

IN THE MATTER OF
BLACKSTONE COLLEGE OF LAW, INC. ET AL.

DECISION AND OPINION IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT

Docket 5906. Complaint, July 18, 1951—Decision, June 29, 1954

Where a corporation and its president, engaged in the operation of a correspondence school which sold courses of study and instruction in law, in advertising their said courses (in connection with which they imposed no requirements as to previous formal education for admission) in magazines of national circulation, in which, under the caption "LAW" and "The Law-Trained Man," they invited the reader to send for a free copy of their booklet thus entitled, showing how to qualify at home for the LL. B. degree and a bar examination through their course, and in which they referred to judges and lawyers as among their graduates—

- (a) Falsely represented that their course and the degree of Bachelor of Laws which they there offered to confer upon students successfully completing the same would fulfill the requirements for education and legal training requisite to participating in the bar examination of the respective States;

The facts being that while the minimal requirements for admission for examination vary, those imposed by the vast majority of the jurisdictions concerned follow a pattern which excludes applicants whose legal training has been secured solely through home study, or whose education or legal training are limited to completion of respondents' course, and in only a very few States would recipients of respondents' degrees who are educated or trained as above indicated be allowed to participate in bar examinations; and

- (b) Falsely represented and implied that their school was a college of law within the generally accepted meaning of that term, i. e., an institution of higher learning specializing in legal subjects, with a resident faculty and student body, and library and classroom facilities, through use of the word "college" in the trade name "Blackstone College of Law", featured in all advertisements and in its corporate name and in other statements designating the school as a college;

The facts being the school carried on all its operations from a small office; its full-time employees comprised five persons, four of whom were engaged in clerical work exclusively; the fifth was an attorney who managed the office and did most of the teaching work consisting, among other things, of forwarding lessons to students, grading examination papers, and corresponding with the students; another attorney who assisted the latter, engaged in the practice of law in Chicago, and devoted a portion of his time to the school in return for a small weekly salary; the school had no buildings or facilities for resident study, and its said president, who was not at attorney, spent little time at the school in Chicago, and had his office in New York City:

Held, That such misrepresentations were to the prejudice and injury of the public and constituted unfair and deceptive acts and practices in commerce.

Before *Mr. William L. Pack*, hearing examiner.

Mr. William L. Pencke for the Commission.

Mr. Gunther W. Harms, of Chicago, Ill., for respondents.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission on July 18, 1951, issued and subsequently served its complaint in this proceeding upon the parties named above, charging them with the use of unfair and deceptive acts and practices in violation of the provisions of that Act. After the filing of respondents' answer, hearings were held before a hearing examiner of the Commission, duly designated to act in this proceeding, and testimony and other evidence were introduced and duly recorded and filed in the office of the Commission. On April 4, 1952, the hearing examiner filed his initial decision sustaining certain allegations of the complaint and closing the proceeding without prejudice insofar as it related to others and, within the period of time permitted by the Commission's Rules of Practice, counsel supporting the complaint appealed from that initial decision.

This matter came on for final hearing upon the entire record, including the brief in support of the appeal and the brief filed by counsel for respondents in opposition to such appeal. The Commission, for the reasons stated in the opinion which is separately issuing herein, having determined that the rulings of the initial decision which are specifically excepted to in the appeal were erroneous rulings and that they should be reversed, hereby grants the appeal of counsel supporting the complaint; and being of the opinion that this proceeding is in the interest of the public, the Commission hereby issues its findings as to the facts, conclusion, and order, the same to be in lieu of the initial decision of the hearing examiner.

FINDINGS AS TO THE FACTS

Blackstone College of Law, Inc., is a corporation organized and doing business under and by virtue of the laws of the State of Illinois, its principal office and place of business being at 225 North Michigan Avenue, Chicago, Illinois. Harold R. Lister, who is erroneously referred to in the complaint as Harold L. Lister, is president of the corporate respondent and, as such, controls and directs its policies and practices and is responsible for its operation and management. His business address is 25 West 45th Street, New York, New York. The respondents are engaged in the operation of a correspondence school, selling courses of study and instruction in law which are pursued by correspondence through the medium of the United States mails. During the period to which this proceeding relates, a substantial course of trade in such courses of instruction has been maintained by respondents in commerce between and among the various States of the United States and in the District of Columbia.

The courses have been advertised by respondents in magazines having national circulation, and typical of their advertisements appearing in such media are the following:

Law—Free Book—The Law-Trained Man

Write—Write today for a FREE copy of "The Law-Trained Man" which shows how to qualify at home for the LL. B. degree and a bar examination through the famous Blackstone law course compiled by 60 expert law authorities. Big 17-volume Law Library furnished. Moderate tuition; easy terms. BLACKSTONE COLLEGE OF LAW, 225 N. Michigan Ave., Dept. 157, Chicago 1, Ill. A Correspondence Institution Founded in 1890.

LAW—Free book—The Law-Trained Man

Your FREE copy of "The Law-Trained Man" shows how to gain prestige and greater earnings through Blackstone home law study. All instruction material furnished including 17-volume law Library written by 65 well-known law authorities. Lawyers, judges among our graduates. LL. B. degree. Low cost; easy terms. Write today.

BLACKSTONE COLLEGE OF LAW Dept. 125, Chicago 1, Ill.
225 N. Michigan Ave.

A Correspondence Institution Founded in 1890.

In addition to those charges of the complaint pertaining to use of the word "college" in the corporate name and otherwise which elsewhere are discussed and separately considered in this decision, the complaint has charged that, through statements contained in their advertising including the statement that the degree of Bachelor of Laws is conferred, respondents falsely represent that their enterprise is a recognized and standard law school, that its courses are comparable to those used in recognized and accredited resident schools and that students completing the courses and obtaining respondents' degrees are thereby qualified and eligible to be admitted to the bar examinations of the respective states. Inasmuch as the hearing examiner found that the Commission's action in an earlier proceeding was a bar to consideration of these matters on their merits, no determination thereof appears in the initial decision.

As background to their consideration, it appears here that, among other things, an earned degree represents an academic rank awarded by colleges or universities in recognition of attainments on the part of their scholars. The professional degree of Bachelor of Laws has been awarded for many decades by resident law schools. In all save a few states, in order to be admitted to bar examinations at the outset, candidates must comply with minimum requirements as to education and legal training imposed by the states' local regulations or statutes. The baccalaureate in law, when awarded by an accredited institution, is

accepted by examining authorities of states where these requirements prevail as satisfactory evidence of their completion academically by the applicant. Such applicants accordingly are eligible and enabled to participate in bar examinations providing that they fulfill other requisites unrelated to education and training but instead pertaining to age, moral character or residence.

Testimony was received into the record indicating that the award of an LL. B. degree connotes successful completion by the recipient of a resident course of study at an approved or accredited institution, and tending to show additionally that such degree attests that the recipient has training and competency of the types warranting him to apply for an examination for the practice of law. The greater weight of the evidence manifestly establishes that to members of the legal profession, including teachers and attorneys, the baccalaureate in law, among other things, symbolizes successful completion of a resident course of study in law whereby the holder of such degree has fulfilled the requirements for education and legal training which will enable him, if otherwise eligible, to sit for the bar examinations of the respective states. On the other hand, however, the evidence received into the record appears inadequate for an informed determination as to whether the foregoing beliefs as to the connotation of the LL. B. degree and the impressions necessarily engendered by offers to confer it, likewise are shared by members of the purchasing public to whom respondents' advertising and offers of their courses and degrees are directed. These conclusions notwithstanding however, it seems clear that when made against the background of additional advertising statements expressly referring to lawyers and judges among the corporate respondent's graduates and to the effect that prospective enrollees will be able to qualify at home for bar examinations, respondents' offers to confer the degree of Bachelor of Laws upon students successfully completing the courses indeed serve to represent, and have represented to prospective students, that such course and degree will fulfill the requirements for education and legal training requisite to participating in the bar examinations of the respective states.

No requirements as to previous formal education are imposed by respondents for admission to their course. An intellectual capacity on the part of its prospective students exceeding that necessary to understanding of a news item is deemed desirable by respondents, and if its absence were apparent on the face of the application, it is indicated that enrollment would be denied. Relevant also, among other matters, to a consideration of the truth or falsity of respondents'

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representations respecting the eligibility for bar examinations afforded by their degrees and courses is the circumstance that, in 24 States of the United States, admission to the practice of law is limited to those whose legal studies have been pursued in whole or in part in a resident law school. In some of these states, the period of study required is contingent on whether the school is approved by the American Bar Association or local examining authorities and, in such instances, a longer period of study is specified if attendance is at an institution not so approved or in the event studies are to be pursued on a part-time basis. In 20 of the remaining states where an alternative to resident school training and attendance is open to students, study in a law office is permitted. This method is a tradition in the legal profession and contemplates study under the supervision of a practicing member of the bar of the state where the student aspires to practice to the end that his training be secured in the atmosphere of its courts and of the law office. Students whose education and legal training are limited solely to respondents' home study courses would not be admitted to the bar examinations of any of the 44 foregoing states.

As of 1950, the four remaining states did not require that bar candidates' be pursued in a resident law school or law office. Montana, however, required that applicants have two years of college or its equivalent prior to beginning any legal studies. At such time, however, no specific requirements as to education or legal training appear to have been imposed by Georgia as a condition to taking its bar examination, and Mississippi likewise imposed none respecting an aspirant's educational status prior to the beginning of his legal studies although a high school education has been a prerequisite to taking the final examination. California, although requiring two years' pre-legal study of applicants under 25, waives this for those who are over 25 years of age at the time they begin the study of law, and that State requires applicants training outside of accredited law schools to register when their legal studies are begun. It accordingly will be observed that while the minimal requirements for admission to examinations vary among the states, those imposed by the vast majority of the jurisdictions follow a pattern which excludes applicants whose legal training has been secured solely through home study or whose education or legal training is limited to completion of respondents' course. In only a very few states, therefore, may recipients of respondents' degrees who are educated or trained as above indicated be allowed to participate in bar examinations. That respondents' representations respecting the eligibility of recipients of their degrees and of students satisfactorily completing the course to participate in bar examinations of the respective states are false is clearly demonstrated by the record.

Respondents contend that no deception of enrollees stems from their advertising for the reason that possession of an LL. B. degree does not entitle its holder to become a member of the legal profession. The record suggests that the so-called "diploma privilege" under which graduates of certain law schools might be admitted to the bar of a particular jurisdiction without examination may still apply in a very few states. Assuming, however, that the diploma privilege has disappeared entirely, the circumstance that students may know that candidates for the bar must stand for an examination or comply with other requisites pertaining to residence and moral character in no manner supports a view that a capacity to mislead and deceive does not inhere in the previously noted false representations respecting eligibility of recipients of respondents' degrees and the school's graduates for admission to bar examinations.

Respondents have urged also that certain statements in reference to qualifying for bar examinations, as contained in their booklet "The Law-Trained Man," serve to dispel any misunderstanding on the part of their enrollees as to admission to bar examinations. In this connection, it is to be noted at the outset that the information to which respondents refer is entirely absent from those advertisements through which contact with prospective students is initially established by respondents. Their booklet, moreover, when urging that enrollees plan to sit for bar examinations, reiterates that the efficacy of respondents' method is attested by a long list of successful attorneys among their graduates and expressly assures that "the formalities of gaining admittance to the examination are not difficult to meet." On the subject of education preliminary to undertaking the study of law, the booklet reports that a high school education or its equivalent is sufficient in certain designated states, a grammar school education suffices in another, and that in all others "the equivalent" of two years' college work prior to taking up the subject of law meets such requirements. On the subject of legal study, the booklet states that "a few states," there naming 14, demand that the required period of study be in a resident school and that one other stipulates that one year be in a resident school, and thereupon adds that, in the other states, the private attorney who sponsors the applicant certifies that such aspirant has spent the proper length of time in law study. Upon the basis of the analysis of states' requirements set out in the second preceding paragraph, it is readily apparent that certain of the statements of the booklet are untrue and that others, particularly the last one which presumably has reference to law office training and study, are misleading and lacking in candor. It is accordingly concluded that the statements to which respondents refer are entirely inadequate to dispel the false

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impressions elsewhere conveyed in respondents' promotional matter.

The Commission is of the opinion, however, that the record does not suffice for an informed determination as to whether respondents' advertised offers to confer their degrees within themselves, or when made in connection with the additional statements referred to above, have constituted representations to their purchasers, in the circumstances here, that the enterprise is a recognized and standard law school or that its courses are comparable to those used in recognized and accredited resident schools. Further consideration of the additional allegations of the complaint relevant to these matters, therefore, appears unwarranted here and these additional charges accordingly are to be deemed as dismissed hereby.

Another of the issues presented for consideration, as referred to at the outset, relates to the charge of the complaint that, through use of the word "college" in the name of the respondent corporation and otherwise in the advertising, respondents have represented that their enterprise is a college or an educational institution of higher learning specializing in legal subjects. This allegation and others relevant to it are found to have been sustained under the initial decision wherein the conclusion is expressed that respondents' use of such word as a designation for the school is unwarranted and misleading and a provision absolutely forbidding its use or any simulation thereof as a part of the corporate or trade name in promoting sales of the courses likewise appears in that decision's order.

Respondents' use of the word "College" in the trade name "Blackstone College of Law," which is prominently featured in all the advertising, and in its corporate name "Blackstone College of Law, Inc.," and in other statements designating respondents' school as a college, represents and implies that their school is a college of law within the generally accepted meaning of that term, that is, an institution of higher learning specializing in legal subjects with a resident faculty and student body and library and classroom facilities. Supporting conclusions that the corporate respondent is not a college of law, as such term is generally understood, and that respondents' representations in that respect are false, is the circumstance that the school has no buildings but carries on all of its operations from a small office. The full-time employees of the school comprise five persons, four of whom are engaged in clerical work exclusively. The fifth is an attorney who manages the office and also does most of the teaching work which consists, among other things, of forwarding lessons to students, grading examination papers, and corresponding with the students. In this work, he is assisted by another attorney who engages in the practice of law in Chicago but devotes a portion

of his time to the school. For his services to the school, the latter receives a small weekly salary. The school has no facilities for resident study, all work being done exclusively by correspondence. Respondent Harold R. Lister, who is not an attorney, spends little time at the school in Chicago, his office being located in New York City.

In the course of the proceedings, respondents have contended they have never used the word "college" alone in their promotional literature but immediately qualify such word with the phrase "A correspondence institution founded in 1890," and in effect urge that their designation of the school as a college, even if considered false, has lacked any capacity and tendency to mislead. It is to be noted in passing that the term "Incorporated" is omitted from designations of the school in certain of the magazine advertising and other promotional material so respondents in effect there offer their course under a trade name, namely "Blackstone College of Law." The magazine advertisements and the corporate letterhead contain reference to the school's correspondence aspects. The cover of the 32-page booklet, "The Law-Trained Man," is imprinted with the school's trade name. A statement to the effect that the school is chartered as a correspondence institution under the laws of the State of Illinois, together with another affirming that it is empowered by statute to confer degrees, appears on this booklet's first inside page but such statement is not reiterated at points where additional references are made to the corporate respondent by its trade name or as "The College."

Disclaimers are omitted, moreover, from certain of the textbooks known as "Modern American Law" and from various lecture bulletins and lists of answers distributed to enrollees. As evidenced by the facsimile of the respondents' diploma which is featured in the promotional literature, it is apparent that respondents likewise fail to mention the correspondence character of the enterprise on their diplomas. It would not be proper to conclude, therefore, that respondents never use the word "College" alone or without using the qualifying phrase to which they have referred. On the contrary, the omission of language of explanation and disclaimers from certain of the promotional matter and the inadequacy in other instances of such disclosures as do appear are apparent, and the record clearly establishes that respondents' designation of their school as a college has been deceptive and misleading.

Relevant to a consideration of an appropriate form of remedy with respect to the foregoing matters is the circumstance that this enterprise appears to have been established in 1890 and the record contains no indication that its corporate name has not been in use for many years. Among its competitors is La Salle Extension University,

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Chicago, Illinois, named as the respondent in a proceeding earlier instituted by the Commission. Under the terms of the modified order to cease and desist which issued on May 18, 1938, in disposition of that proceeding (26 F. T. C. 1277), use of the expression "University" in its corporate name or otherwise was forbidden to such school unless clear disclosure of the correspondence character of the enterprise appeared whenever used in textbooks, pamphlets and other advertising matter. In the circumstances here, the Commission has concluded that the public interest will be adequately served if a similar requirement for disclosure likewise is imposed respecting any future use by respondents of the word "college" or words of similar import. The requirements of the order to cease and desist as contained in this decision are in accord and the form of order which appears in the initial decision is not being adopted.

CONCLUSION

On the basis of the facts above stated, the Commission has concluded that respondents have falsely represented that recipients of their purported academic degrees in law and students satisfactorily completing the school's courses of study through correspondence will be eligible and enabled by reason of such training to participate in the bar examinations of the respective states, and that the corporate respondent is a college. As made in the circumstances here, respondents' misrepresentations to prospective students manifestly have had the capacity and tendency to deceive members of the public into the erroneous and mistaken belief that such representations are true and to induce the purchase of substantial numbers of respondents' courses of instruction in commerce. The Commission accordingly concludes that respondents' misrepresentations have been to the prejudice and injury of the public and therefore constitute unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

Obviously material to persons urged in nation-wide offers of courses of instruction to follow the law as a profession is accurate information as to where or in what jurisdictions the method or form of training offered is acceptable toward fulfilling the goal which such advertising seeks to inspire. A provision insuring such disclosure in connection with any future offers by respondents of their courses likewise directed to encourage such aspirations is plainly warranted and necessary and does not appear burdensome in the circumstances here. The order which follows is in accord.

ORDER

It is ordered, That the respondent Blackstone College of Law, Inc., a corporation, and its officers, agents, representatives and employees, and respondent Harold R. Lister, as an officer of said corporation, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act, of courses of study and instruction, do forthwith cease and desist from:

(1) Representing directly or by implication that recipients of respondents' purported academic degrees in law or others successfully completing respondents' course of study through correspondence will be admitted to or are otherwise eligible to participate in bar examinations, unless such representations are expressly limited to those states (specifically named) wherein the requirements for education and legal training requisite to participating in such examinations are fulfilled solely by completion of a course of legal study through correspondence.

(2) Using the word "college" or any word or words of similar import or meaning in the corporate name or in any other manner to designate or refer to respondents' school, unless, in bulletins, lesson material, textbooks, diplomas and other promotional material, and sales presentations whenever used, it is clearly and conspicuously stated in immediate conjunction with such word or words that respondents' enterprise is a correspondence school without resident facilities or that it is "a correspondence institution" or "an institution for correspondence students."

It is further ordered, That the respondents shall, within sixty (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 the order to cease and desist.

Commissioners Howrey and Gwynne not participating.

OPINION OF THE COMMISSION

With respect to all charges of the complaint save and except those challenging the respondent school's designation of itself in its promotional material as a college, the initial decision sustains respondents' contention that the Commission's decision of April 7, 1948, in the matter of *Blackstone College of Law, Inc., et al.*, Docket No. 4929, is *res judicata* as to the issues presented thereunder and bars consideration of them on their merits here. Counsel for respondents did not file notice of intention to appeal and all of the specific exceptions

interposed under the appeal, as filed by counsel supporting the complaint and now before us for consideration, challenge the rulings which sustain this defense to the extent noted and which provide accordingly for closing the proceeding without prejudice in respect to the charges as relevant.

The complaint in the instant proceeding alleges that, through statements contained in their advertising including the statement that the degree of Bachelor of Laws is conferred by the respondent correspondence school, respondents represent, among other things, that their enterprise is a recognized and standard law school whose courses are comparable to those used in recognized and accredited schools, and that students completing the courses and obtaining its degrees are thereby qualified and eligible to be admitted to the bar examinations of the respective states. The complaint in the earlier proceeding challenged, among other things, respondents' advertising of a so-called "Emergency Graduation Plan" under which this same correspondence school was offering for a stated price to confer its LL. B. degrees upon former students who had abandoned their studies.

The earlier proceeding was instituted on March 15, 1943, many of the practices of respondents to which it related were inspired by the fact that World War II was in progress, and the advertising there considered offered respondents' diplomas as important evidence of qualifications which would assist in securing commissions in the armed services. One of the provisions of the order to cease and desist issuing in the earlier proceeding proscribed the conferring of degrees by respondents unless the recipients in fact completed a regularly prescribed course under competent supervision. Should the instant proceeding culminate in issuance of an order absolutely prohibiting respondents from issuing their degrees to students completing their courses of home study through correspondence, the initial decision states, respondents would then be amenable to two contradictory orders respecting the granting of their degrees. Such decision thereupon concludes that an identity of subject matter and issues is in fact presented in the two proceedings.

In its findings in the earlier proceeding, the Commission stated that at the very least the conferring of a degree implied that the recipient has seriously pursued and completed a prescribed course of instruction under competent supervision and that the granting thereof constitutes a representation that they are recognized in the educational field. The Commission found additionally that the school's so-called emergency plan was unfair both to holders of bona fide degrees and to recipients of respondents' degrees and that such program constituted

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an imposition and fraud upon the public and our nation's educational system. Presented for consideration there was a situation where respondents' outright sale of purported academic degrees resulted in unfairness and one wherein the deception involved related primarily to the general public and only incidentally to purchasers. Additional charges of the earlier proceeding likewise pertained to alleged misleading comparisons of respondents' courses with others and alleged misrepresentations respecting the school's standing as a law school. These and the pertinent findings as subsequently issued by the Commission were directed, however, not to respondents' offers of their degrees but to affirmative statements appearing in the advertising instead, one of which was to the effect that the instruction method used by Blackstone was the one used in all schools to which "Class A" approval had been accorded by the American Association of Law Schools. Patently, none of the advertising statements and representations in issue under the earlier proceeding related directly to degree holders' eligibility to participate in bar examinations. The sharp differences between the issues presented for consideration then and now are apparent and the view adopted below that identity of subject matter and issues obtains in the two cases, to us, appears wholly untenable.

It is obvious to us also that the decision below was based on an erroneous premise and view that the instant proceeding looked to prohibiting absolutely respondents' offers to confer degrees in connection with future distribution of their courses in interstate commerce. Unlike the paragraph of the provisional order appended to the complaint in reference to the word "college" which proposed, in the event of a default in filing of answers, to forbid respondents absolutely from "using" that word, the corresponding prohibition in reference to the offers to confer degrees proposed instead that respondents cease through the device of such offers from making the representations which were alleged under the complaint to be inherent in, and otherwise connected with, such offers. Under this latter provision, an intention was manifest not to preclude respondents from advertising that they conferred degrees if the promotional material additionally revealed and disclosed material facts relevant to their limitations and significance, including the circumstance that recipients whose education and legal training were limited to pursuit of respondents' courses of home study, would not be admitted to bar examinations except in a very few of the states.

Having concluded that the decision below was based on the erroneous conclusion that an identity of subject matter and issues

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obtains in the two proceedings, we accordingly sustain the relevant specific exceptions to the initial decision as they appear in the brief in support of the appeal, and the appeal of counsel supporting the complaint is being granted.

In the briefs, counsel for respondents and counsel supporting the complaint additionally submit their respective contentions as to the merits of certain of the issues presented. We have considered these contentions and our decision which is issuing separately contains a discussion of them, and no useful purpose would be served by its repetition here.

Commissioners Howrey and Gwynne did not participate in this case.

Decision

IN THE MATTER OF
LASALLE EXTENSION UNIVERSITY

DECISION AND OPINION IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT

Docket 5907. Complaint, July 18, 1951—Decision, June 29, 1954

Where a corporation engaged in the sale of courses of study and instruction in law and other subjects by correspondence through the mails; in advertising its courses in legal training through newspapers and magazines of national circulation in which it was stated, in inviting requests for additional information, that students could train at home during their spare time or at night, and that the degree of LL.B. was conferred by respondent "correspondence institution"—

Represented that students completing its courses of study and qualifying for its degree of Bachelor of Laws were eligible from the standpoint of education and legal training for admission to the bar examinations of the respective States, through such statements in the 48-page booklet entitled "LAW TRAINING for LEADERSHIP" and in the booklet "Evidence", furnished to all prospective students, as "Preparations for Bar Examinations Degree of LL. B. Conferred", and the inclusion in the latter booklet of a list containing the names of more than 1,500 former students located in 47 of the States and elsewhere as "* * * members who have been admitted to the bar" followed by the words "THE NAMES IN THIS LIST—which is far from complete—are not confined to lawyers known to be practicing now, although a great many of them are. We have purposely reached back through the years to show how completely—and for how long—LaSalle Law training has demonstrated its thoroughness in preparing candidates for the bar. * * *";

The facts being that while minimal requirements for admission to examinations vary among the States, those imposed by the vast majority of the jurisdictions follow a pattern definitely excluding applicants whose legal training had been secured solely through home study, or whose education or legal training are limited to completion of respondent's course, and in only a very few States, wherein no provision obtains expressly excluding such form of training, might recipients of respondent's degrees who were educated or trained as above indicated be allowed to participate in bar examinations: *Held*, That such misrepresentations were to the prejudice and injury of the public and constituted unfair and deceptive acts and practices in commerce.

Before *Mr. William L. Pack*, hearing examiner.

Mr. William L. Pencke for the Commission.

Staehlin & Jantorni, of Chicago, Ill., for respondent.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission on July 18, 1951, issued and subsequently served its complaint in this proceeding upon the respondent

named above, charging it with the use of unfair and deceptive acts and practices in commerce in violation of the provisions of that Act. After the filing of respondent's answer, hearings were held before a hearing examiner of the Commission, duly designated to act in this proceeding, and testimony and other evidence were introduced and duly recorded and filed in the office of the Commission. On April 4, 1952, the hearing examiner filed his initial decision containing provision for dismissal of the complaint and, within the period of time permitted by the Commission's Rules of Practice, counsel supporting the complaint appealed from that initial decision.

This matter came on for final hearing upon the entire record, including the briefs filed in support of and in opposition to such appeal and the oral arguments of counsel. The Commission, for the reasons stated in the opinion which is separately issuing herein, having determined that such appeal should be granted in part and denied in part, hereby grants the appeal of counsel supporting the complaint to the extent noted in that opinion but otherwise denies such appeal; and being of the opinion that this proceeding is in the interest of the public, the Commission hereby issues its findings as to the facts, conclusion, and order, the same to be in lieu of the initial decision of the hearing examiner.

FINDINGS AS TO THE FACTS

Organized as a corporation under the laws of the State of Illinois, respondent LaSalle Extension University has its office and principal place of business at 417 South Dearborn Street, Chicago, Illinois. The corporation is engaged in the operation of a correspondence school selling courses of study and instruction in law and other subjects which are pursued by correspondence through the medium of the United States mails. During all the periods to which this proceeding relates, a substantial course of trade in respondent's course of instruction in law has been maintained by it in commerce between and among the various States of the United States and in the District of Columbia.

In order to secure inquiries from prospective purchasers, the courses in legal training have been advertised in newspapers and magazines having national circulation. These advertisements, in inviting requests for additional information, state that students enrolling in such courses can train at home during their spare time or at night and that the degree of LL. B. is conferred by LaSalle Extension University which is there designated as a correspondence institution. Prospects responding to the advertisements are contacted by respondent's salesmen or through the mail and are furnished with brochures descriptive of the school and the course and the opportunities and

advantages stemming from completion of respondent's legal training. At the outset of this 48-page booklet, which is entitled "Law Training For Leadership," the following appears in large type:

LAW
TRAINING
for
LEADERSHIP

An analysis of the opportunities open to the law-trained man—and
a description of

AMERICAN LAW AND PROCEDURE

the LaSalle legal training for executive business positions and preparation for
bar examinations

Degree of LL.B. conferred

In the booklet entitled "Evidence," which likewise is furnished to all prospective students, the following appears, among other statements, in reference to a list containing the names of more than 1500 former students located in 47 of the States and elsewhere, including American territories and possessions:

LASALLE MEMBERS WHO HAVE BEEN
ADMITTED TO THE BAR

THE NAMES IN THIS LIST—which is far from complete—are not confined to lawyers known to be practicing now, although a great many of them are. We have purposely reached back through the years to show how completely—and for how long—LaSalle Law training has demonstrated its thoroughness in preparing candidates for the bar. * * *

Through use of the foregoing statements and representations and others of similar import, respondent represents that students completing its courses of study and qualifying for its degree of Bachelor of Laws are eligible from the standpoint of education and legal training to be admitted to the bar examinations of the respective States.

Respondent's representation that such students are thereby eligible or enabled to participate in the bar examinations of the respective States are false, misleading and deceptive. A high school education fulfills the entrance requirements imposed by respondent for students who are candidates for its degrees. No residence instruction in law is afforded by the school. In 24 States of the United States, however, admission to examinations for the practice of law is limited to those whose legal studies have been pursued in whole or in part in a resident law school. In 20 of the remaining States where an alternative to resident school training and attendance is open to students study and training in a law office is permitted. This method is tradition in the legal profession and contemplates study under th

supervision of a practicing member of the bar of the State where the student aspires to practice to the end that his training be secured in the atmosphere of its courts and the law office.

Illustrative of the requirements imposed in instances by the States with respect to students' law office studies are those prevailing in Illinois, the State where respondent is incorporated and has its principal place of business. In order to be eligible for its bar, completion of high school and two years of college is required. Prescribed there when the applicant's legal training is to be secured through other than resident school instruction, is four years' study while engaged during usual business hours as a law clerk in the office and under the personal supervision of a licensed attorney there engaged in active practice during which time the applicant must pass monthly oral or written examinations on each subject given by the attorney. Annual examinations may be given by the Board of Examiners. Correspondence study though not in any sense forbidden to students in that State, must be pursued likewise under these conditions in the office and under the tuition of an attorney of that State. Students whose education and legal training are limited solely to respondent's home study courses would not be permitted to participate in the bar examinations of any of the 44 foregoing States.

As of 1950, the four remaining states did not require that bar candidates' studies be pursued in a resident law school or law office. Montana, however, required that applicants have two years of college or its equivalent prior to beginning of legal studies. At such time, however, no specific requirements as to education or legal training appear to have been imposed by Georgia as a condition to taking its bar examination, and Mississippi likewise imposed none as to legal training or respecting an aspirant's educational status prior to the beginning of his legal studies although a high school education has been a prerequisite to taking the final examination. California, although requiring two years' pre-legal study of applicants under 25, waives this for those who are over 25 years of age at the time they begin the study of law, and that State requires applicants training outside of accredited law schools to register when their legal studies are begun. It accordingly will be observed that while the minimal requirements for admission to examinations vary among the states, those imposed by the vast majority of the jurisdictions follow a pattern definitely excluding applicants whose legal training has been secured solely through home study or whose education or legal training is limited to completion of respondents' course. In only a very few states wherein no provision obtains expressly excluding this form of training, may recipients of respondents' degrees who are educated

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or trained as above indicated, therefore, be allowed to participate in bar examinations. That respondent's representations respecting the eligibility of its students and recipients of its degrees to participate in bar examinations of the respective states are false is clearly demonstrated by the record.

CONCLUSION

On the basis of the facts above stated, the Commission has concluded that respondent has falsely represented that recipients of its purported academic degrees in law and students satisfactorily completing its courses of study through correspondence will be eligible and enabled through such training to participate in the bar examinations of the respective states. As made in the circumstances here, the respondent's misrepresentations to prospective students manifestly have had the capacity and tendency to deceive members of the purchasing public into the erroneous and mistaken belief that such representations are true and to induce the purchase of a substantial number of respondent's courses of instruction in commerce. The Commission accordingly concludes that respondent's misrepresentations have been to the prejudice and injury of the public and therefore constitute unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

ORDER

It is ordered, That respondent, LaSalle Extension University, a corporation, and its officers, agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act, of courses of study and instruction, do forthwith cease and desist from representing, directly or by implication, that recipients of respondent's purported academic degrees in law or others satisfactorily completing respondent's course of study through correspondence will be admitted to or are otherwise eligible to participate in bar examinations, unless such representations are expressly limited to those states (specifically named) wherein the requirements for education and legal training requisite to participating in such examinations are fulfilled solely by completion of a course of legal study through correspondence.

It is further ordered, That the respondent shall, within sixty (60) days after service upon it of this order, file with the Commission a report in writing setting forth in detail the manner and form in which it has complied with the order to cease and desist.

Commissioners Howrey and Gwynne not participating for the reason that oral argument was heard prior to their appointment to the Commission.

OPINION OF THE COMMISSION

The initial decision provided for dismissal of the complaint and this case came before us for consideration of the appeal filed by counsel supporting the complaint from such initial decision, the briefs in support of and in opposition to such appeal, and the oral arguments of counsel.

The initial decision in effect expresses views that the allegations of the complaint have not been sustained by the greater weight of the evidence and accordingly concludes that the respondent has not engaged in unfair and deceptive acts and practices in commerce as charged. The complaint, after making reference to certain statements, allegedly appearing in the advertising, which offer courses in law for spare-time home study and which state that the degree of LL. B. is conferred by respondent upon its students, charges in effect that these and others of similar import falsely represent that the school is a recognized and standard law school, that its courses are comparable to those used in recognized and accredited law schools, and that students completing the courses and receiving the degrees which respondent bestows are qualified and eligible to be admitted to the bar examinations of the respective states.

We turn, first, to a consideration of the matters relating to the last of these three charges. Certain of the witnesses appearing in the proceeding expressed opinions to the effect that the degree of LL. B. signifies a rank conferred by a college or university for work in residence and recognized by other institutions in its field and that its holder is eligible, when otherwise qualified as to age of residence, to sit for bar examinations. When alluding to this testimony, the initial decision states that even though such expert testimony is indicative that these concepts and understandings of the LL. B. degree represent the consensus of the legal profession, it is questionable nevertheless if the record establishes that such understanding and impressions likewise are entertained by the general public. Counsel supporting the complaint contends in his appeal that the record here does adequately support inferences that respondent's advertising, including its offers to confer degrees, has been thus understood by the purchasing public.

As background to a consideration of these matters, the record here indicates that, among other things, an earned degree represents an

academic rank conferred by colleges or universities in recognition of their respective scholars' attainments and that the professional degree of Bachelor of Laws has been awarded for many decades by resident law schools. In all save a few states, in order to be admitted to bar examinations at the outset, candidates must comply with the minimum requirements as to education and legal training imposed by the states' local regulations or statutes. The baccalaureate in law, when awarded by an accredited institution, is accepted by examining authorities of the states where their requirements prevail as satisfactory evidence of their completion academically by the applicant. Such applicants, accordingly, are eligible and enabled to participate in bar examinations, provided they fulfill other requisites not primarily related to education and training and pertaining instead to age, moral character, or other matters.

We believe that the greater weight of evidence establishes that to members of the legal profession, including teachers and attorneys, this degree symbolizes successful completion of a course of resident study in law whereby the holder of such degree has fulfilled the minimum requirements for education and legal training which will enable him, if otherwise eligible, to participate in the bar examinations of the respective states. On the other hand, however, it appears to us that the evidence received into the record is inadequate for an informed determination as to whether the foregoing beliefs as to the connotation of the LL. B. degree and the impressions engendered incident to an offer to bestow it, likewise are shared by members of the purchasing public to whom respondent's advertising and offers of its courses have been directed. This conclusion notwithstanding, respondent's invitations to enroll for its courses and become a candidate for its degree have not occurred in a vacuum but are proffered instead against the background of affirmative statements offering this training as preparation for bar examinations and listings contained in its brochures of former students who are members of the bar "to show how completely" respondent's training demonstrates its thoroughness in preparing candidates for the bar. In these circumstances, it can not be gainsaid that the record clearly establishes that respondent has represented that its courses and the degrees bestowed by it will fulfill the requirements for education and legal training requisite to participating in the bar examinations of the respective states. To this extent only, therefore, the pertinent exceptions interposed to the initial decision by counsel supporting the complaint are sustained, and his appeal in such part is being granted.

Reverting now to the two charges mentioned previously, we have concluded, however, that the record does not suffice for an informed

determination as to whether respondent's offers of legal training leading to its degrees, within themselves or when considered in connection with the additional statements appearing in the advertising to which we referred, have constituted representations to purchasers, in the circumstances here, that the enterprise is a recognized and standard law school with courses comparable to those used in recognized and accredited resident schools. Further consideration of the additional allegations of the complaint relevant to these matters, therefore, appears unwarranted, and the appeal, insofar as it challenges the provision of the initial decision for dismissal of these charges, is not being granted.

Brief reference should be made, however, in connection with the foregoing, to counsel's exceptions to certain statements in the initial decision to the effect that the conferring of a degree signifies only that the recipient has satisfactorily completed a regularly prescribed course of study under competent supervision and that a rule sounder and more reasonable than that contended for by counsel supporting the complaint was established by the Commission in an earlier decision involving another school, under which the advertising of offers of degrees in law for studies pursued solely through correspondence was not forbidden absolutely. Under our interpretation of these findings, they represent conclusions to the effect that the offer of a legal degree by a correspondence school which is not accredited by other institutions meeting the requirements of and approved by the American Bar Association's Council of the Section of Legal Education and Admissions to the Bar should not be regarded as actionable as a fraud upon our educational system or as misleading to purchasers in the absence of additional evidence from which deception of students should be inferred. To such extent as the determinations made in the initial decision rest on that view, counsel's pertinent exceptions are without merit. To the extent, however, that the decision below may be construed as an expression that the record supports an affirmative conclusion that the public's understanding of an offer of a degree in connection with legal instruction indeed is limited solely to satisfactory completion under competent supervision of a regular course of correspondence study prescribed by the commercial enterprise vending the course and books used therefor, that determination would be erroneous and counsel's relevant exceptions would be regarded as well taken.

When it was found in the initial decision—albeit erroneously so—that none of the advertising material has represented or implied that respondent's enrollees will be enabled to participate in bar examinations, references also were made to certain advertising statements

counseling students to consult with examining or court officials as to rules applicable in their states and to a provision in the enrollment contract under which enrollees profess awareness that they must qualify under local rules where they will be candidates for examinations, and under which respondent is released from contractual responsibility for students' compliance with them. To the extent that this and other statements in the initial decision may imply that the advertising adequately discloses the limitations of respondent's training in enabling students to participate in examinations, such conclusion is clearly erroneous. In a section of its catalog "Law Training for Leadership," respondent when advising prospective students to inform themselves respecting the rules governing bar admissions in their states, offers upon request to furnish information in that regard, and a generally similar statement appears in the booklet "Evidence." In discussing pre-legal educational requirements, the former additionally states that they vary from high school to four years of college work and that requirements for legal training likewise vary from no specific requirements to three years in a resident school or four in an office or night school. As to study method, the brochure states also that a few states have no specific requirements and many specify resident school solely but usually where the methods are specified more than one is mentioned including private study, study under the direction of a lawyer, clerkship, resident enrollment, or a combination of these. When it is considered that only in these states are students whose education and legal training consist solely of pursuit of respondent's course of home study not foreclosed from examinations, the lack of candor which characterizes the statements in this category is manifest. Instead of revealing matters of relevant fact, they essentially imply, at the very least, that respondent's training will enable aspirants otherwise qualified by reason of age, residence, and moral character to sit for examinations in a large number of states.

Not to be ignored in this connection, moreover, is the circumstance that a purpose is plainly evident throughout the advertising literature to create impressions that respondent's training fulfills states' education and legal training requirements. To illustrate, the catalog elsewhere states that instruction of "university grade" is afforded. Although resident classes are conducted in accounting and other business subjects, this form of training is not afforded by respondent in its legal subjects. Statements appear in the advertising, however, to the effect that respondent's instruction excels inasmuch as LaSalle since 1916 "has been conducting a resident school of the very highest grade." When designating the "university-extension, home-study, correspondence method of training" as new and progressive, the advertising as-

serts that such training method is "Endorsed by University and Government Authorities." We accordingly conclude that the presence in the advertising of the limited disclosures noted in the initial decision has been wholly inadequate to dispel the deception necessarily engendered by the false and misleading representations contained in the advertising insofar as they relate to student eligibility to participate in bar examinations of the respective states.

Obviously material to persons urged in nation-wide offers of courses of instruction to follow the law as a profession is accurate information as to where or in what jurisdictions the method or form of training offered is acceptable toward fulfilling the goal which such advertising seeks to inspire. A provision insuring such disclosure in connection with any future offers by respondent of its courses likewise directed to encouraging that aspiration is plainly warranted and necessary and does not appear burdensome in the circumstances here. The order to cease and desist as contained in our decision which is separately issuing here accordingly provides that the respondent's future representations to the effect that its courses fulfill educational and legal training requisites for participating in bar examinations be limited to those states wherein that is a fact.

In view of the conclusions expressed hereinbefore and the dispositions being made of the various charges, our discussion of matters additionally urged in support of and in opposition to the appeal, but not controlling to those determinations is unwarranted. We accordingly are granting the appeal to the extent noted above but it is otherwise being denied.

Commissioners Howrey and Gwynne did not participate for the reason that oral argument was heard prior to their appointment to the Commission.

Opinion

IN THE MATTER OF

JOHN L. STRAUSS DOING BUSINESS AS AMERICAN
EXTENSION SCHOOL OF LAW

Docket 5932. Complaint, Oct. 26, 1951—Decision and opinion, June 29, 1954

Charge: Falsely advertising correspondence school as a standard law school, and graduates as eligible for bar examinations.

Before *Mr. Abner E. Lipscomb*, hearing examiner.

Mr. R. T. Porter and *Mr. William L. Pencke* for the Commission.

Mayer, Meyer, Austrian & Platt, of Chicago, Ill., for respondent.

DECISION OF THE COMMISSION RULING ON RESPONDENT'S APPEAL AND
DISMISSING COMPLAINT

This matter came before the Commission upon the appeal of respondent from the initial decision of the hearing examiner wherein it was held in effect that the allegations of the complaint were sustained by the greater weight of the evidence.

For the reasons stated in its accompanying opinion, the Commission is of the view that the exceptions urged in support of the appeal, as referred to in such opinion, should be sustained and that the findings and order as contained in the initial decision do not have adequate support in the record.

It is ordered therefore, That the appeal of the respondent be, and the same hereby is, granted as noted in the accompanying opinion.

It is further ordered, That the complaint herein be, and it hereby is, dismissed.

Commissioners Howrey and Gwynne not participating for the reason that oral argument was heard prior to their appointment to the Commission.

OPINION OF THE COMMISSION

Under the initial decision, the allegations of the complaint, in effect, were found to have been sustained by the greater weight of the evidence and this case comes before us for consideration of the respondent's appeal from that decision, the briefs in support of and in opposition to such appeal, and the oral arguments of counsel.

The respondent, since November 1948, has engaged in the operation of a correspondence school. His courses of legal study and instruction are nationally advertised and when sold by him are pursued by student-purchasers through correspondence, no resident instruction being afforded to students. The ultimate question presented for

our determination under the record and appeal is whether the respondent has engaged in unfair and deceptive acts and practices in connection with the sale and distribution of commerce of such courses in the respects charged under the complaint as issued by the Commission and under which this proceeding was instituted. Typical of the advertisements used by the respondent in newspaper and magazine advertising and to which this proceeding in part relates is the following:

STUDY LAW
at home!

Increase earnings and business ability. Win advancement. LLB Degree. Texts furnished. Easy Payments. Learn how law knowledge helps you to success. Write today for FREE book—"Law and Executive Guidance"—NOW.

40 years instruction to 114,000 students.

AMERICAN EXTENSION SCHOOL OF LAW
Dept. E-30, 646 N. Michigan Avenue,
Chicago 11, Illinois.

The complaint charges, in effect, that these statements falsely represent, by implication and otherwise, that the school is a recognized, accredited and standard law school, that its courses are comparable to those used in recognized and accredited law schools, and that students who complete the courses and receive the degree of LL. B. are thereby qualified and eligible to be admitted to the bar examinations of the respective states. The initial decision expresses views that by means of the advertising noted, the respondent has implied that the LL. B. degree as conferred by his school has value and significance equal to those conferred as symbols of scholastic achievement by resident law schools which have been approved by accrediting agencies and that, inasmuch as the chief purpose for which legal studies are undertaken is to achieve admission to the bar, the offer by respondent to confer such degree must be construed to represent that recipients thereof will be admitted to bar examinations of the several states.

It is undisputed that this school has not been accredited by either of the two agencies whose activities are national in scope and which engage in prescribing standards for resident law schools and withhold or extend their approval dependent on the character of the school. At the time this proceeding was instituted, students whose education and legal training consisted solely of respondent's instruction would be permitted to sit for bar examinations in only three of our states. In these circumstances therefore, if the findings of the initial decision to the effect that respondent's advertising implies that students will be admitted to bar examinations of the respective states is a correct find-

ing, it would follow that the representation thus made by the school is false and that the respondent has engaged in unfair and deceptive acts and practices in commerce.

Testimony was received into the record tending to show, among other things, that to members of the legal profession the baccalaureate in law symbolizes successful completion of a resident course of study enabling the bearer to sit for his bar examinations. To members of this segment of the public, considerations as to the manner in which a law course and any degree conferred in recognition of its completion would enable a candidate to participate in bar examinations naturally would be of utmost importance. We do not believe, however, that this and the additional evidence received into the record afford adequate basis for an informed determination as to whether the foregoing beliefs as to the connotation of the LL. B. degree and the impressions engendered under the respondent's offer to bestow it likewise are shared by members of the purchasing public to whom respondent's advertising and offers of its courses have been directed. In these circumstances, therefore, we are of the view that the conclusions of the initial decision, as referred to above, do not have adequate support in the record and that they must be rejected accordingly.

Reverting now to the other charges, we have concluded that the record similarly does not suffice for an informed determination as to whether respondent's offers of courses leading to his degree, within themselves, have constituted representations to prospective students in the circumstances here that the enterprise is a recognized, accredited and standard law school with courses comparable to those used in recognized and accredited resident schools. In the initial decision, it was emphasized that the promotional literature contains statements to the effect that the system employed by the student's instructor has all advantages of the methods used in resident schools and that the school's method combining the case and text systems follows the standard one used in leading universities. Considering the setting in which these statements appear in the advertising, we do not share the view that an adequate showing has been made that the advertising in fact has the capacity and tendency to engender beliefs that the status of this correspondence enterprise is that of a recognized, accredited and standard law school and that it affords instruction in all respects comparable to such institutions. Not to be ignored when appraising these matters is the circumstance that the advertising essentially offers the training for the purpose of increasing earnings and business ability and winning advancement and that absent from the promotional literature is language holding out the course expressly for training for the bar or as

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preparation for examinations on the part of those who would follow the law as a profession.

In accordingly granting the appeal here, we are sustaining appellant's exceptions to the various provisions of the order appearing in the initial decision and to certain of its findings to the extent that such exceptions are based on contentions that these matters are not supported by the greater weight of the evidence. Our order, which is separately issuing here, therefore, provides for dismissal of the complaint.

Commissioners Howrey and Gwynne did not participate for the reason that oral argument was heard prior to their appointment to the Commission.

Consent Settlement

IN THE MATTER OF

COHEN-KANIGER, INC. ET AL.

CONSENT SETTLEMENT IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT AND THE WOOL PRODUCTS LABELING ACT

Docket 6158. Complaint, Jan. 21, 1954—Decision, June 29, 1954

Where two corporations and an individual who was president of both, engaged in the interstate sale and distribution of fabrics of which some were wool—

- (a) Falsely represented to their customers that their said fabrics could be labeled "100% Cashmere" and that they were "100% Cashmere" and falsely described the same as such orally, in correspondence, and on invoices; and
- (b) In order to induce the purchase of their said fabrics by manufacturers of garments for resale to retailers and distributors, furnished to such manufacturers labels for attachment thereto which falsely described said fabrics as "100% Imported Cashmere," etc., and "100% Fine Imported Cashmere," etc.; and thereby placed in the hands of such manufacturers means and instrumentalities by which they might mislead the purchasing public by representing said garments as composed entirely of the hair or fleece of the Cashmere goat:

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; and

Where said corporation and its said president, in connection with the introduction into commerce and the offer for sale, etc., of wool products as defined in the Wool Products Labeling Act—

- (a) Misbranded certain of said products in that, invoiced as "100% Cashmere," they were not in fact composed entirely of the hair or fleece of the Cashmere goat but contained substantial quantities of fibers other than cashmere; and
- (b) Misbranded certain of said products in that they were not stamped, tagged, or labeled as required by said Act and in the manner and form prescribed by the Rules and Regulations promulgated thereunder:

Held, That such acts and practices, under the circumstances set forth, were in violation of the Wool Products Labeling Act and the said Rules and Regulations and constituted unfair and deceptive acts and practices in commerce.

Before *Mr. Abner E. Lipscomb*, hearing examiner.

Mr. Charles F. Canavan for the Commission.

Ducker & Feldman, of New York City, for respondents.

CONSENT SETTLEMENT ¹

Pursuant to the provisions of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939 the Federal Trade Commission, on January 21, 1954, issued and subsequently served its

¹ See footnote on following page.

complaint on the respondents named in the caption hereof, charging them with the use of unfair and deceptive acts and practices in violation of the provisions of said Acts.

The respondents, desiring that this proceeding be disposed of by consent settlement procedure provided in Rule V of the Commission's Rules of Practice, solely for the purposes of this proceeding, any review thereof, and the enforcement of the order consented to, and conditioned upon the Commission's acceptance of the consent settlement hereinafter set forth, and in lieu of answer to said complaint hereby:

1. Admit all the jurisdictional allegations set forth in the complaint.
2. Consent that the Commission may enter the matters hereinafter set forth as its findings as to the facts, conclusion, and order to cease and desist. It is understood that the said respondents, in consenting to the Commission's entry of said findings as to the facts, conclusion, and order to cease and desist, specifically refrain from admitting or denying that they have engaged in any of the acts or practices stated therein to be in violation of law.

3. Agree that this consent settlement may be set aside in whole or in part under the conditions and in the manner provided in Paragraph (f) of Rule V of the Commission's Rules of Practice.

The admitted jurisdictional facts, the statement of the acts and practices which the Commission had reason to believe were unlawful, the conclusion based thereon, and the order to cease and desist, all of which the respondents consent may be entered herein in final disposition of this proceeding, are as follows:

FINDINGS AS TO THE FACTS

PARAGRAPH 1. Respondents, Cohen-Kaniger, Inc. and Lord Saxony Fabrics, Ltd., are corporations organized under and by virtue of the laws of the State of New York. Respondent, Maxwell Kaniger, is the president of both respondent corporations. This individual formulates, directs and controls the policies, acts and practices of the corporate respondent. The offices and principal place of business of all respondents are located at 257 Fourth Avenue, New York, N. Y.

PAR. 2. The respondents are now and for some time last past have been engaged in the business of selling and distributing fabrics, some

¹ The Commission's "Notice" announcing and promulgating the consent settlement as published herewith, follows:

The consent settlement tendered by the parties in this proceeding, a copy of which is served herewith, was accepted by the Commission on June 29, 1954 and ordered entered of record as the Commission's findings as to the facts, conclusion, and order in disposition of this proceeding.

The time for filing report of compliance pursuant to the aforesaid order runs from the date of service hereof.

of which are wool products. The respondents cause said fabrics when sold, to be shipped and transported from their place of business in New York, N. Y. to the purchasers thereof located in various other States of the United States. There is now and has been during all the times mentioned herein a course of trade in commerce by said respondents in said fabrics between and among the various States of the United States and in the District of Columbia.

PAR. 3. The respondents, in promoting the sale of some of their fabrics in commerce, as aforesaid, have falsely represented to their customers by oral statements that their fabrics could be labeled "100% Cashmere," and that their said fabrics were "100% Cashmere," and by use of similar false representations, made orally, in correspondence and on invoices the respondents have described their fabrics as "100% Cashmere."

PAR. 4. In the course and conduct of their business as aforesaid, and for the purpose of inducing the purchase of their said fabrics by manufacturers of garments for resale to retailers and other distributors, the respondents have furnished to said manufacturers of garments, labels for attachment to said garments, reading in some cases as follows:

100%
Imported
Cashmere
Cohen Kaniger N. Y.

100%
Fine Imported
Cashmere
Cohen-Kaniger N. Y.

Said labels were for attachment to garments made by said manufacturers of fabrics purchased from the said respondents which were not made wholly of the hair or fleece of the Cashmere goat. The said representations as set out on said labels were false and misleading.

PAR. 5. Through the use of the labels aforesaid, and by furnishing garment manufacturers with such labels as above stated, the respondents have placed and are now placing in the hands of such manufacturers, means and instrumentalities by which such manufacturers may mislead and deceive the purchasing public, by representing that said garments are composed entirely of the hair or fleece of the Cashmere goat.

PAR. 6. The use by respondents of the representations herein set forth, in the course of selling and offering for sale their fabrics, in commerce, as above described, has the capacity and tendency to, and

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does mislead and deceive a substantial portion of the purchasing public into the erroneous and mistaken belief that such representations were and are true, and to induce the purchase of such fabrics on account of such beliefs induced as aforesaid. As a result thereof purchasers and the purchasing public have been misled and deceived.

PAR. 7. The acts and practices of the respondents as set forth in Paragraphs 3, 4, 5, and 6 hereof were all to the prejudice and injury of the public and constituted unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

PAR. 8. Subsequent to the effective date of the Wool Products Labeling Act of 1939, and more especially since 1951, respondents have introduced into commerce, offered for sale, sold, transported, distributed, and delivered for shipment, in commerce, as "Commerce" is defined in the Wool Products Labeling Act of 1939, wool products as "wool products" are defined therein.

PAR. 9. Certain of said wool products were misbranded within the intent and meaning of Section 4 (a) (1) of the Wool Products Labeling Act of 1939 and the Rules and Regulations thereunder, in that they were falsely or deceptively stamped, tagged, labeled, or otherwise identified, with respect to the character and amount of the constituent fibers contained therein, in this, that the invoices relating to the sale of the wool products showed the fiber content as "100% cashmere," whereas in truth and in fact, said wool products were not composed entirely of the hair or fleece of the Cashmere goat, but contained substantial quantities of fibers other than cashmere.

PAR. 10. Certain of said wool products were misbranded in that they were not stamped, tagged or labeled as required under the provisions of Section 4 (a) (2) of the Wool Products Labeling Act of 1939, and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

PAR. 11. The acts and practices of the respondents as set forth in Paragraphs 9 and 10 hereof were in violation of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, and constituted unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

CONCLUSION

The acts and practices of respondents Cohen-Kaniger, Inc., a corporation, and Lord Saxony Fabrics, Ltd., a corporation, and Maxwell Kaniger, individually, as hereinbefore found, were and are in violation of the Wool Products Labeling Act of 1939, and the Rules and

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Regulations promulgated thereunder, 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

It is ordered, That the respondents, Cohen-Kaniger, Inc., a corporation and Lord Saxony Fabrics, Ltd., a corporation, and their officers and Maxwell Kaniger, an individual, and respondents' respective agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution in commerce as "commerce" is defined in the Federal Trade Commission Act of their fabrics do forthwith cease and desist from:

(1) Misrepresenting in any way the constituent fiber or material used in their fabrics or the respective percentages thereof;

(2) Using the term "100% cashmere" or the word "cashmere" to designate, describe or refer to products not composed entirely of the hair or fleece of the Cashmere goat; provided, however, that nothing herein shall forbid respondents from using the word aforesaid to refer to the cashmere fiber in fabrics composed in part of that fiber and in part of other fibers if, in immediate conjunction therewith wherever the word "cashmere" is used, there appear words truthfully and conspicuously describing all constituent fibers therein contained.

(3) Furnishing to or placing in the hands of others, for use in designating the fiber content of respondents' fabrics or garments made therefrom, stamps, tags, or labels, by means of which said fabrics, or garments made therefrom, may be falsely or deceptively stamped, tagged, labeled or otherwise identified as to the character or amount of the constituent fibers thereon.

It is further ordered, That the respondent Cohen-Kaniger, Inc., a corporation, and Lord Saxony Fabrics, Ltd., a corporation, and their officers, and respondent, Maxwell Kaniger, individually, and respondents' respective agents, representatives and employees, directly or through any corporate or other device, in connection with the introduction or manufacture for introduction into commerce, or the offering for sale, sale, transportation or distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, of fabrics or other "wool products" as such products are defined in and subject to the Wool Products Labeling Act of 1939, which products contain, purport to contain or in any way are represented as containing "wool," "reprocessed wool" or "reused wool" as those terms are defined in said Act, do forthwith cease and desist from misbranding such products by:

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(1) Falsely or deceptively stamping, tagging, labeling, or otherwise identifying such products as to the character or amount of the constituent fibers included therein;

(2) Failing to securely affix to or place on each such product a stamp, tag, label, or other means of identification showing in a clear and conspicuous manner;

(a) The percentage of the total fiber weight of such wool product, exclusive of ornamentation not exceeding five percentum of said total fiber weight, of (1) wool, (2) reprocessed wool, (3) reused wool, (4) each fiber other than wool where said percentage by weight of such fiber is five percentum or more, and (5) the aggregate of all other fibers;

(b) The maximum percentage of the total weight of such wool product of any non-fibrous loading, filling, or adulterating matter;

(c) The name or the registered identification number of the manufacturer of such wool product or of one or more persons engaged in introducing such wool product into commerce, or in the offering for sale, sale, transportation, distribution or delivery for shipment thereof in commerce, as "commerce" is defined in the Wool Products Labeling Act of 1939.

Provided, That the foregoing provisions concerning misbranding shall not be construed to prohibit acts permitted by paragraphs (a) and (b) of Section 3 of the Wool Products Labeling Act of 1939; and

Provided further, That nothing contained in this order shall be construed as limiting any applicable provisions of said Act or the Rules and Regulations promulgated thereunder.

It is further ordered, That the respondents herein shall, within sixty (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 the order to cease and desist.

Cohen-Kaniger, Inc. and
Lord Saxony Fabrics, Ltd.,
corporations.

Cohen-Kaniger, Inc.

(sgd) By Maxwell Kaniger,

Pres.

Lord Saxony Fabrics, Ltd.,

(sgd) By Maxwell Kaniger,

Pres.

(Sgd) Maxwell Kaniger,

Maxwell Kaniger, individually.

Date: March 29, 1954.

The foregoing consent settlement is hereby accepted by the Federal Trade Commission and entered of record on this 29th day of June 1954.

Syllabus

IN THE MATTER OF

UNITED PHOTOGRAPHY SERVICE, TRADING AS EDLYN
STUDIOS; AND CHARLES J. AND HELEN M. FISCHERCONSENT SETTLEMENT IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT*Docket 6196. Complaint, Mar. 18, 1954—Decision, June 29, 1954*

Where a corporation and its two officers, engaged in the sale and distribution of portraits through the solicitation, mostly, of door-to-door agents who exhibited sample portraits and a coupon or certificate—

- (a) Represented through the use of such printed coupons or certificates and through oral statements of their agents that they had offices in principal cities and operated the largest color studio in the west ;

The facts being that they never had offices in the principal cities; two branch offices formerly operated had been discontinued; the only office or studio then operated by them was that located at their Hollywood address; and in the city of Los Angeles alone there were several color studios whose color equipment and volume of business exceeded those of respondents ;

- (b) Falsely represented that their portraits were Kodachrome portraits and were natural color portraits ;

The facts being that while Kodachrome film was used, the portraits were not printed on Kodachrome paper or processed with Kodachrome chemicals, and, while colored in the sense that they were not a conventional black and white type, they did not portray the true color of the eyes and complexion of the person or persons photographed, and in all instances the portraits evinced a loss of brilliance and in many instances a transposition of colors ;

- (c) Falsely represented that their finished portrait would be equal in appearance, quality, and workmanship to sample portraits and proof slides exhibited to purchasers and prospective purchasers ;

The facts being that the portraits offered and sold by them were inferior to those which purchasers and prospective purchasers were led to believe they would receive as a result of viewing the sample portraits and proof slides exhibited by respondents' agents ; the finished prints, in all instances, were far less brilliant and colorful than such samples and slides and in many instances there was a loss of proper focus and distortion of features and color ;

- (d) Represented that purchasers were guaranteed satisfactory portraits and that portraits ordered by customers would be delivered within three weeks or within a reasonable period of time ;

The facts being that many portraits delivered were unsatisfactory ; in most instances respondents did not honor their guarantee by replacing such portraits with those satisfactory to the purchaser ; and in many instances they did not deliver their product within such a period of time, and in some instances purchasers were forced to wait many weeks and even months for the delivery of portraits fully or partially paid for :

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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 of their competitors and constituted unfair and deceptive acts and practices in commerce and unfair methods of competition therein.

Before *Mr. Abner E. Lipscomb*, hearing examiner.

Mr. Edward F. Downs for the Commission.

Mr. Alfred C. Ackerson, of Los Angeles, Calif., for respondents.

CONSENT SETTLEMENT ¹

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission, on March 18, 1954, issued and subsequently served its complaint on the respondents named in the caption hereof charging them with the use of unfair methods of competition and unfair and deceptive acts and practices in violation of the provisions of said Act.

The respondents, desiring that this proceeding be disposed of by the consent settlement procedure provided in Rule V of the Commission's Rules of Practice, solely for the purposes of this proceeding, any review thereof, and the enforcement of the order consented to, and conditional upon the Commission's acceptance of the consent settlement hereinafter set forth, and in lieu of the answer to said complaint heretofore filed and which, upon acceptance by the Commission of this settlement, is to be withdrawn from the record, hereby :

1. Admit all the jurisdictional allegations set forth in the complaint.

2. Consent that the Commission may enter the matters hereinafter set forth as its findings as to the facts, conclusion, and order to cease

¹ The Commission's "Notice of Acceptance of Consent Settlement and Order to File Report of Compliance" follows :

The consent settlement tendered by the parties in this proceeding, a copy of which is served herewith, was on June 29, 1954, accepted by the Commission, subject only to the condition that the respondents comply with the requirements of the following paragraph with respect to the filing of a report showing the manner and form in which they have complied with the order to cease and desist; and subject to such condition said consent settlement was ordered entered of record as the Commission's findings as to the facts, conclusion, and order in disposition of this proceeding.

It is accordingly ordered, That the respondents, United Photography Service, a corporation, trading under the name Edlyn Studios, and Charles J. Fischer and Helen M. Fischer, individually and as officers of said corporation, shall within sixty (60) days after service upon them of this notice and order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist contained in the consent settlement entered herein.

and desist. It is understood that the respondents, in consenting to the Commission's entry of said findings as to the facts, conclusion, and order to cease and desist, specifically refrain from admitting or denying that they have engaged in any of the acts or practices stated therein to be in violation of law.

3. Agree that this consent settlement may be set aside in whole or in part under the conditions and in the manner provided in paragraph (f) of Rule V of the Commission's Rules of Practice.

The admitted jurisdictional facts, the statement of the acts and practices which the Commission had reason to believe were unlawful, the conclusion based thereon, and the order to cease and desist, all of which the respondents consent may be entered herein in final disposition of this proceeding, are as follows:

PARAGRAPH 1. Respondent United Photography Service is a corporation organized and existing under and by virtue of the laws of the State of California, with its office and principal place of business located at 1514 North Gardner Street, Hollywood, California. It trades and does business under the name of Edlyn Studios. Respondents Charles J. Fischer and Helen M. Fischer are president and vice-president, respectively, of the corporate respondent. These individuals formulate, direct and control the policies, acts and practices of the corporate respondent. Their address is the same as that of the corporate respondent.

PAR. 2. Respondents are now and for several years last past have been engaged in the sale and distribution of portraits. In the course and conduct of their said business respondents caused their portraits, when sold, to be transported from their place of business in the State of California to purchasers thereof located in various other States. They maintain, and at all times mentioned herein have maintained, a course of trade in said products in commerce among and between the various States of the United States. Their volume of trade in said commerce has been and is substantial.

PAR. 3. At all times mentioned herein respondents have been, and are now, in direct and substantial competition with other corporations, firms and individuals engaged in the sale and distribution of portraits in commerce.

PAR. 4. In the course and conduct of their business as aforesaid and for the purpose of inducing the purchase of their portraits the re-

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spondents and their agents have engaged in the various acts and practices hereinafter set forth.

PAR. 5. Most of respondents' sales of portraits are effected by means of door to door solicitation. For this purpose they employ three types of agents, namely, coupon salesmen, photographers, and proof passers. Prospective purchasers are first contacted by a coupon salesman who exhibits to the prospect sample portraits and a coupon or certificate which reads in part as follows:

THIS CERTIFICATE WILL ENTITLE HOLDER TO RECEIVE ONE
BEAUTIFUL 3 x 7 NATURAL COLOR PORTRAIT

\$2.00	Edlyn's of Hollywood	\$2.00
Pay this amount	Largest Color Studio	An extra charge of 50¢
to advertising	in the West	for each additional per-
agent		son in the portrait.

Offices in Principal Cities

SATISFACTION GUARANTEED

If the coupon salesman succeeds in selling the prospect a coupon he generally collects the charge of \$2.00 plus 50¢ for each additional person to be included in the portrait. Thereafter the customer is contacted by a photographer who takes a number of different poses of the subject or subjects photographed. After the exposed film has been processed into proof slides, the latter are turned over to a proof passer who exhibits them to the customer for selection. At this time the proof passer attempts to and often does induce the customer to place an order for additional portraits.

PAR. 6. By and through the use of the aforesaid printed coupon or certificate and by and through oral statements made by their agents, respondents have represented, either directly or by implication:

1. That they have offices in principal cities;
2. That they operate the largest color studio in the west;
3. That their portraits are Kodachrome portraits;
4. That their portraits are natural color portraits;
5. That their finished portraits will be equal in appearance, quality and workmanship to sample portraits and proof slides exhibited to purchasers and prospective purchasers;
6. That purchasers are guaranteed satisfactory portraits;
7. That portraits ordered by customers will be delivered within three weeks or within a reasonable period of time.

PAR. 7. The aforesaid representations and implications are false, deceptive and misleading. In truth and in fact:

1. Respondents do not now and never have had offices in principal cities. They formerly had two branch studios, one in San Diego, California, and the other in Portland, Oregon. However, these branch studios or offices were discontinued in September, 1952. The only office or studio presently operated by respondents is that located at the Hollywood address hereinabove set forth.

2. Respondents do not now and never have operated the largest color studio in the west. In the City of Los Angeles alone there are several color studios whose studio equipment and volume of business exceed those of respondents.

3. The pictures offered for sale and sold by respondents are not Kodachrome portraits for the reason that while Kodachrome film is used they are not printed on Kodachrome paper or processed with Kodachrome chemicals.

4. The portraits offered for sale and sold by respondents are not natural color portraits. Although the portraits are colored in the sense that they are not the conventional black and white type, they do not portray the true color of the eyes and complexion of the person or persons photographed. In all instances the portraits evince a loss of brilliance and in many instances a transposition of colors. For example, a pink dress may appear white in the finished print.

5. The portraits offered for sale and sold by respondents are inferior to those which purchasers and prospective purchasers are led to believe they will receive as a result of viewing the sample portraits and proof slides exhibited by agents of the respondents. In all instances the finished prints are far less brilliant and colorful than the samples and slides viewed by purchasers and, in many instances, there is a loss of proper focusing and a distortion of features and colors.

6. Many of the portraits delivered to customers are unsatisfactory. In most such instances respondents do not honor their guarantee by replacing unsatisfactory portraits with portraits satisfactory to the purchaser.

7. In many instances respondents do not deliver their said products to purchasers thereof within three weeks or within a reasonable period of time. In some instances purchasers are forced to wait many weeks or even months for delivery of portraits fully or partially paid for.

PAR. 8. The use by the respondents of the foregoing false, deceptive and misleading statements, representations and implications has the tendency and capacity to mislead and deceive a substantial portion of the purchasing public into the erroneous and mistaken belief that such statements, representations and implications are true and to induce the purchasing public to purchase substantial quantities of respondents' products as the result of such erroneous and mistaken

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belief. As a consequence thereof substantial trade in commerce has been unfairly diverted to respondents from their competitors and substantial injury has been done to competition in commerce.

CONCLUSION

The aforesaid acts and practices of respondents, as herein found, are all to the prejudice and injury of the public and of respondents' competitors and constitute unfair and deceptive acts and practices and unfair methods of competition in commerce within the intent and meaning of the Federal Trade Commission Act.

ORDER TO CEASE AND DESIST

It is ordered, That respondent United Photography Service, a corporation, trading under the name of Edlyn Studios, or under any other name, and its officers, and respondents Charles J. Fischer and Helen M. Fischer, individually and as officers of said corporation and said respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of portraits in commerce, as commerce is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

(1) Representing, directly or by implication:

(a) That they have offices in principal cities, or that they have more offices than they in fact have.

(b) That they operate the largest color studio in the west, or that their studio is any larger than it is in fact.

(c) That any portrait not made with Kodachrome film and painted on Kodachrome paper with Kodachrome chemicals is a Kodachrome portrait.

(d) That their portraits are natural color portraits.

(e) That their finished portraits will be equal in appearance, quality or workmanship to sample portraits and proof slides exhibited to purchasers and prospective purchasers, when such is not the fact.

(f) That satisfaction is guaranteed unless purchasers receive satisfactory portraits.

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(2) Misrepresenting the time within which their finished portraits will be delivered to purchasers.

United Photography Service

By (Sgd) Charles J. Fischer

CHARLES J. FISCHER

President.

Edlyn Studios

By (Sgd) Charles J. Fischer

CHARLES J. FISCHER

(Sgd) Charles J. Fischer

CHARLES J. FISCHER

(Sgd) Helen M. Fischer

HELEN M. FISCHER

May 17, 1954.

The foregoing consent settlement is hereby accepted by the Federal Trade Commission and ordered entered of record on this 29th day of June, 1954, subject only to the condition that the respondents shall, within sixty (60) days after service upon them of a copy of this consent settlement, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist contained in said consent settlement.

IN THE MATTER OF
PILLSBURY MILLS, INC.

Docket 6000. Order and opinion, June 30, 1954

Before *Mr. Everett F. Haycraft*, hearing examiner.

Mr. L. E. Creel, Jr., Mr. J. Wallace Adair and Mr. Brockman Horne for the Commission.

Hogan & Hartson and Mr. E. Barrett Prettyman, Jr., of Washington, D. C., and Mr. Terrance Hanold, of Minneapolis, Minn., for respondent.

ORDER DISPOSING OF MOTION AND AMENDING AND SUPPLEMENTING
COMPLAINT

This matter having come on to be heard upon a motion, filed by counsel in support of the complaint, requesting that the complaint herein be amended and supplemented to join Duff Baking Mix Corporation as a party respondent in this proceeding, and to aid certain factual allegations pertaining to the transfer by Pillsbury Mills, Inc., to Duff Baking Mix Corporation of a portion of the assets acquired by Pillsbury from American Home Foods, Inc.; and

The Commission being of the view that Duff Baking Mix Corporation should not be joined as a party respondent, but that a recitation in the complaint of the relevant facts pertaining to Pillsbury's transfer of the assets acquired by it from American Home Foods, Inc., would be of material value in the trial and disposition of the issues involved in this case:

It is ordered, That the request contained in counsel's motion that the complaint be amended to join Duff Baking Mix Corporation as a party respondent in this proceeding be, and it hereby is, denied.

It is further ordered, That to the extent the motion requests that the complaint be amended and supplemented to recite the relevant facts pertaining to the transfer by respondent Pillsbury Mills, Inc., to Duff Baking Mix Corporation of certain of the assets acquired by Pillsbury from American Home Foods, Inc., said motion is hereby granted. A copy of the complaint as so amended and supplements which shall forthwith issued and served upon respondent Pillsbury Mills, Inc., attached hereto.

It is further ordered, That the testimony and other evidence heretofore introduced in support of and in opposition to the allegations in the original complaint shall have the same force and effect as though received at hearings held under the complaint as amended and supplemented.