
IN THE MATTER OF

HOLIDAY UNIVERSAL INC., ET AL.

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

Docket C-1851. Complaint, Jan. 19, 1971—Decision, Jan. 19, 1971

Consent order requiring an operator of various health club facilities and an advertising agency, both located in Baltimore, Maryland, to cease misrepresenting that the price of any membership is special or reduced or that an increase is imminent, that its health program will alter body size, extend life, prevent heart attacks, and reduce weight without calorie control, that all facilities are available at all clubs and that any service is guaranteed unless all aspects of the guarantee are disclosed, using deceptive "before and after" photographs, making repeated telephone calls to obtain payments on any debt, misrepresenting that any debt has been turned over to an independent collector, failing to disclose that any paper about to be signed is a contract or promissory note, obtaining signature on any contract which fails to provide a four day cancellation clause and a provision that it may be cancelled if the customer moves beyond a 25 mile limit, and misrepresenting that application for membership will be held without acceptance pending further investigation.

COMPLAINT

PARAGRAPH 1. Respondent Holiday Universal, Inc. (hereinafter sometimes referred to as "Holiday"), is a corporation organized, existing and doing business under and by virtue of the laws of the

It is further ordered, That the initial decision of the hearing examiner, as modified, be, and it hereby is, adopted as the decision of the Commission.

It is further ordered, That respondents shall, within sixty (60) days from the date of service of this order and every sixty (60) days thereafter until divestiture is fully effected, submit to the Commission a detailed report of their actions, plans, and progress in complying with the divestiture provisions of this order, and fulfilling their objectives. All reports shall include, among other things that will be from time to time required, a summary of all contacts and negotiations with potential purchasers of the stock, assets, properties, rights or privileges to be divested under this order, the identity of all such potential purchasers, and copies of all written communications to and from such potential purchasers.

Commissioner MacIntyre did not participate.