

Complaint

IN THE MATTER OF

WILLIAM BOGOLUB DOING BUSINESS AS FABRICON
COMPANY

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT

Docket 6282. Complaint, Jan. 10, 1955—Decision, July 6, 1955

Consent order requiring an individual in Chicago to cease misrepresenting in advertising the ease of learning his correspondence course in reweaving and the opportunities and earnings available to students completing the course.

Before *Mr. Frank Hier*, hearing examiner.

Mr. Edward F. Downs for the Commission.

Mr. Bernard H. Sokol, of Chicago, Ill., for respondent.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that William Bogolub, an individual doing business as Fabricon Company, hereinafter referred to as respondent, has violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. Respondent William Bogolub is an individual trading and doing business under the firm name and style of Fabricon Company, with his principal office and place of business located at 8342 South Prairie Avenue, Chicago, Illinois.

PAR. 2. Respondent is now, and has been for more than one year last past engaged in the sale and distribution in commerce, among and between the various States of the United States, of a course of study and instruction designed to prepare students thereof for work as commercial reweavers. Said course is pursued through the medium of the United States mails. Respondent, in the course and conduct of said business, causes his said course of study and instruction to be transported from his said place of business in the State of Illinois to the purchasers thereof located in other States of the United States. Respondent maintains, and at all times mentioned herein has maintained, a substantial course of trade in said correspondence course, in commerce, among and between the various States of the United States.

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PAR. 3. Respondent, in the course and conduct of his business and for the purpose of inducing the purchase of his said course of instruction, in commerce, has made many claims, statements and representations respecting said course and the benefits which will accrue to those who purchase and complete said course. Such claims, statements and representations were contained in advertisements inserted in newspapers and magazines and in other printed matter disseminated generally to prospective purchasers. The statements, claims, representations and implications arising by reason thereof, are, in substance, as follows:

1. That it is easy to learn reweaving by taking respondent's course of instruction.
2. That any person who can read English and has normal use of his or her hands and eyes, with or without glasses, can complete respondent's course of instruction and thereby become an expert reweaver.
3. That there is a great demand for persons who have completed respondent's course of instruction.
4. That upon the completion of respondent's course of instruction, earnings of \$20.00 a day or \$75.00 to \$150.00 a week can reasonably be expected.
5. That respondent's course of instruction has been purchased and approved by more than one out of every four States of the United States.

PAR. 4. All of the statements, representations and implications hereinabove set forth were and are false, deceptive, misleading or exaggerated. In truth and in fact:

1. It is not easy to learn reweaving by taking respondent's correspondence course of instruction.
2. Not everyone being able to read English and having the normal use of his or her hands and eyes can complete respondent's course of instruction because the completion of such course requires a manual dexterity and other characteristics not possessed by many persons, and many of those completing said course of instruction are not thereby expert reweavers. Under ordinary circumstances those persons completing said course of instruction must study and practice under the personal supervision and guidance of a competent instructor before they become expert reweavers.
3. There is no great or general demand for persons who have completed respondent's course of instruction.
4. The mere completion of respondent's course of instruction does not qualify the average person taking said course for a position as

a commercial reweaver, and the earnings of persons completing respondent's course of instruction average far less than respondent claims they can reasonably expect to earn.

5. Respondent's course of instruction has not been purchased and approved by more than two States of the United States, if any.

PAR. 5. Through the use of the name Fabricon Invisible Reweavers Guild and the offer of membership therein to the purchasers of respondent's course of instruction respondent represents directly and by implication that the Fabricon Invisible Reweavers Guild is an organization or association composed of qualified reweavers who elect their own officers and operate the "guild" for the mutual aid and benefit of its members and that membership therein is open to all qualified reweavers.

In truth and in fact the Fabricon Invisible Reweavers Guild is not a "guild" in that it is not an organization or association composed of qualified reweavers as many of the so-called members are not qualified reweavers, there are no officers, nor is it operated by the members for their mutual aid and benefit; it is merely an adjunct of respondent's business and is used as an inducement to the purchase of respondent's course of instruction and all members thereof are purchasers of respondent's course of instruction.

PAR. 6. The use by the respondent of the false, misleading and deceptive statements and representations hereinabove set forth has the tendency and capacity to mislead a substantial portion of the purchasing public into the mistaken and erroneous belief that such statements and representations are true and to induce a substantial portion of the purchasing public, because of such erroneous and mistaken belief, to purchase respondent's course of instruction.

PAR. 7. The aforesaid acts and practices of respondent, as herein alleged, are all to the prejudice and injury of the public and constitute unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

INITIAL DECISION BY FRANK HIER, HEARING EXAMINER

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission on January 10, 1955, issued and subsequently served its complaint on respondent herein who has his principal office and place of business at 8342 South Prairie Avenue, Chicago, Illinois and who is engaged in the sale and distribution in commerce of a course of study and instruction designed to prepare students thereof for work as commercial reweavers.

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On May 4, 1955, there was filed with the Federal Trade Commission a stipulation between the parties providing for entry of a consent order, which stipulation appears of record. By the terms thereof respondent admits all the jurisdictional allegations set forth in the complaint; stipulates that the record herein may be taken as if the Commission had made findings of jurisdictional facts in accordance with such allegations; stipulates that the agreement is for settlement purposes only and does not constitute an admission by respondent that he has violated the law.

Respondent expressly withdraws his answer previously filed herein and waives a hearing before the hearing examiner or the Commission; the making of findings of fact or conclusions of law; the filing of exceptions or oral argument before the Commission and all other and further procedure before the hearing examiner and the Commission to which respondent may be entitled under the Federal Trade Commission Act or the Rules of Practice of the Commission.

Respondent further agrees in said stipulation that the order hereinafter entered shall have the same force and effect as if made after a full hearing, presentation of evidence and findings and conclusions thereon and specifically waives any and all right, power or privilege to challenge or contest the validity of the order entered in accordance with the stipulation. Said stipulation further provides that it, together with the complaint, may be used in construing the terms of the aforementioned order, which order may be altered, modified or set aside in a manner provided by statute for the orders of the Commission and said stipulation further provides that it is subject to approval in accordance with Rules V and XXII (presently Secs. 3.21 and 3.25) of the Commission's Rules of Practice and that said order shall have no force and effect unless and until it becomes the order of the Commission.

On the basis of the foregoing, the undersigned hearing examiner concludes that this proceeding is in the public interest, that the stipulation forms an appropriate disposition of the proceeding and in conformity with the action contemplated and agreed upon by such stipulation makes the following order:

ORDER

It is ordered, That respondent, William Bogolub, an individual doing business as Fabricon Company, or under any other name, his agents, representatives and employees, directly or through any corporate or other device in connection with the offering for sale, sale and distribution of courses of instruction in reweaving 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 it is easy to learn reweaving, or that one can become an expert reweaver by taking respondent's course of instruction, unless it is restricted to the patch or overlay method of reweaving and unless it is disclosed that anyone taking said course of instructions must have normal use of hands, good eyesight with or without glasses, and is temperamentally disposed to learn reweaving.

(b) That opportunities for employment as a reweaver are greater than they are in fact.

(c) That the typical or potential earnings for persons completing respondent's course of instruction are greater than they are in fact.

(d) That respondent's course of instruction has been approved by any number of the States of the United States unless such is the fact.

2. Using the name "Fabricon Invisible Reweavers Guild" or any other name of similar import to designate, describe or refer to any organization of reweavers not composed of persons qualified to do commercial reweaving and which organization is not operated by its members for their mutual aid and benefit.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Sec. 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 6th day of July, 1955, become the decision of the Commission; and, accordingly:

It is ordered, That the respondent herein 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.

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IN THE MATTER OF

MORRIS FELDMAN ET AL. DOING BUSINESS AS
PARISIAN FUR COMPANYCONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT AND OF THE FUR PRODUCTS LABELING
ACT*Docket 6301. Complaint, Feb. 25, 1955—Decision, July 7, 1955*

Consent order requiring furriers in Dallas, Tex., to cease violating the Fur Products Labeling Act through failing to label and invoice fur products as required and through misrepresenting in advertising the composition, country or origin, and prices of their products, and failing to keep adequate records.

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

Mr. John J. McNally and *Mr. Joseph Callaway* for the Commission.

Mr. Morris I. Jaffe, of Dallas, Tex., for respondents.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Morris Feldman, Harry Feldman, David Feldman and Lillian Feldman, individually and as copartners doing business as Parisian Fur Company, hereinafter referred to as respondents, have violated the provisions of said Acts, and the Rules and Regulations promulgated under the Fur Products Labeling Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. Respondents, Morris Feldman, Harry Feldman, David Feldman and Lillian Feldman, are individuals and copartners doing business as Parisian Fur Company, with their office and principal place of business located at 4107 Bryan Street, Dallas, Texas.

PAR. 2. Subsequent to the effective date of the Fur Products Labeling Act on August 9, 1952, respondents have been, and are now, engaged in the introduction into commerce, and in the sale, advertising, and offering for sale in commerce, and in the transportation and distribution in commerce, of fur products, and have sold, advertised, offered for sale, transported and distributed fur products which have been made in whole or in part of fur which had been shipped and received in commerce, as "commerce," "fur," and "fur products" are defined in the Fur Products Labeling Act.