

Consent order requiring a New York City manufacturer and seller of women's apparel to cease misbranding 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 Pickfair Place, Ltd., a corporation, and Ben Glustrom, Milton Karol, and Edward Schlossberg, 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 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 Pickfair Place, Ltd., 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 250 West 39th Street, New York, New York.

Respondents Ben Glustrom, Milton Karol, and Edward Schlossberg are officers of said corporation. They formulate, direct and control the policies, acts and practices of said corporation, and their address is the same as that of the corporate respondent.

Respondents are engaged in the manufacture and sale of women's apparel. They ship and distribute such products to various customers in the United States.

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 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 which were stamped, tagged, labeled or otherwise identified by respondents as containing "100% wool" whereas, in truth and in fact, said wool products contained substantially different fibers and amounts of fiber 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 as prescribed by the Rules and Regulations promulgated under said Act.

Among such misbranded wool products, but not limited thereto,

were wool products, namely women's 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; (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. 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 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 Pickfair Place, Ltd., 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 250 West 39th Street, New York, New York.

Respondents Ben Glustrom, Milton Karol, and Edward Schlossberg are officers of said corporation. They formulate, direct and control the acts, practices and policies of said corporation.

Respondents are manufacturers of women's apparel.

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 Pickfair Place, Ltd., a corporation, and its officers, and Ben Glustrom, Milton Karol, and Edward Schlossberg, individually and as officers of said corporation, 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 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.

*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 form in which they have complied with this order.

Complaint

77 F.T.C.

IN THE MATTER OF

NATIONAL ASSOCIATION OF WOMEN'S AND CHILDREN'S  
APPAREL SALESMEN, INC., ET AL.ORDER, OPINION, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE  
FEDERAL TRADE COMMISSION ACT*Docket 8691. Complaint, July 11, 1966<sup>1</sup>—Decision, July 30, 1970<sup>2</sup>*

Order modifying and supplementing the initial decision, but deferring the entry of a final order until further order of the Commission, against a trade association of organizations and groups of salesmen engaged in the wholesale selling of women's and children's wearing apparel.

## COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, (15 U.S.C. Sec. 41, *et seq.*) and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that the parties hereinafter more particularly named, designated, described, and 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, the Commission hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent National Association of Women's and Children's Apparel Salesmen, Inc., hereinafter referred to as "NAWCAS," is a corporation organized under Pro Forma Decree, Circuit Court, city of St. Louis, Missouri, with its principal office and place of business located at 515 Peachtree Palisades Building, Atlanta, Georgia.

Respondent NAWCAS, a trade association composed of sales persons, organizations and groups of salesmen, was ostensibly organized for the purpose of providing a national association of all organizations or groups composed of salesmen engaged in the wholesale selling of women's and children's wearing apparel or accessories and to cooperate with organizations composed of salesmen in kindred fields whenever practicable and preferably to the end that a strongly organized national voice of salesmen may be achieved. It also provides other services for its members including an edu-

<sup>1</sup> Reported as amended by hearing examiner's order of October 5, 1966, by amending Paragraph Three and Paragraph Five.

<sup>2</sup> Final order to cease and desist issued February 25, 1971, 78 F.T.C. 446.