

Decision

IN THE MATTER OF
JOHN M. O'LANE ET AL. DOING BUSINESS AS
UNIVERSAL SYSTEMS, LTD.

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

Docket 7086. Complaint, Jan. 14, 1958—Decision, Sept. 25, 1958

Consent order requiring sellers in Santa Cruz, Calif., to cease representing falsely in newspaper advertising or by their salesmen that their correspondence course was a complete course in reweaving and upholstery repair, was a new method using specially designed instruments, easily learned, qualifying one to earn a living and to earn specified amounts per hour and per week; and that they would limit trainees in a community and provide customers for those completing the course.

Mr. John J. McNally, for the Commission.

Mr. C. C. Chambers, of Seattle, Wash., for respondents.

INITIAL DECISION BY LOREN H. LAUGHLIN, HEARING EXAMINER

The Federal Trade Commission (sometimes also hereinafter referred to as the Commission) on January 14, 1958, issued its complaint herein, charging the above-named respondents with having violated the provisions of the Federal Trade Commission Act, and the respondents were duly served with process.

On July 3, 1958, there was submitted to the undersigned hearing examiner of the Commission for his consideration and approval an "Agreement Containing Consent Order to Cease and Desist," which had been entered into by and between respondents and the attorneys for both parties, under date of June 19, 1958, subject to the approval of the Bureau of Litigation of the Commission, which had subsequently duly approved the same.

On due consideration of such agreement, the hearing examiner finds that said agreement, both in form and in content, is in accord with §3.25 of the Commission's Rules of Practice for Adjudicative Proceedings, and that by said agreement the parties have specifically agreed to the following matters:

1. Respondents John M. O'Lane and Bernice O'Lane are individuals and copartners doing business as Universal Systems, Ltd. with their office and principal place of business located at 2044 North Pacific Avenue, Santa Cruz, Calif.
2. Pursuant to the provisions of the Federal Trade Commission

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Act, the Federal Trade Commission, on January 14, 1958, issued its complaint in this proceeding against respondents and a true copy was thereafter duly served on respondents.

3. Respondents admit all of the jurisdictional facts alleged in the complaint and agree that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations.

4. This agreement disposes of all of this proceeding as to all parties.

5. Respondents waive:

(a) Any further procedural steps before the hearing examiner and the Commission;

(b) The making of findings of fact or conclusions of law; and

(c) All of the rights they may have to challenge or contest the validity of the order to cease and desist entered in accordance with this agreement.

6. The record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and this agreement.

7. This agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Commission.

8. This 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.

9. The following order to cease and desist may be entered in this proceeding by the Commission without further notice to the respondents. When so entered it shall have the same force and effect as if entered after a full hearing. It may be altered, modified or set aside in the manner provided for other orders. The complaint may be used in construing the terms of the order.

Upon due consideration of the complaint filed herein and the said "Agreement Containing Consent Order to Cease and Desist," the latter is hereby approved, accepted and ordered filed. The hearing examiner finds from the complaint and the said "Agreement Containing Consent Order to Cease and Desist" that the Commission has jurisdiction of the subject matter of this proceeding and of the persons of each of the respondents herein; that the complaint states a legal cause for complaint under the Federal Trade Commission Act, against each of the respondents both generally and in each of the particulars alleged therein;

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that this proceeding is in the interest of the public; that the following order as proposed in said agreement is appropriate for the just disposition of all of the issues in this proceeding as to all of the parties hereto; and that said order therefore should be, and hereby is, entered as follows:

ORDER

It is ordered, That respondents John M. O'Lane and Bernice O'Lane, as individuals, or as copartners doing business as Universal Systems, Ltd., or under any other trade name or names, and respondents' representatives, agents and employees, directly, or through any corporate or other device, in connection with the offering for sale, sale or distribution of respondents' courses of instruction in reweaving, or other courses of instruction, 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 their course of instruction is a complete course in invisible reweaving;
2. That they offer a complete course in upholstery repair;
3. That the method of reweaving taught by respondents' course is a new method, or that instruments have been especially designed for this course;
4. That reweaving is easily learned unless specifically limited to "patch," or "end" reweaving;
5. That persons are qualified for employment or to earn their living as reweavers upon completion of respondents' course, unless limited to a small minority of such persons;
6. That persons who complete respondents' course can expect to earn sums which are in excess of the average earnings of respondents' graduates;
7. That they sell their course to only enough persons in a particular community to take care of the reweaving needs of said particular community;
8. That they provide their students with customers, or personally solicit customers for them.

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 25th

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day of September 1958, become the decision of the Commission; and, accordingly:

It is ordered, That respondents John M. O'Lane, and Bernice O'Lane, individually, and doing business as Universal Systems, Ltd., 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.

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IN THE MATTER OF
NORTHWEST AIR COLLEGE, INC., ET AL.CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION ACT

Docket 7091. Complaint, Mar. 20, 1958—Decision, Sept. 25, 1958

Consent order requiring two officers of corporations selling correspondence and residence courses in Spokane and Seattle, Wash., in "Specialized Airlines Training" purporting to prepare enrollees for employment in commercial airline positions, to cease using deceptive employment offers and other misrepresentations concerning their schools, opportunities for students, etc., in advertising in newspapers and periodicals and through commission sales agents who followed up leads to interested prospects.

A similar order issued in default against the two schools and other officials, became final Nov. 11, 1958, herein, p. 712.

Before *Loren H. Laughlin*, hearing examiner.

Mr. John J. McNally for the Commission.

Matt L. Alexander, Esq., of Spokane, Wash., for Anna M. Searle, individually and as an officer of the corporations.

Mr. John W. Mc Bride, for himself, individually and as an officer of the corporations.

INITIAL DECISION AS TO RESPONDENTS
JOHN W. MC BRIDE AND ANNA M. SEARLE

The Federal Trade Commission (sometimes also hereinafter referred to as the Commission) issued its complaint herein, charging the above-named respondents with having violated the provisions of the Federal Trade Commission Act in certain particulars.

On July 28, 1958, there was submitted to the undersigned hearing examiner of the Commission for his consideration and approval an Agreement Containing Consent Order to Cease and Desist entered into by and between respondent Anna M. Searle, her counsel, and counsel supporting the complaint, under date of July 2, 1958, and a like agreement entered into by and between respondent John W. Mc Bride and counsel supporting the complaint under date of July 21, 1958. Both of said agreements were subject to the approval of the Bureau of Litigation of the Commission, which had subsequently duly approved each of them.