

Decision

IN THE MATTER OF
HERBERT L. GUNDLACH DOING BUSINESS AS
CIVILIAN SERVICE BUREAU

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

Docket 6567. Complaint, June 12, 1956—Decision, Oct. 13, 1956

Consent order requiring an individual in Greensboro, North Carolina, selling a correspondence course intended to prepare persons for examinations for Civil Service positions, to cease representing falsely that he was connected with the federal Government, that many Civil Service positions were available and that students completing his courses were guaranteed appointment to them, that his school was a corporate entity with various departments, etc.; and to cease using a fictitious name to collect accounts.

Mr. Frederick McManus for the Commission.

Mr. Herbert L. Gundlach, of Greensboro, N.C., for respondent.

INITIAL DECISION BY WILLIAM L. PACK, HEARING EXAMINER

The complaint in this matter, issued June 12, 1956, charges respondent with violation of the Federal Trade Commission Act in connection with the sale of a course of study intended to prepare persons for examinations for civil service positions in the United States Government. An agreement has now been entered into by respondent and counsel supporting the complaint which provides, among other things, that respondent admits all of the jurisdictional allegations of the complaint; that the record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and 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; 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 entered after a full hearing, respondent 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 for other orders of the Commission; and that the agreement is for settlement purposes only and does not constitute an admission by respondent that he has violated the law as alleged in the complaint.

Order

53 F.T.C.

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

1. The respondent, Herbert L. Gundlach, is an individual trading and doing business as Civilian Service Bureau, with his office and place of business located at 2281½ West Market Street, Greensboro, North Carolina.

2. The Federal Trade Commission has jurisdiction of the subject matter of the proceeding and of the respondent, and the proceeding is in the public interest.

ORDER

It is ordered, That respondent Herbert L. Gundlach, an individual trading under the name of Civilian Service Bureau or under any other name or names, and respondent's 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. Representing, directly or by implication:

(a) That there are vacancies for any United States Civil Service positions when such vacancies do not exist.

(b) That positions in the United States Civil Service which may be open are available to all persons.

(c) That positions in the United States Civil Service are open which are restricted to any group or otherwise restricted or require certain qualifications, unless such restrictions and qualifications are clearly set forth.

(d) That the starting salary, or any other salary, that may be received by persons for any Civil Service position is higher than is the fact.

(e) That respondent's agents or representatives are qualified to pass upon the qualifications of persons for any specific Civil Service position.

(f) That persons will not be permitted to purchase the course unless they are qualified for the position desired.

(g) That prospective purchasers will lose the opportunity to purchase the course unless the purchase is made at the time of the first visit of respondent's agent or representative.

355

Order

(h) That respondent will provide additional training to purchasers of his course who have failed to pass a Civil Service examination.

(i) That respondent makes refunds of the amount paid, or any amount, to the purchasers of his course.

(j) That respondent or his business is connected with the United States Civil Service, the United States Government, or any agency thereof.

(k) That respondent or his agents or representatives are representatives or employees of the Civil Service Commission or have any connection therewith.

(l) That the completion of respondent's course makes persons eligible for appointments to, or assures them of, or guarantees United States Civil Service positions.

(m) That prospective purchasers have been especially selected.

(n) That purchasers of respondent's course have any assurance that, in the event they obtain a Civil Service position, they will be stationed at or near their homes or at any certain location.

(o) That purchasers of respondent's course may obtain Civil Service positions regardless of the fact that they do not have the required qualifications or status.

(p) That respondent's course is designed to qualify persons to take examinations for specific Civil Service positions.

2. Using the trade name "Civilian Service Bureau" or any other trade name which suggests or implies that respondent or his business has some connection with the Civil Service Commission.

3. Using the terms "Director of Public Relations," "Director of Education" or any other word or terms which suggest or imply that respondent conducts a school or that it consists of various departments.

4. Using the title "Executive President" or any other word or terms or otherwise representing that respondent's business is a corporation.

5. Using the fictitious name "Tri-State Adjustment Bureau" or any other name in connection with the collection of accounts or representing or implying in any manner that an independent agency is collecting respondent's accounts.

6. Soliciting, procuring or accepting contracts of enrollment for respondent's course without permitting prospects to read the contract over fully and to fully understand its terms.

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 13th day of October, 1956, become the decision of the Commission; and, accordingly:

It is ordered, That the respondent herein shall within sixty (60) days after service upon him of this order, file with the Commission a report in writing setting forth in detail the manner and form in which he has complied with the order to cease and desist.

Decision

IN THE MATTER OF

HENRY R. DURYEE ET AL. DOING BUSINESS AS
NATIONAL INFORMATION SERVICE

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

Docket 6566. Complaint, June 12, 1956—Decision, Oct. 16, 1956

Consent order requiring four individuals engaged in Arlington, Virginia, in securing and selling to their retailer customers information as to the current addresses, employers, etc., of delinquent debtors, to cease representing by use of their trade name and a Washington mailing address that their letters requesting information were sent by an agency of the U.S. Government; and through statements in letters sent to delinquent debtors that the information requested in accompanying questionnaires would be to the advantage of the person addressed and that a check for money would be sent to him upon completion of the questionnaire.

Mr. Michael J. Vitale for the Commission.

Respondents appearing for themselves.

INITIAL DECISION BY JOSEPH CALLAWAY, HEARING EXAMINER

This proceeding was initiated June 12, 1956. The complaint charges the above named respondents with having violated the Federal Trade Commission Act by using unfair and deceptive acts and practices, in commerce, in connection with the business of obtaining information concerning delinquent debtors. In lieu of submitting answer to the complaint, after service, respondents entered into an agreement, dated August 23, 1956, containing a consent order to cease and desist which disposes of all the issues in this proceeding as to all parties and which agreement has been approved by the Assistant Director and the Director of the Bureau of Litigation. The agreement has been submitted to the undersigned, heretofore duly designated as hearing examiner herein, for his consideration in accordance with Section 3.25 of the Rules of Practice of the Commission.

By said agreement respondents have admitted all the jurisdictional facts alleged in the complaint and agreed that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations. Said agreement further provides that respondents waive all further procedural steps before the hearing examiner and the Commission, including the making of findings of fact or conclusions of law and the right to challenge or contest the validity of the order to cease and desist entered in accordance