

Complaint

IN THE MATTER OF

IRVING SALZMAN TRADING AS UNION MILL ENDS

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

Docket 5927. Complaint, Oct. 9, 1951—Decision, Feb. 11, 1952

Where an individual engaged in the mail order sale of assortments of cloth to the general public in different states, in advertising in newspapers, periodicals, and other advertising literature—

- (a) Represented that this assortment of remnants consisted chiefly of pieces of material of sufficient size to make aprons, skirts, jackets, play clothes, pinafores and sun suits and that his assortment of dress goods consisted entirely of prints, percales, ginghams, shirtings and similar materials;

The facts being that the remnant assortment consisted chiefly of scraps, trimmings and small irregular pieces of cloth, and included only a few pieces of material large enough to make the aforesaid garments; and a substantial part of the dress goods assortment consisted of goods other than those claimed;

- (b) Falsely represented that purchasers of his assortments would be given twenty-five button cards "free" and that the button cards were customarily sold elsewhere for 25 cents each;

The facts being that it was necessary to pay for the assortment before button cards were furnished and the price thereof was included in that charged for the assortment, except in the event the assortment was returned and the purchase price refunded; and such button cards were customarily sold by retailers for much less than 25 cents; and

- (c) Falsely represented that his said offer was a "get-acquainted" offer and good for a short time only; when in fact it comprised part of a continuous scheme of solicitation;

With tendency and capacity to mislead and deceive a substantial portion of the purchasing public into the erroneous belief that such representations were true, and thereby to cause its purchase of substantial quantities of said product:

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. J. Earl Cox*, hearing examiner.

Mr. B. L. Williams 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 Irving Salzman, an individual trading as Union Mill Ends, hereinafter referred to as respondent, has violated the provisions of said Act, and it appearing

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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 Irving Salzman is an individual trading as Union Mill Ends, with his office and principal place of business located at 338 Broadway, Monticello, New York. The respondent is now and since April 1950 has been engaged in conducting a mail order business in the sale of assortments of cloth to the general public.

PAR. 2. In connection with said business respondent causes and has caused his products, when sold, to be shipped from his place of business in the city of Monticello, New York, to the purchasers thereof located in other States of the United States. Respondent maintains, and at all times mentioned herein has maintained, a course of trade in said products in commerce among and between the various States of the United States. His volume of trade in said products in such commerce is and has been substantial.

PAR. 3. In the course and conduct of his aforesaid business, and for the purpose of promoting the sale of his products in commerce, respondent has made certain statements, representations and claims concerning said products and the use to which the same may be put, by means of advertisements inserted in newspapers and periodicals and other advertising literature. Among and typical of said statements and representations are the following:

FREE 25 BUTTON CARDS	VALUED
3 to 10 Buttons on every card)	at
Sells for 25¢ a card elsewhere)	\$6. 25
18 YARDS REMNANTS (ABOUT)	\$1. 98
(3 lbs.)	—
TOTAL VALUE	\$8. 23

This is a get acquainted offer ONLY good for a short time. YES—25 different Button cards FREE NO charge to you. All smart-looking buttons, guaranteed washable. Buttons for expensive dresses, blouses, coats, skirts, suits, etc.; All useful buttons. This offer is made to introduce you to our Remnant Bargain. You get the BEST QUALITY Prints and Percales. Large Pieces! Full width Dress Goods included. ALL SIZES USABLE! Make aprons, skirts, jackets, patchwork quilts, play clothes, pinafores, sun suits, etc. ALL for ONLY \$1.98. Satisfaction guaranteed or money cheerfully refunded. Keep free premium even if we do not please you. Surely this is fair. RUSH order back with this ad.

SEND NO MONEY! Order C. O. D. ----- Order TODAY
UNION MILL ENDS ----- Monticello, New York

DRESS-GOODS
25¢ YARD

SELLS FOR MUCH MORE ELSEWHERE. Beautiful Prints, Percales, Gingham, Shirting, etc., 2 3, & 4 yards of each. Width 36 inches. All

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new patterns. This is a get-acquainted offer ONLY good for a short time. RUSH your order back.

No order accepted less than 12 yards

12 Yard BUNDLE ONLY \$2.98 -----

PAR. 4. By means of the aforesaid statements respondent represented, directly and by implication, that his assortment of remnants consisted chiefly of pieces of material of sufficient size with which aprons, skirts, jackets, play clothes, pinafores and sun suits could be made; that purchasers of said assortments would be given twenty-five button cards "free"; that said button cards supplied with said assortment were customarily sold elsewhere for 25 cents each; that his assortment of dress goods consisted entirely of prints, percales, gingham and shirtings and similar materials and that his offer of sale of said assortments was a get acquainted offer and was good for only a short time.

PAR. 5. The said representations were false, misleading and deceptive. In truth and in fact said assortments of remnants contained only a few pieces of material of sufficient size to make aprons, skirts, jackets, play clothes, pinafores and sun suits. The balance of said assortments consisted of scraps, trimmings and small irregular pieces of cloth.

The twenty-five button cards sent with each purchase of the assortment were not given "free." It was necessary to purchase and pay for the assortment before said articles were furnished and the cost thereof was included in the price charged for the assortment, except in those cases when the assortment was returned, the purchase price refunded and the articles retained by the purchaser.

The button cards had not been generally sold for 25¢. In truth and in fact, the same kind, type and quality of button cards as those offered by the respondent were regularly and ordinarily sold by various retailers at the time of the advertisement for much less than the price stated by respondent. A substantial part of respondent's assortment of dress goods consisted of goods other than prints, percales, gingham, and shirtings and similar materials.

The offers advertised by respondent as get acquainted offers and good only for a short time were actually not terminated at or limited to any given time. Said offers comprised a part of a continuous scheme of solicitation in the regular course and conduct of the respondent's business.

PAR. 6. The use by the respondent of the aforesaid false, misleading and deceptive statements and representations had the tendency and capacity to mislead a substantial portion of the purchasing public into the erroneous and mistaken belief that such statements and

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representations were true and to induce a substantial portion of the purchasing public, because of such erroneous and mistaken belief, to purchase the products sold by respondent.

PAR. 7. The aforesaid acts and practices of the respondent, 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.

DECISION OF THE COMMISSION

Pursuant to Rule XXII of the Commission's Rules of Practice, and as set forth in the Commission's "Decision of the Commission and Order to File Report of Compliance", dated February 11, 1952, the initial decision in the instant matter of Hearing Examiner J. Earl Cox, as set out as follows, became on that date the decision of the Commission.

INITIAL DECISION BY J. EARL COX, HEARING EXAMINER

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission on October 9, 1951, issued and subsequently served its complaint in this proceeding on respondent Irving Salzman, an individual trading as Union Mill Ends, charging him with the use of unfair and deceptive acts and practices in commerce in violation of the provisions of said Act. Thereafter, respondent filed an answer in which he admitted all the material allegations of fact in the complaint and waived all intervening procedure and further hearing as to such facts. Subsequently, the proceeding regularly came on for final consideration by the above-named hearing examiner, theretofore duly designated by the Commission, upon the complaint and answer, and the hearing examiner, having duly considered the record herein, finds that this proceeding is in the interest of the public and makes the following findings as to the facts, conclusion drawn therefrom and order:

FINDINGS AS TO THE FACTS

PARAGRAPH 1. Respondent Irving Salzman is an individual trading as Union Mill Ends, with his office and principal place of business located at 338 Broadway, Monticello, New York. The respondent is now and since April 1950 has been engaged in conducting a mail order business in the sale of assortments of cloth to the general public.

PAR. 2. In connection with said business respondent causes and has caused his products, when sold, to be shipped from his place of busi-

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Findings

ness in the city of Monticello, New York, to the purchasers thereof located in other States of the United States. Respondent maintains, and at all times mentioned herein has maintained, a course of trade in said products in commerce among and between the various States of the United States. His volume of trade in said products in such commerce is and has been substantial.

PAR. 3. In the course and conduct of his aforesaid business, and for the purpose of promoting the sale of his products in commerce, respondent has made certain statements, representations and claims concerning said products and the use to which the same may be put, by means of advertisements inserted in newspapers and periodicals and other advertising literature. Among and typical of said statements and representations are the following:

FREE 25 BUTTON CARDS	VALUED
3 to 10 Buttons on every card)	at
Sells for 25¢ a card elsewhere)	\$6. 25
18 YARDS REMNANTS (ABOUT)	\$1. 98
(3 lbs.)	
TOTAL VALUE	\$8. 23

This is a get acquainted offer ONLY good for a short time. YES—25 different Button cards FREE NO charge to you. All smart-looking buttons, guaranteed washable. Buttons for expensive dresses, blouses, coats, skirts, suits, etc. All useful buttons. This offer is made to introduce you to our Remnant Bargain. You get the BEST QUALITY Prints and Percales. Large Pieces! Full width Dress Goods included. ALL SIZES USABLE! Make aprons, skirts, jackets patchwork quilts, play clothes, pinafores, sun suits, etc. ALL for ONLY \$1.98. Satisfaction guaranteed or money cheerfully refunded. Keep free premium even if we do not please you. Surely this is fair. RUSH order back with this ad. SEND NO MONEY! Order C. O. D.----- Order TODAY
UNION MILL ENDS-----Monticello, New York

DRESS GOODS

25¢ YARD

SELLS FOR MUCH MORE ELSEWHERE. Beautiful Prints, Percales, Ginghams, Shirting, etc., 2, 3, & 4 yards of each. Width 36 inches. All new patterns. This is a get-acquainted offer ONLY good for a short time. RUSH your order back.

No order accepted less than 12 yards

12 Yard BUNDLE ONLY \$2.98-----

PAR. 4. By means of the aforesaid statements respondent represented, directly and by implication, that his assortment of remnants consisted chiefly of pieces of material of sufficient size with which aprons, skirts, jackets, play clothes, pinafores and sun suits could be made; that purchasers of said assortments would be given twenty-five button cards "free"; that said button cards supplied with said assortment were customarily sold elsewhere for 25 cents each; that his assort-

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ment of dress goods consisted entirely of prints, percales, gingham and shirtings and similar materials and that his offer of sale of said assortments was a get-acquainted offer and was good for only a short time.

PAR. 5. The said representations were false, misleading and deceptive. In truth and in fact, said assortments of remnants contained only a few pieces of material of sufficient size to make aprons, skirts, jackets, play cloths, pinafores and sun suits. The balance of said assortments consisted of scraps, trimmings and small irregular pieces of cloth.

The twenty-five button cards sent with each purchase of the assortment were not given "free." It was necessary to purchase and pay for the assortment before said articles were furnished and the cost thereof was included in the price charged for the assortment, except in those cases when the assortment was returned, the purchase price refunded and the articles retained by the purchaser.

The button cards had not been generally sold for 25¢. In truth and in fact, the same kind, type and quality of button cards as those offered by the respondent were regularly and ordinarily sold by various retailers at the time of the advertisement for much less than the price stated by respondent. A substantial part of respondent's assortment of dress goods consisted of goods other than prints, percales, gingham, and shirtings and similar materials.

The offers advertised by respondent as get-acquainted offers and good only for a short time were actually not terminated at or limited to any given time. Said offers comprised a part of a continuous scheme of solicitation in the regular course and conduct of the respondent's business.

PAR. 6. The use by the respondent of the aforesaid false, misleading and deceptive statements and representations had the tendency and capacity to mislead a substantial portion of the purchasing public into the erroneous and mistaken belief that such statements and representations were true and to induce a substantial portion of the purchasing public, because of such erroneous and mistaken belief, to purchase the products sold by respondent.

CONCLUSION

The aforesaid acts and practices of the respondent, 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.

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Order

ORDER

It is ordered, That the respondent, Irving Salzman, an individual trading as Union Mill Ends, or trading under any other name or trade designation, his representatives, agents and employees, directly or indirectly, through any corporate or other device, in connection with the offering for sale, sale or distribution of assortments of cloth in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Misrepresenting in any manner or by any means the sizes, quality, composition or types of pieces of material included in such assortments.

2. Misrepresenting the price at which any article of merchandise is customarily sold by others.

3. Representing, directly or by implication, that any offer for the sale of merchandise is a mere get-acquainted offer or is applicable for a limited period of time only, when such offer is in fact a part of a regular method of solicitation in the normal course of business.

4. Using the word "free," or any other word or words of similar import, in advertising, to designate, describe or refer to merchandise which is not in truth and in fact a gift or gratuity, or which is not given without requiring the purchase of other merchandise or the performance of some service inuring directly or indirectly to the benefit of the respondent.

ORDER TO FILE REPORT OF COMPLIANCE

It is ordered, That the respondent herein shall, within sixty (60) days after service upon him of this order, file with the Commission a report in writing setting forth in detail the manner and form in which he has complied with the order to cease and desist [as required by said declaratory decision and order of February 11, 1952].

IN THE MATTER OF
ANDREW G. CHOLICK ET AL. TRADING AS WESTERN
TRAINING SERVICE

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

Docket 5821. Complaint, Oct. 24, 1950—Decision, Feb. 14, 1952

Where three partners engaged in the interstate sale and distribution of correspondence courses to prepare students for examination for certain Government Civil Service positions; in promoting the sale of their courses through newspaper advertisements and postal cards mailed to post office and rural route box holders, and through traveling agents—

- (a) Represented that persons completing their course and passing a civil service examination were assured of positions in the United States Civil Service, through such statements as "Men and Women Wanted to Prepare for Civil Service Jobs, Act Now", "Civil Service Men, Women, 18 to 50, Many Opportunities" and, after listing numerous positions, "A Few of the Hundreds of Different Kinds of Positions";

The facts being that while numerous vacancies may exist generally in said service, the taking of their course of study and the passing of a civil service examination does not assure employment, which is subject to veteran's preference, availability of eligibles in various districts, and other conditions and uncertainties;

- (b) Misleadingly represented that a common school or eighth grade education was usually sufficient to qualify for and obtain positions in the Civil Service; when in fact while such an education might be sufficient for most of the lower grade positions, for many a high school education is required, and in still others additional special training, specific physical qualification or practical experience; and,
- (c) Represented in some instances, through their agents, that the agent visited a given territory only once every two years and that unless prospective students enrolled at the time of his visit, they would have to wait two years before they would have another opportunity; notwithstanding the fact that prospective students could enroll at any time;

With tendency and capacity to mislead and deceive a substantial portion of the purchasing public into the erroneous belief that such representations were true and thereby induce its purchase of said correspondence courses:

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.

Other charges of the complaint were not sustained by the record: namely, that respondents through their advertising or sales agents, or both, represented and implied that said correspondence school was a branch of or connected with the Government of the United States Civil Service Commission; that respondents' representatives and agents were similarly thus connected; that respondents would continue training students until they had been placed in Government positions; that positions were permanent once an employee had served his first year of probation; that the school had on its staff former