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IN THE MATTER OF

MAR-TEE FASHIONS, INC., ET AL

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

*Docket C-1042. Complaint, Feb. 11, 1966—Decision, Feb. 11, 1966*

Consent order requiring a California marketer of woolen wearing apparel to cease violating the Wool Products Labeling Act by misbranding its wool products, deceptively using the term "cashmere," and falsely invoicing its merchandise as to constituent fibers.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Mar-Tee Fashions, Inc., a

corporation, and George Gonick and Larry Taylor, individually and as principal stockholders and managers 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 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 Mar-Tee Fashions, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York with its principal address located at 2221 South Main Street, Los Angeles, California.

Individual respondents George Gonick and Larry Taylor are principal stockholders in Mar-Tee Fashions, Inc., and participate in the formulation, direction, and control of the acts, practices and policies of said corporation. Their office and principal place of business is located at the same address as that of said corporation.

PAR. 2. Subsequent to the effective date of the Wool Products Labeling Act of 1939, respondents have introduced into commerce, sold, transported, distributed, delivered for shipment, shipped and offered for sale in commerce as "commerce" is defined in said Act, wool products as "wool product" is defined therein.

PAR. 3. Certain of said wool products were misbranded by the respondents within the intent and meaning of Section 4(a) (1) of the Wool Products Labeling Act of 1939 and Rules and Regulations promulgated thereunder, in that they were falsely and deceptively stamped, tagged, labeled or otherwise identified with respect to the character and amount of the constituent fibers contained therein.

Among such misbranded wool products, but not limited thereto, were men's woolen slacks stamped, tagged, labeled, or otherwise identified by respondents as 85% reprocessed cashmere, 15% nylon, whereas in truth and in fact, said products contained substantially different fibers and amounts of fibers than represented.

PAR. 4. Certain of said wool products were further misbranded by respondents in that they were not stamped, tagged, labeled, or otherwise identified as required under the provisions of Section 4(a) (2) of the Wool Products Labeling Act of 1939 and in the manner and form as prescribed by the Rules and Regulations promulgated under said Act.

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Among such misbranded wool products, but not limited thereto, were wool products with labels on or affixed thereto which failed to disclose:

(a) The percentage of the total fiber weight of the said wool products, exclusive of ornamentation not exceeding 5% of the total fiber weight, of (1) wool; (2) reprocessed wool; (3) reused wool; (4) each fiber other than wool present in the wool product when said percentage by weight of such fiber was 5% or more; and (5) the aggregate of all other fibers.

PAR. 5. Certain of said wool products were misbranded in violation of the Wool Products Labeling Act of 1939 in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) Wool products were offered or displayed for sale or sold to purchasers or the consuming public and the required stamp, tag, label and other mark of identification attached to the said wool product and the required information contained therein, was minimized, rendered obscure and inconspicuous, and placed so as likely to be unnoticed or unseen by purchasers and purchaser-consumer by reason of among others:

- (1) Small or indistinct type,
- (2) Failure to use letters and numerals of equal size and conspicuousness,
- (3) Insufficient background contrast, in violation of Rule (11) of the aforesaid Rules and Regulations.

(b) The term "Cashmere" was used in lieu of the word "wool" in setting forth the required fiber content information on labels affixed to wool products when certain of the fibers so described were not entitled to such designation, in violation of Rule 19 of the aforesaid Rules and Regulations.

PAR. 6. The acts and practices of the respondents as set forth 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.

PAR. 7. Respondents are now, and for some time last past, have been engaged in the offering for sale, sale and distribution of certain products, namely woolen wearing apparel to distributors and the purchasing public. In the course of their business, respondents, now cause, and for some time last past have caused, their

said products, when sold, to be shipped from their place of business in the State of New York to purchasers located in various other states of the United States, and maintain, and at all times mentioned herein, have maintained, a substantial course of trade in said products, in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 8. Respondents in the course and conduct of their business, as aforesaid, have made statements on invoices and shipping memoranda to their customers misrepresenting the character and fiber content of certain of their said products. Among such misrepresentations, but not limited thereto, were statements representing certain products to be "85% Reprocessed Cashmere, 15% Nylon," whereas said fabrics contained substantially different fibers and quantities of fibers than represented.

PAR. 9. The acts and practices set out in Paragraphs Seven and Eight have had and now have the tendency and capacity to mislead and deceive the purchasers of said products as to the true content thereof and to cause said purchasers to misbrand products manufactured by them in which said materials were used.

PAR. 10. The acts and practices of the respondents set out in Paragraphs Seven and Eight were, and are, all to the prejudice and injury of the public and of respondents' competitors and constituted and now constitute, unfair and deceptive acts and practices, in commerce, within the intent and meaning of the Federal Trade Commission Act.

#### DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Textiles and Furs proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939; and

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

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violated as alleged in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having reason to believe that the respondents have violated said Acts, and having determined that complaint should issue stating its charges in that respect, hereby issues its complaint, accepts said agreement, makes the following jurisdictional findings and enters the following order:

1. Respondent Mar-Tee Fashions, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its principal address located at 2221 South Main Street, Los Angeles, California.

Respondents George Gonick and Larry Taylor are principal stockholders in Mar-Tee Fashions, Inc., and their address is the same as that of the 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 Mar-Tee Fashions, Inc., a corporation, and its officers, and George Gonick and Larry Taylor, individually and as principal stockholders and managers 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, delivery for shipment, or shipment in commerce, of any wool product, as "wool product" and "commerce" are defined in the Wool Products Labeling Act of 1939, do forthwith cease and desist from:

A. Misbranding such products by:

1. Falsely and deceptively stamping, tagging, labeling or otherwise identifying such products as to the character or amount of the constituent fibers contained therein.

2. Failing to securely affix to, or place on, each such product a stamp, tag, label, or other means of identification showing in a clear and conspicuous manner each element of information required to be disclosed by Section 4(a)(2) of the Wool Products Labeling Act of 1939.

3. Affixing or placing the stamp, tag, label or mark of identification required under the said Act, or the information required by said Act and the Rules and Regulations promulgated thereunder, on wool products in such

a manner as to be minimized, rendered obscure or inconspicuous or so as to be unnoticed or unseen by purchasers and purchaser-consumers, when said wool products are offered or displayed for sale or sold to purchasers or the consuming public.

4. Using the term "cashmere" in lieu of the word "wool" in setting forth the required information on labels affixed to wool products unless the fibers described as cashmere are entitled to such designation and are present in at least the amount stated.

*It is further ordered,* That respondents Mar-Tee Fashions, Inc., a corporation, and its officers, and George Gonick and Larry Taylor, individually and as principal stockholders and managers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale, or distribution of garments, or other products in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from misrepresenting the character or amounts of constituent fibers contained in such products on invoices or shipping memoranda applicable thereto, or in any other manner.

*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.

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