
IN THE MATTER OF
RITZ THRIFT SHOP, INC., ET AL.

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

Docket 7980. Complaint, June 24, 1960—Decision, Feb. 3, 1961

Consent order requiring New York City furriers to cease violating the Fur Products Labeling Act by failing to set forth the term "Persian Lamb" properly, misusing the term "blended", and failing in other respects to comply with labeling and invoicing requirements.

Complaint

58 F.T.C.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Ritz Thrift Shop, Inc., a corporation, and Raphael Kaye, Daniel Kaye, and Milton Kosof, 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 Fur 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. Ritz Thrift Shop, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York with its office and principal place of business located at 107 West 57th Street, New York, New York.

Raphael Kaye, Daniel Kaye and Milton Kosof are president, vice president and secretary, and treasurer, respectively, of the said corporate respondent. These individuals control, formulate and direct the acts, practices and policies of the said corporate respondent. Their offices and principal place of business are the same as that of the said corporate respondent.

PAR. 2. Subsequent to the effective date of the Fur Products Labeling Act on August 9, 1952, respondents have been and are now engaged in the introduction into commerce and in the sale, advertising, and offering for sale, in commerce, and in the transportation and distribution, in commerce, of fur products, and have sold, advertised, offered for sale, transported and distributed fur products which have been made in whole or in part of fur which had been shipped and received in commerce, as the terms "commerce", "fur" and "fur product" are defined in the Fur Products Labeling Act.

PAR. 3. Certain of said fur products were misbranded in that they were not labeled as required under the provisions of Section 4(2) of the Fur Products Labeling Act and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

PAR. 4. Certain of said fur products were misbranded in violation of the Fur Products Labeling Act in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) The term "Persian Lamb" was not set forth in the manner required where an election was made to use that term instead of Lamb in violation of Rule 8 of the said Rules and Regulations.

(b) The term "blended" was used as part of the information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe the pointing, bleaching, dyeing or tip-dyeing of furs, in violation of Rule 19(e) of said Rules and Regulations.

(c) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was mingled with non-required information, in violation of Rule 29(a) of said Rules and Regulations.

PAR. 5. Certain of said fur products were falsely and deceptively invoiced by respondents in that they were not invoiced as required by Section 5(b)(1) of the Fur Products Labeling Act, and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

PAR. 6. Certain of said fur products were falsely and deceptively invoiced in violation of the Fur Products Labeling Act in that they were not invoiced in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) The term Persian Lamb was not set forth in the manner required where an election was made to use that term instead of Lamb in violation of Rule 8 of the said Rules and Regulations.

(b) The term Persian Broadtail Lamb was not set forth in the manner required where an election was made to use that term instead of Lamb in violation of Rule 8 of the said Rules and Regulations.

(c) The term "blended" was used as part of the information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe the pointing, bleaching, dyeing or tip-dyeing of furs, in violation of Rule 19(e) of said Rules and Regulations.

PAR. 7. The aforesaid acts and practices of respondents, as herein alleged, are in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder and constitute unfair and deceptive acts and practices in commerce under the Federal Trade Commission Act.

DeWitt T. Puckett, Esq., supporting the complaint.

Arthur Steinberg, Esq., of New York 17, N.Y. for respondents.

INITIAL DECISION BY LEON R. GROSS, HEARING EXAMINER

On June 24, 1960, The Federal Trade Commission issued a complaint against the above-named respondents, in which they were charged with violating the Federal Trade Commission Act, and the Fur Products Labeling Act and the Rules and Regulations promul-

gated thereunder by, among other things, misbranding in that they were not labeled as required, and falsely and deceptively invoicing fur products sold by respondents in interstate commerce. A true and correct copy of the complaint was served upon the respondents and each and all of them, as required by law. Thereafter respondents appeared by counsel and agreed to dispose of this proceeding without a formal hearing pursuant to the terms of an agreement dated November 17, 1960, containing consent order to cease and desist. The agreement was submitted to the undersigned hearing examiner on December 7, 1960, in accordance with §3.25 of the Commission's Rules of Practice for Adjudicative Proceedings. The agreement purports to dispose of this proceeding as to the respondents and each and all of them and contains the form of a consent cease-and-desist order which the parties have represented is dispositive of the issues involved in this proceeding. The agreement has been signed by the corporate respondent by its president, by the individual respondents individually and as officers of said corporation, by the attorneys for the parties, and has been approved by the Assistant Director, Associate Director and Director of the Bureau of Litigation of the Federal Trade Commission. In said agreement, respondents admit all of the jurisdictional facts alleged in the complaint and agree that the record may be taken as if findings of jurisdictional facts had been made in accordance with such allegations. In the agreement the respondents waive: (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 rights respondents may have to challenge or contest the validity of the order to cease and desist entered in accordance with the agreement.

The parties further agree, in said agreement, that the record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and the agreement; that the agreement shall not become a part of the official record unless and until it becomes part of the decision of the Federal Trade Commission; that the order to cease and desist entered in this proceeding by the Commission may be entered without further notice to the respondents, and when so entered it will have the same force and effect as if entered after a full hearing. Said order may be altered, modified or set aside in the manner provided for other orders. The complaint may be used in construing the terms of the order.

The parties have covenanted that the said agreement is for settlement purposes only and does not constitute an admission by the respondents that they have violated the law as alleged in the complaint.

The proceeding having now come on for final consideration on the complaint and the aforesaid agreement containing consent order, and it appearing that the order which is approved in and by said agreement disposes of all the issues presented by the complaint as to all of the parties involved, said agreement of November 17, 1960, is hereby accepted and approved as complying with §§3.21 and 3.25 of the Commission's Rules of Practice for Adjudicative Proceedings. The undersigned hearing examiner, having considered the agreement and proposed order and being of the opinion that the acceptance thereof will be in the public interest, makes the following findings and issues the following order:

FINDINGS

1. The Federal Trade Commission has jurisdiction over the parties and the subject matter of this proceeding;
2. Respondent Ritz Thrift Shop, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York with its office and principal place of business located at 107 West 57th Street, New York, N.Y.
3. Raphael Kaye, Daniel Kaye and Milton Kosof are officers of said corporate respondent. These individuals control, formulate and direct the acts, practices and policies of the said corporate respondent. Their offices are the same as that of said corporate respondent.
4. Respondents are engaged in commerce as "commerce" is defined in the Federal Trade Commission Act and the Fur Products Labeling Act;
5. The complaint filed herein states a cause of action against the respondents under the Federal Trade Commission Act and under the Fur Products Labeling Act and the Rules and Regulations issued pursuant thereto; and this proceeding is in the public interest. Now, therefore,

It is ordered, That Ritz Thrift Shop, Inc., a corporation and its officers, and Raphael Kaye, Daniel Kaye and Milton Kosof, individually and as officers 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 sale, advertising, or offering for sale in commerce, or the transportation or distribution in commerce of fur products, or in connection with the sale, advertising, offering for sale, transportation, or distribution of fur products which are made in whole or in part of fur which has been shipped and received in commerce, as "com-

merce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

1. Misbranding fur products by:

A. Failing to affix labels to fur products showing in words and figures plainly legible all the information required to be disclosed by each of the subsections of §4(2) of the Fur Products Labeling Act;

B. Failing to set forth the term Persian Lamb where an election is made to use that term instead of lamb.

C. Setting forth on labels affixed to fur products:

1. The term "blended" as part of the information required under §4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe the pointing, bleaching, dyeing or tip-dyeing of furs;

2. Information required under §4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder mingled with non-required information.

2. Falsely or deceptively invoicing fur products by:

A. Failing to furnish to purchasers of fur products invoices showing all the information required to be disclosed by each of the subsections of §5(b)(1) of the Fur Products Labeling Act;

B. Failing to set forth the term Persian Lamb where an election is made to use that term instead of Lamb;

C. Failing to set forth the term Persian Broadtail Lamb where an election is made to use that term instead of Lamb;

D. Setting forth on invoices pertaining to fur products the term "blended" as part of the information required under §5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe the pointing, bleaching, dyeing or tip-dyeing of furs.

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 3rd day of February 1961, become the decision of the Commission; and, accordingly:

It is ordered, That Ritz Thrift Shop, Inc., a corporation and its officers, and Raphael Kaye, Daniel Kaye and Milton Kosof, 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.

IN THE MATTER OF

G. & M., INC., TRADING AS GABBY'S AUTO DISCOUNT,
ET AL.

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

Docket 7910. Complaint, June 3, 1960—Decision, Feb. 8, 1961

Order requiring used automobile dealers in Washington, D.C., to cease advertising falsely in newspapers and otherwise that used automobiles could be purchased from them on credit for as little as \$1 down and terms as low as \$8.69 per week, could be financed at bank rate terms, and were fully warranted up to 10,000 miles.

Mr. Ames W. Williams and *Mr. Michael P. Hughes* for the Commission.

Mr. John T. Bonner, of Washington, D. C., for respondents.

INITIAL DECISION BY J. EARL COX, HEARING EXAMINER

The complaint charges that G. & M., Inc., a corporation trading as Gabby's Auto Discount and Gabriel Bobrow, alias Gabby McCoy, have violated the Federal Trade Commission Act, by the use of false, misleading and deceptive statements and representations in connection with their business of selling used automobiles.

The facts are as follows:

1. G. & M., Inc. (in all of respondents' pleading the name so appears) is a corporation organized and doing business under the laws of the District of Columbia, trading as Gabby's Auto Discount, with offices at 12th and I Streets, N.W., Washington, D. C. Gabriel Bobrow, of the same address, known also as Gabby McCoy, is an officer of said corporation and, during the period covered by the complaint herein, formulated, directed and controlled its business activities, including the acts and practices referred to in the complaint.

2. Respondents are now and for some time past have been engaged in the advertising, offering for sale, sale and distribution of used automobiles in commerce. Their volume of business has been and is substantial.

3. In the course and conduct of their business and for the purpose of promoting the sale of their used automobiles, respondents have made certain statements and representations in newspaper advertisements published in the District of Columbia.