

ner and form in which they have complied with the order contained in the initial decision, as modified.

IN THE MATTER OF
MAR-CAL SPORTSWEAR OF CALIFORNIA, INC.,
TRADING AS DI VINCI ET AL.

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

Docket C-1212. Complaint, June 6, 1967—Decision, June 6, 1967

Consent order requiring a Los Angeles, Calif., clothing manufacturer to cease misbranding its wool products, and furnishing false guaranties in violation of the Wool Products Labeling Act.

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-Cal Sportswear of California, Inc., a corporation, trading as di Vinci, and Joseph A. Capitano, individually and as an officer of the 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 as follows:

PARAGRAPH 1. Respondent Mar-Cal Sportswear of California, Inc., trading as di Vinci, is a corporation organized, existing and doing business under and by virtue of the laws of the State of California.

Respondent Joseph A. Capitano is an officer of the corporate respondent. He formulates, directs and controls the acts, practices and policies of the said corporate respondent including those hereinafter set forth.

Respondents are manufacturers of wool products with their office and principal place of business located at 818 South Broadway, Los Angeles, California.

PAR. 2. Respondents now, and for some time last past, have manufactured for introduction into commerce, introduced into commerce, sold, transported, distributed, delivered for shipment, shipped and offered for sale in commerce, as "commerce" is defined in said Wool Products Labeling Act of 1939, wool products as "wool product" is defined therein.

PAR. 3. Certain of said wool products were misbranded by respondents within the intent and meaning of Section 4(a)(1) of the Wool Products Labeling Act of 1939 and the 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 certain coats stamped, tagged, labeled, or otherwise identified as containing "100% Wool" whereas, in truth and in fact, said coats contained a substantial amount of fibers other than wool.

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.

Among such misbranded wool products, but not limited thereto, were certain coats with labels on or affixed thereto which failed to disclose the percentage of the total fiber weight of the wool product, exclusive of ornamentation not exceeding 5 per centum of

said total fiber weight of (1) wool; (2) reprocessed wool; (3) reused wool; (4) each fiber other than wool when said percentage by weight of such fiber was 5 per centum or more; and (5) the aggregate of all other fibers.

PAR. 5. Respondents furnished false guaranties that certain of their wool products were not falsely or deceptively stamped, tagged, labeled, or otherwise identified when respondents in furnishing such guaranties had reason to believe that wool products so falsely guaranteed would be introduced, sold, transported or distributed in commerce, in violation of Section 9(b) of the Wool Products Labeling Act of 1939.

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 methods of competition and 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 the 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 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-Cal Sportswear of California, Inc., trading as di Vinci, is a corporation organized, existing and doing busi-

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ness under and by virtue of the laws of the State of California, with its office and principal place of business located at 818 South Broadway, in the city of Los Angeles, State of California.

Respondent Joseph A. Capitano 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 Mar-Cal Sportswear of California, Inc., a corporation, trading as di Vinci, or any other trade name, and its officers, and Joseph A. Capitano, 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 offering for sale, sale, transportation, distribution, delivery for shipment or shipment, in commerce, of wool products, as "commerce" and "wool product" are defined in the Wool Products Labeling Act of 1939, do forthwith cease and desist from 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.

It is further ordered, That respondents Mar-Cal Sportswear of California, Inc., a corporation, trading as di Vinci, and its officers, and Joseph A. Capitano, 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 wool product is not falsely or deceptively stamped, tagged, labeled, or otherwise identified when respondents have reason to believe that such wool product may be introduced, sold, transported, or distributed in commerce.

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.

Statement

IN THE MATTER OF
BEATRICE FOODS CO.

MODIFIED ORDER, OPINIONS, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION ACT AND SEC. 7 OF THE CLAYTON ACT

Docket 6653. Complaint, October 16, 1965—Decision, June 7, 1967

Order modifying a divestiture order dated Dec. 10, 1965, 68 F.T.C. 1003, which required a major food processing corporation to divest certain acquired companies by further requiring the corporation, pursuant to a final decree of May 23, 1967, 8 S.&D. 495, by the Court of Appeals for the Ninth Circuit, to sell certain plants to a single purchaser to be approved in advance by the Commission.

STATEMENT OF THE COMMISSION

A majority of the Commission has agreed to present to the Ninth Circuit for its consideration a proposed consent settlement of the Commission's Section 7 proceeding against *Beatrice Foods Co.*, Dkt. No. 6653.

Complaint in this matter was filed October 16, 1956. Five of the 175 acquisitions¹ charged in the complaint as illegal were found by the hearing examiner to be in violation of Section 7. His decision, rendered on March 2, 1964, was sustained by the Commission in an opinion issued on April 26, 1965 [67 F.T.C. 473, 697]. The final order entered by the Commission on December 10, 1965 [68 F.T.C. 1003], required divestiture within 18 months of four of the five acquisitions found to have been illegal and prohibited Beatrice from making any further acquisitions of dairy companies without Commission approval for a period of 10 years.

This order and the Commission's decision, finding liability, is now on appeal to the Ninth Circuit. The printing of the record is not yet complete, final briefs have not been exchanged, and oral argument has not yet been scheduled.

The consent order now agreed to by the parties resulted from renewed negotiations instituted in February 1967 at the request of respondent's counsel and participated in by the Commission and its staff and Beatrice.

Under the consent offer now proposed Beatrice agrees to divest itself of plants and related facilities located in Pasadena, California; Cedar City, Utah; Las Vegas, Nevada; El Paso, Texas;

¹ Of these acquisitions 77 were challenged under Section 7 and the remaining 98 under Section 5, either because the companies were not corporations or were not in commerce.