

Decision

IN THE MATTER OF

C. J. SPURGIN ET AL. DOING BUSINESS AS
MIDWEST COMMUNICATIONS SCHOOLCONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION ACT

Docket 7549. Complaint, July 23, 1959—Decision, Dec. 2, 1959.

Consent order requiring a Des Moines, Iowa, correspondence school to cease using false employment offers and exaggerated earnings claims to sell its training course for positions as railroad station agents and telegraphers, including such claims as that job openings existed in numerous areas, and that it was a railroad company or affiliated with railroad companies; that an eighth grade education met its educational requirements; and that employment at starting salaries of from \$365 to \$475 monthly was guaranteed those accepted for training.

Mr. Berryman Davis supporting the complaint.

Holliday, Miller & Stewart, of Des Moines, Ia., for respondents.

INITIAL DECISION BY EDWARD CREEL, HEARING EXAMINER

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission on July 23, 1959, issued and subsequently served its complaint in this proceeding against the above-named respondents charging them with misrepresentations in the sale of a course of study.

On October 13, 1959, there was submitted to the undersigned hearing examiner an agreement between respondents, their counsel, and counsel supporting the complaint providing for the entry of a consent order.

Under the foregoing agreement, the respondents admit the jurisdictional facts alleged in the complaint. The parties agree, among other things, that the cease and desist order there set forth may be entered without further notice and have the same force and effect as if entered after a full hearing and the document includes a waiver by the respondents of all rights to challenge or contest the validity of the order issuing in accordance therewith. The agreement further recites that it is for settlement purposes only and does not constitute an admission by the respondents that they have violated the law as alleged in the complaint.

The hearing examiner finds that the content of the agreement meets all of the requirements of Section 3.25(b) of the Rules of the Commission.

Order

56 F.T.C.

The hearing examiner having considered the agreement and proposed order, and being of the opinion that they provide an appropriate basis for settlement and disposition of this proceeding, the agreement is hereby accepted, and it is ordered that said agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Commission. The following jurisdictional findings are made and the following order issued.

1. Respondents C. J. Spurgin and W. G. Spurgin are individuals and copartners trading as Midwest Communications School, with their office and principal place of business located at 832 Hull Avenue, Des Moines, Iowa.

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

ORDER

It is ordered, That respondents C. J. Spurgin and W. G. Spurgin, individually and doing business under the name of Midwest Communications School, or under any other name, and their respective representatives, agents, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of courses of study, training and instruction in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, directly or by implication, that:

(1) Employment is being offered when, in fact, the purpose is to obtain purchasers of such courses of study, training and instruction;

(2) Positions of employment as railroad station agents or telegraphers are open to those who complete such courses;

(3) Respondents are a railroad company or are affiliated with a railroad company;

(4) Respondents' said courses qualify purchasers thereof to become railroad station agents or telegraphers on completion of said courses;

(5) An eighth grade education meets the educational requirement of railroad companies accepting applications from persons seeking employment as railroad station agents and telegraph operators, or otherwise misrepresenting educational requirements;

(6) Respondents guarantee employment to persons completing the said course;

(7) There is a great demand for graduates of respondents' school to fill positions of railroad station agent or telegrapher or otherwise misrepresenting the demand for such graduates;

(8) Respondents have a placement service or have placed graduates of their school in positions of employment;

(9) Graduates of respondents' school are qualified for positions of employment with starting salaries which are in excess of the starting salaries of positions for which such graduates are qualified, or otherwise misrepresenting the starting salaries of positions for which graduates of respondents' school are qualified.

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 2nd day of December, 1959, become the decision of the Commission; and, accordingly:

It is ordered, That the respondents herein 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.
