

It is further ordered, That respondents 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

RONZONE'S OF LAS VEGAS, INC., ET AL.

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

Docket C-316. Complaint, Feb. 28, 1963—Decision, Feb. 28, 1963

Consent order requiring Las Vegas, Nev., retail furriers to cease violating the Fur Products Labeling Act by failing to disclose in newspaper advertising the names of animals producing certain furs and when fur products contained artificially colored or cheap or waste fur, and to describe as "natural" fur which was not bleached or dyed; by representing falsely in such advertising that purchasers of furs received on consignment might "Save 20% to 50% on Famous Brands . . . Special purchase . . .", etc.; by affixing labels bearing fictitious prices to fur products; by failing to maintain adequate records as a basis for price and value claims; and by failing in other respects to comply with requirements of the Act.

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 Ronzone's of Las Vegas, Inc., a corporation, and its officers, and Richard J. Ronzone and Peder R. Rasmussen, individually and as officers of said corporation, and as copartners trading as Nevada Fur Service, 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

Complaint

62 F.T.C.

in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Ronzone's of Las Vegas, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Nevada.

Individual respondents Richard J. Ronzone and Peder R. Rasmussen are officers of the corporate respondent and formulate, direct and control the acts, practices and policies of corporate respondent, Ronzone's of Las Vegas, Inc., including those hereinafter set forth.

Individual respondents Richard J. Ronzone and Peder R. Rasmussen are also copartners trading as Nevada Fur Service.

Respondents are retailers of fur products and have their office and principal place of business at 418 Fremont Street, Las Vegas, Nevada.

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 represented prices of fur products as having been reduced from regular or usual prices when the so-called regular or usual prices were in fact fictitious in that they were not the prices at which said merchandise was usually sold by respondents 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 falsely and deceptively invoiced by the respondents in that they were not invoiced as required by Section 5(b)(1) of the Fur Products Labeling Act, and the Rules and Regulations promulgated under such Act.

Among such falsely and deceptively invoiced fur products, but not limited thereto, were invoices pertaining to such fur products which failed:

1. To show the true animal name of the fur used in the fur product.
2. To disclose that the fur contained in the fur products was bleached, dyed, or otherwise artificially colored when such was the fact.
3. To show that the fur product was composed in whole or substantial part of paws, tails, bellies, or waste fur when such was the fact.

PAR. 5. Certain of said fur products were falsely and deceptively invoiced in violation of the Fur Products Labeling Act in that they

were not invoiced in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) Information required under Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth in abbreviated form, in violation of Rule 4 of said Rules and Regulations.

(b) The term "Dyed Broadtail-processed Lamb" was not set forth in the manner required by law, in violation of Rule 10 of said Rules and Regulations.

(c) The term "natural" was not used to describe fur products that were not pointed, bleached, dyed, tip-dyed or otherwise artificially colored, in violation of Rule 19(g) of said Rules and Regulations.

(d) Information required under Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was not set forth separately on invoices with respect to each section of fur products composed of two or more sections containing different animal furs, in violation of Rule 36 of said Rules and Regulations.

PAR. 6. Certain of said fur products were falsely or 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 aforesaid but not limited thereto, were advertisements of respondents, which appeared in issues of the Las Vegas Review Journal, a newspaper published in the city of Las Vegas, State of Nevada.

Among such false and deceptive advertisements of fur products, but not limited thereto, were advertisements which:

(a) Failed to disclose the name or names of the animal or animals that produced the fur contained in the fur product as set forth in the Fur Products Name Guide, in violation of Section 5(a)(1) of the Fur Products Labeling Act.

(b) 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.

(c) Failed to disclose that fur products were composed in whole or in substantial part of paws, tails, bellies or waste fur, when such was

the fact, in violation of Section 5(a)(4) of the Fur Products Labeling Act.

PAR. 7. Respondents by means of the advertisements referred to in Paragraph 6 and other advertisements of similar import and meaning not specifically referred to herein, falsely and deceptively advertised their fur products in that:

(a) Fur products which were not pointed, bleached, dyed, tip-dyed or otherwise artificially colored were not described as "natural" as required by Rule 19 of said Rules and Regulations.

(b) Information required under Section 5(a) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth in abbreviated form, in violation of Rule 4 of said Rules and Regulations.

PAR. 8. By means of the advertisements referred to in Paragraph 6 and other advertisements of similar import and meaning not specifically referred to herein, respondents represented prices of fur products as having been reduced from regular or usual prices and the amount of such reductions constituted savings to the purchasers, when the so-called regular or usual prices were in fact fictitious in that they were not the prices at which said merchandise was usually sold by respondents in the recent regular course of business, and no savings were thereby afforded to the purchasers, in violation of Section 5(a)(5) of the Fur Products Labeling Act and Rule 44(a) of the Rules and Regulations promulgated under the said Act.

PAR. 9. Respondents by means of the advertisements referred to in Paragraph 6 and other advertisements of similar import and meaning not specifically referred to herein, falsely and deceptively advertised fur products, in violation of Section 5(a)(5) of the Fur Products Labeling Act and Rule 44(a) of the Rules and Regulations promulgated thereunder by representing directly or by implication, through such statements as:

Save 20% to 50% on Famous Brands . . .
Special purchase of Luxurious Designer
Mink—H-B-K Sovereign Furs

That respondents by means of a special purchase obtained special price concessions from a supplier of fur products and was able to offer the said fur products for sale to the purchasing public at prices reduced from the regular or usual prices of such products.

The aforesaid representations were false, misleading and deceptive in that respondents did not make special purchases of the fur products offered for sale but received such products on consignment and savings were not available to purchasers of said products as represented.

PAR. 10. By means of the advertisements referred to in Paragraph 6 and other advertisements of similar import and meaning not specifically referred to herein, respondents falsely and deceptively advertised their fur products in that said advertisements represented through percentage savings claims such as "Save 20% to 50% on Famous Brands" that prices of fur products were reduced in direct proportion to the percentage of the savings stated when said savings were not available in violation of Section 5(a)(5) of the Fur Products Labeling Act.

PAR. 11. Respondents further falsely and deceptively advertised fur products by representing prices of fur products on labels affixed to fur products as having been reduced from regular or usual prices, when the so-called regular or usual prices were in fact fictitious in that they were not the prices at which said merchandise was usually sold by respondent in the recent regular course of business, in violation of Section 5(a)(5) of the Fur Products Labeling Act and Rule 44(a) of the Rules and Regulations promulgated thereunder.

PAR. 12. 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 types 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. 13. 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.

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 Fur Products Labeling 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 respondents of all the jurisdictional facts set forth in the complaint

Decision and Order

62 F.T.C.

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 Ronzone's of Las Vegas, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Nevada, with its office and principal place of business located at 418 Fremont Street, in the city of Las Vegas, State of Nevada.

Respondents Richard J. Ronzone and Peder R. Rasmussen are officers of said corporation and their address is the same as that of said corporation.

Respondents Richard J. Ronzone and Peder R. Rasmussen are also copartners trading as Nevada Fur Service.

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, Ronzone's of Las Vegas, Inc., a corporation, and its officers, and Richard J. Ronzone and Peder R. Rasmussen, individually and as officers of said corporation and as copartners trading as Nevada Fur Service or under any other trade name, 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:

A. Misbranding fur products by falsely or deceptively labeling or otherwise identifying such products as to the regular prices thereof by any representation that any price, when accompanied or unaccompanied by any descriptive language, was the price at which the merchandise so represented was usually and customarily sold at retail by the respondents unless such merchandise

was in fact usually and customarily sold at retail at such price by the respondents in the recent past.

B. Falsely or deceptively invoicing fur products by:

1. Failing to furnish invoices to purchasers of fur products showing in words and figures plainly legible all the information required to be disclosed by each of the subsections of Section 5(b)(1) of the Fur Products Labeling Act.

2. Setting forth information required under Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form.

3. Failing to set forth the term "Dyed Broadtail-processed Lamb" in the manner required where an election is made to use that term instead of the term "Dyed Lamb".

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

5. Failing to set forth information required under Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder with respect to each section of fur products composed of two or more sections containing different animal furs.

C. 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:

1. Fails to set forth all the information required to be disclosed by each of the subsections of Section 5(a) of the Fur Products Labeling Act.

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

3. Sets forth information required under Section 5(a) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form.

4. Represents that any price, when accompanied or unaccompanied by any descriptive language, was the price at which the merchandise advertised was usually and customarily sold at retail by the respondents unless such advertised merchandise was in fact usually and customarily sold at retail at such price by the respondents in the recent past.

Complaint

62 F.T.C.

5. Misrepresents directly or by implication that savings are available to purchasers of respondents' fur products due to special purchases.

6. Misrepresents through percentage savings claims that prices of fur products are reduced in direct proportion to the percentage of savings stated.

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

D. Making claims and representations of the types 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 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.
