
IN THE MATTER OF
CARPET DISTRIBUTORS, INC., DOING BUSINESS AS
DELTA CARPET MILLS ET AL.

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

Docket C-804. Complaint, Aug. 5, 1964—Decision, Aug. 5, 1964

Consent order requiring Los Angeles carpet distributors to cease misbranding its textile fiber products, and furnishing false guaranties that its products are not misbranded.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Textile Fiber Products Identification Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission having reason to believe that Carpet Distributors, Inc., a corporation, doing business as Delta Carpet Mills, and Julius Fuchs, individually and as a former officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Textile Fiber Products Identification 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 Carpet Distributors, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of California.

Individual respondent Julius Fuchs was an officer of the corporate respondent and formulated, directed and controlled the acts, practices and policies of the corporate respondent including the acts and practices complained of herein.

The corporate respondent is a distributor of textile fiber products namely, carpets, with its office and principal place of business located at 1212 East 58th Street, Los Angeles, California.

Individual respondent, Julius Fuchs has his office and principal place of business at 1812 South Flower Street, Los Angeles, California.

PAR. 2. Subsequent to the effective date of the Textile Fiber Products Identification Act on March 3, 1960, respondents have been engaged in the introduction, delivery for introduction, sale, advertising and offering for sale, in commerce and in the transportation or causing to be transported in commerce, and the importation into the United State of textile fiber products; and have sold, offered for sale, advertised, delivered, transported and caused to be transported, textile fiber products which have been advertised or offered for sale, in commerce; and have sold, offered for sale, advertised, delivered, transported and caused to be transported, after shipment in commerce, textile fiber products either in their original state or contained in other textile fiber products, as the terms "commerce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act.

PAR. 3. Certain of said textile fiber products were misbranded by respondents in that there was not on or affixed to said textile fiber products any stamp, tag, label or other means of identification showing the required information in violation of Section 4(b) of the Textile Fiber Products Identification Act.

PAR. 4. Respondents have furnished their customers with false guaranties that certain of their textile fiber products were not misbranded or falsely invoiced by falsely representing in writing on invoices that respondents had filed a continuing guaranty under the Textile Fiber Products Identification Act with the Federal Trade Commission, in violation of Rule 38(d) of the Rules and Regulations under said Act and Section 10(b) of such Act.

PAR. 5. Certain of said textile fiber products were misbranded in violation of the Textile Fiber Products Identification Act in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder in the following respects:

1. In disclosing the required fiber content of certain textile fiber products, namely, floor coverings, containing exempted backings, fillings or paddings, respondents failed to set forth that such disclosures related only to the face, pile or outer surface of the floor coverings and not to the exempted backing, filling, or padding in violation of Rule 11 of the Rules and Regulations promulgated under the Textile Fiber Products Identification Act.

2. Non-required information and representations on labels interfered with, minimized, detracted from, and conflicted with the required information on such labels, in violation of Rule 16(c) of the said Rules and Regulations.

3. Samples, swatches, or specimens of textile fiber products used to promote or effect sales of such textile fiber products, were not labeled to show their respective fiber contents and other required information, in violation of Rule 21(a) of the aforesaid Rules and Regulations.

PAR. 6. The acts and practices of respondents as set forth here, were in violation of the Textile Fiber Products Identification Act and the Rules and Regulations 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 and the Textile Fiber Products Identification 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 Carpet Distributors, Inc., is a corporation, organized, existing and doing business under and by virtue of the laws of the State

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of California, with its office and principal place of business located at 1212 East 58th Street, in the city of Los Angeles, State of California.

Respondent Julius Fuchs is a former officer of said corporation and his address is 1812 South Flower Street, in the city of Los Angeles, State of California.

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 the respondents Carpet Distributors, Inc., a corporation, doing business as Delta Carpet Mills and its officers, and Julius Fuchs, individually and as a former officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, delivery for introduction, sale, advertising, or offering for sale, in commerce, or the transportation or causing to be transported in commerce, or the importation into the United States of any textile fiber product; or in connection with the sale, offering for sale, advertising, delivery, transportation, or causing to be transported, of any textile fiber product, which has been advertised or offered for sale in commerce; or in connection with the sale, offering for sale, advertising, delivery, transportation, or causing to be transported, after shipment in commerce, of any textile fiber product, whether in its original state or contained in other textile fiber products, as the terms "commerce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act, do forthwith cease and desist from:

A. Misbranding textile fiber products by:

1. Failing to affix labels to such textile fiber products showing each element of information required to be disclosed by Section 4(b) of the Textile Act.
2. Failing to set forth that the required disclosure as to the fiber content of floor coverings relates only to the face, pile, or outer surface of such products and not to exempted backings, fillings, or paddings when such is the case.
3. Setting forth on labels non-required information which interferes with, minimizes, detracts from, or conflicts with information required by Section 4(b) of the Textile Fiber Products Identification Act.
4. Failing to affix labels showing the respective fiber content and other required information to samples, swatches and specimens of textile fiber products subject to the aforesaid

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Act which are used to promote or effect sales of such textile fiber products.

B. Furnishing false guaranties that textile fiber products are not misbranded or otherwise misrepresented under the provisions of the Textile Fiber Products Identification Act.

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