

IN THE MATTER OF
EDWARD J. KASNICKA TRADING AS MASTER DESIGNER

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

Docket 7682. Complaint, Dec. 7, 1959—Decision, Apr. 27, 1960

Consent order requiring a Chicago seller of home study books on clothes designing and tailoring to cease representing falsely that employment opportunities, increased earnings and other benefits would be afforded purchasers of his books, that he had authority to award diplomas he sold for a consideration and that they would assure holders of better paying positions, etc.

Mr. William A. Somers supporting the complaint.

Mr. Frank E. Gettleman, of Chicago, Ill., for respondent.

INITIAL DECISION BY LEON R. GROSS, HEARING EXAMINER

On December 7, 1959, the Federal Trade Commission, pursuant to the provisions of the Federal Trade Commission Act, caused its

complaint to be issued in this proceeding to which Edward J. Kasnicka, an individual trading as Master Designer, is respondent. A true copy of said complaint was served upon the respondent as required by law. The complaint charges the respondent with violating the Federal Trade Commission Act in the sale of home study books entitled "Modern Garment Design and Grading Clothing for Men and Boys," "Modern Method of Women and Children's Garment Design," and "Modern Custom Tailoring for Men." The complaint further alleges that respondent sells diplomas to purchasers of his books for a consideration, which diplomas purport to evidence proficiency in the subject matters covered by said books. Respondent causes said books, diplomas and other printed matter to be transported from his place of business in the State of Illinois to purchasers thereof located in various states of the United States other than the State of Illinois, and maintains, and has maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act. After being served with the complaint, respondent appeared by counsel and filed his answer to said complaint. Thereafter respondent entered into an agreement dated February 29, 1960, which purports to dispose of all of this proceeding as to all parties without the necessity of conducting a hearing. The agreement has been signed by the respondent, his counsel, and by counsel supporting the complaint; and the agreement has been approved by the Director and the Assistant Director of the Bureau of Litigation of this Commission. Said agreement contains, *inter alia*, an agreement by the parties that certain amendments be made to the complaint, which amendments, in the opinion of the hearing examiner, do not materially affect the gravamen of the complaint as originally issued, and the hearing examiner has, by order dated March 2, 1960, amended the complaint as agreed to by respondent and counsel supporting the complaint. In the agreement of February 29, 1960, the parties have agreed that it is dispositive of the issues involved in this proceeding, after giving effect to the amendment to the complaint of March 2, 1960. On March 1, 1960, the said agreement was submitted to the above named hearing examiner for his consideration in accordance with Section 3.25 of the Commission's Rules of Practice for Adjudicative Proceedings.

Respondent, pursuant to the aforesaid agreement of February 29, 1960, has admitted all of the jurisdictional facts alleged in the complaint and agreed that the record may be taken as if findings of such jurisdictional facts had been duly made in accordance with such allegations. Said agreement further provides that respondent

waives any further procedural steps before the hearing examiner and the Commission; the making of findings of fact or conclusions of law; and all of the rights he may have to challenge or contest the validity of the order to cease and desist entered in accordance with the agreement. In the agreement of February 29, 1960, the parties, *inter alia*, agree that the record on which the initial decision and the decision of the Commission shall be based shall consist solely of the amended complaint and the agreement; that the order to cease and desist issued in accordance with the said agreement shall have the same force and effect as if entered after a full hearing; that the order may be altered, modified or set aside in the manner provided for other orders; that the amended complaint may be used in construing the terms of the order; that the record on which the initial decision and the decision of the Commission shall be based shall consist solely of the amended complaint and the agreement; and that said agreement is for settlement purposes only and does not constitute an admission by the respondent that he has violated the law as alleged in the amended complaint.

This proceeding now having come on for final consideration on the amended complaint and the aforesaid agreement of February 29, 1960, containing consent order, and it appearing that the order provided for in said agreement covers all of the allegations of the amended complaint and provides for an appropriate disposition of this proceeding as to all parties, the aforesaid agreement of February 29, 1960, is hereby accepted and ordered filed at the same time that this decision becomes the decision of the Federal Trade Commission pursuant to Sections 3.21 and 3.25 of the Commission's Rules of Practice for Adjudicative Proceedings; and

The undersigned hearing examiner having considered the agreement and proposed order and being of the opinion that the acceptance thereof will be in the public interest, makes the following jurisdictional findings, and issues the following order:

JURISDICTIONAL FINDINGS

1. That the Federal Trade Commission has jurisdiction over the parties and the subject matter of this proceeding;
2. Edward J. Kasnicka, respondent, is an individual trading and doing business as Master Designer with his office and principal place of business located at 400 South State Street, Chicago, Illinois. Respondent presently is engaged, and for several years last past has been engaged in the sale and distribution of home study books entitled "Modern Garment Design and Grading Clothing for

Order

56 F.T.C.

Men and Boys," "Modern Method of Women and Children's Garment Design," and "Modern Custom Tailoring for Men." Respondent also sells diplomas to purchasers of his books for a consideration, and these diplomas purport to evidence proficiency in the subject matters covered by said books.

3. Respondent is engaged in commerce as "commerce" is defined in the Federal Trade Commission Act;

4. The amended complaint herein states a cause of action against said respondent under the Federal Trade Commission Act, and this proceeding is in the public interest.

ORDER

It is ordered, That respondent Edward J. Kasnicka, individually and doing business under the name of Master Designers, or under any other name, and respondent's representatives, agents and employees, directly or through any corporate or other device, in connection with offering for sale, sale and distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act, of home study books designated as "Modern Garment Design and Grading Clothing for Men & Boys," "Modern Method of Women & Children's Garment Design" and "Modern Custom Tailoring for Men," or any other books of whatever names containing substantially the same subject matter, do forthwith cease and desist from representing, directly or by implication, that:

1. Respondent has the authority to award diplomas.
2. Respondent's diplomas are recognized by employers, tailors or any other members of the public.
3. The possession of one of respondent's diplomas will be useful or helpful in finding employment or influence the public to patronize the holder's business establishment.
4. Respondent's diplomas will assure persons of better paid positions or jobs or increase their incomes or prestige.
5. Respondent's books are the equivalent to a classroom study course on the same subjects.
6. Persons, after studying respondent's books, will thereby be competent or able to perform the functions, acts, and duties of skilled craftsmen in drafting, grading, cutting or tailoring, or will be so recognized as such craftsmen by the trade.
7. Persons who study respondent's books will for this reason be employed by the garment industry or tailors as drafters, graders, cutters or tailors.
8. Persons who study respondent's books are assured of success or better pay in the garment industry or tailoring business.

1325

Decision

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 27th day of April, 1960, become the decision of the Commission; and, accordingly:

It is ordered, That respondent Edward J. Kasnicka, an individual trading as Master Designer shall within sixty (60) days after service upon him of this order, file with the Commission a report