

## Complaint

## IN THE MATTER OF

## SAMUEL MURROW AND COMPANY ET AL.

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

*Docket C-242. Complaint, Sept. 21, 1962—Decision, Sept. 21, 1962*

Consent order requiring Chicago wholesaler-retailers of wool and fur products to cease violating the Fur Products Labeling Act by labeling fur products with excessive prices represented thereby as regular selling prices, labeling imported furs as originating in the United States, failing to show on labels the name of the manufacturer, etc., and the country of origin of imported furs; failing, in newspaper advertising, to disclose that fur products contained artificially colored fur and to reveal when the fur was natural, falsely representing in advertisements that prices of fur products had been drastically reduced when so-called "regular" prices listed were fictitious; and failing to keep adequate records as a basis for price and value claims; and to cease violating the Wool Products Labeling Act by affixing fictitious price labels to wool products.

## COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, the Wool Products Labeling Act of 1939 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 Samuel Murrow and Company, a corporation, and Irving Silverman, individually and as an officer 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 of 1939 and 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 Samuel Murrow and Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois with its office and principal place of business located at 318 West Adams Street, Chicago, Ill.

Respondent Irving Silverman is president of the said corporate respondent and controls, directs and formulates the acts, practices and policies of the said corporate respondent. His office and principal place of business is the same as that of the said corporate respondent.

Respondents are wholesalers and retailers of wool and fur products.

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 labels affixed thereto contained fictitious prices and misrepresented the regular retail selling prices of such fur products in that the prices represented on such labels as the regular prices of the fur products were in excess of the retail prices at which the respondents usually and regularly sold such fur products in the recent regular course of business, in violation of Section 4(1) of the Fur Products Labeling Act.

PAR. 4. Certain of said fur products were misbranded in that labels affixed thereto represented the country or origin of the furs contained in such fur products as the United States when in truth and in fact the furs contained in such fur products were imported, in violation of Section 4(1) of the Fur Products Labeling Act.

PAR. 5. 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.

Among such misbranded fur products, but not limited thereto were fur products with labels which failed:

1. To show the name, or other identification issued and registered by the Commission of one or more of the persons who manufactured such fur product for introduction into commerce, introduced it in commerce, sold it in commerce, advertised or offered it for sale in commerce, or transported or distributed it in commerce.

2. To show the country of origin of the imported furs contained in fur products.

PAR. 6. 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 inasmuch as required item numbers were not set forth on labels, in violation of Rule 40 of said Rules and Regulations.

PAR. 7. Certain of said fur products were falsely and deceptively advertised in that said fur products were not advertised as required under the provisions of Section 5(a) of the Fur Products Labeling

Act and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

Said advertisements were intended to aid, promote and assist, directly or indirectly, in the sale and offering for sale of said fur products.

Among and included in the advertisements of aforesaid fur products but not limited thereto were advertisements of the respondents which appeared in issues of the *Christian Science Monitor*, a newspaper published in Boston, Massachusetts, and the *New World*, a newspaper published in Chicago, Illinois, both having a wide interstate circulation.

Among such false and deceptive advertisements of fur products but not limited thereto were advertisements which failed to disclose that fur products contained or were composed of bleached, dyed or otherwise artificially colored fur when such was the fact, in violation of Section 5(a) (3) of the Fur Products Labeling Act.

PAR. 8. Certain of said fur products were falsely and deceptively advertised in violation of the Fur Products Labeling Act in that they were not advertised in accordance with the Rules and Regulations promulgated thereunder inasmuch as such fur products were not described as natural when such fur products were not pointed, bleached, dyed, tip-dyed or otherwise artificially colored, in violation of Rule 19(g) of said Rules and Regulations.

PAR. 9. In advertising fur products for sale as aforesaid, respondents falsely and deceptively advertised said fur products in violation of Section 5(a) (5) of the Fur Products Labeling Act and Rule 44(a) of the said Rules and Regulations by representing, directly or by implication, through such statements as "All winter coats, fur trimmed and untrimmed, have been drastically reduced at give-away prices you will not be disappointed", and by affixing labels to fur products containing fictitious prices and misrepresenting the regular retail prices of such fur products, that prices of fur products were reduced from regular or usual prices, when in fact the so-called regular or usual prices were fictitious in that they were not the prices at which said merchandise was usually sold by respondents in the recent regular course of business.

PAR. 10. Respondents in advertising fur products for sale as aforesaid made claims and representations respecting prices and values of fur products. Said representations were of the type covered by subsections (a), (b), (c) and (d) of Rule 44 of the Rules and Regulations promulgated under the Fur Products Labeling Act. Respondents in making such claims and representations failed to maintain full and

adequate records disclosing the facts upon which such claims and representations were based, in violation of Rule 44(e) of said Rules and Regulations.

PAR. 11. 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 and unfair methods of competition in commerce under the Federal Trade Commission Act.

PAR. 12. Subsequent to the effective date of the Wool Products Labeling Act of 1939, 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 product" is defined therein.

PAR. 13. Certain of said wool products were misbranded in that labels affixed thereto contained fictitious prices and misrepresented the regular retail selling prices of such wool products in that the prices represented on such labels as the regular prices of the wool products were in excess of the retail prices at which the respondents usually and regularly sold such wool products in the recent regular course of business, in violation of Section 4(a) (1) of the Wool Products Labeling Act.

PAR. 14. The acts and practices of the respondents as set forth in paragraphs 12 and 13 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.

#### DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act, the Fur Products Labeling Act, and the Wool Products Labeling Act of 1939, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as set forth in such complaint,

and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Samuel Murrow and Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois with its office and principal place of business located at 318 West Adams Street, Chicago, Ill.

Respondent Irving Silverman is president of the said corporation and his address is the same as that of said corporation.

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 respondents Samuel Murrow and Company, a corporation, and its officers, and Irving Silverman, 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 sale, advertising, or offering for sale in commerce or the transportation or distribution in commerce of any fur product; or in connection with the sale, advertising, offering for sale, transportation, or distribution of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as "commerce"; "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

1. Misbranding fur products by:

A. Falsely or deceptively labeling or otherwise identifying such products as to the regular prices or values thereof by any representation that the regular or usual prices of such products are any amount in excess of the prices at which respondents have usually and customarily sold such products in the recent regular course of business.

B. Falsely or deceptively labeling or otherwise identifying such products as to the country of origin of the furs contained in such fur products.

C. 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 Section 4(2) of the Fur Products Labeling Act.

D. Failing to set forth the item number or mark assigned to a fur product.

2. Falsely or deceptively advertising fur products through the use of any advertisement, representation, public announcement, or notice which is intended to aid, promote or assist, directly or indirectly, in the sale, or offering for sale of fur products and which:

A. Fails to set forth in words and figures plainly legible all the information required to be disclosed by each of the subsections of Section 5(a) of the Fur Products Labeling Act.

B. Fails to describe fur products as natural, when such fur products are not pointed, bleached, dyed, tip-dyed or otherwise artificially colored.

C. Represents directly or by implication that the regular or usual price of any fur product is any amount which is in excess of the price at which respondents have usually and customarily sold such products in the recent regular course of business.

D. Misrepresents in any manner the savings available to purchasers of respondents' fur products.

3. Making claims and representations of the type covered by subsections (a), (b), (c) and (d) of Rule 44 of the Rules and Regulations promulgated under the Fur Products Labeling Act unless there are maintained by respondents full and adequate records disclosing the facts upon which such claims and representations are based.

*It is further ordered,* That respondents Samuel Murrow and Company, a corporation, and its officers, and Irving Silverman, 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 and delivery for shipment, in commerce, of any wool product as "wool product" and "commerce" are defined in the Wool Products Labeling Act do forthwith cease and desist from:

1. Misbranding wool products by:

A. Falsely or deceptively labeling or otherwise identifying such products as to the regular prices or values thereof by any representation that the regular or usual prices of such products are any amount in excess of the prices at which re-

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spondents have usually and customarily sold such products  
in the recent regular course of business