

IN THE MATTER OF
STRETCH-EES, INC., ET AL.

CONSENT ORDER IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION & TEXTILE FIBER PRODUCTS
IDENTIFICATION ACTS

Docket C-2432. Complaint, August 16, 1973—Decision, August 16, 1973.

Consent order requiring two Brooklyn, N.Y., corporations manufacturers of textile fiber products, namely ladies' garments, among other things to cease misbranding their products.

Appearances

For the Commission: *J. Manos* and *B. Bergan*.

For the respondents: *pro se*.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act 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 Stretch-ees, Inc., a corporation, and Harvey Lerner and Max Aig, individually and as officers of said corporation, and Take-12, Inc., a corporation, trading as Born Free, and Harvey Lerner, Max Aig and Samuel Bernstein, individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and regulations promulgated under the

Complaint

83 F.T.C.

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. Respondents Stretch-ees, Inc., and Take-12, Inc., trading as Born Free, are corporations organized, existing and doing business under and by virtue of the laws of the State of New York. The respondent corporations maintain their home office at 794 Union Street, Brooklyn, New York.

Respondents Harvey Lerner and Max Aig are officers and individuals of both corporate respondents. Respondent Samuel Bernstein is an officer and individual of the corporate respondent, Take-12, Inc. They formulate, direct and control the policies, acts and practices of corporate respondents. The addresses of Harvey Lerner, Max Aig and Samuel Bernstein are the same as corporate respondents.

Respondents are engaged in business as manufacturers of textile fiber products, namely ladies' garments.

PAR. 2. Respondents are now and for some time last past have been engaged in the introduction, delivery for introduction, sale, advertising, and offering for sale, in commerce, and in the transportation or causing to be transported in commerce, and the importation into the United States, of textile fiber products; and have 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 have 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 products" are defined in the Textile Fiber Products Identification Act.

PAR. 3. Certain of said textile fiber products were misbranded by respondents within the intent and meaning of Section 4(a) of the Textile Fiber Products Identification Act and the rules and regulations promulgated thereunder in that they were falsely and deceptively stamped, tagged, labeled, invoiced, advertised or otherwise identified as to the name or amount of the constituent fibers contained therein.

Among such misbranded textile fiber products, but not limited thereto, were textile fiber products, namely ladies' garments, which contained substantially different amounts and types of fibers than as represented.

PAR. 4. Certain of said textile fiber products were misbranded by respondents in that they were not stamped, tagged, labeled, or otherwise identified as required under the provisions of Section 4(b) of the Textile Fiber Products Identification Act, and in the manner and form as prescribed by the rules and regulations promulgated under said Act.

Among such misbranded textile fiber products, but not limited thereto, were textile fiber products with labels which failed:

1. To disclose the true generic names of the fibers present.
2. To disclose the percentages of such fibers by weight.
3. To disclose the name, or other identification issued and registered by the Commission, of the manufacturer of the products or more persons subject to Section 3 of said Act with respect to such products.

PAR. 5. Certain of said textile fiber products were misbranded in violation of the Textile Fiber Products Identification Act in that they were not labeled in accordance with the rules and regulations promulgated thereunder inasmuch as samples, swatches or specimens of textile fiber products subject to the aforesaid Act, which were used to promote or effect sales of such textile fiber products, were not labeled to show their respective fiber content and other information required by Section 4(b) of the Textile Fiber Products Identification Act and the rules and regulations promulgated thereunder in violation of Rule 21(a) of the aforesaid rules and regulations.

PAR. 6. The acts and practices of respondents as set forth 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 methods of competition and unfair and deceptive acts and practices, 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 the draft of complaint which the New York Regional Office 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 Textile Fiber Products Identification Act, as amended, and

Decision and Order

83 F.T.C.

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all 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 Section 2.34(b) of its rules, the Commission hereby issues its complaint, makes the following jurisdictional findings and enters the following order:

1. Respondents Stretch-ees, Inc., and Take-12, Inc. are corporations organized, existing and doing business under and by virtue of the laws of the State of New York. Their office and principal place of business are located at 794 Union Street, Brooklyn, New York.

Respondents Harvey Lerner and Max Aig are officers and individuals of Stretch-ees, Inc. Harvey Lerner, Max Aig and Samuel Bernstein are officers and individuals of Take-12, Inc. They formulate, direct and control the policies, acts and practices of the corporate respondents. Their addresses are the same as that of corporate respondents.

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 Stretch-ees, Inc., a corporation, its successors and assigns, and its officers, and Harvey Lerner and Max Aig, individually and as officers of said corporation, and Take-12, Inc., a corporation, its successors or assigns, trading as Born Free, or trading under any other name or names, and its officers, and Harvey Lerner, Max Aig and Samuel Bernstein, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any

corporation, subsidiary, division or other device, in connection with the introduction, delivery for introduction, sale, advertising or 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:

A. Misbranding such textile fiber products by:

1. Falsely or deceptively stamping, tagging, labeling, invoicing, advertising or otherwise identifying such products as to the name or amount of the constituent fibers contained therein.

2. Failing to affix a stamp, tag, label, or other means of identification to each such textile fiber product showing in a clear, legible and conspicuous manner each element of information required to be disclosed by Section 4(b) of the Textile Fiber Products Identification Act.

3. Failing to affix labels to samples, swatches or specimens of textile fiber products used to promote or effect the sale of such textile fiber products showing in words and figures plainly legible all the information required to be disclosed by Section 4(b) of the Textile Fiber Products Identification Act.

It is further ordered, That respondents notify the Commission at least 30 days prior to any change in the corporate respondents 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 corporations shall forthwith distribute a copy of this order to each of its operating divisions.

It is further ordered, That the individual respondents herein promptly notify the Commission of the discontinuance of their

Decision and Order

83 F.T.C.

present business or employment and of their affiliation with a new business or employment. Such notice shall include respondents' current business and address, the nature of the business or employment in which they are engaged as well as a description of their duties and responsibilities.

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.

IN THE MATTER OF
ARGUS INCORPORATED

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

Docket C-2433. Complaint, August 17, 1973—Decision, August 17, 1973.

Consent order requiring an Ann Arbor, Michigan, manufacturer, seller, and distributor of photographic equipment, among other things to cease failing to disclose to consumers that certain equipment is used rather than new; failing to maintain accurate records; and furnishing new packaging materials for utilization with used equipment.

Appearances

For the Commission: *Q. P. McColgin.*

For the respondent: *Stephen C. Shamberg of Friedman, Koven, Shapiro, Salzman, Koenigsberg, Specks & Homer, Chicago, Illinois.*

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 Argus Incorporated, a corporation, hereinafter referred to as respondent, has 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. Definitions: (i) Photographic Equipment: Photographic Equipment shall mean still and motion picture cam-