

IN THE MATTER OF
**KARL W. PETERS, TRADING AS NATIONAL INSTITUTE
FOR PHYSICAL ADVANCEMENT**

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

Docket 3460. Complaint, June 16, 1938—Decision, Sept. 26, 1939

Where an individual engaged in sale and distribution of physical culture book designated "Bust Culture," to purchasers in various other States and in the District of Columbia, in substantial competition with others engaged in distribution and sale of like and similar books, courses, methods, and articles on physical culture and bust culture, and including many who do not in any manner misrepresent the results to be obtained from their said culture methods or courses and do not use representations, acts and practices used as below set forth in connection with sale and distribution of their books, courses, methods, and articles—

Represented, through testimonials, letters, circulars, leaflets, newspaper, and magazine advertisements, and by other means, that through following method outlined in said book any woman could obtain a beautiful bust, and that there was no need to be flattered or embarrassed by overly large or sagging bust, and that said method had helped millions, and that it had been tried out and found effective in all cases, and that no matter what a woman's problem might be concerning her bustline and breasts, she would find the proper, effective method of correction in said book;

Facts being representations and implications thus made and used were grossly exaggerated, false, misleading, and deceptive, and said method would not obtain for all women beautiful busts and accomplish results set forth above, had not helped millions nor been found effective in all cases, and woman would not find in it proper method of correction, irrespective of her problem with respect to matters aforesaid;

With effect of causing substantial portion of purchasing public to form mistaken and erroneous beliefs that said representations were true, and that results claimed by him would be obtained upon following his method and course, and into purchase of his said book because of such beliefs induced as aforesaid, and of thereby diverting trade unfairly to him from his competitors aforesaid; to the injury of competition in commerce:
Held, That such acts and practices were all to the prejudice and injury of the public and competitors and constituted unfair methods of competition.

Before *Mr. Charles P. Vicini* and *Mr. John J. Keenan*, trial examiners.

Mr. Reuben J. Martin, *Mr. DeWitt T. Puckett*, and *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 Karl W. Peters, trading as National Institute for Physical Advancement, hereinafter referred to as 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, Karl W. Peters, is an individual, trading as National Institute for Physical Advancement, with his principal place of business located at 113 West Fifty-seventh Street, in the city of New York, State of New York. Respondent is now, and has been for more than 1 year last past, engaged in the sale and distribution of a physical culture book, designated "Bust Culture."

PAR. 2. In the course and conduct of his business, as hereinbefore described, respondent has caused said book, when sold, to be transported from his place of business in the State of New York to the purchasers thereof located in various States of the United States other than the State of New York, and in the District of Columbia. During all the times mentioned herein respondent has maintained a course of trade in said book so sold and distributed by respondent in commerce among and between the various States of the United States and in the District of Columbia.

PAR. 3. In the course and conduct of his business, respondent has been, and is now, in substantial competition with other individuals, and with partnerships, firms, and corporations, engaged in the distribution and sale of like and similar books, courses, methods, and articles on physical culture, including bust culture, in commerce among and between the various States of the United States and in the District of Columbia.

PAR. 4. In the course and conduct of his business, and to induce the purchase of his book in said commerce, the respondent, by means of testimonials, letters, circulars, leaflets, newspaper and magazine advertisements, and by other means, has circulated and disseminated among prospective purchasers many statements concerning said book. These statements contain many false and misleading representations and implications as to the results to be obtained from following the directions and instructions contained in said book. Among and typical of the statements so used by the respondent are the following:

A guaranteed method.

You too can have a beautiful bust.

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No need to be flat-chested or embarrassed by overly large or sagging bust.
No cause for unsightly bust after motherhood.

A system that has helped millions.

Karl W. Peters, international authority, will show you Nature's Way to easily acquire the kind of form you've always envied.

A simple, natural, absolutely non-dangerous system, tried out and found effective in all cases where women follow the instructions.

No matter what your problem may be concerning your bustline and breasts, you will find the method of correction in these pages.

According to your condition it may take one, two or even three months before complete correction is achieved.

By the means and in the manner aforesaid, the respondent represents and implies that his book contains a guaranteed method for a beautiful bust; that there is no need to be flat-chested or embarrassed by overly large or sagging bust; that his method has helped millions; that it has been tried out and found effective in all cases; and that no matter what a woman's problem may be concerning her bustline and breasts, she will find the proper, effective method of correction in respondent's book.

PAR. 5. The representations and implications so made and used by the respondent, as hereinabove alleged, with respect to said book and its results, are grossly exaggerated, false, misleading, and deceptive. In truth and in fact, the method outlined in said book is not a guaranteed method for a beautiful bust, and it will not correct a flat chest, or overly large or sagging bust. In truth and in fact, the method outlined in said book has not helped millions, nor has it been found effective in all cases. In truth and in fact, a woman will not find the proper method of correction in respondent's book irrespective of her problem concerning her bustline and breasts.

PAR. 6. Among the competitors of respondent, described in Paragraph Three hereof, are many who do not in any manner misrepresent the results to be obtained from their physical culture or bust culture methods or courses, and who do not use the representations, acts, and practices used by the respondent, as herein alleged, in connection with the sale and distribution of their books, courses, methods, and articles in commerce, as herein described.

PAR. 7. The use of the aforesaid representations by the respondent, as herein alleged in connection with the sale and distribution of his said book in commerce as herein described, has had, and has, a tendency and capacity to, and does, cause a substantial portion of the purchasing public to form the mistaken and erroneous beliefs that said representations are true and that the results claimed by respondent will be obtained upon following respondent's method and course of instruction and into the purchase of respondent's said

book because of said beliefs induced as aforesaid. As a result thereof trade has been diverted unfairly to respondent from those of his competitors referred to in paragraph 6. In consequence, injury has been done, and is being done, by respondent to competition in commerce among and between the various States of the United States and in the District of Columbia.

PAR. 8. The aforesaid acts and practices of the respondent as herein alleged are all to the prejudice 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.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission on June 16, 1938, issued, and on June 25, 1938, served, its complaint in this proceeding upon the respondent, Karl W. Peters, an individual, trading as National Institute For Physical Advancement, 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, the Commission by order entered herein, granted respondent's 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 the said complaint and the substitute answer, 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. Respondent, Karl W. Peters, is an individual, trading as National Institute for Physical Advancement, with his principal place of business located at 113 West Fifty-seventh Street, in the city of New York, State of New York. Respondent is now, and has been for more than 1 year last past, engaged in the sale and distribution of a physical culture book, designated "Bust Culture."

PAR. 2. In the course and conduct of his business, as hereinbefore described, respondent has caused said book, when sold, to be transported from his place of business in the State of New York to the

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purchasers thereof located in various States of the United States other than the State of New York, and in the District of Columbia. During all the times mentioned herein respondent has maintained a course of trade in said book so sold and distributed by respondent in commerce among and between the various States of the United States and in the District of Columbia.

PAR. 3. In the course and conduct of his business, respondent has been, and is now, in substantial competition with other individuals, and with partnerships, firms, and corporations, engaged in the distribution and sale of like and similar books, courses, methods, and articles on physical culture, including bust culture, in commerce among and between the various States of the United States and in the District of Columbia.

PAR. 4. In the course and conduct of his business, and to induce the purchase of his book in said commerce, the respondent, by means of testimonials, letters, circulars, leaflets, newspaper and magazine advertisements, and by other means, has circulated and disseminated among prospective purchasers many statements concerning said book. These statements contain many false and misleading representations and implications as to the results to be obtained from following the directions and instructions contained in said book. Among and typical of the statements so used by the respondent are the following:

A guaranteed method.

You too can have a beautiful bust.

No need to be flat-chested or embarrassed by overly large or sagging bust.

No cause for unsightly bust after motherhood.

A system that has helped millions.

Karl W. Peters, international authority, will show you Nature's Way to easily acquire the kind of form you've always envied.

A simple, natural, absolutely non-dangerous system, tried out and found effective in all cases where women follow the instructions.

No matter what your problem may be concerning your bustline and breasts, you will find the method of correction in these pages.

According to your condition it may take one, two or even three months before complete correction is achieved.

By the means and in the manner aforesaid, the respondent represents and implies that by following the method outlined in respondent's book any woman can obtain a beautiful bust; that there is no need to be flat-chested or embarrassed by overly large or sagging bust; that his method has helped millions; that it has been tried out and found effective in all cases; and that no matter what a woman's problem may be concerning her bustline and breasts, she will find the proper, effective method of correction in respondent's book.

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PAR. 5. The representations and implications so made and used by the respondent, as hereinabove alleged, with respect to said book and its results, are grossly exaggerated, false, misleading, and deceptive. In truth and in fact, the method outlined in said book will not obtain for all women a beautiful bust, and it will not correct a flat-chest, or overly large or sagging bust. In truth and in fact, the method outlined in said book has not helped millions, nor has it been found effective in all cases. In truth and in fact, a woman will not find the proper method of correction in respondent's book irrespective of her problem concerning her bustline and breasts.

PAR. 6. Among the competitors of respondent, described in Paragraph Three hereof, are many who do not in any manner misrepresent the results to be obtained from their physical culture or bust culture methods or courses, and who do not use the representations, acts, and practices used by the respondent, as herein alleged, in connection with the sale and distribution of their books, courses, methods, and articles in commerce, as herein described.

PAR. 7. The use of the aforesaid representations by the respondent, as herein alleged in connection with the sale and distribution of his said book in commerce as herein described, has had, and has, a tendency and capacity to, and does, cause a substantial portion of the purchasing public to form the mistaken and erroneous beliefs that said representations are true and that the results claimed by respondent will be obtained upon following respondent's method and course of instruction and into the purchase of respondent's said book because of said beliefs induced as aforesaid. As a result thereof trade has been diverted unfairly to respondent from those of his competitors referred to in paragraph 6. In consequence, injury has been done, and is being done, by respondent 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 respondent have been and 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 meaning and intent 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

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

It is ordered, That the respondent, Karl W. Peters, individually, trading as National Institute For Physical Advancement, or trading under any other name, his agents, servants, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of a physical culture book, designated "Bust Culture," or any similar book, whether sold under that name or any other name or title, in commerce as commerce is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing:

1. That by following the method outlined in respondent's book any woman can obtain a beautiful bust.

2. That the method outlined in respondent's book will correct a flat chest or an overly large or sagging bust.

3. That the method outlined in respondent's book has helped millions of women or any other exaggerated number in excess of the actual number of women who have tried and been helped by said method; or that said method has been found effective in all cases.

4. That the proper method of correction of any problem concerning bustline and breasts will be found in respondent's book.

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.

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IN THE MATTER OF
PARFUMS LENGYEL, LTD.COMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION
OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914*Docket 3666. Complaint, Dec. 17, 1938—Decision, Sept. 26, 1939*

Where a corporation engaged, as "Parfums Lengyel, Ltd.," in selling and distributing perfumes, toilet waters, and other cosmetic preparations—

Represented, through advertising folders, price lists and advertisements in periodicals and newspapers of general circulation among the various States and in the District of Columbia, that its said products were made or compounded in France and imported into the United States, facts being they were not made or compounded in France or in any other foreign country and imported, but were made and compounded in the United States from essential ingredients which were imported from France and other European countries;

With tendency and capacity to mislead and deceive substantial part of purchasing public into erroneous and mistaken belief that said products were made or compounded in France and imported into the United States, for which products, as imported from foreign countries, and particularly for the higher-priced French products, there is a preference on the part of the purchasing public, and with result, as consequence of such belief, that number of said public purchased substantial portion of its products and trade was diverted unfairly to it from its competitors engaged in manufacture, sale, and distribution, or in sale and distribution, of perfumes, toilet waters, and other cosmetic preparations, and who truthfully represent the country or source of origin of their said products; to the substantial injury of competition in commerce:

Held, That such acts and practices, under the circumstances set forth, were all 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. S. Brogdyne Teu, II 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 Parfums Lengyel, Ltd., hereinafter referred to as respondent, has violated the provisions of 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 setting forth its charges in that respect as follows: