

Complaint

52 F. T. C.

IN THE MATTER OF
OKLAHOMA COLLEGE OF AUDIOMETRY ET AL.

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

Docket 6410. Complaint, Aug. 30, 1955—Decision, Dec. 7, 1955

Consent order requiring a seller in Oklahoma City, Okla., of a correspondence course in audiometry or the fitting of hearing aids, to cease representing falsely in circulars mailed to prospective students and in advertisements in magazines that the school was an accredited college, was non-profit, and gave the latest scientific methods of fitting and rehabilitating the deaf; that its president held a number of degrees pertaining to audiometry; and that students making a passing grade would receive a diploma of Doctor of Audiometry, indicated by the letters "D.A."

Before *Mr. William L. Pack*, hearing examiner.
Mr. Morton Nesmith for the Commission.

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 the Oklahoma College of Audiometry, a corporation, and John W. Bridges, individually and as President 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 Oklahoma College of Audiometry is a corporation organized, existing and doing business under and by virtue of the laws of the State of Oklahoma. Respondent John W. Bridges is the president of said corporate respondent and formulates, controls, and directs the policies and practices of said corporate respondent and is responsible for the operation and management thereof. The office and principal place of business of both respondents is located at 904 Northwest 19th Street, Oklahoma City, Oklahoma.

PAR. 2. Respondents are now, and for more than one year last past have been, engaged in the sale and distribution in commerce between and among the various States of the United States of a course of study and instruction in audiometry or the art of fitting hearing aids,

which is pursued by correspondence through the medium of the United States mails.

During the time aforesaid respondents have caused and do now cause their said course of study and instruction to be transported from their said place of business in the State of Oklahoma to purchasers thereof located in various States of the United States other than the State of Oklahoma. The conduct of said business contemplates and results in, and has resulted in the transportation of lesson sheets and other documents, money orders, checks and other forms of money, from respondents' place of business in the State of Oklahoma, through and into other States and from respondents' customers located in various States into the State of Oklahoma. There is now and has been at all times mentioned herein, a course of trade in said course of instruction so sold and distributed by said respondents in commerce between and among the various States of the United States.

PAR. 3. A college, as that term is understood in the educational field, and by the general public, is an institution of higher learning, including subjects in the arts, sciences and professions, such as law, medicine and theology, with adequate equipment in the form of buildings, laboratories, libraries and dormitories for resident students, and sufficient financial sources to operate and maintain such institution; with an adequate and competent faculty of learned persons qualified and trained to teach the respective subjects offered by such institution and possessing degrees from recognized universities and colleges.

A degree is an academic rank recognized by colleges and universities having a reputable character as institutions of higher learning and which are so recognized and accredited by standard accrediting organizations, and which degree conveys to the ordinary mind the idea of some collegiate, university or scholastic distinction.

PAR. 4. Respondents, in soliciting the sale of and in selling said course of study and instruction in audiometry, have made and are making use of printed advertising matter, including circulars mailed and distributed to prospective students located in the various States of the United States, and of advertisements inserted in various magazines devoted to the healing arts and having a national circulation, in and by which numerous representations have been and are made in regard to said course of study and matters and things connected therewith. Typical of such representations are the following:

Complaint

52 F. T. C.

A NON-PROFIT
INSTITUTIONOKLAHOMA COLLEGE
OF AUDIOMETRYCHARTERED UNDER
THE LAWS OF THE
STATE OF OKLAHOMAP. O. Box 3611
Oklahoma City, Oklahoma*HOME STUDY COURSE—AUDIOMETRY*
*OKLAHOMA COLLEGE OF AUDIOMETRY*A Non-Profit Institution
P. O. Box 3611S. D. Burgess, Registrar
Oklahoma City, Oklahoma
John W. Bridges, M.S.:D.A.

Audiometry is the Science and Art of measuring hearing impairment, and prescribing and fitting hearing aids * * * (The science of hearing).

* * * It is the purpose of our college to give the latest Scientific Methods of testing, treating, fitting, and rehabilitating those suffering hearing loss.

Our college is a non-profit institution, and because of this fact we are able to bring to you at this time, knowledge that has taken the leaders in this particular field many years to assemble. Now we can offer this information quickly and conveniently, through our Home Study Course, at a minimum of expense. * * *

We are very proud of our Home Study Course, and receive many letters of commendation. There is a final examination which is quite easy for the drugless physician, and those making a grade of 75 or better will be issued a Diploma of Doctor of Audiometry. This Diploma is ready for framing and will give you a great deal of prestige. (See Green File—Home Study Course Audiometry, October 13, 1954.)

HEARING AID CONSULTANTS NEEDED

Train to be a doctor of Audiometry. New income added to your practice. Certificate of graduation upon completion of Home Study Course.

For information, write:

Oklahoma College of Audiometry
Desk C—P. O. Box 3611, Oklahoma City, Okla.

(See Buff File, p. 6.)

PAR. 5. By means of the foregoing representations and others of similar import and effect not herein specifically set out, respondents have represented and implied and do represent and imply that the corporate respondent is a recognized and accredited college or institution of higher learning in which is taught the science of Audiometry; that the President, John W. Bridges, is the holder of a number of degrees pertaining to the subject of Audiometry; that corporate respondent gives the latest scientific methods of testing, treating, fitting, and rehabilitating those suffering hearing loss; that students who make a passing grade of 75 will receive a diploma of Doctor of Audiometry, the latter indicated by the letters D.A.; and that said corporation is a non-profit educational institution.

PAR. 6. All of the foregoing statements and representations, and others similar thereto, are false, deceptive and misleading. In truth and in fact the corporate respondent is not a college in the accepted sense of that term and is not a recognized, accredited and accepted institution of higher learning. It has none of the facilities, equipment or faculty described in Paragraph 3 hereof, but on the contrary, is operated by respondent, John W. Bridges, who also constitutes the faculty. Respondent John W. Bridges is not a licensed M.D., and the letters M.S.:D.A., used by him signify that he has a master of science degree and is a Doctor of Audiometry. The degree "Doctor of Audiometry" is not known, accepted, or recognized by reputable schools and colleges, and is of no validity whatever, and moreover, insofar as respondent is concerned was conferred by him upon himself.

Said corporate respondent does not have the facilities, equipment or faculty, nor is said respondent John W. Bridges qualified by training or experience adequately to give the latest scientific methods of testing, treating, fitting, and rehabilitating those suffering hearing loss. While it is necessary to receive certain practical training in connection with the fitting of hearing aids, it is not necessary to have extensive training in medical science, nor is it necessary to acquire any academic degrees in order to fit hearing aids properly to persons in need of such equipment. Moreover, the corporate respondent is not a non-profit educational institution, even though it may have been incorporated under the laws of the State of Oklahoma as such, but is one organized for private gain.

PAR. 7. Academic degrees as defined in Paragraph Three hereof are conferred by duly authorized, accredited and recognized educational institutions of higher learning as evidence and in recognition of prescribed, scholastic attendance by students of such institutions and unless so earned and conferred, do not constitute degrees in the accepted meaning of said terms; moreover, "degrees" granted solely for work done by correspondence are not accredited and recognized by colleges and universities or by examining boards of the different professions.

PAR. 8. The use by respondents of the aforesaid statements and representations has had and now has the tendency and capacity to confuse, mislead and deceive members of the public into the erroneous and mistaken belief that such statements and representations are true, and to induce them to purchase respondents' course of study and instruction in said commerce on account thereof.

PAR. 9. The aforesaid acts and practices of the respondents, as herein alleged, are all to the prejudice and injury of the public and

constitute unfair and deceptive acts and practices in commerce within the intent and the meaning of the Federal Trade Commission Act.

INITIAL DECISION BY WILLIAM L. PACK, HEARING EXAMINER

The complaint in this matter, issued August 30, 1955, charges respondents with violation of the Federal Trade Commission Act through the use of certain misrepresentations in soliciting the sale of and in selling their course of study and instruction in audiometry. An agreement has now been entered into by respondents and counsel supporting the complaint which provides, among other things, that respondents admit all of the jurisdictional allegations in the complaint; that the record on which the initial decision and the decision of the Commission disposing of this matter shall be based shall consist solely of the complaint and the agreement; that the inclusion of findings of fact and conclusions of law in the decision disposing of this matter is waived, together with any further procedural steps before the hearing examiner and the Commission to which respondents may be entitled under the Federal Trade Commission Act or the Rules of Practice of the Commission; that the order hereinafter set forth may be entered in disposition of the proceeding, such order to have the same force and effect as if made after a full hearing, respondents specifically waiving any and all rights to challenge or contest the validity of such order; that the order may be altered, modified or set aside in the manner provided by statute for the orders of the Commission; and that the agreement is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint.

The hearing examiner having considered the agreement and proposed order and being of the opinion that they provide an appropriate basis for settlement and disposition of this proceeding, the agreement is hereby accepted, the following jurisdictional findings made, and the following order issued:

1. Respondent Oklahoma College of Audiometry is a corporation organized, existing and doing business under the laws of the State of Oklahoma, with its office and principal place of business located at 904 - 19th Street, N. W., Oklahoma City, Oklahoma. Respondent John W. Bridges is president of the corporation with his office and principal place of business located at the same address.

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.

558

Decision

ORDER

It is ordered, That respondent Oklahoma College of Audiometry, a corporation, and its officers, and respondent John W. Bridges, individually and as an officer of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act, of courses of study and instruction, do forthwith cease and desist from:

1. Using the word "college," or any word of similar import, as a part of said corporation's corporate or trade name, or otherwise representing, directly or by implication, that respondents' enterprise is a college or institution of higher learning.
2. Representing, directly or by implication, that respondents' school is recognized by any standard or accepted accrediting organization or is an accredited educational institution.
3. Representing, directly or by implication, that respondent John W. Bridges is the holder of any accredited and recognized academic degrees pertaining to the subject of audiometry.
4. Representing, directly or by implication, that respondents' school gives the latest scientific methods of testing, treating, fitting or rehabilitating those suffering hearing loss.
5. Representing, directly or by implication, that the degree of "Doctor of Audiometry" is an accepted and recognized degree.
6. Representing, directly or indirectly, that respondents' school is a non-profit educational institution.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 7th day of December, 1955, become the decision of the Commission; and, accordingly:

It is 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 the order to cease and desist.

Complaint

52 F. T. C.

IN THE MATTER OF
CALLAWAY MILLS COMPANY ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION
OF SEC. 3 OF THE CLAYTON ACT

Docket 6352. Complaint, May 16, 1955—Decision, Dec. 8, 1955

Consent order requiring the nation's largest manufacturer of industrial wiping cloths and its corporate sales subsidiary, which had sales in 1953 approximating \$8,000,000, to cease violating Sec. 3 of the Clayton Act through selling their products, including the trade-marked cloth "Kex", to some 110 large industrial laundries, which rented them to industrial concerns for wiping grease, dirt, etc., from machinery and tools, on condition that they not deal in competitive products.

Before *Mr. Everett F. Haycraft*, hearing examiner.

Mr. Andrew C. Goodhope for the Commission.

Cann, Lamb, Long & Kittelle, of Washington, D. C., for respondents.

COMPLAINT

Pursuant to the provisions of an Act of Congress, commonly known as the Clayton Act, the Federal Trade Commission having reason to believe that Callaway Mills Company, a corporation, and Callaway Mills, Inc., a corporation (hereinafter called respondents) have violated the provisions of Section 3 of the Clayton Act (15 U.S.C.A. sec. 14), the Commission hereby issues its complaint stating its charges as follows:

PARAGRAPH 1. Respondent Callaway Mills Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Georgia, having its principal office and place of business located at LaGrange, Georgia, with thirteen cotton milling factories located in the State of Georgia.

Respondent Callaway Mills, Inc., is a corporation existing and doing business under and by virtue of the laws of the State of New York, having its principal office and place of business at 295 Fifth Avenue, New York, New York. Respondent Callaway Mills, Inc., is a wholly owned subsidiary of respondent Callaway Mills Company and has branch offices located at Akron, Ohio; Boston, Massachusetts; Atlanta, Georgia; Detroit, Michigan; Seattle, Washington; St. Louis, Missouri; Baltimore, Maryland; and Los Angeles, California.

PAR. 2. Respondent Callaway Mills Company is now and for many years has been engaged in the manufacturing, milling, processing,