



U.S. CONSUMER PRODUCT SAFETY COMMISSION

WASHINGTON, D.C. 20207

Record of Commission Action  
Commissioners Voting by Ballot

1111 - 18th Street, N.W.  
Washington, D.C.

Voting: Chairman King  
Commissioner Pittle  
Commissioner Sloan  
Commissioner Zagoria

ITEM

Consent Agreement and Order in FFA Matter: Sterned Knitting Mills, Inc.

(Briefing material transmitted by the Office of the Secretary on  
July 25, 1979)

DECISION

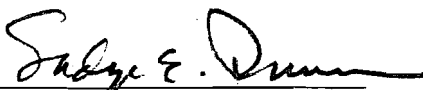
Attached is a copy of the Federal Register notice announcing the provisional acceptance by the Commission of a proposed Consent Agreement and Order in the above-referenced matter. The Commission's acceptance was decided by ballot vote of the Commissioners as set forth below. Under 16 CFR 1605.13, if no comments are received within 15 days of this public announcement, the Order is finally accepted. No public comments having been received, the attached Decision and Order was, accordingly, issued by the Office of the Secretary on September 18, 1979.

VOTE

Concurring: Chairman King (8/14/79)  
Commissioner Pittle (8/6/79)  
Commissioner Sloan (8/14/79)  
Commissioner Zagoria (8/8/79)

Commissioner Statler did not participate in this decision.

For the Commission:

  
Sadye E. Dunn  
Secretary

reasonable and representative testing; to process into conformance or destroy certain sweat shirt fabric of style #3810-18; and to maintain certain records and to file requested reports. If finally accepted, this consent agreement will settle allegations of the Commission staff that Sterned Knitting Mills and Alfred Stern have violated provisions of the Flammable Fabrics Act.

**DATE:** Written comments on the provisionally accepted consent agreement must be received by the Commission by September 17, 1979.

**ADDRESS:** Written comments should be submitted to the Office of the Secretary, Consumer Product Safety Commission, Washington, D.C. 20207. Copies of the agreement may be seen in, or obtained from, the Office of the Secretary, Consumer Product Safety Commission, 3rd Floor, 1111 18th Street, NW., Washington, D.C. 20207.

**FOR FURTHER INFORMATION CONTACT:** Gwendolyn B. Crockett, Directorate for Compliance and Enforcement, Consumer Product Safety Commission, Washington, D.C. (Phone 301-492-6632).

Dated: August 27, 1979.

**Sadye E. Dunn,**

*Secretary, Consumer Product Safety Commission.*

[FR Doc. 79-27231 Filed 8-30-79; 8:45 am]

**BILLING CODE 6355-01-M**

## **CONSUMER PRODUCT SAFETY COMMISSION**

### **Sterned Knitting Mills, Inc. and Alfred Stern; Provisional Acceptance of Consent Agreement**

**AGENCY:** Consumer Product Safety Commission.

**ACTION:** Provisional Acceptance of Consent Agreement.

**SUMMARY:** The Commission has provisionally accepted a consent agreement containing a cease and desist order jointly offered by the Commission Staff and Sterned Knitting Mills, Inc., a New York corporation, and Alfred Stern, individually and as an officer of that corporation, both of New York, New York 10001, in which they agree to manufacture and sell fabrics that conform to the Flammable Fabrics Act, all applicable regulations issued thereunder, and the Standard for the Flammability of Clothing Textiles (CS 191-53); to issue guaranties based on

UNITED STATES OF AMERICA  
CONSUMER PRODUCT SAFETY COMMISSION

In the Matter of

STERNED KNITTING MILLS, INC.,  
a corporation and

ALFRED STERN, individually and as  
an officer of the corporation.

CPSC Docket No. 79-C0002  
COMPLAINT

Nature of Proceedings

The Consumer Product Safety Commission (Commission) has reason to believe that STERNED KNITTING MILLS, INC. and ALFRED STERN, individually and as as officer of the corporation (Respondents), are subject to and have violated provisions of the Flammable Fabrics Act, as amended (FFA); the Federal Trade Commission Act, as amended (FTCA); and the Standard for the Flammability of Clothing Textiles (CS 191-53) (Standard), 16 CFR 1610 et seq., Subpart A, and rules and regulations promulgated under the Flammable Fabrics Act, 16 CFR 1610 et seq., Subpart B.

It appears to the Commission, from factual information available to the staff, that it is in the public interest to issue this Complaint in accordance with the Commission's Rules of Practice for Adjudicative Proceedings, 16 CFR Part 1025. Therefore, by virtue of the authority vested in the Commission by Section 30 of the Consumer Product Safety Act, as amended, 15 U.S.C. 2051, 2079, the Commission, pursuant to Section 5 of the FFA, 15 U.S.C. 1194, and Section 5 of the FTCA, 15 U.S.C.

45, and in accordance with the Commission's Rules of Practice for Adjudicative Proceedings, hereby issues this Complaint, and states its charges as follows:

Charges

1. Respondent STERNED KNITTING MILLS, INC. is a corporation and a wholly owned subsidiary of Edmund Stern, Inc. Sterned was organized and is doing business under the laws of the State of New York. Respondent ALFRED STERN is an officer of the corporate respondent. He formulates, directs, and controls the acts, practices and policies of the corporation.

2. Respondents are engaged in the manufacture and sale of fabric with their office and principal place of business located at 350 Fifth Avenue, New York, New York 10001.

3. At the times the infractions and violations charged herein occurred, respondents were engaged in the manufacture for sale, sale and offering for sale, in commerce, and in the introduction, delivery for introduction, transporting and causing to be transported in commerce, and in the sale or delivery after sale or shipment in commerce of fabrics as the terms "commerce" and "fabrics" are defined in FFA Section 2(b) and (f), 15 U.S.C. 1191 (b) and (f).

4. Respondents have been engaged in the manufacture for sale, the sale and offering for sale, in commerce, and have introduced, delivered for introduction, transported and caused to be transported in commerce, sweatshirt fabric style #3810-18, that failed to conform to the requirements of the Standard in violation of section 3(a) of the FFA (15 U.S.C. 1192(a)).

5. Respondents have been engaged in the furnishing of a false guaranty, with respect to fabrics manufactured by respondents, with reason to believe that the fabrics falsely guaranteed would be introduced, sold or transported in commerce, in violation of section 8 of the FFA (15 U.S.C. 1197(b)), and in violation of the rules and regulations promulgated under the FFA (16 CFR 1610, Subpart B)).

6. Pursuant to Sections 3(a) and 8(b) of the FFA, 15 U.S.C. 1192(a), 1197(b), the aforesaid violative acts and practices of Respondents constitute unfair methods of competition and unfair and deceptive acts and practices in commerce under the FTCA.

WHEREFORE, the premises considered, the Commission hereby issues this Complaint on the 18<sup>th</sup> day of September, 1979.

By the Commission:

  
\_\_\_\_\_  
Sadye E. Dunn, Secretary  
Consumer Product Safety Commission

United States of America  
Before Consumer Product Safety Commission

Commissioners: Susan Bennett King, Chairman  
R. David Pittle  
Edith Barksdale Sloan  
Samuel D. Zagoria

In the Matter of  
STERNED KNITTING MILLS, INC.  
a corporation and  
ALFRED STERN, individually and  
as an officer of the  
corporation

Decision and Order  
CPSC Docket No. 79-C0002

The Consumer Product Safety Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been given notice of certain noncomplying acts and practices and of a proposed Complaint that charges respondents with violations of the Flammable Fabrics Act, as amended, and the Federal Trade Commission Act; and

The respondents and counsel for the Commission, having executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the proposed Complaint, a statement that the signing of said agreement is for settlement purposes only concerning respondents' civil liability under section 3 of the Flammable Fabrics Act and does not constitute an admission by respondents that the law has been violated; and

The Commission having considered the matter and having determined that it has reason to believe that the respondents violated the said Acts and that the Complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of twenty (20) days, the Commission makes the following jurisdictional findings and enters the following order:

1. Respondent Sterned Knitting Mills, Inc. is a corporation organized and doing business under the laws of the State of New York.

Respondent Alfred Stern is an officer of Sterned Knitting Mills, Inc. He formulates, directs and controls the acts, practices and policies of the corporation.

Respondents are engaged in the manufacture and sale of general fabrics and sportswear fabrics. Their offices and principal place of business are located at 350 Fifth Avenue, New York, New York 10001.

2. The Consumer Product Safety Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

#### ORDER

##### I.

IT IS ORDERED THAT Sterned Knitting Mills, Inc., its successors and its officers, and Alfred Stern, individually and as an officer of the corporation, (hereinafter referred to as Respondents in this Order), and their agents, assigns, representatives and employees, directly or through any corporation, subsidiary, division or other instrumentality, do

forthwith cease and desist from manufacturing for sale, selling, offering for sale, in commerce, or importing into the United States, or introducing, delivering for introduction, transporting or causing to be transported in commerce, or selling or delivering after sale or shipment in commerce, any product, fabric, or related material; or manufacturing for sale, selling, or offering for sale, any product made of fabric or related material, which has been shipped or received in commerce, as "commerce," "product," "fabric" and "related material" are defined in the Flammable Fabrics Act, which product, fabric or related material fails to conform to the requirements of the Standard for the Flammability of Clothing Textiles (16 CFR Part 1610, Subpart A) issued under the provisions of the Flammable Fabrics Act.

## II

IT IS FURTHER ORDERED that the Respondents and their agents, assigns, representatives and employees directly or through any corporation, subsidiary, division or other instrumentality, do forthwith cease and desist from issuing a false guaranty with respect to any product, fabric or related material manufactured or sold by Respondents, as "product," "fabric," and "related material" are defined in the Flammable Fabrics Act, which guaranty is not based on reasonable and representative testing conducted pursuant to section 8 of the Flammable Fabrics Act (15 U.S.C. 1197) and 16 CFR 1610.37 of the rules and regulations promulgated under the Flammable Fabrics Act or is not based upon a guaranty received in good faith.



### III

IT IS FURTHER ORDERED that the Respondents shall either process all sweatshirt fabric of style #3810-18 in inventory to bring it into conformance with the Standard or destroy it.

### IV

IT IS FURTHER ORDERED that the Respondents shall, within twenty-one (21) days after service upon them of this Order, file with the Commission a special written and notarized report which:

- A. Sets forth the manner in which they intend to comply with every aspect of this Order.
- B. Advises the Commission fully and specifically concerning (1) the identity of the products to be processed as provided in Paragraph III of the Order, (2) the identity of the purchasers of the said products, (3) the amount of the products on hand and in the channels of commerce, and the amount returned, if any, and (4) any action taken or proposed to be taken to bring the product into conformance and to continue compliance with the applicable standard of flammability under the Flammable Fabrics Act, as amended.

### V

IT IS FURTHER ORDERED for a period of 5 years from the date this Order is issued by the Commission on a final basis, that Respondents shall notify the Commission at least 30 days prior to any proposed change in the status of any corporation named a Respondent in this Order such as dissolution, assignment or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries or any other change which may affect its compliance obligations arising out of this Order.

VI

IT IS FURTHER ORDERED for a period of 5 years from the date this Order is issued by the Commission on a final basis, that any individual who is named as a Respondent in this Order shall promptly notify the Commission of the discontinuance of his present business or employment and of his affiliation with a new business or employment. Such notice shall include his current business address and a statement as to the nature of the business or employment in which he is engaged as well as a description of his duties and responsibilities.

VII

IT IS FURTHER ORDERED that the Respondents shall distribute a copy of this Order to each of the operating divisions of any corporation which is named as a respondent in this Order.

VIII

The Commission may conduct inspections and/or require the Respondents to submit written reports to determine compliance with this Order, and may direct the Respondents to submit or permit the Commission to select for testing sufficient products subject to the Standard for the Flammability of Clothing Textiles (16 CFR 1610 et seq.) promulgated under the Flammable Fabrics Act.

By the Commission.

*September 18, 1979*

*Sadye E. Dunn*  
SADYE E. DUNN, SECRETARY  
CONSUMER PRODUCT SAFETY COMMISSION

UNITED STATES OF AMERICA  
CONSUMER PRODUCT SAFETY COMMISSION

In the Matter of

STERNED KNITTING MILLS, INC.,  
a corporation and

ALFRED STERN, individually  
and as an officer of the  
corporation.

AGREEMENT CONTAINING CONSENT  
ORDER TO CEASE AND DESIST

The staff of the Consumer Product Safety Commission (Commission) has investigated certain practices of Sterned Knitting Mills, Inc., a corporation and Alfred Stern, individually and as an officer of the corporation (hereinafter identified as Consenting Parties in this Agreement). The Consenting Parties are willing to enter into an Agreement with the Commission staff containing an Order to Cease and Desist pursuant to the procedure for consent order agreements contained in section 1605.13 of the Commission's Procedures for Investigations, Inspections, and Inquiries under the Flammable Fabrics Act (FFA), 16 CFR 1605.13.

Therefore, the Consenting Parties and counsel for the Commission agree:

1. THAT the Consumer Product Safety Commission has jurisdiction in this matter under the following Acts: the Flammable Fabrics Act (15 U.S.C. 1191 et seq.); the Federal Trade Commission Act (15 U.S.C. 41 et seq.); and the Consumer Product Safety Act (15 U.S.C. 2051 et seq.).

2. THAT Sterned Knitting Mills, Inc., is a corporation and a wholly owned subsidiary of Edmund Stern, Inc., and was organized and is doing business under the laws of the State of New York.

Alfred Stern is an officer of Sterned Knitting Mills, Inc. and as such, formulates, directs and controls the acts, practices and policies of the corporation.

3. THAT Consenting Parties engage in the manufacture and sale of general fabrics and sportswear fabrics. Their offices and principal place of business are located at 350 Fifth Avenue, New York, New York 10001.

4. THAT the Consenting Parties state that they are now and have been engaged in one or more of the following: the manufacture for sale, sale or offering for sale, in commerce, and the introduction, delivery for introduction, transportation and causing to be transported in commerce, and the sale or delivery after sale or shipment in commerce, of fabric, as the terms "commerce" and "fabric" are defined in the Flammable Fabrics Act, which fabrics are subject to the requirements of the Flammable Fabrics Act, the Standard for the Flammability of Clothing Textiles (CS 191-53), 16 CFR 1610 and the rules and regulations promulgated under the Flammable Fabrics Act (16 CFR 1610, Subpart B).

5. THAT no agreement, understanding, representation or interpretation not contained in this Agreement or Order may be used to vary or contradict the terms of the Order.

The Consenting Parties stipulate and agree:

6. (a) THAT the terms of the Order take effect upon their receipt of written notice that the Commission accepts the Consent Agreement; that the Commission may disclose the terms of the Agreement and Order to the public; and that the Agreement and Order shall be available for public view at the Office of the Secretary, Consumer Product Safety Commission, 1111 18th Street, N.W., Washington, D.C. 20207;

(b) To waive any and all rights to an administrative or judicial hearing and to any and all other procedural steps, including any and all rights to seek judicial review or otherwise challenge or contest the validity of this Agreement and Order;

(c) THAT within 21 days of receipt of the Commission's written acceptance of this Agreement, Consenting Parties shall file with the Commission the written, notarized compliance report required by Paragraph IV of this Order;

(d) THAT they acknowledge that they may be liable for a civil penalty under the provisions of the Federal Trade Commission Act for each violation of the Order after the Order becomes effective.

Counsel for the Commission agrees:

7. THAT this Agreement is for settlement purposes only and does not constitute an admission by the Consenting Parties that the law has been violated. Therefore, if this Agreement is not accepted by the Commission it may not be used in adjudicative proceedings, either administrative or judicial.

8. THAT the Commission waives the right to pursue criminal penalties under Section 7 of the Flammable Fabrics Act for the violations specifically charged in the Complaint which accompanies this Order; except that this waiver does not apply should the Commission discover additional evidence unavailable or unknown at the time this Agreement is executed or evidence intentionally withheld in order to avoid criminal liability.

#### ORDER

##### I.

IT IS ORDERED THAT Sterned Knitting Mills, Inc., its successors and its officers, and Alfred Stern, individually and as an officer of the

corporation, (hereinafter referred to as Respondents in this Order), and their agents, assigns, representatives and employees, directly or through any corporation, subsidiary, division or other instrumentality, do forthwith cease and desist from manufacturing for sale, selling, offering for sale, in commerce, or importing into the United States, or introducing, delivering for introduction, transporting or causing to be transported in commerce, or selling or delivering after sale or shipment in commerce, any product, fabric, or related material; or manufacturing for sale, selling, or offering for sale, any product made of fabric or related material, which has been shipped or received in commerce, as "commerce," "product," "fabric" and "related material" are defined in the Flammable Fabrics Act, which product, fabric or related material fails to conform to the requirements of the Standard for the Flammability of Clothing Textiles (16 CFR Part 1610, Subpart A) issued under the provisions of the Flammable Fabrics Act.

## II

IT IS FURTHER ORDERED that the Respondents and their agents, assigns, representatives and employees directly or through any corporation, subsidiary, division or other instrumentality, do forthwith cease and desist from issuing a false guaranty with respect to any product, fabric or related material manufactured or sold by Respondents, as "product," "fabric," and "related material" are defined in the Flammable Fabrics Act, which guaranty is not based on reasonable and representative testing conducted pursuant to section 8 of the Flammable Fabrics Act (15 U.S.C. 1197) and 16 CFR 1610.37 of the rules and regulations promulgated under the Flammable Fabrics Act or is not based upon a guaranty received in

good faith.

### III

IT IS FURTHER ORDERED that the Respondents shall either process all sweatshirt fabric of style #3810-18 in inventory to bring it into conformance with the Standard or destroy it.

### IV

IT IS FURTHER ORDERED that the Respondents shall, within twenty-one (21) days after service upon them of this Order, file with the Commission a special written and notarized report which:

- A. Sets forth the manner in which they intend to comply with every aspect of this Order.
- B. Advises the Commission fully and specifically concerning (1) the identity of the products to be processed as provided in Paragraph III of the Order, (2) the identity of the purchasers of the said products, (3) the amount of the products on hand and in the channels of commerce, and the amount returned, if any, and (4) any action taken or proposed to be taken to bring the product into conformance and to continue compliance with the applicable standard of flammability under the Flammable Fabrics Act, as amended.

### V

IT IS FURTHER ORDERED for a period of 5 years from the date this Order is issued by the Commission on a final basis, that Respondents shall notify the Commission at least 30 days prior to any proposed change in the status of any corporation named a Respondent in this Order such as dissolution, assignment or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries or any other change which may affect its compliance obligations arising out of this Order.

# VI

IT IS FURTHER ORDERED for a period of 5 years from the date this Order is issued by the Commission on a final basis, that any individual who is named as a Respondent in this Order shall promptly notify the Commission of the discontinuance of his present business or employment and of his affiliation with a new business or employment. Such notice shall include his current business address and a statement as to the nature of the business or employment in which he is engaged as well as a description of his duties and responsibilities.

# VII

IT IS FURTHER ORDERED that the Respondents shall distribute a copy of this Order to each of the operating divisions of any corporation which is named as a respondent in this Order.

# VIII

The Commission may conduct inspections and/or require the Respondents to submit written reports to determine compliance with this Order, and may direct the Respondents to submit or permit the Commission to select for testing sufficient products subject to the Standard for the Flammability of Clothing Textiles (16 CFR 1610 et seq.) promulgated under the Flammable Fabrics Act.

STERNED KNITTING MILLS, INC., a corporation

By:

*Alfred Stern*

*PRESIDENT*

Title

*350 5th AVE, NEW YORK CITY*

Street

City and State

ALFRED STERN, individually and as an officer of the corporation.

*Guendolyn B. Brackett*

Counsel for the Consumer Product Safety Commission



SPECIAL WRITTEN AND NOTARIZED REPORT

April 23, 1979

TO: U.S. CONSUMER PRODUCT SAFETY COMMISSION  
Washington, D.C. 20207

FROM: STERNED KNITTING MILLS, INC., a corporation  
and ALFRED STERN, individually and as an  
officer of the corporation

The undersigned, Respondents in connection with an Agreement between the U.S. Consumer Product Safety Commission and the undersigned dated \_\_\_\_\_, hereby submit this special written and notarized report in accordance with Paragraph IV of the Agreement.

A. Concerning Paragraph A, we advise that the manner in which we intend to comply with every aspect of the Order is that we have ceased all manufacture and sale of the fabric Style #3810-18 in question.

B. Concerning Paragraph B, we advise as follows:

1. There is no remaining sweatshirt fabric Style #3810-18 to be conformed or destroyed.
2. The purchasers of said sweatshirt fabric Style #3810-18 have previously been furnished to the Commission.
3. There is no remaining sweatshirt fabric Style #3810-18 and none has been returned.
4. We are no longer producing sweatshirt fabric Style #3810-18.

IN WITNESS WHEREOF, we hereby submit this special

written and notarized report to the U.S. Consumer Product  
Commission.

STERNED KNITTING MILLS, INC.,  
a Corporation

By \_\_\_\_\_

\_\_\_\_\_  
Alfred Stern, Individually and  
as an officer of the Corporation

STERNED KNITTING MILLS, INC.  
350 Fifth Avenue  
New York, N.Y. 10001

April 13, 1979

U.S. Consumer Product Safety Commission  
Washington, D.C. 20207

Gentlemen:

In accordance with your request, this will confirm that:

1. The information previously furnished to you contained a complete listing of all of our customers who were shipped our sweatshirt fabric Style #3810-18 and included the names, addresses, dates of shipment and amount of such fabric.

2. There is no existing inventory of the fabric in question.

2. We ceased manufacture and sale of the fabric in question on Approx. April 20, 1977.

Very truly yours,

STERNED KNITTING MILLS, INC.

By: \_\_\_\_\_

Alfred Stern, Pres.

STATE OF NEW YORK     )  
                              ) ss.:  
COUNTY OF NEW YORK    )

On April 23, 1979, before me personally came  
Alfred Stern, to me known, who, by me duly sworn, did  
despose and say that deponent resides at Greens, New York  
that deponent is the President of STERNED KNITTING MILLS,  
INC., the corporation described in and which executed the  
foregoing Special Written and Notarized Report, that deponent  
knows the seal of the corporation; that the seal affixed to  
said instrument is the corporate seal, that it was affixed by  
order of the board of directors of the corporation, and  
that deponent signed deponent's name by like order

  
NOTARY PUBLIC

ALAN E. VINSOUFF  
NOTARY PUBLIC, STATE OF NEW YORK  
No. 60-4204015  
Qualified in Westchester County  
Commission Expires March 30, 1981

STATE OF NEW YORK     )  
                              ) ss.:  
COUNTY OF NEW YORK    )

On April 23, 1979, before me personally came  
ALFRED STERN, to me known and known to me to be the individual  
described in and who executed the foregoing Special Written  
and Notarized Report, and he duly acknowledged to me that  
he executed the same.

  
NOTARY PUBLIC

ALAN E. VINSOUFF  
NOTARY PUBLIC, STATE OF NEW YORK  
No. 60-4204015  
Qualified in Westchester County  
Commission Expires March 30, 1981