

IN THE MATTER OF
WAYNE SCHOOL, INC., ET AL.

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

Docket 6430. Complaint, Oct. 19, 1955—Decision, Nov. 1, 1956

Consent order requiring Chicago sellers of correspondence courses in practical nursing to cease misrepresenting the ease of learning nursing as taught by their course and the time and attention required; the educational requirements, opportunities for high-paying positions, earnings assured to, and value of diploma to, "graduates"; that their course was recognized and accredited by licensing authorities, that "graduates" were eligible for State licensing examinations and that hospitals and institutions would hire them, among other things.

Mr. William A. Somers for the Commission.

Mr. Henry Junge and *Mr. Richard G. Bodenshtab*, of Chicago, Ill., for respondents.

INITIAL DECISION BY ROBERT L. PIPER, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondents on October 19, 1955, charging them with having violated the Federal Trade Commission Act by making false and misleading representations concerning their correspondence course in practical nursing. Respondents appeared by counsel, filed answer to the complaint, and thereafter respondents entered into an agreement, dated May 18, 1956, containing a consent order to cease and desist, disposing of all issues in this proceeding, without hearing, which agreement has been duly approved by the Director of the Bureau of Litigation. Said agreement has been submitted to the undersigned, heretofore duly designated to act as hearing examiner herein, for his consideration in accordance with Section 3.25 of the Rules of Practice of the Commission.

Respondents, pursuant to the aforesaid agreement, have admitted all of the jurisdictional allegations of 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 or 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 with such agreement. It has also been agreed that the answer shall be withdrawn and that the record

herein shall consist solely of the complaint and said agreement, that the agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Commission, that said 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, that said order to cease and desist shall have the same force and effect as if entered after a full hearing and may be altered, modified or set aside in the manner provided for other orders, and that the complaint may be used in construing the terms of the order.

This proceeding having now come on for final consideration on the complaint and the aforesaid agreement containing the consent order, and it appearing that the order and agreement cover all of the allegations of the complaint except those not sustainable under the law and the facts, and provide for appropriate disposition of this proceeding and as complete and adequate relief as could be secured upon full hearing,¹ the same are hereby accepted and ordered filed upon becoming part of the Commission's decision pursuant to Sections 3.21 and 3.25 of the Rules of Practice, and the hearing examiner accordingly makes the following findings, for jurisdictional purposes, and order:

1. Respondent Wayne School, Inc., is a corporation existing and doing business under and by virtue of the laws of the State of Illinois, and respondents E. P. Sorensen and W. H. Hoehne are President and Vice President, respectively, of said corporate respondent, with their office and principal place of business located at 2525 North Sheffield Avenue, in the City of Chicago, State of Illinois.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents hereinabove named. The complaint states a cause of action against said respondents under the Federal Trade Commission Act, and this proceeding is in the interest of the public.

ORDER

It is ordered, That respondent, Wayne School, Inc., a corporation, and its officers and Wayne School, Inc., trading as Wayne School of Practical Nursing, or under any other name, and respondents E. P. Sorensen and W. H. Hoehne, individually and as officers 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 of a course of instruction in practical nursing, or any other similar or related course of in-

¹ *Post Graduate Hospital School of Nursing*, Docket No. 6437, Initial Decision, August 16, 1956.

struction, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, directly or by implication:

1. That practical nursing may be learned at home in a short time by devoting only part-time attention to said study, or that respondents' course is a complete course in practical nursing, or that respondents' course is anything other than their entire course in Practical Nursing.

2. That persons completing respondents' course are trained or professional practical nurses, or have the privileges, benefits and responsibilities which accompany those titles.

3. That some high school education, or an equivalent qualification, is not required to become a trained practical nurse.

4. That persons completing respondents' course will as a result thereof be able to command or receive, either through their own efforts or through respondents' efforts on their behalf, exceptional wages or high-paying positions for their service as practical nurses.

5. That persons completing respondents' course will be eligible to apply for or to take licensing examinations in any State.

6. That the diploma given by respondents to persons completing their course will aid, advance or further their nursing careers, except as evidence of completion of respondents' course of study in practical nursing.

7. That the residence course offered by respondents in conjunction with their correspondence course in nursing consists of actual hospital work on live patients unless and until such is a fact.

8. That respondents' nursing course is recognized or accepted by the nurses licensing authorities of the various States of the United States, or any one of said States.

9. That persons completing respondents' course of instructions are eligible for employment or will be employed as practical nurses by hospitals or institutions unless it is clearly revealed that such persons will not be eligible for employment and will not be employed in the States of Arkansas, Idaho, Louisiana, Nevada, New York, or any other states that may have, or may hereafter enact, a law making it mandatory for practical nurses to be licensed and that such persons will not be eligible for employment and will not be employed in most of the hospitals and institutions in other states as practical nurses.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

The hearing examiner having filed on August 17, 1956, his initial decision in this matter based on an agreement containing a consent

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cease and desist order executed by all parties, and it appearing that said initial decision is adequate and appropriate to dispose of the proceeding:

It is ordered, That the initial decision of the hearing examiner shall, on November 1, 1956, become the decision of the Commission.

It is further ordered, That respondents, Wayne School, Inc., E. P. Sorensen and W. H. Hoehne 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.

IN THE MATTER OF
POST GRADUATE HOSPITAL SCHOOL OF NURSING,
INC., ET AL.

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

Docket 6437. Complaint, Nov. 7, 1955—Decision, Nov. 1, 1956

Consent order requiring Chicago sellers of correspondence courses in practical nursing to cease representing falsely the ease of learning nursing as taught by their course and the time and attention required; educational qualifications required; opportunities and earnings assured persons completing the course and their eligibility for state licensing examinations, and employment by hospitals and institutions or in good positions located by respondents; that the course was conducted by personnel of an accredited resident school of nursing and included an optional week of residence hospital training with live patients; and that respondent was a hospital conducting a nursing school.

Mr. William A. Somers for the Commission.

Frank E. & Arthur Gettleman, of Chicago, Ill., for respondents.

INITIAL DECISION BY ROBERT L. PIPER, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondents on November 7, 1955, charging them with having violated the Federal Trade Commission Act by making false and misleading representations concerning their correspondence course in practical nursing. Respondents appeared by counsel, filed answer to the complaint, hearings were held, and thereafter respondents entered into an agreement, dated June 11, 1956, containing a consent order to cease and desist, disposing of all the issues in this proceeding, which agreement has been duly approved by the Director of the Bureau of Litigation. Said agreement has been submitted to the undersigned, heretofore duly designated to act as hearing examiner herein, for his consideration in accordance with Section 3.25 of the Rules of Practice of the Commission.

Respondents, pursuant to the aforesaid agreement, have admitted all of the jurisdictional allegations of 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 or 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