street, New York, New York. Individual respondent Raymond Garskof (erroneously referred to in the complaint as Raymond Garskoff) is an officer of the corporate respondent, and his 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 said respondents, and the proceeding is in the public interest.

ORDER

It is ordered. That respondents Tower Woolen Corporation, a corporation, and its officers, and Raymond Garskof (erroneously

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referred to in the complaint as Raymond Garskoff), individually and as an officer of said corporation, and respondents' 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 wool fabrics 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:

A. Misbranding of such products by:

1. Falsely and deceptively stamping, tagging, labeling or otherwise identifying such products as to the character or 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.

B. Causing or participating in the removal of any stamp, tag, label or other means of identification affixed to any such "wool product", pursuant to the Wool Products Labeling Act of 1939, which purports to contain all or any part of the information required by said Act, with intent to violate any of the provisions of said 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 as to respondents Tower Woolen Corporation and Raymond Garskof by the hearing examiner shall, on the 9th day of November, 1960, become the decision of the Commission; and, accordingly:

It is ordered, That respondents Tower Woolen Corporation, a corporation, and Raymond Garskof, individually and as an officer 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.

Before *Mr. William L. Puck*, hearing examiner.

Mr. DeWitt T. Puckett for the Commission.

Mr. Saul Pulner, New York, N.Y., for respondent Jack Forman.

INITIAL DECISION AS TO RESPONDENT JACK FORMAN

The complaint in this matter charges the respondents with violation of the Wool Products Labeling Act of 1939, and the Rules

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and Regulations promulgated thereunder, and the Federal Trade Commission Act in connection with the sale of wool products. An agreement has now been entered into by respondent Jack Forman and counsel supporting the complaint which provides, among other things, that said respondent admits all of the jurisdiction allegations in the complaint; that the record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and agreement; that the inclusion of findings of fact and conclusions of law in the decision disposing of this matter is waived, together with any further procedural steps before the hearing examiner and the Commission; that the order hereinafter set forth may be entered in disposition of the proceeding, such order to have the same force and effect as if entered after a full hearing, said respondent specifically waiving any and all rights to challenge or contest the validity of such order; that the order may be altered, modified, or set aside in the manner provided for other orders of the Commission; that the complaint may be used in construing the terms of the order; and that the agreement is for settlement purposes only and does not constitute an admission by said respondent that he has violated the law as alleged in the complaint.

The agreement further shows that respondent Jack Forman severed his connections with the corporate respondent on March 31, 1960, and has not been an officer of the corporation since that date. The agreement therefor provides for dismissal of the complaint as to respondent Jack Forman in his capacity as an officer of the corporation.

The hearing examiner having considered the agreement and proposed order and being of the opinion that they provide an adequate basis for appropriate disposition of the proceeding, the agreement is hereby accepted, the following jurisdictional findings made, and the following order issued:

1. Respondent Jack Forman is an individual and former officer of respondent Tower Woolen Corporation. Respondent Jack Forman's present address is 170-10 73rd Avenue, Jamaica, New York. His former address was 240 West 37th Street, New York, New York.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the said respondent, and the proceeding is in the public interest.

ORDER

It is ordered, That respondent Jack Forman, an individual, and respondent's representatives, agents and employees, directly or through any corporate or other device, in connection with the intro-

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duction 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 fabrics 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:

A. Misbranding of such products by:

1. Falsely and deceptively stamping, tagging, labeling or otherwise identifying such products as to the character or 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.

B. Causing or participating in the removal of any stamp, tag, label or other means of identification affixed to any such "wool product," pursuant to the Wool Products Labeling Act of 1939 which purports to contain all or any part of the information required by said Act, with intent to violate any of the provisions of said Act.

It is further ordered, That the complaint be, and the same hereby is, dismissed as to respondent Jack Forman as an officer of Tower Woolen Corporation.

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 as to Jack Forman by the hearing examiner shall, on the 9th day of November, 1960, become the decision of the Commission; and, accordingly:

It is ordered, That respondent Jack Forman, individually, 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.

IN THE MATTER OF

JAY KAY DISTRIBUTING CO. ET AL.