

Decision

55 F.T.C.

IN THE MATTER OF
SUN VALLEY AIR COLLEGE, INC., ET AL.

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

Docket 7290. Complaint, Nov. 5, 1958—Decision, Mar. 28, 1959

Consent order requiring a "school" in Boise, Idaho, to cease selling its instruction courses in so-called specialized training for commercial airline positions through the use of deceptive employment offers, some in the Help Wanted columns of newspapers, and through other misrepresentations as to classroom, dormitory, and recreational facilities at Sun Valley, connections with commercial airlines, etc.; and to cease using the word "college" in its trade names and describing its salesmen as "Registrars."

Mr. John J. McNally and Mr. Ames W. Williams for the Commission.

Daniel G. Thompson, Eleanor M. Thompson, and Anna Marie Tabor, respondents, *pro se* individually and as officers of respondent Sun Valley Air College, Inc., a corporation, and also for said corporate respondent.

INITIAL DECISION BY LOREN H. LAUGHLIN, HEARING EXAMINER

The Federal Trade Commission (sometimes also hereinafter referred to as the Commission) on November 5, 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 January 28, 1959, 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 attorney for the Commission, under date of January 15, 1959, 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. Respondent Sun Valley Air College, Inc., is a corporation,

1596

Decision

organized, existing and doing business under and by virtue of the laws of the State of Idaho. Its mailing address is care of Daniel G. Thompson, First Idaho Corporation, 906 Jefferson Street, Boise, Idaho.

Respondents Daniel G. Thompson, Eleanor M. Thompson and Anna Marie Tabor are individuals and are officers of said respondent corporation and have the same mailing address as that of said respondent corporation.

2. Pursuant to the provisions of the Federal Trade Commission Act, the Commission, on November 5, 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 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,"

Order

55 F.T.C.

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; 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 Sun Valley Air College, Inc., a corporation, and its officers, and Daniel G. Thompson, Eleanor M. Thompson, and Anna Marie Tabor, individually and as officers of the 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 or instruction, do forthwith cease and desist from:

1. Representing, directly or by implication:
 - (a) That employment is being offered when, in fact, the purpose is to obtain purchasers of a course of study or instruction;
 - (b) That specific positions are presently available, or will be available, to those who complete such course;
 - (c) That respondents have connections with commercial airlines;
 - (d) That said course of study is sold only to selected persons;
 - (e) That respondents' school is adequately staffed or equipped to teach the specified course of study;
 - (f) That such course of study is specialized;
 - (g) That classroom space is limited because of numerous applications for admission; or is limited for any other reason that is not in accordance with the fact;
 - (h) That the school maintains classroom or dormitory facilities at Sun Valley or that the recreational facilities of Sun Valley are available to students without cost;

1596

Decision

(i) That a planned program of social activities is a part of the residence training session;

(j) That a placement service is maintained for the benefit of graduates;

(k) That a professional course in modeling and self-improvement is a part of the residence curriculum.

2. Using the word "college," or any other word of similar meaning, either alone or in conjunction with other words, as a part of their corporate name, or representing in any manner that the corporate respondent constitutes a college or school of higher learning.

3. Using the word "Registrars" in designating or referring to respondents' salesmen.

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 28th day of March 1959, become the decision of the Commission; and, accordingly:

It is ordered, That the above-named respondents 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
DRESDEN MILLS, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION AND THE WOOL PRODUCTS LABELING ACTS

Docket 7316. Complaint, Nov. 26, 1958—Decision, Apr. 1, 1959

Consent order requiring a manufacturer in Dresden, Ohio, to cease violating the Wool Products Labeling Act by tagging as "all reprocessed wool," bolts of fabric which contained a substantial quantity of nonwool fibers, and by failing to label certain wool products as required.

Mr. Alvin D. Edelson supporting the complaint.

Respondents, *pro se*.

INITIAL DECISION BY JOHN LEWIS, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondents on November 26, 1958, charging them with having violated the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, and the Federal Trade Commission Act, through the misbranding of certain wool products and misrepresenting the fiber content of certain of their products on invoices. After being served with said complaint, respondents appeared and entered into an agreement containing consent order to cease and desist, dated January 24, 1959, purporting to dispose of all of this proceeding as to all parties. Said agreement, which has been signed by all respondents and by counsel supporting the complaint, and approved by the director and assistant director of the Commission's Bureau of Litigation, has been submitted to the above-named hearing examiner for his consideration, in accordance with Section 3.25 of the Commission's Rules of Practice for Adjudicative Proceedings.

Respondents, pursuant to the aforesaid agreement, have admitted all the jurisdictional facts alleged in the complaint, and have 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 any further procedural steps before the hearing examiner and the Commission, the making of findings of fact or conclusions of law, and all of the rights they may have to challenge or contest the validity of the order to cease and desist entered in