

tagging as "75% Wool, 15% Nylon and 10% Cashmere" and "85% Wool, 15% Nylon," woolen fabrics which contained substantially less wool than was thus indicated, and by failing to label certain wool 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 Packard Mills, Inc., a corporation, and Ralph K. Hubbard and Edwin L. Hubbard, individually and as officers of said corporation, and Alan W. Manter, individually, 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 Packard Mills, Inc. is a corporation organized, existing and doing business under and by virtue of the laws

of the State of Massachusetts. Said corporation has woolen mills located in Webster, Massachusetts and Caryville, Massachusetts.

Individual respondents Ralph K. Hubbard and Edwin L. Hubbard are officers of the corporate respondent. Individual respondent Alan W. Manter is the resident manager of the Caryville mill. Said individual respondents formulate, direct and control the acts, practices and policies of said corporate respondent, including the acts and practices hereinafter referred to. The business address of individual respondents Ralph K. Hubbard and Edwin L. Hubbard is the same as the corporate respondent, Webster, Massachusetts. The business address of individual respondent Alan W. Manter is Packard Mills, Inc., Caryville, Massachusetts.

PAR. 2. Subsequent to the effective date of the Wool Products Labeling Act of 1939, and more specifically since January 1959, 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 said Act, wool products, as "wool products" are defined therein.

PAR. 3. Certain of said wool products were misbranded by respondents within the intent and meaning of Section 4(a)(1) of said 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 woolen fabrics labeled or tagged by respondents as—

75% Wool, 15% Nylon and 10% Cashmere

85% Wool, 15% Nylon

whereas in truth and in fact said products contained substantially less wool than was indicated by the foregoing labels or tags affixed thereto.

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 prescribed by the Rules and Regulations promulgated thereunder.

PAR. 5. Respondents, in the course and conduct of their business, as aforesaid, were and are in substantial competition in commerce with corporations, firms and individuals likewise engaged in the manufacture and sale of woolen products, including woolen fabric.

PAR. 6. The aforesaid acts and practices of the respondents 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 methods of competition and unfair and deceptive acts and practices, in commerce, within the intent and meaning of the Federal Trade Commission Act.

Mr. Michael P. Hughes for the Commission.

Bingham, Dana & Gould, by *Mr. Joseph Ford*, Boston, Mass., for respondents.

INITIAL DECISION BY RAYMOND J. LYNCH, HEARING EXAMINER

The complaint in this proceeding, issued March 2, 1961, charges the above-named respondents with violation of the provisions of the Federal Trade Commission Act and the Wool Products Labeling Act and the Rules and Regulations issued thereunder.

On June 20, 1961, there was submitted to the undersigned hearing examiner an agreement between respondents and counsel supporting the complaint providing for the entry of a consent order.

Under the foregoing agreement, the respondents admit the jurisdictional facts alleged in the complaint. The parties agree, among other things, that the cease and desist order there set forth may be entered without further notice and have the same force and effect as if entered after a full hearing and the document includes a waiver by the respondents of all rights to challenge or contest the validity of the order issuing in accordance therewith. The agreement further recites that it 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, and that the complaint may be used in construing the terms of the order.

The hearing examiner finds that the content of the agreement meets all of the requirements of Section 3.25(b) of the Rules of the Commission.

The hearing examiner having considered the agreement and proposed order, and being of the opinion that they provide an appropriate basis for settlement and disposition of this proceeding, the agreement is hereby accepted, and it is ordered that said agreement 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 Packard Mills, Inc. is a corporation existing and doing business under and by virtue of the laws of the State of Massachusetts, with its office and place of business located in Webster, Massachusetts.

Individual respondents Ralph K. Hubbard and Edwin L. Hubbard are officers of said corporate respondent. Individual respondent Allen W. Manter (named in the complaint as Alan W. Manter) is the

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resident manager of the Caryville mill. The individual respondents control, direct and formulate the acts and practices of said corporate respondent. The address of the individual respondents Ralph K. Hubbard and Edwin L. Hubbard is the same as that of the corporate respondent. The address of individual respondent Allen W. Manter is Packard Mills, Inc., Caryville, Massachusetts.

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

ORDER

It is ordered, That respondent Packard Mills, Inc., a corporation, and its officers, and Ralph K. Hubbard and Edwin L. Hubbard, individually and as officers of said corporation, and Allen W. Manter (named in the complaint as Alan W. Manter), individually, and respondents' 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 1939, of woolen 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 misbranding such products by:

1. Falsely or 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 such elements 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

This matter having come on to be heard by the Commission upon its review of the initial decision filed by the hearing examiner on July 20, 1961, and the Commission having determined that said initial decision is adequate and appropriate in all respects to dispose of this proceeding:

It is ordered. That the aforesaid initial decision be, and it hereby is, adopted as the decision of the Commission.

It is further ordered. That the respondents, Packard Mills, Inc., a corporation, and Ralph K. Hubbard and Edwin L. Hubbard, individually and as officers of said corporation, and Allen W. Manter (named in the complaint as Alan W. Manter), individually, shall,

