

Syllabus

IN THE MATTER OF

MORRIS R. SHAPIRO, CHARLES SHAPIRO, MARY SHAPIRO, AND MRS. ROBERT SHAPIRO, TRADING AS THE ROBERT MORE COMPANY

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

Docket 2493. Complaint, July 6, 1935—Order, Nov. 5, 1935

Where a firm engaged in the sale of Christmas seals and merchandise through agents on the "return or remit" plan—

- (a) Misleadingly represented in their advertisements for agents in various newspapers and other periodicals that they would furnish certain premiums for the sale of a given number of articles, and "dozens of other wonderful premiums", and that they were also giving away various other specified articles for the sale of their Christmas seals, the facts being that only a few of such articles could be earned through the sale of the number of packages of seals and tags specified in said advertisement, and remittance of additional money was necessary to secure other so-called "gifts" or premiums, and it did not offer "dozens of other wonderful premiums" as therein represented;
- (b) Included among the premiums offered in the circular matter sent those replying, a "big six-tube radio receiver", without giving advice of fact that such article was not a complete set ready for immediate use, but required a battery which it did not supply, and that tubes, speaker or parts necessary for use were not included, or notice, until receipt of money from agent, that it would also be necessary to pay \$2.00, more or less, for express charges; and
- (c) Set forth in their advertisements directed to securing agents as aforesaid, "We pay postage on goods", facts being such postage was paid on only a comparatively few of the premiums offered to agents, and, in the case of the majority of such articles, prepayment of postage and money to cover cost of packing was demanded in addition;

With effect of causing many of the public to become agents for the sale of said products and to purchase its premiums and rewards in reliance upon the truth of such false, misleading, and deceptive representations, and with capacity and tendency so to do and to prejudice and injure public and competitors, divert trade unfairly from and otherwise prejudice and injure competitors' business, and operate as a restraint upon and a detriment to the freedom of fair and legitimate competition in the business concerned:

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

Before *Mr. W. W. Sheppard*, trial examiner.

Mr. George Foulkes for the Commission.

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COMPLAINT

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, having reason to believe that Morris R. Shapiro, Charles Shapiro, Mary Shapiro, and Mrs. Robert Shapiro, copartners trading as the Robert More Company, hereinafter referred to as respondents, have been and are using unfair methods of competition in commerce, as "commerce" is defined in said act, and it appearing to the said Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. Respondents, Morris R. Shapiro, Charles Shapiro, Mary Shapiro, and Mrs. Robert Shapiro are copartners trading as the Robert More Company, and are engaged in business in the city of Chicago, State of Illinois. They are now and for more than two years last past have been engaged in the business of distributing and selling salves, Christmas seals, and miscellaneous merchandise, which they distribute to purchasers, many of whom reside in States other than the State of Illinois, and when orders are received thereof, they are filled by respondents by shipping the same from the said city of Chicago, Ill., into and through other States of the United States and in the District of Columbia, to the respective places of business or residence of such purchasers.

PAR. 2. In the course and conduct of their business said respondents were and are in substantial competition with other corporations, individuals, firms, and partnerships likewise engaged in the sale and distribution of salves, Christmas seals, and miscellaneous merchandise between and among the various States of the United States and in the District of Columbia.

PAR. 3. Respondents' method of conducting their business is what is commonly known as the "return or remit" plan. In the course and conduct of such business respondents have advertised and do advertise in various newspapers, magazines, and periodicals for agents to sell their merchandise on the said "return or remit" plan, under which such agents are furnished with the merchandise to be sold and are allowed thirty days to sell the same and remit to respondents the agreed portion of its selling price or to return the unsold portion of the merchandise. No deposit is required and the goods remain the property of the respondents until paid for. The selling agent may remit the stated sum of the amount collected and keep the rest as commission, may remit the entire sum collected and receive what is

advertised by respondent as a "gift" for the performance of the selling services, or may remit other stated amounts together with the sum collected upon the sale of the merchandise and receive a "gift" as set out in respondents' premium list which is sent to its selling agents.

PAR. 4. The advertising placed by respondents in various newspapers, magazines, and periodicals is variously devised to show representations of express wagons, air rifles, radios, motion picture projectors, dishes, wrist watches, and various other sundry articles, and contains statements and representations such as the following:

**YOUR CHOICE!
FOR A LITTLE OF YOUR SPARE TIME**

For selling only 20 packages of Christmas Seals and Tags at 10¢ a package, we will send you choice of a dandy banjo ukulele, big telescope, a guaranteed pocket watch, a genuine Eastman camera, a genuine leather football, dandy pen and pencil set and dozens of other wonder premiums!

BIG CASH COMMISSIONS PAID

Thousands of our agents are earning money in spare and full time selling our famous Christmas Seals at 10¢ a package. We also give away ukuleles, 22-caliber Hamilton rifles, radios, 32, 38 and 42-pc. dinner sets, ladles and men's wrist watches, Flying Eagle coaster wagons, movie projectors, and many other wonderful gifts for selling our Christmas Seals and remitting according to offers in premium lists.

* * * * *

We pay postage on goods

PAR. 5. In truth and in fact the majority if not all of the various so-called "gifts" or premiums so advertised by respondents to be obtainable by their selling agents on completing sales of a specified number of packages of Christmas seals and tags, are only obtainable by such selling agents upon the payment of various sums in cash, in addition to cash remittances realized upon the sale of such seals and tags, and in truth and in fact the only goods upon which respondents pay postage are the items of merchandise forwarded to selling agents for sale by them. While it is true that upon receiving an application from an individual who desires to become a selling agent, respondents send with the merchandise forwarded to such selling agent various communications which indicate that the receipt of many of the gifts or premiums aforesaid is conditional upon payment of an amount in cash in excess of the proceeds anticipated from the sale of such merchandise, nevertheless such conditions are so pre-

sented to prospective selling agents as to fail to negative the representations contained in respondents' advertising.

PAR. 6. The representations of respondents as aforesaid have had and do have the tendency and capacity to confuse, mislead, and deceive members of the public into the belief that upon making sales of specified amounts of respondents' merchandise, the various gifts or premiums advertised as a reward therefor, will be received unconditionally, when in truth and in fact such is not the case. Said representations of respondents have had and do have the tendency and capacity to induce members of the public to answer respondents' advertisements and to sell respondents' merchandise, as above set forth, and unfairly to divert trade to respondents from competitors engaged in the sale of similar merchandise upon "return or remit" plan which plans do not misrepresent the conditions or terms upon which said sales are made.

PAR. 7. The above acts and things done by respondents are all to the substantial injury and prejudice of the public and to substantial competitors of respondents in interstate commerce within the intent and meaning of Section 5 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."

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 the respondents, Morris R. Shapiro, Charles Shapiro, Mary Shapiro, and Mrs. Robert Shapiro, copartners trading as the Robert More Company, charging said respondents with the use of unfair methods of competition in commerce in violation of the provisions of Section 5 of said Act. The respondents thereafter having filed answer to said complaint and having made, executed, and filed a stipulation as to the facts which was entered upon the record in which it is stipulated and agreed by and between the respondents and the Federal Trade Commission that the said Commission may take said stipulation as to the facts in this proceeding and in lieu of testimony in support of the charges stated in said complaint or in opposition thereto, and that said Commission may proceed upon said agreed stipulation as to the facts to make its report, stating its findings as to the facts (including inferences which it may draw from the said stipulated facts) and its conclusion based thereon, and enter its

order disposing of the proceeding—the right of both the Commission and respondent to file briefs and the presentation of argument being expressly waived. Thereupon this proceeding came on for decision, and the Commission having duly considered the record and being fully advised in the premises, makes this its findings as to the facts and its conclusion drawn therefrom:

FINDINGS AS TO THE FACTS

PARAGRAPH 1. Respondents, Morris R. Shapiro, Charles Shapiro, Mary Shapiro, and Mrs. Robert Shapiro are copartners trading as the Robert More Company, and are engaged in business in the city of Chicago, State of Illinois. They are now and for more than two years last past have been engaged in the business of distributing and selling salves, Christmas seals, and miscellaneous merchandise, which they distribute to purchasers, many of whom reside in States other than the State of Illinois, and when orders are received thereof, they are filled by respondents by shipping the same from the said city of Chicago, Ill., into and through other States of the United States and in the District of Columbia, to the respective places of business or residence of such purchasers.

PAR. 2. In the course and conduct of their business said respondents were and are in substantial competition with other corporations, individuals, firms, and partnerships likewise engaged in the sale and distribution of salves, Christmas seals, and miscellaneous merchandise between and among the various States of the United States and in the District of Columbia. Among these competitors are the American Seed Company of Lancaster, Pa., the Wilson Chemical Company of Tyrone, Pa., and the Lancaster County Seed Company of Paradise, Pa., who advertise their products in the same newspapers located in the same competitive area as the respondent and who sell to agents and purchasers in the same competitive area as the respondents.

PAR. 3. Respondents' method of conducting their business is what is commonly known as the "return or remit" plan. In the course and conduct of such business, respondents have advertised and do advertise in various newspapers, magazines, and periodicals for agents to sell their merchandise on the said "return or remit" plan, under which such agents are furnished with the merchandise to be sold and are allowed thirty days to sell the same and remit to respondents the agreed portion of its selling price or to return the unsold portion of the merchandise. No deposit is required and the goods remain the property of the respondents until paid for. The selling agent may remit the stated sum of the amount collected

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and keep the rest as commission, may remit the entire sum collected and receive what is advertised by respondents as a "gift" for the performance of the selling services, or may remit other stated amounts together with the sum collected upon the sale of the merchandise and receive a "gift" as set out in respondents' premium list which is sent to its selling agents.

PAR. 4. The advertising placed by respondents in various newspapers, magazines, and periodicals is variously devised to show representations of express wagons, air rifles, radios, motion picture projectors, dishes, wrist watches, and various other sundry articles, and contains statements and representations such as the following:

YOUR CHOICE!

For a Little of Your Spare Time

For selling only 20 packages of Christmas seals and tags at 10¢ a package, we will send you choice of a dandy banjo ukulele, big telescope, a guaranteed pocket watch, a genuine Eastman camera, a genuine leather football, dandy pen and pencil set and dozens of other wonderful premiums!

BIG CASH COMMISSIONS PAID

Thousands of our agents are earning money in spare and full time selling our famous Christmas Seals at 10¢ a package. We also give away ukuleles, .22-caliber Hamilton rifles, radios, 32, 38 and 42 pc. dinner sets, ladies' and men's wrist watches, Flying Eagle coaster wagons, movie projectors, and many other wonderful gifts for selling our Christmas Seals and remitting according to offers in premium lists.

* * * * *

We pay postage on goods

Said advertisement appeared in the Boston Advertiser, of Boston, Mass., on October 9, 1934, and divers other papers. Said Wilson Chemical Company also advertise in the Boston Advertiser.

PAR. 5. When the respondents receive an application from an individual who desires to become a selling agent, they send with the merchandise forwarded to such agent various communications, among which is a communication, marked Exhibit 2 of File 2493-4-3 of the Commission's files, which is made a part hereof, and which is as follows:

Quality Gifts

Xmas Tags and Seals

Importers—Exporters

ROBERT MORE COMPANY

300 Locust St., Chicago

Only 20 Packs of Xmas Seals and Tags Sent in This Order.

As Per Your Request We Are Sending *only* 20 Packs of Xmas Seals and Tags Which You Will Sell at 10¢ Each.

Choose any Gift on back of this Premium sheet for selling these 20 packs of Xmas Seals. Remit when sold and the Gifts shown on back of this sheet will be sent postpaid promptly. Or if you wish *Cash Commission* take out one-third of amount collected—keep 67¢ and send us \$1.33 for our share.

Last year we required our agents to sell 30 packs of Seals, but on account of conditions prevailing *we give most of the regular gifts for selling only 20 packs of Seals.*

By adding 50¢ in cash to the \$2.00 obtained from sale of this package of Seals, making a total of \$2.50, we will send you choice of the following Gifts: Gift #8 10 pc. Toilet Set, Gift #14 Big Doll, Gift #29 Tableware Set, Gift #11 Baby Doll, Gift #120 500 Shot Repeater Rifle (you have choice of selling 10 additional packs of seals instead of adding the 50¢ in cash to obtain above mentioned Gifts).

For more expensive Gifts follow plan below:

Gift #92 Big 6 Tube Radio Receiver—sell \$2.00 worth of Seals and add only \$3.75 in cash making a total of \$5.75 to be sent us. *Just think! a big radio set on the easiest offer ever made.* Don't miss this bargain whatever you do.

Gift #15 Aluminum Set—Sell \$2.00 worth of Seals and add \$1.95 in cash.

Gift #27 Sport Wrist Watch—Choice of square or octagon shape. Sell only \$2.00 worth and add \$1.75 in cash.

Gift #40 42 pc. Dinner Set—Sell only \$2.00 worth and add \$2.95 cash.

Gift #32 32 pc. set dishes—Sell only \$2.00 worth and add \$1.95 in cash.

Gift #36 Choice of Wood or Steel Wagon—Sell only \$2.00 worth of goods and add \$1.75 in cash.

Gift #2 Big DeVry Movie Projector—Sell only \$2.00 worth of Seals and add \$1.95 in cash. This is a rare bargain indeed. Go into a retail store and price a projector like this one.

NOTICE! Should you want to sell sufficient Xmas Seals to obtain above gifts instead of adding cash listed above, write us regarding plans and name premium wanted. Send remittances by Money Order as it will save time and we can send Gifts Promptly.

ROBERT MORE COMPANY

BOYS' OR MEN'S WRIST WATCH

(Picture of
Wrist Watch)

Gift #204 Here is an offer hard to believe. High grade square or cushion shaped Wrist Watch with Radium

Figures and hands so you can tell the time in the dark. Chromium plated case guaranteed for 20 years. Looks and wears like White Gold. Thin model and snugs the wrist. Silver Finish metal dial. If you could buy this watch in your local stores for as low as \$7.50 you would have a rare bargain. Yet we give it for selling 20 packs of Xmas Seals and Tags and only \$1.75 in cash—a total of \$3.75 to be sent us. Have you ever heard of such a bargain before?

On the back of this mimeographed letter are listed the articles obtainable for the selling of 20 packages of Christmas Seals at 10 cents a package. Pictures of such articles are set forth on the page and said articles are denominated as "gifts". These "gifts" are listed with pictures of the same as follows:

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Big Telescope—Gift No. 501.
 Jazzy Banjo-Uke—Gift No. 507.
 Football—Gift No. 500.
 Eastman Camera—Gift No. 59.
 Full Size 3 Pc. Toilet Set—Gift No. 502.

Orphan Annie Doll—Gift No. 503.
 Fountain Pen and Pencil Set—Gift No. 548.
 Wonderful Watch and Chain—Gift No. 579.

These articles, or "gifts", are the only articles or "gifts" which the selling agent can obtain for the sale of 20 packages of Christmas Seals at 10 cents a package without adding other stated amounts to the sum collected from such sale, and the respondents do not give away "dozens of other wonderful premiums" for the sale by agents of 20 packages of Christmas seals at 10 cents a package.

PAR. 6. The respondents also enclose with the so-called mimeographed letter, referred to herein as Exhibit 2 of File No. 2493-4-3 of the Commission's file, another communication, referred to herein as Exhibit 3 of File No. 2493-4-3 of the Commission's file, and made a part hereof, which is as follows:

ALTERNATE PLANS FOR OBTAINING PREMIUMS FROM SALE OF XMAS SEALS AND TAGS

You may obtain the following gifts by selling our Xmas Seals and Tags and remitting as suggested below.

Gift #92 Blg 6 Tube Radio Receiver—for selling \$8.00 worth of Xmas Seals. Remit for the first lot and we will then send you 60 additional seals which you sell at 10¢ each, then when sold and remitted for will entitle you to Gift #92.

Gift #15 Aluminum Set—for selling \$6.00 worth of Xmas Seals. Remit for the first lot and we will then send you 40 additional seals which you sell at 10¢ each, which when sold and remitted for will entitle you to Gift #15.

Gift #27 Sport Wrist Watch—for selling \$6.00 worth of Xmas Seals. Choice of square or octagon shape watch. Remit for the first lot and we will then send you 40 additional seals which you sell at 10¢ each, which when sold and remitted for will entitle you to Gift #27.

Gift #40 42 pc. Dinner Set—given for selling \$9.00 worth of Xmas Seals. Remit for the first lot and we will then send you 70 additional seals which you sell at 10¢ each, which when sold and remitted for will entitle you to Gift #40.

Gift #32 32 pc. Set of Dishes—given for selling \$6.00 worth of Xmas Seals. Remit for the first lot and we will then send you 40 additional seals which you sell at 10¢ each, which when sold and remitted for will entitle you to Gift #32.

Gift #36 Choice of Wood or Steel Wagon—for selling \$6.00 worth of Xmas Seals. Remit for the first lot and we will then send you 40 additional seals which you sell at 10¢ each, which when sold and remitted for will entitle you to Gift #36.

Gift #2. Blg DeVry Movie Projector—given for selling \$6.00 worth of Xmas seals. Remit for the first lot and we will then send you 40 additional seals which you sell at 10¢ each, which when sold and remitted for will entitle you to Gift #2.

Gift #204 Boys or Men's Wrist Watch—for selling \$6.00 worth of Xmas Seals. Remit for the first lot and we will then send you 40 additional seals which you sell at 10¢ each, which when sold and remitted for will entitle you to Gift #204.

NOTE! Due to the recent Government Law on Firearms, Gift #22 and Gift #66 are temporarily discontinued.

Gift #21 Big 12 pc. Dresser Set, Gift #90 Double Blankets, Gift #16 Towel Set, each given for selling \$3.00 worth of Xmas seals. Remit for the first lot and we will send you 10 additional seals which you sell at 10¢ each, which when sold and remitted for will entitle you to the above gifts, or you may send advance payment and gifts will go out at once.

See Premium lists if you wish to sell only 20 packs of Xmas Seals at 10¢ each and additional cash out of your pocket for obtaining gifts at once. Send all remittance to:

ROBERT MORE COMPANY, Chicago, Illinois

The radio referred to in the above communication and listed as Gift #92 Big 6 Tube Radio Receiver, and also referred to in paragraph 4 hereof as a "radio" and set forth in Exhibit 2 of File No. 2493-4-3 (herein set forth) in manner and form as follows:

Gift #92 Big 6 Tube Radio Receiver—sell \$2.00 worth of Seals and add only \$3.75 in cash making a total of \$5.75 to be sent us. *Just think! a big radio set on the easiest offer ever made.* Don't miss this bargain whatever you do.

is not a radio complete in construction and ready for immediate use, but is in fact a receiving set, operating only with electricity supplied by a battery, and respondents do not furnish such battery, nor does the radio set sent to selling agents for the sale of seals include tubes, speaker, or parts necessary for the use thereof by the agent. When a selling agent remits \$8.00 derived from the sale of 80 packages of Christmas seals, or the sum of \$5.75 derived from the sale of 20 packages of Christmas seals and an additional \$3.75 supplied by the selling agent from his own pocket, and selects the radio as the gift of his choice, the respondent informs the selling agent by mail that the "radio" advertised is a battery set without battery, without tubes and without speaker. The respondents also inform such agent that it will be necessary to pay \$2.20 more or less for express charges.

PAR. 7. In addition to the communications set forth in paragraphs 5 and 6 hereof, another communication is sent to the selling agent, which communication appears in the Commission's files as Exhibit 5 of File No. 2493-4-3 and made a part hereof as if the same were set out in full herein, and which purports to set forth by the use of pictures the gifts obtainable by the selling of 20 packages of Christmas seals at 10 cents a package and additional stated amounts to be

supplied by the selling agent. The communication contains pictures of:

1. Big Mama Doll—Gift No. 14
2. 12 Piece Bath Towel Outfit—Gift No. 16
3. Single-shot 30' Model Rifle—Gift No. 22
4. 22-Cal. Bolt Action Rifle—Gift No. 47
5. 22 Hamilton Repeater—Gift No. 63
6. Steel Wagon with Bumper and Brake—Gift No. 145
7. A pair Plaid Fleece Twill Blankets—Gift No. 90
8. Junior Size Gift No. 85 is a wagon, and in connection with the sale of said wagon the respondents use the following phrase: "Shipped Express, Receiver to Pay charges."

These "gifts" can be obtained by the selling agent by remitting to the respondents the proceeds from the sale of 20 packages of Christmas seals at 10 cents a package and additional stated amounts. No wording is used in connection with the advertisement of these "gifts" to inform the agents that the "gifts" can be obtained by selling Christmas Seals without adding an additional amount of money to make up the difference between the amount of money obtained from the sale of the Christmas seals and the pretended value of the "gifts", but in each case it is necessary for the agent to remit an additional amount of money to procure said premium.

The only "gift" or premium upon which the respondents pay postage are the following:

- Gift No. 59, Gift No. 500, Gift No. 501.
Gift No. 502, Gift No. 506, Gift No. 507.
Gift No. 548, Gift No. 579.

The respondents require that the agent or prospective agent pay the postage or freight on all other gifts or premiums. The use of the phrase "We pay postage on goods" by the respondents in their advertisement as set forth in paragraph 4 hereof is incorrect and misleading in that the reader is led to believe from such advertisement that the respondents do in fact pay all charges necessary to ship or transmit the gifts or premiums chosen by the selling agent to such agent. In truth and fact, the respondents only pay postage on the "gifts" above enumerated and also upon the Christmas seals sent by the respondents to the prospective selling agents.

PAR. 8. All of the aforesaid statements and representations made by respondents in connection with and relating to their aforesaid "gifts" and premiums and also their representations concerning the amount of articles it is necessary for their agents to sell to entitle them to gifts or premiums and also their representations as to the quality of certain of said premiums and also their representations as to the payment of postage on goods, as in this complaint hereinbefore

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set forth, have the capacity and tendency to and do cause many of the public to become agents for the sale of respondents' products and to purchase respondents' premiums and rewards in the belief that said statements and representations are true, when in truth and in fact, said statements and representations are false, deceptive, and misleading as hereinbefore set forth.

PAR. 9. The above alleged misleading and deceptive representations and practices of respondents under the circumstances and conditions hereinbefore set forth, constitute practices or methods of competition which have and had the capacity and tendency: to prejudice and injure the public; unfairly to divert trade from and otherwise prejudice and injure the business of respondents' competitors; and to operate as a restraint upon and a detriment to the freedom of fair and legitimate competition in the business of selling in interstate commerce, Christmas seals, salves, and miscellaneous articles through agents who sell said articles for a premium or reward.

CONCLUSION

The practices of said respondents under the conditions described in the foregoing findings are to the injury and prejudice of the public and respondents' competitors and are unfair methods of competition in commerce and constitute 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, answer of the respondents, and the statement of facts agreed upon by the respondents and counsel for the Commission, filed herein, and the Commission having made its findings as to the facts and its conclusion that the respondents have violated the provisions 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"—

Now therefore, it is hereby ordered, That the respondents, Morris R. Shapiro, Charles Shapiro, Mary Shapiro, and Mrs. Robert Shapiro, and each of them individually and as copartners doing business under the name and style of Robert More Company, or under any other trade name, their and each of their agents, servants, and employees, in connection with the sale and the offering for sale

of any article in interstate commerce, forthwith cease and desist from representing in and by advertisements or in any other manner directly or indirectly:

(a) That they will furnish a given and stated premium or reward for the sale of a given number of articles in which they deal, until and unless they actually furnish such premium or reward for the making of such number of sales.

(b) That they will prepay the postage on premiums and rewards represented to be furnished by them, until and unless they actually prepay the postage on such premiums or rewards.

(c) That as a premium or reward they will furnish a radio receiving set, until and unless they actually furnish as a premium or a reward a radio receiving set complete in construction, equipped with tubes and all other necessary parts to make such receiving set ready for immediate use.

(d) That they will furnish "dozens of other wonderful premiums" in addition to premiums mentioned in their advertisements until and unless they actually furnish such premiums.

(e) That they will prepay the postage on premiums offered until and unless they actually prepay such postage and the expense of packing such premiums in the containers thereof.

(f) That they will prepay the postage on goods until and unless they actually prepay postage on the articles which they sell and until and unless they actually pack without cost to the purchaser the goods which they sell and the premiums they offer without charging the purchaser thereof for such packing and postage.

(g) That any premium or reward is a "gift" where the giving of any such premium or reward is based upon the furnishing by the purchaser or prospective purchaser of services, money, or other valuable consideration.

It is hereby further ordered, That the aforesaid respondents shall within 60 days from the day of the date of the service upon them of this order, file with this Commission a report or reports in writing, setting forth the manner and form in which they and each of them shall have complied with this order.

Syllabus

IN THE MATTER OF

CERTIFIED PRODUCTS COMPANY, INC., AND JEROME
C. ARDCOMPLAINT AND ORDER IN REGARD TO THE ALLEGED VIOLATION OF SEC. 5
OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914*Docket 2500. Complaint, July 18, 1935—Order, Nov. 5, 1935*

Consent order requiring respondents, their several officers, etc., in connection with the sale or offer for sale in interstate commerce of brushes, dusters, brooms, mops, and other furnishings and equipment of like nature, forthwith to cease and desist from—

- (a) Making or publishing any false or fraudulent representations for the purpose of enticing any person from the employ of any competitor into the employ of the respondents or either of them;
- (b) Making or publishing any false or fraudulent statements disparaging the financial condition or business policy of any competitor; or
- (c) Maliciously enticing away the employees of competitors with the purpose and effect of unduly hampering, injuring, or embarrassing competitors in their business.

Before *Mr. John W. Norwood*, trial examiner.

Mr. Alden S. Bradley for the Commission.

Beddow, Ray & Jones, of Birmingham, Ala., for respondents.

COMPLAINT

Count 1

Pursuant to the provisions of an Act of Congress entitled "An Act to create a Federal Trade Commission, to define its powers and duties, and for other purposes", the Federal Trade Commission, having reason to believe that Certified Products Company, Inc., a corporation, and Jerome C. Ard, a natural person, hereinafter referred to as respondents, have been and now are using unfair methods of competition in commerce as "commerce" is defined in said act, and it appearing to the Commission that a proceeding by it would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent, Certified Products Company, Inc., is, and at all times hereinafter mentioned was, a corporation organized in the year 1932, and existing under and by virtue of the laws of the State of Alabama, having its principal office and place of business located in the city of Birmingham, Ala. Respondent Jerome C. Ard, is a natural person, a resident of the city of Birmingham, State of Alabama. Respondent Jerome C. Ard is also the president and general manager of respondent, Certified Products Company, Inc.