

Complaint.

IN THE MATTER OF
CIVIL SERVICE SCHOOL, INCORPORATED.

COMPLAINT, FINDINGS AND ORDER IN REGARD TO THE ALLEGED VIOLATION
OF SECTION 5 OF AN ACT OF CONGRESS APPROVED SEPTEMBER 26, 1914.

Docket 1255—March 17, 1925.

SYLLABUS.

Where a corporation engaged in conducting a school to qualify students to pass civil service examinations and thereby become eligible for Government employment.

- (a) Falsely advertised in effect that it was engaged for the civil service commission and in behalf of the Government in securing needed employees, and used the words "civil service" as part of its corporate name;
- (b) Falsely stated that its president was a former examiner of the commission and thereby peculiarly qualified to be of value to its students;
- (c) Misrepresented the need for further Government employees, the facts in reference to alleged prospective examinations to secure the same, and the prospects of students passing such examinations promptly securing employment;
- (d) Advertised that its courses for certain specified examinations contained the same matter that would be involved therein, the fact being that the commission supplied free of charge sample question sheets and other informative matter relating thereto; and
- (e) Pretended to guarantee that a student failing to pass two successive examinations would have his money refunded;

With the effect of misleading and deceiving many of the public and of inducing them to purchase its courses:

Held, That such practices, under the circumstances set forth, constituted unfair methods of competition.

Mr. T. John Butler for the Commission.

COMPLAINT.

Acting in the public interest pursuant to the provisions of an Act of Congress approved September 26, 1914, entitled "An Act To create a Federal Trade Commission, to define its powers and duties, and for other purposes," the Federal Trade Commission charges that the Civil Service School, Incorporated, hereinafter referred to as respondent, has been and is using unfair methods of competition in interstate commerce in violation of the provisions of Section 5 of said Act, and states its charges in that respect as follows:

PARAGRAPH 1. Respondent is a corporation organized under the laws of the District of Columbia, with its office and place of business in said District. It is engaged in the business of giving courses of

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tion in interstate commerce and constitute a violation of Section 5 of an Act of Congress approved September 26, 1914, entitled "An Act To create a Federal Trade Commission, to define its powers and duties, and for other purposes."

ORDER TO CEASE AND DESIST.

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission, the briefs and argument of counsel, and the Commission having made its findings as to the facts and its conclusion that the respondent has violated the provisions of an Act of Congress approved September 26, 1914, entitled "An Act to create a Federal Trade Commission, to define its powers and duties, and for other purposes,"

It is now ordered, That the respondent, Marinello Company, its officers, agents, representatives, servants and employees, cease and desist from:

(1) Entering into contracts, agreements or understandings with dealers or any of them that respondent's products are to be resold by such dealers at prices specified or fixed by respondent;

(2) Procuring, either directly or indirectly, from its dealers, agreements, promises or assurances that the prices fixed by respondent will be observed by such dealers;

(3) Requesting its dealers to report the names of persons who do not maintain respondent's resale prices, or who are suspected of not maintaining same;

(4) Seeking the cooperation of dealers in making effective its resale price maintenance policy by manifesting to dealers an intention to act upon all reports sent in by them of variations from the suggested prices, by the elimination of the price cutter; by informing dealers that price cutters reported who would not give assurance of adherence to the suggested resale prices had been or would be refused further sales; by employing its salesmen to investigate the charges of price cutting reported by dealers and advising dealers of that fact;

(5) From cutting off or endeavoring to cut off the sources of supply of a dealer not buying direct from respondent on account of such dealer's failure to observe respondent's suggested resale prices.

It is further ordered, That the respondent, Marinello Company, shall within sixty days after the service upon it of a copy of this order, file with the Commission a report in writing setting forth in detail the manner and form in which it has complied with the order to cease and desist hereinbefore set forth.

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