

Decision

IN THE MATTER OF
NELS IRWIN TRADING AS SCREEN-PRINT
PRODUCTS CO.

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

Docket 6924. Complaint, Oct. 24, 1957—Decision, Mar. 21, 1958

Consent order requiring an individual in Los Angeles, Calif., engaged in the sale of screen-printing kits together with an instruction course in screen-printing, to cease making a variety of false representations in advertising to induce sale of his products, as to demand, opportunities and potential profits for screen-printers, special offers, prices, "approval," etc.

Mr. Edward F. Downs and Mr. Garland S. Ferguson for the Commission.

Mr. Henry Junge, of Chicago, Ill., for respondent.

INITIAL DECISION BY EARL J. KOLB, HEARING EXAMINER

The complaint in this proceeding issued October 24, 1957, charges the respondent Nels Irwin, individually and trading and doing business as Screen-Print Products Co., located at 15133 South Broadway, Los Angeles, Calif., with violation of the provisions of the Federal Trade Commission Act in the sale and distribution of Screen-printing kits, together with an instruction course in screen-printing.

After the issuance of the complaint, respondent Nels Irwin, individually and trading and doing business as Screen-Print Products Co., entered into an agreement containing consent order to cease and desist with counsel in support of the complaint, disposing of all the issues in this proceeding, which agreement was duly approved by the director and assistant director of the Bureau of Litigation. It was expressly provided in said agreement that the signing thereof is for settlement purposes only and does not constitute an admission by respondent that he has violated the law as alleged in the complaint.

By the terms of said agreement, the said respondent admitted all the jurisdictional facts alleged in the complaint and agreed that the record herein may be taken as if the Commission had made findings of jurisdictional facts in accordance with the allegations.

By said agreement, the respondent expressly waived any further procedural steps before the hearing examiner and the Commission; the making of findings of fact or conclusions of law; and all the

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rights he may have to challenge or contest the validity of the order to cease and desist entered in accordance with the agreement.

Respondent further agreed that the order to cease and desist, issued in accordance with said agreement, shall have the same force and effect as if made after a full hearing.

It was further provided that said agreement, together with the complaint, shall constitute the entire record herein; that the complaint herein may be used in construing the terms of the order issued pursuant to said agreement; and that said order may be altered, modified or set aside in the manner prescribed by the statute for orders of the Commission.

The hearing examiner has considered such agreement and the order therein contained, and, it appearing that said agreement and order provides for an appropriate disposition of this proceeding, the same is hereby accepted and is ordered filed upon becoming part of the Commission's decision in accordance with sections 3.21 and 3.25 of the rules of practice, and, in consonance with the terms of said agreement, the hearing examiner finds that the Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent named herein, that this proceeding is in the interest of the public, and issues the following order:

ORDER

It is ordered, That respondent Nels Irwin, individually and trading and doing business as Screen-Print Products Co., or under any other name, his representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale, or distribution of screen-printing kits and courses designed to teach or instruct in the screen-printing process, or any other products, in commerce, as "commerce" is defined in Federal Trade Commission Act, do forthwith cease and desist from:

Representing, directly or by implication that:

1. Screen-printing is a new or secret process or that it is revolutionizing the printing industry.
2. Screen-printing can be carried on effectively without any special equipment.
3. A demand exists for screen-printers everywhere or that the area, in which the solicited customer lives is critically short of screen-printers unless such is the fact.
4. Earnings that may be made from screen-printing by persons completing respondent's course are greater than the earnings customarily or regularly made by persons completing respondent's course.

5. No selling is required by a customer on completion of respondent's course in screen-printing to secure screen-printing business of jobs.

6. Respondent's screen-printing kits contain such a complete inventory of equipment and materials that purchasers will be able to start their own screen-printing business, on other than a limited scale, upon completion of respondent's course without additional purchases.

7. That any savings accrue to purchasers of respondent's course and kit, unless based upon the price at which respondent sells such merchandise in the usual and regular course of business.

8. Prospective customers may examine respondent's course and kits at home without any cost to said prospective customers.

9. On the payment of a deposit or down payment the entire course and kit will be sent to the prospective customers.

10. Respondent's screen-printing course and "Trace Art" book have been approved unless they have been officially approved by some reputable independent person or business concern, and the name of such person or concern is so designated.

11. Charges made for respondent's screen-printing equipment and materials are wholesale prices unless such is the fact.

12. That the past or current annual membership charges or fees in the United Screen-Printers International amounted to or now amounts to any figure which is in excess of the actual cost of said past or current charges or fees.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to section 3.21 of the Commission's rules of practice, the initial decision of the hearing examiner shall, on the 21st day of March 1958, become the decision of the Commission; and, accordingly:

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

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IN THE MATTER OF
HARSAM DISTRIBUTORS, INC., ET AL.

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

Docket 6687. Complaint, Dec. 11, 1956—Decision, Mar. 21, 1958

Order requiring jobber-sellers in New York City of their domestically blended "White Christmas" perfume which contained some imported ingredients, to cease representing falsely in advertising and on labels that the perfume sold at nationally advertised prices far in excess of the customary prices; and, through use of French words and otherwise, that the perfume was a French product.

Mr. William R. Tincher for the Commission.

Mr. Abraham B. Hertz, of New York, N.Y., for respondents.

INITIAL DECISION BY JOHN B. POINDEXTER, HEARING EXAMINER

PRELIMINARY STATEMENT

The complaint in this proceeding alleges that Harsam Distributors, Inc., Harry Wagonfeld and Louis Wagonfeld, individually and as officers of said corporation, violated the provisions of the Federal Trade Commission Act by indulging in false advertising practices in the sale and distribution of "White Christmas" perfume, defined as a "cosmetic" under the act.

Specifically, the complaint alleges that said corporation and named individuals, through advertisements, circulars and labels, represented that "White Christmas" perfume was compounded in France and had been nationally advertised and sold at certain retail prices, whereas, such statements are misleading and deceptive and constitute "false" advertising under the act for the reason that "White Christmas" perfume was not compounded in France but was manufactured or compounded in the United States and the prices set forth in the advertisements are fictitious and in excess of the prices at which "White Christmas" usually or customarily sold at retail and were not nationally advertised prices. The complaint further alleged that there is a preference on the part of the buying public for perfumes manufactured or compounded in foreign countries and imported into the United States, especially from France.

The respondents, through their attorney, answered the complaint, denied that Louis Wagonfeld is secretary-treasury of Harsam Distributors, Inc., that he directs or controls the policies, acts and practices