
IN THE MATTER OF
RADIO TELEVISION TRAINING ASSOCIATION, INC.,
ET AL.¹

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

Docket 6616. Complaint, Aug. 21, 1956—Decision, Nov. 24, 1959

Consent order requiring a New York City corporation organized to sell at a profit correspondence courses in the practice and theory of radio and television, to cease misrepresenting its business as an association with members united in a common effort and for the particular purpose of advancing the science of television and radio training.

¹ The complaint was dismissed June 30, 1959 as to Frank Brown, individually.

Further charges of the complaint were disposed of in a consent order dated July 27, 1960, 57 F.T.C. —.

Before *Mr. J. Earl Cox*, hearing examiner.

Mr. S. F. House for the Commission.

Glick & Wachtel, by *Mr. Harry H. Wachtel*, of New York, N.Y., for respondents.

INITIAL DECISION AS TO ONE ISSUE ONLY—USE OF WORD
“ASSOCIATION” IN RESPONDENT’S NAME AND OTHERWISE

The original complaint herein, charging respondents with violation of the Federal Trade Commission Act by reason of having made “grossly exaggerated, false and misleading” representations with respect to the correspondence school which they conduct, offering courses of instruction in the practice and theory of radio and television, was amended March 31, 1959, with respect to the respondents’ use of the word “Association.” The charges regarding the use of the word “Association,” as amended and set forth in revised paragraphs 9 and 10 of the complaint, are as follows:

“PAR. 9. In addition to the use of the corporate name in connection with their business, respondents also use the name Radio Television Training Association and the letters RTTA, meaning Radio Television Training Association, without reference to the full corporate name, Radio Television Training Association, Inc.; respondents also make use of such expressions as ‘become a member of this association’ and ‘Naturally as president of this Association * * *’

“By and through the use of said names, letters and expression, singly and in combination, respondents, directly and by implication, represent that respondents are organized into and comprise an association with members who are united in a common effort and for the particular purpose of advancing the science of training in television and radio.

“PAR. 10. Said representation was, and is, false, misleading and deceptive. In truth and in fact, the respondents are not organized into and do not constitute an association for any purposes whatsoever; but instead constitute a corporation organized for profit, which, under the direction of the individual respondents, is operated for the sole purpose of selling courses of instruction in television and radio, at a profit.”

Thereafter, respondents Radio Television Training Association, Inc., a corporation; Leonard C. Lane and Harvey C. Kaplan, individually and as officers of said corporation; their counsel, and

counsel supporting the complaint entered into an agreement containing consent order to cease and desist, which was approved by the Acting Director of the Commission's Bureau of Litigation, and thereafter transmitted to the hearing examiner for consideration.

The agreement states that respondent Radio Television Training Association, Inc. was a New Jersey corporation and is now a New York corporation, with its office and principal place of business located at 52 East 19th Street, New York, New York, and that respondents Leonard C. Lane and Harvey C. Kaplan are officers of said corporation and formulate, direct, and control the policies, acts and practices thereof, their address being the same as that of said corporate respondent.

This agreement disposes of the issues presented by paragraphs 9 and 10 of the amended complaint herein, and is applicable to all parties herein except as to National Home Study School; Leonard C. Lane and Harvey C. Kaplan as officers thereof; and Frank Brown individually, the complaint having heretofore been dismissed as to these parties. The remaining issues as to the remaining parties will be otherwise disposed of.

This agreement provides, among other things, that respondents signatory thereto admit all the jurisdictional facts alleged in the amended complaint, and agree that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations; that, as to that part of this proceeding disposed of by this agreement, the record on which the initial decision and the decision of the Commission shall be based shall consist solely of the amended complaint and this 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 the amended complaint may be used in construing the terms of the order agreed upon, which may be altered, modified or set aside in the manner provided for other orders; that the agreement is for settlement purposes only and does not constitute an admission by respondents signatory thereto that they have violated the law as alleged in the amended complaint; and that the order set forth in the agreement and hereinafter included in this decision shall have the same force and effect as if entered after a full hearing.

As to that part of this proceeding which is disposed of by this agreement, respondents signatory to said agreement 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 accordance with the agreement.

The order agreed upon fully disposes of the issue as to the use of the word "Association" in the corporate respondent's name and otherwise, as set forth in paragraphs 9 and 10 of the amended complaint herein, and insofar as it relates to the respondents signatory to said agreement; and adequately prohibits the practices charged in said paragraphs 9 and 10 of the amended complaint as being in violation of the Federal Trade Commission Act. Accordingly, the hearing examiner finds the disposition of said issue at this time to be in the public interest, and accepts the agreement containing consent order to cease and desist as part of the record upon which this decision is based. Therefore,

It is ordered. That respondents Radio Television Training Association, Inc., a corporation, and its officers, and Leonard C. Lane and Harvey C. Kaplan, 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 courses of instruction in commerce as "commerce" as defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using the word "association or any abbreviation or contraction thereof, as a part of the trade or corporate name under which the respondents conduct their business; or representing in any other manner or by any other means, directly or indirectly, that respondents' business is an association of any nature.

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 24th day of November, 1959, become the decision of the Commission; and, accordingly:

It is ordered. That respondents Radio Television Training Association, Inc., a corporation, and Leonard C. Lane and Harvey C. Kaplan, individually and as officers of said corporation, 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.

Decision

IN THE MATTER OF

ALEX J. HADID ET AL. DOING BUSINESS AS
HADID BROKERAGE COMPANYORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF SEC. 2(c)
OF THE CLAYTON ACT

Docket 7518. Complaint, June 11, 1959—Decision, Nov. 24, 1959

Order dismissing on joint motion of the parties complaint charging a Houston, Tex., brokerage partnership, no longer in business, with illegally accepting brokerage on purchases of citrus and other fresh fruit and vegetables for its own account.

Cecil G. Miles, Esq., for the Commission.

John E. Pledger, Jr., Esq., and *Billy B. Goldberg, Esq.*, of Houston, Tex., for respondents.

INITIAL DECISION BY LOREN H. LAUGHLIN, HEARING EXAMINER

This proceeding involves alleged violations of sub-section (c) of §2 of the Clayton Act, as amended (U.S.C., Title 15, §13). The complaint was filed June 11, 1959, and respondents were thereafter duly served therewith. On July 23, 1959, respondent Hyman Rudy filed his answer denying that he had ever been a partner with Alex J. Hadid in Hadid Brokerage Company but, in substance, admitted he had been employed by said company. On September 28, 1959, he filed his motion to dismiss the proceedings as to him, supporting the said motion by an affidavit denying the alleged partnership and stating that he never had anything to do with the policies of the Hadid Brokerage Company; that during the time he worked for it it was registered with the U.S. Department of Agriculture; that he was never registered as a partner in such business, and that his employment has been completely terminated therewith. On October 2, 1959, there was filed a letter dated August 11, 1959, from Attorney Pledger, counsel for respondent Hadid, stating the substance of certain facts pertaining to Hadid's said business and requesting a dismissal of the complaint as to him. There was also filed an affidavit of said Alex J. Hadid, sworn to September 3, 1959, positively stating that the Hadid Brokerage Company ceased to do business in January, 1959, that affiant has not conducted any business since such time, has left Houston, Texas, where such brokerage business was maintained by him, and is now living in California. Also on October 2, counsel supporting the complaint filed his answer to respondent Rudy's motion to dismiss