

Order

IN THE MATTER OF

LASALLE EXTENSION UNIVERSITY

MODIFYING CEASE AND DESIST ORDER

Docket 2654. Order, May 18, 1938

Order granting petition of respondent to modify Commission's prior cease and desist order entered against it in Docket 2654, on May 19, 1937, 24 F. T. C. 1286, prohibiting misrepresentations in connection with use of words "Extension University," as therein specified, and order in question modified as below set forth.

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

Mr. J. T. Welch for the Commission.

LaRochelle, Brooks and Beardsley, of Chicago, Ill., and *Mr. George L. Schein* and *Mr. H. B. Cox*, of Washington, D. C., for respondent.

MODIFIED ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the petition of respondent to modify the order to cease and desist issued herein on May 19, 1937, and upon oral argument by counsel for respondent in support of said petition to modify heard by the Commission on March 18, 1938, and the Commission having duly considered said petition and oral argument and the record herein, and being now fully advised in the premises;

It is ordered, That the petition to modify the order to cease and desist issued herein be, and the same is, hereby granted, and the said order is hereby modified so as to read:

It is ordered, That the respondent LaSalle Extension University, its officers, representatives, agents and employees, in connection with the offering for sale, sale, and distribution of correspondence courses of instruction in interstate commerce or in the District of Columbia, do forthwith cease and desist from:

Representing, directly or indirectly, through the use of the term "Extension University" or the word "University" in its corporate name, or in any other manner, that it is, or that it conducts, a university or an extension university; unless and until respondent shall insert and use also the words "a correspondence institution," or the words "an institution for correspondence students," in immediate conjunction with its title, corporate name, or other designation, and in letters equally legible and conspicuous with said title, corporate name, or

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other designation, used on textbooks, pamphlets, stationery, letter heads, advertising matter, or otherwise.

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

Syllabus

IN THE MATTER OF

TARPON SPRINGS SPONGE EXCHANGE, INC., ET AL.

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

Docket 3024. Complaint, Dec. 29, 1936—Decision, May 18, 1938¹

Where a stockholder membership corporation engaged in maintaining and conducting a sponge exchange for the use and benefit of its stockholder members and such others as might be granted permits in buying, storing, and selling sponges in the community involved, in which (1) over 80 percent of all domestic wool sponges were produced, (2) substantially all such products bought and sold passed through exchange in question, (3) over 90 percent of population was directly dependent upon sponge industry, and (4) the financial situation was precarious because of condition of said industry and community's almost complete dependence thereon; and the active members of said exchange, packers and distributors of sponges, engaged in buying same on said exchange and selling such sponges to wholesale and retail dealers located in the various States and the District of Columbia and in foreign countries, in competition with one another and with others in such sale and distribution, and constituting the source from which the majority of the regularly established wholesale and retail dealers throughout the United States were required to procure wool sponges in order to offer and be able to sell a line thereof produced in the United States, and confronted by a condition in which such packers found themselves greatly overstocked, with their stock heavily mortgaged, collections of outstanding accounts slow, and their financial credit about exhausted—

- (a) Entered into, adopted and carried out a resolution, following a general meeting in said community of all interested parties in the industry to consider, as stated, ways and means in connection with aforesaid problems, under which resolution it was provided that catch of sponges then stored in exchange should be sold promptly by a certain date, and that new catch of wool sponges to be brought in should not be offered for sale for a specified period exceeding 3 months, and that buyers should not be permitted to purchase any such sponges, directly or indirectly, outside of exchange, except for fill-in orders from one buyer to another, and that any buyer violating such agreement should be fined from \$750 to \$2,500, depending on amount bought; and

Where the "boat operators," i. e., individuals, concerns, and corporations engaged in advancing funds and supplies to those actually occupied in sponge fishing expeditions and compensated therefor through receipt of a percentage of the proceeds arising from the sale of the sponges gathered, and the "independent

¹ Findings and order herewith take the place of findings and order made as of January 5, 1938, not published, and vacated by order of even date herewith.

The new findings show the adverse economic conditions existing in the sponge industry at Tarpon Springs at the time respondents engaged in the prohibited practices, and new order, while prohibiting same practices as did old order, has added provision that nothing therein contained shall be construed to conflict in any manner with the provisions of the United States Code concerning commerce and trade in the fishing industry (U. S. Code title 15, ch. 13A, secs. 521 and 522).