

IN THE MATTER OF
TOM BLOOM, DOING BUSINESS AS NATIONAL PRESS
SERVICE

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

Docket 3488. Complaint, July 12, 1938—Decision, Oct. 25, 1938

Where an individual engaged in sale and distribution, in commerce among the various States and in the District of Columbia, of a correspondence course of instruction in press clipping and writing, and of a booklet entitled "Press Clipping and Picture Manual," and other printed matter, pamphlets, and press cards in connection therewith, in substantial competition with others likewise engaged in sale and distribution in said commerce of books, pamphlets, and other printed matter and courses of study and instruction intended for preparing students thereof, by correspondence, for various positions, employments, trades, and professions; in advertising his said course and booklet, pamphlets, press cards, and other printed matter in connection therewith, in numerous periodicals and newspapers—

- (a) Represented that purchasers thereof earned \$25 and up every week, or \$15 a week, or "big money," and that purchasers could turn out a feature article or trade journal item a day and sell such articles or items for as much as \$10 each, facts being purchasers could not earn such amounts or "big money," and purchaser could not turn out feature article or trade journal item daily and sell same as above represented;
- (b) Represented that writing, feature writing or clipping and selling press items, is as easy as A-B-C, and that one can make a success of such vocations without special ability or training or previous experience or "connections," and that purchasers could begin making money at once writing feature articles, trade journal items, and could rewrite same item half a dozen times from different angle or slant and sell it to as many editors, through various statements to foregoing effect, such as "Can you read? Can you write? Do you know your A B C's? If so, then you can make a success of this business," etc., and " * * * no waiting to MAKE MONEY! YOU CAN BEGIN AT ONCE!," etc., facts being such statements were false and misleading, one could not make a success of either vocation without special ability or training or previous experience or connections, or begin making money at once, etc., as hereinabove set forth;
- (c) Represented that press cards issued to its subscribers would gain attention, consideration, and entree to the holder, and were the "Open Sesame" to otherwise barred places, and that its said "Press Clipping and Picture Manual" contained complete information on how and where to find valuable articles and where to send them for cash, and disclosed "FASCINATING" way to make "BIG" money and build up an active and growing income, through such statements, among numerous others, as "Courtesy of the Press to you!," "You will be proud to present your credentials, in the form of your PRESS CARD * * * There is magic in that word

1118

Complaint

'PRESS' that will gain attention, consideration," etc., facts being press card issued by him as aforesaid would not gain attention, consideration, etc., as above represented, and said "Press Clipping and Picture Manual" did not contain complete information on how and where to find valuable articles, etc., as hereinabove set forth; and

- (d) Represented, through use of trade name including words "National Press Service," that he was engaged in service work for, or on behalf of, newspapers or the press, facts being he was engaged in private business for profit, and such name did not truthfully represent nature of his business as correspondence course or school in press clipping;

With tendency and capacity to mislead and deceive prospective purchasers of said course into erroneous and mistaken belief that such representations were true, and that results represented would be obtained upon completion thereof, and with effect that purchasers, acting in such erroneous and mistaken belief, purchased said course and "Press Clipping and Picture Manual" and other printed matter sold and used in connection therewith, in lieu of, and instead of, other courses of instruction and printed matter so sold, and trade was unfairly diverted to him from competitors selling other courses and printed matter in commerce among the various States and who do not in any manner misrepresent the nature of their respective courses or earnings or other benefits to be obtained as a result of completion thereof:

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

Mr. Merle P. Lyon for the Commission.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said act, the Federal Trade Commission, having reason to believe that Tom Bloom, an individual, doing business under the trade name National Press Service, hereinafter referred to as the respondent, has violated the provisions of the said act, and it appearing to the 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, Tom Bloom, an individual, is now, and has been for more than 1 year last past, engaged in the sale and distribution in commerce between and among the various States of the United States and in the District of Columbia of a correspondence course of instruction in press clipping and writing and of a booklet entitled "Press Clipping and Picture Manual" and other printed matter, pamphlets and press cards in connection therewith. The office and principal place of business of said respondent for the conduct of said business as aforesaid is located at 3923 West Sixth

Complaint

27 F. T. C.

Street in the city of Los Angeles and State of California. In the course and conduct of his business he causes said courses of instruction, manuals, pamphlets, press cards and other printed matter to be transported from his said place of business in the State of California to the purchasers thereof located in other States of the United States and in the District of Columbia. There is now, and has been at all times mentioned herein, a course of trade and commerce between and among the various States of the United States, and in the District of Columbia in said correspondence course of instruction, manuals, pamphlets, press cards, and other printed matter sold and distributed by respondent as aforesaid. Respondent formerly operated said business under the trade name of "National Press Syndicate" but is operating at the present time under the trade name "National Press Service."

PAR. 2. In the course and conduct of his business, respondent is now, and has been, in substantial competition with other individuals, and with firms, partnerships, and corporations, likewise engaged in the sale and distribution in said commerce of books, pamphlets, and other printed matter and of courses of study and instruction intended for preparing students thereof by correspondence for various positions, employments, trades, and professions.

PAR. 3. In the course and conduct of his business, and for the purpose of soliciting and promoting the sale of his correspondence course of instruction and of his booklet entitled "Press Clipping and Picture Manual" and other pamphlets, press cards, and printed matter in connection therewith, respondent advertises in numerous magazines, periodicals, and newspapers, and causes statements and representations to be published therein concerning his said correspondence courses of instruction.

Among the statements thus made, published, or caused to be published by the respondent are the following:

EARN \$25 AND UP EVERY WEEK! Clipping and preparing news items for publishers. Full or part time. Experience unnecessary. Stamp brings instructions.

CLIP NEWS ITEMS! WE PAY CASH! Cash paid for newspaper clippings used as a basis for articles. Earn big money weekly clipping and preparing.

EARN \$15 PER WEEK! Collect News Clippings for Trade Journals.

Perhaps you don't care to be a writer, but that is no reason to forego the "BIG" MONEY that is to be had by merely clipping newspapers.

Our Manual of instruction contains complete information on how and where to find these valuable articles AND WHERE TO SEND THEM FOR CASH!

A FASCINATING NEW WAY TO MAKE "BIG" MONEY AND BUILD UP AN ACTIVE AND GROWING INCOME OF YOUR OWN.

We show you a **UNIQUE** idea in **FEATURE WRITING** and newspaper clipping that is going to mean **BIG MONEY** to **YOU** just as it is proving very

1118

Complaint

successful throughout the country. Just think * * * a single article in a newspaper or magazine may be worth \$100 to you. A tiny few lines may bring you \$50 * * * Other correspondents are making big money. SO CAN YOU.

There is no waiting to MAKE MONEY! YOU CAN BEGIN AT ONCE!

This New System is Designed So That You Can Immediately Start to Make Money in This Most Fascinating Way.

IT'S AS EASY AS A-B-C. Can you read? Can you write? Do you know your A B C's? If so, then you can make a success of this business. You need no special ability or training; you need no "connection."

Why don't you write Feature articles and Trade Journal items? You can turn out a feature a day and five or six of the shorter items which bring up to \$10 EACH.

Did you know that there are over 1,000 Trade Journals, nearly 100 syndicates, and twice as many House Organs, that want material from Free-Lance writers? * * * All they want is interesting material for their publications. And you can re-write the same item half a dozen times, from a different angle or slant; and sell it to as many editors.

Courtesy of the Press to you!

You will be proud to present your credentials, in the form of your PRESS CARD, furnished by the National Press Syndicate. There is magic in that word "PRESS" that will gain attention, consideration, an entree for you when and where nothing else will. It is the "Open Sesame" to otherwise barred places to you.

You don't need a college education, or any training other than what you receive in working out the assignments given you by our editor.

Clipping and preparing news items for publishers is a highly profitable, dignified and fascinating profession—which you can start immediately.

An opportunity to earn money in a new kind of profession—full or part time. If you are employed at present and simply want to increase your income, or if you want to devote your entire time to this new profession * * * The National Press Service is Designed for You. Some of our correspondents have tried out our system in their spare time and have found it so profitable that they now devote full time to this new undertaking.

This money making system can work for you regardless of where you live or what you do. It doesn't make a bit of difference where you live * * * in the country or in the city * * * on land or sea. All you need is access to newspapers and magazines and with proper knowledge and our guidance you can CASH IN with a pair of scissors.

"\$50, \$75, \$100 an Article!" Writers that editors might classify as "ordinary" or "average" can advance to the point where they will be in position to supply articles worth from \$50.00 to \$100.00 or more.

\$400.00 for single feature!

This Press Card will be sent you upon your enrollment. It will enable you to report many unusual occurrences and sell these reports to publications anxious to pay money for them.

PAR. 4. All of said representations are exaggerated, false and misleading. Purchasers of respondent's "Press Clipping and Picture Manual" do not earn \$25 and up every week, or \$15 per week, or "big" money. Writing, feature writing, or clipping and selling press items is not "as easy as A-B-C," and one cannot make a success of either

Complaint

27 F. T. C.

vocation without special ability or training, or previous experience, or "connections." No one purchasing respondent's "Press Clipping and Picture Manual" can turn out a feature article or trade journal item a day, and sell such articles or items for as much as \$10 each. The "Press Card" issued to respondent's subscribers will not gain attention, consideration, and entree for the holder, and is not the "Open Sesame" to otherwise barred places. Purchasers of respondent's "Press Clipping and Picture Manual" cannot begin making money at once, cannot write feature articles and trade journal items, and cannot rewrite the same items half a dozen times, from a different angle or slant, and sell it to as many editors. The said "Press Clipping and Picture Manual" does not contain "complete information" on how and where to find valuable articles and where to send them for cash, nor does it disclose "a fascinating new way" to make "Big" money and build up an active and growing income. Furthermore, the use of the words "National Press Service" as the trade name of the respondent is misleading and fraudulent, for the reason that said name implies that respondent is engaged in service work for or on behalf of newspapers or the press, and does not truthfully represent the nature of respondent's business as a correspondence course or school in press clipping.

PAR. 5. The acts and practices of the respondent as hereinabove alleged, in making and using said representations in connection with the sale and distribution of said course of instruction and the printed matter used in connection therewith, have had and have the tendency and capacity to, and do, mislead and deceive prospective purchasers into the erroneous and mistaken belief that said representations are true, and cause them to purchase respondent's said course of instruction, said "Press Clipping and Picture Manual" and said "Press Card" and the other printed matter sold and used in connection therewith, in lieu and instead of the courses of instruction, and the books, pamphlets, and other printed matter used in connection therewith, sold by competitors of the respondent who do not in any manner misrepresent their courses of instruction or the books, pamphlets, or other written matter used in connection therewith; thereby unfairly diverting substantial trade in said commerce from said competitors to the respondent, to the injury of such competitors and to the injury of the public.

PAR. 6. The acts and practices of the respondent as hereinabove alleged are all to the prejudice of the public and respondent's said competitors, and constitute unfair methods of competition in commerce within the intent and meaning of the Federal Trade Commission Act.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission, on July 12, 1938, issued and served its complaint in this proceeding upon the respondent, Tom Bloom, an individual, doing business under the trade name National Press Service, charging him with the use of unfair methods of competition in commerce in violation of the provisions of said act. On September 7, 1938, the respondent filed his answer, in which he admitted all the material allegations of fact set forth in said complaint and waived all intervening procedure and further hearing as to said facts. Thereafter the proceeding regularly came on for final hearing before the Commission on the said complaint and the answer thereto, and the Commission, having duly considered the matter, and being now 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. The respondent, Tom Bloom, is an individual who is now and has been for more than 1 year last past engaged in the sale and distribution in commerce between and among the various States of the United States and in the District of Columbia of a correspondence course of instruction in press clipping and writing and of a booklet entitled "Press Clipping and Picture Manual" and other printed matter, pamphlets, and press cards in connection therewith. The office and principal place of business of said respondent for the conduct of said business as aforesaid is located at 3923 West Sixth Street in the city of Los Angeles and State of California. In the course and conduct of his business he causes said courses of instruction, manuals, pamphlets, press cards, and other printed matter to be transported from his said place of business in the State of California to the purchasers thereof located in other States of the United States and in the District of Columbia. There is now, and has been at all times mentioned herein, a course of trade and commerce between and among the various States of the United States, and in the District of Columbia, in said correspondence course of instruction, manuals, pamphlets, press cards, and other printed matter sold and distributed by respondent as aforesaid. Respondent formerly operated said business under the trade name of "National Press Syndicate," but is operating at the present time under the trade name "National Press Service."

Findings

27 F. T. C.

PAR. 2. In the course and conduct of his business, respondent is now, and has been, in substantial competition with other individuals, and with firms, partnerships, and corporations, likewise engaged in the sale and distribution in said commerce of books, pamphlets, and other printed matter and of courses of study and instruction intended for preparing students thereof by correspondence for various positions, employments, trades, and professions.

PAR. 3. In the course and conduct of his business, and for the purpose of soliciting and promoting the sale of his correspondence course of instruction and of his booklet entitled "Press Clipping and Picture Manual" and other pamphlets, press cards, and printed matter in connection therewith, respondent advertises in numerous magazines, periodicals, and newspapers, and causes statements and representations to be published therein concerning his said correspondence courses of instruction.

Among the statements thus made, published, or caused to be published by the respondent are the following:

EARN \$25 AND UP EVERY WEEK! Clipping and preparing news items for publishers. Full or part time. Experience unnecessary. Stamp brings instructions.

CLIP NEWS ITEMS! WE PAY CASH! Cash paid for newspaper clippings used as a basis for articles. Earn big money weekly clipping and preparing.

EARN \$15 PER WEEK! Collect News Clippings for Trade Journals.

Perhaps you don't care to be a writer but that is no reason to forego the "BIG" MONEY that is to be had by merely clipping newspapers.

Our Manual of Instruction contains complete information on how and where to find these valuable articles **AND WHERE TO SEND THEM FOR CASH!**

A fascinating new way to make "big" money and build up an active and growing income of your own.

We show you a **UNIQUE** idea in **FEATURE WRITING** and newspaper clipping that is going to mean Big Money to **YOU** just as it is proving very successful throughout the country. Just think * * * a single article in a newspaper or magazine may be worth \$100 to you. A tiny few lines may bring you \$50 * * * Other correspondents are making big money. **SO CAN YOU.**

There is no waiting to **MAKE MONEY!** **YOU CAN BEGIN AT ONCE!**

This new system is Designed so That you can Immediately Start to Make Money in This Most Fascinating Way.

IT'S AS EASY AS A-B-C. Can you read? Can you write? Do you know your A B C's? If so, then you can make a success of this business. You need no special ability or training; you need no "connection."

Why don't you write Feature articles and Trade Journal items? You can turn out a feature a day and five or six of the shorter items which bring up to \$10 EACH.

Did you know that there are over 1000 Trade Journals, nearly 100 syndicates, and twice as many House Organs, that want material from Free-Lance writers? * * * All they want is interesting material for their publications. And you

can re-write the same item half a dozen times, from a different angle or slant; and sell it to as many editors.

Courtesy of the Press to you!

You will be proud to present your credentials, in the form of your PRESS CARD, furnished by the National Press Syndicate. There is magic in that word "Press" that will gain attention, consideration, an entree for you when and where nothing else will. It is the "Open Sesame" to otherwise barred places to you.

You don't need a college education, or any training other than what you receive in working out the assignments given you by our editor.

Clipping and preparing news items for publishers is a highly profitable, dignified and fascinating profession—which you can start immediately.

An opportunity to earn money in a new kind of profession—full or part time. If you are employed at present and simply want to increase your income, or if you want to devote your entire time to this new profession * * * The National Press Service is Designed for You. Some of our correspondents have tried out our system in their spare time and have found it so profitable that they now devote full time to this new undertaking.

This money-making system can work for you regardless of where you live or what you do. It doesn't make a bit of difference where you live * * * in the country or in the city * * * on land or sea. All you need is access to newspapers and magazines and with proper knowledge and our guidance you can CASH IN with a pair of scissors.

\$50, \$75, \$100 an Article! Writers that editors might classify as "ordinary" or "average" can advance to the point where they will be in position to supply articles worth from \$50.00 to \$100.00 or more.

\$400.00 for single feature!

This Press Card will be sent you upon your enrollment. It will enable you to report many unusual occurrences and sell these reports to publications anxious to pay money for them.

PAR. 4. All of said representations are exaggerated, false, and misleading. Purchasers of respondent's "Press Clipping and Picture Manual" do not earn \$25 and up every week, or \$15 per week, or "big" money. Writing, feature writing, or clipping and selling press items is not as "easy as A-B-C," and one cannot make a success of either vocation without special ability or training, or previous experience, or "connections." No one purchasing respondent's "Press Clipping and Picture Manual" can turn out a feature article or trade journal item a day, and sell such articles or items for as much as \$10 each. The "Press Card" issued to respondent's subscribers will not gain attention, consideration and entree for the holder, and is not the "Open Sesame" to otherwise barred places. Purchasers of respondent's "Press Clipping and Picture Manual" cannot begin making money at once, cannot write feature articles and trade journal items, and cannot rewrite the same items half a dozen times, from a different angle or slant, and sell it to as many editors. The said "Press Clipping and Picture Manual" does not contain "complete information"

on how and where to find valuable articles and where to send them for cash, nor does it disclose "a fascinating new way" to make "BIG" money and build up an active and growing income. Furthermore, the use of the words "National Press Service" as the trade name of the respondent is misleading and fraudulent, for the reason that said name implies that respondent is engaged in service work for or on behalf of newspapers or the press, and does not truthfully represent the nature of respondent's business as a correspondence course or school in press clipping.

PAR. 5. The acts and practices of the respondent, as herein described, in making and using the aforesaid representations in connection with the sale and distribution of said course of instruction, and the printed matter sold and used in connection therewith, have had, and have, the tendency and capacity to mislead and deceive prospective purchasers of said course of instruction into the erroneous and mistaken belief that said representations are true and that the results represented will be obtained upon completion of the course of instruction. As a result, purchasers acting in this erroneous and mistaken belief have purchased respondent's course of instruction and said "Press Clipping and Picture Manual" and the other printed matter sold and used in connection therewith in lieu of and instead of other courses of instruction and other printed matter sold and used in connection therewith. Trade has been diverted unfairly to the respondent from competitors selling other courses of instruction and printed matter in connection therewith in commerce among and between the various States of the United States who do not in any manner misrepresent the nature of their respective courses of instruction or the earnings or other benefits to be obtained as a result of the completion of said courses of instruction.

CONCLUSION

The aforesaid acts and practices of the respondent, as herein found, are all to the prejudice and injury of the public and of respondent's competitors, and constitute unfair methods of competition in commerce within the intent and meaning of the Federal Trade Commission Act.

ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission and the answer of respondent, in which answer respondent admits all the material allegations of fact set forth in said complaint, and states that he waives all intervening procedure and further hearing as to said facts, and the Commission having made its findings as to the facts and con-

1118

Order

clusion that said respondent has violated the provisions of the Federal Trade Commission Act.

It is ordered, That the respondent, Tom Bloom, an individual, doing business under the trade name National Press Service, or under any other trade name, his representatives, agents, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale, and distribution of a correspondence course of instruction in press clipping and writing and of a booklet entitled "Press Clipping and Picture Manual" and of other printed matter, pamphlets, and press cards in connection therewith, in interstate commerce or in the District of Columbia, do forthwith cease and desist from representing:

1. That purchasers of respondent's "Press Clipping and Picture Manual" earn \$25 and up every week, or \$15 per week, or any other stated amounts, or "big" money.

2. That writing, feature writing, or clipping and selling press items is "as easy as A-B-C," and that one can make a success of either vocation without special ability or training, or previous experience, or "connections."

3. That purchasers of respondent's "Press Clipping and Picture Manual" can turn out a feature article or trade journal item a day and sell such articles or items for as much as \$10 each or for any stated amount.

4. That the "Press Card" issued to respondent's subscribers will gain attention, consideration and entree for the holder, and is the "Open Sesame" to otherwise barred places.

5. That purchasers of respondent's "Press Clipping and Picture Manual" can begin making money at once, can write feature articles and trade journal items, and can rewrite the same item half a dozen times, from a different angle or slant, and sell it to as many editors.

6. That said "Press Clipping and Picture Manual" contains complete information on how and where to find valuable articles and where to send them for cash, and that it discloses a "fascinating new way" to make "big" money and build up an active and growing income.

7. Through use of the trade name "National Press Service" or through any other name of similar import and effect, or through any means or device, or in any manner, that the business conducted by him is a service conducted for or on behalf of newspapers or the press, or is anything other than a private business conducted for profit.

It is further ordered, That the respondent shall, within 60 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.

IN THE MATTER OF
**PAULINE ROTHMAN, INDIVIDUALLY; AND TRADING AS
CROWN MAIL ORDER HOUSE**

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

Docket 3540. Complaint, Aug. 17, 1938—Decision, Oct. 25, 1938

Where an individual engaged in the sale and distribution of electric lamps, cosmetics, hot water bottles, cutlery sets, clocks, and various other articles of merchandise, and in the distribution, in said connection, to representatives and prospective representatives of advertising literature, including sales circular designating number of items of merchandise and prices thereof—

- (a) Supplied to her representatives and prospective representatives, as part of sales circular aforesaid and opposite listing of items and prices of merchandise as above described, pull card for use in distribution and sale of products in question under a plan in accordance with which article of merchandise obtained and price paid therefor and value, or apparent value, secured, were determined by chance in accordance with item and price disclosed under tab selected, and person or representative operating card was compensated, after sale of all tabs or chances and remission of amounts, by premium, and thereby supplied to and placed in the hands of others means of conducting lotteries in the sale of her merchandise, in accordance with aforesaid and other similar plans in varying detail, contrary to established public policy of the United States Government and in violation of the criminal laws, and in competition with many who are unwilling to adopt game of chance to win by chance or any method contrary to public policy, and refrain therefrom;

With result that many were attracted by her said method and element of chance involved in sale of merchandise, offering opportunity to procure by chance article of merchandise at price much less than apparent normal retail price thereof, and thereby induced to buy and sell her said products in preference to those offered and sold by competitors who do not use such or equivalent method, and with effect, by reason thereof, of unfairly diverting trade and custom to her from competitors who do not use such or equivalent method; and

- (b) Made such false and deceptive and misleading statements in her advertising matter as "Pick Your Gift," "Now Everyone can get a Valuable Prize Absolutely Free," "Free Gift," "Extra Surprise Gift," "Amazing New Give-Away Plan Drops Gifts Right in Your Lap," facts being none of her so-called premiums or gifts were given away free or without cost, but were purchased either with labor of representatives, or prices thereof were included in those of other articles which representatives had to sell or procure sale of before they could obtain such so-called premiums or gifts, and, in a number of cases, certain money payments were required in addition to labor performed or services rendered;

With effect of misleading and deceiving substantial portion of purchasing public into erroneous belief that such statements and representations were true, and into purchase of substantial quantities of her said products as a result thereof, and of unfairly diverting trade to her from competitor manufac-