

IN THE MATTER OF

RAY RENNISON AND MARTHA A. RENNISON, DOING
BUSINESS AS RAYSON SERVICE BUREAUCOMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION
OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914*Docket 3452. Complaint, June 8, 1938—Decision, May 11, 1940*

Where two individuals engaged in sale and distribution of courses of study and instruction to prepare students for examinations for United States Civil Service positions, and of a correspondence course also of study and instruction in forestry, to purchases in various other States, in substantial competition with others engaged in sale and distribution in commerce among the various States and in the District of Columbia of correspondence courses of study and instruction having the same object and of other such courses of other kinds, including many who, in connection with the sale of their respective courses, do not in any manner misrepresent the same or matters pertaining thereto—

- (a) Made use of word "Bureau" in the trade name under which they conducted their said business and featured same in their advertising matter in periodicals of general circulation and on their stationery and advertising matter distributed to prospective students, and in numerous pieces of advertising matter disseminated by them described the building in which they carried on such business as "United States National Building"; and
- (b) Described and referred to one of said individuals, who more recently continued to carry on such business, in advertising matter above referred to, as "Director" of said school, and set forth in their advertising that he had been employed in the service of the United States Government and had had forestry experience and a vast knowledge of wildlife, through such representations, among others, as " * * * the director of the Bureau * * * has personally worked in the mail service * * *," " * * * The director has personally worked in Government service * * *" and "The director * * * has forestry experience and a vast knowledge of wildlife."

Facts being individual in question was not a graduate of any school of forestry or any college, and was not an expert in such subject and had not had long practical experience therein or in wildlife, and his employment by the Government had been limited to a temporary appointment for 3 or 4 weeks in a Post Office substation located in a department store in a western city, and was not such as to give him any appreciable experience in Government work or qualify him as an expert in civil service matters or make him familiar therewith, and school in question was not an agency of and had no connection with the United States Government or Civil Service Commission and did not give instruction by authority thereof, as suggested by use of word "Bureau" as aforesaid, used by many Government agencies, and by erroneous description of the United States Bank Building in which they carried on business as aforesaid as "United States National Building," they had no jobs at their disposal and could in no way influence or control appointments to United States classified civil service, nor be of assistance to prospective appointees, except by instructing them so that they might be better pre-

pared for the necessary examinations, and, like other similar schools, they had no advance information regarding such examinations or appointments except as given to the public at large; and

- (c) Made the statements, in some of their advertisements inviting correspondence, "Forest jobs available \$125—\$175 month," and implied and created the impression among students and prospective students, through their said advertising matter, that their course in forestry was intended for and adapted to preparing students thereof for examinations in positions in the Forestry Service of various States and of the United States Government, through such statements as "Many opportunities are presenting themselves in forestry activities throughout the entire Nation. Forestry problems are by no means limited to Federal owned forests. Greater opportunities present themselves in State * * * forestry, * * *. The demand for qualified workers in this larger field has steadily increased, and it is to assist men in qualifying for such positions that our course in forestry has been especially designed," and "We wish particularly to call your attention to our forestry course, which we believe to be the best of its kind available. It is with the view of aiding men to acquire the practical training to assist them in passing the examination for forestry positions, that these instructions have been prepared. * * *;"

Notwithstanding fact that only graduates with a degree in forestry from recognized educational institutions with full 4-year courses therein are eligible to appointment to positions in the Forestry Service of the various States that maintain such services, and requirements are similar to qualify for examination for and appointment to positions of Junior Forester under the United States Government, and they sold their courses in forestry to all who would buy, regardless of whether or not they were otherwise qualified to receive State or Federal appointment in the respective Forestry Services, without informing purchasers that to be eligible for appointment it would be necessary for such person to have a degree in forestry from a recognized educational institution or other qualifications of education or experience not given or furnished by them, without which such persons could not qualify simply by taking their course;

With the result that persons were induced to purchase one or more of their courses of instruction by such claims and misrepresentations in their advertisements and advertising matter to the effect that individual in question, director of the school conducted by them, had been in the service of the United States and had had forestry experience, and with the further result that members of the public also were induced to purchase such courses in the belief that such individuals would be able to place them in positions under the United States Civil Service Commission; and

- (d) Included in their enrollment blank so-called money-back offer, which provided, in effect, that tuition paid by student would be refunded in event he failed to pass examination or did not secure an appointment at the time the next succeeding examination was held;

Facts being they did not disclose, in aforesaid connection, as respects United States civil service positions, that no examination might be held by Civil Service Commission for several years in a number of subjects, and that it might be months, and sometimes years, before a person, after usual lapse of several months for examination and grading of papers, placed on a register was appointed, that proportion of those examined who passed was small, and proportion of those appointed from number passing, smaller still, and,

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as aforesaid noted with respect to forestry positions, students of their said courses could not thereby alone qualify either for examination or positions involved, and said offer, under conditions aforesaid, was definitely misleading and meaningless for all practical purposes;

With capacity and tendency to confuse, mislead, and deceive members of public into the erroneous belief that such representations were true, and to induce them to purchase their said courses of study and instruction because of such beliefs, engendered as above set forth, and to divert trade to them from competitors engaged in the sale in commerce of home study correspondence courses in similar and also in other lines of study, and including among their said competitors those who do not make the misleading representations made by them as herein set forth, and do not otherwise misrepresent their respective courses, but truthfully and accurately represent the same and all matters pertaining thereto, and with effect of diverting business to them from their said competitors; to their injury and prejudice:

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

Before *Mr. Miles J. Furnas* and *Mr. William C. Reeves*, trial examiners.

Mr. William L. Pencke 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 Ray Rennison and Martha A. Rennison, individually, and doing business under the name and style of Rayson Service Bureau, hereinafter referred to as respondents, have 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, stating its charges in that respect as follows:

PARAGRAPH 1. Said respondents, Ray Rennison and Martha A. Rennison, are now, and have been for more than 2 years last past, engaged, under the name and style of Rayson Service Bureau, in the sale and distribution in commerce between and among the various States of the United States of courses of study and instruction intended for preparing students thereof for examinations for certain civil service positions under the United States Government, and also, of a course of study and instruction in the subject of forestry, which said courses of study and instruction are pursued by correspondence through the medium of the United States mail. Respondents' place of business is and has been located at 418 United States National Bank Building, in the city of Denver, State of Colorado. Respondents, in the course and conduct of said business during the time afore-

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said, caused and do now cause their said courses of study and instruction to be transported from their said place of business in Colorado to the purchasers thereof located in the several States of the United States other than the State of Colorado and in the District of Columbia.

PAR. 2. During the time above mentioned, other individuals, firms, and corporations in various States of the United States have been and are 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 courses of study and instruction intended for preparing students thereof for examinations for civil service positions under the United States Government and also of courses of study and instruction of other kinds, all of which are pursued by correspondence. Said respondents have been, during the time aforesaid, in substantial competition in commerce between and among the various States of the United States in the sale of their said courses of study and instruction with such other individuals, firms, and corporations. There are among the competitors of respondents many who, in connection with the sale of their respective courses of study and instruction, do not in any manner misrepresent the same or matters pertaining thereto.

PAR. 3. Respondents, in soliciting the sale of and in selling their said courses of study and instruction have made numerous misrepresentations in advertising matter published in newspapers and magazines circulated among the general public in various States of the United States, and in printed matter circulated by respondents by mail or otherwise to prospective students in various States of the United States. Among such misrepresentations are statements and phrases which import or imply that the school conducted by respondents is an agency of or is connected with or gives instruction by authority of the United States Government or the United States Civil Service Commission; that respondent, Ray Rennison, the director of said school, has been employed by the United States Government and that he has worked in the United States mail service; that said respondent, Ray Rennison, is an expert in forestry and has had long practical experience therein as well as in wildlife; and that the forestry course offered and used by respondents is giving instruction in forestry is of such extent, nature, and character as to prepare and qualify students who pursue the same for forestry positions under the jurisdiction of the various States of the United States, as well as for examinations for such positions.

PAR. 4. Respondents use the phrases "U. S. National Building" and "United States National Building," in connection with the word

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"Bureau" in the name under which said school is conducted, on their printed matter circulated among prospective students in the promotion of the sale of courses of instruction intended for preparing students thereof for examinations conducted by the United States Civil Service Commission. Said phrases in such connection import and imply that said school is connected with or authorized by the United States Government or said Civil Service Commission. The correct and full name of the building where the offices of respondents are located is "United States National Bank Building." The word "Bureau" is often used as the official description of a Government agency and is widely used by the public in designating Government bodies and agencies.

PAR. 5. Among the representations, made by respondents, as aforesaid, which import or imply that respondent, Ray Rennison, has been employed by the United States Government and that he has worked in the United States mail service are the following:

This course is designed and prepared by the Director of the Bureau, * * * who has personally worked in the mail service * * *

* * * The Director has personally worked in Government service * * *

Among the representations, made by respondents, as aforesaid, which import or imply that respondent, Ray Rennison, is an expert in forestry and has had long practical experience therein as well as in wildlife, are the following:

The Rayson Service Bureau welcomes the opportunity to analyze forestry and conservation problems * * *

The director * * * has forestry experience and a vast knowledge of wildlife.

Among the representations made by respondents, as aforesaid, which import or imply that respondents' forestry course is of such extent, nature and character as to prepare and qualify students who pursue the same for forestry positions under the jurisdiction of the various States of the United States, as well as for examinations for such positions, are the following:

Many opportunities are presenting themselves in forestry activities throughout the entire nation. Forestry problems are by no means limited to federal owned forests. Greater opportunities present themselves in state * * * forestry, * * * The demand for qualified workers in this larger field has steadily increased, and it is to meet this requirement and to assist men in qualifying for such positions that our course in forestry has been carefully and especially designed.

We wish particularly to call your attention to our forestry course, which we believe to be the best of its kind available. It is with the view of aiding men to acquire the practical training to assist them in passing the examinations for forestry positions, that these instructions have been prepared. * * *

PAR. 6. In truth and in fact the school conducted by respondents is not an agency of nor is it connected with the United States Government or the United States Civil Service Commission, nor does it give instruction by authority thereof. Respondent, Ray Rennison, has not been employed by the United States Government in the mail service or in any other branch of the Government service. Respondent, Ray Rennison, is not an expert in forestry and he has not had long practical experience therein or in wildlife. His business is and has been for many years past that of operating a multigraph business under the name of Rayson Multigraph Service and also in connection therewith, operating the correspondence school herein described and as herein set forth. The forestry course offered and used by respondents in giving instruction in forestry is not of such extent or nature or character as to prepare and qualify students who pursue the same for forestry positions under the jurisdiction of the various States of the United States, generally speaking, or for examinations for such positions. All or practically all such forestry positions requiring a technical or scientific knowledge of forestry are open only to persons having a much more extended training and education than offered by respondents or to those having extended practical experience not given by respondents, or both. In cases where examinations are held for such positions, it is generally true that those only are eligible to take the same who have had more training or experience, or both, than that given or furnished by respondents.

PAR. 7. Respondents, in the sale of their said courses of study and instruction as aforesaid, through use of a "Money Back" agreement, and otherwise, represent to students and prospective students that money paid for instruction will be refunded if such students completing the respective courses subscribed for fail to pass an examination or examinations for which they have prepared or if they are not offered appointments to positions after passing an examination by the time the next examination is held. Said "Money Back" agreement used by respondents reads as follows:

My entire tuition will be immediately refunded if I fail to pass examinations, or if I pass and am not offered an appointment at the time the next succeeding examination is held. (Note: Students enrolling for combined courses will be made refunds on the basis of one-third for each course)

An example of a similar representation used by respondents in their advertising matter, as aforesaid, is the following:

If you do not receive an appointment to the position of your choice, your tuition fee will be returned to you as stated by your Enrollment Blank.

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The implications of said agreement and of the above-quoted representation are that an examination or examinations will be available to be taken by students who take and complete respondents' courses within a reasonable time after completion of the same; that a position is then assured immediately or within a reasonable time thereafter; and that the conditions upon which refunds depend are reasonably determinable and within a reasonable time.

In truth and in fact said agreement and the representation above quoted are misleading in that said agreement for all practical purposes is meaningless and inoperative in a large majority of cases in that at certain times and in regard to certain examinations for which respondents offer courses of study and instruments, no examinations are held for long periods of time, and as to other examinations none or practically none are held at all. As to forestry positions and examinations therefor, said agreement is misleading because it is inoperative in practically all cases, not only because of the infrequency or entire absence of examinations for such positions, but because of the fact that certain prerequisites as to education or experience, or both, that are not met or furnished by the instruction given by respondents are required both for such examinations and for such positions.

PAR. 8. The foregoing acts and practices used by respondents in connection with the offering for sale and sale of their said courses of study and instruction have had, and now have, the tendency and capacity to and do, in fact, mislead purchasers and prospective purchasers thereof into the erroneous and mistaken belief that such representations and implications, as herein alleged, are true, and to induce them to purchase such courses of study and instruction on account thereof. Thereby substantial trade is diverted unfairly to respondents from competitors engaged in the sale in commerce between and among the various states of the United States and in the District of Columbia of correspondence courses intended for preparing students thereof for civil service examinations as well as from those so engaged in such sale in other lines of study. As a result of respondents' said practices, as herein set forth, substantial injury has been, and is now being, done by respondents to competition in commerce between and among the various States of the United States.

PAR. 9. The aforesaid acts and practices of the respondents, as herein alleged, are all to the prejudice of the public and of respondents' 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 8, 1938, issued its complaint in this proceeding and caused the same to be served upon respondents, Ray Rennison and Martha A. Rennison, individually and doing business under the name and style of Rayson Service Bureau, charging them 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 an answer thereto by the respondent, Ray Rennison, testimony and other evidence in support of the allegations of said complaint were introduced by William L. Pencke, an attorney for the Commission, before Miles J. Furnas and William C. Reeves, examiners of the Commission theretofore duly designated by it, and such testimony was reduced to writing and filed in the office of the Commission, together with numerous pieces of documentary evidence received as exhibits. No testimony or other evidence was introduced or tendered in opposition to the allegations of the complaint by or in behalf of either of said respondents. Thereafter said proceeding regularly came on for final hearing before the Commission on the said complaint, the answer thereto by the respondent, Ray Rennison individually and doing business under the name and style of Rayson Service Bureau, testimony and other evidence, and the brief of counsel for the Commission in support of the complaint, respondents not having filed briefs and oral argument not having been requested, 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, Ray Rennison, at the time of issuance of the complaint herein on June 8, 1938, and for about 2 years immediately prior thereto, was engaged, under the name and style of Rayson Service Bureau, in the sale and distribution in commerce between and among the various States of the United States of courses of study and instruction intended for preparing students thereof for examinations for certain civil service positions under the United States Government, and also of a course of study and instruction in the subject of forestry, which said courses of instruction were pursued by correspondence through the medium of the United States mail. Until about 2 years prior to the issuance of the complaint

herein, for a number of years, the same business was likewise conducted under the said trade name by the respondents, the said Ray Rennison and Martha A. Rennison. The place of business of respondents in the conduct of said business as aforesaid was at 418 United States National Bank Building, in the city of Denver, State of Colorado. In the course and conduct of said business, during the time aforesaid, and as previously stated, respondents caused the lesson material used in said courses of study and instruction to be transported as aforesaid from their said place of business in Colorado through and into various other States of the United States to the respective purchasers thereof in such other States.

PAR. 2. During the time above mentioned, other individuals, firms, and corporations in various States of the United States were 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 courses of study and instruction intended for preparing students thereof for examinations for civil service positions under the United States Government and also of courses of study and instruction of other kinds, all of which are pursued by correspondence. Said respondents have been, during the time aforesaid in substantial competition in commerce between and among the various States of the United States in the sale of their said courses of study and instruction with such other individuals, firms, and corporations. There are among the competitors of respondents many who, in connection with the sale of their respective courses of study and instruction, do not in any manner misrepresent the same or matters pertaining thereto.

PAR. 3. Respondents in the course of their said business and as a means of contacting members of the public for the purpose of selling to them the said courses of instruction, caused advertisements to be published in magazines and other periodicals having general circulation in various States of the United States. Some of such advertisements contained the statement "Forest jobs available \$125-\$175 month" and the request that interested persons qualify immediately and write to respondents for details. In numerous pieces of advertising matter disseminated by respondents the building in which respondents carried on business was described as the "United States National Building" although the correct name of such building is "United States National Bank Building." Respondent, Ray Rennison, was described and referred to in said advertising matter as the director of said school and the statements were made that respondent had been employed in the service of the United States Government, that he had had forestry experience and had a vast knowledge of wildlife. The name "Rayson Service Bureau" was prominently featured on

respondents' stationery, in advertisements, and on advertising matter sent to prospective students. In said advertising matter so distributed, respondents represented that the forestry course offered would quality students who pursued the same as foresters and for positions in that line as well as for examinations therefore with particular reference to "various States, counties, and organized forestry service."

PAR. 4. Among such representations as aforesaid are the following:

* * * the Director of the Bureau, * * * has personally worked in the mail service * * *

* * * The Director has personally worked in Government service * * *

The Rayson Service Bureau welcomes the opportunity to analyze forestry and conservation problems, * * *

The director * * * has forestry experience and a vast knowledge of wild life.

Many opportunities are presenting themselves in forestry activities throughout the entire nation. Forestry problems are by no means limited to federal owned forests. Greater opportunities present themselves in State * * * forestry, * * * The demand for qualified workers in this larger field has steadily increased, and it is to assist men in qualifying for such positions that our course in forestry has been especially designed.

We wish particularly to call your attention to our forestry course, which we believe to be the best of its kind available. It is with the view of aiding men to acquire the practical training to assist them in passing the examination for forestry positions, that these instructions have been prepared. * * *

Respondents, in their advertising matter aforesaid, implied and created the impression among students and prospective students that their course in Forestry was intended for and adapted to preparing students thereof for examinations and positions in the Forestry Service of various States of the United States and of the United States Government.

PAR. 5. Only graduates with a degree in forestry from recognized educational institutions which have full 4-year courses in forestry are eligible to appointment to positions in the Forestry Service of the various States of the United States that maintain such service. Such requirement is also made in order to qualify for the examination for and appointment to the position of Junior Forester under the United States Government. All technical positions in the United States Forestry Service are now filled from the eligible lists created by the Junior Forester examination. A minor classification in said service, known as Assistant to Technician, has the requirement of 2 years of college work or 2 years field experience, or a combination of the two, in order to qualify. Respondents have sold their courses in forestry to all who would buy the same whether or not they were otherwise qualified to receive appointments in the Forestry Service of the United States or of the various States. Respondents did not inform persons purchasing such courses of the fact that to be eligible to appointment to such posi-

tions it would be necessary for them to have a degree in forestry from a recognized educational institution or qualifications of education or experience not given or furnished by respondents. Persons who are not graduates of a recognized school of forestry or who have not had other education or experience not furnished by respondents could not qualify for positions in the Forestry Service of the United States or of the various States maintaining such service, simply by taking the course sold by respondents.

PAR. 6. The respondent, Ray Rennison, is not a graduate of any school of forestry or any college and his employment by the United States Government has been limited to a temporary appointment for 3 or 4 weeks in a post office substation located in a department store in Denver, Colo. This was not such an employment as to give him any appreciable experience in Government work or to qualify him as an expert in civil service matters or to make him familiar therewith. Persons were induced to purchase one or more of the courses of instruction offered for sale by respondents by the claims and representations in respondents' advertisements and advertising matter, to the effect that the respondent Ray Rennison, the director of the school conducted by respondents, had been in the service of the United States and had had forestry experience; also members of the public were induced to purchase such courses of instructions in the belief that respondents would be able to place them in positions under the Civil Service Commission of the United States. The word "Bureau" in the trade name under which respondents carried on business is one used by many agencies of the United States Government and is suggestive of such connection, and additional ground for this assumption was afforded by the erroneous description of the building in which respondents carried on business as the "United States National Building." Said school is not an agency of, nor has it any connection with the United States Government or the United States Civil Service Commission, nor has it given instruction by authority thereof. Respondent, Ray Rennison, is not an expert in forestry and he has not had long practical experience in forestry or in wildlife.

PAR. 7. The enrollment blank used by respondents in the course of their business contained a so-called money-back offer which provided in effect that the tuition paid by a student would be refunded if he failed to pass the examination or did not secure an appointment at the time the next succeeding examination was held. No mention was made in such money-back offer of several important conditions which pertain to the taking of civil service examinations and appointment to positions in the classified civil service of the United States Government. Subscribers were not advised by respondents that no ex-

aminations may be held by the United States Civil Service Commission for several years in a number of subjects; that usually it is several months before examination papers are examined and the grades published; that it may be months and sometimes years before a person who has been placed on a register of eligibles is appointed to a position; that the proportion of those examined who pass the examination is small and the appointments from that number smaller still. In regard to forestry positions, students of respondents' forestry course, as previously shown, cannot by such course alone qualify either for examination or the positions involved. When these conditions are considered the money-back offer is definitely misleading and meaningless for all practical purposes.

PAR. 8. The respondents have no jobs at their disposal and cannot in any way influence or control appointments to positions in the classified civil service of the United States and can be of no assistance to prospective appointees to such positions except by instructing them so that they might be better prepared to take the necessary examinations to have their names placed upon the eligibility rolls. The United States Civil Service Commission has not authorized the respondents or anyone else to conduct schools for the purpose of instructing persons who expect to take examinations to be conducted by the Civil Service Commission for the purpose of providing lists of eligibles from which appointments may be made to positions in the classified civil service of the United States. The school conducted by respondents and similar schools do not have any advance information regarding civil service examinations or appointments to positions in the classified civil service of the United States, except such information as is given to the public at large.

PAR. 9. The representations of respondents as aforesaid are misleading and deceptive and have had the capacity and tendency to confuse, mislead and deceive members of the public into the erroneous belief that such representations are true and to induce them to purchase respondents' courses of study and instruction because of the erroneous belief engendered as above set forth and to divert trade to respondents from competitors engaged in the sale in commerce between and among the various States of the United States and in the District of Columbia of home study courses pursued by correspondence in similar lines as well as in other lines of study. There were and are among the competitors of respondents those who do not make the misleading representations made by respondents, as herein set-out, and who do not otherwise misrepresent their respective courses, but who truthfully and accurately represent the same and all matters pertaining

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thereto. Respondents' said acts and practices have the capacity and tendency to divert, and have diverted, business to respondents from their said competitors to the substantial injury and prejudice of such competitors.

CONCLUSION

The acts and practices of respondents as herein set-out are all to the injury of the public and of respondents' 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, the answer of the respondent, Ray Rennison, testimony and other evidence taken before Miles J. Furnas and William C. Reeves, examiners of the Commission theretofore duly designated by it, in support of the allegations of said complaint, brief filed by William L. Pencke, counsel for the Commission, respondents not having introduced testimony or other evidence or filed brief, and oral argument not having been requested, and the Commission having made its findings as to the facts and its conclusion that said respondents have violated the provisions of the Federal Trade Commission Act.

It is ordered, That the respondents, Ray Rennison and Martha A. Rennison, individually and doing business under the name and style of Rayson Service Bureau, or under any other trade name, their representatives, agents and employees, directly or through any corporate or other device in connection with the offering for sale, sale and distribution of courses of study and instruction by correspondence in commerce, as commerce is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using the word "Bureau" in the name under which such business is conducted.

2. Representing, through the use of the word "Bureau" in the name used to designate the correspondence school conducted by them in connection with courses designed to prepare students for civil service examinations, or otherwise, that such school is connected with or is an agency of the United States Government.

3. Using the expression "United States National Building" instead of the correct name "United States National Bank Building," to designate the building in which their office is located.

4. Representing that respondent, Ray Rennison, is an expert in civil service matters by reason of his employment in the United

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States Mail Service or by reason of any other employment by the United States Government.

5. Representing that respondent, Ray Rennison, is an expert in forestry or in wildlife.

6. Representing, through the use of a money-back agreement or otherwise, that United States Civil Service positions or examinations therefor are available, immediately or within a reasonable time.

7. Representing that the forestry course offered by the respondents is of such extent, nature and character as adequately to prepare and qualify students for examinations for positions in the Forest Service of the various States of the United States having such departments, or for such positions with the United States Government.

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
RESEARCH ASSOCIATES, INC., AND DERMAGELL, INC.

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

Docket 3651. Complaint, Nov. 19, 1938—Decision, May 11, 1940

Where a corporation engaged in sale and distribution of organic soap compound as cleansing cream, under designation "Dermagell," to purchasers at their respective points of location in various other States and in the District of Columbia, in competition with others engaged in sale or distribution of soaps, cleansing creams, and other products designed, intended, and used for cleansing skin and hair; and a concern which, at time herein involved, owned substantial majority of outstanding stock thereof and controlled and directed its business policies, practices, and activities; in advertisements of its said "Dermagell" which, then controlled as above set forth, said corporation caused to be disseminated through newspapers and other publications circulating among the various States and in the District of Columbia—

Represented that said preparation was the "discovery of the century," which soothed and healed, and penetrated innermost recesses of the pores of the skin, and that use thereof would leave skin and scalp youthfully fresh and invigorated and give any woman a soft, clear, smooth complexion or beautiful hair, and that the benefits obtained from its use were distinct and lasting, and that it actually protected the skin and prevented or cured skin disorders;

Facts being said product was not substantially different from other products or soap designed for similar use, and was not the "discovery of the century," but ingredients thereof were well known and had been used for many years in preparation of soaps and similar products, and, while its fatty acids, stearic acid, myristic acid, and carbitol, and its mild basic alkali, triethanolamine, were a little different from usual sodium or potassium soaps, it was essentially the same as any other soap, and possessed no special soothing or healing properties and would not penetrate the innermost recesses of the skin, use of said product would not leave skin and scalp youthfully fresh and invigorated nor give any woman a soft, clear, smooth complexion and beautiful hair, and benefits obtained from such use were not distinct and lasting, and use thereof would not prevent or cure skin disorders or diseases;

With capacity and tendency to mislead and deceive substantial portion of purchasing public into erroneous and mistaken belief that such statements, representations, and advertisements were true and that their said product possessed properties claimed and represented and would accomplish results indicated, and to cause substantial portion of such public, because of erroneous and mistaken belief thus engendered, to purchase their said compound and with result that trade was diverted unfairly to them from their competitors in commerce between and among the several States and in the District of Columbia who truthfully advertise the effectiveness in use of their respective products: