
IN THE MATTER OF
SLIMAKER DRESS CORPORATION TRADING AS
FASHIONMAKER 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-1446. Complaint, Nov. 5, 1968—Decision, Nov. 5, 1968

Consent order requiring two affiliated Kansas City, Mo., manufacturers of

ladies' dresses to crease misbranding and falsely advertising their textile fiber products, and furnishing false guaranties.

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 Slimaker Dress Corporation, a corporation trading as Fashionmaker, and Jane Compton, Inc., a corporation, and Harry A. LeVine and Harold B. Kessler, individually and as officers of said corporations, 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 Slimaker Dress Corporation, trading as Fashionmaker, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Kansas, with its office and principal place of business located at 819 Broadway, Kansas City, Missouri.

Respondent Jane Compton, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Missouri, with its office and principal place of business located at 819 Broadway, Kansas City, Missouri.

Individual respondents Harry A. LeVine and Harold B. Kessler are officers of proposed corporate respondents. They formulate, direct and control the acts, practices and policies of said corporations. Their address is the same as that of said corporations.

Respondents are manufacturers of textile fiber products, namely, ladies' dresses.

PAR. 2. Respondents are now and for some time last past have been engaged in the introduction, delivery for introduction, manufacture for introduction, sale, advertising, and offering for sale, in commerce, and in the transportation or causing to be transported in commerce, and in the importation into the United States, 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 ship-

Complaint

74 F.T.C.

ment 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 within the intent and meaning of Section 4(a) of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder in that they were falsely and deceptively stamped, tagged, labeled, invoiced, advertised, or otherwise identified as to the name or amount of the constituent fibers contained therein.

Among such misbranded textile fiber products, but not limited thereto, were textile fiber products, namely dresses, with labels on or affixed thereto on which the generic names of fibers appeared in such a manner as to falsely and deceptively imply the presence of such fibers.

Among such further misbranded textile fiber products, but not limited thereto, were textile fiber products, namely dresses, which were falsely and deceptively advertised by means of interstate circulation of advertising mats and "Descriptive Lists" wherein respondents, in disclosing the fiber content information as to said dresses, failed to set forth all of the required information, including generic names of fibers.

PAR. 4. Certain of the textile fiber products were misbranded by respondents in that they were not stamped, tagged, labeled, or otherwise identified to show each element of information required to be disclosed by Section 4(b) of the Textile Fiber Products Identification Act, and in the manner and form prescribed by the Rules and Regulations promulgated under said Act.

Among such misbranded textile fiber products, but not limited thereto, were dresses with labels affixed thereto which failed to disclose the true generic name of the fibers present.

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:

(a) Fiber trademarks were used on labels in conjunction with the required information, without the generic name appearing in immediate conjunction therewith, and in type or lettering of equal size and conspicuousness, in violation of Rule 17(a) of the afore-said Rules and Regulations.

(b) Generic names and fiber trademarks were used on labels

without a full and complete fiber content disclosure appearing on such labels, in violation of Rule 17(b) of the aforesaid Rules and Regulations.

(c) Words, symbols or depictions constituting or implying the name or designation of a fiber which was not present in the said products appeared on labels in violation of Rule 18 of the aforesaid Rules and Regulations.

(d) Samples, swatches or specimens of textile fiber products subject to the aforesaid Act, which were used to promote or effect sales of such textile fiber products, were not labeled to show their respective fiber content and other information required by Section 4(b) of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder, in violation of Rule 21(a) of the aforesaid Rules and Regulations.

(e) Sectional disclosure of textile fiber products was not used on required labels in such a manner as to show the fiber composition of each section; where the products were composed to two or more sections of different fiber composition and such sectional disclosure was necessary to avoid deception, in violation of Rule 25(b) of the aforesaid Rules and Regulations.

PAR. 6. Certain of said textile fiber products were falsely and deceptively advertised in that respondents in making disclosures or implications as to the fiber content of such textile fiber products in written advertisements used to aid, promote and assist, directly or indirectly, in the sale or offering for sale of said products, failed to set forth the required information as to fiber content as specified by Section 4(c) of the Textile Fiber Products Identification Act and in the manner and form prescribed by the Rules and Regulations promulgated under said Act.

Among the aforesaid advertisements, but not limited thereto, were advertisements of respondents in the form of advertising mats and "Descriptive Lists" which were distributed in interstate commerce, wherein terms, such as, crepe and linen look, among others, were used, which are descriptive of a method of manufacture, construction or weave or which are indicative of a textile fiber or fibers and imply fiber content under Section 4(c) of the Act, without setting forth the true generic name of the fiber or fibers present in said products.

PAR. 7. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, respondents falsely and deceptively advertised textile fiber products in violation of the Textile Fiber Products Identification Act

Decision and Order

74 F.T.C.

in that said textile fiber products were not advertised in accordance with the Rules and Regulations thereunder in the following respects:

(a) Fiber trademarks were used in advertising textile fiber products, namely dresses, without a full disclosure of the fiber content information required by Section 4(c) of the Act and the Rules and Regulations thereunder, in at least one instance in said advertisement, in violation of Rule 41(a) of the aforesaid Rules and Regulations.

(b) Fiber trademarks were used in advertising textile fiber products, namely dresses, containing more than one fiber and such fiber trademarks did not appear in the required fiber content information in immediate proximity and conjunction with the generic name of the fiber in plainly legible type or lettering of equal size and conspicuousness in violation of Rule 41(b) of the aforesaid Rules and Regulations.

PAR. 8. Respondents furnished false guaranties that certain of their textile fiber products were not misbranded or falsely invoiced in violation of Section 10(b) of the Textile Fiber Products Identification Act.

PAR. 9. The acts and practices of respondents, as set forth above were, and are, in violation of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder, and constituted, and now constitute, unfair methods of competition and unfair and deceptive acts or practices, in commerce, under 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 Textile Fiber Products Identification Act; 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 Slimaker Dress Corporation, trading as Fashionmaker, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Kansas, with its office and principal place of business located at 819 Broadway, Kansas City, Missouri.

Respondent Jane Compton, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Missouri, with its office and principal place of business located at 819 Broadway, Kansas City, Missouri.

Respondents Harry A. LeVine and Harold B. Kessler are officers of said corporations and their address is the same as that of said corporations.

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 Slimaker Dress Corporation, a corporation trading as Fashionmaker, or under any other name or names, and its officers, and Jane Compton, Inc., a corporation, and its officers, and Harry A. LeVine and Harold B. Kessler, 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, delivery for introduction, manufacture 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 com-

merce; 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. Falsely or deceptively stamping, tagging, labeling, invoicing, advertising or otherwise identifying any textile fiber product as to the name or amount of constituent fibers contained therein.

2. Failing to affix labels to textile fiber products showing each element of information required to be disclosed by Section 4(b) of the Textile Fiber Products Identification Act.

3. Using a fiber trademark on labels affixed to such textile fiber products without the generic name of the fiber appearing on said label in immediate conjunction therewith and in type or lettering of equal size and conspicuousness.

4. Using generic names or fiber trademarks on any labels whether required or nonrequired, without making a full and complete fiber content disclosure in accordance with the Act and Regulations the first time such generic name or fiber trademark appears on the label.

5. Setting forth on labels affixed to textile fiber products words, symbols or depictions which constitute or imply the name or designation of a fiber, which fiber is not present in said products.

6. Failing to affix labels to samples, swatches or specimens of textile fiber products used to promote or effect the sale of such textile fiber products showing in words and figures plainly legible all the information required to be disclosed by Section 4(b) of the Textile Fiber Products Identification Act.

7. Failing to make a disclosure on the required label on or affixed to textile fiber products composed of two or more sections of different fiber composition, in such a manner as to show the fiber composition of each section in all instances where such disclosure is necessary to avoid deception.

B. Falsely or deceptively advertising textile fiber products by:

1. Making any representations, by disclosure or by implication, as to the fiber contents of any textile fiber product in any written advertisement which is used to aid, promote, or assist, directly or indirectly, in the sale or offering for sale of such textile fiber product, unless the same information required to be shown on the stamp, tag, label or other means of identification under Sections 4(b) (1) and (2) of the Textile Fiber Products Identification Act is contained in the said advertisement, except that the percentages of the fibers present in the textile fiber product need not be stated.

2. Using fiber trademarks in advertisements without a full disclosure of the required content information in at least one instance in the said advertisement.

3. Using fiber trademarks in advertising textile fiber products containing more than one fiber without such fiber trademarks appearing in the required fiber content information in immediate proximity and conjunction with the generic name of the fiber in plainly legible type or lettering of equal size and conspicuousness.

It is further ordered, That respondents Slimaker Dress Corporation, a corporation trading as Fashionmaker, or under any other name or names, and its officers, and Jane Compton, Inc., a corporation, and its officers, and Harry A. LeVine and Harold B. Kessler, 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 textile fiber product is not misbranded or falsely invoiced.

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.

Complaint

74 F.T.C.

IN THE MATTER OF

HI-LINE, INC., ET AL.

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

Docket C-1447. Complaint, Nov. 5, 1968—Decision, Nov. 5, 1968

Consent order requiring a Westville, N.J., distributor of custom-built residential houses and leisure shell homes to cease using bait tactics, misrepresenting prices, terms, and conditions of its homes, using deceptive guarantee offers, neglecting to disclose that many of its houses are shells only, misrepresenting that "no down payment" is required, and furnishing means of such deception to others.

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 Hi-Line, Inc., a corporation, and Sam Gross, individually and as an officer of said corporation, and Grant S. Smith, individually and as a former officer of said corporation, and Louis A. Veronica, individually and as business manager of said corporation, 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 Hi-Line, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business formerly located at R.D. #2, Chadds Ford, Pennsylvania, with present address Box 281, Westville, New Jersey.

Respondent Sam Gross is an officer of the corporate respondent, and respondent Grant S. Smith is a former officer of the corporate respondent. Respondent Louis A. Veronica is business manager of the corporate respondent. Said individual respondents formulated, directed and controlled the acts and practices of the corporate respondent, including the acts and practices herein-after set forth. The address of respondents Gross and Veronica is the same as that of the corporate respondent. The address of respondent Smith is 711 Potter Drive, Kennett Square, Pennsylvania.

PAR. 2. Respondents have engaged in the advertising, offering for sale, sale, construction and distribution of custom-built resi-