

IN THE MATTER OF

THE SEBRONE COMPANY, FEDERAL COSMETIC SALES CORPORATION, ET AL.

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

Docket 4230. Complaint, Aug. 9, 1940—Decision, May 1, 1942

Where two corporations and several officers and directors thereof, who controlled their advertising policies and business activities, engaged in the manufacture and interstate sale and distribution of two cosmetic and medicinal preparations known as "Sebrone" and "Waft"; by means of advertisements through the mails and in newspapers and periodicals, and by radio continuities, circulars, leaflets, pamphlets, and other advertising literature, directly and by inference—

- (a) Falsely represented that their preparation "Sebrone" was a new scientific discovery and a cure or remedy for dandruff which would destroy the germ which allegedly causes it, and would remove scar tissue and prevent baldness, tending, through use without proper qualification of such words as "Stops dandruff," "Ends dandruff," "Defeats dandruff," to mislead and deceive the public into the belief that product in question would permanently cure dandruff or the underlying condition responsible therefor;

The facts being said product was not a new scientific discovery but its ingredients have long been used by physicians in various combinations, and while its use was beneficial in assisting in the temporary removal of dandruff scales and in clearing up superficial infections associated with dandruff, its therapeutic value was limited thereto; it would not act as a permanent cure or remedy for dandruff, generally thought by the medical profession to be symptomatic of some underlying cause and often associated with various diseased conditions of the skin; and it had absolutely no value in connection with scar tissue, which nothing will remove except surgery; and

- (b) Falsely represented that their preparation "Waft" was a new scientific discovery which would reduce excessive sweating to normal and remove and kill odors from the feet and body;

The facts being that product in question, by reason of its content of formaldehyde, long used by the medical profession as an antiseptic and deodorant, had value as an antiseptic, but was not a new scientific discovery; and its effect as a deodorant was limited to masking odors, which, however, it did not destroy; its astringent properties could have but slight effect upon condition of excessive sweating due to many causes, such as endocrine disorders, general malnutrition, debilitating diseases, and heredity; and it would not reduce such sweating to normal;

With effect of misleading and deceiving a substantial portion of the purchasing public into the mistaken belief that such statements were true, thereby inducing it, because of said mistaken belief, to purchase substantial quantities of said preparations:

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Held, That such acts and practices, under the circumstances set forth, were all to the prejudice and injury of the public, and constituted unfair and deceptive acts and practices in commerce.

Before *Mr. Andrew B. Duvall* and *Mr. Randolph Preston*, trial examiners.

Mr. Carrel F. Rhodes for the Commission.

Horsley, Manns & O'Brien, of Springfield, Ill., 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 Seboreen Laboratories, Inc., a corporation; Federal Cosmetic Sales Corporation, a corporation; Fred E. Schon, Henry M. Schoen, Virginia L. Cook, William Horsley, Lloyd M. Wendt, Ethel Cronson, and Evelyn Schon, 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:

PARAGRAPH 1. Respondent, Seboreen Laboratories, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois and having an office and principal place of business at 6912 Ravenswood Avenue, Chicago, Ill., and is engaged in the manufacture and in the sale and distribution of certain medicinal and cosmetic preparations.

Respondent, Federal Cosmetic Sales Corporation, is a corporation organized, existing and doing business under the laws of the State of Illinois and having a principal place of business at 126 North Seventh Street, Springfield, Ill., and is engaged in the sale and distribution of medicinal and cosmetic preparations manufactured by the respondent, Seboreen Laboratories, Inc.

Respondent, Fred E. Schon, is a graduate medical doctor and is an agent and director of the respondent, Seboreen Laboratories, Inc., and resides and has a principal place of business at 618 Belmont Avenue, Arlington Heights, Chicago, Ill.

Respondents, Lloyd M. Wendt, Ethel Cronson, and Evelyn Schon, are officers of the respondent, Seboreen Laboratories, Inc., and have their office and principal place of business at 6912 Ravenswood Avenue, Chicago, Ill.

Respondents, Henry M. Schoen, Virginia L. Cook, and William Horsley, are officers of the respondent, Federal Cosmetic Sales Cor-

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poration, and have their office and principal place of business at 126 North Seventh Street, Springfield, Ill.

Said individual respondents dominate and control the advertising policies and business activities of said corporate respondents, and all of said individual respondents and the corporate respondents have acted in conjunction and in cooperation with each other, in doing the acts and practices hereinafter alleged.

PAR. 2. Respondents are now and for more than 1 year last past have been engaged in the sale and distribution of certain cosmetics and medicinal preparations known and designated as "Sebrone" and "Waft." In the course and conduct of their business the respondents cause said cosmetic and medicinal preparations when sold to be transported from their respective places of business in the State of Illinois to the purchasers thereof located in various other States of the United States and in the District of Columbia.

Respondents maintain and at all times mentioned herein have maintained a course of trade in said cosmetics and medicinal preparations 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 the aforesaid business the respondents have disseminated and are now disseminating and have caused and are now causing the dissemination of false advertisements concerning their said products by the United States mails and by various other means in commerce, as commerce is defined in the Federal Trade Commission Act, for the purpose of inducing or which are likely to induce, directly or indirectly, the purchase of said products, and respondents have also disseminated and are now disseminating and have caused and are now causing the dissemination of false advertisements concerning their said products, by various means for the purpose of inducing and which are likely to induce, directly or indirectly, the purchase of their said products in commerce, as commerce is defined in the Federal Trade Commission Act.

Among and typical of the false, misleading, and deceptive statements and representations contained in said false advertisements disseminated and caused to be disseminated, as hereinabove set forth, by the United States mails, by advertisements in newspapers and periodicals, by radio continuities and by circulars, leaflets, pamphlets, and other advertising literature, are the following:

1. Representations made with reference to "Sebrone":

Sebrone is the modern, scientific way to stop dandruff. * * * With dandruff gone, scar tissue goes, infection halts. A healthy scalp means growing, luxuriant hair. Thousands of aggressive men use Sebrone to keep trim and well groomed and avoid the threat of baldness.

Save your hair with Sebrone.

Defeat dandruff with amazing new Sebrone.

Stop dandruff in one week with Sebrone.

Sebrone is a scientific preparation designed to end dandruff. * * * The antiseptic properties of Sebrone actually destroy the dandruff germ, ending inflammation. When inflammation is ended, the scar tissue caused by dandruff disappears and your scalp is again normal and healthy.

It is powerful, destroying the germs that infect your scalp.

Sebrone is a scientific preparation designed to end dandruff. It is made to do this job as simply and quickly as possible. The antiseptic properties of Sebrone actually destroy the dandruff germ.

2. Representations made with reference to "Waft":

Body and foot odors vanish. * * * This new scientific antiseptic deodorant stops odors immediately. * * * Waft is so powerful that it removes odors not only from the feet but from shoes and stockings as well. * * * Even the powerful odors of onions and garlic vanish when Waft is applied.

The perfect remedy for Athlete's Foot.

Kills strongest odors.

Room and closet odors, simply spray Waft into the air, odors will promptly disappear.

Waft reduces excessive sweating to normal.

PAR. 4. Through the use of the statements and representations hereinabove set forth, and others similar thereto not specifically set out herein, all of which purport to be descriptive of the therapeutic properties of said products and the effectiveness of their use, respondents represent directly and by inference that their preparation "Sebrone" is a new, scientific discovery and is a cure or remedy for dandruff which will destroy the germ which allegedly causes dandruff, that said preparation will remove scar tissue, will prevent baldness, and will stimulate the growth of hair; that their preparation "Waft" is a new, scientific discovery and is a cure or remedy for Athlete's Foot, and will reduce excessive sweating to normal and remove and kill odors from the feet and body and will remove room and closet odors.

PAR. 5. The aforesaid representations and claims used and disseminated by the respondents, as hereinabove described, are grossly exaggerated, misleading, and untrue. In truth and in fact the preparation designated as "Sebrone" is not a new discovery. It is not a cure or remedy for dandruff and will not destroy the germ which allegedly causes dandruff, as its therapeutic properties are limited to the temporary removal of dandruff scales and under conditions of use it would not kill a sufficient number of any germs which might be associated with dandruff to have any curative effect upon this condition. Said preparation will have no effect upon the removal of scar tissue, which when once formed never disappears. Said preparation "Sebrone"

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will have no effect in the prevention of baldness, and will not stimulate the growth of hair.

Respondents' preparation "Waft" is composed essentially of a solution of formaldehyde which has long been used as a deodorant. Said preparation is not a cure or remedy for athlete's foot and will have no effect upon such a condition in excess of temporarily alleviating the itching symptom because of its antiseptic and counterirritant properties. As a deodorant this preparation will temporarily mask body odors but will not be effective in removing or destroying such odors or their cause. In the same manner said preparation will do no more than temporarily mask foot odors and will not be effective in destroying the cause of such odors. This preparation will not reduce excessive sweating to normal, as abnormal sweating is caused by conditions for which this preparation has no therapeutic value. Said preparation does not act as a neutralizing agent and will not destroy or eliminate closet or room odors and will have no effect other than temporarily masking such odors.

PAR. 6. The use by the respondents of the foregoing false, deceptive, and misleading statements, representations, and advertisements, disseminated as aforesaid, with respect to said preparations 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 induces a portion of the purchasing public, because of said erroneous and mistaken belief, to purchase substantial quantities of said preparations.

PAR. 7. The aforesaid acts and practices of the respondents as herein alleged are all to the prejudice and injury of the public and constitute 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 August 9 A. D. 1940, issued and subsequently served its complaint in this proceeding upon the respondents, Seboreen Laboratories, Inc., a corporation; Federal Cosmetic Sales Corporation, a corporation, Fred E. Schon, Henry M. Schoen, Virginia L. Cook, William Horsley, Lloyd M. Wendt, Ethel Cronson, and Evelyn Schon, charging them with the use of 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 thereto, testimony and other evidence in support of the allegations of said complaint were introduced by Carrel F. Rhodes, attorney for the Commission, and in opposition to the allegations of the complaint by G. W. Horsley, attorney for the respondents, before Andrew B. Duvall and Randolph Preston, trial examiners of the Commission theretofore duly designated by it, and said testimony and other evidence were duly recorded and filed in the office of the Commission.

Thereafter, the proceeding regularly came on for final hearing before the Commission on the said complaint, the answer thereto, testimony and other evidence, report of the trial examiners upon the evidence and exceptions filed thereto, and brief in support of the complaint (no briefs having been filed by the respondents or oral argument 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, Seboreen Laboratories, Inc., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Illinois, having its office and principal place of business at 6912 Ravenswood Avenue, Chicago, Ill. On December 2, 1940, said respondent filed articles of amendment of its charter with the Secretary of State for the State of Illinois, changing the name of said respondent to "The Sebrone Company." Since the date of its incorporation March 16, 1937, said respondent has been engaged in the manufacture and in the sale and distribution of certain medicinal and cosmetic preparations.

Respondent, Federal Cosmetic Sales Corporation, is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Illinois, having its principal place of business at 126 North Seventh Street, Springfield, Ill. At the time of the filing of the complaint herein, said respondent was engaged in the sale and distribution of medicinal and cosmetic preparations manufactured by respondent, the Sebrone Company (formerly known as Seboreen Laboratories, Inc.).

Respondent, Fred E. Schon, is an individual engaged in the practice of medicine as a physician and surgeon, and resides at 10 Dunton Street, Arlington Heights, Ill. Said respondent is a stockholder and director of respondent, the Sebrone Co. (formerly known as Seboreen

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Laboratories, Inc.), is technical adviser to said respondent corporation, and has actively participated in the preparation of advertisements for the products sold and distributed by said corporation.

Respondent, Lloyd M. Wendt, is an individual and is president and director of the Sebrone Co. (formerly known as Seboreen Laboratories, Inc.), having his office and place of business at 6912 Ravenswood Avenue, Chicago, Ill.

Respondent, Evelyn Schon, is an individual and is the wife of respondent, Fred E. Schon, and secretary and treasurer of the Sebrone Co. (formerly known as Seboreen Laboratories, Inc.), residing at 10 Dunton Street, Arlington Heights, Ill., and having her place of business at 6912 Ravenswood Avenue, Chicago, Ill.

Respondent, Ethel Cronson, is an individual and at the time of the filing of the complaint herein was a director of the Sebrone Co. (formerly known as Seboreen Laboratories, Inc.), with her place of business at 6912 Ravenswood Avenue, Chicago, Ill.

Respondent, Henry M. Schoen, is an individual and at the time of the filing of the complaint herein was the president and a director of the corporate respondent, Federal Cosmetic Sales Corporation. Said respondent died on or about June 15, 1941, subsequent to the issuance of the complaint herein.

Respondent, Virginia L. Cook, is an individual and at the time of the filing of the complaint herein, and for some time subsequent thereto, was secretary and treasurer and a director of the corporate respondent, Federal Cosmetic Sales Corporation.

Respondent, William Horsley, is an attorney and at the time of the filing of the complaint herein was a director of the corporate respondent, Federal Cosmetic Sales Corporation. Said individual respondent, in his capacity as attorney, organized said corporate respondent and acted as attorney for said corporate respondent but did not otherwise engage in the acts and practices of the respondents as hereinafter described.

Said individual respondents, Fred E. Schon, Lloyd M. Wendt, Evelyn Schon, and Ethel Cronson, dominated and controlled the advertising policies and business activities of said corporate respondent, The Sebrone Company (formerly known as Seboreen Laboratories, Inc.). Said individual respondent, Virginia L. Cook, together with Henry M. Schoen, dominated and controlled the advertising policies and business activities of said corporate respondent, Federal Cosmetic Sales Corporation. All of said individual respondents and the corporate respondents have acted in conjunction and cooperation with each other in doing the acts and practices hereinafter described.

PAR. 2. Respondents, for several years last past, have been engaged in the sale and distribution of certain cosmetic and medicinal preparations known and designated as "Sebrone" and "Waft." In the course and conduct of their business the respondents caused said cosmetic and medicinal preparations, when sold, to be transported from their respective places of business in the State of Illinois to the purchasers thereof located in various other States of the United States. Respondents maintain, and at all times mentioned herein have maintained, a course of trade in said cosmetic and medicinal preparations in commerce among and between the various States of the United States.

PAR. 3. In the course and conduct of their aforesaid business, the respondents have disseminated and have caused the dissemination of, false advertisements concerning their said preparations, by the United States mails and by various other means in commerce as "commerce" is defined in the Federal Trade Commission Act; and respondents have also disseminated, and have caused the dissemination of, false advertisements concerning their said preparations, by various means, for the purpose of inducing, and which were likely to induce, directly or indirectly, the purchase of their said preparations in commerce as "commerce" is defined in the Federal Trade Commission Act.

Among and typical of the false, misleading, and deceptive statements and representations contained in said false advertisements disseminated and caused to be disseminated as hereinabove set forth, by the United States mails, by advertisements in newspapers and periodicals, by radio continuities, and by circulars, leaflets, pamphlets, and other advertising literature, are the following:

1. Representations made with reference to "Sebrone":

Sebrone is the modern, scientific way to stop dandruff.

With dandruff gone, scar tissue goes; infection halts.

Thousands of aggressive, successful men use Sebrone to keep trim and well groomed, and to avoid the threat of baldness.

Save your hair with Sebrone.

Defeat dandruff with amazing new Sebrone.

Stop dandruff in one week with Sebrone.

Science's new, convenient remedy for dandruff.

Sebrone—new treatment puts an end to dandruff.

Sebrone—new scientific, sure—does one job—defeats dandruff.

Sebrone is a scientific preparation designed to end dandruff. It is made to do this job as simply and quickly as possible. The antiseptic properties of Sebrone actually destroy the dandruff germ.

Don't let dandruff and dandruff scar tissue make you bald. Get rid of messy dandruff flakes and dandruff infection now before it is too late. Dandruff or baldness may seriously affect your happiness or your job.

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2. Representations made with reference to "Waft":

Body and foot odors vanish. * * * This new scientific, antiseptic deodorant stops odors immediately. * * * Waft is so powerful that it removes odors not only from the feet, but from shoes and stockings as well. * * * Even the powerful odors of onion and garlic vanish when Waft is applied.

Kills strongest odors.

Waft reduces excessive sweating to normal.

PAR. 4. Through the use of the statements and representations hereinabove set forth and others similar thereto not specifically set out herein, all of which purport to be descriptive of the therapeutic properties of said preparations and the effectiveness of their use, respondents represent, directly and by inference, that their preparation "Sebrone" is a new scientific discovery and is a cure or remedy for dandruff and will destroy the germ which allegedly causes dandruff; that said preparation will remove scar tissue and will prevent baldness; that their preparation "Waft" is a new scientific discovery; and that it will reduce excessive sweating to normal and remove and kill odors from the feet and body.

PAR. 5. The aforesaid representations and claims used and disseminated by the respondents as hereinabove described are grossly exaggerated, misleading, and untrue.

Respondents' preparation "Sebrone" is composed of the following ingredients:

	Percent
Monoacetate resorcinol.....	4
Acid Salicylic.....	2
Glycerine.....	4
Oil of rosemary.....	1½
Oil jasmine compound.....	1½
Alcohol	50
Water, Q. S.	

The ingredients used in this preparation are not new but have been used in various combinations by physicians for a great number of years, and, consequently, this preparation is not a new scientific discovery. Monoacetate resorcinol, which is otherwise known as euresol, appears in many scalp preparations. This ingredient acts both as an antiseptic and as an irritant, which may help to increase circulation. Salicylic acid tends to dissolve the scales of dandruff and to increase the circulation of the scalp through irritation. Glycerine has the property of softening the skin. The alcohol contained in this preparation would act as an antiseptic agent. The oil of rosemary and oil of jasmine compound are perfumes only and have no additional value.

PAR. 6. Dandruff is a scaly condition of the scalp which is normally present in practically all individuals. Excessive scaling, however, is

an abnormality, the most common form of which is pityriasis simplex capitis, the cause or origin of which is unknown. Dandruff is generally thought by the medical profession to be symptomatic or a manifestation of some underlying cause. It is often associated with various disease conditions of the skin, such as seborrhoeic dermatitis, dermatitis venenata, psoriasis, and other scaly conditions of the scalp and other portions of the body. Dandruff is sometimes accompanied by secondary infections caused from scratching. The use of the preparation "Sebrone" is beneficial in assisting in the temporary removal of dandruff scales, and its antiseptic properties are beneficial in clearing up superficial infections associated with dandruff. It will not act as a permanent cure for dandruff nor will it have any therapeutic value in reaching the underlying cause of the dandruff condition. The therapeutic value of this preparation is limited to the temporary removal of the dandruff scales and its antiseptic value where secondary superficial infections exist. It is not a cure or remedy for the condition of dandruff and has absolutely no value in connection with scar tissue, as nothing will remove scars or scar tissue except surgery. Respondent's preparation "Sebrone" has no value in the treatment of any disease or condition which causes baldness and is of no value in preventing baldness.

PAR. 7. The use by the respondents of such words as "stops dandruff," "ends dandruff," "defeats dandruff," and other words of similar import or meaning as appear in respondents' advertising hereinabove set forth, without proper qualification, has a tendency to mislead and deceive the public into the belief that the use of respondents' preparation will either permanently cure the condition of dandruff or the underlying condition which causes dandruff.

PAR. 8. Respondents' preparation "Waft" is composed of the following ingredients:

	Percent
Formaldehyde-----	1.5
Menthol-----	.01
Alcohol-----	2
Water-----	95

By reason of the existence of formaldehyde in this preparation, it has value as an antiseptic. Formaldehyde has long been used by the medical profession in varying percentages as an antiseptic and deodorant. Consequently this preparation is not a new scientific discovery. When used as a deodorant this preparation will not destroy odors, but its effect is limited to the masking of such odors as may be present.

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The astringent properties of this preparation will have but slight effect upon the condition of excessive sweating, and its use will not reduce excessive sweating to normal. Excessive sweating is due to many causes, such as endocrine disorders, general malnutrition, debilitating diseases, and, in some cases, heredity. There is nothing in this preparation which will have any effect upon the causes of sweating, and its value is limited to the slight effect produced by its astringent qualities. Body odors caused by decomposition of excretions of perspiration might be masked by this preparation.

PAR. 9. The use by the respondents of the foregoing false, deceptive, and misleading statements, representations, and advertisements, disseminated as aforesaid, with respect to said preparations 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 induces a portion of the purchasing public, because of said erroneous and mistaken belief, to purchase substantial quantities of said preparations.

CONCLUSION

The aforesaid acts and practices of the respondents as herein found are all to the prejudice and injury of the public and constitute unfair and deceptive acts and practices 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, answer of the respondents, testimony and other evidence taken before Andrew B. Duvall and Randolph Preston, trial examiners of the Commission theretofore duly designated by it, in support of the allegations of said complaint and in opposition thereto, report of the trial examiners upon the evidence and exceptions filed thereto, and brief filed in support of the complaint; and the Commission having made its findings as to the facts and its conclusion that respondents, the Sebrone Company (formerly known as Seboreen Laboratories, Inc.), a corporation; Federal Cosmetic Sales Corporation, a corporation; Fred E. Schon, Virginia L. Cook, Lloyd M. Wendt, Ethel Cronson, and Evelyn Schon have violated the provisions of the Federal Trade Commission Act.

It is ordered, That the respondents, the Sebrone Co. (formerly known as Seboreen Laboratories, Inc.), a corporation; and Federal

Cosmetic Sales Corporation, a corporation; and their respective officers representatives, agents, and employees; and Fred E. Schon, Lloyd M. Wendt, Ethel Cronson, and Evelyn Schon, as individuals and as officers and directors of the Sebrone Co. (formerly known as Seboreen Laboratories, Inc.), a corporation; and their representatives, agents, and employees; and Virginia L. Cook, individually and as officers and director of Federal Cosmetic Sales Corporation, a corporation, and her representatives, agents, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale, or distribution of their preparations designated "Sebrone" and "Waft," or any other preparations of substantially similar composition or processing substantially similar properties, whether sold under the same names or under any other name or names, do forthwith cease and desist from:

1. Disseminating, or causing to be disseminated, any advertisement by means of the United States mails, or by any means in commerce as "commerce" is defined in the Federal Trade Commission Act, which advertisement represents, directly or through inference.

(a) That respondents' preparations are new discoveries or recent developments of scientific research.

(b) That respondents' preparation "Sebrone" is a cure or remedy for dandruff or that it has any therapeutic value in the treatment of dandruff in excess of assisting in the temporary removal of dandruff scales and beneficially affecting superficial infections of the scalp sometimes associated with the condition of dandruff.

(c) That the use of respondent's preparation "Sebrone" will have any beneficial effect upon scars or scar tissue or that it will remove scar tissue.

(d) Through the use of the words "stops dandruff," "ends dandruff," "defeats dandruff," or other words or phrases of similar import or meaning, that respondents' preparation "Sebrone" will permanently eliminate the condition of dandruff or constitute a cure or remedy for the underlying conditions which may cause dandruff.

(e) That respondents' preparation "Sebrone" has any therapeutic value in the treatment of any disease or condition which causes, baldness, or that its use will prevent baldness.

(f) That respondents' preparation "Waft" will destroy or have any effect upon unpleasant body and foot odors other than the temporary masking of such odors.

(g) That respondents' preparation "Waft" will have any therapeutic value in the treatment of any disease or condition causing excessive sweating, or that it will reduce excessive sweating to normal

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or have any effect upon the condition of sweating other than the temporary effect afforded by the use of an astringent.

2. 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 preparations, which advertisement contains any of the representations prohibited in paragraph (1) hereof and respective subdivisions thereof.

It is further ordered, That the complaint herein be, and the same hereby is, dismissed as to the respondents, Henry M. Schoen, deceased, and William Horsley.

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.

Complaint

IN THE MATTER OF

PERCE P. GREEN AND HOWARD RAND, TRADING AS
GREEN SUPPLY COMPANY, NATIONAL MERCHANDIS-
ING COMPANY, AND NATIONAL SUPPLY COMPANYCOMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION
OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914*Docket 4480. Complaint, Apr. 3, 1941—Decision, May 5, 1942*

Where two individuals, engaged in competitive interstate sale and distribution of fishing tackle, silverware, rifles, garments, blankets, radios, and other merchandise; in soliciting sale and distribution of their products—

Furnished various devices and plans of merchandising which involved the operation of games of chance, gift enterprises, or lottery schemes in sale and distribution to ultimate consumers, a typical plan involving a scheme by which the person by chance pushing from a push card disk the girl's name corresponding with that concealed under card's master seal received a fishing tackle set or choice of items listed on back of card, as did also the operator, customers punching from the card three designated numbers and the last punch each received other articles, and amount paid by various customers was dependent upon the particular number punched out; and thereby—

Supplied to and placed in the hands of others a means of conducting games of chance, gift enterprises, or lotteries in the sale of their merchandise in accordance with aforesaid plan, under which fact as to whether the purchaser received an article of merchandise or nothing for his money, and also the amount he paid for a punch, were determined wholly by lot or chance, and there was involved a game of chance to procure an article at much less than its normal retail price; in competition with many who, unwilling to use any method involving chance or contrary to public policy, refrain therefrom;

With the result that many persons were attracted by said sales plan and the element of chance involved therein, and were thereby induced to buy and sell merchandise of said individuals in preference to that of their said competitors, and with tendency and capacity, by reason thereof, to unfairly divert substantial trade in commerce to such individuals from said competitors:

Held, That such acts and practices, under the circumstances set forth, were contrary to the established public policy of the United States Government, and constituted unfair methods of competition in commerce and unfair acts and practices therein.

Before *Mr. John W. Addison*, trial examiner.

Mr. J. W. Brookfield, Jr., 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 Perce P. Green and Howard Rand, individuals, trading as Green Supply Co., National Merchan-