

IN THE MATTER OF
ALBERT L. PELTON, TRADING AS RALSTON
UNIVERSITY PRESS

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

Docket 1615. Complaint, May 2, 1929—Decision, Sept. 28, 1931

Where an individual (1) engaged in selling by mail certain books or publications, including "Instantaneous Personal Magnetism" and "Complete Life Building," through study of which, it was advertised, every curable disease could be cured and every incurable disease prevented, and for which most extravagant claims were made, and which were sold under agreement with the author thereof, who had long prior thereto carried on in or from Washington the movement associated with the Ralston Health Clubs and had published and circulated through said clubs under a nom de plume publications in which he outlined his views regarding diet, nutrition, etc., and plans for the development of mentality and personality and acquirement of powers and facilities to insure success in life; and (2) not a graduate of any university or college or school of higher learning, nor (3) possessed of a certificate of efficiency indicating that he had ever taken, as in fact he had never taken, courses of instruction in the different subjects embraced by or relating to the various branches of science or learning discussed in the publications offered and sold by him, nor (4) doing any work, research or otherwise, directly or remotely resembling that done many years ago by or through the aforesaid so-called Ralston Health Clubs,

Adopted and employed the words "Ralston University Press" in the conduct of his said business and represented such supposed institution in advertising circulars as enjoying its "Golden Anniversary" and as continuing the Ralston educational movement and "Research Work," which he elaborated upon and extolled, and set forth as having started in Washington 50 years ago and as having enjoyed the indorsement and patronage of people of the highest prominence in different walks of life, and, under the caption "Change of Location," as now removed, after 40 years, to New England with its rich college and university "traditions and seats of learning," and located near such famous New England colleges as Yale, Trinity, Wesleyan, Harvard, and others, and as now offering "all that was formerly taught for huge fees—and a vast amount of newer discoveries. * * * arranged in our books, and taught much more satisfactorily than by high priced personnel," and thereby furnished prestige, authority, and weight to the inducements offered for the purchase of his said books;

Notwithstanding the fact that the so-called Ralston University or Ralston University of Expression for which the aforesaid author and controlling factor in said Ralston Health Club movement had once caused articles of incorporation to be filed, had ceased to function for more than 25 years, and never maintained any such agency as the Ralston University Press, and such individual had no knowledge or information qualifying or tending to qualify him to prescribe or suggest a course of life or study of either physical or mental application or development, and had no executives or teachers associated with him in his aforesaid book selling business;

With capacity and tendency to mislead and deceive the purchasing public into the erroneous belief that the university referred to still existed in the Connecticut city in which was located said individual's place of business and was there carrying on the work of the same character as that formerly conducted by it in Washington or by the Ralston Club or Ralston Company or by said author by and through such agencies, and that the supposed Ralston University Press was associated with an institution of higher learning known as Ralston University or some other such university or institution, and with effect of prejudicing and injuring through diversion of business, competitors selling books relating to diet, nutrition, health or personal magnetism, without using the word "University" as a part of their trade names, or asserting or implying connection with or relation to any university or institution of higher learning:

Held, That such acts and practices, under the circumstances set forth, were all to the prejudice of the public and competitors and constituted unfair methods of competition.

Mr. James M. Brinson for the Commission.

Mr. George R. Jackson, of Washington, D. C., for respondent.

SYNOPSIS OF COMPLAINT

Reciting its action in the public interest, pursuant to the provisions of the Federal Trade Commission Act, the Commission charge respondent individual, engaged in the sale at Meriden, Conn., of books purporting to relate to the development and maintenance of physical, mental, and spiritual strength, and development of character, and achievement of success, with misrepresenting business status or advantages, and advertising falsely or misleadingly, 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 in the sale of publications of the character above described under such names, among others, as "Complete Life Building," "Instantaneous Personal Magnetism," and "Thought Transference," and himself never associated with any institution of learning known as Ralston University nor possessed of any diploma or certificate of proficiency indicating that he had taken, as in fact he had never taken, courses in biology, chemistry, physical culture, business, medicine, law, etc., to qualify him to suggest any such courses of life, study, or practice, nor selling publications inspired, published, sponsored, or used by any institutions of learning, and without ever undertaking any investigation as to the truth of the representations of facts made by him, contrary to the generally accepted conclusion of competent persons engaged in research in the branches of knowledge concerned, does business under the trade name Ralston University Press and in advertising his aforesaid publications (which reveal nothing theretofore unknown

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to the public so as to enable anyone to accomplish the results promised, but contained facts either distorted, exaggerated or misapplied), makes such false and misleading representations and statements as—

“That ‘Complete Life Building’ contains the greatest number of facts ever put into a volume of its size,” providing a complete cure for indigestion, tuberculosis, rheumatism and a variety of other diseases named, without medicines, operations, exercises, or apparatus, and that it has cured such diseases, including tuberculosis, to the extent of 900,000 cases;.

That honest doctors everywhere prescribe it in place of drugs or operations;

That it will cure every curable malady and prevent every incurable malady, and that permanent cures of the various diseases can only be obtained in it;

That “Instantaneous Personal Magnetism” presents secrets of nature “which will enable one to command success in any undertaking to which such knowledge or power may be applied; that every individual is composed of billions of electrons and that the rate at which such electrons vibrate and the harmony and the lack of harmony that exists between the various groups of electrons determines the character and efficiency of every individual and that the ability to raise or lower at will such vibrations is the measure of success and that the book conveys information which enables the individual to determine the correct rate of vibration for the group of cells within the human structure that connects with the desires of the individual, so that such individual may be utilizing the information the book contains, and absolutely command success”; and

That as a result of study of the aforesaid publications “You Can Sway and Control Others,” “You Can Command Success,” “You Will Become More Popular, More Prosperous, More Gloriously Successful Than You Ever Dreamed Possible,” “I Will Make You a Fascinating Force in Social Life, a Powerful, Dominant, Commanding Figure in Your Profession”; and

Makes such further statements in characterizing said publications as “How to Develop a Magnetic Personality,” “How to Control Others by a Glance,” “How to Attract the Opposite Sex,” etc.

The use by respondent, as alleged, “of the trade name Ralston University Press has had and has the capacity and tendency to mislead and deceive and has mislead and deceived into the belief that Ralston University Press has had and has some connection with or relationship to an institute of higher learning, to wit, a university known as Ralston University and that the publication and distribu-

tion of said books and of each and all of them have been and are activities of such university; and each and all of the representations and statements of respondent in prospectuses, pamphlets, leaflets, letters, circular and otherwise as described * * *, has and have had and has and have the capacity and tendency to mislead and deceive and has and have mislead and deceived into the belief that the said books offered for sale by respondent contain information, knowledge, secrets, methods, practices, principles, or suggestions by which anyone irrespective of condition, situation, station, or physical or mental development or learning can be enabled to enjoy unlimited perfect health, freedom from incurable diseases, recovery from curable diseases, and to command success in whatever occupation or profession they may be engaged, and to develop physical and mental powers by which others may be dominated or controlled, and to induce the purchase of said books or one or more of them in reliance on such erroneous belief," all to the prejudice of the public and of respondent's competitors.

Upon the foregoing complaint, the Commission made the following

REPORT, FINDINGS AS TO THE FACTS, AND ORDER

Pursuant to 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," the Federal Trade Commission issued and served a complaint upon Albert L. Pelton, trading under the name and style of Ralston University Press, charging him with the use of unfair methods of competition in interstate commerce in violation of the provisions of said act. The respondent having entered his appearance and filed answer, testimony and documentary evidence were received, duly recorded and filed in the office of the Commission; thereafter the proceeding regularly came on for final hearing before the Commission on the complaint, answer, testimony and evidence, briefs and arguments by counsel for the Commission and counsel for respondent, and the Commission having duly considered the same, now makes this its report, in writing, stating its findings as to the facts and conclusion as follows, to wit:

FINDINGS AS TO THE FACTS

PARAGRAPH 1. Respondent is now, and for several years last past, has been engaged in business at Meriden in the State of Connecticut, under the name and style of Ralston University Press, and in the course and conduct of such business he has offered for sale and sold in interstate commerce by mail, books of various kinds including

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one called Complete Life Building and one called Instantaneous Personal Magnetism, causing them, when sold, to be transported from his said place of business to purchasers in the various other States of the United States than the State of Connecticut. In the course and conduct of said business respondent has been, and is engaged in competition in commerce among and between the various States of the United States with individuals, partnerships, and corporations engaged in the sale of the same or similar classes of merchandise, or books, in like commerce.

PAR. 2. Sometime prior to 1882 there was organized the Ralston Health Club. It was first conducted by a resident of Boston named Ralston. It was removed to the City of Washington, D. C., and one Webster Edgerly became its controlling factor. Clubs were formed throughout the United States and were known as Ralston Health Clubs. They were principally devoted to the consideration and promotion of plans for improvement of health. Many books were published by Edgerly under the name of Edmund Shaftesbury, dealing with questions of health and in them he outlined his views regarding diet, nutrition, sanitation, hygiene, and other subjects incidental to the maintenance of good health. He published books dealing, among other things, with so-called personal magnetism in which his views were expressed regarding the method to be followed, or the plan to be pursued for the development of mentality, of personality, and the acquirement of powers and facilities to insure success in life. Distribution of his books and circulation of his views and ideas constituted the principal function of the so-called Ralston Health Clubs which were also agencies for the conduct of propaganda resulting in the sale of his literary products. In 1898 he caused to be recorded at the office of the Recorder of Deeds of the District of Columbia, articles of incorporation for an institution known as the Ralston University of Expression. He and his wife Edna R. Edgerly were the principal factors in the organization of such institution. The evidence is meager regarding the character and activities of the so-called Ralston University of Expression. The institution ceased to function more than twenty-five years ago when in operation it maintained no such agency as the Ralston University Press.

On the 15th of March, 1925, long after the demise of the Ralston University of Expression, Webster Edgerly, by an agreement with respondent Albert L. Pelton, conveyed to him the right to print or reprint and sell certain books theretofore published by the said Webster Edgerly under the name of Edmund Shaftesbury, it being understood and agreed that certain royalties should be paid by respondent consisting of a certain percentage of cash received by

respondent from the sale of such books. It was stipulated and agreed in such contract that all new issues of the books under whatever titles agreed upon should be copyrighted by Webster Edgerly in whatever name he should select, but preferably as the Ralston Company, Ralston Company Press, Ralston University Press, or some similar name.

Thereafter respondent caused to be printed and published and to be distributed from his place of business at Meriden, Conn., to and among purchasers in the various other States of the United States, the books which their author Webster Edgerly had authorized him to print and sell.

He adopted and used for the sale of the book *Complete Life Building*, a circular or circulars formerly, or theretofore used to advertise such book by Webster Edgerly, or the Ralston Company. In this circular it is represented that by means of the study of *Complete Life Building* every curable disease may be cured and every incurable disease prevented. The most extravagant claims are made for the book in such circular or circulars.

Respondent, early in 1929, or approximately four months prior to the issuance of the complaint herein and approximately one year and a half before the hearing, discontinued the use of such circular or the representations it contained after his attention had been called to their character by a representative of the Commission, and at no time thereafter, or heretofore has he resumed any such representations as an inducement to the purchase of *Complete Life Building* or of any other book or books published by him.

Respondent has repeatedly made false representations and statements in his advertising literature which clearly implied connection with a university, and thereby, together with the trade-mark under which he operates or conducts his business, has furnished prestige, authority, and weight to the inducements he offers for the purchase of his books. These representations and statements, express or implied, are evidenced by a circular distributed by respondents as a part of his sales literature, which also reflects the purpose and intent, and the probable significance and effect of the use of the words "Ralston University Press."

It is headed "Achievements," below which appear the words "Ralston University Press" in large letters, and then in still larger letters "Our Golden Anniversary," beneath which appears "Fifty Years of Ralston History." The circular contains the following:

Responding to inquiries from many sources we have prepared this brief sketch of Ralston activities. For the benefit of thousands of new friends we give this short review of the long established Ralston enterprise of publishing private home training courses, embracing all human powers. Questions such as "What is the Ralston University Press?" "Are you a new concern?" "Do

you propagate some fancy cult or fad?" "What is Ralstonism?" etc., etc., come to us. Others with even more skeptical minds have assumed we were some temporary outfit of little responsibility, and might last a few months and then close our doors.

To all such we say—Ralston Research Work Started In Washington, D. C. in 1876—Fifty Years Ago—and has continued uninterrupted ever since.

Back of the Ralston executives, teachers, and owners, is over one million dollars financial responsibility—plus hundreds of thousands of satisfied students.

For over two decades we have been trail blazers in first supplying ambitious men and women with new knowledge of life, health, mental development, civilization—always far ahead of the common levels of thought.

"Ralston" was absolutely the pioneer concern in disseminating instructions in drugless treatment of sickness, using natural preventative methods for avoiding disease, and living to ripe old age.

In philosophy and higher thinking our work and teaching has long been recognized by able thinkers as being far in advance of the times. We were, by many years, advance teachers in the field so popular to-day, Applied Psychology. Only our students were provided years ago with facts which other teachers are bringing out now.

In a great department of personal power known to few outside of our own pupils—that of the vast sway and influence of Personal or Human Magnetism—we own and distribute the Only Recognized Library of Personal Magnetism Lessons in the World.

For upwards of twenty years there existed, almost within a stone's throw of the White House in Washington, D. C., the Ralston University, duly chartered under the laws of the District of Columbia. Here came Senators, Congressmen, heads of the Church, Thinkers, leading men and women of influence of America and Europe. They paid high fees for private instructions in certain powers which Ralston University developed.

Then appears in large letters "CHANGE OF LOCATION," beneath which appears the following:

But now, after forty years' location in the capital of the United States, the Ralston work is carried on in New England—rich in college and university traditions and seats of learning.

In a beautiful, small Connecticut city, Ralston University Press is located. Only a few miles away from us is Yale College, second to none in America. Near by are classical Trinity and Wesleyan Colleges. Just a little farther out is Harvard—and Dartmouth, Andover, Bowdoin, Exeter, Smith, Mt. Holyoke, Wellesley, Columbia, Tufts, and such notable sources of the best American education.

It is fitting that the Ralston University Press, continuing work started fifty years ago in Washington, D. C., should now continue here amidst the rich traditions of old New England's educational supremacy.

Letters of the strongest appreciation of Ralston University have been published in our catalogues in past years from United States Senators, Congressmen, Cabinet officers, Bishops and people of high business and social rank. At one period in our career, a Secretary of the Treasury of the United States presided at Commencement exercises of Ralston University, and awarded diplomas.

At another time, thirty-seven members of the U. S. Senate and House of Representatives, presented a large written testimonial of appreciation of Edmund Shaftesbury's instructions to them.

SHAFTESBURY'S COUNTLESS TRIUMPHS

As high as \$500 was paid for certain private facts which Shaftesbury had discovered during long years of research and experiment. One series of his lessons was read with so much delight by William E. Gladstone, that he purchased additional copies, presenting one to Queen Victoria. Phillips Brooks called this particular book "the new education."

As the years have passed, Edmund Shaftesbury's mind has steadily delved deeper into the mysteries of life and the powers of nature—and each successive literary production has added triumph to triumph. His educational courses are helping bring a new civilization on earth.

When you become a steady reader of our Home Training Courses, you are following in the footsteps of men—great and successful—throughout America and Europe. But you are not paying \$200 to \$500 for personal instructions as did high officials, wealthy business and professional men.

All that was formerly taught for huge fees—and a vast amount of newer discoveries—is now arranged in our books, and taught much more satisfactorily than by high-priced personal instruction.

Ralston books bring you in contact with more human experiences, and give you more practical, usable facts about life and success, than can be obtained in any other way or at any price.

Ralston is FIFTY YEARS OLD—has hundreds of thousands of satisfied patrons—and is adding thousands more every month. This evidence of solidity and satisfaction is adding thousands more every month. This is evidence of solidity and satisfaction that should convince the most skeptical.

THE RALSTON UNIVERSITY PRESS,
Meriden, Conn.

In truth and in fact there was no change of location for Ralston University, which as hereinabove stated, has not functioned for more than twenty-five years, if ever, as an actual operating university. There is no institution of learning at Meriden, Conn., known as Ralston University, or by any other name with which respondent is associated. He is a graduate of no university, college, or school of higher learning, and has received no diploma or certificate of efficiency representing or indicating that he has at any time taken, nor has he taken, courses of instruction in biology, chemistry, dietetics, nutrition, physical culture, economics, business finance, medicine, surgery, marketing, or any other subject or subjects embraced by, or relating to the various branches or lines of science, learning, or scholarship presented or discussed in any of the books or publications offered for sale or sold by him, nor has he conducted, or does he conduct at Meriden, Conn., any research work of any character, or any work that directly or remotely resembles the work formerly done by Webster Edgerly, or by, or through the Ralston Health Clubs. He has no knowledge, or information qualifying or tending to qualify him to prescribe or suggest a course of life or study of either

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physical or mental application or development. There is no executive other than respondent in his business, and no teachers. None is needed, since his work consists solely and exclusively in the sale and distribution, under the false and misleading name of Ralston University Press, of the books formerly published by Webster Edgerly as Edmund Shaftesbury, or others, and necessary administrative or clerical work in connection therewith.

PAR. 3. Use of the name Ralston University Press by respondent, accompanied by the representation that the location of Ralston University has been changed from Washington, D. C., to Meriden, Conn., with references to its appropriate situation in the vicinity of Harvard, Yale, and other institutions of learning and his use of the name University Press in connection with repeated and detailed circularization of purchasers and prospective purchasers with the history of the Ralston Movement, of Ralston work, and of Ralston University, has had, and has the capacity and tendency to mislead and deceive the purchasing public into the erroneous belief that Ralston University still exists at Meriden, Conn., and that it is carrying on work of the same character as that formerly conducted by it in Washington, D. C., or the Ralston Clubs, or Ralston Company, or by Webster Edgerly, by means of, and through such agencies, and that the Ralston University Press is associated with an institution of higher learning known as Ralston University, or some other university or institution of higher learning.

Competitors of respondent, offering for sale and selling books relating to diet, nutrition, or health, generally, or relating to the subject of personal magnetism, without using the word "University" as a part of their trade names, or without any asserted or implied connection with, or relation to any university or institution of higher learning, have been and are prejudiced and injured by the diversion of business from them to respondent through his false and misleading use of the word "University," and the false and misleading implications of his representation concerning maintenance of Ralston University, and the continued prosecution of the Ralston work at Meriden, Conn.

CONCLUSION

The acts and practices described in the above and foregoing findings as to the facts have been, and are, all to the prejudice of the public and respondent's competitors, and have been, and are unfair methods of competition in interstate commerce in violation of the provisions of section 5 of an act of Congress entitled "An act to

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create a Federal Trade Commission, to define its powers and duties, and for other purposes," approved September 26, 1914.

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, testimony, evidence, briefs and arguments of counsel, and the Commission having filed its report stating its findings as to the facts and its conclusion that respondent has been, and is violating 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 therefore ordered, That respondent, Albert L. Pelton, trading as Ralston University Press, in connection with offering for sale or selling the books entitled "Complete Life Building," "Instantaneous Personal Magnetism," or any other book or books, in interstate commerce, cease and desist from using the word "University" in his trade name, or in any manner as descriptive of respondent's business, or any other word or words, group, or association of words signifying or implying that respondent is connected with any university or institution of higher learning, or that said books are issued, approved or sponsored by a university or higher institution of learning.

It is further ordered, That respondent, within 60 days from and after service of this order, file with the Commission a report in writing, setting forth in detail the manner and form of its compliance therewith.

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IN THE MATTER OF

R. F. KEPPEL & BRO., INCORPORATED

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

Docket 1816. Complaint, May 2, 1930—Decision, Sept. 28, 1931

Where a corporation engaged in the manufacture of candy and in the sale thereof to wholesalers, jobbers, and retailers, sold assortments for resale to the ultimate consumer in the so-called "break and take packages," increasingly demanded by school children in preference to the "straight goods" assortments with their offer of greater value to purchasers than the majority secure from the "break and take packages," but lack of latter's gambling or lottery feature, through which chance selection of a certain piece entitles purchaser thereto without charge, to a more favorable price, to additional candy, or to merchandise included with the particular assortment, depending upon color of concealed center, legend or price contained within nontransparent wrapper, concealed presence within the candy of a penny, or such other device as may be utilized to bring about a more favorable result for the fortunate purchaser than that enjoyed by the majority, and supplied display cards for retailers' use, advising prospective purchasers of the nature of the plan employed in the particular "break and take" assortment involved; with the result that (1) competitors refusing to deal in "break and take" packages or assortments, through which children, principal consumers and purchasers thereof, are taught and encouraged to gamble, were injured by diversion of trade from them to it and other competitors using such practice in response to the constant and growing demand from small retailers for candy sold by lot or chance with which to attract the trade of children from their frequently nearby schools, and (2) freedom of fair and legitimate competition in the industry concerned was restrained and deterred:

Held, That such practices, under the circumstances set forth were to the prejudice of the public and competitors and constituted unfair methods of competition.

Mr. G. Ed. Rowland and *Mr. Henry C. Lank* for the Commission.

Mr. George E. Elliott, of Washington, D. C., and *Mr. John A. Coyle*, of Lancaster, Pa., 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, a Pennsylvania corporation engaged in the manufacture of candies and in the sale and distribution thereof to wholesale dealers and jobbers in various States, and with principal office and place of business in Lancaster, Pa., with using lottery scheme in merchandis-