state and is "reprocessed wool." It should have been so designated on tags or labels attached thereto and in invoices and other sales memoranda.

In view of the foregoing, the appeal of counsel supporting the complaint is granted, and the appeal of respondent Silver is denied. The initial decision is set aside, and we are entering our own findings as to the facts, conclusions and order to cease and desist in conformity with this opinion.

IN THE MATTER OF

HUNTER MILLS CORPORATION ET AL.

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

Docket 7401. Complaint, Feb. 6, 1959—Decision, Feb. 17, 1960

Order requiring manufacturers in Woodside, Long Island, N.Y., to cease violating the Wool Products Labeling Act by labeling as "100% reprocessed wool" and "100% reused wool," woolen interlinings which contained a substantial quantity of non-woolen fibers, by failing to label certain of said wool products as required, and by furnishing false guaranties that some of such products were not misbranded.

Mr. Thomas F. Howder for the Commission.

Shipley, Akerman & Pickett, by *Mr. Alex Akerman, Jr.*, of Washington, D.C., for respondents.

INITIAL DECISION BY J. EARL COX, HEARING EXAMINER

The respondents are charged with having violated the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, and thus with having engaged in unfair and deceptive acts and practices and unfair methods of competition in violation of the Federal Trade Commission Act. The specific violations alleged are (1) that respondents have labeled certain wool products as "100% reprocessed wool" and "100% reused wool" when in fact such products contained a substantial quantity of non-woolen fiber, and (2) that respondents have furnished false guarantees that their wool products were not misbranded "when they knew, or had reason to believe, that the said wool products so falsely guaranteed might be introduced * * * in commerce."

In denying respondents' motion for a bill of particulars because to do otherwise might delay the proceeding, the Hearing Examiner

ordered that the hearing proceed on the date designated in the complaint, and stated that for the purposes of the hearings the respondents would be considered to have filed a general denial. No formal answer was required of or filed by respondents. Hearings were thereafter held for the purpose of receiving evidence in support of the complaint, at the close of which respondents moved to dismiss the proceeding. This motion was denied and further hearings were held, at which evidence was received on behalf of respondents. At the close of the taking of evidence, respondents moved to dismiss as to respondents William Trakinski and Simon Trakinski as individuals, and to strike from the record Commission's Exhibit 5–D and the testimony of the witness Masterson, relating to tests performed by Better Fabrics Testing Bureau as shown in said exhibit, also the Commission's exhibits "purporting to be the results of tests" performed by the witness Molloy and the testimony of witness Molloy relating thereto. These motions are still pending and will be ruled upon in the order herein.

Proposed findings and conclusions have been submitted by counsel.

Upon consideration of the entire record, the following findings are made and conclusions reached:

1. Respondent Hunter Mills Corporation is a corporation organized, existing, and doing business under and by virtue of the laws of the State of New York. It was incorporated in 1955. It is a family-owned corporation with the majority of the stock held by the respondent William Trakinski, the president. The remaining shares are held by his brother, respondent Simon Trakinski, who is secretary-treasurer. In the management of the business, William Trakinski directs the manufacturing operation of the plant, while Simon Trakinski handles the finished wool batting product. There are no other stockholders, officers, directors, or officials. By stipulation it was agreed that "Said individual respondents cooperate in formulating, directing, and controlling the acts, policies and practices of the corporate respondent, including the acts and practices hereinafter referred to." All respondents have their offices and principal place of business at 60-01 27th Avenue, Woodside, Long Island, in the State of New York.

2. Hunter Mills Corporation is engaged in interstate commerce. It manufactures interlining materials, both plain and quilted, which are sold to jobbers who in turn sell to clothing manufacturers, many of whom are located in states other than that in which the Corporation's business or that of the jobber is operated. The merchandise as sold is frequently shipped by respondents, in the jobber's name, direct from respondent's factory to such clothing

manufacturers. For instance, respondent Corporation has sold its products to a jobber in New York, who then resold some of the merchandise to a garment manufacturer in Baltimore, Maryland, the materials sold being shipped by the respondent Corporation from New York to Baltimore in the jobber's name. The garments in which these interlining materials are used are distributed throughout the United States. The Corporation's business amounts to over $300,000 annually. There are many competitors.

3. For raw material Hunter Mills purchases and uses clippings which are obtained from old clothing or are cuttings from new cloth which are obtained from the garment-manufacturing industry. The interlining sold by Hunter Mills is composed of wool or wool mixed with other fibers. The clippings when they come to respondent's factory are in bales of approximately 300 pounds each, and are invoiced or tagged as all wool or all wool except of ornamentation.

4. Eight swatches or samples of respondents' interlining materials were received in evidence, as follows:

Exhibit No.	*Labeled and Invoiced*
CX 5	"100% Reprocessed Wool";
CXs 1, 2, and 4	"100% Reprocessed Wool Except of Ornamentation";
CXs 3, 6, 7 and 8	"100% Reused Wool Except of Ornamentation".

Of these, the fiber content was as follows:

Exhibit No.	*Wool*	*Other Fibers*
CX 5	85.9%	14.1%, including synthetics and cotton;
CX 1	87.2%	11.4% rayon, linen, nylon and cotton,
		1.4% acetate;
CX 2	85.5%	.5% acetate,
		14.0% rayon and miscellaneous;
CX 4	92.3%	.6% acetate,
		7.1% rayon, nylon, cotton, orlon and miscellaneous;
CX 3	91.2%	.8% acetate,
		8.0% nylon, rayon, and miscellaneous;
CX 6	82.0%	1.8% acetate,
		16.2% nylon, rayon, cotton, orlon and miscellaneous;
CX 7	82.3%	1.8% acetate,
		15.9% nylon, rayon, cotton, orlon and miscellaneous;
CX 8	84.9%	1.7% acetate,
		13.4% rayon, nylon, orlon, cotton and miscellaneous.

5. The tests which were conducted, which produced the percentage figures shown above, were standard procedures recognized and used by technical experts in the industry for determining wool and fiber content of woolen and part woolen materials. Seven of the exhibits were tested under recognized standard procedures by Mar-

jorie A. Molloy, who is employed by the Federal Trade Commission as a chemist. She was graduated from Seattle University in 1950 with a Bachelor of Science degree in chemistry, has had experience as an analytical chemist with the Department of the Interior, had quality control in a food-processing plant for four years, and since being with the Federal Trade Commission has performed between 700 and 800 tests similar to those involved in this proceeding. The other expert, William H. Masterson, supervised the testing of one sample (CX 5), using substantially the same method. He is a textile engineer employed by the Better Fabric Testing Bureau of New York. He was graduated from Bradford Durfee Technical Institute of Fall River, Massachusetts, and has worked with the Testing Bureau for approximately 27 years testing all yarns, fabrics and garments. He described the test procedures and stated that for the type of materials involved in this proceeding, the method used was the most satisfactory. Both of these witnesses were well qualified in the testing processes used, and respondents' motion to strike their testimony and the exhibits showing their test results will be denied.

6. Hunter Mills, on invoices, furnished to some of its purchasers a standard guarantee that its products were properly

"stamped, tagged, labeled or marked with the fibre content and other information as required by said act, and that none of such articles or products is misbranded."

From the facts set forth in Paragraph 4, above, it must be concluded that certain of respondents' interlining materials were not labeled or marked as required by the Wool Act, and therefore that respondents' guarantee was false. Respondents contend that the labels which they put on their products are the same as to content as the labels on the raw materials which they used. The truth of this contention is not disputed, but it has no saving grace in that §4(a)(2)(A) of the Wool Act provides that the percentage of the total fiber weight of wool, reprocessed wool, reused wool, and of each fiber other than wool if 5% or more, must be shown, "exclusive of ornamentation not exceeding 5 percentum of said total fiber weight." The statute further provides that deviation from the requirements of the Act shall not be misbranding if the person charged "proves such deviation resulted from unavoidable variations in manufacture, and despite the exercise of due care to make accurate" the statements appearing on the labels. Neither of these exculpatory conditions was met by respondents. In every sample tested the fibers other than wool exceeded 5 percentum substantially,

and there was no showing that unavoidable variations in manufacture were the cause of respondents' mislabeling practices.

7. Respondent William Trakinski was subpoenaed by counsel supporting the complaint and, over objections of counsel, required to testify in this proceeding. It is urged in his behalf that on this account a cease-and-desist order should not be issued against him individually, because of the provision of §9 of the Federal Trade Commission Act, which provides that "no natural person" shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he may testify, or produce evidence, documentary or otherwise, before the Commission in obedience to a subpoena issued by it * * *." This section of the Federal Trade Commission Act is inapplicable to the instant proceeding and cannot be the basis for the non-issuance of a cease-and-desist order herein.

CONCLUSION

1. This proceeding is within the jurisdiction of the Federal Trade Commission and is in the public interest.

2. Through their total ownership of all of the stock of respondent corporation, through their formulation, direction and control of its acts, practices and policies, including those herein found to be in violation of the Wool Products Labeling Act of 1939 and the Federal Trade Commission Act, the respondents William and Simon Trakinski are individually, as well as officially, responsible for such acts and practices.

3. All of the respondents have violated the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, and their acts and practices as herein found 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, in that they have

(a) misbranded certain of their wool products, and

(b) furnished false guarantees that certain of their wool products were not misbranded.

No other violation is shown.

4. Although the charge set forth in Paragraph Four of the complaint refers to §4(a)(2) of the Wool Products Labeling Act, no evidence was offered relating to §4(a)(2)(C), and from all the evidence it is concluded that the labels offered did conform to §4(a)(2)(C) of the Act. Therefore,

It is ordered, That respondents Hunter Mills Corporation, a corporation, and its officers, and William Trakinski and Simon Tra-

kinski, 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, or distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act, and the Wool Products Labeling Act of 1939, of woolen interlinings or other "wool products" as such products are defined in said Wool Products Labeling Act, do forthwith cease and desist from:

A. Misbranding such products by:

1. Falsely or 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 prdouct a stamp, tag, label, or other means of identification showing in a clear and conspicuous manner:

(a) The percentage of the total fiber weight of such wool product, exclusive of ornamentation not exceeding five percentum of said total fiber weight, of (1) wool, (2) reprocessed wool, (3) reused wool, (4) each fiber other than wool where said percentage by weight of such fiber is five percentum or more, and (5) the aggregate of all other fibers;

(b) The maximum percentage of the total weight of such wool products of any non-fibrous loading, filling, or adulterating matter;

3. Furnishing false guarantees that said woolen interlinings or other wool products are not misbranded under the provisions of said Wool Products Labeling Act, when there is reason to believe that the said wool products so guaranteed may be introduced, sold, transported, or distributed in commerce as "commerce" is defined in said Act.

It is further ordered, That respondents' pending Motion To Strike and Motion To Dismiss As To Certain Respondents be, and the same hereby are, denied.

OPINION OF THE COMMISSION

By TAIT, *Commissioner:*

This case is before the Commission on cross-appeals from the hearing examiner's initial decision holding that the respondents have misbranded certain wool products manufactured by them and have furnished to customers false guaranties that the products were not misbranded, all in violation of the Wool Products Labeling Act of 1939. The respondents attack the evidence tending to show mis-

branding, while counsel in support of the complaint seeks to enlarge the scope of the order to cease and desist included in the examiner's decision.

The product involved is plain and quilted batting which is manufactured from clippings obtained from old clothing and cuttings from new cloth and which is sold to the garment manufacturing trade for use as interlining material in coats and suits. The Commission's jurisdiction over the respondents and over the products they manufacture and sell is not contested.

The record consists in substantial part of reports of chemical analyses of samples or swatches taken from eight lots of the respondents' batting purporting to show that materials labeled and invoiced as "100% Reprocessed Wool," "100% Reprocessed Wool Except of Ornamentation" and "100% Reused Wool Except of Ornamentation," actually contained fibers other than wool in amounts ranging from 7.7 percent to 18 percent of the total fiber weight of the materials, and wool fibers of only 82.0 percent to 92.3 percent. It is the respondents' contention, however, that the results of these analyses were inadmissible or at least that they are wholly unreliable, leaving the record bare of any substantial evidence in support of the conclusion of misbranding.

One of the tests involved was performed at the Better Fabrics Testing Bureau, Inc., a private testing laboratory in New York City, on a sample of material drawn from a bolt labeled "100% Reprocessed Wool." The report (Commission Exhibit 5–D), signed by the Secretary of the company, purports to show that the fiber composition of the sample was not 100% reprocessed wool, as stated on the label, but was instead 85.9 percent wool, 14.1 percent "other fibers." The question raised is whether this report was properly received in evidence after having been identified by the witness William H. Masterson, a textile engineer in the employ of the laboratory, who did not personally perform the test but who was the supervisor of the technician who did.

Mr. Masterson, a graduate of Bradford Durfee Technical Institute, Fall River, Massachusetts, with 27 years' experience in the testing of yarns, fabrics and garments, obviously is an expert in his field. Had he participated personally in the test he would have been well qualified to testify as to the results. It appears, however, that the best he could do was to describe generally the procedure usually followed in the conduct of such tests and to identify the test report as having come from his organization. Since he did not perform the test, he, of course, could not testify as to the results on the basis of personal knowledge. Likewise, and for the same

reason, he had no notes or memoranda from which he could refresh a recollection, either past or present, or which would tend to establish the correctness of the test report, and hence nothing which could be used by counsel for the respondents in attacking the methods employed or the accuracy of the results obtained in the test. In the circumstances, while it is recognized that "* * * technical rules for exclusion of evidence applicable in jury trials do not apply to proceedings before federal administrative agencies in the absence of a statutory requirement that such rules are to be observed" (*Opp Cotton Mills, Inc., et al.* v. *Administrator of the Wage and Hour Division of the Department of Labor*, 312 U.S. 126, 155 (1941)), the Commission does not feel that Commission Exhibit 5 qualifies as "such relevant evidence as a reasonable mind might accept as adequate to support a conclusion." (*Consolidated Edison Co.* v. *National Labor Relations Board et al.*, 305 U.S. 197, 229 (1938).)

The evidence concerning the other tests relied on by the hearing examiner is not subject to this infirmity. These tests were performed by Miss Marjorie A. Molloy, a chemist in the employ of the Federal Trade Commission, on samples taken from seven lots of the respondents' batting. Miss Molloy appeared as a witness in support of the complaint, and after describing the various steps taken in preparing and analyzing the materials, was subjected to full and complete cross-examination by counsel for the respondents. The attack here is on the technique employed by the witness in washing and rinsing by hand the samples to remove dirt and grease prior to the actual test, the contention being that this resulted in a loss of fibers from the materials and rendered unreliable the fiber content findings.

The Commission sees little merit in this contention. The witness performing these tests, a graduate chemist with some nine years' experience, clearly demonstrated her familiarity with the various fiber identification tests, including the standard "boil-out" test used here. She testified that she has performed this same type of test some 700 to 800 times and that she clearly recognizes the necessity for careful handling of the materials to be tested. She readily admitted the possibility of a loss of some of the shorter fibers in the cleansing and preparation of materials if the materials are carelessly handled, but had no doubt that as handled by her the loss would be insignificant. Nor was this contradicted by the witness Masterson who, while he testified that materials to be tested are not hand-rinsed in his organization, agreed that if the rinsing were carefully done there would be "very, very little loss" of fibers.

In the circumstances, the Commission is satisfied that any small loss of fibers which may have occurred here cannot reasonably account for the presence in these samples of fibers other than wool ranging up to 18 percent of the total fiber weight. Nor can the possible presence of "ornamentation," account for other fibers in such amounts. Section 4(a)(2)(A) of the statute provides for exclusion of "ornamentation" from the statement of fiber contents only when it does not exceed 5 percent of the total fiber weight of the product, and Rule 16 of the Rules and Regulations promulgated under the Act expressly requires disclosure of the percentage of fibers in the ornamentation when it exceeds the 5 percent limit.

The respondents' final point is that the hearing examiner was in error in directing the order to cease and desist against William Trakinski and Simon Trakinski, individually, as well as in their capacities as officers of the respondent corporation, citing the Commission's decision in *Kay Jewelry, Inc.*, Docket 6445 (decided November 12, 1957). They further contend that the complaint must, in any event, be dismissed as to William Trakinski because of the immunity granted by Section 9 of the Federal Trade Commission Act against a natural person being prosecuted or subjected to any penalty or forfeiture on account of anything concerning which he may testify in obedience to a Commission subpoena.

Kay Jewelry is not an authority for the respondents' position (see *Reliance Wool & Quilting Products, Inc.*, Docket 7165 (decided November 20, 1959)). The record discloses that Hunter Mills Corporation is a family-owned corporation, with the majority of its stock held by William Trakinski, its president. The remaining shares are held by his brother, Simon Trakinski, who is secretary-treasurer. In the management of the business, William Trakinski directs the manufacturing operations of the company's single manufacturing plant, while Simon Trakinski handles the sales of the finished products and, among other things, personally initials each guaranty that the products are not misbranded, which guaranty is printed on the sales invoices. There are no other stockholders, officers or directing officials. As pointed out by counsel in support of the complaint, the individual respondents are not only officers of the corporation—they are the corporation—engaged in the daily performance of the most intimate details of its operation; and in such a situation the necessity for joining them individually in the order to cease and desist is obvious.

And it is equally clear that Section 9 of the Federal Trade Commission Act does not provide Mr. Trakinski with any basis for arguing that the order should not run against him. "The statute

does not immunize a witness from a cease and desist order, which is prospective only and has been aptly described as 'purely remedial and preventive.' *Chamber of Commerce of Minneapolis* v. *Federal Trade Commission*, 13 F. 2d 673, 685 (8th Cir. 1926). * * * One is not prosecuted by being told to desist from illegal conduct, nor does he thereby suffer the imposition of a penalty or the forfeiture of any legally-protected right or property." (*Carl Drath, trading as Broadway Gift Company* v. *Federal Trade Commission*, 239 F. 2d 452, 454 (D.C. Cir. 1956).)

The single point raised by counsel in support of the complaint concerns the scope of paragraph A–2 of the order to cease and desist entered by the hearing examiner. Having found that the respondents have misbranded their woolen batting in violation of Section 4(a)(2) of the Wool Products Labeling Act, the examiner entered an order requiring attachment to their products of a stamp, tag or label showing the percentages of the fiber constituents, as required by subsections (A) and (B) of Section 4(a)(2), but not requiring disclosure of the name of the manufacturer or of another person designated in the Act, as required by subsection (C). This, he said in the initial decision, was because of his conclusion that the labels offered in evidence were not deficient in this respect and, hence, requirement of this additional information was not justified.

As the respondents in effect concede, the mere fact that the record evidence does not show an omission from labels of the name of the manufacturer or other persons mentioned in subsection (C) does not restrict the Commission in the exercise of its discretionary authority to expressly require a showing on labels of all of the information prescribed by Section 4(a)(2) (*Federal Trade Commission* v. *Mandel Brothers, Inc.*, 359 U.S. 385 (decided May 4, 1959)). Nor is it true that the scope of the order is to be determined in all cases solely by the number of instances of misbranding actually proved. It may be, for example, that in a case involving only one or two isolated instances, where it clearly appears that they were the result of a mistake and where the offending party has taken prompt action in good faith to correct the error, an order of limited scope would suffice. That, however, is not the situation in this case and need not now be decided. There is in this record evidence relating to 14 separate transactions in which the respondents sold woolen batting labeled and invoiced as 100% reprocessed or reused wool and in connection with most of which they gave their customers written guaranties that the batting was not misbranded. The dates of these transactions ranged over a two-

year period from January 7, 1957, to January 14, 1959. Samples were taken from the batting involved in eight of the sales, and in the case of seven of them the evidence is that the materials contained fibers other than wool ranging from 7.7 percent to 18 percent of the product's total fiber weight. It thus appears reasonable to conclude that the incidents of misbranding have constituted integral parts of the respondents' over-all method of doing business, and an order directing full compliance with the labeling requirements of the statute in the future is fully justified.

Although not mentioned in the appeal, the Commission notes that the order contained in the initial decision is deficient also for the reason that it improperly characterizes the furnishing of false guaranties as misbranding. Under the terms of Section 9(b) of the Wool Products Labeling Act, the furnishing of a false guaranty that a wool product is not misbranded, with reason to believe the product may be introduced, sold, transported or distributed in commerce, is an offense separate and apart from the offense of misbranding, and should be prohibited as such.

The respondents' appeal is granted in part and denied in part, as indicated, and the appeal of counsel in support of the complaint is granted. The initial decision will be modified in conformity with the foregoing and, as so modified, adopted as the decision of the Commission.

Commissioner Anderson did not participate in the decision of this matter.

FINAL ORDER

This matter having been heard on cross-appeals from the hearing examiner's initial decision filed September 30, 1959, and the Commission, for the reasons set forth in the accompanying opinion, having granted in part and denied in part the respondents' appeal and having granted the appeal of counsel in support of the complaint:

It is ordered. That the initial decision be, and it hereby is, modified as follows:

1. By deleting from paragraphs 4 and 5 of the Findings all references to Commission Exhibit 5;

2. By deleting from the Conclusions all of paragraph 4;

3. By striking the order and substituting therefor the following:

"*IT IS ORDERED*. That the respondents, Hunter Mills Corporation, a corporation, and its officers, and William Trakinski and Simon Trakinski, individually and as officers of said corporation, and the 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, or distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act and in the Wool Products Labeling Act of 1939, of woolen batting, or other "wool products," as such products are defined in and subject to said Wool Products Labeling Act, do forthwith cease and desist from misbranding such products by:

"1. Falsely or deceptively stamping, tagging, labeling, or otherwise identifying such products as to the character or amount of the constituent fibers contained therein; and

"2. Failing to affix labels to such products showing 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 said respondents and their representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of woolen batting, or other "wool products," as such products are defined in and subject to the Wool Products Labeling Act of 1939, do forthwith cease and desist from furnishing false guaranties that any such products are not misbranded under the provisions of the aforesaid Act, with reason to believe the wool product falsely guarantied may be introduced, sold, transported, or distributed in commerce.

"*It is further ordered*:

"1. That to the extent the respondents' motion to strike, filed July 10, 1959, requests the hearing examiner to strike from the record Commission Exhibit 5–D and the testimony of the witness Masterson, relating to the results of tests performed at the Better Fabrics Testing Bureau, Inc., as shown by said exhibit, the motion be granted; otherwise, it is denied;

"2. That the respondents' motion to dismiss the complaint as to the respondents, William Trakinski and Simon Trakinski, also filed July 10, 1959, be denied."

It is further ordered, That the hearing examiner's initial decision, as modified herein, be, and it hereby is, adopted as the decision of the Commission.

It is further ordered, That the respondents, Hunter Mills Corporation, a corporation, and William Trakinski and Simon Trakinski, 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 foregoing order to cease and desist.

Commissioner Anderson not participating.

IN THE MATTER OF

AMERICAN REGISTRY OF DOCTOR'S NURSES, ET AL.

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

Docket 7526. Complaint, June 26, 1959—Decision, Feb. 17, 1960

Consent order requiring a Washington, D.C., concern engaged in selling memberships in its so-called "Registry," insurance policies, certificates, pins consisting of a caduceus with the letters "RDN" or "DN" superimposed, emblems and other insignia, to persons employed in doctors' offices, to cease representing falsely by use of its corporate name that its business was a non-profit organization of professional nurses, authorized to certify that applicants met the occupational requirements of doctor's nurses; and representing falsely through such trade name, certificates, pins, etc., that the purchaser would acquire thereby a recognized professional status.

Mr. Terral A. Jordan for the Commission.

Shipley, Akerman & Pickett, by *Mr. Alex Akerman, Jr.*, of Washington, D.C., for respondents.

INITIAL DECISION BY J. EARL COX, HEARING EXAMINER

The complaint charges respondents with the use of false, misleading and deceptive representations, unfair and deceptive acts and practices, and unfair methods of competition in commerce in connection with their business of selling memberships in American Registry of Doctor's Nurses, policies of insurance, certificates, pins, emblems and other insignia and indicia to persons employed in doctors' offices, in violation of the Federal Trade Commission Act.

After the issuance of the complaint all respondents, except Phillip Sellers, their attorney, and counsel supporting the complaint entered into an agreement containing consent order to cease and desist, which was approved by the Director and an Assistant Director of the Commission's Bureau of Litigation, and thereafter transmitted to the Hearing Examiner for consideration.

In the agreement it is stipulated and agreed that the complaint should be dismissed as to respondent Phillip Sellers, for reasons set forth in affidavits by Robert L. S. Bickford and Phillip Sellers,