

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

Docket C-1531. Complaint, May 14, 1969—Decision, May 14, 1969

Consent order requiring three affiliated manufacturers of ladies' coats and suits to cease misbranding their fur and wool products, deceptively invoicing and falsely guaranteeing their fur products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, the Wool Products Labeling Act of 1939 and the Fur Products Labeling Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Alorna Coat Corp., a corporation, Holly Deb Classics, Inc., a corporation, and Elwin Casuals, Inc., a corporation, and Elliott Satnick and Irwin R. Shatkin, 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 Wool Products Labeling Act of 1939 and the Fur Products Labeling 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. Respondents Alorna Coat Corp., Holly Deb Classics Inc., and Elwin Casuals, Inc., are corporations organized, existing and doing business under and by virtue of the laws of the State of New York.

Individual respondents Elliott Satnick and Irwin R. Shatkin are officers of said corporate respondents and they formulate, direct and control the acts, practices and policies of said corporate respondents, including the acts, practices and policies hereinafter referred to.

The respondents are engaged in the manufacture and distribution of ladies' coats and suits with their office and principal place of business located at 265 West 37th Street, New York, New York.

PAR. 2. Respondents are 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 the 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 ladies' coats stamped, tagged, labeled, or otherwise identified as containing "85% Wool, 15% Nylon," whereas in truth and in fact, said products contained substantially different fibers and amounts of fibers than as 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 prescribed by the Rules and Regulations promulgated under the said Act.

Among such misbranded wool products, but not limited thereto, were ladies' coats with labels on or affixed thereto which failed to disclose the percentage of the total fiber weight of the said wool products, exclusive of ornamentation not exceeding 5 per centum of said total fiber weight, of (1) wool fibers; (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. 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:

1. Wool products composed of two or more sections, recognizably distinct and of different fiber composition, were not labeled in such a manner as to disclose the fiber composition of each section thereof, in violation of Rule 23(b) of the aforesaid Rules and Regulations.

2. The fiber content of linings, composed of pile fabrics or of fabrics incorporated into woollen garments or articles of wearing apparel for warmth, was not set forth separately and distinctly on the stamp, tag, label, or the mark of identification of such wool products, in violation of Rule 24(a) of the aforesaid Rules and Regulations.

3. The fiber content of interlinings contained in garments was not set forth separately and distinctly as part of the required information on the stamps, tags, labels or other marks of identification of such garments, in violation of Rule 24(b) of the aforesaid Rules and Regulations.

PAR. 6. The acts and practices of the respondents as set forth above in Paragraphs Three, Four and Five, 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.

PAR. 7. Respondents are now and for some time last past have been engaged in the introduction into commerce, and in the manufacture for introduction into commerce, and in the sale, advertising, and offering for sale in commerce, and in the transportation and distribution in commerce, of fur products; and have manufactured for sale, sold, advertised, offered for sale, transported, and distributed fur products which have been made in whole or in part of furs which have been shipped and received in commerce as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act.

PAR. 8. Certain of said fur products were misbranded in that they were falsely and deceptively labeled to show that the fur contained therein was natural, when in fact, such fur was pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Section 4(1) of the Fur Products Labeling Act.

PAR. 9. Certain of said fur products were misbranded in that they were not labeled as required under the provisions of Section 4(2) of the Fur Products Labeling Act and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

Among such misbranded fur products, but not limited thereto, were fur products with labels which failed to disclose that the fur contained in such fur products was pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, when such was the fact.

PAR. 10. Certain of said fur products were misbranded in violation of the Fur Products Labeling Act in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder in the following respects:

1. The term "natural" was not used on labels to describe fur products which were not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Rule 19(g) of said Rules and Regulations.

2. Required item numbers were not set forth on labels, in violation of Rule 40 of said Rules and Regulations.

PAR. 11. Respondents furnished false guaranties that certain of their fur products were not misbranded, falsely invoiced or falsely advertised when respondents in furnishing such guaranties had reason to believe that fur products so falsely guarantied

would be introduced, sold, transported or distributed in commerce, in violation of Section 10(b) of the Fur Products Labeling Act.

PAR. 12. Certain of said fur products were falsely and deceptively invoiced by the respondents in that they were not invoiced as required by Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated under such Act.

Among such falsely and deceptively invoiced fur products, but not limited thereto, were fur products covered by invoices which failed:

1. To show the true animal name of the animal or animals which produced the fur used in such fur products.

2. To show the country of origin of imported furs used in any such fur product.

PAR. 13. Certain of said fur products were falsely and deceptively invoiced in violation of the Fur Products Labeling Act in that they were not invoiced in accordance with the Rules and Regulations promulgated thereunder inasmuch as the term "natural" was not used on invoices to describe fur products which were not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Rule 19(g) of said Rules and Regulations.

PAR. 14. The aforesaid acts and practices of the respondents, as herein alleged in Paragraphs Eight through Thirteen, are in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder and constitute unfair and deceptive acts and practices and unfair methods of competition 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, the Wool Products Labeling Act of 1939 and the Fur Products Labeling 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 Alorna Coat Corp., Holly Deb Classics, Inc., and Elwin Casuals, Inc., are corporations organized, existing and doing business under and by virtue of the laws of the State of New York, with their offices and principal places of business located at 265 West 37th Street, New York, New York.

Respondents Elliott Satnick and Irwin R. Shatkin 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 Alorna Coat Corp., a corporation, and its officers, Holly Deb Classics, Inc., a corporation, and its officers, Elwin Casuals, Inc., a corporation, and its officers, and Elliott Satnick and Irwin R. Shatkin, 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, 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.

3. Failing to set forth required information on labels attached to wool products consisting of two or more sections of different fiber composition, in such a manner as to show the fiber content of each section in all instances where such marking is necessary to avoid deception.

4. Failing to set forth the fiber content of lining, composed of pile fabrics or of fabrics incorporated into woolen garments or articles of wearing apparel for warmth, separately and distinctly, in the stamp, tag, label, or other marks of identification of such wool products.

5. Failing to set forth the fiber content of interlinings contained in garments separately and distinctly as part of the required information on the stamps, tags, labels, or other marks of identification of such garments as required by Rule 24(b) of the Rules and Regulations under the Wool Products Labeling Act of 1939.

It is further ordered, That respondents Alorna Coat Corp., a corporation, and its officers, Holly Deb Classics, Inc., a corporation, and its officers, Elwin Casuals, Inc., a corporation, and its officers, and Elliott Satnick and Irwin R. Shatkin, 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 sale, advertising, or offering for sale in commerce, or the transportation or distribution in commerce of any fur product; or in connection with the manufacture for sale, sale, advertising, offering for sale, transportation or distribution of any fur product which is made in whole or in part of fur which had been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding any fur product by:

1. Representing, directly or by implication, on a label that the fur contained in such fur product is natural when such fur is pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

2. Failing to affix a label to such fur product showing in words and in figures plainly legible all of the infor-

mation required to be disclosed by each of the subsections of Section 4(2) of the Fur Products Labeling Act.

3. Failing to set forth the term "natural" as part of the information required to be disclosed on a label under the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe such fur product which is not pointed, bleached, tip-dyed, dyed, or otherwise artificially colored.

4. Failing to set forth on a label the item number or mark assigned to such fur product.

B. Falsely or deceptively invoicing any fur product by:

1. Failing to furnish an invoice, as the term "invoice" is defined in the Fur Products Labeling Act, showing in words and figures plainly legible all the information required to be disclosed by each of the subsections of Section 5(b)(1) of the Fur Products Labeling Act.

2. Failing to set forth the term "natural" as part of the information required to be disclosed on an invoice under the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe such fur product which is not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

It is further ordered, That respondents Alorna Coat Corp., a corporation, and its officers, Holly Deb Classics, Inc., a corporation, and its officers, Elwin Casuals, Inc., a corporation, and its officers, and Elliott Satnick and Irwin R. Shatkin, 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 fur product is not misbranded, falsely invoiced or falsely advertised when the respondents have reason to believe that such fur 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.

Complaint

75 F.T.C.

IN THE MATTER OF

GREATER UNITED STEEL, INC., ET AL.

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

Docket C-1532. Complaint, May 14, 1969—Decision, May 14, 1969

Consent order requiring two affiliated Kansas City, Mo., home improvement companies to cease falsely representing that prospective purchasers' homes have been selected as "model homes" and after installation of their products such homes will be used for demonstration purposes and purchasers will receive a reduced price or discount, misrepresenting that their products are reduced in price, indestructible, and fully guaranteed, and falsely claiming business connections with United States Steel Co.

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 Greater United Steel, Inc., a corporation, and Interstate Aluminum, Inc., a corporation, and Joseph P. Simon, individually and as an officer of said corporations, 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 Greater United Steel, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Missouri, with its principal office and place of business located at Suite 220, 424 Nichols Road, Kansas City, Missouri 64112.

Respondent Interstate Aluminum, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Missouri, with its principal office and place of business located at Suite 220, 424 Nichols Road, Kansas City, Missouri 64112.

Respondent Joseph P. Simon is an officer of each of the corporate respondents. He formulates, directs and controls the acts and practices of the corporate respondents, including the acts and practices hereinafter set forth. His business address is the same as that of the corporate respondents.