

4. Efficiency alone determines the economy of cellulose insulation when compared with mineral or glass fiber materials.

*It is further ordered,* That each of 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

THOMAS SMILIOS TRADING AS THOMAS SMILIOS

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

*Docket C-595. Complaint, Sept. 20, 1963—Decision, Sept. 20, 1963*

Consent order requiring a manufacturing furrier in New York City to cease violating invoicing provisions of the Fur Products Labeling Act by failing to set forth required information and item numbers on invoices and to use the term "natural" to describe fur products which were not artificially colored.

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 Thomas Smilios, an individual trading as Thomas Smilios, hereinafter referred to as respondent, has violated the provisions of said Act 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 Thomas Smilios is an individual trading under his own name.

Respondent is a manufacturer of fur products with his office and principal place of business located at 253 West 27th Street, New York, New York.

PAR. 2. Subsequent to the effective date of the Fur Products Labeling Act on August 9, 1952, respondent has been and is now engaged in the introduction into commerce, and in the manufacture for 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 has manufactured for sale, sold, advertised, offered for sale, transported and distributed fur products which have been made in whole or in part of furs which have 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 falsely and deceptively invoiced by the respondent 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 fur products with invoices which failed to set forth any of the information required by Section 5(b)(1) of the Fur Products Labeling Act.

PAR. 4. 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) The term "natural" was not used on invoices to describe fur products which were not pointed, bleached, dyed, tip-dyed or otherwise artificially colored, in violation of Rule 19(g) of said Rules and Regulations.

(b) Required item numbers were not set forth on invoices, in violation of Rule 40 of said Rules and Regulations.

PAR. 5. The aforesaid acts and practices of respondent, 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 under the Federal Trade Commission Act.

#### DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondent named in the caption hereof with violation of the Federal Trade Commission Act and the Fur Prod-

ucts Labeling Act, and the respondent 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 respondent 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 respondent 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 Thomas Smilios is an individual trading under his own name with his office and principal place of business located at 253 West 27th Street, in the city of New York, State of New York.
2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent, and the proceeding is in the public interest.

ORDER

*It is ordered*, That respondent Thomas Smilios, an individual trading as Thomas Smilios, or under any other trade name, and respondent's 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:

Falsely or deceptively invoicing fur products by:

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

2. Failing to set forth the term "natural" as part of the information required to be disclosed on invoices under the Fur Products Labeling Act and Rules and Regulations promulgated thereunder to describe fur products which are not pointed, bleached, dyed, tip-dyed or otherwise artificially colored.

3. Failing to set forth on invoices the item number or mark assigned to fur products.

*It is further ordered*, That the respondent herein shall, within sixty (60) days after service upon him of this order, file with the Commission a report in writing setting forth in detail the manner and form in which he has complied with this order.

---

IN THE MATTER OF  
JOSEPH BOLLELLA TRADING AS  
EMPIRE COMMODITY ASSOCIATION

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

*Docket C-596. Complaint, Sept. 20, 1963—Decision, Sept. 20, 1963*

Consent order requiring an individual engaged in New York City in the sale of management services incident to the purchase and sale of commodity futures, to cease representing falsely, through use of his trade name and otherwise, that his private business was an association with members united in a common effort; and representing falsely in circulars, membership agreement forms, etc., that he deducted 20% of net profits for his management fee when he actually deducted 20% of every profitable transaction and clients sustained all losses, and that he operated pursuant to the Commodity Exchange Act and the regulations of the United States Department of Agriculture.

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 Joseph Bollella, an individual trading as Empire Commodity Association, hereinafter referred to as respondent, has 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 Joseph Bollella, an individual trading as Empire Commodity Association, has his principal office and place

## Complaint

63 F.T.C.

of business located at 714 Morris Park Avenue, in the city of New York, State of New York.

PAR. 2. Respondent is now, and for some time last past has been, engaged in the advertising, offering for sale, and sale of management services incident to the purchase and sale of commodity futures to the public.

PAR. 3. In connection with this business, the respondent has been and now is transmitting and receiving, through the United States mail, and otherwise disseminating in commerce, advertising matter, pamphlets, circulars, letters, membership agreement forms, checks and money orders which are sent and received between respondent's place of business in the State of New York and other persons located in various other States of the United States.

In carrying out his aforesaid business operations respondent has engaged in commercial intercourse in commerce between and among various States of the United States, including the transmission and receipt of advertising material, pamphlets, circulars, letters, membership agreement forms, checks and money orders.

PAR. 4. In the course and conduct of his business, and for the purpose of inducing the purchase of said management services, respondent has made and published or caused to be published certain statements, claims and representations in circulars, membership agreement forms, and other materials distributed by him. Among and typical, but not all inclusive, are the following:

Empire Commodity Association

That for the services rendered, and to be rendered, the undersigned hereby agrees to a quarterly service and disbursement fee of \$10.00 and, further, explicitly authorizes that from profits of each and every transaction the management is hereby authorized to deduct 20% of said profit as and for management's fee.

There is no management fee unless the Association via its trading capabilities make gains for its investing members.

The undersigned and each and every member of EMCA represents each to the other that the Association is operating under and pursuant to the Commodities Exchange Act and all regulations and rulings of the Commodities Exchange Authority of the Department of Agriculture of the United States.

PAR. 5. Through the use of the trade name "Empire Commodity Association" standing alone or through the use of the aforesaid statements and representations, and others similar thereto, separately or in connection with said trade name, respondent represents and has represented, directly or by implication that said "Association" constitutes and comprises an association with members who are united in a common effort.

## PAR. 6. In truth and in fact:

Respondent is not organized into and does not constitute an association for any purpose whatsoever; but instead engages in a business organized for profit, which, under the direction of respondent, is operated for the sole purpose of selling management services, at a profit.

Therefore, the use of the trade name "Empire Commodity Association", standing alone, or in connection with the statements and representations set out in Paragraph 4 and referred to in Paragraph 5 hereof, and the aforesaid statements and representations alone, were and are false, misleading and deceptive.

PAR. 7. Through the use of the statements, claims and representations set out in Paragraph 4 and others similar thereto, but not specifically set out herein respondent has represented, directly or by implication:

(a) That for his management fee he is authorized to deduct 20% of net profits realized by his client;

(b) That he operates his business under and pursuant to the Commodity Exchange Act and all regulations and rulings of the Commodity Exchange Authority of the Department of Agriculture of the United States.

## PAR. 8. In truth and in fact:

(a) The deductions made amounted to 20% of each and every profitable transaction realized by the client. Clients are required to sustain all losses.

(b) The business was not operated under and pursuant to the Commodity Exchange Act and all regulations and rulings of the Commodity Exchange Authority of the Department of Agriculture of the United States.

Therefore, the statements, claims and representations as set forth in Paragraphs 4 and 7 hereof were and are false, misleading and deceptive.

PAR. 9. In the conduct of his business, and at all times mentioned herein, respondent has been in substantial competition in commerce with corporations, firms and individuals in the sale of services of the same general kind and nature.

PAR. 10. The use by respondent of the aforesaid false, misleading and deceptive statements, claims and representations 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, claims and representations were and are true and into the purchase of quantities of respondent's management services by reason of said erroneous and mistaken belief.

## Decision and Order

63 F.T.C.

PAR. 11. The aforesaid acts and practices of respondent, as herein alleged, were and are all to the prejudice and injury of the public and of respondent's competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce, in violation of Section 5 of the Federal Trade Commission Act.

## DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondent named in the caption hereof with violation of the Federal Trade Commission Act, and the respondent 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 respondent 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 respondent 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 Joseph Bollella, an individual trading as Empire Commodity Association, has his office and principal place of business located at 714 Morris Park Avenue, in the city of New York, State of New York.

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

## ORDER

*It is ordered*, That respondent Joseph Bollella, an individual trading as Empire Commodity Association, or under any other name, and respondent's agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale or sale of management services, or other products, in commerce as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

817

## Complaint

a. Using the word "association" or any abbreviation or contraction thereof, as a part of the trade name under which respondent conducts his business; or representing in any other manner or by any other means, directly or indirectly, that respondent's business is an association of any nature.

b. Representing, directly or by implication, that any amount will be deducted as a fee for management services from net profits, when such fee is deducted on all profitable transactions.

c. Misrepresenting, in any manner, the remuneration he deducts, charges or receives for any service.

d. Representing, directly or by implication, that he or any person associated with him in the operation of his business is operating under or pursuant to the Commodity Exchange Act.

e. Representing, directly or by implication, that he or any person associated with him in the operation of his business is operating under or pursuant to the regulations and rulings of the United States Department of Agriculture.

*It is further ordered*, That the respondent herein shall, within sixty (60) days after service upon him of this order, file with the Commission a report in writing setting forth in detail the manner and form in which he has complied with this order.

---

 IN THE MATTER OF

## STYLEBILT 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 C-597. Complaint, Sept. 20, 1963—Decision, Sept. 20, 1963*

Consent order requiring manufacturing furriers in New York City to cease violating the Fur Products Labeling Act by failing to disclose on labels and invoices that certain furs were artificially colored; failing, on invoices, to show the true animal name of fur and the country of origin of imported furs, to use the terms "Persian Lamb" and "Natural" where required, and to comply in other respects with invoicing requirements; and furnishing false guaranties with fur products.

## 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 Stylebilt Furs, Inc., a corporation, and Jack Schimmel, individually and as an officer of said corporation, herein-

## Complaint

63 F.T.C.

after 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 Stylebilt Furs, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondent Jack Schimmel is an officer of the corporate respondent and formulates, directs and controls the acts, practices and policies of the said corporate respondent including those hereinafter set forth.

Respondents are manufacturers of fur products with their office and principal place of business located at 115 West 30th Street, New York, New York.

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, and offering for sale in commerce, and in the 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 furs which have 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 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 to disclose that the fur contained in the fur product was bleached, dyed, or otherwise artificially colored, when such was the fact.

PAR. 4. 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 in that information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was not set forth in the required sequence, in violation of Rule 30 of said Rules and Regulations.

PAR. 5. 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 fur products covered by invoices 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 product was bleached, dyed or otherwise artificially colored, when such was the fact.
3. To show the country of origin of imported furs used in fur products.

PAR. 6. 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 on invoices in abbreviated form, in violation of Rule 4 of said Rules and Regulations.

(b) The term "Persian Lamb" was not set forth on invoices in the manner required by law, in violation of Rule 8, of said Rules and Regulations.

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

(d) Required item numbers were not set forth on invoices, in violation of Rule 40 of said Rules and Regulations.

PAR. 7. Respondents furnished false guaranties under Section 10(b) of the Fur Products Labeling Act with respect to certain of their fur products by falsely representing in writing that respondents had a continuing guaranty on file with the Federal Trade Commission when respondents in furnishing such guaranties had reason to believe that the fur products so falsely guaranteed would be introduced, sold, transported and distributed in commerce, in violation of Rule 48(c) of said Rules and Regulations under the Fur Products Labeling Act and Section 10(b) of said Act.

PAR. 8. 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

63 F.T.C.

## 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 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 Stylebilt 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 115 West 30th Street, New York, New York.

Respondent Jack Schimmel is an officer of 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, Stylebilt Furs, Inc., a corporation, and its officers, and Jack Schimmel, 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, or manufacture for 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 manufacture for sale, 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:

1. Failing to affix labels to fur products showing in words and in figures plainly legible all of the information required to be disclosed by each of the subsections of Section 4(2) of the Fur Products Labeling Act.

2. Failing to set forth information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder on labels in the sequence required by Rule 30 of the aforesaid Rules and Regulations.

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 in 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 "Persian Lamb" in the manner required where an election is made to use that term instead of the word "Lamb".

4. Failing to set forth the term "Natural" as part of the information required to be disclosed on invoices under the Fur Products Labeling Act and Rules and Regulations promulgated thereunder to describe fur products which are not pointed, bleached, dyed, tip-dyed or otherwise artificially colored.

5. Failing to set forth on invoices the item number or mark assigned to fur products.

*It is further ordered.* That respondents Stylebilt Furs, Inc., a corporation, and its officers, and Jack Schimmel, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from furnishing a false guaranty that any fur product is not misbranded, falsely invoiced or falsely advertised when the respondents have reason to believe that such fur product may be introduced, sold, transported, or distributed in commerce.

