

Order

IN THE MATTER OF

DE FOREST'S TRAINING, INC.

MODIFIED CEASE AND DESIST ORDER

Docket 4441. Order, August 30, 1943

Modified order, pursuant to provisions of Section 5 (i) of the Federal Trade Commission Act and in accordance with decree below referred to, in proceeding in question, in which original order issued on March 23, 1942, 34 F. T. C. 902, and in which Circuit Court of Appeals for the Seventh Circuit, on April 22, 1943, in *De Forest's Training, Inc. v. Federal Trade Commission*, 134 F. (2d) 819, rendered its opinion, and on May 14, 1943, entered its decree, modifying aforesaid order in certain particulars and affirming the same in other particulars—

Requiring respondent, its officers, etc., in connection with offer, etc., in commerce, of any course of study in television, to cease and desist from representing that there are possibilities or opportunities for employment of students of its course in said field until substantial numbers thereof have been and can be employed directly therein; and that there are now or in the near future will be possibilities or opportunities for such employment in said field until the commercial development of television is sufficiently advanced to assure immediate availability of such possibilities or opportunities; or misrepresenting in any manner the possibilities or opportunities for employment of students or graduates of its course in the television field.

MODIFIED ORDER TO CEASE AND DESIST

This proceeding coming on for further hearing before the Federal Trade Commission, and it appearing that on March 23, 1942, the Commission made its findings as to the facts herein and concluded therefrom that the respondent had violated the provisions of section 5 of the Federal Trade Commission Act, and on March 23, 1942, issued and subsequently served upon respondent its order to cease and desist, and it further appearing that on April 22, 1943, the United States Circuit Court of Appeals for the Seventh Circuit rendered its opinion and on May 14, 1943, entered its decree modifying the aforesaid order of the Commission in certain particulars and affirming said order in other particulars.

Now, therefore, Pursuant to the provisions of subsection (i) of section 5 of the Federal Trade Commission Act, the Commission issues this, its modified order to cease and desist, in conformity with said decree.

It is ordered, That respondent, De Forest's Training, Inc., a corporation, its officers, representatives, agents, and employees, directly or through any corporate or other device, in connection with the offering

Order

37 F. T. C.

for sale, sale, and distribution of any course of study in television 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 there are possibilities or opportunities for employment of students or graduates of respondent's course in the television field until substantial numbers of such students or graduates have been, and can be, employed directly in such field.

2. Representing, directly or by implication, that there are now, or in the near future will be, possibilities or opportunities for the employment of students or graduates of respondent's course in the television field until the commercial development of television is sufficiently advanced to assure immediate availability of such possibilities or opportunities.

3. Misrepresenting in any manner the possibilities or opportunities for employment of students or graduates of respondent's course in the television field.

Complaint

IN THE MATTER OF

UTILITIES ENGINEERING INSTITUTE

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

Docket 4532. Complaint, July 8, 1941—Decision, Aug. 31, 1943

Where a corporation engaged in interstate sale and distribution of correspondence courses in, among other subjects, refrigeration, air-conditioning and welding, including provision for the student's bus fare to and from Chicago and for room and board during 2-weeks' shop training to which, without further charge, upon satisfactory completion of his lessons and at his option, he was entitled; through newspaper and periodical advertisements, printed matter circulated by mail and otherwise, and through canvassers—

(a) Represented that upon completion of its said correspondence courses, a student would be qualified as an expert welder and as an expert in refrigeration and air-conditioning, and be qualified to install, repair or otherwise service such equipment;

The facts being that theoretical instruction alone can not make one an expert welder without broad practical experience; the course concerned did not, in said respect, provide the necessary background of experience; and graduates of its refrigeration and air-conditioning courses similarly were not thereby expert in said subjects, nor, even assuming full training in the theory thereof upon completion of the course, followed by the two weeks' shop training, qualified to undertake upon their own responsibility installation, repair or service of refrigeration and air-conditioning machinery and equipment; and

(b) Represented also that there was a great demand for men qualified as its students would be upon completion of its course, to plan, install, repair and service refrigeration and air-conditioning machinery, with better and more profitable employment certain and success assured;

The facts being that concerns engaged in such work generally do not employ as a service man or workman one who has not had considerable actual experience; graduates of such correspondence school courses are usually employed as helpers or shop employees, subject to supervision and direction until they have acquired sufficient experience and demonstrated ability necessary for the performance of such work without it; and while there was an increase in the number of such installations, both domestic and commercial, and reasonable opportunities for employment for expert maintenance and service men—although on a partly seasonal basis—preceding the abnormal war-induced conditions, such employment was not available to such students or graduates, who were limited initially, as above set out;

With tendency and capacity to mislead prospective purchasers of courses in question into the mistaken belief that such representations were true, thereby inducing purchase thereof:

Held, That such acts and practices, under the circumstances set forth, were all to the prejudice and injury of the public, and constituted unfair and deceptive acts and practices in commerce.