

Syllabus

IN THE MATTER OF
ALLE-RHUME REMEDY COMPANY, INC. AND BLOCK
DRUG COMPANY, INC.

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

Docket 3678. Complaint, Dec. 28, 1938—Decision, Aug. 25, 1939

Where two corporations, under common control and directed by same set of officers, respectively engaged as manufacturer and as exclusive distributor, in compounding, selling, and distributing their "Allenru" medical or pharmaceutical preparation to members of purchasing public in various States and in the District of Columbia, in substantial competition with others engaged in sale and distribution of medical and other preparations and products designed and intended for use in treatment of ailments and conditions for which they recommended their said product, and including many who do not in any manner misrepresent their preparations and do not make any other false statements in connection with sale and distribution thereof; in advertisements which they disseminated through the mails and through newspapers and periodicals of general circulation, and through circulars and printed matter distributed in commerce among the various States, and through various means, and which were intended and calculated to induce, directly or indirectly, purchase of their said product—

- (a) Represented, directly or by implication, that said "Allenru" would drive out of or rid joints or muscles of all uric acid deposits, and that excess uric acid caused or aggravated most cases of rheumatism, and that it would cause uric acid poisons to be eliminated from body in 24 hours, facts being it would not drive out of joints and muscles all uric acid deposits that cause suffering, or drive out uric acid poisoning from body in 24 hours, and excess uric acid in system does not cause or aggravate most cases of rheumatism;
- (b) Represented, as aforesaid, that said preparation was compounded from a safe or scientific formula, and was free from harmful drugs and constituted a remedy or cure for rheumatism, sciatica, neuritis, lumbago, and neuralgia, facts being it was not a safe, sensible, scientific formula free from harmful or pain-deadening drugs, nor competent and effective remedy or treatment or cure for said or any other ailments or conditions which may be present in or afflict the body, and had no substantial therapeutic value in treatment thereof; and
- (c) Represented, as aforesaid, that use of said "Allenru" would remove cause of, or effect quick relief from, sciatica, neuritis, or lumbago, and would quickly stop distress and pain of said ailments caused by excess uric acid or other circulating poisons, and would stop the pain, agony, and inflammation within 48 hours, facts being it would not accomplish such results, and most of aches and pains and stiffness, soreness, and lameness of rheumatism, sciatica, neuritis, and rheumatic gout are not caused or aggravated by such excess uric acid and other circulating poisons, and it would not drive out pain and agony caused by said ailments within 48 hours or in any other period of time, and their claims as to therapeutic value or

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efficacy of their said product were grossly exaggerated, false, and deceptive, and clearly exceeded claims as to therapeutic value or efficacy thereof which might truthfully be made;

With effect of misleading and deceiving substantial portion of purchasing public, through their said false, deceptive, and misleading statements, representations, and advertisements, into the erroneous and mistaken belief that such false statements, etc., were true, and that their said preparation possessed properties claimed and represented and would accomplish results indicated, and of causing substantial portion of said public, because of such erroneous and mistaken belief, to purchase substantial quantities of their said drug-containing preparation, and of thereby diverting trade unfairly to them from their competitors in commerce who truthfully advertise the effectiveness of their respective preparations and products; to the injury of competition in commerce:

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

Before *Mr. Edward E. Reardon*, trial examiner.

Mr. J. D. Kash for the Commission.

Mr. Charles W. Green, of New York City, for respondents.

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 Alle-Rhume Remedy Co., Inc., and Block Drug Co., Inc., hereinafter referred to as respondents, have 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:

PARAGAPH 1. Alle-Rhume Remedy Co., Inc., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of New York, with its principal place of business in Jersey City, State of New Jersey. Respondent Block Drug Co., Inc., is a corporation organized and existing under and by virtue of the laws of the State of New Jersey, with its office and principal place of business located in Jersey City, State of New Jersey. The respondent, Alle-Rhume Remedy Co., Inc., manufactures the product hereinafter mentioned and respondent, Block Drug Co., Inc., acts as exclusive distributor of said product. The respondent, Block Drug Co., Inc., owns and controls a considerable portion of the common stock of the respondent, Alle-Rhume Remedy Co., Inc. The affairs of both respondent corporations are controlled and directed by the same set of officers. Said respondents have cooperated each with

the other and have acted in concert in doing the acts and things hereinafter alleged.

PAR. 2. The respondents are now and have been for more than 1 year last past engaged in the business of compounding, selling, and distributing a medical or pharmaceutical preparation designated as Allenru. Respondents sell said preparation to members of the purchasing public situated in various States of the United States and cause said preparation when sold by them to be transported from their aforesaid place of business in the State of New Jersey to the purchasers thereof at their respective points of location in various States of the United States other than the State of New Jersey and in the District of Columbia. Respondents maintain and at all times mentioned herein have maintained a course of trade in commerce in said preparation among and between the various States of the United States and in the District of Columbia.

PAR. 3. Respondents are engaged in substantial competition in commerce among and between the various States of the United States and in the District of Columbia with other corporations and with partnerships, firms, and individuals selling and distributing medical and other preparations and products designed and intended for use in the treatment of ailments and conditions of the human body for which respondents recommend the use of their said preparation. Among such competitors in said commerce are many who do not in any manner misrepresent their said preparations and products, or the therapeutic properties thereof, and who do not make any other false statements in connection with the sale and distribution of their said preparations and products.

PAR. 4. In the course and conduct of the aforesaid business, the respondents have disseminated and are now disseminating, and have and do now cause to be disseminated, false advertisements for the purpose of inducing, and which were likely to induce, directly or indirectly, the purchase of respondents' said medical preparation. Said false advertisements were and are disseminated by use of the United States mails and by insertions in newspapers and periodicals having a general circulation, and also in circulars and other printed matter, all of which are distributed in commerce among and between the various States of the United States. Various means have been, and are, used by respondents to disseminate, or cause the dissemination of, said false advertisements for the purpose of inducing, or which are likely to induce, directly or indirectly, the purchase in commerce among and between the various States of the United States of respondents' said medical preparation. Among and typical of the

statements and representations contained in said false advertisements so used and disseminated, as aforesaid, are the following:

URIC ACID POISONING STARTS TO LEAVE BODY IN 24 HOURS

Out of your body and muscles go the uric acid deposits that cause all your suffering—It is a safe, sensible, scientific formula free from harmful or pain deadening drugs. The same absolute guarantee holds good for sciatica, neuritis and lumbago—Quick, joyful relief—No more idle days—It removes the cause.

Now, there is a prescription called Allenru that is safe, yet so powerful that when you take it uric acid poisons start to pour out of your body in 24 hours. Better still, in 48 hours pain, agony, and inflammation are gone. You are ready for work again.

Excess uric acid causes or aggravates most rheumatism.

Allenru is a prescription compounded to swiftly stop the distress, the pain, the agony of rheumatism and sciatica caused by excess uric acid or other circulating poisons.

Most of the aches, pains, stiffness, soreness and lameness of stubborn rheumatism, sciatica, neuritis, and rheumatic gout are caused or aggravated by excess uric acid or other circulating poisons.

One supremely good prescription for rheumatism, sciatica, neuritis and lumbago when caused or aggravated by excess uric acid or other circulating poisons, and most of it is well and favorably known to live pharmacists all over America. Just ask for 8 ounces of Allenru prescription and take as directed. It is swift and safe. Often the pain and agony leaves in 48 hours. Cost about 85¢.

PAR. 5. Through the use of the statements and representations hereinabove set forth, and others similar thereto not herein set-out, all of which purport to be descriptive of respondents' preparation and its effectiveness in the treatment of ailments and conditions of the human body and the cause of such ailments and conditions, respondents have represented directly and by implication, among other things, that the use of the preparation Allenru will drive out uric acid deposits from joints and muscles of the users thereof; that said preparation is a safe, sensible, scientific formula free from harmful or pain-deadening drugs; that their product is guaranteed to remove the cause of sciatica, neuritis, and lumbago; that its use will cause uric-acid poisons to be eliminated from the body in 24 hours and that pain, agony, and inflammation will leave the body within 48 hours; that excess uric acid in the body causes or aggravates most rheumatism; that said product will swiftly stop the distress, pain, and agony of rheumatism, neuritis, and sciatica when caused by excess uric acid or other circulating poisons in the body; that most of the aches, pains, stiffness, soreness, and lameness of rheumatism, sciatica, and rheumatic gout are caused and aggravated by excess uric acid and other circulating poisons; that said prescription is swift and safe and that pain and agony caused by rheumatism, sciatica, neuritis, and lumbago,

when caused or aggravated by excess uric acid or other circulating poisons, will leave the body within 48 hours.

PAR. 6. The aforesaid representations, used and disseminated by respondents in the manner above described, are grossly exaggerated, misleading, and untrue, and constitute false advertising. In truth and in fact respondents' preparation Allenru does not drive out of joints and muscles all uric-acid deposits that cause suffering. It is not a safe, sensible, scientific formula free from harmful or pain-deadening drugs. It does not relieve sciatica, neuritis, and lumbago, nor does it effect a quick relief for such ailments, nor does it remove the cause of same. Respondents' preparation does not drive out uric-acid poisoning from the body in 24 hours, nor does it stop the pain, agony, and inflammation within 48 hours. Excess uric acid in the system does not cause or aggravate most rheumatism. Allenru will not swiftly stop the distress, pain, and agony of rheumatism, neuritis, and sciatica caused by excess uric acid or other circulating poisons. Most of the aches, pains, stiffness, soreness, and lameness of rheumatism, sciatica, neuritis, rheumatic gout, are not caused or aggravated by excess uric acid and other circulating poisons.

The use of said preparation will not cure nor has it any substantial therapeutic value in the treatment of rheumatism. Said preparation is not a competent and effective remedy or treatment for, nor will it cure or be of substantial therapeutic value in the treatment of sciatica, neuritis, lumbago, or neuralgia, or any other ailment, disease or condition which may be present in, or afflict the human body, and it will not drive out the pain and agony caused by such ailments within 48 hours or in any other period of time.

Respondents' claims as to the therapeutic value or efficacy of said preparation are grossly exaggerated, false, and deceptive, and clearly exceed claims as to the therapeutic value or efficacy of said preparation which might truthfully be made.

PAR. 7. The use of the aforesaid false advertisements disseminated in the manner above described induces or is likely to induce directly or indirectly, the purchase of a drug.

PAR. 8. The use by the respondents of the foregoing false and deceptive and misleading statements, representations, and advertisements disseminated as aforesaid with respect to said preparation has had and now has the capacity and tendency to and does mislead and deceive a substantial portion of the purchasing public into the erroneous and mistaken belief that such false statements, representations, and advertisements are true, and that respondents' said preparation possesses the properties claimed and represented, and will accomplish the results indicated, and causes a substantial portion of the purchas-

ing public, because of such erroneous and mistaken belief, to purchase substantial quantities of respondents' said preparation.

As a result, trade has been diverted unfairly to the respondents from their competitors in said commerce, who truthfully advertise the effectiveness in use of their respective preparations and products, as described in paragraph 3. In consequence thereof, injury has been and is now being done by respondents to competition in commerce among and between the various States of the United States and in the District of Columbia.

PAR. 9. The aforesaid acts and practices of respondents as herein alleged are all to the prejudice and injury of the public and of respondents' competitors, and constitute unfair methods of competition and unfair and deceptive acts and practices 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 December 28, 1938, issued, and on December 29, 1938, served, its complaint in this proceeding, charging respondents with the use of unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce in violation of the provisions of said act. After the issuance of said complaint and the filing of respondents' answer, the Commission, by order entered herein, granted respondents' motion for permission to withdraw said answer and to substitute therefor an answer admitting all the material allegations of fact set forth in said complaint and waiving all intervening procedure and further hearing as to said facts, which substitute answer was duly filed in the office of the Commission. Thereafter, this proceeding regularly came on for final hearing before the Commission on said complaint and substitute answer, and the Commission, having 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. Alle-Rhume Remedy Co. is a corporation organized, existing, and doing business under and by virtue of the laws of the State of New York, with its principal place of business in Jersey City, State of New Jersey. Respondent Block Drug Co., Inc., is a corporation organized and existing under and by virtue of the laws of the State of New Jersey, with its office and principal place of business located in Jersey City, State of New Jersey. The respondent Alle-

Rhume Remedy Co., Inc., manufactures the product hereinafter mentioned and respondent Block Drug Co., Inc. acts as exclusive distributor of said product. The respondent, Block Drug Co., Inc. owns and controls a considerable portion of the common stock of the respondent Alle-Rhume Remedy Co., Inc. The affairs of both respondent corporations are controlled and directed by the same set of officers. Said respondents have cooperated each with the other and have acted in concert in doing the acts and things hereinafter found to have been done.

PAR. 2. The respondents are now and have been for more than 1 year last past engaged in the business of compounding, selling, and distributing a medical or pharmaceutical preparation designated as Allenru. Respondents sell said preparation to members of the purchasing public situated in various States of the United States and cause said preparation when sold by them to be transported from their aforesaid place of business in the State of New Jersey to the purchasers thereof at their respective points of location in various States of the United States other than the State of New Jersey and in the District of Columbia. Respondents maintain and at all times mentioned herein have maintained a course of trade in commerce in said preparation among and between the various States of the United States and in the District of Columbia.

PAR. 3. Respondents are engaged in substantial competition in commerce among and between the various States of the United States and in the District of Columbia with other corporations and with partnerships, firms, and individuals selling and distributing medical and other preparations and products designed and intended for use in the treatment of ailments and conditions of the human body for which respondents recommend the use of their said preparation. Among such competitors in said commerce are many who do not in any manner misrepresent their said preparations and who do not make any other false statements in connection with the sale and distribution of their said preparations and products.

PAR. 4. In the course and conduct of the aforesaid business, the respondents have disseminated and are now disseminating, and have and do now cause to be disseminated, false advertisements for the purpose of inducing, and which were likely to induce, directly or indirectly, the purchase of respondents' said medical preparation. Said false advertisements were and are disseminated by use of the United States mails and by insertions in newspapers and periodicals having a general circulation, and also in circulars and other printed matter, all of which are distributed in commerce among and between the various States of the United States. Various means have been,

and are, used by respondents to disseminate, or cause the dissemination of, said false advertisements for the purpose of inducing, or which are likely to induce, directly or indirectly, the purchase in commerce among and between the various States of the United States of respondents' said medical preparation. Among and typical of the statements and representations contained in said false advertisements so used and disseminated, as aforesaid, are the following:

URIC ACID POISONING STARTS TO LEAVE BODY IN 24 HOURS

Out of your body and muscles go the uric acid deposits that cause all your suffering—It is a safe, sensible, scientific formula free from harmful or pain deadening drugs. The same absolute guarantee holds good for sciatica, neuritis and lumbago—Quick, joyful relief—No more idle days—It removes the cause.

Now, there is a prescription called Allenru that is safe, yet so powerful that when you take it uric acid poisons start to pour out of your body in 24 hours. Better still, in 48 hours pain, agony, and inflammation are gone. You are ready for work again.

Excess uric acid causes or aggravates most rheumatism.

Allenru is a prescription compounded to swiftly stop the distress, the pain, the agony of rheumatism and sciatica caused by excess uric acid or other circulating poisons.

Most of the aches, pains, stiffness, soreness, and lameness of stubborn rheumatism, sciatica, neuritis, and rheumatic gout are caused or aggravated by excess uric acid or other circulating poisons.

One supremely good prescription for rheumatism, sciatica, neuritis and lumbago when caused or aggravated by excess uric acid or other circulating poisons, and most of it is well and favorably known to live pharmacists all over America. Just ask for 8 ounces of Allenru prescription and take as directed. It is swift and safe. Often the pain and agony leaves in 48 hours. Cost about 85 cents.

PAR. 5. Through the use of the statements and representations hereinabove set forth, and others similar thereto not herein set-out, all of which purport to be descriptive of respondents' preparation and its effectiveness in the treatment of ailments and conditions of the human body and the cause of such ailments and conditions, respondents have represented directly and by implication, among other things, that the use of the preparation Allenru will drive out uric-acid deposits from joints and muscles of the users thereof; that said preparation is a safe, sensible, scientific formula free from harmful or pain-deadening drugs; that their product is guaranteed to remove the cause of sciatica, neuritis, and lumbago; that its use will cause uric-acid poisons to be eliminated from the body in 24 hours and that pain, agony, and inflammation will leave the body within 48 hours; that excess uric acid in the body causes or aggravates most rheumatism; that said product will swiftly stop the distress, pain, and agony of rheumatism, neuritis, and sciatica when caused by

excess uric acid or other circulating poisons in the body; that most of the aches, pains, stiffness, soreness, and lameness of rheumatism, sciatica, and rheumatic gout are caused and aggravated by excess uric acid and other circulating poisons; that said prescription is swift and safe and that pain and agony caused by rheumatism, sciatica, neuritis, and lumbago, when caused or aggravated by excess uric acid or other circulating poisons, will leave the body within 48 hours.

PAR. 6. The aforesaid representations, used and disseminated by respondents in the manner above described, are grossly exaggerated, misleading, and untrue, and constitute false advertising. In truth and in fact respondents' preparation Allenru does not drive out of joints and muscles all uric-acid deposits that cause suffering. It is not a safe, sensible, scientific formula free from harmful or pain-deadening drugs. It does not relieve sciatica, neuritis, and lumbago, nor does it effect a quick relief for such ailments, nor does it remove the cause of same. Respondents' preparation does not drive out uric-acid poisoning from the body in 24 hours, nor does it stop the pain, agony, and inflammation within 48 hours. Excess uric acid in the system does not cause or aggravate most rheumatism. Allenru will not swiftly stop the distress, pain and agony of rheumatism, neuritis, and sciatica caused by excess uric-acid or other circulating poisons. Most of the aches, pains, stiffness, soreness, and lameness of rheumatism, sciatica, neuritis, rheumatic gout, are not caused or aggravated by excess uric acid and other circulating poisons.

The use of said preparation will not cure nor has it any substantial therapeutic value in the treatment of rheumatism. Said preparation is not a competent and effective remedy or treatment for, nor will it cure or be of substantial therapeutic value in the treatment of sciatica, neuritis, lumbago, or neuralgia, or any other ailment, disease, or condition which may be present in, or afflict the human body, and it will not drive out the pain and agony caused by such ailments within 48 hours or in any other period of time.

Respondents' claims as to the therapeutic value or efficacy of said preparation are grossly exaggerated, false, and deceptive, and clearly exceed claims as to the therapeutic value or efficacy of said preparation which might truthfully be made.

PAR. 7. The use of the aforesaid false advertisements disseminated in the manner above described induces or is likely to induce, directly or indirectly, the purchase of a drug.

PAR. 8. The use by the respondent of the foregoing false and deceptive and misleading statements, representations, and advertise-

ments disseminated as aforesaid with respect to said preparation has had and now has the capacity and tendency to, and does, mislead and deceive a substantial portion of the purchasing public into the erroneous and mistaken belief that such false statements, representations, and advertisements are true, and that respondents' said preparation possesses the properties claimed and represented, and will accomplish the results indicated, and causes a substantial portion of the purchasing public, because of such erroneous and mistaken belief, to purchase substantial quantities of respondents' said preparation.

As a result, trade has been diverted unfairly to the respondents from their competitors in said commerce, who truthfully advertise the effectiveness in use of their respective preparations and products, as described in paragraph 3. In consequence thereof, injury has been and is now being done by respondents to competition in commerce among and between the various States of the United States and in the District of Columbia.

CONCLUSION

The aforesaid acts and practices of the respondents, Alle-Rhume Remedy Co., Inc. and Block Drug Co., Inc., are to the prejudice of the public and of respondents' competitors and constitute unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

MODIFIED ORDER TO CEASE AND DESIST¹

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission and the answer of respondents, in which answer respondents admitted all of the material allegations of fact set forth in said complaint and stated that they waived all intervening procedure and further hearing as to said facts, and the Commission, having, on the 25th day of August 1939, made its findings as to the facts and conclusion that respondents had violated the provisions of the Federal Trade Commission Act, and the Commission having, on the 25th day of August 1939, issued its order to cease and desist against said respondents, and said respondents having thereafter requested that said order to cease and desist be modified, and the Commission having duly considered said request, and the record herein, and being now fully advised in the premises, makes this its modified order to cease and desist.

¹ Order published as modified as of November 13, 1939.

It is ordered, That the respondents, Alle-Rhume Remedy Co., Inc., a corporation, and Block Drug Co., Inc., a corporation, their officers, representatives, agents, and employees, directly or through any corporate or other device, do forthwith cease and desist from disseminating or causing to be disseminated any advertisement by means of the United States mails or in commerce, as commerce is defined in the Federal Trade Commission Act, by any means, for the purpose of inducing or which is likely to induce, directly or indirectly, the purchase of their medicinal preparation now designated by the name "Allenru," or any other medicinal preparation composed of substantially similar ingredients or possessing substantially similar therapeutic properties whether sold under said name or any other name or names, or disseminating or causing to be disseminated any advertisement by any means for the purpose of inducing or which is likely to induce, directly or indirectly, the purchase in commerce, as commerce is defined in the Federal Trade Commission Act, of said preparation, which advertisements represent, directly or by implication, that said preparation will drive out of or rid joints or muscles of all uric-acid deposits; or that excess uric acid causes or aggravates most cases of rheumatism; or that said preparation is compounded from a safe or scientific formula, or is free from harmful drugs; or that said preparation is a remedy or cure for, or has any substantial therapeutic value in the treatment of, rheumatism, sciatica, neuritis, lumbago, or neuralgia; or that the use of said preparation will remove the cause of, or effect a quick relief from, sciatica, neuritis, or lumbago; or that said preparation will quickly stop the distress and pain of rheumatism, neuritis or sciatica caused by excess uric acid or other circulating poisons.

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

IN THE MATTER OF

**MELVIN B. SELCER, MARY F. SELCER, CLAY SPENCER
AND CHARLOTTE SPENCER, INDIVIDUALLY AND AS
COPARTNERS, TRADING AS SPENCER BUSINESS COL-
LEGE, AND RAY AXTON**

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

Docket 3694. Complaint, Jan. 25, 1939—Decision, Aug. 25, 1939

Where four partners engaged in sale and distribution of printed and mimeographed courses of instruction in elementary secretarial and business administration subjects and, chiefly, as thus engaged, in conducting correspondence courses in said subjects, and the employee of their "Extension Division," who directed operation of sales representatives, agents, and employees engaged in selling and undertaking to sell their said courses of instruction to be taken by correspondence;

In selling, as aforesaid, through their said sales representatives, agents, or employees, their said correspondence courses, including, under designation "Complete Secretarial" course, instruction in shorthand, typewriting, business English, business correspondence and secretarial duties, and, under designation "Business Administration course," bookkeeping, typewriting, business English and correspondence, and salesmanship and business administration—

- (a) Represented that prospect solicited had been especially selected by them for an offer of enrollment in their courses, and that their said sales representatives, agents or employees, or "registrars," had special authority to sell meritorious persons such offers, and that student or prospective student thus especially selected was offered an especially low price for advertising purposes, consisting only of cost of materials, with tuition to be given free, and that regular price for regular course was higher than said exceptionally low price, facts being prospect solicited had not been especially selected, their said representatives, etc., did not approach such persons by virtue of any especial authority as above claimed, prospect was not offered especially low price consisting only of cost of materials, and tuition for regular price of regular course was not in excess of price offered;
- (b) Represented that such selected prospects were recipients of scholarships, and that enrollment under such scholarship entitled student to the full course of instruction, and that number of scholarships available to any given locality, city, community or State was limited, facts being no scholarships were awarded, enrollment under such alleged special offer did not entitle student to any full course of instruction in excess of that ordinarily procurable, and number of enrollments available to any given locality was not limited; and
- (c) Represented that they maintained branch offices in numerous cities other than that of New Orleans, in which the business and school aforesaid described were located, facts being they maintained no branches elsewhere;