

Complaint

89 F.T.C.

IN THE MATTER OF

G. & B. TEXTILES, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION AND WOOL PRODUCTS
LABELING ACTS*Docket C-2867. Complaint, Feb. 14, 1977 --- Decision, Feb. 14, 1977*

Consent order requiring a New York City importer and distributor of fabrics, among other things, to cease misrepresenting the fiber content of its wool products and to notify purchasers of these fabrics that government tests have shown them to be misbranded.

Appearances

For the Commission: *Abraham A. Karlin and Jerry R. McDonald.*

For the respondents: *Edward S. Wactler and Gerald Blumburg, Kuh, Shapiro, Goldman, Cooperman & Levitt, New York City.*

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 G. & B. Textiles, Inc., a corporation formerly known as H.M.S. International Fabrics, Inc., and Benjamin Solomon, individually and as an officer of said corporation, and Herbert and Michael Solomon, individually and as former officers of said corporation, hereinafter sometimes 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 G. & B. Textiles, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its principal office and place of business located at 45 West 45th St., New York, New York. It was formerly known as H.M.S. International Fabrics, Inc.

Respondent Benjamin Solomon is an officer and respondents Herbert Solomon and Michael Solomon are former officers of G. & B. Textiles, Inc. At all times relevant to the acts and practices hereinafter set forth, they formulated, directed and controlled the acts and practices of the corporate respondent. The business address of respondent Benjamin Solomon is the same as that of the corporate

respondent and that of respondents Herbert Solomon and Michael Solomon is 1290 Avenue of the Americas, New York, New York.

Respondents are engaged in the business of importing wool blend fabrics into the United States and selling such fabrics to their customers in the various states.

PAR. 2. Respondents, now and for some time last past, have 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 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 certain wool blend fabrics stamped, tagged, labeled, or otherwise identified by respondents as "55% polyester, 45% reprocessed wool" whereas, in truth and in fact, said products contained substantially different fibers and amounts of fibers than 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 wool blend fabrics, 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 aforesaid acts and practices of the respondents as herein alleged 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 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 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, as amended, 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 sixty (60) days, now in further conformity with the procedure prescribed by Section 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional finding, and enters the following order:

1. Respondent G. & B. Textiles, 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 45 West 45th St., New York, New York.

Respondent Benjamin Solomon is an officer and respondents Herbert Solomon and Michael Solomon are former officers of said corporation. At all times relevant to the allegations in the complaint, they formulated, directed and controlled the policies, acts and practices of said corporation. The business address of Benjamin Solomon is 45 West 45th St., New York, New York and that of Herbert Solomon and Michael Solomon is 1290 Avenue of the Americas, New York, New York.

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 G. & B. Textiles, Inc., a corporation, its successors and assigns, and its officers, and Benjamin Solomon, individually and as an officer of said corporation, and Herbert Solomon and Michael Solomon, individually and as former officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporation, subsidiary, division or any other device, in connection with the introduction, or importing 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, by delivery of a copy of this order by registered mail, each of their customers that purchased the wool products which gave rise to this complaint of the fact that United States government tests have shown that such products were misbranded.

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

It is further ordered, That the individual respondents named herein promptly notify the Commission of each change in business or employment status, which includes discontinuance of their present business or employment and each affiliation with a new business or employment for ten (10) years following the effective date of this order. Such notice shall include respondents' current business address and a description of the business or employment in which they are engaged as well as a description of their duties and responsibilities. The expiration of the notice provision of this paragraph shall not affect any other obligations arising under this order.

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 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
UNCLE BEN'S, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT

Docket C-2870. Complaint, Feb. 23, 1977 --- Decision, Feb. 23, 1977

Consent order requiring a Houston, Texas producer and distributor of food products, and its New York City advertising agency, among other things, to cease disseminating advertisements which depict or portray children coming close to foods in the process of being cooked, or attempting to cook foods themselves, without close adult supervision, or any other advertisements which may have the tendency to influence children to engage in behavior inconsistent with recognized safety practices.

Appearances

For the Commission: *Mark D. Gordon.*

For the respondents: *Rosenfeld, Sirowitz & Lawson*, New York City, *David Carlin, Hall, Dickler, Lawler, Kent & Howley*, New York City and *Lawrence G. Meyer, Patton, Boggs & Blow*, Washington, D.C.

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 Uncle Ben's, Inc., a corporation, and Rosenfeld, Sirowitz & Lawson, Inc., a 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. For the purposes of this complaint, the following definitions apply:

1. The term "commerce" means commerce as defined by the Federal Trade Commission Act, as amended.

2. The term "false advertisement" means false advertisement as defined by the Federal Trade Commission Act, as amended.

PAR. 2. Respondent Uncle Ben's, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware with its office and principal place of business located at 13000 Westheimer Road, Houston, Texas.

PAR. 3. Respondent Rosenfeld, Sirowitz & Lawson, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, and with its office and