

tive, employee, or agent of, or otherwise, directly or indirectly, connected with, or under the control or influence of, respondent.

It is further ordered, That, in said divestiture, respondent shall not sell or transfer, directly or indirectly, any of the stock, assets, properties, rights or privileges, tangible or intangible, to any corporation, or to anyone, who, at the time of said divestiture, is an officer, director, employee or agent of such corporation, which, at the time of such sale or transfer, is a substantial factor in the dairy products industry, if the effect of such sale or transfer might be to substantially lessen competition or tend to create a monopoly or oligopoly in any one of the said dairy products, in any section of the country.

It is further ordered, That the charges contained in paragraph 7 of the complaint be, and they hereby are, dismissed.

It is further ordered, That respondent, Foremost Dairies, Inc., shall, within three months from the date of service upon it of this order, submit in writing for the consideration and approval of the Federal Trade Commission, its plan for carrying out the provisions of this order, such plan to include the date within which full compliance may be effected.

It is further ordered, That the hearing examiner's initial decision, as modified and supplemented by the accompanying opinion, be, and it hereby is, adopted as the decision of the Commission.

Commissioner Elman dissenting in part and Commissioner MacIntyre not participating.

IN THE MATTER OF

SIMPLIFIED TAX RECORDS, INC., ET AL.

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

Docket 8361. Complaint, Apr. 17, 1961—Decision, May 8, 1962

Consent order requiring a New York City seller of business record-keeping systems, including its "Master Edition", "DeLuxe Edition", and "Standard Edition" systems, to franchised distributors to sell to small business men—who were then entitled to receive various consultation and advisory services as well as sets of forms for recording receipts, expenditures, assets, and other data and, in the case of those purchasing the "Master" and "DeLuxe" systems, to have their tax returns prepared by the company—to cease representing falsely in newspaper advertising and other promotional material the income and profits that purchasers of its distributorships would receive, as well as making a variety of other deceptive claims, as in the order below indicated.

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 Simplified Tax Records, Inc., a corporation, and William Frankel, also known as William B. Foster and W. F. Foster, individually and as an officer of said corporation, 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 Simplified Tax Records, Inc., is a New York corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its principal office and place of business located at 170 Varick Street in the city of New York, State of New York.

Respondent William Frankel, also known as William B. Foster and as W. F. Foster, is an officer of the corporate respondent. He formulates, directs and controls the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. His address is the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the sale and distribution of products consisting of business recordkeeping systems to distributors who re-sell them to owners and operators of small businesses. The said systems, designated by respondents as "Master Edition", "DeLuxe Edition" and "Standard Edition", when purchased from distributors by owners and operators of small businesses, variously entitle the businessmen purchasers thereof to sets of forms used for the recording of their receipts and expenditures and equipment, property, tax and payroll records.

Purchase of respondents' "Master Edition" of forms entitles the businessman to receive a quantity of forms sufficient to last him one year and entitles him, at the end of each year on submission of properly prepared business data summaries to respondents, to preparation of his tax returns by respondents. Additionally, the businessman may avail himself of a "business consultation service" during the year he uses respondents' "Master Edition". Respondents' distributors sell respondents' "Master Edition" and services to businessmen for \$120.00.

Purchase of respondents' "DeLuxe Edition" of forms entitles the businessman to receive a quantity of forms sufficient to last him two years and entitles him, at the end of each year on submission of

properly prepared business data summaries to respondents, to preparation of his tax returns by respondents. Additionally, the businessman may avail himself of a consultation and advisory service on tax matters during the two years he uses respondents' "DeLuxe Edition". Respondents' distributors sell respondents' two-year "DeLuxe Edition" and services to businessmen for \$99.50.

Purchase of respondents' "Standard Edition" of forms entitles the businessman to receive a quantity of forms sufficient to last him two years and entitles him to use of respondents' consultation and advisory service on tax matters during the two years he uses respondents' "Standard Edition," but does not entitle him to preparation of any tax returns by respondents. Respondents' distributors sell respondents' two-year "Standard Edition" and services to businessmen for \$79.50.

PAR. 3. In the course and conduct of their business, as aforesaid, respondents cause, and have caused, their products, when sold, to be transported from their place of business in the State of New York to distributors and purchasers thereof located in various other states of the United States. Respondents maintain, and at all times mentioned herein have maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business as aforesaid, respondents have been and are in substantial competition, in commerce, with corporations, firms and individuals engaged in the sale of products and services of the same general kind and nature as those sold by respondents.

PAR. 5. In the course and conduct of their business as aforesaid, and for the purpose of inducing the sale of their products and services, respondents have engaged, and now are engaged, in the sale of territorial distributorships to persons desirous of being respondents' distributors in the sale of respondents' products and services to businessmen. In furtherance of the course and conduct of their business as aforesaid, respondents have made various statements and representations to prospective distributors concerning the nature and value of distributorships offered for sale and methods of conducting their said business. Such statements and representations have been and are made by means of advertisements published in *The New York Times*, *The Wall Street Journal*, *The Baltimore Sun*, *The Richmond Times-Dispatch*, *The Atlanta Constitution*, *The Cleveland Plain Dealer*, *The Detroit News*, *The Chicago Tribune*, *The Omaha World Herald*, *The St. Louis Post Dispatch*, *The Dallas News*, *The Rocky Mountain News*,

1102

Complaint

The Salt Lake City Tribune, the Seattle Post and other newspapers of general circulation throughout the country too numerous to set out herein, all of which newspapers are circulated in areas where respondents do business, and by means of letters, brochures and other promotional and other advertising literature mailed and circulated throughout the country to prospective distributors.

Among and typical, and illustrative, but not all-inclusive, of the statements and representations made, circulated and disseminated to prospective distributors as aforesaid are the following:

i. (By newspaper advertisements):

IF YOU ARE CONSIDERING A BUSINESS OF YOUR OWN AND ARE seeking

- real financial security
- a business of your own with a good steady, high income
- an opportunity to recoup your investment within 6 to 8 months
- a successful business established over 25 years
- a steady renewal business that grows year after year
- freedom from traveling, overhead, labor, credit or warehousing headaches
- the prestige of bank, trade association, and user endorsement
- a business that requires no previous experience

* * * then here is a highly respected, essential business that should provide you with everything you want, including an unusually high income starting the very first year.

If you can qualify with selling, executive, or business experience, can devote full time to your business, and make an inventory investment of \$9,500 to \$14,500 depending on territory, you will be eligible to own outright a prime, highly desirable franchise in a choice area.

We will give you thorough field and home office training at our expense, and assure your success by continuing support.

Please consider this carefully before applying: we want only substantial, dedicated individuals seeking a lifetime career opportunity. Write stating background, address, phone number, and territory preference. If you qualify, a personal interview will be arranged with the company executive covering your territory.

Choice territories available in Milwaukee, Wis. (first time in 5 years); Peoria, Springfield, Ill.; Wichita, Kans.; Cleveland, Toledo, Columbus, Ohio; Detroit, Mich. areas, and various other sections of Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, Montana, Nebraska, No. and So. Dakota, Ohio, Wisconsin and Wyoming. Some with a substantial number of repeat active accounts.

Write att. President, Box CL-209, The Wall Street Journal. June 7, 1960.

If You Had Your Pick

Of Any Business . . .

Wouldn't It Be One That:

REQUIRED no experience, no complicated details, no traveling.

EARNED an excellent income at all times regardless of economic conditions.

HAD a repeat business feature that provided a semi-retirement income.

WAS dignified and highly endorsed by government and industry, and established over 25 years.

Complaint

60 F.T.C.

SUPPLIED a very necessary product and service . . . vital to its users year after year.

INCLUDED proven successful sales and business aids plus company-paid home-office and field training.

GAVE you an available exclusive territory.

MADE no physical demands upon you.

HERE IS A VALUABLE
BUSINESS OF YOUR OWN
That Meets Each and Every
One of These Requirements
IN ATLANTA AND
SURROUNDING AREA

* * * AND all it requires is ambition with an investment of \$9,500 to \$14,500 (normally recouped within 6 to 8 months). Find out more about this unusual full-time business that has everything you could ask for. Write us today, with a brief resume about yourself, including phone number.

WRITE BB, 269, Journal-Constitution. January 10, 1960.

A BUSINESS OF YOUR OWN With Unusual Repeat Features . . .

We have a highly respected essential business that should provide you with unusually high income the first year. A business that can earn a semi-retirement income in renewals alone in 2 to 3 years. Not seasonal, not dependent on economic conditions. Endorsed by banks, trade associations, thousands of users. No overhead, warehousing, credit or labor costs. A trouble-free business that yields exceptional income year after year. Established over 25 years.

We give you the benefit of a thorough field training as well as training at our home office (expenses paid by us) and keep a continuing supervisory interest in your operation.

If you have a spark of salesmanship and/or executive ability an investment of \$9,500 to \$14,500 (usually recouped in 6 to 8 months) will place you in a position to own outright a prime highly desirable franchise in a choice area. PLEASE CONSIDER THIS CAREFULLY BEFORE APPLYING: This is no gimmick or gadget operation, but a dignified business, highly endorsed. We want only dedicated individuals who can and are willing to devote full time to the success of their franchises. While stating background, give address and phone number and territory preference. If qualified, a personal interview at our home office (expenses paid by us) will be arranged.

Choice territories available in Dallas, San Antonio, Austin, Tyler and other choice areas in Texas, Oklahoma, Louisiana, several with a substantial number of repeat active accounts. Write Box 114-C, Dallas News. January 31, 1960.

Let 300 Successful
Businessmen Tell You
How You, Too, Can Own
This High-Income
Business

From Maine to California, for over 25 years, owners of this successful business have been earning five-figure incomes—plus enjoying additional semi-retirement income. We'll be glad to have you talk to them direct—let them be the ones to explain to you how you may join their ranks as an independent, respected, prosperous business distributor.

1102

Complaint

None of them had previous experience in this field, but our company-paid home office and field training and continuing support has assured their success. The business is unaffected by economic conditions and has the enthusiastic approval of government and industry. It has the further advantages of requiring no labor or overhead costs, and no physical exertion or traveling. All you need is your executive or sales ability, and your full time devotion to its success.

Your investment cost is \$9,500, depending on territory. This may be recouped within 6 to 8 months. * * * Rocky Mountain News, March 13, 1960.

Here Is An Exceptional Business Opportunity

This opportunity is for men of courage, foresight, diligence and intelligence in one of the most profitable and fastest growing fields in America—with net profit the first year usually exceeding investment. A trouble-free business that also yields exceptional income year after year from repeat business alone. No travelling, warehousing or labor costs. * * *
The Wall Street Journal, May 26, 1959.

VALUABLE
DISTRIBUTORSHIP
CHOICE AREAS
AVAILABLE

JACKSONVILLE & SURROUNDING AREAS

Available to high calibre men with unquestionable integrity to handle products and service indorsed by banks, credit men's associations, C of C's throughout nation. Largest company of its kind in the world. Established over 24 years. Those accepted will own an exclusive territory and become part of our nationwide organization. Continued access to our many departments and staff. You avoid all overhead. Applicants must be able to make cash investment of \$9,500 covered by inventory and be prepared to start 10 day training period within 60 days. Full time basis only. Not suitable to add to other lines. Five figure earnings first year. If you are serious about seeking a fine highly productive headache-free repeat business of your own, write giving as much information as possible about yourself. Include phone number. You will be granted interview by a member of our executive staff. Write, Attention President, Box A-38, Times-Union & Journal.

The (Jacksonville) Florida Times-Union, October 4, 1959.

* * * over 300 Distributors in 49 states. * * *

Richmond Times-Dispatch, March 27, 1960.

* * * PLEASE CONSIDER THIS CAREFULLY BEFORE APPLYING:

This is no gimmick or gadget operation, but a dignified business, highly endorsed, with over 300 successful distributors nationally * * *.

The Wall Street Journal, April 19, 1960.

CHOICE AREAS

Available

MEMPHIS

* * *

The Memphis Commercial Appeal, September 13, 1959.

* * * earn a substantial, ever-increasing income, year after year.

* * *

