

IN THE MATTER OF

NATIONAL SECRETARIES' ASSOCIATION, AND H. ROBINSON SHEPHERD, RUTH HOSTETLER, HILARY A. BUFTON, AND GEORGE TURNER, INDIVIDUALLY AND AS OFFICERS AND DIRECTORS THEREOF

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

Docket 5003. Complaint, July 15, 1943—Decision, Apr. 10, 1945

Where a corporation and its officers, by two of whom it was organized and incorporated as not for profit, but who actually operated it as a private business to promote the sale and distribution of their books through sale of memberships therein by salesmen or "registrars" to persons holding secretarial positions who were thereupon organized into local chapters, and by virtue of their membership contracts became entitled to receive aforesaid books "Better Letters—Lessons in English," "Better Letters—Quiz Book," "Webster's Encyclopedic Dictionary," and accident insurance policy, and a year's subscription to a monthly magazine, along with other benefits represented as accruing, namely, special rates at many vacation resorts and opportunities for better positions through an employment service; to induce the purchase of their books and memberships in their said association—

- (a) Represented directly and through their said agents or "registrars" that the association would provide special courses of instruction similar to those of a correspondence school; stating, in furtherance of such representations, in their advertising, including application forms, under the caption "INDIVIDUAL INSTRUCTION," "You have the undivided attention of your instructor. When your lessons are before him you are the only student in his class";

The facts being no provisions were made for giving any such course to members but the educational features were limited to supplying the members with said publications, with suggestions that the "Quiz Book" be covered in the course of meetings among the members;

- (b) Represented, as aforesaid, that purchasers of memberships would receive group health, accident, and hospitalization policies;

The fact being the only insurance policy supplied to the members was a special accident contract very limited in scope and with no health insurance features;

- (c) Represented, as aforesaid, that the association maintained an employment service for its members and that assistance would be given by it in securing employment for them, through Article IV of its constitution, distributed among the members, providing for "assistance in securing employment for its members," and through including in its advertising material and on application blanks, under caption "EMPLOYMENT SERVICE," the statement "Upon completion of training you are eligible to file for the better positions which employers list with the national headquarters of the Association";

The facts being they maintained no employment service or facilities therefor, and efforts with reference to employment were limited to adoption of a by-law by the board of governors providing that the members pledge themselves to report to the employment committee of their local chapters positions which from time to time might come to their attention; and

- (d) Represented through their said "registrars" that the association was an old, established organization, with chapters located all over the United States;

When, in fact, said association was established in 1942 and chapters were limited to a small number in the Middle West and Far West;

With the result that members and prospective members were led into the erroneous belief that they were joining a legitimate and well-established association of secretaries and thereby into purchase of said publications:

Held, That said 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. J. Earl Cox*, trial examiner.

Mr. Merle P. Lyon and *Mr. Clark Nichols* for the Commission.

Mr. J. K. Owens, of Kansas City, Mo., for respondents generally, and along with—

Mr. J. B. McGilwray, of Kansas City, Mo., for National Secretaries' Association.

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 National Secretaries' Association, a corporation, and H. Robinson Shepherd, Ruth Hostetler, Hilary A. Bufton, and George Turner, individually, and as officers and directors of National Secretaries' Association, hereinafter referred to as the 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. Respondent, National Secretaries' Association, is a corporation, organized, existing and doing business under the laws of the State of Missouri, with its principal offices at 1005 Grand Avenue, Kansas City, Mo.

Respondent, H. Robinson Shepherd, is president of National Secretaries' Association, and resides in Leavenworth, Kans.

Respondent, Ruth Hostetler, is secretary of National Secretaries' Association, and has her place of business at 1005 Grand Avenue, Kansas City, Mo.

Respondent, Hilary A. Bufton, is the manager and principal organizer and promoter of the business conducted by National Secretaries' Association, and holds the office of treasurer of said corporation. His place of business is also located at 1005 Grand Avenue, Kansas City, Mo. He directs and controls the sales, policies, and general business operations of all the other respondents herein.

Respondent, George Turner, is sales manager of National Secretaries' Association, with offices at 1005 Grand Avenue, Kansas City, Mo.

PAR. 2. Respondents are now, and for more than a year last past have been, engaged in the sale and distribution of certain books entitled "Better Letters—Lessons in English," "Better Letters—Quiz Book" and "Webster's Encyclopedic Dictionary." Said respondents, being engaged in business as aforesaid, cause said books to be transported from their principal offices and places of business in the State of Missouri to purchasers thereof located in 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 books in commerce among and between the various States of the United States and in the District of Columbia.

PAR. 3. Respondent, Hilary A. Bufton, has been for many years engaged in the sale of books of various kinds, including two books designed for the use of secretaries, entitled "Better Letters—Lessons in English" and "Better Letters—Quiz Book." In December 1941 he adopted as a trade name for his business in said books the name "National Secretaries' Association." In May 1942 he caused National Secretaries' Association to be incorporated under the laws of the State of Missouri as a non-profit corporation. Said corporation was organized for the primary purpose of affording an outlet for the sale of the various publications sold by said Hilary A. Bufton, and since the date of its incorporation said corporation has bought said books from said Hilary A. Bufton and sold and distributed same to its members in the manner hereinafter set out. Various salesmen and organizers are employed by the respondent, Hilary A. Bufton, to organize local chapters of secretaries in various cities of the Middle West and the Pacific Coast States. After these salesmen and organizers have sold a sufficient number of memberships in National Secretaries' Association to form a local chapter, a meeting of all the signers of said contracts of membership is called and a local chapter organized. The initiation fee was originally \$29.85, with annual dues of \$3.65, but this initiation fee was subsequently increased to \$35.00, with annual dues of \$5.00. The initiation fees are paid direct to National Secretaries' Association, which then pays \$10 to the salesman or so-called "registrar," \$1.00 for the purchase of an accident insurance policy for each member, and 85 cents for the purchase of a year's subscription to a magazine entitled "The Secretary." The memberships are sold under the installment plan in installments suitable to the subscriber, and each member is entitled to receive, and does receive, the three books hereinbefore mentioned, "Better Letters—Lessons in English," "Better Letters—Quiz Book," and "Webster's Encyclopedic Dictionary." These books are supplied to National Secretaries' Association by respondent, Hilary A. Bufton, and the profits accruing to said respondent from the sale of said books constitute the chief reason for the organization and promotion of the various local chapters of National Secretaries' Association. Whatever benefits may accrue to the members are incidental to the operation of the plan, which is primarily designed to further the business interests of respondent, Hilary A. Bufton.

PAR. 4. Respondents, or their agents and representatives, establish contacts in a city where it is their intention to establish an alleged chapter of National Secretaries' Association. The said respondents, directly and through their agents and representatives, represent to the prospective members of National Secretaries' Association that it is an old, established association of secretaries, with chapters all over the United States; that it has a three-fold purpose, first, to give its members education and study facilities and assistance; second, to give social and cultural advantages; and third, to provide its members with group insurance and accident insurance benefits at a low premium rate. They represent that all of these advantages will be obtained by the members upon payment of the initiation fee, and that National Secretaries' Association was organized not for profit, but as a benevolent and educational association for the benefit of the members.

Respondents, or their agents and representatives, have made various false and misleading statements to prospective members of National Secretaries' Association for the purpose of inducing the signature of membership contracts and payment of initiation fees and annual dues. Among

said false and misleading statements and representations are representations that courses of study will be given to all members, supervised by a university graduate, who will give individual instruction and help to the members to make them more efficient secretaries; that employment will be obtained for all members who have completed the prescribed course of study; that members of National Secretaries' Association are entitled to special privileges and discounts at "many renowned resorts"; that said association has been in existence for several years and has a number of chapters in the eastern part of the United States; and that a membership card and emblem will be given to each member upon enrollment.

PAR. 5. In truth and in fact, National Secretaries' Association is only a sham and an outlet for the publications sold by respondent, Hilary A. Bufton, entitled "Better Letters—Lessons in English," "Better Letters—Quiz Book" and "Webster's Encyclopedic Dictionary." It is not a legitimate association of secretaries organized not for profit and for a philanthropic and educational purpose, but is designed and intended to further the personal sales activities of respondent, Hilary A. Bufton, in selling the aforesaid books, which are supplied to the members as part of the consideration of their initiation fee in joining said association.

National Secretaries' Association is not an old, established institution, and has not branches in the eastern part of the United States, and only a few branches in the Middle West and Far West sections of the United States. No courses of study are furnished to the members, and no instruction or supervision is furnished by the association to its members. The association makes no effort to secure employment for its members or to help them secure better jobs than they now have. The "many renowned resorts" at which members are entitled to discounts are very few in number. Several of them are in foreign countries or so located as to be of little use to the rank and file of the membership of said association. The membership card and emblem are not furnished to the members until final payment of the initiation fee has been made. Generally speaking, membership in National Secretaries' Association does not confer the advantages expected by its members and promised to them by its agents and representatives as aforesaid.

PAR. 6. By reason of the foregoing acts, statements and inducements as herein set forth, members and prospective members of National Secretaries' Association have been led into the erroneous and mistaken belief that they are joining a legitimate and well-established association of secretaries who have banded together for mutual self help and educational, social and cultural advantages.

Further, as a result of the aforesaid acts, statements and inducements, the respondents have sold and are now selling memberships in National Secretaries' Association, and have sold and are now selling the books entitled "Better Letters—Lessons in English," "Better Letters—Quiz Book," and "Webster's Encyclopedic Dictionary" to various members of the public who, as a result of such acts, statements and inducements have joined the purported association and purchased the aforesaid books.

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 July 15, 1943, issued, and subsequently served, its complaint in this proceeding on the respondents, National Secretaries' Association, a corporation, and H. Robinson Shipherd (named in the complaint as H. Robinson Shepherd), Ruth Hostetler Bufton (named in the complaint as Ruth Hostetler), Hilary A. Bufton, and George Turner, individually, and as officers of National Secretaries' Association, 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 the answers of the respondents thereto, testimony and other evidence in support of, and in opposition to, the allegations of said complaint were introduced before a trial examiner 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, this proceeding regularly came on for final hearing before the Commission upon said complaint, answers thereto, testimony and other evidence, report of the trial examiner upon the evidence, and briefs filed in support of the complaint and in opposition thereto (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, National Secretaries' Association, is a corporation, organized, existing, and doing business under the laws of the State of Missouri, with its principal office at 1005 Grand Avenue, Kansas City, Mo.

Respondent, H. Robinson Shipherd (named in the complaint as H. Robinson Shepherd), is president of National Secretaries' Association and now resides in North Amherst, Mass.

Respondent, Ruth Hostetler Bufton (named in the complaint as Ruth Hostetler), is secretary of the National Secretaries' Association and has her place of business at 1005 Grand Avenue, Kansas City, Mo.

Respondent, Hilary A. Bufton, is the manager and principal organizer and promoter of the business conducted by National Secretaries' Association and also does business under the name of Executives Guild. His principal place of business is also located at 1005 Grand Avenue, Kansas City, Mo.

Respondent, George Turner, is engaged with the respondent, Hilary A. Bufton, in promoting the National Secretaries' Association and has his office at 1005 Grand Avenue, Kansas City, Mo., and resides at 801 E. Armour Street, Kansas City, Mo.

PAR. 2. The respondents are now, and for several years last past have been, engaged in the sale and distribution of certain books entitled, "Better Letters—Lessons in English," "Better Letters—Quiz Book," and "Webster's Encyclopedic Dictionary." Said respondents cause said books, when sold, to be transported from their office and place of business in the State of Missouri to purchasers thereof located in 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 books in commerce among and between the various States of the United States and in the District of Columbia.

PAR. 3. The respondent, Hilary A. Bufton, since 1934, has been engaged in the sale and distribution of his publication known as "Better Letters," under the trade name "Executives Guild." On or about November 28, 1941, the respondents, Hilary A. Bufton and George Turner, originated the plan of promoting the sale of said publication Better Letters and other publications through the instrumentality of an organization known as "National Secretaries' Association," which name was adopted as a trade name by the respondent, Hilary A. Bufton.

Under this arrangement the respondent, Hilary A. Bufton, supplied all necessary capital, publications, and other material necessary to the operation of the business, and respondent, George Turner, took over the sales of the memberships and all expenditures incident thereto, including commissions to organizers and travelling expense. Memberships were originally sold for \$29.85, with annual dues thereafter of \$3.65. All monies collected from the sale of such memberships, including annual dues after deduction of cost of magazine, were divided, equally between said respondents, Hilary A. Bufton and George Turner. The customary procedure followed by the various salesmen and organizers, who were designated as "registrars," was to call on prospects holding secretarial positions and endeavor to induce them to sign a contract or application for membership in the National Secretaries' Association. When a sufficient number of memberships were sold by an organizer, a meeting of all signers of such contracts of membership was called and a local chapter organized.

Persons joining the National Secretaries' Association were required to pay at least \$3.65 in cash at the time of signing the application or contract of membership and to execute a promissory note, payable in installments, for the balance of the price of the membership. In return for this payment, such persons were to receive an emblem, a membership card in the National Secretaries' Association, a copy of the constitution and by-laws, a copy of respondents' publications Better Letters—Lessons in English; Better Letters—Quiz Book, and also a copy of Webster's Encyclopedic Dictionary, and, in addition, an accident insurance policy and a year's subscription to a monthly magazine. Other benefits which were represented as accruing to members were special rates at many vacation resorts and opportunities for better positions through an employment service.

PAR. 4. On or about May 14, 1942, the National Secretaries' Association was incorporated as a corporation not for profit under the laws of the State of Missouri, with H. Robinson Shipherd as president, Ruth Hostetler Bufton as secretary, and Hilary A. Bufton as treasurer. Immediately thereafter, respondent, Hilary A. Bufton, resigned as treasurer and was succeeded by Evangeline Smith, a stenographer in the office of his attorney. Said respondent, Hilary A. Bufton, then entered into a contract with the National Secretaries' Association, whereby the said respondent, Hilary A. Bufton, retained the sole right to solicit or accept memberships in said organization and to organize chapters. Memberships were to sell for \$35, \$5 of which was to be credited to the association as membership dues. Shortly thereafter, the cost of membership was reduced to \$28.65, with the sum of \$3.65 being applied to the membership account. Under this plan, the arrangements between respondents, Hilary A. Bufton and George Turner, remained the same, except that the equal

division of monies received was discontinued and the \$25 net received by respondent, Hilary A. Bufton, was divided \$10 to said respondent, Hilary A. Bufton, and \$15 to respondent, George Turner. Of the amount allotted to said respondent, George Turner, to cover sales expense, \$10 was paid to the salesman or organizer for each contract of membership obtained. No change was made in the material or benefits given to applicants for membership from those above described, except that when the price was reduced from \$35 to \$28.65 delivery of the Webster's Encyclopedic Dictionary was discontinued and about this time the supplying of accident insurance policy was discontinued as part of the membership contract but was still available to members on payment of the sum of \$1 annually.

PAR. 5. The exclusive management and control of the corporate respondent, National Secretaries' Association, including all the finances of said corporation, were vested in a board of governors, consisting of the president, secretary, and treasurer of said corporation. The members of the association and the various chapters organized by them had no voice in the conduct of the corporate respondent except that in August 1943 a by-law was adopted establishing a national advisory council to be composed of all chapter presidents, each to have one vote when consulted by the board of governors in connection with the shaping of national policies and in connection with the administration of the association generally. No provision was made for the election of officers, who, in turn, constituted the board of governors, and in practice the board of governors, or those remaining, filled any vacancies which occurred. On or about January 1, 1943, the board of governors, by reason of the expected absence of the respondent, Ruth Hostetler Bufton, who was then secretary, passed a resolution turning over all details, clerical work, etc., pertaining to the National Secretaries' Association to the Executive Guild. Although the said respondent, Ruth Hostetler Bufton, was absent from Kansas City, she continued as secretary and member of the board of governors.

PAR. 6. At all times subsequent to the organization of the National Secretaries' Association the respondents, Hilary A. Bufton and George Turner, in cooperation with the other individual respondents, operated said association as their own individual business, crediting the membership fee of \$3.65 to the National Secretaries' Association and distributing the balance to the respondents, Hilary A. Bufton and George Turner, on the basis hereinbefore described. The office of the National Secretaries' Association was located in the offices of Hilary A. Bufton and George Turner. Rent for such office was paid by the respondent, Hilary A. Bufton. Correspondence in connection with the activities of the National Secretaries' Association was for the most part conducted by the respondents, Hilary A. Bufton and George Turner, and correspondence in connection with the collection of promissory notes given in payment of membership contracts was conducted by the respondent, Hilary A. Bufton, either under his own name as Executives Guild or under the name of National Secretaries' Association. From time to time, particularly where collection matters were involved, the respondent, Hilary A. Bufton, signed letters written under the name of National Secretaries' Association with the name "H. J. Vance," a person who was not connected with the National Secretaries' Association and who had no interest in the matter whatsoever.

In practice, the business of the National Secretaries' Association was not conducted as a corporation not for profit but, instead, was conducted for the sole purpose of selling the publications distributed by the respond-

ent, Hilary A. Bufton, and the profits accruing from the sale of said books constituted the chief reason for the organization and promotion of the various local chapters of the National Secretaries' Association. Whatever benefits might have accrued to the members were incidental to the operation of the plan, which was primarily designed to further the business interests of the respondents, Hilary A. Bufton and George Turner.

PAR. 7. In the course and conduct of their business and for the purpose of inducing persons to purchase respondents' publications and memberships in the National Secretaries' Association, the said respondents directly and through their agents and representatives made various misleading, false, and deceptive statements, typical of which are the following:

1. *Representations as to educational features.* In this connection it was represented to the purchaser that the National Secretaries' Association would provide special courses of instruction similar to those of a correspondence school. In furtherance of such representations the respondents placed the following statement in their various advertising material, including application forms:

"INDIVIDUAL INSTRUCTION

"You have the undivided attention of your instructor. When your lessons are before him you are the only student in his class."

In fact, no provisions were made for giving any course of instruction to the individual members of the association and respondents did not conduct any correspondence course for the members of such association or provide the facilities therefor. The educational features were limited to supplying the members with the publications *Better Letters* and *Quiz Book*, with suggestions that the *Quiz Book* be covered in the course of meetings among the members.

2. *Representations as to insurance.* It was represented that purchasers of memberships in the National Secretaries' Association would receive group health, accident, and hospitalization policies. In fact, the only insurance policy supplied to the members was a special accident contract very limited in scope and having no health insurance features.

3. *Representations as to employment.* One of the provisions of Article IV of the constitution of the National Secretaries' Association, which was distributed to its members, under the powers and purposes of the organization was "assistance in securing employment for its members." In its various advertising material and on application blanks the following statement appeared:

"EMPLOYMENT SERVICE

"Upon completion of training you are eligible to file for the better positions which employers list with the national headquarters of the Association."

In addition, it was represented by various salesmen that employment and better positions could be obtained through the association. In fact, the respondents maintained no employment service for the members of the association and established no facilities therefor and efforts with reference to employment were limited to adoption of a by-law by the board of governors providing that the members pledge themselves to report positions which from time to time might come to such members' attention, to the employment committee of the local chapters to which such member belonged.

4. *Representations as to status of the association.* It was also represented by registrars that the National Secretaries' Association was an old, established organization with chapters located all over the United States, when, in fact, said association was established in 1942 and chapters were limited to a small number in the Middle West and Far West.

PAR. 8. By reason of the foregoing acts, statements, and inducements as herein set forth, members and prospective members of the National Secretaries' Association have been led into the erroneous and mistaken belief that they were joining a legitimate and well-established association of secretaries and through this means have been induced to purchase respondents' publications.

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 on the complaint of the Commission, the answers of the respondents, testimony and other evidence in support of the allegations of said complaint and in opposition thereto taken before a trial examiner of the Commission theretofore duly designated by it, report of the trial examiner upon the evidence, and briefs filed in support of the complaint and in opposition thereto; and the Commission having made its findings as to the facts and its conclusion that the respondents have violated the provisions of the Federal Trade Commission Act.

It is ordered, That the respondent, National Secretaries' Association, a corporation, and its officers, and the individual respondents, H. Robinson Shipherd (named in the complaint as H. Robinson Shepherd), Ruth Hostetler Bufton (named in the complaint as Ruth Hostetler), Hilary A. Bufton, and George Turner, and their respective representatives, agents, and employees, directly or through any corporate or other device in connection with the offering for sale, sale, and distribution of certain publications known as "Better Letters—Lessons in English" and "Better Letters—Quiz Book," or any other publication in commerce as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing directly or by implication that the National Secretaries' Association is not conducted for profit or that said association is anything other than a means or instrumentality for selling publications, with only incidental benefits to its members.
2. Representing directly or by implication that special courses of instruction can be obtained through the purchase of a membership in the National Secretaries' Association or that any educational benefits can be derived from membership in said association other than those which may be acquired through the purchase of respondents' publications.
3. Representing directly or by implication that members of the National Secretaries' Association will be entitled to receive insurance protection different from that provided for by the policy actually issued.
4. Representing directly or by implication that the National Secretaries' Association maintains an employment service for its members or that assistance will be given by the association in securing employment for its members when employment activities are limited to activities of members in the local chapters.

5. Representing directly or by implication that the National Secretaries' Association is an old, established association or that it has chapters in localities where none exist.

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

L. R. KALLMAN & COMPANY

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

Docket 4966. Complaint, May 19, 1943—Decision, Apr. 11, 1945

Where a partner in active charge of a family partnership business financed by him, and engaged in interstate sale and distribution of two cosmetic preparations designated "Chin-Up"—more recently "Chin-Ep"—and "Digitite"; through advertisements in newspapers and by circulars and other advertising literature, directly and by implication—

- (a) Represented that the preparation "Chin-Up," or "Chin-Ep," was effective in tightening the throat line, that it eliminated flabbiness and crepiness along the throat line, made loose, flabby skin on the chin and throat line smoother and firmer, and caused a person to have and to retain a youthful throat line; and
- (b) Represented that the preparation designated "Digitite" tightened the skin of the hands and made it firm, and caused the hands to become velvety smooth, and that use thereof would result in the hands having a youthful appearance;

The facts being that while the preparations in question—the active ingredients of which, namely, m-digallic acid in ethyl alcohol together with a fraction of 1% of phenyl carbinol, were the same—during the time they remained on the skin, because of their astringent action, might give a feeling of skin tightness, they would not in fact tighten loose skin or give the skin an appearance of smoothness; they would not in any way affect wrinkles and skin flabbiness due to changes within the skin or deeper tissues, nor would they eliminate or prevent skin crepiness; while their continued use might harden the outer layer of the skin and might or might not, depending upon various circumstances, cause it to be temporarily firmer, such continued use might result in skin irritations and roughness; and said "Chin-Up" or "Chin-Ep" was not effective in tightening the throat line and would not cause a person to have or to retain a youthful throat line, nor would "Digitite" cause the hands to become velvety smooth or give them a youthful appearance;

With capacity and tendency to mislead and deceive a substantial portion of the purchasing public into the mistaken belief that such false representations were true, and thereby into the purchase of substantial quantities of said preparations:

Held, That said 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. John L. Hornor*, trial examiner.
Mr. John M. Russell 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 L. R. Kallman, an individual, trading as L. R. Kallman & Company, 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, stating its charges in that respect as follows: