

IN THE MATTER OF
O. F. SCHOECK, DOING BUSINESS AS O. F. SCHOECK
SCHOOL

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

Docket 2414. Complaint, May 24, 1935—Decision, Feb. 19, 1936

Where an individual engaged in the sale and distribution of correspondence courses of study in Diesel engine operation and refrigeration and air-conditioning, and in secretarial training, bookkeeping, and kindred subjects—

- (a) Represented through "blind" advertisements in the "Help Wanted" and similarly captioned and classified advertising columns of the papers, that he was seeking to secure the services of people qualified for different positions, through such typical ads as "Wanted—We want to select several clean-cut young men mechanically inclined, to train for high salaried positions as Diesel engine experts. Write Schoeck care of Plain Dealer", "Wanted—Several young ladies from Grand Rapids and vicinity with some knowledge of shorthand and typing, to train for secretarial positions; experience unnecessary; write MX 342, care Press", and through advertisements in magazines, catalogs and other literature, and orally, both directly and through his salesmen and representatives, that he wished to secure the services, for high salaried positions, of mechanically inclined young men, and of young women with some knowledge of shorthand and typing for secretarial and clerical positions, facts being he was not seeking to secure the services of young men and women as above set forth, but was seeking solely to contact persons to whom he might be able to sell his said courses and to provide himself and his representatives with an opportunity of inducing such persons to subscribe to said courses in the belief that they would be given positions;
- (b) Promised jobs in many instances to those thus contacted, and in other instances advised them, in effect, that he had consummated arrangements with various firms through which they would employ students who had completed said courses, and represented, directly and through his representatives, and advertising circulars and literature that he maintained an employment service which was operative for two years in all courses from the date of graduation, and agreed to train thoroughly and assume responsibility for employment service for students after they had completed their training, and set forth that his employment service worked internationally and in cooperation with all companies, facts being he had no positions at his disposal to give to those who subscribed to his courses, had no such arrangements in cooperation with companies, international or otherwise, or with employers, through which his students could obtain employment, and had failed to secure positions for those who had completed and paid for his said course in the belief that they would secure employment through him;
- (c) Listed alleged executive officers in his advertisements, catalogs, and other advertising literature, as Home Office Registrar, Supervisor of Em-

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ployment Service, Supervisor of Refrigeration and Air-Conditioning, Supervisor of Accounts, etc., facts being that said alleged executive officers, referred to by the aforesaid and other titles of the same general nature, were in fact his ordinary clerical and other subordinate employees, and, in some instances, his traveling representatives, at times far distant from his office and principal place of business, and the character and nature of their positions were not truthfully represented by such administrative and professional titles;

- (d) Represented, through his catalogs, circulars and circular letters, and through his employees and representatives, that he had surrounded himself with a staff of trained instructors and registrars, and that his educational program reached out to all English-speaking countries, facts being his instructors and registrars were his ordinary clerical and other subordinate employees, and, in some instances, his travelling representatives, who, among other duties, graded, corrected, and otherwise passed upon lesson materials sent into his headquarters for such purpose, and, excepting a few persons who subscribed to some of his courses abroad and in insular possessions of the United States, his alleged educational program did not extend to all English-speaking countries; and
- (e) Represented, as above set forth, that students of the so-called engineering class of courses would, shortly after their enrollment, receive tools in connection with their courses, facts being such students did not receive such tools, promised them for the successful pursuit of such so-called engineering courses, but were furnished with said tools only after the course had been paid in full, and, in view of the sale of the courses upon a monthly payment plan, not until after completion of the courses by payment of the contract price in full or as adjusted to his satisfaction, and, in some instances, did not receive such tools till long after payment had been made in full;

With tendency and capacity to mislead and deceive the purchasing public into the erroneous belief that said statements were true, and to induce, and with effect of inducing, members of the public to purchase said courses of study and instruction in such mistaken belief to its consequent damage and injury, and of diverting trade unfairly to him from competitors, to the substantial injury of substantial competition in interstate commerce:

Held, That such acts and practices were to the prejudice of the public and competitors and constituted unfair methods of competition.

Before *Mr. William C. Reeves*, trial examiner.

Mr. Joseph C. Fehr for the Commission.

Mr. J. P. Streuber, of Alton, Ill., for respondent.

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 O. F. Schoeck, doing business under the name and style of O. F. Schoeck School, hereinafter referred to as respondent, has been and is using

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unfair methods of competition in commerce, as "commerce" is defined in said act, and it appearing to 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. Respondent, O. F. Schoeck, an individual trading as the O. F. Schoeck School, is now and has been for more than two years last past engaged in the sale and distribution of correspondence courses of study and instruction in aviation, diesel engine operation and maintenance, air-conditioning, secretarial work and other subjects. Said respondent has his office and principal place of business in the city of Alton, in the State of Illinois, and in the course and conduct of his business causes the courses of study and instruction when sold to be transported from his said place of business to purchasers located in the various States of the United States, and in the District of Columbia, and there is now and has been for more than two years last past a constant current of trade and commerce by respondent in said courses of study and instruction between and among the various States of the United States and in the District of Columbia.

In the course and conduct of his said business respondent is now and for more than two years last past has been in substantial competition in commerce between and among the various States of the United States and in the District of Columbia with various other individuals and with corporations, partnerships, and firms engaged in the sale and distribution of like or similar courses of study and instruction.

PAR. 2. In the course and conduct of his said business, the respondent, in soliciting the sale of his courses of study and instruction between and among the various States of the United States and in the District of Columbia, has advertised and advertises in newspapers, magazines, journals, and periodicals having interstate circulation, and by circular letters and by the representations of his agents and representatives that he wishes to secure the services of people qualified for different positions. Typical of such advertisements is the following, to wit:

"WANTED—WE WANT TO SELECT several clean-cut young men, mechanically inclined, to train for high salaried positions as Diesel Engine Experts. Write SCHOECK, care of Plain Dealer."

In truth and in fact the representations made by the above quoted advertisement of said respondent are false and untrue in that the said respondent does not wish to "select several clean-cut young men, mechanically inclined to train for high salaried positions as Diesel Engine Experts", but said advertisement is merely for the purpose

of inducing the readers thereof to answer it in the belief that they will secure jobs and to give the salesmen of the respondent an opportunity to induce the purchaser and prospective purchaser to buy the respondent's courses of study in the belief that they will be given jobs. Further, in truth and in fact they never secure the jobs.

Another of such advertisements is the following, to wit:

"WANTED—SEVERAL YOUNG LADIES in Grand Rapids and vicinity with some knowledge of shorthand and typing to train for Secretarial positions. Experience unnecessary. WRITE MX 342, care PRESS."

In truth and in fact the representations made in the above quoted advertisement of respondent are false and untrue in that respondent does not wish young ladies to train for secretarial positions, but said advertisement is for the purpose of inducing the readers thereof to answer it in the belief that they will secure jobs and to give the salesmen of the said respondent an opportunity to induce the purchaser and prospective purchaser to buy the respondent's courses of study in the belief that they will be given jobs. Further, in truth and in fact they never secure the jobs.

PAR. 3. Respondent, through and by his salesmen and agents and through his advertising circulars and circular letters and catalogs, represents to purchasers and prospective purchasers of his courses of study and instruction that he maintains an employment service. Such representations are as follows, to wit:

"Employment Service

"We are offering two years employment service in all courses dating from the date of graduation. We realize that our students are persons who are desirous of securing a position in their respective chosen field. We agree to train them thoroughly and are willing to assume responsibility for employment service after they have completed their training. Our employment service works internationally and in cooperation with all companies."

In truth and in fact the respondent does not maintain an employment service and the representations to that effect made by him are false and untrue. The respondent does not work in cooperation with companies internationally or otherwise, and such representations are false and untrue.

PAR. 4. Respondent represents, through his advertisements and other literature, that his school is housed in a modern three-story building containing several thousand feet of floor space and further he represents that every inch of the aforementioned building is used in the interest of the school, when in truth and in fact his school is not housed in a modern three-story building containing several

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thousand feet of floor space, and further, when in truth and in fact every inch of the aforementioned building is not used in the interest of the school.

PAR. 5. Respondent, through his advertisements, catalogs, and other advertising literature, lists therein certain alleged executive officers of the school, to wit: "Home Office Registrar, Supervisor of Refrigeration and Air-Conditioning, Supervisor of Aeronautical Department, Supervisor Employment Service, Supervisor of Mailing Department, Supervisor of Accounts, Chief Engineer, Director of Enrollment, and General Manager."

In truth and in fact the above representations of respondent are untrue and false in that there are no such executive officers in or connected with respondent's said school and the above administrative and professional titles are given to respondent's ordinary clerical and other employees, and in many instances to his traveling representatives, who are at times thousands of miles removed from the office and principal place of business of respondent.

PAR. 6. Said respondent, through his catalogs, circulars and circular letters, represents that he has surrounded himself with a staff of trained instructors and registrars and further that today his educational program reaches out to all English-speaking countries.

In truth and in fact the respondent has not surrounded himself with a trained staff of instructors and registrars and his alleged educational program does not extend to all English-speaking countries.

PAR. 7. Respondent, through his catalogs, circulars and circular letters and other advertising literature represents that students, shortly after their enrollment, will receive tools in connection with their courses in Diesel engine operation and maintenance, aviation, electricity and other courses requiring tools for their successful pursuance.

In truth and in fact students do not receive the aforementioned tools until the account has been paid in full, and further said courses of respondent are sold upon the monthly payment plan which in fact and in truth means the students do not receive the tools necessary for the successful pursuit of the course of study in which they are enrolled until they have completed the course, in some instances as long as two years after their enrollment.

PAR. 8. Each and all of the foregoing false, misleading and exaggerated statements and representations hereinbefore set out have had and have the tendency and the capacity of misleading and deceiving the purchasing public into the belief that they are true and do and have induced them to purchase the courses of study and

instruction of respondent, and have unfairly diverted trade from his competitors and thereby substantial injury has been done by respondent in interstate commerce to his competitors.

PAR. 9. The acts and practices set forth herein are to the prejudice of the public and all respondent's competitors and constitute unfair methods of competition within the intent and meaning of Section 5 of an Act of Congress approved September 26, 1914, and 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, on May 24, 1935, issued and served its complaint in this proceeding against respondent O. F. Schoeck, doing business under the name and style of O. F. Schoeck School, charging him with the use of unfair methods of competition in commerce in violation of the provisions of said act. After the issuance of said complaint, and the filing of respondent's answer and supplemental answer thereto, testimony and evidence in support of said complaint was introduced by Joseph C. Fehr, attorney for the Commission, before William C. Reeves, an examiner of the Commission theretofore duly designated by it; and said testimony and evidence was duly recorded and filed in the office of the Commission. Respondent, although represented by counsel at the first hearing held in this case, to wit, at Alton, Ill., on August 28, 1935, did not appear in person or by counsel at the subsequent hearings and although afforded an opportunity did not introduce any evidence in defense of the allegations of the complaint. Thereafter, the proceeding regularly came on for final hearing before the Commission on the said complaint, the answer and supplemental answer thereto, testimony and evidence, and brief in support of the complaint (respondent not having filed a brief in defense thereto and not appearing on the day set for final arguments), and the Commission having duly considered the same, and being fully advised in the premises, finds that this proceeding is in the interest of the public, and makes this its findings as to the facts and its conclusion drawn therefrom:

FINDINGS AS TO THE FACTS

PARAGRAPH 1. Respondent, O. F. Schoeck, an individual trading as the O. F. Schoeck School, is now and has been for more than two

years last past engaged in the sale and distribution of correspondence courses of study and instruction which he divides into two classes, engineering and commercial. In the class denominated by him as engineering, are included Diesel engine operation and refrigeration and air-conditioning; and in the class denominated as commercial, are secretarial training, bookkeeping, and kindred subjects. At one time an unsuccessful attempt was made by respondent to sell a course in aviation, but this attempt was discontinued in 1934. Said respondent has his office and principal place of business in the city of Alton, in the State of Illinois.

Respondent places advertisements in newspapers and magazines, usually in the classified advertising pages under such headings as "Help Wanted", which cause the readers of said advertisements to believe that the respondent is offering employment. The said advertisements request persons answering them to write the respondent in care of the paper or magazine in which the advertisements appear. Persons seeking employment in the particular lines with which these advertisements deal reply to them as directed, and said replies are collected by agents or representatives of the respondent who thereafter write to the persons making said replies and fix a time and place for an interview. At these interviews the persons who have answered respondent's advertisements and who are still under the impression that they are to be offered employment, are told for the first time that respondent is selling courses of study and instruction. The persons so contacted are, however, informed that they will secure jobs or positions upon the completion of the courses of instruction sold by respondent, and induced to subscribe to and pay for said courses in the expectation and belief that positions are available and will be given them when they complete said courses.

The charge for the courses of instruction in Diesel engineering classes and in refrigeration and air-conditioning classes is \$119.60, payable in monthly installments of \$10.00, with the privilege of 10% discount for cash on unpaid balances. The initial payment, which is usually \$10.00, but which is sometimes as low as \$5.00 and sometimes as much as \$15.00, is retained in its entirety by the respondent's agents as part of their fee or commission for selling said courses of instruction. The agent's fee or commission amounts to 30% of the sum paid by the students subscribing to said courses. At the time of the first hearing in this proceeding, namely, in August 1935, there were enrolled with respondent for instruction in Diesel engineering courses approximately 2,500 students, and for instruction in refrigeration and air-conditioning courses approximately 1,500 students.

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To all persons to whom respondent has sold or to whom he sells his correspondence courses as a result of contacts made through the methods outlined above, the respondent has caused and causes lesson material and other written and printed matter pertaining to the courses of instruction sold by him to be shipped through the United States mails from his place of business at Alton, Ill., through and into States of the United States other than the State of Illinois and in the District of Columbia. In the course and conduct of his said business, respondent has been and is now in active competition with various partnerships and corporations and other persons also engaged in the business of selling courses of instruction by correspondence through the mails in commerce among the several States of the United States.

Certain of the courses offered for sale by respondent, particularly the Diesel engineering instruction courses, are not suitable for home study instruction and cannot be given successfully exclusively by correspondence for the reason that study in the home must be supplemented by practical work.

PAR. 2. In the course and conduct of his aforesaid business, the respondent, in soliciting the sale of his courses of study and instruction between and among the various States of the United States and in the District of Columbia, has advertised, caused to be advertised, and still does so advertise in the classified advertising pages of newspapers under the headings of "Help Wanted", "Men Wanted", "Wanted Male Help", "Employment", and other similar headings, that he wishes to secure the services of people qualified for different positions. Typical of such advertisements dealing with Diesel engine operators or experts and refrigeration or air-conditioning operators, mechanics or engineers, are the following:

WANTED—WE WANT TO SELECT SEVERAL clean-cut young men, mechanically inclined, to train for high salaried positions as Diesel Engine Experts. Write Schoeck, care of Plain Dealer. Diesel engines are supplanting gasoline engines almost entirely. Offering unusual opportunity and steady employment to trained experts. Several men mechanically inclined wanted for immediate training for high salaried positions as Diesel engine experts. Tools furnished. Write Schoeck, care of Journal-Gazette.

Men—If you are mechanically inclined, have a fair education and realize the future in the Diesel industry, we will train you in spare time; small fee includes instruction, consultation and employment service. Also tools. Write Schoeck, care of Journal-Gazette.

Several men mechanically inclined will be selected from this territory by Dr. O. F. Schoeck, Alton, Illinois, to start imme-

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date training to install and service electrical refrigeration and air-conditioning units. Tools furnished. State qualifications and phone number. Apply to O. F. Schoeck, Box 4143, Detroit Times.

Men wanted. Diesel engines. We want several men mechanically inclined to start immediate training for well-paying positions, servicing and operating Diesel engines. Tools furnished. Write Schoeck, Diesel Engineering, Box E-22, Blade.

Wanted several young men mechanically inclined to train for servicing electrical refrigerators. Experience unnecessary. Tools furnished. Box A—Journal.

Typical of similar advertisements with respect to secretarial positions are the following:

WANTED—SEVERAL YOUNG LADIES in Grand Rapids and vicinity with some knowledge of shorthand and typing to train for Secretarial positions. Experience unnecessary. WRITE MX 342, care PRESS.

WANTED. SEVERAL YOUNG LADIES in Toledo vicinity with some knowledge of shorthand and typewriting, to train for secretarial work. Experience unnecessary. Write Box-B-141, Blade.

The advertisements set forth above are what is known as "blind" advertisements, in that they do not disclose the business or object of the advertiser, and they are so worded that they create the false impression that employment is being offered. This form of advertisement has enabled the respondent and his representatives to contact prospects who have been deceived and misled by said advertisements into thinking that they were being offered jobs or positions. A number of students who had been enrolled by respondent as a result of said advertisements have testified that they responded to said advertisements upon the assumption that a job could be obtained, and that they had no idea that the object of the advertisements was to sell a course of instruction to be given by correspondence until after they had talked with a representative of respondent.

The said advertisements of respondent almost invariably appeared in the "Help Wanted" columns of the classified advertising pages of the newspapers, as shown above, and were and are misleading, regardless of their text, because readers expect to find in the "Help Wanted" columns only offers of employment.

Respondent also represents and has represented through advertisements in magazines, catalogs, and in other literature, and by oral statements made by him and by his salesmen, agents, and representatives, that he wishes to secure the services for high-salaried positions of young men mechanically inclined, such as operators for Diesel engines, trained operators in electrical refrigeration and air-conditioning plants, and the services of young ladies, with some knowledge

of shorthand and typewriting, for secretarial and clerical positions. These representations are deceptive, false and misleading. Respondent does not seek or wish to secure the services of young men and women as engineers or secretaries, but is solely seeking to contact persons to whom he may be able to sell his aforesaid courses of instruction.

The aforesaid representations are made for the purpose of promoting the sale of respondent's correspondence courses of instruction, and for the purpose of inducing the readers thereof or the persons to whom the oral representations are made to respond thereto in the hope and belief that they may find employment and that they will secure positions, and to give the salesmen or representatives of respondent and respondent himself, an opportunity to induce purchasers and prospective purchasers of his courses of study to subscribe to and pay for the same in the belief that they will be given jobs or positions. In many instances positive promises of jobs were made and in other instances representations were made by respondent or his representatives to the effect that respondent had consummated arrangements with various firms through which such firms would employ students who had completed the courses of instruction sold by respondent. At all times such representations were and are made the respondent had and has no such jobs or positions at his disposal to give to those who enrolled or subscribed or who enroll or subscribe to his several courses of instruction, and respondent has failed to and fails to secure jobs or positions for those persons who have completed and paid for said courses of instruction in the belief that they would secure employment through him.

PAR. 3. Respondent, through and by his salesmen and agents, and through his advertising circulars and circular letters and catalogs, represents to purchasers and prospective purchasers of his courses of study and instruction that he maintains an employment service. Such representations are as follows:

Employment Service

We are offering two years employment service in all courses dating from the date of graduation. We realize that our students are persons who are desirous of securing a position in their respective chosen field. We agree to train them thoroughly and are willing to assume responsibility for employment service after they have completed their training. Our employment service works internationally and in cooperation with all companies.

Respondent does not maintain an employment service nor does he work in cooperation with companies, internationally or otherwise, nor does he have any arrangements with employers by means of which

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students of his courses can obtain employment, and the foregoing and other representations to that effect made by him are false and untrue.

PAR. 4. Respondent, through his advertisements, catalogs, and other advertising literature, lists therein certain alleged executive officers of the school as: "Home Office Registrar, Supervisor of Refrigeration and Air-Conditioning, Supervisor of Aeronautical Department, Supervisor Employment Service, Supervisor of Mailing Department, Supervisor of Accounts, Chief Engineer, Director of Enrollment, and General Manager."

The representations of respondent as to said alleged executive officers are untrue and false in that the above mentioned administrative and professional titles are given by respondent to his ordinary clerical and other subordinate employees and in many instances to his traveling representatives who are at times thousands of miles removed from respondent's office and principal place of business, said administrative and professional titles being misleading and deceptive in that they do not truthfully represent the character or nature of the positions held by said employees.

PAR. 5. The respondent, through his catalogs, circulars and circular letters, and through the representations of his employees and other representatives, represents that he has surrounded himself with a staff of trained instructors and registrars and further that his educational program reaches out to all English-speaking countries.

The respondent is not surrounded with a staff of trained instructors and registrars, as represented. In truth and in fact, respondent's instructors and registrars are his ordinary clerical and other subordinate employees and in some instances his traveling representatives who among other duties assigned to them grade, correct and otherwise pass upon the lesson materials sent in to respondent's headquarters for grading and correction; and with the exception of a few persons who did subscribe to some of respondent's correspondence school courses abroad and in insular possessions of the United States, his alleged educational program does not extend to all English-speaking countries.

PAR. 6. Respondent, through his catalogs, circulars and circular letters and other advertising literature and through the representations of his employees and other representatives, represents that students of the so-called engineering class of courses will, shortly after their enrollment, receive tools in connection with their courses.

Students of respondent's school do not receive the tools promised them in respondent's contract of enrollment for the successful pursuance of their so-called engineering courses, said tools being furnished only after a student's account with the school has been paid

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in full, and as respondent's courses are sold upon a monthly payment plan, students do not receive said tools until after they have completed their courses by payment of the contract price in full or as adjusted to respondent's satisfaction, and in some instances said tools are not received by students until long after payment has been made in full.

PAR. 7. Each and all of the foregoing false and misleading statements and representations of respondent as set out in paragraphs 2 to 6 hereof, both inclusive, have had and have the tendency and the capacity to mislead and deceive the purchasing public into the erroneous belief that said statements are true, and do induce and have induced members of the public to purchase the correspondence courses of study and instruction of the respondent in such mistaken belief to the consequent damage and injury of said purchasing public, and have unfairly diverted trade to respondent from competitors and thereby substantial injury has been done by respondent to substantial competition in interstate commerce.

PAR. 8. The acts and practices set forth herein are to the prejudice of the public and of respondent's competitors and constitute unfair methods of competition within the intent and meaning of Section 5 of an Act of Congress approved September 26, 1914, and entitled "An Act to create a Federal Trade Commission, to define its powers and duties, and for other purposes."

CONCLUSION

The practices of said respondent under the conditions and circumstances described in the foregoing findings of facts are to the prejudice of the public and of competitors of respondent and are unfair methods of competition in commerce in violation 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."

ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission, the answer and supplemental answer of respondent, testimony and evidence taken before trial examiner, William C. Reeves, an examiner of the Commission theretofore duly designated by it, in support of the charges of said complaint and in opposition thereto, brief on behalf of the Commission filed herein, oral arguments of counsel for the Commission and the respondent's having been waived by reason of the failure of re-

spondent or his counsel to appear on the day set for the said arguments, and the Commission having made its findings as to the facts and its conclusion that said 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 respondent, O. F. Schoeck, doing business under the name and style of O. F. Schoeck School, or under any other name and style, and his associates, agents, representatives, servants, and employees in connection with the sale, offering for sale or distribution in interstate commerce, and in the District of Columbia, of correspondence courses of study and instruction, cease and desist:

(1) From representing, through the use of advertisements in newspapers, magazines, in other advertising literature or in any other manner, that employment is being offered or will be offered to persons who answer said advertisements.

(2) From representing, through advertisements in classified advertising pages of newspapers, magazines, in other advertising literature, or in any other manner under such headings as "Help Wanted", "Men Wanted", "Wanted Male Help", and "Employment", or in any other manner, that respondent has positions or jobs at his disposal, or that employment is being offered.

(3) From representing, through catalogs and circular letters, and through the representations of agents, employees and representatives, or in any other manner, that respondent has arrangements with various firms by which such firms will employ students who have concluded any course of instruction sold by it.

(4) From representing, through catalogs, circulars, and circular letters, and through the representations of agents and representatives, or in any other manner, that respondent's ordinary clerical and other subordinate employees are executive officers such as "Home Office Registrar", "Supervisor of Refrigeration and Air-Conditioning", "Supervisor of Aeronautical Department", "Supervisor Employment Service", "Supervisor of Mailing Department", "Supervisor of Accounts", "Chief Engineer", "Director of Enrollment", and "General Manager".

(5) From representing, through catalogs, circulars, and circular letters, and through the representations of agents and representatives, or in any other manner, that respondent's educational program reaches out to all English-speaking and other foreign countries, unless and until such are the facts.

(6) From representing, through catalogs, circulars, and circular letters, and other advertising literature, and through the representa-

tions of agents and other representatives, or in any other manner, that students shortly after their enrollment, will receive tools in connection with their so-called engineering courses, unless and until respondent does in fact include such tools among the material sent his students to be used in connection with their home study courses.

It is further ordered, That respondent shall, within 30 days after service upon him of this order, file with the Commission a report in writing setting forth in detail the manner and form in which he has complied with this order.

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IN THE MATTER OF

McCAMBRIDGE & McCAMBRIDGE COMPANY, INC., DOING
BUSINESS AS EVERFRESH PRODUCTS COMPANYCOMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION
OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914*Docket 2664. Complaint, Dec. 19, 1935—Decision, Feb. 20, 1936*

Where a corporation engaged in the manufacture and sale of certain forms of pharmaceutical preparations, including its "Everfresh Aspirin", made many unfair, exaggerated, false and misleading statements with reference thereto and the effect upon users thereof, including such assertions as that it gave better, quicker relief because "Everfresh", kept user free of tired spells, nerve ailments and other troubles, and was pure and therefore harmless, and taken as directed, soothed nerve tension at night and made sound sleep possible, and advised the taking of two tablets thereof with water three times a day for grippe; with capacity and tendency, through said representations, in disparagement of competitors, to mislead and deceive the public in buying its said product in reliance upon the truth of said various statements and to divert trade unfairly from or otherwise injure and prejudice customers:

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

Before *Mr. Joseph A. Simpson*, trial examiner.

Mr. Joseph C. Fehr for the Commission.

Mr. Sol Shappirio, of Washington, D. C., for respondent.

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 McCambridge & McCambridge Company, Inc., a corporation trading and doing business as Everfresh Products Company, hereinafter referred to as respondent, has been and now is 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 in respect thereof would be in the public interest, states its charges in that respect as follows:

PARAGRAPH 1. The respondent, Everfresh Products Company is a trade name employed by McCambridge & McCambridge Company, Inc., a corporation organized and existing under and by virtue of the laws of the State of Delaware with its principal place of business located in the city of Washington, District of Columbia at 12 L