

CROMIT PRODUCTS CORPORATION TRADING AS
ALBICROME PRODUCTS ET AL.

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

Docket 8303. Complaint, Mar. 3, 1961—Decision, Oct. 25, 1961

Consent order requiring Boston manufacturers of alleged chrome plating kits
to cease representing falsely that purchasers of such kits could instantly

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Complaint

chromeplate worn and pitted metal surfaces with a copper-nickel-chrome build-up and achieve the same finish and durability as imparted by commercial electroplating methods.

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 the Cromit Products Corporation, a corporation, and Donald L. Albion, Charles Albion, and Roland Albion, individually and as officers of the corporate respondent, 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 Cromit Products Corporation is a corporation organized and existing under and by virtue of the laws of the State of Massachusetts. Said corporation trades under the name of Albicrome Products. Its office and principal place of business is located at 90 Brookline Avenue, Boston, Massachusetts.

Respondents Donald L. Albion, Charles Albion and Roland Albion are officers of the corporate respondent and they formulate, direct and control the acts and practices of the corporate respondent, as hereinafter set forth. Their business 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 manufacture, advertising, offering for sale, sale and distribution of alleged chrome plating kits to distributors and retailers for resale to the public.

PAR. 3. In the course and conduct of their business, respondents now cause, and for some time last past have caused, their said product, when sold, to be shipped from their place of business in the State of Massachusetts 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. 4. In the course and conduct of their business and for the purpose of inducing the sale of their product, respondents make and have made certain statements, in connection with and for the purpose of inducing the sale of their products. Typical, but not all inclusive, of said statements are the following:

Now Crome Plate Metal Instantly.

Actually replaces worn, rusted or pitted metal, (once smoothed and cleaned) on your car—in your home and office in seconds.

Same copper-nickel-chrome build-up and durability as in old-fashioned electroplating, but at a fraction of the cost:

Brilliant, Durable Plating Results In Seconds Every Time With Albicrome.

PAR. 5. Through the use of the aforesaid statements the respondents represent that purchasers of such kits may instantly chromeplate worn and pitted metal surfaces (after cleaning and smoothing) with a copper-nickel-chrome build-up, and achieve the same finish and durability as imparted by commercial electroplating methods.

PAR. 6. In truth and in fact, respondents' kits will not chromeplate metal instantly nor will they supply the same copper-nickel-chrome build-up, and durability as a commercial chrome-electroplated surface.

PAR. 7. In the conduct of their business, at all times mentioned herein, respondents have been in substantial competition, in commerce, with corporations, firms and individuals engaged in chrome electroplating.

PAR. 8. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were and are true and into the purchase of substantial quantities of respondents' products by reason of said erroneous and mistaken belief. As a consequence thereof, substantial trade in commerce has been, and is being, unfairly diverted to respondents from their competitors and substantial injury has thereby been, and is being, done to competition in commerce.

PAR. 9. The aforesaid acts and practices of respondents, as herein alleged, were and are 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. Ames W. Williams for the Commission.

Mr. Donald L. Albion, of Boston, Mass., for respondents.

INITIAL DECISION BY HERMAN TOCKER, HEARING EXAMINER

The respondents in this case are Cromit Products Corporation, a corporation organized and existing under the laws of the State of Massachusetts, Donald L. Albion, Charles M. Albion (named in the complaint as Charles Albion) and Roland A. Cormier (named in the complaint as Roland Albion). The individual respondents were charged

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Decision

both individually and as officers of the corporate respondent. Their business is now conducted at 22 Elkins Street, in South Boston, Massachusetts.

The complaint was issued March 3, 1961, and it was alleged therein that the respondents had violated the Federal Trade Commission Act by misrepresenting the plating qualities of the materials in so-called "chrome plating kits" advertised and sold by them in commerce for resale to the public.

All the respondents have entered into an agreement with counsel supporting the complaint whereby they have consented to a proposed order to cease and desist, coupled with a provision for the dismissal of the complaint as to Roland A. Cormier, in his individual capacity.

As appears from the agreement, Roland A. Cormier is nominally an officer of the corporate respondent but he performs no services for it, he has no financial interest in it, and he receives no remuneration from it. These being the facts, there does not appear to be any reason to extend any action taken against the respondents in this proceeding to him as an individual. To the extent that he continues as an officer of the corporation, he will be bound by such action in his capacity as an officer. The agreement, while stipulating that the complaint shall be dismissed as to him in his individual capacity, provides for including him in the cease and desist order as a corporate officer.

The Hearing Examiner is, therefore, of the opinion that the agreement disposes of all the issues involved in this proceeding.

In the agreement it is expressly provided that the signing thereof is for settlement purposes only and does not constitute an admission by the respondents that they have violated the law as in the complaint alleged.

By its terms, the respondents admit all the jurisdictional facts alleged in the complaint and they agree that the record herein may be taken as if the Commission had made findings of jurisdictional facts in accordance with the allegations.

By the agreement, the respondents expressly waive any further procedural steps before the Hearing Examiner and the Commission; the making of findings of fact or conclusions of law; and all rights they may have to challenge or contest the validity of the order to cease and desist to be entered in accordance therewith.

Respondents further agree that the order to cease and desist, to be issued in accordance with the agreement, shall have the same force and effect as if made after a full hearing.

It is further provided in said agreement that the same, together with the complaint, shall constitute the entire record herein; that the complaint herein may be used in construing the terms of the order to be

issued pursuant to the agreement; and that such order may be altered, modified or set aside in the manner prescribed by the statute for orders of the Commission.

The Hearing Examiner has considered the agreement and the proposed order therein contained, and, it appearing that said agreement and order provide for an appropriate disposition of this proceeding, the same is hereby accepted and shall be filed upon becoming part of the Commission's decision in accordance with Sections 3.21 and 3.25 of the Rules of Practice.

Now, in consonance with the terms thereof, the Hearing Examiner finds that the Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents named herein, and that this proceeding is in the interest of the public, and issues the following order:

ORDER

It is ordered, That respondents Cromit Products Corporation, a corporation, doing business under its own name or trading as Albicrome Products, or under any other name, and its officers, and Donald L. Albion and Charles Albion, individually and as officers of said corporation, and Roland Cormier, as an officer of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the manufacturing, advertising, offering for sale, sale and distribution of their products in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, directly or by implication, that:

1. Their kits or components will produce a chromium plating.
2. Their kits will provide a copper-nickel-chrome build-up.
3. The coating produced by the use of said kits is comparable in durability to the finish imparted by commercial electroplating.

It is further ordered, That the complaint be and the same hereby is dismissed as to respondent Roland Cormier, individually.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, published May 6, 1955, as amended, the initial decision of the hearing examiner shall, on the 25th day of October 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.

Complaint

IN THE MATTER OF

KOSAK FURS, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION AND THE FUR PRODUCTS LABELING ACTS*Docket 8348. Complaint, Apr. 5, 1961—Decision, Oct. 25, 1961*

Consent order requiring New York City furriers to cease violating the Fur Products Labeling Act by failing to set forth the term "dyed Mouton processed Lamb" where required on invoices of fur products and failing in other respects to comply with invoice requirements, and by furnishing false guaranties that certain of their fur products were not misbranded, falsely invoiced, or falsely advertised.

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 Kosak Furs, Inc., a corporation, and Fred Kosak and Sol Horowitz, 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. Respondent Kosak Furs, 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 305 Seventh Avenue, New York 1, New York.

Respondents Fred Kosak and Sol Horowitz are officers of the corporate respondent and control, direct and formulate the acts, practices and policies of the corporate respondent. Their address is the same as that of the 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 manufacture for introduction into commerce, and in the sale, advertising, offering for sale, transportation and distribution, in commerce, of fur products; and have manufactured for sale, 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.