
IN THE MATTER OF
MICHAEL MILEA/PETER SINCLAIR, LTD., ET AL.

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

Docket C-2764. Complaint, Dec. 8, 1975—Decision, Dec. 8, 1975

Consent order requiring a New York City importer of wearing apparel, among other things to cease mislabeling the fiber content of wool and textile products; failing to disclose on labels manufacturer identification; falsely invoicing textile fiber products; and furnishing false guaranties.

Appearances

For the Commission: *Charles Peterson.*

For the respondents: *Pro se.*

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, as amended, the Wool Products Labeling Act of 1939, 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 Michael Milea/Peter Sinclair, Ltd., a corporation, and Bernard Rein, individually and as an officer 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 the 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. Respondent Michael Milea/Peter Sinclair, Ltd. is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Florida with its main office and principal place of business located at 475 Park Ave., South, New York, N.Y. The firm also maintains warehousing and distribution facilities at 3240 W. 16th Ave., Hialeah, Fla., where the firm maintained its principal place of business under the name Imperial Imports, Inc., until October 1973. In October 1973, Imperial Imports, Inc., a Florida corporation, merged with its wholly-owned subsidiary Michael Milea/Peter Sinclair, Ltd., a New York corporation, to form the corporate respondent.

Respondent Bernard Rein is an officer of the corporate respondent. He formulates, directs and controls the acts and practices of the corporate respondent's Hialeah, Fla., facility, including the acts and practices hereinafter set forth. His address is 3240 W. 16th Ave., Hialeah, Fla.

Respondents are now, and for some time last past have been, engaged in the importation of wearing apparel for sale to retailers throughout the United States.

COUNT I

Alleging violation of the Wool Products Labeling Act of 1939 and the implementing rules and regulations promulgated thereunder, and the Federal Trade Commission Act, as amended, the allegations of Paragraph One hereof are incorporated by reference in Count I as if fully set forth verbatim.

PAR. 2. Respondents, now and for some time last past, have imported 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 the 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 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 sweaters identified by respondents as "50% acrylic, 30% wool, 20% cotton" whereas in truth and in fact, said wool products contained substantially different amounts of fibers than as represented.

PAR. 4. Certain of said wool products were further misbranded by respondents in that they were not stamped, labeled, tagged or otherwise identified as required under the provisions of Section 4(a)(2)(A) 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 sweaters, 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 five percentum of said total fiber weight, of (1) wool; (2) reprocessed wool; (3) reused wool; (4) each fiber other than wool, where said percentage by weight of such fiber was five percentum or more; and (5) the aggregate of all fibers.

PAR. 5. Certain of said wool products were further misbranded by respondents in that they were not stamped, labeled, tagged or otherwise identified as required under the provisions of Section 4(a)(2)(C) of the Wool Products Labeling Act of 1939 and in the manner and form as prescribed by Rule 13 promulgated under said Act.

Among such wool products, but not limited thereto, were sweaters whose labels failed to disclose the name, or other identification issued and registered by the Commission, of the manufacturer of the wool product or one or more persons subject to Section 3 of the Act with respect to such product.

PAR. 6. The acts and practices 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 or affecting commerce, under the Federal Trade Commission Act, as amended.

COUNT II

Alleging violation of the Textile Fiber Products Identification Act and the implementing rules and regulations promulgated thereunder and of the Federal Trade Commission Act, as amended, the allegations of Paragraph One hereof are incorporated by reference in Count II as if fully set forth verbatim.

PAR. 7. 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 in 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 product" are defined in the Textile Fiber Products Identification Act.

PAR. 8. 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 knitted blouses, which contained substantially different amounts and types of fibers than as represented.

PAR. 9. 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 product or one or more persons subject to Section 3 of said Act with respect to such products.

PAR. 10. Respondents have furnished their customers with false guaranties that certain textile fiber products were not misbranded or falsely invoiced by falsely representing in writing on invoices that respondents have filed a continuing guaranty under the Textile Fiber Products Identification Act with the Federal Trade Commission in violation of Section 10(b) of said Act and Rule 38(d) of the rules and regulations promulgated thereunder.

PAR. 11. The aforesaid acts and practices of respondents as set forth in Paragraphs Seven through Ten 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 or affecting commerce under the Federal Trade Commission Act, as amended.

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 Atlanta 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, as amended, the Wool Products Labeling Act of 1939 and the Textile Fiber Products Identification 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 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 sixty (60) days, now in further conformity with the procedure prescribed in Section 2.34 of its rules, the Commission hereby issues its complaint, makes the following jurisdictional findings and enters the following order:

1. Respondent Michael Milea/Peter Sinclair, Ltd. is a corporation

organized, existing and doing business under and by virtue of the laws of the State of Florida, with its main office and principal place of business located at 475 Park Ave., South, New York, N.Y. The firm also maintains warehousing and distribution facilities at 3240 W. 16th Ave., Hialeah, Fla., where the firm maintained its principal place of business under the name Imperial Imports, Inc., until October 1973. In October 1973, Imperial Imports, Inc., a Florida corporation, merged with its wholly-owned subsidiary Michael Milea/Peter Sinclair, Ltd., a New York corporation, to form the corporate respondent.

Respondent Bernard Rein is an officer of said corporation. He formulates, directs and controls the acts and practices of said corporation's Hialeah facility, including the acts and practices hereinafter set forth. His address is 3240 W. 16th Ave., Hialeah, Fla.

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

COUNT I

It is ordered, That Michael Milea/Peter Sinclair, Ltd., a corporation, its successors and assigns and its officers, and Bernard Rein, individually and as an officer of said corporation, and respondents' agents, representatives and employees, directly or through any corporation, subsidiary, division or other device, in connection with the introduction or manufacture for introduction into commerce or the offering for 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 name or amount of the constituent fibers contained therein;

2. Failing to securely affix to or place on each product a stamp, tag, label or other means of identification showing in a clear, legible and conspicuous manner each element of information required to be disclosed by Section 4(a)(2) of the Wool Products Labeling Act of 1939.

COUNT II

It is further ordered, That respondents Michael Milea/Peter Sinclair, Ltd., a corporation, its successors and assigns and its officers, and Bernard Rein, individually and as an officer of said corporation, and respondents' agents, representatives and employees, directly or

through any corporation, subsidiary, division or other device in connection with the introduction, delivery for introduction, manufacture for introduction, sale, advertising or offering for sale 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 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 any other textile fiber product, as the terms "commerce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act, do forthwith cease and desist from:

1. Misbranding textile fiber products by:

(a) 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;

(b) failing to affix a stamp, label, tag, or other means of identification to such textile fiber products 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.

It is further ordered, That respondents Michael Milea/Peter Sinclair, Ltd., a corporation, its successors and assigns and its officers, and Bernard Rein, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporation, subsidiary, division or other device do forthwith cease and desist from furnishing a false guaranty that any textile fiber product is not misbranded or falsely invoiced or advertised under the provisions of the Textile Fiber Products Identification Act.

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 notify the Commission at least thirty (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 individual respondent named herein promptly notify the Commission of the discontinuance of his present business or employment and of his affiliation with a new business or employment. Such notice shall include respondent's current business address and a statement as to the nature of the business or

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Complaint

employment in which he is engaged as well as a description of his duties and responsibilities.

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.

IN THE MATTER OF

LEESIN INTERNATIONAL, INC., ET AL.

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

Docket C-2765. Complaint, Dec. 8, 1975—Decision, Dec. 8, 1975

Consent order requiring a Croton-On-Hudson, N.Y., importer and distributor of fabrics, among other things to cease misrepresenting the wool content of their wool blend fabrics and further, that respondents notify their customers that the fabrics they have purchased were misbranded.

Appearances

For the Commission: *Jerry R. McDonald.*

For the respondents: *Pro se.*

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, as amended, 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 Leesin International, Inc., a corporation, and Leon Sinder, individually and as an officer 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 Leesin International, Inc. 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 Quaker Bridge Road E., Croton-On-Hudson, N.Y.

Respondent Leon Sinder is an officer of Leesin International, Inc. He