

compared price in good faith for a reasonably substantial period of time in the regular recent course of its business.

*It is further ordered*, That respondent Giant Food Inc., 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 the order to cease and desist contained herein.

Commissioner MacIntyre does not concur with the action of the Commission in this instance. His views on the issues raised by respondent's motion, which have been fully set forth in his statements of non-concurrence in *Clinton Watch Company, et al.* (Docket 7434, Order on Petition to Reopen Proceeding, February 17, 1964) [64 F.T.C. 1443], *The Regina Corporation* (Docket 8323, Order Reopening Proceeding and Modifying Cease and Desist Order, April 7, 1964) [65 F.T.C. 246] and his statement on the issuance of the *Revised Guides Against Deceptive Pricing* issued January 8, 1964, need no repetition here.

---

IN THE MATTER OF

CARPET DISTRIBUTORS, INC., DOING BUSINESS AS  
DELTA CARPET MILLS ET AL.

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

*Docket C-804. Complaint, Aug. 5, 1964—Decision, Aug. 5, 1964*

Consent order requiring Los Angeles carpet distributors to cease misbranding its textile fiber products, and furnishing false guaranties that its products are not misbranded.

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 Carpet Distributors, Inc., a corporation, doing business as Delta Carpet Mills, and Julius Fuchs, individually and as a former officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under 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 Carpet Distributors, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of California.

Individual respondent Julius Fuchs was an officer of the corporate respondent and formulated, directed and controlled the acts, practices and policies of the corporate respondent including the acts and practices complained of herein.

The corporate respondent is a distributor of textile fiber products namely, carpets, with its office and principal place of business located at 1212 East 58th Street, Los Angeles, California.

Individual respondent, Julius Fuchs has his office and principal place of business at 1812 South Flower Street, Los Angeles, California.

PAR. 2. Subsequent to the effective date of the Textile Fiber Products Identification Act on March 3, 1960, respondents 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 State 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. 3. Certain of said textile fiber products were misbranded by respondents in that there was not on or affixed to said textile fiber products any stamp, tag, label or other means of identification showing the required information in violation of Section 4(b) of the Textile Fiber Products Identification Act.

PAR. 4. Respondents have furnished their customers with false guaranties that certain of their textile fiber products were not misbranded or falsely invoiced by falsely representing in writing on invoices that respondents had filed a continuing guaranty under the Textile Fiber Products Identification Act with the Federal Trade Commission, in violation of Rule 38(d) of the Rules and Regulations under said Act and Section 10(b) of such Act.

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 in the following respects:

1. In disclosing the required fiber content of certain textile fiber products, namely, floor coverings, containing exempted backings, fillings or paddings, respondents failed to set forth that such disclosures related only to the face, pile or outer surface of the floor coverings and not to the exempted backing, filling, or padding in violation of Rule 11 of the Rules and Regulations promulgated under the Textile Fiber Products Identification Act.

2. Non-required information and representations on labels interfered with, minimized, detracted from, and conflicted with the required information on such labels, in violation of Rule 16(c) of the said Rules and Regulations.

3. Samples, swatches, or specimens of textile fiber products used to promote or effect sales of such textile fiber products, were not labeled to show their respective fiber contents and other required information, in violation of Rule 21(a) of the aforesaid Rules and Regulations.

PAR. 6. The acts and practices of respondents as set forth here, were in violation of the Textile Fiber Products Identification Act and the Rules and Regulations thereunder; and constituted, and now constitute, unfair and deceptive acts and practices and unfair methods of competition, in commerce, within the intent and meaning of the Federal Trade Commission Act.

#### DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act and the Textile Fiber Products Identification Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the complaint to issue herein, 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 set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Carpet Distributors, Inc., is a corporation, organized, existing and doing business under and by virtue of the laws of the State

Order

66 F.T.C.

of California, with its office and principal place of business located at 1212 East 58th Street, in the city of Los Angeles, State of California.

Respondent Julius Fuchs is a former officer of said corporation and his address is 1812 South Flower Street, in the city of Los Angeles, State of California.

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 the respondents Carpet Distributors, Inc., a corporation, doing business as Delta Carpet Mills and its officers, and Julius Fuchs, individually and as a former officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate 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 textile fiber products by:

1. Failing to affix labels to such textile fiber products showing each element of information required to be disclosed by Section 4(b) of the Textile Act.
2. Failing to set forth that the required disclosure as to the fiber content of floor coverings relates only to the face, pile, or outer surface of such products and not to exempted backings, fillings, or paddings when such is the case.
3. Setting forth on labels non-required information which interferes with, minimizes, detracts from, or conflicts with information required by Section 4(b) of the Textile Fiber Products Identification Act.
4. Failing to affix labels showing the respective fiber content and other required information to samples, swatches and specimens of textile fiber products subject to the aforesaid

479

## Complaint

Act which are used to promote or effect sales of such textile fiber products.

B. Furnishing false guaranties that textile fiber products are not misbranded or otherwise misrepresented under the provisions of the Textile Fiber Products Identification Act.

*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

## IRENE STONE TRADING AS IRENE OF NEW YORK ET AL.

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

*Docket C-805. Complaint, Aug. 5, 1964—Decision, Aug. 5, 1964*

Consent order requiring a New York City manufacturing furrier and her office manager to cease violating the Fur Products Labeling Act by such practices as failing, in labeling and invoicing, to show the true animal name of fur used in a fur product, to disclose when fur was artificially colored, and when fur products contained cheap or waste fur; failing, in invoicing, to show the country of origin of imported furs, invoicing furs improperly as "American Broadtail," and failing to use the terms "Dyed Broadtail-processed Lamb" and "Natural" where required; and failing to comply in other respects with requirements of the Act.

## COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act and by virtue of the authority vested in it by said Acts, the Federal Trade Commission having reason to believe that Irene Stone, an individual trading as Irene of New York and Rose Potruch, an individual and employee of Irene of New York, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Fur Products Labeling 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 Irene Stone is an individual trading as Irene of New York.

Respondent Rose Potruch is an individual employed by said above respondent as office manager. She is responsible for the information placed on sales invoices and the labels attached by the firm to its products.

Respondent Irene Stone is a manufacturer of fur products with her office and principal place of business located at 16 East 52nd Street, New York, New York. Respondent Rose Potruch is employed at said address.

PAR. 2. Subsequent to the effective date of the Fur Products Labeling Act on August 9, 1952, respondents have been and are now engaged in the introduction into commerce, and in the manufacture for introduction into commerce, and in the sale, advertising, and offering for sale in commerce, and in the transportation and distribution in commerce, of fur products; and have manufactured for sale, sold, advertised, offered for sale, transported and distributed fur products which have been made in whole or in part of furs which have been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act.

PAR. 3. Certain of said fur products were misbranded in that they were not labeled as required under the provisions of Section 4(2) of the Fur Products Labeling Act and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

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

1. To show the true animal name of the fur used in the fur product.
2. To disclose that the fur contained in the fur product was bleached, dyed, or otherwise artificially colored, when such was the fact.
3. To show that the fur product was composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such was the fact.

PAR. 4. Certain of said fur products were misbranded in violation of the Fur Products Labeling Act in that they were not labeled in accordance with Rules and Regulations promulgated thereunder in the following respects:

(a) The disclosure that fur products were composed in whole or in substantial part of paws, tails, bellies, sides, flanks, gills, ears, throats, heads, scrap pieces or waste fur, where required, was not set forth on labels, in violation of Rule 20 of said Rules and Regulations.

(b) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder

was set forth in handwriting on labels, in violation of Rule 29(b) of said Rules and Regulations.

(c) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was not set forth in the required sequence, in violation of Rule 30 of said Rules and Regulations.

(d) Required item numbers were not set forth on labels, in violation of Rule 40 of said Rules and Regulations.

PAR. 5. Certain of said fur products were falsely and deceptively invoiced by the respondents in that they were not invoiced as required by Section 5(b) (1) of the Fur Products Labeling Act and the Rules and Regulations promulgated under such Act.

Among such falsely and deceptively invoiced fur products, but not limited thereto, were fur products covered by invoices which failed:

1. To show the true animal name of the fur used in the fur product.
2. To disclose that the fur contained in the fur product was bleached, dyed, or otherwise artificially colored, when such was the fact.
3. To show that the fur product was composed in whole or substantial part of paws, tails, bellies, or waste fur, when such was the fact.
4. To show the country of origin of imported furs used in fur products.

PAR. 6. Certain of said fur products were falsely and deceptively invoiced with respect to the name or designation of the animal or animals that produced the fur from which the said fur products had been manufactured, in violation of Section 5(b) (2) of the Fur Products Labeling Act.

Among such falsely and deceptively invoiced fur products, but not limited thereto, were fur products which were invoiced as "American Broadtail," thereby implying that the furs contained therein were entitled to the designation "Broadtail Lamb" when in truth and in fact they were not entitled to such designation.

PAR. 7. Certain of said fur products were falsely and deceptively invoiced in violation of the Fur Products Labeling Act in that they were not invoiced in accordance with the Rules and Regulations promulgated thereunder in the following respects:

A. Information required under Section 5(b) (1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth on invoices in abbreviated form, in violation of Rule 4 of said Rules and Regulations.

B. The term "Dyed Broadtail-processed Lamb" was not set forth on invoices in the manner required by law, in violation of Rule 10 of said Rules and Regulations.

Decision and Order

63 F.T.C.

C. The term "natural" was not used on invoices to describe fur products which were not pointed, bleached, dyed, tip-dyed or otherwise artificially colored, in violation of Rule 19(g) of said Rules and Regulations.

D. The disclosure that fur products were composed in whole or substantial part of paws, tails, bellies, sides, flanks, gills, ears, throats, heads, scrap pieces or waste fur, where required, was not set forth on invoices, in violation of Rule 20 of said Rules and Regulations.

E. Required item numbers were not set forth on invoices, in violation of Rule 40 of said Rules and Regulations.

PAR. 8. The aforesaid Acts and practices of respondents, as herein alleged, are in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder and constitute unfair and deceptive acts and practices and unfair methods of competition in commerce under the Federal Trade Commission Act.

#### DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act and the Fur Products Labeling Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the complaint to issue herein, 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 set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Irene Stone is an individual trading as Irene of New York, with her office and principal place of business located at 16 East 52nd Street, in the city of New York, State of New York.

Respondent Rose Potruch is an employee of Irene of New York and her address is the same as that of said respondent Irene Stone.

## Order

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 respondent Irene Stone, an individual trading as Irene of New York or under any other trade name, and Rose Potruch, an individual and employee of Irene of New York, 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 sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce of any fur product; or in connection with the manufacture for sale, sale, advertising, offering for sale, transportation or distribution, of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as the terms "commerce," "fur," and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

## A. Misbranding fur products by:

1. Failing to affix labels to fur products showing in words and in figures plainly legible all of the information required to be disclosed by each of the subsections of Section 4(2) of the Fur Products Labeling Act.

2. Failing to disclose on labels that fur products are composed in whole or in substantial part of paws, tails, bellies, sides, flanks, gills, ears, throats, heads, scrap pieces or waste fur.

3. Failing to set forth information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder on labels in the sequence required by Rule 30 of the aforesaid Rules and Regulations.

4. Setting forth information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in handwriting on labels affixed to fur products.

5. Failing to set forth on labels the item number or mark assigned to a fur product.

## B. Falsely or deceptively invoicing fur products by:

1. Failing to furnish invoices to purchasers of fur products showing in words and figures plainly legible all the information required to be disclosed in each of the subsections of Section 5(b)(1) of the Fur Products Labeling Act.

2. Setting forth on invoices pertaining to fur products any false or deceptive information with respect to the name or designation of the animal or animals that produced the fur contained in such fur product.

3. Setting forth information required under Section 5(b) (1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form.

4. Failing to set forth the term "Dyed Broadtail-processed Lamb" in the manner required where an election is made to use that term instead of the words "Dyed Lamb."

5. Failing to set forth the term "Natural" as part of the information required to be disclosed on invoices under the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe fur products which are not pointed, bleached, dyed, tip-dyed or otherwise artificially colored.

6. Failing to disclose on invoices that fur products are composed in whole or in substantial part of paws, tails, bellies, sides, flanks, gills, ears, throats, heads, scrap pieces or waste fur.

7. Failing to set forth on invoices the required item number or mark assigned to fur products.

*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

DANTE CREATIONS, INC., ET AL.

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

*Docket C-806. Complaint, Aug. 7, 1964—Decision, Aug. 7, 1964*

Consent order requiring New York City importers of wool products to cease violating the Wool Products Labeling Act by such practices as labeling sweaters as "60% Mohair, 30% Wool, 10% Nylon" when they contained substantially different fibers and amounts thereof than so represented, failing to disclose on sweater labels the weight of the various constituent fibers, and using the word "Mohair" in lieu of "Wool" in setting forth the required fiber content information.

## COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and of 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 Dante Creations, Inc., a corporation and Harold Weitz, Sidney Kantor, Michael Weiner and Larry Curtis 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 Dante Creations, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Individual respondents Harold Weitz, Sidney Kantor, Michael Wiener and Larry Curtis are officers of the said corporation and cooperate in formulating, directing and controlling the acts, policies and practices of the corporate respondent including the acts and practices hereinafter referred to.

Respondents are importers of wool products with their office and principal place of business located at 623 Broadway, New York, New York.

PAR. 2. Subsequent to the effective date of the Wool Products Labeling Act of 1939, respondents 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 Act, 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 sweaters stamped, tagged, labeled or otherwise identified as containing 60% Mohair, 30% Wool, 10% Nylon, whereas in truth and in fact, said sweaters contain 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 other-

wise 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 certain sweaters with labels on or affixed thereto, which failed to disclose the percentage of the total fiber weight of the wool product, exclusive of ornamentation, not exceeding five percentum of said total fiber weight of, (1) woolen fiber; (2) each fiber other than wool if said percentage by weight of such fiber is five percentum or more; (3) the aggregate of all other fibers.

PAR. 5. Certain of said wool products were misbranded in violation of the Wool Products Labeling Act of 1939, in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder, in that the term "Mohair" was used in lieu of the word "Wool" in setting forth the required fiber content information on labels affixed to wool products without setting forth the correct percentage of the mohair present, in violation of Rule 19 of the Rules and Regulations under the Wool Products Labeling Act of 1939.

PAR. 6. 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 and deceptive acts and practices and unfair methods of competition in commerce, within the intent and meaning of the Federal Trade Commission Act.

#### DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the complaint to issue herein, 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 set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement.

makes the following jurisdictional findings, and enters the following order:

1. Respondent Dante Creations, 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 623 Broadway, in the city of New York, State of New York.

Respondents Harold Weitz, Sidney Kantor, Michael Wiener and Larry Curtis are officers of said corporation and their address is the same as that of said corporation.

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 Dante Creations, Inc., a corporation, and its officers, and Harold Weitz, Sidney Kantor, Michael Wiener, and Larry Curtis 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 or delivery for shipment, or shipment in commerce, of sweaters or other 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.

3. Using the term "Mohair" in lieu of the word "Wool" in setting forth the required information on labels affixed to wool products without setting forth the correct percentage present.

*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.

Complaint

66 F.T.C.

IN THE MATTER OF

JACK J. FANBURG TRADING AS ANN LEE APPAREL  
ET AL.

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

*Docket C-807. Complaint, Aug. 7, 1964—Decision, Aug. 7, 1964*

Consent order requiring two San Francisco retailers to cease labeling their fur, wool and textile products as "Ann Lee Originals" when they are not designed or created for respondents, failing to label fur, wool, and textile fiber products with required information, and removing and mutilating labels affixed to fur, wool and textile fiber products prior to ultimate sale and delivery.

## COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, the Wool Products Labeling Act of 1939, the Fur Products Labeling 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 Jack J. Fanburg, an individual trading as Ann Lee Apparel, and Jack J. Fanburg and Harry Fanburg, individually and as copartners trading as Fanburg's Fine Apparel, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Fur Products Labeling Act, the Textile Fiber Products Identification Act, and 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. Respondents Harry Fanburg and Jack J. Fanburg are individuals trading and doing business as Fanburg's Fine Apparel, a partnership. Their office and principal place of business is located at 770 Market Street, San Francisco, California.

Respondent Jack J. Fanburg is sole proprietor of Ann Lee Apparel. The office and principal place of business is located at 2620 Mission Street, San Francisco, California.

Jack J. Fanburg also owns branch stores at 52 Hillside Court, San Mateo, California and 2640 Mission Street, San Francisco, California.

Respondents are retailers of wool products, fur products and textile fiber products.

PAR. 2. Subsequent to the effective date of the Fur Products Labeling Act of August 9, 1952, respondents have been and are now engaged in the introduction into commerce, and in the sale, advertising and offering for sale, in commerce, and in the transportation and distribution, in commerce, of fur products; and have sold, advertised, offered for sale, transported and distributed fur products which have been made in whole or in part of fur which had been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act.

PAR. 3. Certain of said fur products were misbranded in that they were falsely or deceptively labeled or otherwise falsely or deceptively identified in that the label on or affixed thereto set forth the statement "Ann Lee Originals" and thereby represented that the said fur products were designed, fashioned or created by or for the said respondents, and were available exclusively from the said respondents. In truth and in fact said fur products were not designed, fashioned or created by or for said respondents, nor were said fur products available only from said respondents, in violation of Section 4(1) of the Fur Products Labeling Act.

PAR. 4. Certain of said fur products were misbranded in that they were not labeled with any of the information required under the provisions of Section 4(2) of the Fur Products Labeling Act and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

PAR. 5. Certain of said fur products were misbranded in violation of the Fur Products Labeling Act in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) Information required under Section 4(2) of the Fur products Labeling Act and the Rules and Regulations promulgated thereunder was set forth in handwriting on labels, in violation of Rule 29(b) of said Rules and Regulations.

(b) Required item numbers were not set forth on labels, in violation of Rule 40 of said Rules and Regulations.

PAR. 6. Certain of said fur products were falsely and deceptively invoiced by respondents in that they were not invoiced with any of the information required by Section 5(b)(1) of the Fur Products Labeling Act, and in the manner and form prescribed by the Rules and Regulations thereunder.

PAR. 7. Certain of said fur products were falsely and deceptively invoiced in violation of the Fur Products Labeling Act in that they were not invoiced in accordance with the Rules and Regulations pro-

mulgated thereunder in that required item numbers were not set forth on invoices, in violation of Rule 40 of said Rules and Regulations.

PAR. 8. Respondents have removed and mutilated and have caused and participated in the removal and mutilation of, prior to the time fur products subject to the provisions of the Fur Products Labeling Act were sold and delivered to the ultimate consumer, labels required by the Fur Products Labeling Act to be affixed to such products, in violation of Section 3(d) of said Act.

PAR. 9. The acts and practices of the respondents, as set forth in Paragraphs Three, Four, Five, Six, Seven and Eight were and are in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder, and constituted and now constitute unfair and deceptive acts and practices and unfair methods of competition, in commerce, within the intent and meaning of the Federal Trade Commission Act.

PAR. 10. Subsequent to the effective date of the Textile Fiber Products Identification Act on March 3, 1960, respondents have been and are now 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 or 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. 11. Certain of said textile fiber products were misbranded by respondents in that they were not stamped, tagged or labeled with any of the information required under 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.

PAR. 12. After certain textile fiber products were shipped in commerce, respondents have removed and mutilated and have caused and participated in the removal and mutilation of, the stamp, tag, label or other identification required by the Textile Fiber Products Identification Act to be affixed to such products, prior to the time such textile fiber products were sold and delivered to the ultimate consumer, in violation of Section 5(a) of said Act.

PAR. 13. The acts and practices of the respondents, as set forth in Paragraphs Eleven, and Twelve were and are in violation of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated under said Act, and constituted and now constitute unfair and deceptive acts and practices and unfair methods of competition, in commerce, within the intent and meaning of the Federal Trade Commission Act.

PAR. 14. Subsequent to the effective date of the Wool Products Labeling Act of 1939, respondents have introduced into commerce, sold, transported, distributed, delivered for shipment and offered for sale in commerce as "commerce" is defined in said Act, wool products as "wool product" is defined therein.

PAR. 15. Certain of said wool products were misbranded in that they were falsely or deceptively labeled or otherwise falsely or deceptively identified in that the label on or affixed thereto set forth the statement "Ann Lee Originals" and thereby represented that the said wool products were designed, fashioned or created by or for said respondents and were available exclusively from the said respondents. In truth and in fact said wool products were not designed, fashioned or created by or for said respondents, nor were said wool products available only from said respondents, in violation of Section 4(a)(1) of the Wool Products Labeling Act of 1939.

PAR. 16. Certain of said wool products were further misbranded by respondents in that they were not stamped, tagged, labeled or otherwise identified with any of the information 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.

PAR. 17. Respondents with the intent of violating the provisions of the Wool Products Labeling Act of 1939 have removed and mutilated and have caused and participated in the removal and mutilation of the stamp, tag, label or other identification required by the Wool Products Labeling Act of 1939 to be affixed to wool products subject to the provisions of such Act, prior to the time such wool products were sold and delivered to the ultimate consumer, in violation of Section 5 of said Act.

PAR. 18. The acts and practices of the respondents as set forth above in Paragraphs Fifteen, Sixteen and Seventeen 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 and deceptive acts and practices and unfair methods of competition in commerce, within the intent and meaning of the Federal Trade Commission Act.

PAR. 19. In the course and conduct of their business respondents now cause and for sometime last past, have caused their said textile products to be offered for sale in issues of the San Francisco News Call Bulletin, a newspaper published in the City of San Francisco, State of California and distributed in interstate commerce and have therefore maintained a substantial course of trade in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 20. Respondents in the course and conduct of their business, as aforesaid, have made statements in advertising and on labels on or affixed to textile products, such as, "Ann Lee Originals" and thereby have represented that the said textile products were designed, fashioned or created by or for the said respondents, and were available exclusively from the said respondents. In truth and in fact said textile products were not designed, fashioned or created by or for the said respondents and were not available exclusively from said respondents.

PAR. 21. The acts and practices set forth in Paragraph Twenty are false and deceptive and have had and now have the tendency and capacity to mislead and deceive purchasers of said textile products as to the design, fashion, creation, originality and availability of said products.

PAR. 22. The aforesaid acts and practices of respondents, as herein alleged, were, and are, all to the prejudice and injury of the public and of the respondents' competitors and constituted, and now constitute, unfair methods of competition and unfair and deceptive acts and practices in commerce, in violation of Section 5 of the Federal Trade Commission Act.

#### DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act, the Wool Products Labeling Act of 1939, the Textile Fiber Products Identification Act and the Fur Products Labeling Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by re-

spondents that the law has been violated as set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Jack J. Fanburg is an individual trading as Ann Lee Apparel, a sole proprietorship with his office and principal place of business located at 2620 Mission Street, in the city of San Francisco, State of California.

Respondents Jack J. Fanburg and Harry Fanburg are individuals and copartners trading and doing business as Fanburg's Fine Apparel, with their office and principal place of business located at 770 Market Street, city of San Francisco, State of California.

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 Jack J. Fanburg, an individual trading as Ann Lee Apparel, and Jack J. Fanburg, and Harry Fanburg, individually and as copartners trading as Fanburg's Fine Apparel, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, delivery for introduction, sale, advertising, or offering for sale, in commerce, or in 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 misbranding textile fiber products by failing to affix labels to such products showing 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 Jack J. Fanburg, an individual trading as Ann Lee Apparel, and Jack J. Fanburg and Harry

Fanburg, individually and as copartners, trading as Fanburg's Fine Apparel, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from removing or mutilating or causing or participating in the removal or mutilation of, the stamp, tag, label, or other identification required by the Textile Fiber Products Identification Act to be affixed to any textile fiber product, after such textile fiber product has been shipped in commerce and prior to the time such textile fiber product is sold and delivered to ultimate consumer.

*It is further ordered,* That respondents Jack J. Fanburg, an individual trading as Ann Lee Apparel, and Jack J. Fanburg, and Harry Fanburg, individually and as copartners trading as Fanburg's Fine Apparel, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce, of any fur product; or in connection with the sale, advertising, offering for sale, transportation, or distribution, of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding fur products by:

1. Misrepresenting in any manner that fur products offered for sale are designed, fashioned or created by or for respondents or are available exclusively from respondents.
2. Using the word "original" or any other words or terms of similar import and meaning as descriptive of respondents' fur products unless such fur products are designed, fashioned or created by or for respondents or are available exclusively from respondents.
3. Failing to affix labels to fur products showing in words and figures plainly legible all the information required to be disclosed by each of the subsections of Section 4(2) of the Fur Products Labeling Act.
4. Setting forth information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in handwriting on labels affixed to fur products.
5. Failing to set forth on labels the item number or mark assigned to a fur product.

B. Falsely and deceptively invoicing fur products by:

1. Failing to furnish invoices to purchasers of fur products showing in words and figures plainly legible all the informa-

tion required to be disclosed by each of the subsections of Section 5(b)(1) of the Fur Products Labeling Act.

2. Failing to set forth on invoices the item number or mark assigned to fur products.

*It is further ordered,* That respondents Jack J. Fanburg, an individual trading as Ann Lee Apparel, and Jack J. Fanburg, and Harry Fanburg, individually and as copartners trading as Fanburg's Fine Apparel, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from removing or mutilating, or causing or participating in the removal or mutilation of, prior to the time any fur product subject to the provisions of the Fur Products Labeling Act is sold and delivered to the ultimate consumer, any label required by the said Act to be affixed to such fur product.

*It is further ordered,* That respondents Jack J. Fanburg, an individual trading as Ann Lee Apparel, and Jack J. Fanburg, and Harry Fanburg, individually and as copartners trading as Fanburg's Fine Apparel and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction into commerce, or the offering for sale, sale, transportation, distribution or delivery for shipment in commerce, of wool wearing apparel or other 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. Misrepresenting in any manner that wool products offered for sale are designed, fashioned or created by or for respondents or are available exclusively from respondents.

2. Using the word "original" or any other words or terms of similar import and meaning as descriptive of respondents' wool products unless such wool products are designed, fashioned or created by or for respondents or are available exclusively from respondents.

3. 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 Jack J. Fanburg, an individual trading as Ann Lee Apparel, and Jack J. Fanburg, and Harry Fanburg, individually and as copartners trading as Fanburg's Fine Apparel and respondents' representatives, agents and employees, di-

rectly or through any corporate or other device, do forthwith cease and desist from removing or mutilating or causing or participating in the removal or mutilation of any stamp, tag, label or other means of identification affixed to any wool product subject to the provisions of the Wool Products Labeling Act of 1939 with intent to violate the provisions of the said Act.

*It is further ordered.* That respondents Jack J. Fanburg, an individual trading as Ann Lee Apparel and Jack J. Fanburg, and Harry Fanburg, individually and as copartners trading as Fanburg's Fine Apparel, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of textile products in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Misrepresenting in any manner that textile products offered for sale are designed, fashioned or created by or for respondents or are available exclusively from respondents.

2. Using the word "original" or any other words or terms of similar import and meaning as descriptive of respondents' textile products unless such textile products are designed, fashioned or created by or for respondents or are available exclusively from respondents.

*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

LEON FLEISHER TRADING AS KNITS BY CARIN, ETC.

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

*Docket C-808. Complaint, Aug. 12, 1964—Decision, Aug. 12, 1964*

Consent order requiring a New York City importer and manufacturer of wool products to cease violating the Wool Products Labeling Act by labeling sweaters as containing "75% wool mohair, 20% wool, 5% nylon," which contained substantially different amounts of fibers than thus represented; failing to disclose on labels on certain sweaters the percentage of the total weight of the constituent fibers; and using the term "mohair" in lieu of "wool" without setting forth the correct percentage of mohair present.

## 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 Leon Fleisher, an individual trading as Knits By Carin and Fleisher Fur Co. and Susan DeWilde, individually and as an employee of Knits By Carin and Edward Furer, individually and as an employee of Fleisher Fur Co., hereinafter referred to as respondents, have violated the provisions of the 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 Leon Fleisher is an individual trading as Knits By Carin and Fleisher Fur Co.

Respondent Susan DeWilde is an individual employed by said above respondent as buyer and designer.

Respondent Edward Furer is an individual employed by respondent Leon Fleisher as sales manager. They participate in the formation of the acts, practices and labeling policy of the firms.

Respondent Leon Fleisher is an importer of wool products with his office and principal place of business located at 333 Seventh Avenue, New York, New York. Respondents Susan DeWilde and Edward Furer are employed at said address.

PAR. 2. Subsequent to the effective date of the Wool Products Labeling Act of 1939, respondents 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 Act, 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 sweaters stamped, tagged, labeled or otherwise identified as containing 75% wool mohair, 20% wool, 5% nylon, whereas in truth and in fact, said sweaters contained substantially different 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 certain sweaters with labels on or affixed thereto which failed to disclose the percentage of the total fiber weight of the wool product, exclusive of ornamentation, but not exceeding five percentum of said total fiber weight of: (1) woolen fibers; (2) each fiber other than wool if said percentage by weight of such fiber is five percentum or more; (3) the aggregate of all other fibers.

PAR. 5. Certain of said wool products were misbranded in violation of the Wool Products Labeling Act of 1939, in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder, in that the term "mohair" was used in lieu of the word "wool" in setting forth the required fiber content information on labels affixed to wool products without setting forth the correct percentage of the mohair, in violation of Rule 19 of the Rules and Regulations under the Wool Products Labeling Act of 1939.

PAR. 6. 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 and deceptive acts and practices and unfair methods of competition in commerce, within the intent and meaning of the Federal Trade Commission Act.

#### DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the complaint to issue herein, 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 set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Leon Fleisher is an individual trading as Knits By Carin and Fleisher Fur Co., with his office and principal place of business located at 333 Seventh Avenue, in the city of New York, State of New York.

Respondents Susan DeWilde and Edward Furer are employees of Leon Fleisher, and their address is the same as that of said above respondent.

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 respondent Leon Fleisher, an individual trading as Knits By Carin and Fleisher Fur Co., or under any other name and respondent Susan DeWilde individually and as an employee of Knits By Carin and respondent Edward Furer individually and as an employee of Fleisher Fur Co., 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 or delivery for shipment, or shipment in commerce, of sweaters or other 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 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.

3. Using the term "mohair" in lieu of the word "wool" in setting forth the required fiber content information on labels

Complaint

66 F.T.C.

affixed to wool products without setting forth the correct percentage of the mohair present.

*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

AUTOMATIC RETAILERS OF AMERICA, INC.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION ACT AND SEC. 7 OF THE CLAYTON ACT

*Docket C-809. Complaint, Aug. 14, 1964—Decision, Aug. 14, 1964*

Consent order requiring a large Philadelphia operator of automatic vending machine enterprises to divest two of its acquired vending businesses and refrain from acquiring such businesses in certain areas for the next 3 years without the prior approval of the Federal Trade Commission.

COMPLAINT

The Federal Trade Commission, having reason to believe that the above-named respondent has violated and is violating the provisions of Section 7 of the Clayton Act, as amended (U.S.C., Title 15, Section 18), through the acquisition of the stock and assets of approximately forty (40) corporations, hereinafter more particularly designated and described, and that respondent has engaged in unfair methods of competition, acts and practices through these and numerous other acquisitions in violation of Section 5 of the Federal Trade Commission Act (U.S.C., Title 15, Section 45), and believing that a proceeding in this regard will be in the public interest, hereby issues its complaint pursuant to Section 11 of the Clayton Act and Section 5 of the Federal Trade Commission Act, charging as follows:

I.

*Definitions*

1. For the purposes of this complaint, the following definition shall apply:

a. "Vending machine" means any coin operated electronic or mechanical device which dispenses vendible products.

b. "Vendible products" means one, or any combination, of the following:

- |                           |                             |
|---------------------------|-----------------------------|
| (1) Cigarettes.           | (7) Cold cup beverages.     |
| (2) Packaged candy.       | (8) Milk and ice cream.     |
| (3) Packaged gum.         | (9) Pastries.               |
| (4) Packaged nuts.        | (10) Sandwiches and salads. |
| (5) Cookies and crackers. | (11) Hot canned foods.      |
| (6) Hot cup beverages.    | (12) Food platters.         |

c. "Location" means the establishment or site at which the vending machine is placed.

d. "Industrial locations" means vending machine sites such as factories, plants, schools, hospitals office buildings and military installations.

e. "Commercial locations" means all public or off-street vending machine sites not included in the definition for industrial locations.

f. "Vending business" means the business of soliciting and obtaining locations, installing, operating and servicing vending machines therein, and selling vendible products through said vending machines.

g. "Vendor" means a person, partnership, or corporation, engaged in the vending business in the United States.

h. "Single-line vendor" means a vendor engaged in vending only one type of vendible products.

i. "Multiple-line vendor" means a vendor engaged in vending two or more vendible products, but who does not vend any sandwiches, salads, hot canned foods or food platters.

j. "Full-line vendor" means a multiple-line vendor who is also engaged in vending sandwiches, salads, hot canned foods, or food platters.

## II

### *Respondent*

2. Automatic Retailers of America, Inc. (ARA), respondent herein, is a corporation organized in February, 1959 *sub nomine* Davidson Automatic Merchandising Co., Inc., and existing under the laws of the State of Delaware, with its principal office located at 10889 Wilshire Boulevard, Los Angeles, California. The present corporate name was adopted on December 30, 1959. As used herein, respondent ARA includes Automatic Retailers of America, Inc., its wholly owned subsidiaries, and its predecessor.

3. ARA is engaged in the vending business in more than twenty-five States of the United States, the District of Columbia and the Commonwealth of Puerto Rico.

Complaint

66 F.T.C.

4. For its fiscal years 1960 through 1962, the total sales, net income and assets of ARA stated in millions of dollars were approximately as follows:

Year	Total sales	Net income	Assets
1960	\$37.4	\$1.1	\$19.2
1961	110.9	2.3	59.0
1962	180.8	4.0	79.0

5. At all times relevant herein, ARA purchased, shipped and sold its products, including vendible products, in interstate commerce, and conducted its business in interstate commerce and at federal military installations and other places subject to the jurisdiction of the United States, through its many offices, warehouses and distribution points located throughout the United States.

## III

*The Nature of Trade and Commerce*

6. The "line of commerce" for the purpose of this case is the vending business, as defined in paragraph 1 (f) above.

7. The vending business in the United States is substantial. In 1962, vending sales of vendible products amounted to about \$2,178,700,000.

8. ARA is the second largest full-line vendor in the vending business in the United States, serving approximately 21,000 industrial and commercial locations through approximately 70,000 vending machines placed at said locations in more than 25 states.

9. As a result of technological and economic changes in the vending business since 1945, the vending business is no longer a small business industry. Between 1960 and 1961 alone, over 500 independent vendors were acquired. Large regional and national companies have emerged as a result of this trend. Substantially contributing to this trend, ARA, from the date of its incorporation in 1959 through April 1963, acquired numerous firms engaged in the vending business throughout the United States, as particularly designated and described in Appendix A [p. 510 herein] hereto, incorporated herein by reference.

10. In a series of transactions beginning in 1959, ARA has acquired the stock or assets of corporations, partnerships and proprietorships, set forth in Appendix A [p. 510 herein], engaged in the vending business in many geographic markets throughout the United States, at a cost of approximately \$66,000,000. As of April 1962, the cumulative sales of these acquired companies for the year prior to their acquisition

totaled approximately \$144,000,000. Each of the acquired companies was engaged in the vending business in actual or potential competition with ARA.

11. The sections of the country which constitute the geographic markets relevant herein, include among others, the following:

- a. The United States as a whole,
- b. Marion County, Indiana,
- c. Monroe County, New York,
- d. Cook County, Illinois,
- e. Clark County, Nevada,
- f. Honolulu County, Hawaii,
- g. Jefferson County, Alabama,
- h. Montgomery County, Ohio,
- i. Wayne County, Michigan,
- j. San Diego County, California,
- k. Baltimore City and Baltimore County, Maryland.

12. ARA's acquisitions include, among others, the following, identified by date of acquisition, name, geographic market and main office:

- a. In 1960 ARA acquired the stock of Automatic Coffee Service Company, Inc., a corporation, Marion County, Indiana; Indianapolis, Indiana.
- b. In 1960 ARA acquired the assets of two corporations, K.O.R., Inc. and Quick Cafeterias, Inc., both doing business as Quick Cafeteria Service, Monroe County, New York; Rochester, New York.
- c. In 1960 ARA acquired the stock of Vernon Fox Co., a corporation, Cook County, Illinois; Chicago, Illinois.
- d. In 1961 ARA acquired the assets of Sutton Vending Service, Inc., a corporation, Clark County, Nevada; Las Vegas, Nevada.
- e. In 1961 ARA acquired the stock of Southern Cigarette Service, Inc., a corporation, and its wholly owned subsidiary, Jefferson County, Alabama; Birmingham, Alabama.
- f. In 1961 ARA acquired the stock of Automatic Food Services, a corporation, Jefferson County, Alabama; Birmingham, Alabama.
- g. In 1961 ARA acquired the stock of Pacific Tobacco, Inc., a corporation, Honolulu County, Hawaii; Honolulu, Hawaii.
- h. In 1961 ARA acquired the stock of Sonnie-Gay, Ltd., a corporation Honolulu County, Hawaii; Honolulu, Hawaii.
- i. In 1961 ARA acquired the stock of Automatic Vending Enterprises Inc., a corporation, and its wholly owned subsidiaries, Montgomery County, Ohio; Middletown, Ohio.
- j. In 1961 ARA acquired the assets of Vendo Cigarette Company, a corporation, Wayne County, Michigan; Detroit, Michigan.

k. In 1961 ARA acquired the stock of Honolulu Tobacco Company, Ltd., a corporation, Honolulu County, Hawaii; Honolulu, Hawaii.

l. In 1961 ARA acquired the stock of Michigan Cigarette Vending Co., Inc., a corporation, Wayne County, Michigan; Detroit, Michigan.

m. In 1961 ARA acquired the stock of Vend-O-Matic Co., Inc., a corporation, Cook County, Illinois; Chicago, Illinois.

n. In 1961 ARA acquired the stock of Catermat Corporation of America, a corporation, San Diego County, California; Los Angeles, California.

o. In 1962 ARA acquired the stock of Automatic Food Systems, Inc., a corporation, and its wholly owned subsidiaries, Baltimore County, Maryland; Baltimore, Maryland.

p. In 1962 ARA acquired Central Vending Company, a partnership, Wayne County, Michigan; Detroit, Michigan.

13. Prior to and at the time of their acquisition by ARA, each of the acquired companies designated in paragraph 12 above regularly:

a. Purchased vendible products and other products in interstate commerce, and

b. Shipped or caused such products to be shipped in interstate commerce, and

c. Sold such products in interstate commerce, and

d. Sold such products at federal military installations, or other places subject to the jurisdiction of the United States.

#### IV

#### *Violation of Section 7 of the Clayton Act*

14. The effect of the corporate acquisitions by ARA described and set forth in paragraph 12 above, individually and collectively, may be substantially to lessen competition or to tend to create a monopoly, in the vending business in each relevant geographic market in violation of Section 7 of the Clayton Act, as amended, in the following ways, among others:

a. Actual and potential competition between respondent and each of the acquired corporations has been eliminated;

b. Actual and potential competition between respondent and other vendors may be substantially lessened;

c. Respondent has achieved a dominant position in terms of financial resources, marketing power, and managerial and engineering resources;

d. Respondent's power to purchase vendible products, vending machines, and other vending fixtures, accessories and supplies has been increased to such a substantial extent that it may obtain discounts, rebates, and allowances substantially larger than other vendors receive;

e. Respondent has decisively enhanced its power to compete for all locations, particularly the large and lucrative locations, by offering higher bids and commissions, new vending machines, advance commissions, loans, and other inducements to existing or prospective location owners;

f. Entry into the vending business may be discouraged or inhibited;

g. Concentration in the vending business has been substantially increased, and a substantial number of small, independent vendors have been eliminated from the vending business.

## v

*Violation of Section 5 of the Federal Trade Commission Act*

15. ARA's acquisitions, individually and collectively, specifically designated and described in Appendix A hereto, are methods of competition and acts and practices in commerce within the meaning of the Federal Trade Commission Act.

16. These acquisitions, individually and collectively, constitute unfair methods of competition and unfair acts and practices in commerce in violation of Section 5 of the Federal Trade Commission Act, in the following ways, among others:

a. Actual and potential competition in the vending business between ARA and the acquired corporations, partnerships and proprietorships has been eliminated;

b. Respondent has monopolized or attempted to monopolize the vending business in all relevant geographic markets;

c. The acquisition of these corporations, partnerships, and proprietorships constitute an unreasonable restraint of trade and commerce, as described in paragraph 14 above.

Now therefore, the corporate acquisitions by ARA, set forth in paragraph 12 above constitute violations of Section 7 of the Clayton Act. (U.S.C. Title 15, Section 18), as amended, and the acquisitions by ARA set forth in Appendix A constitute a violation of Section 5 of the Federal Trade Commission Act (U.S.C. Title 15, Section 45).

IN THE MATTER OF  
AUTOMATIC RETAILERS OF AMERICA, INC  
APPENDIX A  
*Acquired Corporations, Partnerships and Proprietorships*

	Acquired company name	Type of acquisition	State of incorporation or type of business	Approximate purchase price	Approximate status for year prior to acquisition	Primary—Sales area	
						State	Counties
1969							
1. Mar.	25—Allied Vending Products, Inc.	Stock	California		\$3,800,000	California	Los Angeles and San Diego.
2. Mar.	25—General Vendors, Inc.	Stock	California	\$4,250,000			
3. Mar.	25—Davidson Bros. of Los Angeles	Stock	California				
4. Mar.	25—Spacard of Southern Calif., Inc.	Stock	California				
5. Mar.	25—Davidson Equipment Co., Inc.	Stock	California		2,303,240	California	San Diego.
6. Mar.	25—Davidson Bros. of San Diego, Inc.	Stock	California	65,809	300,000	California	Los Angeles.
7. May	20—Automatic Merchants Service Co.	Asset	Partnership	1,200,000	6,400,000	Illinois	Cook, DuPage.
8. Sept.	17—Automatic Merchandising Co.	Stock	Nevada			Indiana	Madison.
						Wisconsin	Oshtemo, Wayne.
						California	Racine, Kernoh.
9. Sept.	23—Leming Cigarette Service.	Asset	Proprietorship	8,000	(N/A*)	California	Los Angeles, Orange.
10. Sept.	23—Vending Machine Corporation of America.	Asset	Delaware	500,000	2,271,000	Oklahoma	Tulsa.
11. Dec.	3—Howard Vending Service, Inc.	Stock	Indiana	367,000	1,465,000	Indiana	Marion, Monroe, Howard.
12. Dec.	10—San Diego Music Company Incorporated.	Asset	California	37,700	(N/A)	California	San Diego.
1960							
13. Feb.	18—Food-O-Matic Sales Company	Asset	Partnership	80,000	(N/A)	California	Los Angeles.
14. Mar.	1—How-Dee Company, Inc.	Asset	Massachusetts	585,000	1,300,000	Massachusetts	Hampton.
15. Mar.	1—Automatic Food Services, Inc.	Asset	Massachusetts	32,000	128,000	Massachusetts	Suffolk.
16. Mar.	23—Harbor Cigarette Company	Asset	Proprietorship	3,500	(N/A)	California	Orange.
17. Apr.	1—The Kellison Company	Asset	Ohio	1,425,000	3,300,000	Ohio	Hamilton, Montgomery.
18. Apr.	1—The Kellison Vendomatic Company	Asset	Ohio	50,000	80,000	Ohio	Hamilton.
19. Apr.	1—Kellison Cup Drinks, Inc.	Asset	Ohio	100,000	210,000	Ohio	Montgomery.
20. Apr.	25—Tracy Automatic Sales Co.	Asset	Proprietorship	81,000	200,000	California	Los Angeles.
21. May	6—Automatic Coffee Service Company, Inc.	Stock	Indiana	140,000	1,608,484	Indiana	Marion.

Complaint

22. June	2—Signal Vending Service	Asset	Proprietorship	11,000	(NA)	California	Orange
23. July	6—K.O.R., Inc.	Asset	New York	1,690,000	1,855,000	New York	Monroe
24. July	6—Quick Cafeterias, Inc.	Asset	New York	243,000	(NA)	California	Los Angeles, Riverside, San Bernardino
25. July	25—Rowe Service Co., Inc.	Asset	New Jersey	41,000	117,000	California	Los Angeles
26. Aug.	15—Edward L. Nelson, Co.	Asset	Proprietorship	600,000	1,500,000	Indiana	Lake
27. Aug.	31—Industrial Vendors, Inc. and I.V.I. Coffee Service, Inc.	Stock	Indiana	91,363	215,700	Illinois	Cook
28. Sept.	19—Meiers Vending Co.	Asset	Proprietorship	154,570	412,000	Illinois	Saugannon
29. Sept.	26—County Beverage Company, Inc.	Asset	California	600,000	3,123,000	California	San Diego
30. Sept.	30—Midwest Food Service, Inc.	Stock	Illinois	185,000	309,000	Indiana, Illinois, Iowa, Michigan, Missouri and Ohio	
31. Oct.	3—Serv-U Vending Company, Inc.	Asset	Illinois	180,000	624,000	Illinois	Kane
32. Oct.	3—Allied Vending Engineers, Inc.	Stock	Massachusetts	1,411,000	1,411,000	Massachusetts	Middlesex
33. Oct.	3—Tennessee Service Company	Stock	Tennessee	132,400	294,000	Tennessee and Georgia	
34. Oct.	3—Smokey Service Company	Stock	Tennessee	142,000	177,000	Tennessee and Georgia	
35. Oct.	3—Southern Industrial Service, Inc.	Stock	Tennessee	321,000	470,000	South Carolina and Georgia	
36. Oct.	3—Industrial Service, Inc.	Stock	Tennessee	280,000	352,000	South Carolina and Georgia	
37. Oct.	5—Beacon Beverage Co.	Asset	Proprietorship	77,000	51,000	Indiana	St. Joseph, Elkart
38. Oct.	18—Beall Vending Corp.	Asset	Iowa	24,000	(NA)	Iowa	Polk
39. Oct.	23—Oxnard Automatic Sales	Asset	Proprietorship	155,500	517,000	California	Los Angeles
40. Dec.	12—Harmony Cigarette Service, Inc.	Asset	California	60,000	(NA)	California	Los Angeles
41. Dec.	16—Walter C. Knack Company	Asset	Illinois	275,000	1,200,000	Illinois	Tri City area
42. Dec.	20—Control-Vend, Inc.	Asset	Illinois	43,000	205,000	Illinois	Cook
43. Dec.	20—Sales & Service Vending Co.	Asset	Illinois	541,800	2,350,000	Illinois	Cook
44. Dec.	20—Vernon For Co.	Stock	Illinois	730,000	232,000	Illinois	Cook, Lake
45. Dec.	31—Coopet Industrial Food Service, Inc.	Asset	Illinois	470,000	609,000	New York	Monroe
46. Jan.	1—Frost Tea Vend.	Asset	Partnership	433,200	1,765,000	Nevada	Clark
47. Jan.	3—Sutton Vending Service, Inc.	Asset	Nevada	82,000	(NA)	California	San Diego
48. Jan.	6—Fenton Cigarette Machine Co.	Asset	Partnership	275,000	345,000	Michigan	Oakland
49. Jan.	6—Oakland Vending Co.	Asset	Partnership	625,000	1,639,000	California	Fresno
50. Jan.	9—Cigarette Service Co. of Fresno, Inc.	Stock	California	24,000	(NA)	California	Clark
51. Jan.	20—American Coin & Vending Co.	Asset	Partnership	450,000	965,000	Nevada	Clark
52. Jan.	30—Colemat Co., Inc.	Asset	New York	5,000	(NA)	New York	New York City
53. Feb.	2—Clusker Vending Company	Asset	Proprietorship	108,000	(NA)	Alabama	Tolerson
54. Feb.	6—Superior Vend.	Asset	Partnership	20,000	(NA)	California	Los Angeles
55. Feb.	13—Cornell Vending Service	Asset	California	4,000	(NA)	California	Los Angeles
56. Feb.	13—Peoples Bakery Service	Asset	Proprietorship	25,000	(NA)	Alabama	Madison
57. Feb.	16—Suggs Vending Service	Asset	Proprietorship	50,500	(NA)	Alabama	Madison
58. Mar.	1—Oakland Coin Co.	Asset	Partnership		(NA)	Michigan	Oakland

1961

See footnotes at end of table.

Complaint

66 F.T.C.

APPENDIX A—Continued

Acquired company name	Type of acquisition	State of incorporation or type of business	Approximate purchase price	Approximate sales for year prior to acquisition	Primary—Sales area	
					State	Counties
50. Mar. 22—Roe Cigarette Service, Inc.	Stock	Alabama		\$216,000	Alabama	Madison.
60. Mar. 22—Roe Vending Co., Inc.	Stock	Alabama	\$435,000	299,000	Alabama	Madison.
61. Mar. 22—Super Vending Company, Inc.	Stock	Alabama		811,000	Alabama	Mobile.
62. Mar. 22—Vending Engineers, Inc.	Stock	Alabama		215,000	Alabama, Florida, Georgia, Louisiana, Mississippi, Missouri, North Carolina, South Carolina, Tennessee.	
63. Mar. 22—Coffee Vending Co.	Asset	Partnership	243,000	221,000	Alabama	Jefferson.
64. Mar. 22—Southern Cigarette Service, Inc. & Bama Distributors, Inc.	Stock	Alabama		912,000	Alabama	Calhoun, Jefferson, Talladega, and Etowah.
65. Mar. 22—Automatic Food Services of Mobile.	Stock	Alabama	1,700,000	152,000	Alabama	Mobile.
66. Mar. 22—Mobile Vending Company, Inc.	Stock	Alabama		64,000	Alabama	Mobile.
67. Mar. 22—Automatic Food Services.	Stock	Alabama		311,000	Alabama	Jefferson.
68. Mar. 24—Pacific Tobacco, Inc.	Stock	Hawaii	1,000,000	821,691	Hawaii	Honolulu.
69. Mar. 24—Sovatec Gay, Ltd.	Stock	Hawaii	535,000	677,000	Hawaii	Honolulu.
70. Mar. 28—Automatic Vending Enterprises, Inc. and subsidiaries:	Stock	Ohio			Ohio	Montgomery, Marion, Miami, Franklin, Butler, Fairfield, Green.
Winchester Vending, Inc.	Stock	Indiana	2,400,000	1,600,000	Indiana	Franklin, Butler, Fairfield, Green.
Stem Vending, Inc.	Stock	New Jersey			New Jersey	Randolph.
1—Vendo Cigarette Company	Asset	Michigan	315,000	(NA)	Michigan	Salem.
5—Automatic Coffee Service of Southern Call, Inc.	Asset	Delaware	60,000	(NA)	Michigan	Wayne.
5—Coffee Automatic.	Asset	Partnership	90,000	251,000	California	Los Angeles.
10—Pico Vending Co., Inc.	Asset	California	41,000	(NA)	California	Los Angeles.
10—Gates Automatic Merchandising.	Asset	Proprietorship	25,000	78,000	Indiana	Warren, Vermillion.
20—Merchants Candy & Notions Company.	Asset	Proprietorship	25,000	190,000	Alabama	Colbert.
20—Estate of Horace K. Ward.	Asset	Proprietorship	5,975	(NA)	California	Los Angeles.
2—Automatic Games Co.	Asset	Proprietorship	32,300	(NA)	California	Orange.
2—Aene Vending Machine Corp.	Stock	New York	453,000	416,000	New York	Onondaga.
2—Kwik Kale Coffee Services of Central New York, Inc.	Asset	New York	255,000	376,000	New York	Onondaga.
2—Piedmont Vendors, Inc.	Stock	South Carolina	402,700	670,000	South Carolina and Georgia.	
14—Candy Distributors, Ltd.	Stock	Hawaii	300,000	518,000	Hawaii	Honolulu.
16—Springfield Spacarb, Inc.	Asset	Massachusetts	60,000	120,000	Massachusetts	Hampden.
19—Cigarette Service.	Asset	Partnership	150,306	665,000	Georgia	Gwinnett.
30—Moore Cigar & Candy Company.	Asset	Proprietorship	25,000	(NA)	Alabama	Larderdale.
30—Bryant Vending Co.	Asset	Proprietorship	90,000	(NA)	Indiana	St. Joseph, Elkart.

1961

504

Complaint

No.	Date	Company Name	State	Capital	Assets	Liabilities	Complaint
87	July 31	Honolulu Tobacco Company, Ltd.	Hawaii	450,000	4,200,000	Honolulu	
88	July 21	Slater System, Inc.	Delaware				
89	July 21	Slater Corp.	Delaware				
90	July 21	Slater System Ohio, Inc.	Delaware				
91	July 21	Slater System New York, Inc.	New York				
92	July 21	Slater System Maryland, Inc.	Maryland				
93	July 21	Slater System N. Carolina, Inc.	Delaware				
94	July 21	Slater System Virginia, Inc.	Delaware				
95	July 21	Slater-Minnesota Corporation	Minnesota				
96	July 21	Slater-Minnesota Texas, Inc.	Texas				
97	July 21	Slater International	Delaware				
98	July 21	Hospital Food Management (Del.)	Delaware				
99	July 21	Hospital Food Management (R.I.)	Rhode Island				
100	July 21	Hospital Food Management (Pa.)	Pennsylvania				
101	July 21	Hospital Food Management (Virginia)	Virginia				
102	July 21	Hospital Food Management (South Carolina)	South Carolina				
103	July 21	Hospital Food Management (Ohio)	Ohio				
104	July 21	H.F.M. Inc.	Delaware				
105	July 21	Hospital Food Management (Calif.)	California				
106	July 21	Hospital Food Management (Maryland)	Maryland				
107	Aug. 2	Michigan Cigarette Vending Co., Inc.	Michigan	230,000	1,100,000	Wayne, Cook, Lake	
108	Aug. 3	Vend-O-Matic Co., Inc.	Illinois	8,000,000	4,500,000	Fresno	
109	Aug. 31	Pepsi Cola Distributing of Fresno, Inc.	California	25,000	(NA)	Mobile	
110	Sept. 29	B. C. Vending Co.	Alabama	65,000	(NA)	Fresno	
111	Oct. 6	Best Cigarette Service	Proprietorship	80,000	(NA)	San Diego	
112	Nov. 28	Badger Sales Company, Inc.	Proprietorship	75,000	(NA)	Los Angeles	
113	Dec. 29	Catermal Corporation of America	California	950,000	1,100,000	San Diego	
114	Nov. 3	Sprent-Smith, Incorporated	Connecticut	160,000	375,000	Connecticut	
115	Jan. 3	Automatic Food System, Inc.	Maryland				
116	Jan. 3	Automatic Cafeterias, Inc.	New Jersey				
117	Jan. 3	Berks Automatic Vending, Inc.	Pennsylvania				
118	Jan. 3	Industrial Vendors, Inc. of Conshohocken	Pennsylvania				
119	Jan. 3	Kwik Kafe of Allegheny, Inc.	Pennsylvania				
120	Jan. 3	Kwik Kafe of Berks County, Inc.	Pennsylvania				
121	Jan. 3	Kwik Kafe of Philadelphia, Inc.	Pennsylvania				
122	Jan. 3	Quick Coffee Corporation of Western Pa.	Pennsylvania				
123	Jan. 3	Victor Vending, Inc.	Pennsylvania				
124	Jan. 3	The Vendomat Corp.	Maryland				
125	Jan. 3	Vendomat Corporation of America	Maryland				
126	Jan. 3	Vendomat, Inc.	Maryland				
127	Jan. 15	Paden Vending Co.	Proprietorship	30,000	120,000	Elkart, St. Joseph	
128	Jan. 28	Popo Vending Co.	Proprietorship	1,560	(NA)	Madison	

1963

See footnotes at end of table.

14,550,000  
57,426,143  
Pennsylvania, Maryland, New Jersey, Delaware, California, Michigan, Ohio, New York, Massachusetts, South Carolina, Tennessee, Florida, Connecticut, Georgia, West Virginia, Louisiana, Illinois, Indiana, Iowa, Wisconsin, Alabama, Virginia, Kentucky, North Carolina, Vermont, Texas, Oklahoma, Minnesota, Missouri, Kansas, Nebraska, Rhode Island, and the District of Columbia.

Complaint

APPENDIX A—Continued

Acquired company name	Type of acquisition	State of incorporation or type of business	Approximate purchase price	Approximate sales for year prior to acquisition	Primary—Sales area	
					State	Counties
1962						
120. Jan. 31—Cigarette Packs, Inc.	Asset	Georgia	\$110,509	\$400,000	Georgia	Fulton, DeKalb, Cobb, Gwinnett, Douglas, and Forsyth
130. Feb. 1—Cal-Vonco	Asset	Proprietorship	6,300	(NA)	California	Los Angeles
131. Feb. 1—World Wide Vending Corporation	Asset	Georgia	500,000	324,000	Georgia	Fulton, Coweta, Clayton, DeKalb
132. Feb. 15—Wilburn E. Sanders, et al.	Asset	Partnership	5,200	(NA)	California	Los Angeles
133. Feb. 23—Four "B" Vending Service	Asset	Proprietorship	17,000	(NA)	Georgia	Cobb, Fulton, Douglas
134. Feb. 27—U.S. Automatic Merchandising Co.	Asset	California	64,900	(NA)	California	Los Angeles
135. Apr. 2—Refreshment Vending Division of the Coca Cola Bottling Company of Los Angeles	Asset	California	176,000	443,000	California	Los Angeles, Orange, San Bernardino
136. Apr. 16—Oglethorpe Vending Co., Inc.	Asset	Georgia	150,000	(NA)	Georgia	Chatham, Bryan, Fingraham
137. Aug. 15—Kwik Knife of Southern Tier, Inc.	Stock	New York	634,500	(NA)	New York	Broome, Chenango, Tioga
138. Aug. 16—Central Vending Company	Asset	Partnership	250,000	371,000	Michigan	Wayne, Oakland, Macomb
139. Sept. 28—Coffee Time, Inc.	Asset	Missouri	450,000	(NA)	Missouri	St. Louis City and St. Louis County
140. Sept. 28—Commodities, Inc.	Asset	Tennessee	173,000	(NA)	Tennessee	Shelby
141. Sept. 28—Quality Vending Service, Inc.	Asset	Tennessee	43,380	(NA)	Tennessee	Shelby
1963						
142. Apr. 22—Quick Snack Company, Inc.	Asset	New York	630,000	(NA)	New York	New York City
143. Apr. 24—Montgomery Automat Co., Inc.	Asset	Alabama	215,400	(NA)	Alabama	Montgomery
144. Apr. 24—Franco Vending Co., Inc.	Asset	Alabama	118,000	(NA)	Alabama	Montgomery
145. Apr. 24—Cohen Amusement Company	Asset	Proprietorship		(NA)	Alabama	Montgomery

<sup>1</sup> Sales for 10-month period ending 3-31-60.  
<sup>2</sup> Sales for 7 months ending 11-30-60.  
<sup>3</sup> Sales for 11 months in year 1960.

<sup>4</sup> Sales for 6 months ending January 31, 1962.  
<sup>5</sup> N.A.—means not available.

## DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondent named in the caption hereof with violation of Section 7 of the Clayton Act, as amended, and with violation of the Federal Trade Commission Act, and the respondent having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondent and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondent of all the jurisdictional facts set forth in the complaint to issue herein, 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 set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Automatic Retailers of America, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its corporate office located at Lombard at 25th Street, in the city of Philadelphia, State of Pennsylvania.

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

## I

*It is ordered.* That respondent, Automatic Retailers of America, Inc., a corporation, through its officers, directors, agents, representatives and employees, within twelve (12) months from the date of service of this Order, shall divest itself absolutely, in good faith and to a purchaser or purchasers approved by the Federal Trade Commission, of all stock or assets, properties, rights and privileges, tangible or intangible, including, but not limited to, all contract and location rights, vending machines, vending routes, inventories, trade names and trade-marks of respondent's Spencer Vending Division d/b/a Spencer Vending Co., Inc., Rochester, New York, and Fox Cigarette Service Company, Chicago, Illinois, including all their

## Decision and Order

66 F.T.C.

location rights as of the date of service of this order: *Provided, however*, That if said location rights to be divested shall have been responsible for less than \$400,000 in vended sales with respect to Spencer Vending Co., Inc., and less than \$1,750,000 in vended sales with respect to Fox Cigarette Service Company, in the twelve (12) calendar months next preceding divestiture, additional location rights in Rochester, New York Standard Metropolitan Statistical Area (SMSA) and Chicago, Illinois SMSA respectively, shall be divested with volume sufficient to make the total divested volume equal to the figures specified in this paragraph.

## II

*It is further ordered*, That respondent, through its officers, directors, agents, representatives and employees, within twelve (12) months from the date of service of this Order, shall divest itself absolutely, in good faith, to a purchaser or purchasers approved by the Federal Trade Commission of (a) two or more vending routes in the State of Hawaii, having aggregate sales of vendible products in the twelve (12) calendar months next preceding divestiture of not less than \$1,000,000, and (b) one or more vending routes in each of the following Standard Metropolitan Statistical Areas (SMSA), as defined by the Bureau of the Budget, Executive Office of the President, having aggregate sales of vendible products in such area in the twelve (12) calendar months next preceding divestiture in an amount not less than that specified opposite the name of such area:

Area:	<i>Aggregate amount</i>
(1) Rochester, New York SMSA-----	\$ 300,000
(2) Chicago, Illinois SMSA -----	1,750,000
(3) Dayton, Ohio SMSA -----	500,000
(4) Detroit, Michigan SMSA -----	1,500,000
(5) San Diego, California SMSA -----	450,000

A vending route shall include the assets, properties, rights and privileges, tangible or intangible, and location rights required by the purchaser to operate said route.

## III

*It is further ordered*, That by such divestiture none of the stocks, assets, vending routes, location rights or other privileges, tangible or intangible, shall be sold or transferred, directly or indirectly, to any person who is at the time of the divestiture an officer, director, employee, or agent of, or under the control or direction of, respondent or any of respondent's subsidiaries or affiliated corporations, or owns or controls more than one (1) percent of the outstanding shares of stock

of respondent, nor to anyone who is not approved as a purchaser in advance by the Federal Trade Commission.

## IV

*It is further ordered,* That if respondent divests itself of the stock, assets, properties, vending routes, location rights and privileges, described in Paragraphs I and II of this Order, by transferring them to a new corporation or corporations, the stocks of which are wholly owned by Automatic Retailers of America, Inc., and if respondent then distributes all of the stocks in said wholly-owned corporations to the stockholders of Automatic Retailers of America, Inc., in proportion to their holding of Automatic Retailers of America, Inc. stock, then Paragraph III of this Order shall be inapplicable, and the following Paragraphs V and VI shall take force and effect in its stead.

## V

No person who is an officer, director, or executive employee of Automatic Retailers of America, Inc., or who owns or controls, directly or indirectly, more than one (1) percent of the stock of Automatic Retailers of America, Inc., shall be an officer, director or executive employee of any of the new corporations described in Paragraph IV, or shall own or control, directly or indirectly, any of the stocks of said new corporations.

## VI

Any person who must sell or dispose of a stock interest in Automatic Retailers of America, Inc., or in the new corporations referred to in Paragraph V of this order in order to comply with said Paragraph V may do so within six (6) months and twelve (12) months, respectively, after the date on which the divestiture provided in Paragraph IV of this Order becomes effective.

## VII

As used in this Order, the word "persons" shall include all members of the immediate family of the individual specified and shall include corporations, partnerships and associations and other legal entities as well as natural persons.

## VIII

*It is further ordered,* That as long as a divested location is served by the purchaser which was approved by the Commission and which purchased from respondent pursuant to said approval, but in no event

longer than a period of three (3) years from the date of divestiture, respondent shall cease and desist from soliciting and acquiring, directly or indirectly, any of the location rights divested to such purchaser pursuant to this Order.

:X

*It is further ordered,* That, for a period of three (3) years from the date of service of this Order, respondent shall cease and desist from acquiring, directly or indirectly, through subsidiaries, or in any other manner, the assets, stocks, share capital, or any other interest, in any organization, corporate or otherwise, which operates a vending business (as defined in the complaint) in the following Standard Metropolitan Statistical Areas (SMSA), except with the approval of the Federal Trade Commission, upon written application and proper showing in support thereof by respondent:

Baltimore, Md. SMSA; Birmingham, Ala. SMSA; Chicago, Ill. SMSA; Dayton, Ohio SMSA; Detroit, Mich. SMSA; Fresno, Cal. SMSA; Honolulu, Hawaii SMSA; Huntsville, Ala. SMSA; Indianapolis, Ind. SMSA; Las Vegas, Nev. SMSA; Rochester, N.Y. SMSA; San Diego, Cal. SMSA; and Tulsa, Okla. SMSA.

X

*It is further ordered,* That, for a period of three (3) years from the date of service of this Order, respondent shall cease and desist from acquiring, directly or indirectly, through subsidiaries, or in any other manner, the assets, stocks, share capital, or any other interest, in any organization, corporate or otherwise, which operates a vending business (as defined in the complaint) in any Standard Metropolitan Statistical Area (SMSA) or county not included in any SMSA, other than the areas designated in Paragraph IX hereof, in which respondent had \$300,000 or more in sales of vendible products by machines during respondent's fiscal year next preceding the first acquisition in each area after the date of service of this Order, except with the approval of the Federal Trade Commission upon written application and proper showing by respondent: provided, however, that nothing contained in this paragraph shall be construed to prohibit respondent from acquiring the assets, stocks, share capital, or other interest in any organization, corporate or otherwise, which operates a vending business (as defined in the complaint) in any said area where the aggregate sales of vendible products by machines (based on volume

504

## Decision and Order

in the twelve (12) calendar months next preceding acquisition) obtained by it by acquisition in any said area after the date of service of this Order does not exceed the maximum provided in the following schedule:

Population (000)		3-year ceiling (Annual volume) (000)
Exceeding	Not exceeding	
0	250	\$165
250	375	245
375	500	325
500	750	350
750	1,000	375
1,000	1,250	400
1,250	1,500	500
1,500	1,750	575
1,750	2,000	650
2,000	.....	750

Respondent shall report each such acquisition to the Federal Trade Commission within thirty (30) days of its consummation with a satisfactory showing that the reported acquisition complies with the requirements of this paragraph.

## XI

*It is further ordered,* That, for a period of three (3) years from the date of service of this order, respondent shall forthwith cease and desist from acquiring, directly or indirectly, through subsidiaries, or in any other manner, the assets, stocks, share capital, or any other interest, in any organization, corporate or otherwise, which operates a vending business (as defined in the complaint) in any Standard Metropolitan Statistical Area (SMSA) or county not included in any SMSA where respondent had sales of vendible products by machines of less than \$300,000 during respondent's fiscal year next preceding the first acquisition in each area after the date of service of this Order except with the approval of the Federal Trade Commission upon written application and proper showing by respondent: provided, however, that nothing contained in this paragraph shall be construed to prohibit respondent from acquiring the assets, stocks, share capital, or any other interest, in any other organization, corporate or otherwise, which operates a vending business (as defined in the complaint) in any said area where the aggregate sales of vendible products by machines (based on volume in the twelve (12) calendar months next preceding acquisition) obtained by it by acquisition in any said area after the date of service of this Order does not exceed the maximum provided in the following schedule:

## Decision and Order

66 F.T.C.

Population (000)		3-year ceiling (Annual volume) (000)
Exceeding	Not exceeding	
0	200	\$200
200	300	325
300	400	455
400	500	585
500	600	715
600	700	845
700	800	975
800	900	1,105
900	1,000	1,235
1,000	1,100	1,365
1,100	1,200	1,495
1,200	1,300	1,625
1,300	1,400	1,755
1,400	1,500	1,885
1,500		2,000

Respondent shall report each such acquisition to the Federal Trade Commission within thirty (30) days of its consummation with a satisfactory showing that the reported acquisition complies with the requirements of this paragraph.

## XII

Nothing contained in this Order shall be construed to prohibit respondent: (1) From the purchase of new or used vending equipment; (2) From purchasing vending routes in any Standard Metropolitan Statistical Area (SMSA) or county not included in any SMSA where the aggregate sales of vendible products by machines of all such routes purchased pursuant to this paragraph (based on volume in the twelve (12) calendar months next preceding acquisition) does not exceed \$75,000 in any such area in the first year after the date of service of this Order, a cumulative total of \$150,000 in any such area by the end of the second year, or a cumulative total of \$225,000 in any such area by the end of the third year, provided, however, that no single route purchase shall involve more than \$75,000 in annual sales of vendible products by machines; (These shall not be considered purchases of vending businesses under the terms of paragraphs IX, X and XI hereof and shall not be included in the three-year ceilings specified in Paragraphs X and XI). (3) From purchasing vending machines, fixtures, equipment and other accessories used and useful in the vending business from any vending business in any area, which, as a result of *bona fide* competitive bids or proposals, has been replaced as a vendor by respondent: *Provided, however*, That such purchase by the successful bidder or proposer is made a condition of acceptance of the bids or proposals by the location owner, and such purchase by respondent is limited to the vending machines, fixtures, equipment and other accessories at the said location at the date of take-over by respondent.

Respondent shall report each purchase under (2) and (3) of this paragraph to the Federal Trade Commission within thirty (30) days of its consummation with a satisfactory showing that the reported purchase complies with the requirements of this paragraph.

## XIII

*It is further ordered,* That within sixty (60) days from the date of service of this Order respondent shall submit to the Commission a description of stock, vending routes or other assets including the composition of each vending route it proposes to divest in accordance with Paragraphs I and II of this Order, with the reasons for grouping or organizing the locations involved into each vending route. Said lists shall be accompanied by a statement by the corporate officer signing such submission that at the time of such submission neither he nor any other officer or executive employee of respondent whose duties include responsibility for service or maintenance of said locations has any knowledge or information that loss through renegotiation or otherwise of any location or location rights proposed to be divested is imminent or probable in the near future, that respondent is serving the listed locations subject to customary arrangements and that in good faith respondent will exert its best efforts to persuade the location owners to accept the approved purchaser(s) of the divested locations as successor(s) at said locations. "Executive employees" shall consist of group vice presidents, area vice presidents, regional vice presidents, regional sales managers and divisional managers.

Upon the approval by the Commission of the composition of such vending routes, the loss of any location included therein shall be considered as pro tanto divestiture by respondent required by this Order, provided, however, that respondent shall report such loss to the Commission within twenty (20) days of such occurrence with a statement that respondent has exercised customary due care in serving such locations and has refrained from doing any act which caused such loss. Respondent shall periodically, every sixty (60) days thereafter until divestiture is fully effected, submit to the Commission a written and detailed report of the progress in carrying out the provisions of this Order.

Complaint

66 F.T.C.

IN THE MATTER OF

DONALD M. HOLMAN DOING BUSINESS AS HURLEY  
PRESS IRONER OF CENTRAL AMERICACONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE  
FEDERAL TRADE COMMISSION ACT*Docket C-810. Complaint, Aug. 14, 1964—Decision, Aug. 14, 1964*

Consent order requiring a Kansas City, Kans., distributor of a combination presser and ironer to cease misrepresenting that his customers are specially selected, that his offers to sell are limited, that purchasers will be paid substantial referral fees, that sales agreements are cancellable, and failing to disclose that his sales contracts may be negotiated to a finance company.

## 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 Donald M. Holman, an individual, trading and doing business as Hurley Press Ironer of Central America, 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. Respondent Donald M. Holman is an individual who for some time last past has been trading and doing business under the trade name of Hurley Press Ironer of Central America, with his office and principal place of business located at 7 North 7th Street, Kansas City, Kansas.

PAR. 2. For some time last past the respondent has been engaged in the advertising, offering for sale, sale and distribution to the public of a combination presser and ironer known as the "Hurley Press-Ironer".

PAR. 3. In the course and conduct of his business, as aforesaid, the respondent has caused his said press-ironers, when sold, to be shipped from his place of business in the State of Kansas to purchasers thereof located in the State of Missouri, and at all times mentioned herein has maintained a substantial course of trade in said product in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of his business, as aforesaid, and for the purpose of inducing the sale of his press-ironers, the respondent

has employed sales agents or representatives who visit the homes of prospective purchasers. At such times and places said sales agents or representatives have made various oral representations with respect to the nature of respondent's business. By and through the statements of said sales agents or representatives, the respondent has represented, directly or by implication, that:

1. The prospective purchaser has been especially selected to participate in a promotional plan or sale.
2. Participation in respondent's referral selling program is limited to those persons who agree to purchase the press-ironer at the salesman's first visit.
3. Purchasers may reasonably expect to recover the cost of the press-ironer through the receipt of referral selling fees.
4. A dissatisfied purchaser had the option of cancelling his sales agreement during a trial period.

PAR. 5. In truth and in fact:

1. The prospective purchaser has not been especially selected to participate in a promotional plan or sale.
2. Participation in respondent's referral selling program is not limited to those persons who agree to purchase the press-ironer at the salesman's first visit.
3. Purchasers may not reasonably expect to recover the cost of the press-ironer through the receipt of referral selling fees.
4. A dissatisfied purchaser did not have the option of cancelling his sales agreement during a trial period.

Therefore, the representations referred to in Paragraph Four were, and are, false, misleading and deceptive.

PAR. 6. In the course and conduct of his business, the respondent has failed to advise prospective purchasers that, in the event of a sale, it was his general policy to discount the purchaser's negotiable paper with a finance company or bank. In the absence of such a disclosure, prospective purchasers believe that no discounting is intended.

There is a preference among installment buyers for dealing with vendors who do not discount their customers' negotiable paper. In many cases, purchasers of respondent's product would not have entered into contracts of sale had they known that their paper was to be discounted.

In truth and in fact, it was respondent's general practice to discount his customers' negotiable paper. Respondent's failure to reveal his intention or course of business concerning the discounting of

purchasers' negotiable paper was, and is, an unfair and deceptive act or practice.

PAR. 7. In the course and conduct of his business, and at all times mentioned herein, the respondent has been in substantial competition, in commerce, with corporations, firms and individuals in the sale of products of the same general kind and nature as that sold by the respondent.

PAR. 8. The use by the respondent of the aforesaid false, misleading and deceptive statements and representations has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were and are true, and into the purchase of substantial quantities of respondent's product by reason of said erroneous and mistaken belief.

PAR. 9. The aforesaid acts and practices of respondent, as herein alleged, were and are all to the prejudice and injury of the public and of respondent's competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce, in violation of Section 5 of the Federal Trade Commission Act.

#### DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondent named in the caption hereof with violation of the Federal Trade Commission Act, and the respondent having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondent and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondent of all the jurisdictional facts set forth in the complaint to issue herein, 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 set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Donald M. Holman is an individual trading and doing business as Hurley Press Ironer of Central America, with his office and principal place of business located at 7 North 7th Street, Kansas City, Kansas.

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 Donald M. Holman, an individual, trading as Hurley Press Ironer of Central America, or under any other name or names, and respondent's agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of press-ironers, or any other product, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication, that:

(a) Purchasers or prospective purchasers have been especially selected for any purpose.

(b) An offer is open for a specific or brief period only, unless respondent can establish that, in fact, the duration of the offer is in actual practice so limited.

(c) Any purchaser may reasonably expect to recover all or a substantial part of the total cost of any product through the receipt of referral selling fees; or that any person can earn a specified amount of money, credits, or merchandise through the receipt of referral selling fees or in any other manner, when such amount is in excess of that which the respondent can establish as being the earnings which such person may reasonably expect to achieve.

(d) That any sales agreement is cancellable at the option of the purchaser, unless the respondent can establish that the agreement expressly provides for such an option and that this provision is strictly adhered to by the respondent.

2. Failing to reveal to prospective purchasers that contracts or promissory notes will be discounted and that purchasers will make their payments to a finance company or similar institution.

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

Complaint

66 F.T.C.

IN THE MATTER OF

## SCHIMMEL FUR COMPANY ET AL.

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

*Docket C-811. Complaint, Aug. 14, 1964—Decision, Aug. 14, 1964*

Consent order requiring manufacturing furriers in St. Louis, Mo., to cease misbranding, falsely advertising, and deceptively invoicing their fur products.

## COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act and by virtue of the authority vested in it by said Acts, the Federal Trade Commission having reason to believe that Schimmel Fur Company, a corporation, and Morris J. Schimmel, 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 Fur Products Labeling 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 Schimmel Fur Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Missouri.

Respondent Morris Schimmel is an officer of the corporate respondent and formulates, directs and controls the acts, practices and policies of the said corporate respondent including those hereinafter set forth.

Respondents are manufacturers, wholesalers and retailers of fur products with their office and principal place of business located at 1103 Washington Avenue, city of St. Louis, State of Missouri.

PAR. 2. Subsequent to the effective date of the Fur Products Labeling Act on August 9, 1952, respondents have been and are now engaged in the introduction into commerce, and in the manufacture for introduction into commerce, and in the sale, advertising, and offering for sale in commerce, and in the transportation and distribution in commerce, of fur products: and have manufactured for sale, sold, advertised, offered for sale, transported and distributed fur products which have been made in whole or in part of furs which have been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act.

PAR. 3. Certain of said fur products were misbranded in violation of Section 4(1) of the Fur Products Labeling Act in that they were falsely and deceptively labeled or otherwise falsely and deceptively identified in that labels affixed to fur products, contained representations, either directly or by implication that the prices of such fur products were reduced from respondents former prices and the amount of such purported reduction constituted savings to purchasers of respondents' fur products. In truth and in fact, the alleged former prices were fictitious in that they were not actual, bona fide prices at which respondents offered the products to the public on a regular basis for a reasonably substantial period of time in the recent regular course of business and the said fur products were not reduced in price as represented and savings were not afforded purchasers of respondents' said fur products, as represented.

PAR. 4. Certain of said fur products were falsely and deceptively invoiced by the respondents in that they were not invoiced as required by Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated under such Act.

Among such falsely and deceptively invoiced fur products, but not limited thereto, were fur products covered by invoices which failed:

1. To show the true animal name of the fur used in the fur product.
2. To disclose that the fur contained in the fur product was bleached, dyed, or otherwise artificially colored, when such was the fact.
3. To show the country of origin of imported furs used in fur products.

PAR. 5. Certain of said fur products were falsely and deceptively invoiced in violation of the Fur Products Labeling Act in that they were not invoiced in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) Information required under Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth on invoices in abbreviated form, in violation of Rule 4 of said Rules and Regulations.

(b) The term "Persian Lamb" was not set forth on invoices in the manner required by law, in violation of Rule 8 of said Rules and Regulations.

(c) The term "Dyed Broadtail-processed Lamb" was not set forth on invoices in the manner required by law, in violation of Rule 10 of said Rules and Regulations.

(d) The term "natural" was not used on invoices to describe fur products which were not pointed, bleached, dyed, tip-dyed or otherwise

artificially colored, in violation of Rule 19(g) of said Rules and Regulations.

PAR. 6. Certain of said fur products were falsely and deceptively invoiced with respect to the name or designation of the animal or animals that produced the fur from which the said fur products had been manufactured, in violation of Section 5(b) (2) of the Fur Products Labeling Act.

Among such falsely and deceptively invoiced fur products, but not limited thereto, were fur products which were invoiced as "Broadtail" thereby implying that the furs contained therein were entitled to the designation "Broadtail Lamb" when in truth and in fact they were not entitled to such designations.

PAR. 7. Certain of said fur products were falsely and deceptively advertised in violation of the Fur Products Labeling Act in that certain advertisements intended to aid, promote and assist, directly or indirectly, in the sale and offering for sale of such fur products were not in accordance with the provisions of Section 5(a) of the said Act.

Among and included in the aforesaid advertisements but not limited thereto, were advertisements of respondents which appeared in issues of the Nashville Tennessean, a newspaper published in the city of Nashville, State of Tennessee.

Among such false and deceptive advertisement, but not limited thereto, were advertisements which failed:

1. To show the true animal name of the fur used in the fur product.
2. To show the country of origin of imported furs contained in fur products.

PAR. 8. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, respondents falsely and deceptively advertised fur products in violation of Section 5(a) (5) of the Fur Products Labeling Act by featuring the term "Broadtail" in large conspicuous print while the correct description "Dyed Broadtail-processed Lamb" is set forth in less conspicuous print. By means of the aforesaid practices respondents implied that such products are entitled to the designation "Broadtail Lamb" when in truth and in fact they are not entitled to such designation.

PAR. 9. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, respondents falsely and deceptively advertised fur products in violation of the Fur Products Labeling Act in that the said fur products were

not advertised in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) The term "Persian Lamb" was not set forth in the manner required, in violation of Rule 8 of the said Rules and Regulations.

(b) The term "Dyed Broadtail-processed Lamb" was not set forth in the manner required, in violation of Rule 10 of the said Rules and Regulations.

(c) The term "natural" was not used to describe fur products which were not pointed, bleached, dyed, tip-dyed or otherwise artificially colored, in violation of Rule 19(g) of the said Rules and Regulations.

(d) All parts of the information required under Section 5(a) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder were not set forth in type of equal size and conspicuousness and in close proximity with each other, in violation of Rule 38(a) of the aforesaid Rules and Regulations.

PAR. 10. By means of the aforesaid advertisements and other advertisements of similar import and meaning, not specifically referred to herein, respondents falsely and deceptively advertised fur products in that said advertisements represented that the prices of fur products were reduced from respondents former prices and that the amount of such price reductions afforded savings to the purchasers of respondents' fur products. In truth and in fact, the alleged former prices were fictitious in that they were not actual, bona fide prices at which respondents offered the fur products to the public on a regular basis for a reasonably substantial period of time in the recent regular course of business and the said fur products were not reduced in price as represented and the represented savings were not thereby afforded to the purchasers, in violation of Section 5(a) (5) of the Fur Products Labeling Act and Rule 44(a) of the Rules and Regulations promulgated under the said Act.

PAR. 11. Respondents falsely and deceptively advertised fur products by affixing labels thereto which represented either directly or by implication that prices of such fur products were reduced from respondents former prices and the purported reductions constituted savings to purchasers of respondents' fur products. In truth and in fact, the alleged former prices were fictitious in that they were not the actual, bona fide prices at which respondents offered the fur products to the public on a regular basis for a reasonably substantial period of time in the recent regular course of business and the said fur products were not reduced in price as represented and the represented savings were not thereby afforded to purchasers, in violation of Section 5(a) (5)

of the Fur Products Labeling Act and Rule 44(a) of the Rules and Regulations.

PAR. 12. In advertising fur products for sale as aforesaid respondents represented through such statements as "our entire fur inventory, 33 $\frac{1}{3}$ % off" that prices of fur products were reduced in direct proportion to the percentages stated and that the amount of said reduction afforded savings to the purchasers of respondents' products when in fact such prices were not reduced in direct proportion to the percentages stated and the represented savings were not thereby afforded to the said purchasers, in violation of Section 5(a)(5) of the Fur Products Labeling Act.

PAR. 13. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein respondents falsely and deceptively advertised fur products in that said advertisements used comparative prices which failed to give a designated time of a bona fide compared price, in violation of Section 5(a)(5) of the Fur Products Labeling Act and Rule 44(b) of the Rules and Regulations promulgated under the said Act.

PAR. 14. In advertising fur products for sale, as aforesaid, respondents made pricing claims and representations of the types covered by subsections (a), (b), (c) and (d) of Rule 44 of the Regulations under the Fur Products Labeling Act. Respondents in making such claims and representations failed to maintain full and adequate records disclosing the facts upon which such pricing claims and representations were based, in violation of Rule 44(e) of the said Rules and Regulations.

PAR. 15. The aforesaid acts and practices of respondents, as herein alleged, are in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder and constitute unfair and deceptive acts and practices and unfair methods of competition in commerce under the Federal Trade Commission Act.

#### DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act and the Fur Products Labeling Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the complaint

to issue herein, 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 set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Schimmel Fur Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Missouri with its office and principal place of business located at 1103 Washington Avenue, city of St. Louis, State of Missouri.

Respondent Morris J. Schimmel is an officer of the corporate respondent and his address is the same as that of the corporate respondent.

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 respondent Schimmel Fur Company, a corporation, and its officers, and Morris J. Schimmel, individually and as an officer 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 sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce, of any fur product; or in connection with the manufacture for sale, sale, advertising, offering for sale, transportation or distribution, of any fur product which is made in whole or in part of fur which has been shipped and received in commerce; as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding fur products by:

1. Representing, directly or by implication on labels, that any price, when accompanied or not by descriptive terminology is the respondents' former price of fur products when such amount is in excess of the actual, bona fide price at which respondents offered the fur products to the public on a regular basis for a reasonably substantial period of time in the recent regular course of business.

2. Misrepresenting in any manner on labels or other means of identification the savings available to purchasers of respondents' products.

3. Falsely or deceptively representing in any manner, directly or by implication, on labels or other means of identification that prices of respondents' fur products are reduced.

B. Falsely or deceptively invoicing fur products by:

1. Failing to furnish invoices to purchasers of fur products showing in words and figures plainly legible all the information required to be disclosed in each of the subsections of Section 5(b)(1) of the Fur Products Labeling Act.

2. Setting forth on invoices pertaining to fur products any false or deceptive information with respect to the name or designation of the animal or animals that produced the fur contained in such fur product.

3. Setting forth information required under Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form.

4. Failing to set forth the term "Persian Lamb" in the manner required where an election is made to use that term instead of the word "Lamb."

5. Failing to set forth the term "Dyed Broadtail-processed Lamb" in the manner required where an election is made to use that term instead of the words "Dyed Lamb."

6. Failing to set forth the term "Natural" as part of the information required to be disclosed on invoices under the Fur Products Labeling Act and Rules and Regulations promulgated thereunder to describe fur products which are not pointed, bleached, dyed, tip-dyed or otherwise artificially colored.

C. Falsely or deceptively advertising fur products through the use of any advertisement, representation, public announcement or notice which is intended to aid, promote or assist, directly or indirectly, in the sale, or offering for sale of any fur product, and which:

1. Fails to set forth in words and figures plainly legible all the information required to be disclosed by each of the subsections of Section 5(a) of the Fur Products Labeling Act.

2. Falsely or deceptively identifies any such fur product as to the name or designation of the animal or animals that produced the fur contained in the fur product.

3. Fails to set forth the term "Persian Lamb" in the manner required where an election is made to use that term instead of the word "Lamb."

4. Fails to set forth the term "Dyed Broadtail-processed Lamb" in the manner required where an election is made to use that term instead of the words "Dyed Lamb."

5. Fails to set forth the term "Natural" as part of the information required to be disclosed in advertisements under the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe fur products which are not pointed, bleached, dyed, tip-dyed or otherwise artificially colored.

6. Fails to set forth all parts of the information required under Section 5(a) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in type of equal size and conspicuousness and in close proximity with each other.

7. Represents directly or by implication, that any price, when accompanied or not by descriptive terminology is the respondents' former price of fur products when such amount is in excess of the actual, bona fide price at which respondents offered the fur products to the public on a regular basis for a reasonably substantial period of time in the recent regular course of business.

8. Misrepresents in any manner the savings available to purchasers or respondents' fur products.

9. Falsely or deceptively represents in any manner that prices of respondents' fur products are reduced.

10. Represents directly or by implication through percentage savings claims that prices of fur products are reduced to afford purchasers of respondents' fur products the percentage of savings stated when the prices of such fur products are not reduced to afford to purchasers the percentage of savings stated.

11. Makes use of comparative prices of any fur products unless a bona fide compared price at a designated time is given, unless such compared prices are actual, bona fide prices at which respondents offered the fur products to the public on a regular basis for a reasonably substantial period of time in the recent regular course of business.

D. Making claims and representations of the types covered by subsections (a), (b), (c) and (d) of Rule 44 of the Rules and

Complaint

66 F.T.C.

Regulations promulgated under the Fur Products Labeling Act unless there are maintained by respondents full and adequate records disclosing the facts upon which such claims and representations are based.

*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

COOPCHIK-FORREST, INC., ET AL.

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

*Docket C-812. Complaint, Aug. 17, 1964—Decision, Aug. 17, 1964*

Consent order requiring manufacturing furriers in New York City to cease violating the Fur Products Labeling Act by using the words "Designed by Andre Fath Paris" on labels and in advertising, thereby representing falsely that their fur products manufactured in the United States were created by a French designer.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act and by virtue of the authority vested in it by said Acts, the Federal Trade Commission having reason to believe that Coopchik-Forrest, Inc., a corporation, and Robert Coopchik and Milton R. Forrest, 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 Fur Products Labeling 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 Coopchik-Forrest, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondents Robert Coopchik and Milton R. Forrest are officers of the corporate respondent and formulate, direct and control the acts, practices and policies of said corporate respondent including those hereinafter set forth.

Respondents are manufacturers and wholesalers of fur products with their office and principal place of business located at 333 Seventh Avenue, New York, New York.

PAR. 2. Subsequent to the effective date of the Fur Products Labeling Act on August 9, 1952, respondents have been and are now engaged in the introduction into commerce, and in the manufacture for introduction into commerce, and in the sale, advertising, and offering for sale in commerce, and in the transportation and distribution in commerce, of fur products; and have manufactured for sale, sold, advertised, offered for sale, transported and distributed fur products which have been made in whole or in part of furs which have been shipped and received in commerce as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act.

PAR. 3. Certain of said fur products were misbranded in violation of Section 4(1) of the Fur Products Labeling Act in that they were falsely and deceptively labeled or otherwise falsely and deceptively identified in that labels affixed to fur products contain the representation "Designed by Andre Fath Paris," thereby implying directly or by implication that the fur products were designed by a French designer or couturier. In truth and in fact the name Andre Fath is fictitious and such products were not designed by a French designer or couturier.

PAR. 4. Certain of said fur products were misbranded in violation of Section 4(1) of the Fur Products Labeling Act in that they were falsely and deceptively labeled or otherwise falsely and deceptively identified in that labels affixed to fur products contain the representation "Designed by Andre Fath Paris," thereby implying directly or by implication that such products were manufactured, designed, styled or created in France when in truth and in fact such products were manufactured and designed, styled and created in the United States.

PAR. 5. Certain of said fur products were falsely and deceptively advertised in violation of the Fur Products Labeling Act in that certain advertisements intended to aid, promote and assist, directly or indirectly, in the sale and offering for sale of such fur products were not in accordance with the provisions of Section 5(a) of the Act.

Among and included in the aforesaid advertisements but not limited thereto were labels affixed to fur products containing the representation, "Designed by Andre Fath Paris," thereby implying directly or by implication that such products were designed by a famous French designer or couturier. In truth and in fact the name Andre Fath is fictitious and the products were not designed by a famous French designer or couturier.

PAR. 6. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein respondents falsely and deceptively advertised fur products by affixing labels to fur products containing the representation "Designed by Andre Fath Paris" thereby implying directly or by implication that such fur products were manufactured, styled, designed or created in France when such fur products were manufactured, styled, designed and created in the United States, in violation of Section 5(a)(5) of the Fur Products Labeling Act.

PAR. 7. The aforesaid acts and practices of respondents, as herein alleged, are in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder and constitute unfair and deceptive acts and practices and unfair methods of competition in commerce under the Federal Trade Commission Act.

#### DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act and the Fur Products Labeling Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the complaint to issue herein, 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 set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Coopchik-Forrest, 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 333 Seventh Avenue, New York, New York.

Respondents Robert Coopchik and Milton R. Forrest are officers of the corporate respondent and their address is the same as that of the corporate respondent.

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 Coopchik-Forrest, Inc., a corporation, and its officers, and Robert Coopchik and Milton R. Forrest, 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 sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce, of any fur product; or in connection with the manufacture for sale, sale, advertising, offering for sale, transportation or distribution, of any fur product which is made in whole or in part of fur which has been shipped and received in commerce; as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

## A. Misbranding fur product by:

1. Misrepresenting, directly or by implication, that any of their products were manufactured, designed, styled or created by any French designer or couturier.

2. Using the word "Paris" on labels or otherwise, whether singularly or in connection with any word or words, to describe or refer to products made in the United States, or representing by any other means that any products made in the United States were made in France or in any other foreign country.

3. Misrepresenting in any manner the country of origin of any of their products.

## B. Falsely or deceptively advertising fur products by:

1. Misrepresenting directly or indirectly that any of their products were manufactured, designed, styled or created by any French designer or couturier.

2. Using the word "Paris" on labels or otherwise, whether singularly or in connection with any other word or words to describe or refer to products made in the United States, or representing by any other means that any products made in the United States were made in France or in any other foreign country.

3. Misrepresenting in any manner the country of origin of any of their products.

Complaint

66 F.T.C.

*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

SARA G. PICOW ET AL. TRADING AS ALLAN'S

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

*Docket C-813. Complaint, Aug. 17, 1964—Decision, Aug. 17, 1964*

Consent order requiring a Columbia, S.C., retail furrier to cease misbranding and deceptively invoicing its fur products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act and by virtue of the authority vested in it by said Acts, the Federal Trade Commission having reason to believe that Sara G. Picow and Edward I. Picow, individually and as copartners trading as Allan's, hereinafter referred to as respondents have violated the provisions of said Acts and Rules and Regulations promulgated under the Fur Products Labeling 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 Sara G. Picow and Edward I. Picow are individuals and copartners trading as Allan's.

Respondents are retailers of fur products with their office and principal place of business located at 1619-21 Main Street, Columbia, South Carolina.

PAR. 2. Subsequent to the effective date of the Fur Products Labeling Act on August 9, 1952, respondents have been and are now engaged in the introduction into commerce, and in the sale, advertising, and offering for sale in commerce, and in the transportation and distribution in commerce, of fur products; and have sold, advertised, offered for sale, transported and distributed fur products which have been made in whole or in part of furs which have been shipped and received in commerce as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act.

PAR. 3. Certain of said fur products were misbranded in violation of Section 4(1) of the Fur Products Labeling Act in that they were falsely and deceptively labeled or otherwise falsely and deceptively identified in that labels affixed to fur products represented, either directly or by implication, through statements thereon such as "sale price," that the prices of such fur products were reduced from the former, bona fide price at which respondents offered their fur products to the public on a regular basis for a reasonably substantial period of time and the amount of such reduction constituted savings to purchasers of respondents fur products. In truth and in fact the prices of such fur products were not reduced as represented and savings were not afforded to purchasers of respondents' fur products as represented.

PAR. 4. Certain of said fur products were misbranded in that they were falsely and deceptively labeled or otherwise falsely and deceptively identified with respect to the name of the country of origin of furs contained in such fur products, in violation of Section 4(1) of the Fur Products Labeling Act.

Among such misbranded fur products, but not limited thereto, were fur products labeled to show that the furs used in such fur products were domestic when the furs used in such fur products were, in fact, imported.

PAR. 5. Certain of said fur products were misbranded in that they were falsely and deceptively labeled or otherwise falsely and deceptively identified with respect to the name or designation of the animal or animals that produced the fur from which the said fur products had been manufactured, in violation of Section 4(1) of the Fur Products Labeling Act.

Among such misbranded fur products, but not limited thereto, were fur products which were labeled as "Sable" when the fur contained in such products was, in fact, "American Sable."

PAR. 6. Certain of said fur products were misbranded in that they were not labeled as required under the provisions of Section 4(2) of the Fur Products Labeling Act and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

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

1. To show the true animal name of the fur used in the fur product.
2. To show the name, or other identification issued and registered by the Commission of one or more of the persons who manufactured such fur product for introduction into commerce, introduced it in commerce, sold it in commerce, advertised or offered it for sale, in commerce, or transported or distributed it in commerce.

3. To show the country of origin of the imported furs contained in the fur product.

PAR. 7. Certain of said fur products were misbranded in violation of the Fur Products Labeling Act in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth on labels in abbreviated form, in violation of Rule 4 of said Rules and Regulations.

(b) The term "natural" was not used on labels to describe fur products which were not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Rule 19(g) of said Rules and Regulations.

(c) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth in handwriting on labels, in violation of Rule 19(b) of said Rules and Regulations.

(d) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was not set forth in the required sequence, in violation of Rule 30 of said Rules and Regulations.

(e) Required item numbers were not set forth on labels, in violation of Rule 40 of said Rules and Regulations.

PAR. 8. Certain of said fur products were falsely and deceptively invoiced by the respondents in that they were not invoiced as required by Section 5(b) (1) of the Fur Products Labeling Act and the Rules and Regulations promulgated under such Act.

Among such falsely and deceptively invoiced fur products, but not limited thereto, were fur products covered by invoices which failed:

1. To show the true animal name of the fur used in the fur product.
2. To disclose that the fur contained in the fur product was bleached, dyed, or otherwise artificially colored, when such was the fact.

3. To show the country of origin of imported furs used in fur products.

PAR. 9. Certain of said fur products were falsely and deceptively invoiced with respect to the name of the country of origin of imported furs used in such fur products, in violation of Section 5(b) (2) of the Fur Products Labeling Act.

Among such falsely and deceptively invoiced fur products, but not limited thereto, were fur products invoiced to show that the furs used

in such products were domestic when the furs you used in such fur products were, in fact, imported.

PAR. 10. Certain of said fur products were falsely and deceptively invoiced in violation of the Fur Products Labeling Act in that they were not invoiced in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) Information required under Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth on invoices in abbreviated form, in violation of Rule 4 of said Rules and Regulations.

(b) The term "natural" was not used on invoices to describe fur products which were not pointed, bleached, dyed, tip-dyed or otherwise artificially colored, in violation of Rule 19(g) of said Rules and Regulations.

(c) The disclosure that fur products were composed in whole or in substantial part of paws, tails, bellies, sides, flanks, gills, ears, throats, heads, scrap pieces or waste fur, where required, was not set forth on invoices, in violation of Rule 20 of said Rules and Regulations.

(d) Required item numbers were not set forth on invoices, in violation of Rule 40 of said Rules and Regulations.

PAR. 11. Certain of said fur products were falsely and deceptively advertised in violation of the Fur Products Labeling Act in that certain advertisements intended to aid, promote or assist, directly or indirectly, in the sale, and offering for sale of such fur products were not in accordance with the provisions of Section 5(a) of the said Act.

Among and included in the aforesaid advertisements but not limited thereto, were advertisements of respondents which appeared in issues of The Columbia Record, a newspaper published in the city of Columbia, State of South Carolina.

Among such false and deceptive advertisements, but not limited thereto, were advertisements which failed:

1. To show the true animal name of the fur used in the fur product.
2. To show that the fur contained in the fur products was bleached, dyed or otherwise artificially colored, when such was the fact.

PAR. 12. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, respondents falsely and deceptively advertised fur products in violation of the Fur Products Labeling Act in that the said fur products were not advertised in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) The term "natural" was not used to describe fur products which were not pointed, bleached, dyed, tip-dyed or otherwise artificially colored, in violation of Rule 19(g) of the said Rules and Regulations.

(b) All parts of the information required under Section 5(a) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder were not set forth in type of equal size and conspicuousness and in close proximity with each other, in violation of Rule 38(a) of the aforesaid Rules and Regulations.

PAR. 13. Certain of said fur products were falsely and deceptively advertised in violation of Section 5(a) (5) of the Fur Products Labeling Act in that labels affixed to fur products represented, either directly or by implication, through statements thereon such as "sales price," that the prices of such fur products were reduced from the former, bona fide prices at which respondents offered the fur product to the public on a regular basis for a reasonably substantial period of time and the amount of such reduction constituted savings to purchasers of respondents' fur products. In truth and in fact the prices of such fur products were not reduced as represented and savings were not afforded to purchasers of respondents' fur products as represented.

PAR. 14. The aforesaid acts and practices of respondents, as herein alleged, are in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder and constitute unfair and deceptive acts and practices and unfair methods of competition in commerce under the Federal Trade Commission Act.

#### DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act and the Fur Products Labeling Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the complaint to issue herein, 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 set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agree-

ment, makes the following jurisdictional findings, and enters the following order:

1. Respondents Sara G. Picow and Edward I. Picow are individuals and copartners trading as Allan's with their office and principal place of business located at 1619-21 Main Street, in the city of Columbia, State of South Carolina.

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 Sara G. Picow and Edward I. Picow, individually and as copartners trading as Allan's or under any other name and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction into commerce, or the sale, advertising, or offering for sale in commerce, or the transportation or distribution in commerce, of any fur products, or in connection with the sale, advertising, offering for sale, transportation or distribution, of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding fur products by:

1. Misrepresenting, directly or by implication, on labels that any price when accompanied or not by descriptive terminology, is reduced from the actual, bona fide price at which respondents offered the fur products to the public on a regular basis for a reasonably substantial period of time in the recent regular course of business.

2. Representing in any manner, either directly or by implication, on labels that any price is a sales price when such price is not reduced from the actual, bona fide price at which respondents offered the fur products to the public on a regular basis for a reasonably substantial period of time in the recent regular course of business.

3. Misrepresenting in any manner on labels or other means of identification the savings available to purchasers of respondents' fur products.

4. Falsely and deceptively representing in any manner directly or by implication, on labels or other means of identification that prices of respondents' fur products are reduced.

5. Falsely or deceptively labeling or otherwise identifying

any such fur product as to the country of origin of furs contained in such fur product.

6. Falsely or deceptively labeling or otherwise identifying any such fur product as to the name or designation of the animal or animals that produced the fur contained in the fur product.

7. Failing to affix labels to fur products showing in words and in figures plainly legible all of the information required to be disclosed by each of the subsections of Section 4(2) of the Fur Products Labeling Act.

8. Setting forth information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form on labels affixed to fur products.

9. Failing to set forth the term "Natural" as part of the information required to be disclosed on labels under the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe fur products which are not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

10. Setting forth information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in handwriting on labels affixed to fur products.

11. Failing to set forth information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder on labels in the sequence required by Rule 30 of the aforesaid Rules and Regulations.

12. Failing to set forth on labels the item number or mark assigned to a fur product.

B. Falsely or deceptively invoicing fur products by:

1. Failing to furnish invoices to purchasers of fur products showing in words and figures plainly legible all the information required to be disclosed in each of the subsections of Section 5(b)(1) of the Fur Products Labeling Act.

2. Misrepresenting in any manner, directly or by implication, the country of origin of the fur contained in fur products.

3. Setting forth information required under Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form.

4. Failing to set forth the term "Natural" as part of the information required to be disclosed on invoices under the Fur Products Labeling Act and Rules and Regulations promulgated thereunder to describe fur products which are not pointed, bleached, dyed, tip-dyed or otherwise artificially colored.

5. Failing to disclose on invoices that fur products are composed in whole or in substantial part of paws, tails, bellies, sides, flanks, gills, ears, throats, heads, scrap pieces or waste fur.

6. Failing to set forth on invoices the item number or mark assigned to fur products.

C. Advertising fur products through the use of any advertisement, representation, public announcement, or notice which is intended to aid, promote or assist, directly or indirectly in the sale or offering for sale of any fur products, and which:

1. Fails to set forth in words and figures plainly legible all the information required to be disclosed by each of the subsections of Section 5(a) of the Fur Products Labeling Act.

2. Misrepresents directly or by implication that any price, when accompanied or not by descriptive terminology is reduced from the actual, bona fide price at which respondents offered the fur products to the public on a regular basis for a reasonably substantial period of time in the recent regular course of business.

3. Represents in any manner, either directly or by implication, that any price is a sales price when such price is not reduced from the actual, bona fide price at which respondents offered the fur products to the public on a regular basis for a reasonably substantial period of time in the recent regular course of business.

4. Misrepresents in any manner, the savings available to purchasers of respondents' fur products.

5. Falsely and deceptively represents in any manner that prices of respondents' fur products are reduced.

6. Fails to set forth the term "Natural" as part of the information required to be disclosed in advertisements under the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe fur products which are not pointed, bleached, dyed, tip-dyed or otherwise artificially colored.

Complaint

66 F.T.C.

7. Fails to set forth all parts of the information required under Section 5(a) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in type of equal size and conspicuousness and in close proximity with each other.

*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

DUMAS OF CALIFORNIA, INC., ET AL.

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

*Docket C-814. Complaint, Aug. 18, 1964—Decision, Aug. 18, 1964*

Consent order requiring manufacturing furriers in Los Angeles to cease violating the Fur Products Labeling Act by labeling and invoicing artificially colored furs as natural, failing to disclose on labels and invoices that certain furs were dyed or bleached, failing to show on invoices the true animal name of fur and the country of origin of imported furs, and failing in other respects to comply with requirements of the Act.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act and by virtue of the authority vested in it by said Acts, the Federal Trade Commission having reason to believe that Dumas of California, Inc., a corporation and Mildred Bass and Stanley D. Malkin, individually and as officers of the said corporation hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Fur Products Labeling 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 Dumas of California, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of California.

Respondents Mildred Bass and Stanley D. Malkin are officers of the corporate respondent and formulate, direct and control the acts,

practices and policies of the said corporate respondent including those hereinafter set forth.

Respondents are manufacturers of fur products with their office and principal place of business located at 932 South Hill Street, Los Angeles, California.

PAR. 2. Subsequent to the effective date of the Fur Products Labeling Act on August 9, 1952, respondents have been and are now engaged in the introduction into commerce, and in the manufacture for introduction into commerce, and in the sale, advertising, and offering for sale in commerce, and in the transportation and distribution in commerce, of fur products; and have manufactured for sale, sold, advertised, offered for sale, transported and distributed fur products which have been made, in whole or in part of furs which have been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act.

PAR. 3. Certain of said fur products were misbranded in that they were falsely and deceptively labeled to show that fur contained therein was natural, when in fact such fur was pointed, bleached, dyed, tipped or otherwise artificially colored, in violation of Section 4(1) of the Fur Products Labeling Act.

PAR. 4. Certain of said fur products were misbranded in that they were not labeled as required under the provisions of Section 4(2) of the Fur Products Labeling Act and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

Among such misbranded fur products but not limited thereto were fur products with labels which failed to disclose that the fur contained in the fur products was bleached, dyed or otherwise artificially colored, when such was the fact.

PAR. 5. Certain of said fur products were falsely and deceptively invoiced by the respondents in that they were not invoiced as required by Section 5(b) (1) of the Fur Products Labeling Act and the Rules and Regulations promulgated under such Act.

Among such falsely and deceptively invoiced fur products but not limited thereto were fur products covered by invoices which failed:

1. To show the true animal name of the fur used in the fur product.
2. To disclose that the fur contained in the fur products was bleached, dyed or otherwise artificially colored when such was the fact.
3. To show the country of origin of the imported furs contained in the fur product.

PAR. 6. Certain of said fur products were falsely and deceptively invoiced in that said fur products were invoiced to show that the fur contained therein was natural, when in fact such fur was pointed,

bleached, dyed, tip-dyed or otherwise artificially colored, in violation of Section 5(b)(2) of the Fur Products Labeling Act.

PAR. 7. Certain of said fur products were falsely and deceptively invoiced in violation of the Fur Products Labeling Act in that they were not invoiced in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) Information required under Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth on invoices in abbreviated form, in violation of Rule 4 of said Rules and Regulations.

(b) Required item numbers were not set forth on invoices, in violation of Rule 40 of said Rules and Regulations.

PAR. 8. The aforesaid acts and practices of respondents, as herein alleged, are in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder and constitute unfair and deceptive acts and practices and unfair methods of competition in commerce under the Federal Trade Commission Act.

#### DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act and the Fur Products Labeling Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the complaint to issue herein, 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 set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Dumas of California, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of California, with its office and principal place of business located at 932 South Hill Street, in the city of Los Angeles, State of California.

Respondents Mildred Bass and Stanley D. Malkin are officers of said corporation and their address is the same as that of said corporation.

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 Dumas of California, Inc., a corporation, and its officers, and Mildred Bass and Stanley D. Malkin, individually and as officers of the 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 sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce, of any fur product; or in connection with the manufacture for sale, sale, advertising, offering for sale, transportation or distribution of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act do forthwith cease and desist from:

## A. Misbranding fur products by:

1. Representing directly or by implication on labels that the fur contained in any fur product is natural when the fur contained therein is pointed, bleached, dyed, tip-dyed or otherwise artificially colored.

2. Failing to affix labels to fur products showing in words and figures plainly legible all of the information required to be disclosed by each of the subsections of Section 4(2) of the Fur Products Labeling Act.

## B. Falsely or deceptively invoicing fur products by:

1. Failing to furnish invoices as the term "invoice" is defined in the Fur Products Labeling Act showing in words and figures plainly legible all of the information required to be disclosed in each of the subsections of Section 5(b)(1) of the Fur Products Labeling Act.

2. Representing directly or by implication on invoices that the fur contained in fur products is natural when such fur is pointed, bleached, dyed, tip-dyed or otherwise artificially colored.

3. Setting forth information required under Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form.

Complaint

66 F.T.C.

4. Failing to set forth on invoices the item number or mark assigned to fur products.

*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

BENJAMIN FAVORMAN ET AL. TRADING AS TROY  
SPORTSWEAR CO., ETC.

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

*Docket C-815. Complaint, Aug. 19, 1964—Decision, Aug. 19, 1964*

Consent order requiring San Francisco manufacturers and importers of men's wearing apparel to cease violating the Wool Products Labeling Act by such practices as labeling fabrics falsely as containing "95% Virgin Wool, 5% Nylon," affixing to any wool product any symbol or emblem likely to be confused with the British Coat of Arms, and using the words "Highlander Wools," or other words or terms connoting British origin, and failing to show on shirt labels the percentages of the constituent fibers.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, 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 Benjamin Favorman also known as Ben Favorman, and E. T. Cherin, individually and as copartners trading as Troy Sportswear Co., Sun Valley Enterprises, and Leisure Imports, hereinafter referred to as respondents, have violated the provisions of the said Acts and the Rules and Regulations promulgated under the Wool Products Labeling Act of 1939, and under the Textile Fiber Products Identification Act, respectively, 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. Benjamin Favorman, also known as Ben Favorman, and E. T. Cherin are individuals and copartners trading as Troy Sportswear Co., Sun Valley Enterprises, and Leisure Imports, with

their office and principal place of business located at 783 Mission Street, in the city of San Francisco, State of California. Respondents are engaged in the manufacturing and importing of men's wearing apparel.

PAR. 2. Subsequent to the effective date of the Wool Products Labeling Act of 1939, respondents have manufactured for introduction into commerce, introduced into commerce, sold, transported, distributed, delivered for shipment, shipped, and offered for sale in commerce, wool products, as the terms "commerce" and "wool product" are defined in the said Act.

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 fabrics, labeled or tagged by the respondents as "95% Virgin Wool, 5% Nylon," whereas, in truth and in fact said products contained substantially different quantities of such fibers.

PAR. 4. Certain of said wool products were misbranded 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 labeled with respect to the country of origin of such products.

Among such misbranded wool products, but not limited thereto, were woollen plaid shirts imported from Japan to which labels were affixed on which the name "Highlander Wools" appeared beneath the depiction of an emblem resembling the Coat of Arms of Great Britain. Woven into said labels were the words "Imported Japan," which words were indistinguishable and illegible, however, unless viewed in a certain position of reflected light.

There is an established custom and practice in the United States for products of foreign origin, including articles of wearing apparel, to be marked as to their origin, a fact of which the Commission takes official notice. The purchasing public is familiar with and relies upon such custom, a fact of which the Commission also takes official notice.

Respondents by means of the aforescribed labels falsely and deceptively represented, directly or by implication, and contrary to fact, that the wool products to which they were attached were of British origin and failed to adequately disclose the true origin of such products.

PAR. 5. Certain of said wool products were further misbranded by the 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 the said Act.

Among such misbranded wool products, but not limited thereto, were shirts with labels which failed to show the percentages of the fibers contained in the product.

PAR. 6. The acts and practices of respondents as set forth above were, and are, in violation of the Wool Products Labeling Act of 1939 and of the Rules and Regulations promulgated thereunder and constituted, and now constitute, unfair and deceptive acts and practices and unfair methods of competition in commerce, within the intent and meaning of the Federal Trade Commission Act.

PAR. 7. Subsequent to the effective date of the Textile Fiber Products Identification Act on March 3, 1960, respondents have been and are now engaged in the introduction, manufacture for 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 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 prescribed by the Rules and Regulations promulgated thereunder.

Among such textile fiber products, but not limited thereto, were imported textile fiber products which were not labeled to show in words and figures plainly legible the name of the country where such textile fiber products were processed or manufactured.

PAR. 9. Certain of said textile fiber products were misbranded by respondents in violation of the Textile Fiber Products Identification Act in that they were not labeled in accordance with the Rules and

Regulations promulgated thereunder in that non-required information or representations appearing on labels affixed to such products interfered with, minimized, detracted from, and conflicted with required information as to country of origin of imported textile fiber products, in violation of Rule 16(c) of the Rules and Regulations promulgated under said Act.

Among such misbranded textile fiber products, but not limited thereto, were cotton half sleeves shirts of Japanese origin with white labels sewn into the collars bearing the trade name "Mr. 'Gentry'," above which is depicted a red and gold emblem resembling the Coat of Arms of Great Britain, with the wording "Imported Japan" in gold lettering which is indistinguishable and illegible, unless viewed at an angle of reflected light.

PAR. 10. 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.

PAR. 11. Respondents are now, and have been engaged in the offering for sale, sale and distribution of products, namely articles of wearing apparel, to retailers and jobbers. The respondents' said business, in large part, is that of importing articles of wearing apparel from sources in Japan and selling their articles of wearing apparel to retailers and jobbers who, in turn, distribute the articles of wearing apparel to customers throughout the United States. The respondents maintain, and at all times mentioned herein have maintained a substantial course of trade of said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 12. Certain of said articles of wearing apparel offered for sale and sold by respondents which were manufactured in and imported from Japan did not bear adequate disclosure as to the country of origin of such products and bore labels and markings misrepresenting the country origin of such products.

Among such articles of wearing apparel, but not limited thereto, were shirts to which labels were affixed bearing an emblem resembling the Coat of Arms of Great Britain with the wording "Imported Japan" appearing in lettering which was indistinguishable and illegible unless viewed from a particular angle of reflected light. Certain of the labels affixed to such shirts also have the name "Highlander Wools" in conjunction with the aforesaid emblem.

Through the aforesaid labels and markings respondents represented, contrary to fact, that such products were of British origin and failed to adequately disclose the true origin of such products.

There is an established custom and practice in the United States for products of foreign origin, including articles of wearing apparel, to be marked as to their foreign origin, a fact of which the Commission takes official notice. The purchasing public is familiar with and relies upon such custom and practice, a fact of which the Commission also takes official notice.

As to the aforesaid articles of wearing apparel, a substantial portion of the purchasing public has a preference for articles of wearing apparel, including shirts, manufactured in Great Britain to articles of wearing apparel manufactured in Japan.

PAR. 13. By means of the aforesaid practices, respondents place in the hands of others means and instrumentalities through which they may mislead the public as to country of origin of said merchandise.

PAR. 14. Respondents in the course and conduct of their business as aforesaid, have made statements on invoices to their customers misrepresenting the character and fiber content of certain of their said products. Among such misrepresentations but not limited thereto, were statements representing certain shirts to be "Wool Import Shirts," whereas in truth and in fact the said shirts contained substantial quantities of the fibers other than wool.

PAR. 15. The acts and practices set out in Paragraph Fourteen have had, and now have, the tendency and capacity to mislead and deceive purchasers of said products as to the true content thereof and to cause them to misrepresent and misbrand such products when sold by them.

PAR. 16. In the course and conduct of their business, at all times mentioned herein, respondents have been in substantial competition, in commerce, with corporations, firms, and individuals in the sale of articles of wearing apparel of the same general kind and nature as that sold by respondents.

PAR. 17. The acts and practices of the respondents set out in Paragraphs Twelve through Fifteen were, and are, all to the prejudice and injury of the public and of the respondents' competitors and constituted, and now constitute, unfair and deceptive acts and practices and unfair methods of competition, in commerce, within the intent and meaning of the Federal Trade Commission Act.

#### DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with

violation of the Federal Trade Commission Act, the Wool Products Labeling Act of 1939, and the Textile Fiber Products Identification Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the complaint to issue herein, 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 set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondents Benjamin Favorman, also known as Ben Favorman, and E. T. Cherin are individuals and co-partners trading as Troy Sportswear Co., Sun Valley Enterprises, and Leisure Imports, with their office and principal place of business located at 783 Mission Street, in the city of San Francisco, State of California.

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 Benjamin Favorman, also known as Ben Favorman, and E. T. Cherin, individually and as co-partners trading as Troy Sportswear Co., Sun Valley Enterprises or Leisure Imports, or under any other trade name, 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 in connection with the offering for sale, sale, transportation, delivery for shipment, shipment, or distribution, 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 wool products by:

(1) Falsely or deceptively stamping, tagging, labeling, or otherwise identifying such products as to the character or amount of constituent fibers included therein.

(2) Failing to clearly and conspicuously disclose on imported wool products and if such products are enclosed in packages or containers, on the front of the package or container, in such a manner as not to be hidden, or readily obliterated, the country of origin of such products.

(3) Setting forth on stamps, tags, labels or other means of identification affixed to any wool product, any symbol or emblem reasonably likely to be confused with the British Coat of Arms, or any other symbol connoting British origin, or using the words "Highlander Wool," or other words or terms connoting British origin to designate or to refer to wool products whose source is other than Great Britain.

(4) Falsely or deceptively stamping, tagging, labeling, or otherwise identifying wool products as to the country of origin of such wool products.

(5) 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 Benjamin Favorman, also known as Ben Favorman, and E. T. Cherin, individually and as co-partners trading as Troy Sportswear Co., Sun Valley Enterprises, or as Leisure Imports or under any other trade name, and respondents' representatives, agents, and employees, directly or through any corporate or other device, in connection with the introduction, manufacture for 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 misbranding textile fiber products by:

(1) Failing to affix labels to such products showing in a clear, legible, and conspicuous manner each element of information re-

quired to be disclosed by Section 4(b) of the Textile Fiber Products Identification Act.

(2) Setting forth non-required information on labels, or elsewhere on such products, in such a manner as to interfere with, minimize, detract from, or conflict with the required information as to the country of origin of imported products or as to any other information required by the Textile Fiber Products Identification Act or the Rules and Regulations promulgated thereunder.

*It is further ordered,* That respondents Benjamin Favorman, also known as Ben Favorman, and E. T. Cherin, individually and as co-partners trading as Troy Sportswear Co., Sun Valley Enterprises or Leisure Imports or under any other trade name and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of articles of wearing apparel or other products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from :

(1) Offering for sale, selling or distributing any product which is of foreign origin, without clearly and conspicuously disclosing on such product and, if such product is enclosed in a package or container, on the front of the package or container, in such a manner as not to be hidden or readily obliterated, the country of origin of such product.

(2) Setting forth with reference to any product any symbol or emblem reasonably likely to be confused with the British Coat of Arms, or any other symbol or emblem connoting British origin, or using the word "Highlander," or other words or terms connoting British origin to designate or to refer to products whose source is other than Great Britain.

(3) Misrepresenting in any manner the country of origin of such products.

(4) Furnishing or otherwise placing in the hands of others the means through which they may deceive or mislead the purchasing public in respect to the origin of respondents' merchandise.

(5) Misrepresenting the character or amount of constituent fibers contained in such products on invoices or shipping memoranda applicable thereto, or in any other manner.

*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.

Complaint

66 F.T.C.

IN THE MATTER OF

## ROLAND BARON TRADING AS SANDLER'S FUR SHOP

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE  
FEDERAL TRADE COMMISSION AND THE FUR PRODUCTS LABELING ACTS*Docket C-816. Complaint, Aug. 24, 1964—Decision, Aug. 24, 1964*

Consent order requiring a manufacturing furrier in Chicago, Ill., to cease misbranding, falsely advertising and deceptively invoicing his fur products.

## COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act and by virtue of the authority vested in it by said Acts, the Federal Trade Commission having reason to believe that Roland Baron, an individual trading as Sandler's Fur Shop, hereinafter referred to as respondent, has violated the provisions of said Acts and the Rules and Regulations promulgated under the Fur Products Labeling 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 Roland Baron is an individual trading as Sandler's Fur Shop.

Respondent is a manufacturer and retailer of fur products with his office and principal place of business located at 4758 Washington Street, Chicago, Illinois.

PAR. 2. Subsequent to the effective date of the Fur Products Labeling Act on August 9, 1952, respondent has been and is now engaged in the introduction into commerce, and in the manufacture for introduction into commerce, and in the sale, advertising, and offering for sale in commerce, and in the transportation and distribution in commerce of fur products; and has manufactured for sale, sold, advertised, offered for sale, transported and distributed fur products which have been made in whole or in part of furs which have been shipped and received in commerce as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act.

PAR. 3. Certain of said fur products were misbranded in that they were falsely and deceptively labeled or otherwise falsely or deceptively identified with respect to the name or designation of the animal or animals that produced the fur from which the said fur products had been manufactured, in violation of Section 4(1) of the Fur Products Labeling Act.

Among such misbranded fur products but not limited thereto, were fur products which were labeled as "Hudson Seal" when the fur contained in such products was in fact Dyed Sheared Muskrat.

Also, among such misbranded fur products, but not limited thereto, were fur products labeled as "Broadtail" thereby implying that the furs contained therein were entitled to the designation "Broadtail Lamb" when in truth and in fact they were not entitled to such designation.

PAR. 4. Certain of said fur products were misbranded in that they were not labeled as required under the provisions of Section 4(2) of the Fur Products Labeling Act and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

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

1. To show the true animal name of the fur used in the fur products.
2. To disclose that the fur contained in the fur product was bleached, dyed or otherwise artificially colored, when such was the fact.
3. To show the name, or other identification issued and registered by the Commission, of one or more of the persons who manufactured such fur product for introduction into commerce, introduced it into commerce, sold it in commerce, advertised or offered it for sale, in commerce, or transported or distributed it in commerce.
4. To show the country of origin of the imported fur contained in the fur product.

PAR. 5. Certain of said fur products were misbranded in violation of the Fur Products Labeling Act in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth on labels in abbreviated form, in violation of Rule 4 of said Rules and Regulations.

(b) The term "Persian Lamb" was not set forth on labels in the manner required by law, in violation of Rule 8 of said Rules and Regulations.

(c) The term "Dyed Broadtail-processed Lamb" was not set forth on labels in the manner required by law, in violation of Rule 10 of said Rules and Regulations.

(d) The term "natural" was not used on labels to describe fur products which were not pointed, bleached, dyed, tip-dyed, or other-

wise artificially colored, in violation of Rule 19(g) of said Rules and Regulations.

(e) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth in handwriting on labels, in violation of Rule 29(b) of said Rules and Regulations.

(f) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was not set forth in the required sequence, in violation of Rule 30 of said Rules and Regulations.

(g) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was not set forth separately on labels with respect to each section of fur products composed of two or more sections containing different animal furs, in violation of Rule 36 of said Rules and Regulations.

PAR. 6. Certain of said fur products were falsely and deceptively invoiced by the respondent in that they were not invoiced as required by Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated under such Act.

Among such falsely and deceptively invoiced fur products, but not limited thereto, were fur products covered by invoices which failed:

1. To show the true animal name of the fur used in the fur product.
2. To disclose that the fur contained in the fur product was bleached, dyed, or otherwise artificially colored, when such was the fact.
3. To show the country of origin of imported furs used in fur products.

PAR. 7. Certain of said fur products were falsely and deceptively invoiced with respect to the name or designation of the animal or animals that produced the fur from which the said fur products had been manufactured, in violation of Section 5(b)(2) of the Fur Products Labeling Act.

Among such falsely and deceptively invoiced fur products, but not limited thereto, were fur products which were invoiced as "Northern Seal" when, in fact, the fur contained in such fur products was "Rabbit."

Also among such falsely and deceptively invoiced fur products but not limited thereto were fur products which were invoiced as "Broadtail" thereby implying that the furs contained therein were entitled to the designation "Broadtail Lamb" when in truth and in fact they were not entitled to such designation.

PAR. 8. Certain of said fur products were falsely and deceptively invoiced in violation of the Fur Products Labeling Act in that they

were not invoiced in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) Information required under Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth on invoices in abbreviated form, in violation of Rule 4 of said Rules and Regulations.

(b) The term "Persian Lamb" was not set forth on invoices in the manner required by law, in violation of Rule 8 of said Rules and Regulations.

(c) The term "Dyed Broadtail-processed Lamb" was not set forth on invoices in the manner required by law, in violation of Rule 10 of said Rules and Regulations.

(d) The term "natural" was not used on invoices to describe fur products which were not pointed, bleached, dyed, tip-dyed or otherwise artificially colored, in violation of Rule 19(g) of said Rules and Regulations.

(e) Required item numbers were not set forth on invoices, in violation of Rule 40 of said Rules and Regulations.

PAR. 9. Certain of said fur products were falsely and deceptively advertised in violation of the Fur Products Labeling Act in that certain advertisements intended to aid, promote and assist, directly or indirectly, in the sale and offering for sale of such fur products were not in accordance with the provisions of Section 5(a) of the said Act.

Among and included in the aforesaid advertisements but not limited thereto, were advertisements of respondent which appeared in issues of the Community Publications, a newspaper published in the city of Chicago, State of Illinois.

Among such false and deceptive advertisements, but not limited thereto, were advertisements which failed:

1. To show the true animal name of the fur used in the fur product.
2. To show that the fur contained in the fur products was bleached, dyed, or otherwise artificially colored, when such was the fact.
3. To show the country of origin or imported furs contained in fur products.

PAR. 10. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, respondent falsely and deceptively advertised fur products in that said fur products were falsely or deceptively identified with respect to the name or designation of the animal or animals that produced the fur from which the said fur products had been manufactured, in violation of Section 5(a)(5) of the Fur Products Labeling Act.

Among such falsely and deceptively advertised fur products, but not limited thereto, were fur products advertised as "Broadtail"

Decision and Order

66 F.T.C.

thereby implying that the furs therein were entitled to the designation "Broadtail Lamb" when in truth and in fact they were not entitled to such designation.

PAR. 11. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, respondent falsely and deceptively advertised fur products in violation of the Fur Products Labeling Act in that the said fur products were not advertised in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) The term "Persian Lamb" was not set forth in the manner required, in violation of Rule 8 of the said Rules and Regulations.

(b) The term "Dyed Broadtail-processed Lamb" was not set forth in the manner required, in violation of Rule 10 of the said Rules and Regulations.

(c) The term "natural" was not used to describe fur products which were not pointed, bleached, dyed, tip-dyed or otherwise artificially colored, in violation of Rule 19(g) of the said Rules and Regulations.

PAR. 12. In advertising fur products for sale, as aforesaid, respondent made pricing claims and representations of the types covered by subsections (a), (b), (c) and (d) of Rule 44 of the Regulations under the Fur Products Labeling Act. Respondent in making such claims and representations failed to maintain full and adequate records disclosing the facts upon which such pricing claims and representations were based, in violation of Rule 44(e) of the said Rules and Regulations.

PAR. 13. The aforesaid acts and practices of respondent, as herein alleged, are in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder and constitute unfair and deceptive acts and practices and unfair methods of competition in commerce under the Federal Trade Commission Act.

#### DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondent named in the caption hereof with violation of the Federal Trade Commission Act and the Fur Products Labeling Act, and the respondent having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondent and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondent of all the jurisdictional facts set forth in the complaint to issue herein, 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 set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Roland Baron is an individual trading as Sandler's Fur Shop with his office and principal place of business located at 4758 Washington Street, Chicago, Illinois.

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 Roland Baron, an individual trading as Sandler's Fur Shop or under any other trade name, and respondent's 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 sale, advertising or offering for sale in commerce, or the transportation and distribution in commerce, of any fur product, or in connection with the manufacture for sale, sale, advertising, offering for sale, transportation, distribution, of any fur product which is made in whole or in part of fur which has been shipped and received in commerce; as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding fur products by:

1. Falsely or deceptively labeling or otherwise identifying any such fur product as to the name or designation of the animal or animals that produced the fur contained in the fur product.

2. Failing to affix labels to fur products showing in words and in figures plainly legible all of the information required to be disclosed by each of the Subsections of Section 4(2) of the Fur Products Labeling Act.

3. Setting forth information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form on labels affixed to fur products.

4. Failing to set forth the term "Persian Lamb" on labels in the manner required where an election is made to use that term instead of the word "Lamb."

5. Failing to set forth the term "Dyed Broadtail-processed Lamb" on labels in the manner required where an election is made to use that term in lieu of the term "Dyed Lamb."

6. Failing to set forth the term "natural" as part of the information required to be disclosed on labels under the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe fur products which are not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

7. Setting forth information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in handwriting on labels affixed to fur products.

8. Failing to set forth information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder on labels in the sequence required by Rule 30 of the aforesaid Rules and Regulations.

9. Failing to set forth separately on labels attached to fur products composed of two or more sections containing different animal fur the information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder with respect to the fur comprising each section.

B. Falsely or deceptively invoicing fur products by:

1. Failing to furnish invoices as the term "invoice" is defined in the Fur Products Labeling Act showing in words and figures plainly legible all the information required to be disclosed in each of the subsections of Section 5(b)(1) of the Fur Products Labeling Act.

2. Setting forth on invoices pertaining to fur products any false or deceptive information with respect to the name or designation of the animal or animals that produced the fur contained in such fur product.

3. Setting forth information required under Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form.

4. Failing to set forth the term "Persian Lamb" in the manner required where an election is made to use that term instead of the word "Lamb."

5. Failing to set forth the term "Dyed Broadtail-processed Lamb" in the manner required where an election is made to use that term instead of the words "Dyed Lamb."

6. Failing to set forth the term "natural" as part of the information required to be disclosed on invoices under the Fur Products Labeling Act and Rules and Regulations promulgated thereunder to describe fur products which are not pointed, bleached, dyed, tip-dyed or otherwise artificially colored.

7. Failing to set forth on invoices the item number or mark assigned to fur products.

C. Falsely or deceptively advertising fur products through the use of any advertisement, representation, public announcement or notice which is intended to aid, promote or assist, directly or indirectly, in the sale, or offering for sale of any fur product, and which:

1. Fails to set forth in words and figures plainly legible all the information required to be disclosed by each of the subsections of Section 5(a) of the Fur Products Labeling Act.

2. Falsely or deceptively identifies any such fur product as to the name or designation of the animal or animals that produced the fur contained in the fur product.

3. Fails to set forth the term "Persian Lamb" in the manner required where an election is made to use that term instead of the word "Lamb."

4. Fails to set forth the term "Dyed Broadtail-processed Lamb" in the manner required where an election is made to use that term instead of the words "Dyed Lamb."

5. Fails to set forth the term "natural" as part of the information required to be disclosed in advertisements under the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe fur products which are not pointed, bleached, dyed, tip-dyed or otherwise artificially colored.

D. Making claims and representations of the types covered by Subsections (a), (b), (c) and (d) of Rule 44 of the Rules and Regulations promulgated under the Fur Products Labeling Act unless there are maintained by respondent full and adequate records disclosing the facts upon which such claims and representations are based.

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

Complaint

66 F.T.C.

IN THE MATTER OF

## SOLMICA, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE  
FEDERAL TRADE COMMISSION ACT*Docket C-817. Complaint, Aug. 25, 1964—Decision, Aug. 25, 1964*

Consent order requiring five affiliated home improvement companies headquartered in St. Louis, Mo., to cease misrepresenting the quality of their aluminum siding and other products, that their customers receive special discounts, that their imitation stone is genuine, and deceptively guaranteeing their products.

## 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 Solmica, Inc., a corporation, and Saul Schmidt and Leon A. Moel, individually and as officers of said corporation, and Solmica of St. Louis, Inc., Solmica of the South, Inc., Solmica of Georgia, Inc., and Solmica of Nashville, Tennessee, corporations, 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. Respondent Solmica, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Missouri, with its principal office and place of business located at 4636 Easton Avenue, in the city of St. Louis, State of Missouri.

Respondents Saul Schmidt and Leon A. Moel are officers of the corporate respondent Solmica, Inc. They formulate, direct and control the acts and practices of said corporate respondent, including the acts and practices hereinafter set forth. Their address is the same as that of the corporate respondent, Solmica, Inc.

Respondent Solmica of St. Louis, Inc., is a subsidiary of and is controlled by Solmica, Inc. It is a corporation organized, existing and doing business under and by virtue of the laws of the State of Missouri, with its principal office and place of business located at 2501 South Kingshighway Boulevard, in the city of St. Louis, State of Missouri.

Respondent Solmica of the South, Inc., is a subsidiary of and is controlled by Solmica, Inc. It is a corporation organized, existing and

doing business under and by virtue of the laws of the State of Tennessee, with its principal office and place of business located at 2357 Lamar Avenue, in the city of Memphis, State of Tennessee.

Respondent Solmica of Georgia, Inc., is a subsidiary of and is controlled by Solmica, Inc. It is a corporation organized, existing and doing business under and by virtue of the laws of the State of Georgia, with its principal office and place of business located at 708 Spring Street, in the city of Atlanta, State of Georgia.

Respondent Solmica of Nashville, Tennessee is a subsidiary of and is controlled by Solmica, Inc. It is a corporation organized, existing and doing business under and by virtue of the laws of the State of Tennessee, with its principal office and place of business located at 1529 Demondruen Street, in the city of Nashville, State of Tennessee.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale and distribution of aluminum siding and related home improvement products to wholesalers and directly to the public.

PAR. 3. In the course and conduct of their business, respondents now cause, and for some time last past have caused, their said products, when sold, to be shipped from their place of business in the State of Missouri to purchasers thereof located in various other States of the United States, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business, and for the purpose of inducing the purchase of their siding materials and other products, respondents have made numerous statements and representations by means of the oral solicitations of their employees and representatives.

Typical and illustrative of such statements and representations, but not all inclusive thereof, are the following:

1. That in return for the use of the houses of prospective purchasers as models to demonstrate and advertise respondents' siding and other products after purchase and completion of the improvements, such purchasers will receive a reduced or special discount price.

2. That purchasers of respondents' siding and other products will receive a bonus, commission or other compensation from respondents when sales are made to others as a result of such demonstrations or advertising.

PAR. 5. In truth and in fact:

1. The houses of purchasers of respondents' siding and other products are not intended to be used and are not used as models to demon-

strate or advertise respondents' siding, and such purchasers do not receive a reduced or special discount price.

2. Purchasers of respondents' siding and other products do not receive a bonus, commission or other compensation from respondents because no sales are made as a result of using the purchasers' houses for demonstrations or advertising.

Therefore, the statements and representations as set forth in Paragraph Four hereof were and are false, misleading and deceptive.

PAR. 6. In the course and conduct of their business, and for the purpose of inducing the purchase of their siding materials and other products, respondents have made statements and representations in advertisements in newspapers, magazines and on television, and in direct mail advertising, respecting the thickness of their siding, the nature of their simulated stone and offers of free merchandise.

Typical and illustrative of such statements and representations, but not all inclusive thereof, are the following:

. . . Solmica is the first and ONLY aluminum siding with four coats of durable plastic bonded to the aluminum! This plastic coating makes Solmica 5 times thicker than other aluminum siding.

*	*	*	*	*	*	*
Solmica is not like any other aluminum siding, either! Four layers of durable plastic make it four times thicker than ordinary aluminum siding!						
*	*	*	*	*	*	*
SOLMICA STONE						
*	*	*	*	*	*	*

#### FREE SARAN WRAP

I understand that this card is my entry in the Fabulous Big Wheel Sweepstakes. I also understand that I will receive 1 year supply of Saran Wrap for spending a few minutes with your representative and listening to the complete story of Solmica Plasticlad Aluminum siding. There is no obligation \* \* \* nothing to buy!

PAR. 7. By and through the use of the above-quoted statements and representations, and others of similar import not specifically set out herein, respondents represent, directly or by implication, that:

1. Respondents' aluminum siding is four times thicker, or five times thicker, than all other aluminum siding.

2. Respondents' so-called "SOLMICA STONE" is genuine stone in its natural state.

3. All persons who fill out and mail an entry card in respondents' "Homeowner Sweepstakes" contest will receive a one year supply of Saran Wrap. The only obligation is to listen to the sales talk of one of respondents' representatives.

PAR. 8. In truth and in fact :

1. Respondents' aluminum siding is neither five times thicker nor four times thicker than all other aluminum siding.

2. Respondents' so-called "SOLMICA STONE" is not genuine stone in its natural state.

3. Many persons who entered respondents' "Homeowner Sweepstakes" contest and met all of its requirements did not receive any Saran Wrap after being contacted by a representative of respondents.

Therefore, the statements and representations as set forth in Paragraph Six and Seven hereof were and are false, misleading and deceptive.

PAR. 9. In the course and conduct of their business, and for the purpose of inducing the purchase of their siding materials, respondents have made statements and representations in advertisements in newspapers, on television, and in direct mail advertising respecting their guarantee.

Typical and illustrative of such statements and representations, but not all inclusive thereof, are the following :

**GUARANTEED AGAINST**

Cracking, Chipping, or Peeling

Won't Rust—Won't Warp—Won't Rot

\* \* \* \* \*

\* \* \* its guaranteed for life against warping, cracking, chipping or peeling.

\* \* \* \* \*

**NEW INCOMPARABLE PLASTIC FINISH BAKED ON**

**LIFETIME ALUMINUM GUARANTEED FOR LIFE!**

against cracking, peeling, chipping.

Won't Rust—Won't Warp—Won't Rot!

\* \* \* \* \*

**ALL-NEW SOLMICA PLASTICLAD ALUMINUM SIDING \* \* \* GUARANTEED FOR 20 YEARS!**

\* \* \* \* \*

**20 YEAR GUARANTEE IN WRITING!**

PAR. 10. Through the use of the aforesaid statements and representations, respondents have represented, directly or by implication, that their siding materials are unconditionally guaranteed, unconditionally guaranteed for the life of the structure to which applied or the life of the purchaser or some other unspecified "life" or life span, or unconditionally guaranteed for twenty years.

PAR. 11. In truth and in fact, respondents' siding materials are not unconditionally guaranteed, guaranteed for the life of the structure to which applied or the life of the purchaser or some other unspecified

"life" or life span, or unconditionally guaranteed for twenty years. Respondents' guarantee is subject to substantial limitations and conditions respecting the duration thereof and the extent and manner of performance thereunder.

PAR. 12. By and through the use of the aforesaid acts and practices, respondents place in the hands of others the means and instrumentalities by and through which they may mislead and deceive the public as to the thickness of their siding materials, the nature of their simulated stone siding, offers of free merchandise, and the nature of their guarantee.

PAR. 13. In the conduct of their business, at all times mentioned herein, respondents have been in substantial competition, in commerce, with corporations, firms and individuals in the sale of siding materials of the same general kind and nature as that sold by respondents.

PAR. 14. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were and are true, and into the purchase of substantial quantities of respondents' products by reason of said erroneous and mistaken belief.

PAR. 15. The aforesaid acts and practices of respondents, as herein alleged, were and are all to the prejudice and injury of the public and of respondents' competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce, in violation of Section 5 of the Federal Trade Commission Act.

#### DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the complaint to issue herein, 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 set forth in such com-

plaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Solmica, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Missouri, with its office and principal place of business located at 4636 Easton Avenue, in the city of St. Louis, State of Missouri.

Respondents Saul Schmidt and Leon A. Moel are officers of the above corporation and their address is the same as that of the above corporation.

Respondent Solmica of St. Louis, Inc., is a subsidiary of and is controlled by Solmica, Inc. and is a corporation organized, existing and doing business under and by virtue of the laws of the State of Missouri, with its office and principal place of business located at 2501 South Kingshighway Boulevard, in the city of St. Louis, State of Missouri.

Respondent Solmica of the South, Inc., is a subsidiary of and is controlled by Solmica, Inc., and is a corporation organized, existing and doing business under and by virtue of the laws of the State of Tennessee, with its office and principal place of business located at 2357 Lamar Avenue, in the city of Memphis, State of Tennessee.

Respondent Solmica of Georgia, Inc., is a subsidiary of and is controlled by Solmica, Inc., and is a corporation organized, existing and doing business under and by virtue of the laws of the State of Georgia, with its office and principal place of business located at 708 Spring Street, in the city of Atlanta, State of Georgia.

Respondent Solmica of Nashville, Tennessee is a subsidiary of and is controlled by Solmica, Inc., and is a corporation organized, existing and doing business under and by virtue of the laws of the State of Tennessee, with its office and principal place of business located at 1529 Demondreun Street, in the city of Nashville, State of Tennessee.

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, Solmica, Inc., a corporation, and its officers, and Saul Schimdt and Leon A. Moel, individually and as officers of said corporation, and Solmica of St. Louis, Inc., Solmica

of the South, Inc., Solmica of Georgia, Inc., and Solmica of Nashville, Tennessee, corporations, and their officers, and respondents' representatives, agents, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of siding materials or any other product in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication, that any reduced price, special price, allowance or discount is granted by respondents in return for the use of the purchaser's house or other building as a demonstration unit or for the furnishing of any other service or facility by the purchaser.

2. Representing, directly or by implication that respondents will pay a bonus, commission or any other compensation to purchasers or prospective purchasers on sales made as a result of demonstrating or advertising the purchaser's or prospective purchaser's house or building.

3. Representing, directly or by implication, that respondents' aluminum siding is five times thicker or four times thicker than all other aluminum siding; or representing, in any manner, that the thickness of their siding materials is other than respondents can affirmatively establish is the fact.

4. Representing, directly or by implication, that respondents' "SOLMICA STONE" or any other substantially similar product is genuine stone in its natural state; or representing, in any manner, that the quality or composition of their simulated stone is other than respondents can affirmatively establish is the fact.

5. Representing, directly or by implication, that persons will receive a gift of a specified article of merchandise, or anything of value, unless respondents establish that the item offered as a gift was in fact delivered to each eligible person.

6. Representing, directly or by implication, that respondents' products are unconditionally guaranteed when there are any conditions or limitations to such guarantee.

7. Using the word "Life" or any other term of the same import in referring to the duration of a guarantee of a product without clearly and conspicuously disclosing the life to which such reference is made; or representing, in any manner, that the duration of a guarantee is other than respondents can affirmatively establish is the fact.

8. Representing, directly or by implication, that respondents' products are guaranteed unless the identity of the guarantor, the

nature and extent of the guarantee and the manner in which the guarantor will perform thereunder are clearly and conspicuously disclosed in immediate conjunction with any such representation.

9. Furnishing any means or instrumentalities to others whereby the public may be misled as to any of the matters or things prohibited by the above provisions of this 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

DENNY CORPORATION ET AL.

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

*Docket 8612. Complaint, Jan. 3, 1964—Decision, Aug. 26, 1964*

Order requiring a Philadelphia, Pa., manufacturer of an insulation product named "Aluma-Sheeth" to cease misrepresenting the qualities of its product and implying that it has met standards established by the National Bureau of Standards or the Federal Housing Administration.

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 Denny Corporation, a corporation and Nathan Denenberg, Maurice Denenberg and Aaron Denenberg, individually and as officers of said corporation, herein-after 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. Respondent Denny Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of Pennsylvania, with its principal office and place of business located at 2028 Washington Avenue in the city of Philadelphia, State of Pennsylvania.

Respondents Nathan Denenberg, Maurice Denenberg and Aaron Denenberg are officers of the corporate respondent. They formulate,

direct and control the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. Their address is the same as that of the corporate respondent.

PAR. 2. Respondents are now and for some time last past have been engaged in manufacturing, advertising, offering for sale, sale and distribution of the insulation product designated "Aluma-Sheeth" to the public through distributors and manufacturer's representatives.

PAR. 3. In the course and conduct of their business, respondents now cause, and for some time last past have caused, their said insulation product, when sold, to be shipped from their place of business in the State of Pennsylvania to purchasers thereof located in various other States of the United States and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said product in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business and for the purpose of inducing the sale of their said insulation product, respondents have made certain statements and representations concerning the performance, relative effectiveness and thermal values of "Aluma-Sheeth" and other products as established by certain federal agencies in manuals, leaflets and other printed matter.

Typical and illustrative of the aforesaid statements are the following:

Aluma-Sheeth guards against condensation in walls. Aluma-Sheeth with special Breather Type Aluminum foil is highly permeable which allows vapor to escape from inner wall areas.

ALUMA-SHEETH PROVES THAT THICKNESS ALONE DOES NOT GIVE THE BEST THERMAL VALUE. ALUMA-SHEETH in  $\frac{1}{8}$ " thickness combined with the proper air spaces (a minimum of  $\frac{3}{4}$ " air space of facing each surface of ALUMA-SHEETH) has a resistance value of 5.94; compared with the resistance of 2.06 for  $2\frac{5}{32}$ " insulation board, 1.32 for  $\frac{1}{2}$ " insulation board and .45 for  $\frac{1}{2}$ " gypsum board. These values have been established by the Bureau of Standards, Washington, D.C. and the Federal Housing Administration.

PAR. 5. By and through the use of the foregoing statements and representations, and others of similar import not specifically set out herein, the respondents represented, directly or by implication, that:

1. "Aluma-Sheeth" prevents the condensation of water vapor in inner wall areas and allows the said vapor to escape from the said areas through perforations in the product.

2. Non-reflective type insulation boards when installed with two adjacent air spaces provide insulation resistance values of 2.06 for  $2\frac{5}{32}$ " insulation board and 1.32 for  $\frac{1}{2}$ " insulation board.

3. Quality ratings or values of "Aluma-Sheeth" and non-reflective type insulation boards have been established by the National Bureau of Standards and by the Federal Housing Administration.

PAR. 6. In truth and in fact:

1. "Aluma-Sheeth" does not prevent the condensation of water vapor in inner wall areas or allow the escape of appreciable amounts of water vapor from such areas but, on the contrary acts to some extent as a vapor barrier.

2. Non-reflective type  $2\frac{5}{32}$ " and  $\frac{1}{2}$ " insulation boards when installed with two adjacent air spaces provide considerably greater insulation protection than the values represented by respondents.

3. Quality ratings or values have not been established by the National Bureau of Standards or by the Federal Housing Administration for Aluma-Sheeth or for non-reflective type insulation boards.

Therefore, the statements and representations as set forth in Paragraphs Four and Five hereof were and are false, misleading and deceptive.

PAR. 7. By the aforesaid practices, respondents place in the hands of others means and instrumentalities by and through which they may mislead the public as to the effectiveness, characteristics and endorsements of insulation products.

PAR. 8. In the conduct of their business, at all times mentioned herein, respondents have been in substantial competition, in commerce, with corporations, firms and individuals in the sale of insulation of the same general kind and nature as that sold by respondents.

PAR. 9. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were and are true and into the purchase of substantial quantities of respondents' product by reason of said erroneous and mistaken belief.

PAR. 10. The aforesaid acts and practices of respondents, as herein alleged, were and are all to the prejudice and injury of the public and of respondents' competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce, in violation of Section 5 of the Federal Trade Commission Act.

*Mr. Frank P. Dunn and Mr. Peter L. Wolff supporting the complaint.*

*Crumlish and Kania of Philadelphia, Pa., by Mr. Joseph R. Glancey for respondents.*

## INITIAL DECISION BY WILLIAM K. JACKSON, HEARING EXAMINER

JULY 10, 1964

This proceeding was commenced by the issuance of a complaint on January 3, 1964, charging the corporate respondent and the three named individual respondents, individually and as officers of said corporation, with unfair and deceptive acts and practices and unfair methods of competition, in commerce, in violation of Section 5 of the Federal Trade Commission Act by misrepresenting the effectiveness characteristics and endorsements of their insulation products.

After being served with the said complaint, the aforesaid respondents appeared by counsel and thereafter filed their joint answer admitting a number of the specific allegations in the complaint, but denying generally the illegality of the practices charged in the complaint.

By order dated February 25, 1964, the hearing examiner scheduled a prehearing conference in this matter for the purposes of, among other things, obtaining stipulation of any uncontested facts, exchanging lists of documents and witnesses, authentication of documents, amendment of the complaint, etc. In response to the order scheduling the prehearing conference, counsel for both parties entered into and submitted to the hearing examiner a stipulation of facts which by agreement of the parties was to be made part of the record in lieu of evidence in support of and in opposition to the charges in the complaint.

By order dated April 13, 1964, the hearing examiner accepted the stipulation of facts and ordered the stipulation of facts incorporated into the record of this proceeding. In view of the fact that the parties waived any and all further procedural steps in this proceeding, it was further ordered that the record be closed for the taking of testimony and reception of evidence.

Based upon the entire record consisting of the complaint, answer, stipulation of facts, exhibits, and other matters of record, the hearing examiner makes the following findings as to facts, conclusions drawn therefrom, and order.

## FINDINGS OF FACTS

1. At the time of the distribution of manuals, leaflets, and other printed matter containing the statements and representations set forth in paragraphs 4 and 5 hereof, Denny Corporation was and continues to be a corporation organized, existing and doing business under and by virtue of the laws of the State of Pennsylvania, and was and pres-

ently is located in Philadelphia, Pennsylvania. Its principal office and place of business was and still is located at 2028 Washington Avenue in the city of Philadelphia, State of Pennsylvania.

Nathan Denenberg, Maurice Denenberg, and Aaron Denenberg are individuals and at the time of the distribution of manuals, leaflets, and other printed matter quoted in paragraph 4 hereof, were and presently are officers of the corporate respondent. Their business address was and still is 2028 Washington Avenue, in the city of Philadelphia, State of Pennsylvania. At the time of the distribution of manuals, leaflets, and other printed matter quoted in paragraph 4 hereof, they formulated, directed and controlled and presently formulate, direct and control the acts and practices of the corporate respondent, including the acts and practices of the type set forth in paragraphs 4 and 5 hereof. (Stip. of Facts, par. 1; Ans. par. 1.)

2. At the time of the distribution of manuals, leaflets, and other printed matter quoted in paragraph 4 hereof, the respondents were and presently are engaged in manufacturing, advertising, offering for sale, sale and distribution of the insulation product designated "Aluma-Sheeth" to the public through distributors and manufacturer's representatives. (Stip. of Facts, par. 2; Ans. par. 2.)

3. At the time of the distribution of manuals, leaflets, and other printed matter quoted in paragraph 4 hereof, the respondents accepted and presently accept orders for "Aluma-Sheeth" from customers located outside the State of Pennsylvania and have caused and now cause their said insulation product, when sold, to be shipped from their place of business in the State of Pennsylvania to purchasers thereof located in various other States of the United States and maintain, and at all times mentioned herein, have maintained and presently maintain, a substantial course of trade in said product in commerce, as "commerce" is defined in the Federal Trade Commission Act. (Stip. of Facts, par. 3; Ans. par. 3.)

4. In the course and conduct of their business during the years 1960 through 1962 and for the purpose of inducing the sale of their said insulation product, respondents have made certain statements and representations concerning the performance, relative effectiveness and thermal values of "Aluma-Sheeth" and other products as established by certain federal agencies in manuals, leaflets, and other printed matter. (Stip. of Facts, par. 4; CX 1-83.)

Typical and illustrative of the aforesaid statements are the following:

"Aluma-Sheeth" guards against condensation in walls. "Aluma-Sheeth" with special Breather Type Aluminum foil is highly permeable which allows vapor to escape from inner wall areas.

"ALUMA-SHEETH" PROVES THAT THICKNESS ALONE DOES NOT GIVE THE BEST THERMAL VALUE. "ALUMA-SHEETH" in  $\frac{1}{8}$ " thickness combined with the proper air spaces (a minimum of  $\frac{3}{4}$ " air space of facing each surface of "ALUMA-SHEETH") has a resistance value of 5.94; compared with the resistance of 2.06 for  $2\frac{5}{32}$ " insulation board, 1.32 for  $\frac{1}{2}$ " insulation board and .45 for  $\frac{1}{2}$ " gypsum board. These values have been established by the Bureau of Standards, Washington, D.C., and the Federal Housing Administration.

5. By and through the use of the foregoing statements and representations, and others of similar import not specifically set out herein, the respondents represented, directly or by implication, that:

a. "Aluma-Sheeth" prevents the condensation of water vapor in inner wall areas and allows the said vapor to escape from the said areas through perforations in the product.

b. Non-reflective type insulation boards when installed with two adjacent air spaces provide insulation resistance values of 2.06 for  $2\frac{5}{32}$ " insulation board and 1.32 for  $\frac{1}{2}$ " insulation board.

c. Quality ratings or values for "Aluma-Sheeth" and non-reflective type insulation boards have been established by the National Bureau of Standards and by the Federal Housing Administration. (Stip. of Facts, par. 5.)

6. In truth and in fact:

a. "Aluma-Sheeth" does not prevent the condensation of water vapor in inner wall areas or allow the escape of appreciable amounts of water vapor from such areas but, on the contrary, acts to some extent as a vapor barrier.

b. Non-reflective type  $2\frac{5}{32}$ " and  $\frac{1}{2}$ " insulation boards when installed with two adjacent air spaces provide considerably greater insulation protection than the values represented by respondents.

c. Quality ratings or values have not been established by the National Bureau of Standards or by the Federal Housing Administration for "Aluma-Sheeth" or for non-reflective type insulation boards.

Therefore, the statements and representations as set forth in paragraphs 4 and 5 hereof were and are false, misleading and deceptive. (Stip. of Facts, par. 6.)

7. By the aforesaid practices, respondents place in the hands of others means and instrumentalities by and through which they may mislead the public as to the effectiveness, characteristics and endorsements of insulation products. (Stip. of Facts, par. 7.)

8. In the conduct of their business, at all times mentioned herein, respondents have been in substantial competition, in commerce, with corporations, firms, and individuals in the sale of insulation material of the same general kind and nature as that sold by respondents. (Stip. of Facts, par. 8.)

9. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were and are true and into the purchase of substantial quantities of respondents' products by reason of said erroneous and mistaken belief.

#### CONCLUSIONS

1. The aforesaid acts and practices of respondents, as herein found, were and are all to the prejudice and injury of the public and of respondents' competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce, in violation of Section 5 of the Federal Trade Commission Act.

2. The Federal Trade Commission has jurisdiction of and over respondents and the subject matter of this proceeding.

3. The complaint herein states a cause of action, and this proceeding is in the public interest.

The order, as hereinafter set forth, follows the form of the order contained in the complaint, since the facts are found as alleged in the complaint and the parties have stipulated and the hearing examiner agrees that such order is appropriate and may be entered.

#### ORDER

*It is ordered*, That respondents, Denny Corporation, a corporation, and its officers, and Nathan Denenberg, Maurice Denenberg, and Aaron Denenberg, individually and as officers of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with manufacturing, offering for sale, sale and distribution of "Aluma-Sheeth" or other insulation products, in commerce as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication, that "Aluma-Sheeth" or any other substantially similar product prevents the condensation of water vapor in inner wall areas or allows the escape of appreciable amounts of water vapor from the said areas of structures to which they are applied; or misrepresenting in any manner the amount or degree to which any product will prevent the formation of moisture in inner wall areas or allow the escape of water vapor from such areas of structures to which they are applied.

2. Representing, directly or by implication, that non-reflective type insulation boards or any other type of insulation product has any measurement of effectiveness or other characteristic which is not the actual measurement of effectiveness or characteristic of said boards or any other type of insulation product.

3. Representing, directly or by implication, that quality ratings or values for insulating effectiveness have been established by the National Bureau of Standards or the Federal Housing Administration for "Aluma-Sheeth" or non-reflective type insulation boards; or misrepresenting the test results, endorsement, approval or acceptance of any product by a governmental or private agency.

4. Furnishing or otherwise placing in the hands of others the means and instrumentalities by and through which they may mislead or deceive the public as to any of the matters and things hereinabove prohibited.

DECISION OF THE COMMISSION AND ORDER TO FILE  
REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, effective August 1, 1963, the initial decision of the hearing examiner shall, on the 26th day of August 1964, become the decision of the Commission; and, accordingly:

*It is ordered,* That respondents Denny Corporation, a corporation, and Nathan Denenberg, Maurice Denenberg, and Aaron Denenberg, individually and as officers of said corporation, 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 the order to cease and desist.

---

IN THE MATTER OF

FAIRCHILD OPTICAL COMPANY, INC., ET AL.

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

*Docket C-818. Complaint, Aug. 26, 1964—Decision, Aug. 26, 1964*

Consent order requiring a Chicago distributor of "Magna-Sighter," an optical device of Japanese origin, to cease failing to label such product with indicia of foreign origin, and making deceptive pricing and savings claims.

## 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 Fairchild Optical Company, Inc., a corporation, and William Bogolub, 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 as follows:

PARAGRAPH 1. Respondent Fairchild Optical Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois, with its office and principal place of business located at 1555 West Howard Street, Chicago, Illinois.

Respondent William Bogolub 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 have been, engaged in the advertising, offering for sale, sale and distribution of an optical device consisting of a plastic hood holding lenses of varying degrees of magnification, hereinafter referred to as respondents' "Magna-Sighter," to the public and to retailers for resale to the public.

PAR. 3. In the course and conduct of their business, respondents now cause, and for some time last past have caused, their products, when sold, to be shipped from their place of business in the State of Illinois to purchasers thereof located in other States of the United States, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said product in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. Certain of respondents' "Magna-Sighters" are of Japanese origin. Said "Magna-Sighters" are packaged in plastic pouches and cardboard boxes and no disclosure is made on said products or the packaging therefor that said products are of Japanese origin. On certain of the aforesaid "Magna-Sighters" are affixed labels bearing the words "Fairchild Optical Company, Inc., Chicago 26, Illinois." Such words constitute an affirmative representation that said "Magna-Sighters" are of domestic, rather than foreign origin. Such representation is false, misleading and deceptive as said "Magna-Sighters" are of Japanese origin.

PAR. 5. When the name and address of a domestic corporation, firm or individual appear on a product and no disclosure is made that the

Complaint

66 F.T.C.

product is of foreign origin, a substantial portion of the purchasing public understands and believes that the product is of domestic origin, a fact of which the Commission takes official notice.

A substantial portion of the purchasing public has a preference for optical devices such as respondents' "Magna-Sighter" which are of domestic origin, a fact of which the Commission also takes official notice.

Respondents' misrepresentation of the country of origin of their optical devices is, therefore, to the prejudice of the purchasing public.

PAR. 6. In the course and conduct of their business, and for the purpose of inducing the sale of their "Magna-Sighter," respondents have made statements and representations with respect to the price of said product. Said statements and representations have been made in circulars, direct mail pieces and other types of advertising and promotional material distributed by means of the United States mails to prospective purchasers located in States other than the State of Illinois and to retailers for distribution to prospective purchasers.

Typical and illustrative of said statements and representations are the following:

\$8.95  
EACH  
WHEN YOU BUY  
2 OR MORE  
(\$9.95 FOR ONE)  
SELLS NATIONALLY  
FOR \$12.50  
SAVE UP TO \$3.55  
PER PAIR

PAR. 7. By and through the statements and representations as set forth in Paragraph Six hereof, respondents represent, directly or by implication, that \$12.50 is the price at which substantial sales of respondents' "Magna-Sighter" have been made and are being made in the recent and regular course of respondents' business and that, therefore, purchasers who accept respondents' offer to sell said "Magna-Sighters" at \$9.95 for one or \$8.95 each for two or more will save the difference between \$12.50 and \$9.95 or \$8.95 as the case may be.

In truth and in fact, the models of respondents' "Magna-Sighter" as depicted in said advertising and promotional material have never sold for \$12.50 and \$9.95 for one and \$8.95 each for two or more are respondents' regular prices for said "Magna-Sighters." Therefore, purchasers do not save the difference between \$12.50 and the stated lower prices.

Therefore, said representations and statements were, and are, false, misleading and deceptive.

PAR. 8. By the aforesaid practices, respondents place in the hands of others the means and instrumentalities by and through which they may mislead and deceive the public as to the country of origin of respondents' optical devices and as to the prevailing selling price of respondents' optical devices and the amount of savings afforded to purchasers of said devices.

PAR. 9. In the conduct of their business, at all times mentioned herein, respondents have been in substantial competition, in commerce, with corporations, firms and individuals in the sale of optical devices of the same general kind and nature as those sold by respondents.

PAR. 10. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were and are true and into the purchase of substantial quantities of respondents' optical device by reason of said erroneous and mistaken belief.

PAR. 11. The aforesaid acts and practices of respondents, as herein alleged, were and are all to the prejudice and injury of the public and of respondents' competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce, in violation of Section 5 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 Deceptive Practices 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 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 the respondents that the law has been violated as alleged in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having reason to believe that the respondents have violated the Federal Trade Commission Act, and having determined

that complaint should issue stating its charges in that respect, hereby issues its complaint, accepts said agreement, makes the following jurisdictional findings and enters the following order :

1. Respondent Fairchild Optical Company, Inc., is a corporation, organized, existing, and doing business under and by virtue of the laws of the State of Illinois, with its office and principal place of business located at 1555 West Howard Street, Chicago, Illinois.

Respondent William Bogolub is an officer of said corporation, and his address is the same as that of said corporation.

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 Fairchild Optical Company, Inc., a corporation, and its officers, and William Bogolub, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of optical devices or other merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act, as amended, do forthwith cease and desist from :

1. Representing, directly or by implication, in any manner or by any means that any product or substantial part thereof is made in the United States when said product or part is manufactured in or imported from a foreign country; or otherwise misrepresenting in any manner the country of origin of their merchandise.

2. Using the words "sells nationally for" or any other words of similar import or meaning to refer to any price which exceeds the price at which substantial sales of such merchandise are being made in respondents' trade area; or otherwise misrepresenting in any manner the price at which substantial sales of such merchandise are being made.

3. Representing, directly or by implication, that purchasers of respondents' merchandise will be afforded any savings from the retail price of respondents' merchandise unless the price at which such merchandise is offered constitutes a substantial reduction from the highest price at which substantial sales of such merchandise are being made at retail in respondents' trade area; or otherwise misrepresenting in any manner the savings afforded to purchasers of respondents' merchandise.

4. Placing in the hands of others the means and instrumentalities by and through which they may deceive and mislead the pur-

580

Complaint

chasing public as to any of the matters and things set forth in the preceding paragraphs of this 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

FAMILY RECORD PLAN, INCORPORATED, ET AL.

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

*Docket C-819. Complaint, Aug. 27, 1964—Decision, Aug. 27, 1964*

Consent order requiring a Los Angeles, Calif., seller of pictures through a "photograph album plan" to cease misrepresenting that prospective purchasers are specially selected, that the album is a free gift, that its prices involve savings, and using deceptive letterheads to collect delinquent accounts.

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 Family Record Plan, Incorporated, a corporation, and Irwin E. Kane and Henry G. Isherwood, individually and as officers 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 as follows:

PARAGRAPH. 1. Respondent Family Record Plan, Incorporated, is a corporation organized, existing and doing business under and by virtue of the laws of the State of California, with its office and principal place of business located at 2015 West Olympic Boulevard, Los Angeles 6, California.

Respondents Irwin E. Kane and Henry G. Isherwood, are officers of the aforesaid corporate respondent. They formulate, direct and control the policies, acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. Their addresses are the same as that of corporate respondent.

PAR. 2. Respondents are now, and for more than two years last past have been, engaged in the offering for sale, sale and distribution

## Complaint

66 F.T.C.

of a "photograph album plan." Respondents' album plan consists of a photograph album and a certificate entitling the purchaser to have a specified number of photographs taken at designated photographic studios. In the course and conduct of their business, respondents cause, and have caused, the aforesaid photograph albums and certificates, when sold, to be transported from their place of business in the State of California to purchasers of respondents' album plan located in various other States of the United States. In some instances, respondents cause, and have caused, said photograph albums to be shipped from the supplier or manufacturer thereof to purchasers of respondents' album plan located in various States of the United States. In those instances, respondents cause, and have caused, said certificates to be transported from their place of business in the State of California to purchasers of their album plan located in various other States of the United States. Respondents maintain, and at all times mentioned herein have maintained, a course of trade in said photograph albums and certificates in commerce as "commerce" is defined in the Federal Trade Commission Act. Their volume of trade in said commerce has been and is substantial. Respondents further engage in commerce in that they transmit various instruments of a commercial nature to their customers located in States other than the State of California and receive from said customers instruments of the same nature.

PAR. 3. In connection with, and as a part of, their business, respondents have entered into agreements or understanding with a large number of independent photographic studios located in most of the States of the United States whereby said studios have agreed to honor certificates for photographs issued to purchasers of respondents' photograph album plan. These certificates provide that the holders thereof are entitled to receive sixteen 8" x 10" photographs of any member of the family at the rate of two a year at intervals of not less than 90 days.

PAR. 4. In the course and conduct of their business as aforesaid, respondents employ sales agents or representatives who call upon prospective purchasers and solicit their purchase of respondents' album plan. Purchasers of respondents' album plan are frequently young parents with one or more children.

In the course of such solicitation and for the purpose of inducing, and which have induced, the purchase of respondents' photograph album plan, said sales agents or representatives have made many statements and representations, directly and by implication, to prospective purchasers of respondents' photograph album plan. Some of these statements and representations are made orally by the aforesaid sales

agents or representatives to prospective purchasers. Some of the said statements and representations are contained in advertising and promotional literature displayed and distributed to prospective purchasers by said sales agents or representatives. The aforesaid advertising and promotional literature is furnished to said sales agents or representatives by the respondents.

Among and typical of the aforesaid statements and representations, and others of similar import and meaning but not specifically set forth herein, are the following:

1. That the photograph album included in respondents' plan is free or a free gift;
2. That the person solicited has been especially selected;
3. That sample photographs shown to the prospective purchaser were taken by the local affiliated independent studio where the purchaser is to have the photographs taken pursuant to respondents' plan;
4. That the photograph album included in respondents' plan was a \$50.00 retail value in the trade area or areas where the representation was made. Respondents' sales agents or representatives further represent that, by purchasing respondents' plan for \$59.95, the purchaser will secure said album and the photographs specified in respondents' plan for \$59.95 and will realize a saving in the amount of the difference between \$59.95 and the total of the prevailing retail selling prices of said album and the photographs to which the purchaser will be entitled in the trade area or areas where the representation was made.

PAR. 5. In truth and in fact:

1. Respondents' album is not free or a free gift. The amount which the purchaser pays is for the album plus certain postage and handling charges;
2. Persons solicited by respondents' sales agents or representatives are not especially selected. The only selection process engaged in by respondents is an effort to confine their solicitation to persons likely to purchase respondents' photograph album plan;
3. Sample photographs shown to prospective purchasers of respondents' plan are not, in every instance, taken by the local affiliated independent studio where the purchaser is to have the photographs taken pursuant to respondents' plan;
4. The amount represented to be the prevailing retail selling price of the photograph album included in respondents' plan appreciably exceeds the price or prices at which substantial sales of such an album were made at retail in the recent, regular course of business in the trade area or areas where the representation was made. Therefore, purchas-

Complaint

66 F.T.C.

ers of respondents' plan did not realize a saving in the amount of the difference between \$59.95 and the price or prices at which substantial sales of such an album and photographs to which the purchaser will be entitled were being made in the trade area or areas where the representation was made.

Therefore, the statements and representations as set forth in Paragraph Four hereof are false, misleading and deceptive.

PAR. 6. In the course and conduct of their business, respondents send through the mails letters, forms and other printed matter from their place of business in the State of California to purchasers of respondents' album plan located in various other States of the United States whose accounts have become delinquent. Said letters, forms and other printed matter indicate that they originate from the "Coast to Coast Collection Service, P.O. Box 54039, Terminal Annex, Los Angeles 54, California." Respondents thereby represent that such delinquent accounts have been referred to an independent organization engaged in the business of collecting delinquent accounts.

In truth and in fact, "Coast to Coast Collection Service" is a fictitious name used by respondents in collecting delinquent accounts and the accounts in question have not been referred to an independent organization engaged in the business of collecting delinquent accounts. Therefore, the aforesaid representations are false, misleading and deceptive.

PAR. 7. In the course and conduct of their business, respondents frequently desire to ascertain the current address of purchasers of respondents' album plan whose accounts have become delinquent. For this purpose, respondents send through the mails from their place of business in the State of California into and through various other States of the United States printed forms seeking information from persons listed by the purchaser in question as personal references. Typical, but not all inclusive, of such forms is the following:

**IMPORTANT REQUEST**

Date -----  
Regarding ----- # -----

[ ]

**THIS INFORMATION IS URGENTLY NEEDED, SEE BELOW.** We are vitally interested in reaching the above named customers to finish providing our service. We have been compensated for this service and wish to be sure that these clients receive what they have paid for, especially if they have moved to another district. Inasmuch as there is a definite time limit under which the services must be furnished, a prompt reply will be appreciated by us as well as by your friend who listed you for this purpose.

589

## Complaint

Their new address is -----  
-----

I do not know, suggest you try in care of -----

Through the use of such forms, respondents represent, directly or by implication, that the information is desired for the purpose of furnishing services to the person in question and that furnishing the information will therefore be to the advantage of the person whose current address is desired.

In truth and in fact, the purpose for which such information is sought is solely for respondents' use in connection with the collection of delinquent accounts. Therefore, said statements and representations are false, misleading and deceptive.

PAR. 8. At all times mentioned herein, respondents have been, and are now, in substantial competition with corporations, firms and individuals engaged in the sale and distribution of photograph album plans consisting of photograph albums together with certificates for photographs to be taken at independent photographic studios.

PAR. 9. The use by respondents of the foregoing false and misleading statements, representations and practices, as set forth in Paragraphs Four and Five hereof, has had, and now has, the capacity and tendency to mislead and deceive a substantial portion of the purchasing public into the mistaken and erroneous belief that such statements and representations were, and are, true and to induce a substantial number thereof to purchase respondents' photograph album plan by reason of said erroneous and mistaken belief.

By and through the acts and practices as set forth in Paragraph Six hereof, respondents coerce and intimidate purchasers of respondents' photograph album plan whose accounts respondents claim to be delinquent and mislead such persons into believing that their accounts have been turned over to an independent organization engaged in collecting delinquent accounts. Respondents' acts and practices constitute a scheme or device to induce subscribers to pay such accounts through deception and misrepresentation.

The use by respondents of the printed forms as set forth in Paragraph Seven hereof has the tendency and capacity to mislead and deceive many persons to whom such forms are sent into the erroneous and mistaken belief that the statements and representations appearing on such forms are true and to induce such persons to give information which they would not otherwise supply.

PAR. 10. The aforesaid acts and practices of respondents as alleged in Paragraphs Four and Five hereof, were, and are, all to the prejudice and injury of the public and of respondents' competitors and

constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce in violation of Section 5 of the Federal Trade Commission Act.

The aforesaid acts and practices of respondents as alleged in Paragraphs Six and Seven hereof, were, and are, all to the prejudice and injury of the public and constituted, and now constitute, unfair and deceptive acts and practices in commerce in violation of Section 5 of the Federal Trade Commission Act.

#### DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the complaint to issue herein, 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 set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Family Record Plan, Incorporated, is a corporation organized, existing and doing business under and by virtue of the laws of the State of California, with its office and principal place of business located at 2015 West Olympic Boulevard in the city of Los Angeles, State of California.

Respondents Irwin E. Kane and Henry G. Isherwood are officers of said corporation, and their address is the same as that of said corporation.

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 Family Record Plan, Incorporated, a corporation, and its officers, and Irwin E. Kane and Henry G. Isher-

wood, 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 offering for sale, sale or distribution of photograph album plans, photograph albums or certificates for photographs, in commerce as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

A. Representing, directly or by implication, that:

- (1) Respondents' photograph album is free or a free gift;
- (2) Persons solicited have been especially selected;
- (3) Sample photographs shown to prospective purchasers were taken by the local affiliated independent studio where the purchaser is to have the photographs taken pursuant to respondents' plan unless such photographs were taken as represented;

(4) Any amount is the price at which the photograph album included in respondents' plan has been or is being sold in the local trade area or areas where the representation is being made unless substantial sales of the photograph album have been made at such price in the recent, regular course of business in such trade area or areas;

(5) The album included in respondents' plan has a value of or is worth any amount when such amount appreciably exceeds the price or prices at which substantial sales of the album or an album of at least like grade and quality have been made in the recent, regular course of business in respondents' trade area; or otherwise misrepresenting in any manner the retail value of respondents' merchandise; provided, however, that nothing contained hereinabove shall prohibit respondents from representing that the photograph album included in respondents' plan is being offered for sale at retail at a designated price in respondents' trade area if respondents establish that such album has been and is being offered openly and actively in good faith at such price by a substantial number of representative retail outlets.

B. Misrepresenting by means of comparative prices or in any other manner the savings afforded to purchasers of respondents' plan.

C.

(1) Using the name "Coast to Coast Collection Service" or any other name or names of similar import or meaning to describe, designate or refer to respondents' business or otherwise representing in any manner, directly or by implication,

Complaint

66 F.T.C.

that respondents' business is that of an independent organization engaged in the business of collecting delinquent accounts;

(2) Representing, directly or by implication, that accounts not referred to an independent organization engaged in collecting delinquent accounts have been so referred, or otherwise representing, directly or by implication, that any action not taken to effect the collection of delinquent accounts has been taken;

(3) Using letters, forms, questionnaires or other items of printed or written matter in connection with obtaining information concerning delinquent debtors which do not clearly reveal that the purpose for which the information is sought is that of obtaining information concerning delinquent debtors.

*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

CHINCHILLA RANCHERS, INC., ET AL.

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

*Docket C-820. Complaint, Aug. 27, 1964—Decision, Aug. 27, 1964*

Consent order requiring two Evansville, Wisc., sellers of chinchilla breeding stock to cease making exaggerated earning claims, misrepresenting the quality of their stock, deceptively guaranteeing the fertility of their stock, and misrepresenting their services to purchasers.

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 Chinchilla Ranchers, Inc., a corporation, and Marie Roberts, individually and as an officer of said corporation, and National Chinchilla Ranches, Inc., a corporation, and Keith E. Meixell, 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