

IN THE MATTER OF
**GREER COLLEGE OF AUTOMOTIVE ENGINEERING,
ERWIN GREER AND FREDERICK GREER**

COMPLAINT (SYNOPSIS), FINDINGS, AND ORDER IN REGARD TO THE ALLEGED
VIOLATION OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914

Docket 1505. Complaint, Mar. 22, 1928—Decision, June 30, 1928

Where a corporation engaged in the sale of a course of instruction in automotive engineering, under the active management and control of its president; in advertising a course falsely represented the regular price thereof, together with articles and accessories included therewith, as a special reduced price, extended for a certain limited time to prospective pupils, representing a substantially larger sum as its regular charge; with the capacity and tendency to mislead and deceive prospective pupils into believing that by reason of such supposed special price it offered the best available opportunity for the education represented, and an opportunity to secure such course at the supposedly lower price at a financial saving and advantage, and to cause pupils to take and pay for such course in preference to those of competitors who did not falsely represent their business: *Held*, That such misrepresentation, under the circumstances set forth, constituted an unfair method of competition.

Mr. William T. Kelly, assistant chief counsel, for the Commission.

SYNOPSIS OF COMPLAINT

Reciting its action in the public interest, pursuant to the provisions of the Federal Trade Commission Act, the Commission charged Greer College of Automotive Engineering, engaged at Chicago in conducting by correspondence a course in automotive engineering or in one or more of the various arts, sciences, professions, or trades included by it under said term, to wit, among others, automotive mechanics, electricity, battery trade, welding, salesmanship, and garage management, respondent Erwin Greer, its president and treasurer, and respondent Frederick Greer, its vice president, actively engaged in the management and control of its business activities, with advertising falsely or misleadingly, in violation of the provisions of section 5 of such act, prohibiting the use of unfair methods of competition in interstate commerce.¹

Respondent corporation, as charged, engaged as above set forth in furnishing to its various pupils written, printed, or mimeographed lessons, directions, or other matters, together with charts, drafts, dykes, encyclopedia and other articles, and things incidental to and in aid of the learning of said arts, etc., and the use and practice

¹ As alleged, respondent also conducts a resident school, but such part of its business is not concerned herein.

thereof, and under the active control of the aforesaid respondent individuals, in advertising its courses and the articles therewith supplied, in newspapers, magazines, periodicals, and other publications of general circulation in the United States and in the several parts thereof and in enrollment and other blanks, catalogues, pamphlets, letters, circulars, and other forms of printed, written, or mimeographed matter, represents its regular tuition price as a certain figure and that for a limited time it is offering and selling the same at a specified substantially smaller sum, the fact being that the pretended reduced price is the usual full amount charged by it for its said courses and articles, to all pupils, irrespective of such pretended time limit.

The making of said false statements and representations, as alleged, has the tendency and capacity to mislead and deceive the public and prospective pupils and will probably mislead and deceive them into the erroneous belief that the same are true, that respondent is offering its course, of the value of its pretended regular price, for a limited time at a substantially lower price than said regular price, offering such pupils the opportunity of saving the amount of the pretended reduction and that by reason of such supposed reduced or special price, such school offers the best available opportunity for the education represented by the course.

Said acts and practices of respondent are, as charged, all to the prejudice of the public and respondents' competitors and constitute unfair methods in competition and commerce within the intent and meaning of section 5.

Upon the foregoing complaint, the Commission made the following