

promulgated under the Fur Products Labeling Act unless there are maintained by respondents full and adequate records disclosing the facts upon which such claims and representations are based.

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 this order.

IN THE MATTER OF

CHURCH OF RELIGIOUS SCIENCE TRADING AS
COMMERCIAL TRADES INSTITUTE ET AL.

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

Docket C-501. Complaint, May 17, 1963—Decision, May 17, 1963

Consent order requiring a church corporation in Los Angeles, Calif., advertising and selling a correspondence course at a Chicago address under the name "Commercial Trades Institute", and the director of such "Institute", to cease representing falsely through their sales agents responding to inquiries, that they would obtain employment for persons completing their courses, when the only assistance they provided was to write letters of commendation to prospective employers and to furnish printed suggestions for obtaining a better job, etc.; to cease representing that their said Institute was "non-profit", when the prices charged included a provision for profit; and to cease representing to purchasers that delinquent accounts had been referred to the independent "Imperial Collection Agency", which was actually a fictitious name used by them in collecting delinquent accounts.

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 Church of Religious Science, a corporation, trading and doing business as Commercial Trades Institute, and Roy C. Anderson, individually and as director of Commercial Trades Institute, hereinafter referred to as respondents, have 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 Church of Religious Science is a corporation organized, existing and doing business under and by virtue of the

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laws of the State of California, with its principal office and place of business located at 3251 West Sixth Street, in the city of Los Angeles, State of California. Corporate respondent trades and does business under the name Commercial Trades Institute, with the principal place of business thereof being located at 1400 W. Greenleaf Avenue, in the city of Chicago, State of Illinois.

Respondent Roy C. Anderson directs the activities of Commercial Trades Institute. He participates in the formulation, direction and control of the acts and practices of Commercial Trades Institute, including the acts and practices hereinafter set forth. His address is 1400 W. Greenleaf Avenue, Chicago, Illinois.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale and distribution of courses of study and instruction to members of the public. Said courses are pursued by correspondence through the United States mails.

PAR. 3. In the course and conduct of their business, respondents now cause, and for some time last past have caused, their courses of study and instruction, when sold, to be shipped from their place of business in the State of Illinois to purchasers thereof located in various other States of the United States, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said courses of study and instruction in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. Respondents sell their courses by and through the following method and means. Respondents publish, or cause to be published, advertisements in magazines of national circulation, in newspapers sent through the United States mails to subscribers thereof located in States other than the State of Illinois, in the form of postcards, circulars and other printed matter sent through the mails to prospective purchasers in such other States, and in other media. Said advertisements invite responses from interested members of the public. Respondents cause such members of the public to be visited by respondents' commission sales agents or representatives for the purpose of selling respondents' courses of study and instruction or respondents send or cause to be sent to such members of the public, brochures, circulars and other items of advertising material pertaining to respondents' courses.

PAR. 5. In the course of their solicitation as aforesaid, respondents' sales agents or representatives have represented, directly or by implication, for the purpose of inducing, and which has induced, the sale of respondents' courses to purchasers and prospective purchasers of respondents' courses that respondents would obtain employment for such persons upon completion of respondents' courses.

In truth and in fact, respondents do not obtain employment for persons completing respondents' courses. The only assistance in this regard respondents provide for persons completing their courses is to write letters of recommendation to prospective employers upon and at the request of the person completing respondents' course and to furnish printed material containing suggestions as to how an individual should proceed to obtain a better job or establish himself in business.

Therefore, the aforesaid statements and representations were and are false, misleading and deceptive.

PAR. 6. Respondents represent, and have represented, by means of statements or representations made in advertisements published in magazines of national circulation and by means of statements or representations made in printed matter sent through the United States mails to prospective purchasers of respondents' said courses located in States other than the State of Illinois, that Commercial Trades Institute is "non-profit" and therefore is not organized or operated for the purpose of achieving profit. Respondents thereby represent, directly or by implication, that the prices charged for respondents' courses do not include any provision for profit.

In truth and in fact, respondent Church of Religious Science conducts the business of Commercial Trades Institute for the purpose of achieving a profit and such profits as do accrue are utilized by respondent Church of Religious Science for purposes other than in connection with the business of Commercial Trades Institute. The prices charged for respondents' courses include a provision for profit.

Therefore, the aforesaid statements and representations are false, misleading and deceptive.

PAR. 7. In the course and conduct of their business, respondents sent or cause to be sent, or have sent or have caused to be sent, through the United States mails, letters, forms and other printed matter from respondents' place of business in the State of Illinois to purchasers of respondents' courses located in States other than the State of Illinois whose accounts have become delinquent. Such letters, forms and printed matter indicate that the material is from the "Imperial Collection Agency, P.O. Box 3307, Chicago, Ill." Respondents thereby represent, directly and by implication, that such delinquent accounts have been referred to an independent organization engaged in the business of collecting delinquent accounts.

In truth and in fact, the accounts in question have not been referred to an independent organization engaged in the business of collecting delinquent accounts. "Imperial Collection Agency" is a fictitious name used by respondents in collecting delinquent accounts.

Therefore, the aforesaid statements and representations were and are false, misleading and deceptive.

PAR. 8. At all times mentioned herein, respondents have been, and are now, in substantial competition in commerce, with corporations, firms and individuals engaged in the sale and distribution of courses of study and instruction covering the same or similar subjects as are covered by respondents' courses.

PAR. 9. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices as set forth in Paragraphs 5 and 6 hereof has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were and are true and into the purchase of substantial quantities of respondents' courses of study and instruction by reason of said erroneous and mistaken belief.

PAR. 10. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices as set forth in Paragraph 7 hereof constitutes a scheme or device to coerce and intimidate purchasers of respondents' courses of study and instruction and has the capacity and tendency to mislead members of the public into the erroneous and mistaken belief that Imperial Collection Agency is an independent organization entirely separate from Commercial Trades Institute.

PAR. 11. The aforesaid acts and practices of respondents, as herein alleged, were and are all to the prejudice and injury of the public and of respondents' competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as set forth in such com-

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plaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Church of Religious Science is a corporation organized, existing and doing business under and by virtue of the laws of the State of California, with its office and principal place of business located at 3251 West Sixth Street, in the city of Los Angeles, State of California.

Respondent Church of Religious Science trades and does business as Commercial Trades Institute with the principal place of business thereof located at 1400 W. Greenleaf Avenue, in the city of Chicago, State of Illinois.

Respondent Roy C. Anderson is a director of Commercial Trades Institute and his address is the same as that of Commercial Trades Institute.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That respondents Church of Religious Science, a corporation, trading as Commercial Trades Institute or under any other name or names, and its officers, and Roy C. Anderson, individually and as director of Commercial Trades Institute, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of courses of study and instruction, or in connection with the collection of delinquent accounts, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication, that:

(a) Respondents will obtain employment for persons completing respondents' courses of study and instruction, or misrepresenting in any other manner the assistance offered by respondents to such persons in securing employment.

(b) Commercial Trades Institute is not operated for the purpose of achieving a profit, or misrepresenting in any other manner the character or nature of any business enterprise operated by respondents.

2. Using the name "Imperial Collection Agency" or any other

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name or names of similar import or meaning or representing in any other manner that any account not referred to an independent organization engaged in the collection of past due accounts has been so referred.