

IN THE MATTER OF
ARTHUR MURRAY, DOING BUSINESS UNDER THE
TRADE NAME AND STYLE OF ARTHUR MURRAY
SCHOOL OF DANCING

COMPLAINT (SYNOPSIS), FINDINGS, AND ORDER IN REGARD TO THE ALLEGED
VIOLATION OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914

Docket 1723. Complaint, Nov. 21, 1929—Decision, July 30, 1930

Where an individual engaged in operating a city studio of dancing, and in conducting a correspondence course of instruction therein, for pupils in various States; in advertising and describing the same in newspapers, magazines, periodicals, and other publications of general circulation throughout the several States, and in numerous letters, circulars, pamphlets, folders, and similar matter,

- (a) Represented that said course, in the studio, would cost \$500, the facts being that twenty lessons, at a cost of \$20 each, by said individual, would suffice for the average apt pupil, and four times as many, at \$5 per lesson, would be required in the case of one of said individual's instructors, and that the average pupil is able to learn to dance well by studying only the first ten pages of the course; with effect of inducing and persuading prospective pupils to subscribe in the belief that they were obtaining at a very low price instruction which would cost \$500 at the studio;
- (b) Represented that very large numbers, variously given as 120,000, 200,000, 250,000 and 400,000 persons, here and abroad, had learned to dance by subscribing, the fact being that up to 1923 he had sold only between 5,000 and 15,000 complete courses and since then between 150,000 and 200,000;
- (c) Represented that he was selected by the Naval Academy to train the Academy's dancing teachers and that there were included among former pupils ex-presidents, governors, senators, many members of European royal families, millionaires and leading stage and screen stars, the facts being that at the instance of said Academy's Navy Athletic Association, not officially connected therewith, he gave 2½ hours of personal instruction to one of its dancing instructors, supplied him with his courses at a cost of \$10, and arranged to and did, for a time, send him such new dance steps as thereafter came out, he had never instructed any ex-presidents or senators, but had given dancing instruction to two governors, and was able to name no stage people and only three motion picture actresses and actors as among his pupils, and no royalty, though many socially prominent people were and had been numbered among pupils of his said studio;
- (d) Represented that he could make a pupil an "even more than an excellent dancer", and a "marvelous dancer", and guaranteed so to do, the facts being that he had never seen any pupil of his correspondence course whom he would describe as a "marvelous dancer", and that advantages of age, previous experience, and natural aptitude to an exceptional degree were

necessary for a pupil to become a highly skillful dancer, so that many never became proficient and relatively few so proficient as to be deservedly termed "marvelous dancers";

- (e) Represented that the regular price of his said course was \$24, but that for a limited 10-day period he was making a special reduced offer of \$10 cash or \$12 in installments to those immediately enrolling, the facts being that since 1921 his said course had been regularly sold at \$10; and through "follow up" letters regularly offered the course as a "damaged cover" course or otherwise, at successively lower prices ranging from \$5 to \$1.98, set forth as specially reduced; and
- (f) Represented his said offers as special and limited through such statements as "Mail the blank now—before it is too late and save at least half the regular price. Remember the offer expires the middle of next month". "Free if you act quickly". "Now here is something very special. If you act at once", etc., the fact being that said various offers were neither limited nor special but good at any time;

With capacity and tendency to mislead and deceive the public and prospective pupils and to cause the purchase of said course in the erroneous belief that such statements and representations were true and that pupils were receiving same at a special price lower than the regular and usual one, if they enrolled immediately, and that they would derive and obtain all the other various advantages held out and represented as above set forth; all to the prejudice of the public and of competitors:

Held, That such practices, under the circumstances set forth, constituted unfair methods of competition.

Mr. G. Ed. Rowland for the Commission.

Mr. David A. Teichman, of New York City, for respondent.

SYNOPSIS OF COMPLAINT

Reciting its action in the public interest, pursuant to the provisions of the Federal Trade Commission Act, the Commission charged respondent individual, engaged, under the aforesaid trade name and style, in the sale of courses of instruction by correspondence, in dancing, to pupils residing at various places in the several States, and with place of business in New York City, with advertising falsely or misleadingly as to nature and cost of product or service, success and endorsement accorded, results to be attained, and prices, in violation of the provisions of section 5 of such act, prohibiting the use of unfair methods of competition in interstate commerce.

Respondent, as charged, engaged as above set forth, in advertising its said course in pamphlets, letters, circulars, and other literature falsely and misleadingly represents that—

(a) Pupils learn dancing under the personal supervision of respondent, the fact being that no such supervision is given any pupil, but the pupils must learn from the printed instructions sent them;

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(b) The course of 99 lessons would cost \$500 if given in person, the fact being that pupils can secure the same course, in 20 lessons of one hour each, at a total cost of \$100, under the personal instruction of one of respondent's staff of instructors and, under the personal instruction of respondent himself, at a total cost of \$400;

(c) Over 120,000, 200,000, 250,000, and 400,000 persons, in various countries have learned to dance by subscribing to respondent's course by mail, the fact being that respondent has never sold his course to any such numbers of persons;

(d) "Respondent was selected to teach the dancing instructors of the U. S. Naval Academy, and that among his pupils are ex-presidents, governors, several senators and many members of the royal families of Europe", the fact being that respondent was not chosen to teach such instructors and has not had as pupils ex-presidents, governors, etc., as above stated;

(e) Respondent guarantees to make pupils marvelous dancers, able to do all the newest smartest steps, the fact being that not all persons can become expert dancers and many can never learn to become graceful dancers.

Respondent further, as charged, in his aforesaid advertisements, makes false and misleading representations concerning the price of his said course, as follows:

A special offer of the course, the regular price of which is represented as \$24, for \$10 cash and \$12 in installments, made for a limited period of time to pupils enrolling immediately;

A further offer likewise limited and subject to immediate acceptance if the above is not accepted, of the course in slightly damaged bindings, at a specially reduced price of \$5, thereby saving from \$5 to \$7 on the regular price of the course;

A still further offer, if that immediately above described is not accepted, in which respondent offers prospective pupils the course "for which over 120,000 persons have paid on an average of \$10 apiece, for \$3, to be paid to the postman on delivery, the pupil to keep the course of instruction thirty days and if he believes said course is worth the special price of \$5 he is to send an additional \$2 to respondent, but if such pupil decides it is not worth more than \$3, he need not send any more money".

The facts of the matter are, as alleged, that "\$24 is not the regular and usual price of said course of instruction, and that said course has not been sold by respondent at said price of \$24 for many years last past; that there is no regular price for said course of instruction, but that respondent will sell it for \$3, \$5, \$10, or \$12, depending on

which offer prospective pupils accept, and, in fact, respondent offers said course of instruction to prospective pupils at the price of \$1.98; that said various offers are not special, limited offers in point of time but are the regular and usual prices at which respondent sells said course of instruction to prospective pupils, depending on what offer such prospective pupils accept, and said offers are open at any and all times that they are accepted by prospective pupils”.

“Use by respondent, Arthur Murray, doing business under the trade name and style of Arthur Murray School of Dancing, of aforesaid false, misleading, deceptive, and fictitious statements and representations in connection with and relating to his aforesaid course of instruction (as charged) have the capacity and tendency to mislead and deceive the public and prospective pupils, and will probably mislead and deceive the public and prospective pupils, and cause them to purchase respondent’s said course of instruction in the erroneous belief that said statements and representations are true, and that pupils of said respondent will in fact receive said course of instruction at a price less than the regular and usual price of said course, if they enroll immediately, and that they will derive and obtain all the other various and sundry advantages which respondent holds out and represents that pupils will derive and obtain as hereinbefore set out”, and said “acts and practices of respondent are all to the prejudice of the public and of respondent’s competitors, and constitute unfair methods of competition in commerce within the intent and meaning of Section 5”.

Upon the foregoing complaint, the Commission made the following

REPORT, FINDINGS AS TO FACTS, AND ORDER.

Pursuant to the provisions of an act of Congress approved September 26, 1914 (38 Stat. 717), the Federal Trade Commission issued and served a complaint upon Arthur Murray, doing business under the trade name and style of Arthur Murray School of Dancing, charging him with the use of unfair methods of competition in commerce in violation of the provisions of said act.

The respondent having entered his appearance, and having filed his answer herein, hearings were had and evidence was thereupon introduced on behalf of the Commission and respondent before an examiner of the Federal Trade Commission theretofore duly appointed.

Thereupon this proceeding came on for final hearing on the brief of counsel for the Commission, and oral argument of counsel for the Commission and respondent, and the Commission having duly

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considered the record, and being fully advised in the premises, makes this its findings as to the facts and conclusions drawn therefrom:

FINDINGS AS TO THE FACTS

PARAGRAPH 1. The respondent Arthur Murray, is an individual, doing business under the trade name and style of Arthur Murray School of Dancing, with his office and place of business at 7 East Forty-third Street, in the City of New York, State of New York, and is engaged in the business of operating a studio where dancing is taught, and also in offering for sale and selling a correspondence course of instruction in dancing to pupils residing in the various States of the United States. He causes books and pamphlets containing the said course of instruction, when sold, to be sent by mail from his place of business in the City of New York, State of New York, into and through various other States of the United States, to the respective purchasers thereof at their respective points of location.

In the course and conduct of his aforesaid business, respondent is in competition with other persons, firms, and corporations who are likewise engaged in the teaching of dancing, either by personal instruction, by correspondence, or by printed instruction in books.

PAR. 2. Respondent first began business in New York, N. Y., in 1913, where he gave dancing lessons in person in a studio conducted by him. In 1914 he went to Asheville, N. C., where he engaged in the same business, and shortly thereafter established a studio in Atlanta, Ga., and during the years 1914 to 1923 he carried on his business both in Atlanta, Ga., and Asheville, N. C. In 1923 he closed his studios in Atlanta and Asheville and returned to New York City and established a studio, where he has been continuously located since that time. Prior to 1921 he only gave personal instruction in dancing.

PAR. 3. In 1921 respondent prepared a course of instruction in dancing, consisting of printed lessons and diagrams illustrating the same, which he began to sell by mail. During the first two years of the correspondence course there was no definite number of lessons contained in it, the course being added to from time to time. In 1923 respondent began numbering the lessons, the course then consisting of 64 lessons, and additional lessons have been added from time to time since then until at the present time the correspondence course consists of 99 lessons, published in two paper bound books, numbered Part I and Part II. All of the numbered lessons contained in the course are not individual dances, but many of them consist of lessons on "ballroom behavior", "how to lead", "how to

follow", "etiquette", and other similar subjects. The correspondence course covers the same course of instruction as is given in respondent's studio in New York, where all instruction is given to the pupil by respondent himself or one of his instructors. At the present time from 3 to 5 per cent of respondent's business is derived from the proceeds of the sale of his correspondence course in dancing, the remainder coming from the studio. Formerly a much larger percentage of income was derived from the correspondence course.

PAR. 4. The studio operated by respondent in New York City is the largest dancing studio in the United States, and in the winter he employs 100 instructors, both men and women, and in the summer about 50. Among his pupils at the studio are many people of prominence in the social and business worlds. A lesson at the studio consists of a one-hour period of instruction, either by respondent or one of his instructors. Respondent gives individual instruction in the studio when necessary, but devotes most of his time to the details of the business at the present time. For personal instruction given by himself respondent usually charges \$20 per hour, but his charges vary depending upon the earning power of the individual. For instruction by his teachers respondent charges from \$4 to \$7 per lesson, the average being \$5. Respondent teaches groups and classes at public charitable institutions at nominal charges, or entirely without charge in some instances.

PAR. 5. In the course and conduct of his business, and for the purpose of inducing prospective pupils to subscribe for his correspondence course and enroll as pupils therein, and to purchase and pay for said course of instruction, respondent has prepared and caused to be prepared numerous advertisements of said correspondence course of instruction in dancing, which advertisements respondent has caused to be inserted in newspapers, magazines, periodicals, and other publications having a general circulation among the public throughout the several States of the United States. Respondent has also prepared, and caused to be prepared, and distributed to prospective pupils throughout the several States of the United States numerous letters, circulars, pamphlets, folders, and other forms of printed, written, and mimeographed matter relating to and descriptive of his said correspondence course in dancing. Included in said advertisements, pamphlets, letters, circulars, and other advertising literature, are various false, deceptive, misleading, and fictitious statements and representations concerning said correspondence course in dancing.

PAR. 6. Respondent represents in his aforesaid advertising literature that pupils who enroll for his correspondence course learn danc-

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ing under his personal supervision. The fact is that respondent personally prepared all the lessons in the course, and he personally answers any inquiries received from pupils regarding the lessons in the course, which average one letter a week.

PAR. 7. Respondent represents in his aforesaid advertising literature that the same course of instruction as is included in his correspondence course, if given in his studio, would cost the pupil \$500. The fact is that respondent personally can teach the average, apt pupil all the lessons included in the correspondence in 20 lessons, at a cost of \$20 each. It would require about four times as many lessons by one of his instructors, at an average cost of \$5 per lesson. The charges in respondent's studio are not fixed, but vary depending on the earning ability of the pupil. In some instances the charge for instruction by respondent's teachers is \$4 per hour, and sometimes as high as \$7 per hour. For personal instruction by himself respondent at time charges less than \$20 per hour. It is not necessary for a pupil to learn all the lessons in the correspondence course in order to be a proficient dancer, the average person being able to learn to dance well by only studying the first 10 pages of the course. While some of the pupils who receive instruction at respondent's studio take more than 100 hours, a few even taking as many as 200 hours, the majority of his pupils at the studio take considerably less than 100 hours instruction. Respondent has a course of instruction at his studio consisting of 20 lessons of one hour each, for which he charges \$100, and the majority of his pupils take that course.

The aforesaid representation and statement of respondent regarding the cost of the same instruction as included in the correspondence course if given in his studio is false, deceptive and misleading, and has the effect of inducing and persuading prospective pupils to subscribe for respondent's correspondence course in dancing in the belief that by so doing they are obtaining at a very low price the same instruction that would cost them \$500 if taken at respondent's studio.

PAR. 8. Respondent represents in his aforesaid advertising literature that many persons, located in the United States and various foreign countries, have learned to dance by subscribing to his aforesaid correspondence course, claiming varying numbers such as 120,000, 200,000, 250,000, and 400,000 persons. In a circular letter used in 1925 respondent states that 250,000 people are using his correspondence course; in literature used during the past four years he states, "Over 200,000 people have learned to dance—by mail—in the same way"; in an advertising booklet entitled "The Short Cut to Popularity", now being used by respondent, he states "over 250,000 men, women, and children have taken his course"; in a magazine adver-

tisement published in February, 1926, he states "he taught over 250,000 people to dance by mail"; in a circular letter used since 1927 the claim is made that "200,000 grown-ups and children" have learned by his course; in a circular letter used about a year ago he states "I have already taught over 400,000 men and women to become accomplished, versatile dancers through my easy at-home lessons"; in a series of six circular letters which are sent to prospective pupils at intervals in an effort to induce them to enroll, the first two claim 200,000 people, and the fifth letter states "over 120,000 people have become splendid dancers through my course"; and in magazine advertisements published in 1929, the claim is made that the number is 400,000.

Aforesaid statements and representations by respondent are false, deceptive, fictitious, and misleading because the fact is that respondent has not sold as many as 250,000 complete correspondence courses. Up to 1923 respondent sold between 5,000 and 15,000 complete courses, and since that time he has sold between 150,000 and 200,000 complete correspondence courses. In his amended answer to the complaint respondent stated that he had sold 200,000 complete correspondence courses since he began selling the same. Respondent also had a short correspondence course consisting of 16 lessons, which he claimed he sold during the period from 1922 to 1926, and in said amended answer he states he sold 150,000 of said short course. No short course is now being sold by respondent. He more recently prepared and distributed a course consisting of 5 lessons which is sent to anyone answering any of his advertisements and inclosing 10 cents to cover postage and printing. All of the statements and representations made by respondent in his advertising literature refer to the complete correspondence course, consisting of 99 lessons at present, and formerly 64 lessons.

PAR. 9. Respondent in his aforesaid advertising literature makes representations and statements to the effect that he was selected by the United States Naval Academy, at Annapolis, to train the dancing teachers of said Naval Academy, and that among the pupils whom he has taught to dance are ex-presidents, governors, several senators, many members of the royal families of Europe, millionaires, and leading stage and screen stars. In Part I of respondent's correspondence course in dancing appears a picture of respondent and under it "Teacher to the instructors of the U. S. Naval Academy."

Aforesaid statements and representations by respondent are false, deceptive, fictitious, and misleading, because the fact is that respondent was not selected by the U. S. Naval Academy to teach its instructors how to dance, nor has respondent instructed any ex-presi-

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dents of the United States in dancing, nor any members of any of the royal families of Europe. In 1924 the Navy Athletic Association, which is not officially connected with the U. S. Naval Academy, sent one of the dancing instructors of the Naval Academy to the studio conducted by respondent in New York City to take dancing instructions from respondent, and respondent gave said instructor 2½ hours of personal instruction, and supplied him with one of respondent's correspondence courses in dancing, for which the said instructor paid \$10. Respondent further arranged to send any new dance steps which might come out from time to time to the said instructor, and this was done for a period of two years. Respondent did not teach any other dancing instructors of the U. S. Naval Academy, and was not authorized to advertise that he was selected by the Naval Academy to teach its dancing instructors. Respondent has never instructed any ex-presidents of the United States in dancing; has not instructed any senators in dancing; has only given dancing instructions to two governors of the State of North Carolina; was unable to give the names of any stage people, and only the names of three moving picture actresses and actors as being among his pupils. Respondent was unable to name any members of any of the royal families of Europe or elsewhere whom he had taught to dance. Respondent does have now, and has had in the past, many socially prominent people among the pupils of his studio in New York City.

PAR. 10. Respondent in his aforesaid advertising literature represents that he can make a pupil a "marvelous dancer"; that he will make them "even more than a very excellent dancer"; and that he guarantees to make pupils "marvelous dancers". Said statements and representations are false, deceptive, and misleading, because the fact is that respondent has never seen any pupils who have studied his correspondence course who were what he would describe as a marvelous dancer. The ability to learn to dance depends upon the age, previous experience, and natural aptitude of the student, and in order to become a highly skillful and proficient dancer it is necessary that the pupil possess these qualities in an exceptional degree. Because of natural limitations there are many persons who can never become proficient dancers, and there are relatively few persons who become so proficient in the art of dancing as to merit the description of "marvelous dancer".

PAR. 11. Respondent in the advertisements, letters, circulars, folders, and other forms of advertising literature used by him in connection with his said correspondence course in dancing makes numerous false, deceptive, misleading, and fictitious statements and representations concerning the price of said correspondence course.

Respondent represents that the regular and usual price of his correspondence course is \$24, but that for a limited period of time he is making a special offer of the course to those who enroll immediately at a specially reduced price of \$10 cash, or \$12 in installments. The fact is that \$24 is not the regular and usual price of the said correspondence course, and said correspondence course was sold at \$24 only for a short time in 1921, when the course was first offered by respondent. In 1922 respondent began selling said correspondence course at \$10, and has sold it at that price ever since that time. Said correspondence course has always been offered by respondent as a "special limited offer of 10 days", but in fact there was no limited time within which said offer was in effect, but a pupil could secure the said course at the price of \$10 at any time since about 1922. At one time in 1927 respondent sent out 1,000 circulars advertising the correspondence course at \$32, but only sold 15 courses at that price, and discontinued said offer. In all of the advertising literature above referred to used by respondent in connection with his correspondence course the regular price of the course is continually stated as being \$24. Inclosed in the circular letters sent to prospective pupils is an enrollment blank to be used by said pupils in subscribing for the correspondence course, and in each of these enrollment blanks the price of \$24 is printed in black ink, with a red line struck through it and \$10 in red ink printed above, together with the amounts for installment payments.

In the series of circular letters heretofore referred to sent out by respondent to prospective pupils the first two letters refer to the regular price of the course as \$24. The third letter offers the course for \$5, and states that it is a "damaged cover" course. The fourth letter states the regular price of the course to be \$12, and the damaged cover course is offered at \$5. If no reply is received to these letters, respondent sends two additional letters at intervals, offering the course for a C. O. D. payment of \$3, and an additional \$2 to be sent if the pupil is satisfied with the course. The lessons included in the "damaged cover" course are identical with the regular correspondence course sold by respondent, the only difference being that the covers in which the lessons are bound have been discolored or defaced in the mail, and in some instances the paper upon which the lessons are printed is of an inferior quality. If a pupil accepts the "damaged cover" offer and sends in his money and there are no damaged cover courses available, respondent sends to said pupils one of his regular courses of instruction. In 1929 respondent began advertising in newspapers and magazines his correspondence course of instruction in dancing at a price of \$1.98. These advertisements

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state "Regular \$5 course now only \$1.98". Respondent claims that the course which he sells for \$1.98 consists of Part I of his complete correspondence course. Respondent sells his complete course for \$5 when the covers are damaged and for \$3 if a pupil does not wish to send the additional \$2, and the course which respondent sells for \$1.98 is the same as respondent's regular complete correspondence course.

In connection with his said correspondence course, respondent makes many statements to the effect that it is a special limited offer such as "Mail the blank now—before it is too late—and save at least half the regular price. Remember the offer expires the middle of next month"; "Free if you act quickly"; "Now here is something very special. If you act at once you get not only my entire \$24 course for only \$12 in small installments or \$10 cash * * *"; "Simply fill out the enrollment blank and send it with your remittance before I withdraw my special offer"; "*If you act at once* you can still receive one of these slightly damaged sets at the *specially reduced* price of \$5". Said statements and representations are false, deceptive, fictitious and misleading, because there is no limit in times when said course of instruction can be bought at the prices advertised, but in fact said offers are good at any time that the pupil decides to accept any of them.

PAR. 12. The use by respondent of the false, misleading, deceptive, and fictitious statements and representations regarding his correspondence course in dancing, as hereinabove set forth, has the capacity and tendency to mislead and deceive the public and prospective pupils and cause them to purchase respondent's said correspondence course of instruction in the erroneous belief that said statements and representations are true, and that pupils of said respondent will in fact receive said course of instruction at a special price less than the regular and usual price of said course if they enroll immediately, and that they will derive and obtain all the other various and sundry advantages which respondent holds out and represents in his afore-said advertising literature that pupils will derive and obtain.

PAR. 13. The acts and practices of respondent as described herein are to the prejudice of the public and of respondent's competitors.

CONCLUSION

The practices of the respondent Arthur Murray, doing business under the name and style of Arthur Murray School of Dancing, under the conditions and circumstances described in the foregoing findings are unfair methods of competition in commerce, and con-

stitute a violation of the act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes".

ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission, the answer of respondent, and the testimony taken and briefs filed herein, and oral argument of counsel, and the Commission having made its findings as to the facts and conclusion that the respondent has violated the provisions of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes",

It is now ordered, That the respondent Arthur Murray, individually, and doing business under the trade name and style of Arthur Murray School of Dancing, his agents, representatives, servants, and employees, cease and desist from making statements and representations in magazines, periodicals, newspapers, letters, circulars, pamphlets, booklets, and any other advertising literature, circulated and distributed in connection with the sale in interstate commerce of respondent's correspondence course in dancing, as follows:

(1) That the regular and usual price of said correspondence course in dancing is \$24, or any other price, when such is not the fact.

(2) That prospective pupils are being offered the said correspondence course for a limited period of time at a specially reduced price, unless said offer is actually limited in point of time for acceptance at such reduced price.

(3) That many thousands of people have subscribed to and learned to dance by said correspondence course, when said numbers of people have not in fact subscribed to said course;

(4) That said correspondence course would cost \$500 if given by personal instruction at respondent's studio, when such is not the fact.

(5) That respondent was selected by the United States Naval Academy to instruct the dancing teachers at said Academy in the art of dancing; or that the respondent has taught dancing to ex-presidents of the United States, senators, governors of the various States of the United States, members of the royal families of Europe, or any other persons or classes of persons, when such is not the fact.

And it is further ordered, That respondent shall within 60 days after the service upon him of a copy of this order, file with the Commission a report in writing setting forth in detail the manner and form in which this order has been complied with and conformed to.

IN THE MATTER OF
L. L. COOKE SCHOOL OF ELECTRICITY

COMPLAINT (SYNOPSIS), FINDINGS AND ORDER IN REGARD TO THE ALLEGED
VIOLATION OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914

Docket 1603. Complaint, Apr. 22, 1929—Decision, Oct. 22, 1930

Where a corporation engaged under the name of its president and founder, in conducting a correspondence course in practical electricity,

- (a) Represented that there was a large and continuous demand among employers for the graduates of its course, requiring only ability to read and write as prerequisite, and that such graduates could reasonably expect, upon completing the course in their spare time and in a year or less, to receive salaries ranging from \$3,500 to \$10,000 a year, or equivalent weekly remuneration, the facts being that on the average a year and a half was required for completion of the course and that only in exceptional cases and after years of service did its graduates as a rule work up from the relatively subordinate positions in which usually placed even to approach the lower rate of compensation above represented.
- (b) Prepared and distributed trade literature, letters, lessons, etc., in the first person and over the signature of its aforesaid president, and purporting in his name to assure the various individual students and prospective students of the personal, continuing and individual interest and attention of said president in the advancement and problems of each, incident to the prosecution and completion of the course and his subsequent successful placement and career, the facts being that while the person in question had prepared text books and lessons and attended their revision, he did not concern himself with cases of the individual, which were in charge of other employees or agents of the school;
- (c) Employed enrollment blanks bearing the figure \$129.50, canceled, and the figure \$97.50 as a substitute therefor, along with advice to the prospective student that he was thus offered through the reduced price tendered him, a saving of \$32.50, and represented in trade literature soliciting prospective pupils, and over the signature of the aforesaid individual, that various outfits incident to the successful prosecution of the course, including tools, materials, etc., and other advantages were included free of all extra charge, making such statements as "I want my boys to succeed—and I spare no pains to have them do so. If you get your enrollment to me at once you will secure not only these terms but all six outfits, absolutely without extra expense", etc., the facts being that the aforesaid pretended reduced price constituted its usual and regular price and that the cost of the tools, etc., above referred to was included in the price of the course; and
- (d) Featured in the first person and under the name of said person and president the particular qualifications of such individual to conduct such a school with reference to the successful training and placing of pupils and graduates, including an alleged engineering experience of 25 years in all parts of the world and with engineering concerns of the widest repute, and represented over the signature of such individual that he undertook, under