

IN THE MATTER OF
CHICAGO GIRL COAT CO. ET AL.

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

Docket C-1372. Complaint, July 10, 1968—Decision, July 10, 1968

Consent order requiring two affiliated coat manufacturers to cease misbranding and falsely guaranteeing its wool products.

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 the Chicago Girl Coat Co., a corporation, and Cadillac Girl Coat Co., a corporation, and Roy M. Levine, Ernest A. Walter and Louis R. Siegel individually and as officers of the aforesaid corporations, sometimes herein-after 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 Chicago Girl Coat Co. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois.

Respondent Cadillac Girl Coat Co. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Michigan.

Respondents Roy M. Levine, Ernest A. Walter and Louis R. Siegel are officers of the corporate respondents. They formulate, direct and control the acts, practices and policies of the corporate respondents, including the acts, and practices and policies hereinafter set forth. Roy M. Levine and Louis R. Siegel have their offices and principal place of business at 9-115 Merchandise Mart, Chicago, Illinois. Ernest A. Walter has his office and principal place of business at 607 South Mitchell Street, Cadillac, Michigan.

The Chicago Girl Coat Co. is engaged in the manufacture and sale of coats with its principal office and place of business located at Merchandise Mart, Room 9-115, Chicago, Illinois.

The Cadillac Girl Coat Co. is engaged in the manufacture and sale of coats with its principal office and place of business located at 607 South Mitchell Street, Cadillac, Michigan.

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 the Wool Products Labeling Act of 1939, 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 con-

tained therein.

Among such misbranded wool products, but not limited thereto were wool products which were stamped, tagged, labeled, or otherwise identified by respondents as 40% Wool, 40% Reprocessed Wool, 10% Unknown Reprocessed Fibers, 10% Other Fibers, 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.

Among such misbranded wool products, but not limited thereto, were wool coats with labels on or affixed thereto which failed to disclose the percentage of the total weight of the said wool product, exclusive of ornamentation not exceeding 5 per centum of the 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 was 5 per centum or more; and (5) the aggregate of all other fibers.

PAR. 5. Respondents furnished false guaranties under Section 9(b) of the Wool Products Labeling Act of 1939 with respect to certain of their wool products when respondents, in furnishing such guaranties, had reason to believe that the wool products so falsely guaranteed would be introduced, sold, transported and distributed in commerce, in violation of Rule 33(d) of the Rules and Regulations under the Wool Products Labeling Act of 1939 and Section 9(b) of said Act.

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 a draft of complaint which the Bureau of Textiles and Furs proposed to present to the Commission for

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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 respondents that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Acts, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Chicago Girl Coat Co. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois, with its office and principal place of business located at 9-115 Merchandise Mart, Chicago, Illinois.

Respondent Cadillac Girl Coat Co. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Michigan, with its office and principal place of business located at 607 South Mitchell Street, Cadillac, Michigan.

Respondents Roy M. Levine, Ernest A. Walter and Louis R. Siegel are officers of said corporations. The office and principal place of business of Roy M. Levine and Louis R. Siegel is located at 9-115 Merchandise Mart, Chicago, Illinois. The office and principal place of business of Ernest A. Walter is located at 607 South Mitchell Street, Cadillac, Michigan.

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 Chicago Girl Coat Co., a corporation, and its officers, Cadillac Girl Coat Co., a corporation, and its officers, and Roy M. Levine, Ernest A. Walter and Louis R. Siegel,

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individually and as officers of said corporations, 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 Chicago Girl Coat Co., a corporation, and its officers, and Cadillac Girl Coat Co., a corporation, and its officers, and Roy M. Levine, Ernest A. Walter and Louis R. Siegel, individually and as officers of said corporations, 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 misbranded, when the respondent has reason to believe that such wool product may be introduced, sold, transported or distributed in commerce.

It is further ordered, That the respondent corporations shall forthwith distribute a copy of this Order to each of their operating divisions.

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.

IN THE MATTER OF
AMERICAN FOODS, INC., ET AL.

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

Docket C-1377. Complaint, July 10, 1968—Decision, July 10, 1968

Consent order requiring five affiliated sellers of freezer-food plans to cease delaying or failing to deliver purchasers' orders, substituting inferior quality merchandise, and failing to disclose that sales contracts might be sold to finance companies.

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 American Foods, Inc., a corporation (formerly American Food Plan of Minnesota, Inc.), American Food Plan of Iowa, Inc., a corporation, American Foods of Nebraska, Inc., a corporation, American Foods, Inc., of South Dakota, a corporation, American Foods of North Dakota, Inc., a corporation, and Walter L. Lange, individually and as an officer of said corporations, trading and doing business as American Foods, Inc., American Foods, American Food Plan, American Food Plan, Inc., and American Foods Service, Inc., hereinafter referred to as respondents, have 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 American Foods, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Minnesota, with its principal office and place of business located at 1255 East Highway 36, St. Paul, Minnesota, which corporation was formerly known as American Food Plan of Minnesota, Inc.

Respondent American Food Plan of Iowa, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Iowa, with its principal place of business located at 337 University Avenue, Des Moines, Iowa.

Respondent American Foods of Nebraska, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Nebraska, with its office and principal place