

Complaint

84 F.T.C.

IN THE MATTER OF

GLORIA STEVENS, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT*Docket C-2544. Complaint, Sept. 12, 1974—Decision, Sept. 12, 1974*

Consent order requiring Brockton and Fall River, Mass., figure salons among other things to cease misrepresenting the prices and benefits of their figure improvement programs. Further, respondents must disclose to prospective patrons the nature of their equipment, programs and suggested diets, and suggest that prospective patrons under medical supervision consult with their physician before joining to insure that respondents' programs are compatible with health plans prescribed by such physician.

Appearances

For the Commission: *Harold F. Moody.*

For the respondents: *William C. O'Malley*, Brockton, Mass.

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 Gloria Stevens, Inc., a corporation, J & M of Fall River, Inc., a corporation, and John Martin, individually and as an officer of said corporations, 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. Respondents Gloria Stevens, Inc., and J & M of Fall River, Inc., are corporations organized, existing, and doing business under and by virtue of the laws of the Commonwealth of Massachusetts. The principal office and place of business of Gloria Stevens, Inc. is located at 1666 South Main Street, in the city of Brockton, Commonwealth of Massachusetts.

The principal office and place of business of J & M of Fall River, Inc. is located at Harbour Mall, in the city of Fall River, Commonwealth of Massachusetts.

Respondent John Martin is an individual and officer of both corporate

respondents. He formulates, directs and controls the acts and practices of both the corporate respondents, including the acts and practices hereinafter set forth. His address is 1666 South Main Street, Brockton, Mass.

PAR. 2. Respondents are now, and for some time last past have been engaged in the operation of figure salons, and in the advertising, offering for sale, and sale of figure improvement programs and related services for women of the general public.

PAR. 3. In the course and conduct of their business as aforesaid, respondents now cause, and for some time last past have caused, their figure improvement programs and related services to be advertised and sold 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 programs in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business as aforesaid, for the purpose of obtaining leads or prospects for the sale of reducing programs, and for the purpose of inducing the purchase of figure improvement programs and related services, respondents have made and are now making numerous statements and representations in advertisements inserted in newspapers of general circulation with respect to the price of said figure improvement programs and related services and the benefits to those who enroll in a program.

Typical and illustrative of said statements and advertising representations, but not all inclusive thereof, are the following:

No Crash Diets

* * * * *

No Strenuous Exercise

* * * * *

IF YOU ARE A SIZE

14 You Can be a Size 10 in 30 Days

16 You Can be a Size 12 in 30 Days

18 You Can be a Size 14 in 45 Days

20 You Can be a Size 15 in 60 Days

22 You Can be a Size 16 in 60 Days

* * * * *

This Week Only-15% Discount-On our recommended program to the first 45 ladies to call.
This Week Only-25% Discount-On our recommended program to the first 65 ladies to call.

SPRING SPECIAL

Now that winter has been and gone we can no longer hide behind winter coats, baggy slacks to excuse all those excess pounds. Bathing suit weather is just around the corner so don't let this be another summer of avoiding beaches and pool parties. Let G.S. help you to help yourself to shed those unwanted, unattractive and unhealthy pounds with one of our guaranteed spring trim-up programs.

Here is Just One of the Many Hundreds Of Success Stories From GLORIA STEVENS!

For fifteen years I have been on and off diets and never stuck to it. Slowly I worked myself up to 240 lbs. Fat clubs didn't work for me. Once a week visits was not enough. I've heard and made all the excuses for not losing weight you can think of.

I saw Gloria Stevens ads in the papers, but I didn't go right away because I had heard that some figure salons charge horribly high fees and are full of gimmicks. Not at Gloria Stevens. The prices are extremely reasonable . . . and no gimmicks.

One of my friends decided to join. I saw her progress and then with my husband's blessing I joined last September. Until I saw my picture I really didn't think I looked any different.

My friends can't believe it, and some people don't recognize me. My husband says I'm beginning to look like the girl he married.

The girls at Gloria Stevens have been wonderful and so encouraging. Never embarrassing me, or making me feel that it was hopeless. The exercises have been great for me. I really needed them. I didn't even mind the diet. I followed it religiously and everything is working. I still want to lose 30-40 more pounds and I know I can do it at Gloria Stevens.

Gratefully
Marie Colman



BEFORE



AFTER

THIS WEEK ONLY
15%
DISCOUNT
On our recommended
program to the first
45 ladies to call.

- No Crash Diets
- No Disrobing • No Contracts
- Individual Programming
- No Strenuous Exercise

IF YOU ARE A SIZE

14 You Can Be a Size 10 in 30 Days
16 You Can Be a Size 12 in 30 Days
18 You Can Be a Size 14 in 45 Days
20 You Can Be a Size 15 in 60 Days
22 You Can Be a Size 16 in 60 Days

GLORIA STEVENS Figure Salons

CALL NOW 584-2020 OR COME IN

"Where Service Counts"

1666 MAIN ST. (Southgate Plaza) Brockton 584-2020
OPEN DAILY 9 AM to 9 PM SATURDAY to 3 PM

SPRING TRIM UP TIME IS HERE AGAIN...



BEFORE

Now that winter has come and gone we can no longer hide behind winter coats & baggy slacks to excuse all those excess pounds. Bathing suit weather is just around the corner so don't let this be another summer of avoiding beaches and pool parties. Let G.S. help you to help yourself to shed those unwanted, unattractive and unhealthy pounds with one of our guaranteed spring trim up programs.



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Here is Just One of the Many Hundreds Of Success Stories From GLORIA STEVENS!

For fifteen years I have been on and off diets and never stuck to it. Slowly I worked myself up to 240 lbs. Fat clubs didn't work for me. Once a week visits was not enough. I've heard and made all the excuses for not losing weight you can think of.

I saw Gloria Stevens ads in the papers, but I didn't go right away because I had heard that some figure salons charge horribly high fees and are full of gimmicks. Not at Gloria Stevens. The prices are extremely reasonable . . . and no gimmicks.

One of my friends decided to join. I saw her progress and then with my husband's blessing I joined last September. Until I saw my picture I really didn't think I looked any different. My friends can't believe it, and some people don't recognize me. My husband says I'm beginning to look like the girl he married.

The girls at Gloria Stevens have been wonderful and so encouraging. Never embarrassing me, or making me feel that it was hopeless. The exercises have been great for me. I really needed them. I didn't even mind the diet. I followed it religiously and everything is working. I still want to lose 30-40 more pounds and I know I can do it at Gloria Stevens.

Gratefully
Marie Colman

GLORIA STEVENS

FIGURE
SALON

CALL NOW 679-0086 OR COME IN

HARBOUR MALL - FALL RIVER

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PAR. 5. By and through the use of said advertisements, and others of similar import and meaning, but not expressly set out herein, respondents have represented, and are now representing, directly or by implication, that:

1. The prices of figure improvement programs and related services which are being offered are discount prices or special prices available for a limited period of time and to a limited number of women.

2. Respondents' programs will slenderize, beautify, proportion, and eliminate pounds and inches from every woman's figure, without dieting.

3. Respondents' programs will slenderize, beautify, proportion and eliminate pounds and inches from every woman's figure, without strenuous exercise.

4. Patrons can attain stated changes in body size, configuration or weight in specified periods of time.

PAR. 6. In truth and in fact:

1. The prices at which figure improvement programs and related services are sold are not special prices or discount prices, nor are they available for only a limited period of time or to a limited number of patrons. They are the usual and customary prices charged for respondents' figure improvement programs and related services, and they have been substantially the same for an extended period of time.

2. Respondents' programs will not slenderize, beautify, proportion, and eliminate pounds and inches from every woman's figure without dieting.

3. Respondents' programs will not slenderize, beautify, proportion and eliminate pounds and inches from every woman's figure without strenuous exercise.

4. Few, if any, patrons are likely to attain stated changes in body size, configuration or weight in specified periods of time.

Therefore, the statements, representations and practices as set forth in Paragraphs Four and Five hereof were, and are, false, misleading and deceptive.

PAR. 7. Respondents have not at all times disclosed, in writing, to all prospective patrons, that those with health problems or who are under a doctor's care should consult their physician to be sure that respondents' programs are not incompatible with figure control or other health plans prescribed by such physician.

PAR. 8. In the course and conduct of their aforesaid business, and at all times mentioned herein, respondents have been, and now are, in substantial competition in commerce with corporations, firms, and individuals engaged in the sale of figure improvement programs and related

services in their figure salons; said programs being of the same general kind and nature as those sold by respondents' competition.

PAR. 9. The use by the respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had, and does now have, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that such advertisements and representations were and are true, and into the purchase of substantial numbers of respondents' figure improvement programs and related services by reason of said erroneous and mistaken beliefs.

PAR. 10. 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 Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Boston Regional Office proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, 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 alleged in such complaint, and waivers and other provisions as required by the Commission's rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Act, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of sixty (60) days, now in further conformity with the procedures prescribed in Section 2.34(b) of its rules, the Commission hereby issues

its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Gloria Stevens, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the Commonwealth of Massachusetts, with its office and principal place of business located at 1666 Main Street, Brockton, Mass.

Respondent J & M of Fall River, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the Commonwealth of Massachusetts with its office and principal place of business located at Harbour Mall, Fall River, Mass.

Respondent John Martin is an officer of both corporations. He formulates, directs and controls the policies, acts and practices hereinafter set forth. His address is 1666 South Main Street, Brockton, Mass.

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 Gloria Stevens, Inc., and J & M of Fall River, Inc., corporations, doing business as Gloria Stevens Figure Salons or under any other trade name or names, and their officers, and John Martin, individually and as an officer of said corporations, and respondents' officers, successors, assigns, agents, representatives and employees, directly or through any corporation, subsidiary, division or other device, in connection with the advertising, offering for sale, or sale of figure improvement programs and related services 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 the price charged for any reducing program or related service is a special or reduced price unless such price represents a significant reduction from an established selling price at which such program or service has been sold with substantial frequency by respondents in the recent regular course of their business; or misrepresenting, in any manner, the amount of savings available to purchasers or prospective purchasers of respondents' reducing programs.

2. Misrepresenting, directly or by implication, that the availability of any service, specially priced program or other inducement for enrollment is limited in time or otherwise; or failing to disclose completely and accurately in immediate conjunction with any represented promotional inducement all conditions and limitations on its availability.

3. Representing, directly or by implication, that:

A. Respondents' programs are effective in reducing body weight or dimensions, unless respondents disclose in immediate conjunction therewith that said programs include a suggested diet.

B. Respondents' programs are effective in reducing body weight or dimensions, unless respondents disclose in immediate conjunction therewith that said programs include a series of physical exercise.

C. Respondents' programs will cause any stated change in body size, configuration or weight in any specified period of time, unless such representation is fully substantiated by controlled scientific tests conducted by independent experts, and the results are available for inspection by the general public at no charge.

4. Failing to disclose clearly, conspicuously, completely and accurately both orally and in writing, before enrolling any person in any program:

A. The nature of respondents' programs, equipment and suggested diets.

B. That prospective patrons with health problems or who are under a doctor's care should consult their physician to be sure that respondents' programs are not incompatible with figure control or other health plans prescribed by such physician.

5. Using any advertising, sales plan or procedure involving the use of false, deceptive or misleading statements or representations for the purpose of obtaining leads or prospects for the sale of reducing programs.

It is further ordered, That respondents shall forthwith deliver a copy of this order to cease and desist to all present and future personnel of respondents now or hereafter engaged in the offering for sale, or sale of respondents' programs or services, or in any aspect of preparation, creation or placing of advertising; and that respondents secure from each such person a signed statement acknowledging receipt of said order.

It is further ordered, That respondents maintain at all times complete records relative to the manner and form of their compliance, during the immediately ensuing twelvemonth period, with the above terms and provisions of this order. Such records shall include copies of all advertising, and shall indicate with respect to each sale the type of program and/or service, the price charged for such program and/or service, the

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terms of each such program or service and the name and address of each purchaser thereof.

It is further ordered, That respondents notify the Commission at least thirty (30) days prior to any proposed change in any of the corporate respondents, such as dissolution, assignment or sale resulting in the emergence of any successor corporation or corporations, the creation or dissolution of subsidiaries, or any other change in the corporations which may affect compliance obligations arising out of the order.

It is further ordered, That the individual respondent named herein promptly notify the Commission of the discontinuance of his present business of employment and of his affiliation with a new business or employment. Such notice shall include respondents' current business address and a statement as to the nature of the business or employment in which he is engaged as well as a description of his duties and responsibilities.

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

EASTERN INVESTORS COMPANY, INC., ET AL.

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