

Complaint

IN THE MATTER OF
GIMBEL BROTHERS, INC.CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION AND THE FLAMMABLE FABRICS ACTS*Docket C-2345. Complaint, Jan. 17, 1973—Decision, Jan. 17, 1973.*

Consent order requiring a New York City manufacturer and seller of ladies' scarves and other wearing apparel, among other things to cease manufacturing, selling, importing or distributing any fabric, product or related material which fails to conform to an applicable standard of flammability or regulation issued under the provisions of the Flammable Fabrics Act, as amended.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Flammable Fabrics Act, as amended, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Gimbel Brothers, Inc., a corporation, hereinafter referred to as respondent, has violated the provisions of said Acts and the rules and regulations promulgated under the Flammable Fabrics Act, as amended, 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 Gimbel Brothers, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondent is engaged primarily in the sale and distribution of textile fiber products including, but not limited to, wearing apparel in the form of ladies' scarves, with its office and principal place of business located at 1275 Broadway, New York, New York.

PAR. 2. Respondent is now and for some time last past has been engaged in the sale and offering for sale, in commerce, and has introduced, delivered for introduction, transported and has caused to be transported in commerce, and has sold or delivered after sale or shipment in commerce, products as the terms "commerce" and "product" are defined in the Flammable Fabrics Act, as amended, which 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.

Complaint

82 F.T.C.

Among such products mentioned hereinabove were ladies' scarves.

PAR. 3. The aforesaid acts and practices of respondent were and are in violation of the Flammable Fabrics Act, as amended, 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 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 Consumer Protection 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 and the Flammable Fabrics Act, as amended; 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 Section 2.34(b) of its rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Gimbel Brothers, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondent is engaged in the business of the importation, sale and distribution of textile fiber products including, but not limited

to, wearing apparel, in the form of ladies' scarves, with its office and principal place of business located at 1275 Broadway, New York, New York.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent and the proceeding is in the public interest.

ORDER

It is ordered, That respondent Gimbel Brothers, Inc., a corporation, its successors and assigns, and its officers, agents, representatives and employees, directly or through any corporation, division or other device, do forthwith cease and desist from 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 ladies' scarves; or any article of wearing apparel, or fabric intended for use or which may reasonably be expected to be used in an article of wearing apparel, imported by or manufactured under the control or direction of Gimbel Brothers, Inc., as the terms "commerce," and "article of wearing apparel" are defined in the Flammable Fabrics Act, as amended; or any other article of wearing apparel, or fabric which is intended for use or which may reasonably be expected to be used in an article of wearing apparel, the manufacturer, importer or wholesaler of which has not furnished a guaranty under Section 8(a) of the Flammable Fabrics Act, as amended; and which ladies' scarves, articles of wearing apparel and fabric fail to conform to an applicable standard or regulation, issued, amended, or continued in effect under the provisions of the aforesaid Act; *Provided, however,* Nothing herein shall accord to the respondent immunity from any subsequent proceedings under Section 3, 6(a) or 6(b) of the Flammable Fabrics Act, as amended. Further, nothing herein shall limit the authority of the Commission to extend the terms of the order to products, fabrics or related materials presently excluded from this order in any subsequent proceeding against the respondent.

It is further ordered, That respondent notify all of its customers who have purchased or to whom have been delivered the products which gave rise to the complaint and who can reasonably be identified, of the flammable nature of said products, and effect the recall of said products from such customers.

It is further ordered, That the respondent herein either process the products which gave rise to the complaint so as to bring them into conformance with the applicable standard of flammability under the Flammable Fabrics Act, as amended, or destroy said products.

It is further ordered, That the respondent herein shall, within thirty (30) days after service upon it of this order, file with the Commission a special report in writing setting forth the respondent's intentions as to compliance with this order. This special report shall also advise the Commission fully and specifically concerning (1) the identity of the products which gave rise to the complaint (2) the number of said products in inventory, (3) any action taken and any further actions proposed to be taken to notify customers of the flammability of said products and effect the recall of said products from customers, and of the results thereof, (4) any disposition of said products since February 7, 1968 and (5) any action taken or proposed to be taken to bring said products into conformance with the applicable standard of flammability under the Flammable Fabrics Act, as amended, or destroy said products, and the results of such action. Upon request of the Commission the respondent shall submit samples of ladies' scarves to the Commission.

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

Complaint

IN THE MATTER OF
CREDIT CARD SERVICE CORPORATION, ET AL.
ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT

Docket 8861. Complaint, Aug. 24, 1971—Decision, Jan. 19, 1973.

Order requiring an Alexandria, Virginia, seller of memberships in a credit card registration service, among other things to cease representing that a credit cardholder is responsible for payment of all goods and services obtained by unauthorized use of his credit cards; representing that potential liability incurred through unauthorized use of his card may amount to sums large enough to cause financial loss or ruin; representing that respondents' service can protect credit cardholders from substantial financial loss or ruin; failing to incorporate in written material or radio or television commercials a statement to the effect that a January 1971, Federal law limits liability to \$50 for unauthorized use of credit cards; and failing to provide prospective customers with the above-required information.

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 Credit Card Service Corporation, a corporation, doing business as Credit Card Service Bureau, and John P. Ferry, individually and as an officer 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. Credit Card Service Corporation is a corporation doing business as Credit Card Service Bureau. It is organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its principal office and place of business located at 4660 Kenmore Avenue in the city of Alexandria, State of Virginia.

Respondent John P. Ferry is an individual and is an officer of the corporate respondent. He formulates, directs, and controls the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. His address is the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for some time last past