

Complaint

75 F.T.C.

IN THE MATTER OF

FRANK CHAIMOVITS

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

Docket C-1522. Complaint, Apr. 28, 1969—Decision, Apr. 28, 1969

Consent order requiring a former official of a Brooklyn, N.Y., manufacturer of quilted lining material to cease misbranding and falsely invoicing his merchandise and failing to keep required records.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, the Wool Products Labeling Act of 1939 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 Frank Chaimovits, individually and as a former officer of Atlas Quilting Corp., a corporation, hereinafter referred to as respondent, has violated the provisions of the said Acts and the Rules and Regulations promulgated under the Wool Products Labeling Act of 1939 and 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, Frank Chaimovits was an officer of Atlas Quilting Corp., a corporation. He formulated, directed and controlled the policies, acts and practices of said corporation including the acts and practices hereinafter referred to. His address is 998-1012 East 35th Street, Brooklyn, New York.

Atlas Quilting Corp. is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York with its office and principal place of business located at 203-209 North 11th Street, Brooklyn, New York.

Respondent is a manufacturer of wool products. At the time of the violations, hereinafter referred to, respondent was a manufacturer of quilted interlining material. At present respondent is engaged in laminating fabrics.

PAR. 2. Respondent, for some time last past, has 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 respondent 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 quilted interlining materials which were stamped, tagged, labeled or otherwise identified by respondent as containing "90/10 Wool," whereas in truth and in fact said fabrics contained substantially different fibers and amounts of fibers than as represented.

PAR. 4. Certain of said wool products were further misbranded by respondent 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 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 quilted interlining materials without fiber content labels.

PAR. 5. The acts and practices of respondent as set forth in Paragraphs Three and Four were, and are in violation of 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.

PAR. 6. Respondent for some time last past has been engaged in the introduction, delivery for introduction, manufacture for introduction, sale, advertising, and offering for sale, in commerce, and in the importation into the United States, of textile fiber products; and has 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 has 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. 7. Respondent has failed to maintain proper records showing the fiber content of the textile fiber products manufactured by him in violation of Section 6(a) of the Textile Fiber Products Identification Act and Rule 39 of the Rules and Regulations promulgated thereunder.

PAR. 8. The acts and practices of respondent as set forth in Paragraph Seven 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 and deceptive acts and practices and unfair methods of competition in commerce, within the intent and meaning of the Federal Trade Commission Act.

PAR. 9. Respondent for some time last past has been engaged in the advertising, offering for sale, sale and distribution of products, namely quilted interlining materials, to garment manufacturers in commerce. The respondent maintained and at all times mentioned herein has maintained a substantial course of trade in said products in commerce as "commerce" is defined in the Federal Trade Commission Act.

PAR. 10. Respondent in the course and conduct of his business as aforesaid, has made statements on his invoices and shipping memoranda to his customers misrepresenting the character and amount of the constituent fibers present in such products. Among such misrepresentations, but not limited thereto, were statements representing certain quilted interlining material to be "90/10 Wool" whereas, in truth and in fact, the said product contained substantially different fibers and amounts of fibers than were represented.

Also among such falsely and deceptively invoiced products, but not limited thereto, was quilted interlining material identified by respondent as "50/50 wool" thereby representing the product as containing 50 percent Wool, 50 percent Other Fibers, whereas in truth and in fact, said products contained substantially different fibers and amount of fibers than as represented.

PAR. 11. The acts and practices of the respondent set out in Paragraphs Nine and Ten have had, and now have, the tendency and capacity to mislead and deceive purchasers of said products as to the true content thereof and to cause them to misbrand products manufactured by them in which said materials are used.

PAR. 12. The acts and practices set out in Paragraphs Nine and Ten were and are all to the prejudice and injury of the public 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 respondent named in the caption hereof, and the respondent 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 respondent with violation of the Federal Trade Commission Act, the Wool Products Labeling Act of 1939 and the Textile Fiber Products Identification Act; and

The respondent and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent 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 respondent 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 respondent has 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 Frank Chaimovits was an officer of Atlas Quilting Corp., a corporation. His address is 998-1012 East 35th Street, Brooklyn, New York.

Atlas Quilting Corp. is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 203-209 North 11th Street, Brooklyn, New York.

2. The Federal Trade Commission has jurisdiction of the sub-

ject matter of this proceeding and of the respondent, and the proceeding is in the public interest.

ORDER

It is ordered, That respondent Frank Chaimovits, individually and as a former officer of Atlas Quilting Corp., a corporation, and respondent's 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 or 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 respondent Frank Chaimovits, individually and as a former officer of Atlas Quilting Corp., a corporation, and respondent's 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, of 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 failing to maintain and preserve records of fiber content of textile fiber products manufactured by him, as required by Section

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6(a) of the Textile Fiber Products Identification Act and Rule 39 of the Regulations thereunder.

It is further ordered, That respondent Frank Chaimovits, individually and as a former officer of Atlas Quilting Corp., a corporation, and respondent's representatives, agents and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of quilted interlining materials 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 amount of the constituent fibers contained in such products on invoices or shipping memoranda applicable thereto, or in any other manner.

It is further ordered, That the respondent herein shall, within sixty (60) days after service upon him of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which he has complied with this order.

IN THE MATTER OF

ILLINOIS CHINCHILLA COMPANY, ET AL.