

Complaint

IN THE MATTER OF

JET PARTY FAVORS, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION AND THE FLAMMABLE FABRICS ACTS

Docket C-1723. Complaint, Apr. 8, 1970—Decision, Apr. 8, 1970

Consent order requiring a Stamford, Conn., manufacturer of party favors including wearing apparel in the form of paper leis to cease marketing dangerously flammable products and paper leis not flame proofed.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, the Flammable Fabrics Act and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Jet Party Favors, Inc., a corporation, and Louis Schneider and Joel Cohen, individually and as officers of said corporation, hereinafter referred to as respondents have violated the provisions of said Acts and the Rules and Regulations promulgated under the Flammable Fabrics 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 Jet Party Favors, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Connecticut. Respondents Louis Schneider and Joel Cohen are officers of said corporate respondent. They formulate, direct and control the acts, practices and policies of said corporation.

Respondents are engaged in the business of manufacture and sale of party favors, including wearing apparel, in the form of paper leis, with their office and principal place of business located at 114 Manhattan Street, Stamford, Connecticut.

PAR. 2. Respondents are now and for some time last past have been engaged in the manufacture for sale, the sale, and offering for sale, in commerce, and in the importation into the United States, and have introduced, delivered for introduction, transported and caused to be transported in commerce, and have sold or delivered after sale or shipment in commerce, fabrics and products as the terms "commerce," "fabric" and "product" are defined in the Flammable Fabrics Act, as amended, which fabrics and products

failed to conform to an applicable standard or regulation continued in effect, issued or amended under the provisions of the Flammable Fabrics Act, as amended.

Among such fabrics were crepe paper and among such products were paper leis manufactured from such crepe paper.

PAR. 3. The aforesaid acts and practices of respondents were and are in violation of the Flammable Fabrics Act, as amended, and the Rules and Regulations promulgated thereunder and constitute, 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. 4. Respondents are now and for some time last past have been engaged in the advertising, offering for sale, sale and distribution of paper leis, in commerce. Said paper leis are manufactured by the respondents and are shipped and sold in commerce. The aforesaid paper leis when manufactured by respondents are shipped from respondents' place of business in the State of Connecticut to customers located in various other States of the United States. Respondents maintained, and at all times mentioned, have maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 5. The respondents in manufacturing these leis have used paper which exhibited characteristics of rapid and intense burning and which, when used in the manufacture of the aforesaid leis, imparted to those products the same characteristics of rapid and intense burning so as to render such products dangerous and unsafe for use by individuals.

PAR. 6. The manufacture, sale and distribution of the aforesaid paper leis has had and now has the tendency and capacity to lead the purchasing public into the erroneous assumption that the said paper leis had been treated so as to make them safe for ordinary use. In truth and in fact the said leis have not been so treated.

PAR. 7. The aforesaid acts and practices of respondents as herein alleged were and are all to the prejudice and injury to the public and 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 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 Flammable Fabrics Act, as amended; 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 Jet Party Favors, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Connecticut with its office and principal place of business located at 114 Manhattan Street, Stamford, Connecticut.

Respondents Louis Schneider, and Joel Cohen are officers of said corporation and their 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 Jet Party Favors, Inc., a corporation, and its officers, and Louis Schneider, and Joel Cohen, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from manufacturing for sale, selling, offering for sale, in commerce, or importing into the United States, or introducing, delivering for introduction, transporting or causing to be transported in commerce, or selling or

delivering after sale or shipment in commerce any fabric, product or related material as "commerce," "fabric," "product" and "related material" are defined in the Flammable Fabrics Act as amended, which fails to conform to an applicable standard or regulation continued in effect, issued or amended under the provisions of the aforesaid Act.

It is further ordered, That the respondents herein shall within ten (10) days after service upon them of this order, file with the Commission an interim special report in writing setting forth the respondents' intention as to compliance with this order. This interim special report shall also advise the Commission fully and specifically concerning the identity of the fabric, product or related material which gave rise to the complaint (1) the amount of such fabric, product or related material in inventory (2) any action taken to notify customers of the flammability of such fabric, product or related material and the results thereof and (3) any disposition of such fabric, product or related material since September 8, 1969. Such report shall further inform the Commission whether respondents have in inventory any fabric, product or related material having a plain surface and made of silk, rayon or cotton or combinations thereof in a weight of two ounces or less per square yard of fabric with a raised fiber surface made of cotton or rayon or combinations thereof. Respondents will submit samples of any such fabric, product or related material with this report.

It is further ordered, That respondents Jet Party Favors, Inc., a corporation, and its officers, and Louis Schneider, and Joel Cohen, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from the advertising, offering for sale, sale or distribution of paper leis in commerce, as "commerce" is defined in the Federal Trade Commission Act, unless and until said paper leis are flame proofed to such an extent that they will not ignite, burn or glow.

It is further ordered, That respondents notify the Commission at least 30 days prior to any proposed change in the corporate respondent such as dissolution, assignment or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries or any other change in the corporation which may affect compliance obligations arising out of the order.

It is further ordered, That the respondent corporation shall forthwith distribute a copy of this order to each of its operating divisions.

WESTERN STAR BEEF, INC., ET AL.

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Order

It is further ordered, That 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