

It is ordered, That the 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
LAST WOOL STOCK CORPORATION ET AL.

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

Docket 8050. Complaint, July 19, 1960—Decision, Mar. 18, 1961

Consent order requiring New York City sellers of woolen waste in the form of woven clips and knitted clips to woolen mills, to cease falsely invoicing as "100% Reprocessed Camel hair", products which contained quantities of wool, mohair, nylon, and substantially less than 100% camel hair.

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 Last Wool Stock Corporation, a corporation, and Martko Last and Jacob Last, individually and as officers 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 Last Wool Stock Corporation 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 113 Spring Street, in the City of New York, State of New York.

PAR. 2. Respondents Martko Last, President, and Jacob Last, Secretary-Treasurer, are officers of the corporate respondent. They formulate, direct and control the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. Their address is the same as that of the corporate respondent.

PAR. 3. Respondents are now, and for some time last past have been, engaged in offering for sale, sale and distribution of woolen waste in the form of woven clips and knitted clips, including camel hair clips, to woolen mills and others.

PAR. 4. Respondents in the course and conduct of their business, now cause, and for some time last past have caused, their said products, when sold, to be shipped from their place of business in the State of New York 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 product in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 5. In the course and conduct of their business as aforesaid, respondents have made representations concerning their said products on sales invoices. Among and typical of these representations was the following:

"100% Reprocessed Camel hair"

PAR. 6. The aforesaid representations were false, misleading and deceptive whereas, in truth and in fact, said products contained quantities of wool, mohair, nylon and substantially less camel hair than was represented.

PAR. 7. The acts and practices set out above have had and now have the tendency and capacity to mislead and deceive purchasers of said products as to the true fiber content, and cause such purchasers to misbrand and misrepresent products manufactured by them in which said materials were used.

PAR. 8. In the conduct of their business, at all times mentioned herein, respondents have been in substantial competition, in commerce, with corporations, firms and individuals in the sale of woolen waste of the same general kind and nature as that sold by respondents.

PAR. 9. The acts and practices of the respondents set out above were all to the prejudice and injury of the public and of respondents' 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.

Mr. Michael P. Hughes and Mr. Charles W. O'Connell supporting the complaint.

Engelman and Hart by *Mr. Myron Engelman* of New York, N.Y., for respondents.

INITIAL DECISION BY WALTER K. BENNETT, HEARING EXAMINER

The Commission issued its complaint July 19, 1960 against respondents charging them with false representations in invoices of wool products. The complaint further charged that said representatives constituted unfair and deceptive acts and practices and unfair methods of competition in commerce within the intent and meaning of the Federal Trade Commission Act.

Counsel presented to the undersigned hearing examiner on January 16, 1961 an agreement dated December 29, 1960 among respondents, Last Wool Stock Corporation, Martko Last and Jacob Last, counsel for respondents, and counsel supporting the complaint providing for the entry without further notice of a cease and desist order. Said agreement has been duly approved by the Director, the Assistant Director and the Associate Director of the Bureau of Litigation.

The hearing examiner finds that said agreement includes all of the provisions required by Section 3.25(b) of the Rules of the Commission, that is:

A. An admission by all the respondent parties thereto of jurisdictional facts;

B. Provisions that:

(1) The complaint may be used in construing the terms of the order;

(2) The order shall have the same force and effect as if entered after a full hearing;

(3) The agreement shall not become a part of the official record of the proceeding unless and until it becomes a part of the decision of the Commission;

(4) The entire record on which any cease and desist order may be based shall consist solely of the complaint and the agreement;

(5) The order may be altered, modified, or set aside in the manner provided by statute for other orders;

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C. Waivers of:

(1) The requirement that the decision must contain a statement of findings of fact and conclusion of law;

(2) Further procedural steps before the hearing examiner and the Commission.

In addition the agreement contains the following permissive provisions: A waiver by the respondents of any right to challenge or contest the validity of the order entered in accordance with the agreement, and a statement that the signing of said 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.

Having considered said agreement including the proposed order and being of the opinion that they provide an appropriate basis for settlement and disposition of this proceeding, the hearing examiner hereby accepts the agreement but orders that it shall not become a part of the official record unless and until it becomes a part of the decision of the Commission.

The following jurisdictional findings are made and the following order issued:

1. Respondent Last Wool Stock Corporation 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 113 Spring Street, in the City of New York, State of New York.

2. Respondents Martko Last and Jacob Last are officers of the corporate respondent. They formulate, direct and control the acts and practices of the corporate respondent. Their address is the same as that of the corporate respondent.

3. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents.

ORDER

It is ordered, That respondents Last Wool Stock Corporation, a corporation, and its officers, and Martko Last and Jacob Last, 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 offering for sale, sale or distribution of woolen waste or other products in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from, directly or indirectly, misrepresenting the constituent fibers of which their products are composed

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or the percentages or amounts thereof, in sales 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 18th day of March, 1961, become the decision of the Commission; and, accordingly:

It is ordered, That the 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.
