

1294

Complaint

a report in writing setting forth in detail the manner and form in which it has complied with this order.

IN THE MATTER OF
ABBY-KENT CO., INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION AND THE FLAMMABLE FABRICS ACTS

Docket C-273. Complaint, Nov. 29, 1962—Decision, Nov. 29, 1962

Consent order requiring New York City manufacturers to cease violating the Flammable Fabrics Act by selling in commerce ladies' dresses which were so highly flammable as to be dangerous when worn.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Flammable Fabrics Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Abby-Kent Co., Inc., a corporation, Eugene F. Coracci and Harry Grossman, individually and as officers of said corporation, and Irving Pollack, individually hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Flammable Fabrics 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 Abby-Kent Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York. Individual respondents Eugene F. Coracci, and Harry Grossman, are officers of the corporate respondent and formulate, direct and control the acts, practices and policies of the corporate respondent. Individual respondent Irving Pollack also formulated, directed and controlled the acts, practices, and policies of the corporate respondent until September 28, 1962. The corporate respondent and individual respondents Eugene F. Coracci and Harry Grossman are manufacturers of articles of wearing apparel including ladies' dresses, and have their office and principal place of business at 1400 Broadway, New York, N.Y. Individual respondent Irving Pollack was so engaged until September 28, 1962, at the same address.

PAR. 2. Subsequent to July 1, 1954, the effective date of the Flammable Fabrics Act, respondents have manufactured for sale, sold and

offered for sale in commerce; have imported into the United States; and have introduced, delivered for introduction, transported and caused to be transported, in commerce; and have transported and caused to be transported for the purpose of sale or delivery after sale in commerce; as "commerce" is defined in the Flammable Fabrics Act, articles of wearing apparel, as the term "article of wearing apparel" is defined therein, which articles of wearing apparel were under the provisions of Section 4 of the Flammable Fabrics Act, as amended, so highly flammable as to be dangerous when worn by individuals.

Among such articles of wearing apparel mentioned above were ladies' dresses.

PAR. 3. Respondents, subsequent to July 1, 1954, the effective date of the Flammable Fabrics Act, have manufactured for sale, sold and offered for sale, articles of wearing apparel made of fabric which was, under Section 4 of the Act, as amended, so highly flammable as to be dangerous when worn by individuals, and which fabric, had been shipped and received in commerce, as the terms "article of wearing apparel", "fabric" and "commerce" are defined in the Flammable Fabrics Act.

Among such articles of wearing apparel mentioned above were ladies' dresses.

PAR. 4. Subsequent to July 1, 1954, the effective date of the Flammable Fabrics Act, respondents by falsely representing in writing that they had a continuing guaranty with the Federal Trade Commission, have furnished their customers with false guaranties with respect to the articles of wearing apparel, mentioned in paragraphs 2 and 3 above, to the effect that reasonable and representative tests made under the procedures provided in Section 4 of the Flammable Fabrics Act, as amended, and the Rules and Regulations promulgated thereunder, showed that said articles of wearing apparel, in the form delivered by the respondents, were not so highly flammable under the provisions of the Flammable Fabrics Act as to be dangerous when worn by individuals, in violation of Rule 10(d) of the Rules and Regulations under the said Act and Section 8(b) of such Act.

PAR. 5. The acts and practices of respondents herein alleged were and are in violation of the Flammable Fabrics Act and of the Rules and Regulations promulgated thereunder and as such constitute unfair and deceptive acts and practices 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 and the Flammable Fabrics Act, 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 respondent 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, Abby-Kent Co., 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 1400 Broadway, in the city of New York, State of New York.

Respondents Eugene F. Coracci and Harry Grossman are officers of said corporation, and their address is the same as that of said corporation. Respondent Irving Pollack also formulated, directed and controlled the policies, acts and practices of said corporation until September 28, 1962, and at the same address 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 respondent Abby-Kent Co., Inc., a corporation, and its officers, and Eugene F. Coracci and Harry Grossman, individually and as officers of said corporation, and Irving Pollack, individually, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from:

1. (a) Importing into the United States; or
 - (b) Manufacturing for sale, selling, offering for sale, introducing, delivering for introduction, transporting or causing to be transported, in commerce, as "commerce" is defined in the Flammable Fabrics Act; or
 - (c) Transporting or causing to be transported, for the purpose of sale or delivery after sale in commerce;

any article of wearing apparel which, under the provisions of Section 4 of the Flammable Fabrics Act, as amended, is so highly flammable as to be dangerous when worn by individuals.

2. Manufacturing for sale, selling or offering for sale any article of wearing apparel made of fabric, which fabric has been shipped or received in commerce, and which, under Section 4 of the Flammable Fabrics Act, as amended, is so highly flammable as to be dangerous when worn by individuals.

3. Furnishing to any person a guaranty with respect to any article of wearing apparel or fabric which respondents, or any of them, have reason to believe may be introduced, sold or transported in commerce, which guaranty represents, contrary to fact, that reasonable and representative tests made under the procedures provided in Section 4 of the Flammable Fabrics Act, as amended, and the Rules and Regulations promulgated thereunder, show and will show that the article of wearing apparel, or the fabric used or contained therein covered by the guaranty, is not, in the form delivered or to be delivered by the guarantor, so highly flammable under the provisions of the Flammable Fabrics Act as to be dangerous when worn by individuals, provided, however, that this prohibition shall not be applicable to a guaranty furnished on the basis of, and in reliance upon, a guaranty to the same effect received by respondents in good faith signed by and containing the name and address of the person by whom the article of wearing apparel or fabric was manufactured or from whom it was received.

It is further 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 this order.

IN THE MATTER OF

MARTHA MILLS, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION AND THE TEXTILE FIBER PRODUCTS IDENTIFICATION ACTS