

It is further ordered, That the respondent herein shall, within sixty (60) days after service upon him of this order, file with the Commission a report in writing setting forth in detail the manner and form in which he has complied with this order.

IN THE MATTER OF

CECIL T. JENKINSON DOING BUSINESS AS
WASHINGTON TRAINING INSTITUTE

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

Docket C-86. Complaint, Feb. 28, 1962—Decision, Feb. 28, 1962

Consent order requiring a Plymouth, Ind., seller of a correspondence course purporting to prepare purchasers for U.S. Civil Service examinations, to cease using—by direct mail solicitation and newspaper advertising followed by personal contact—false job-assurance claims and other misrepresentations, as in the order below indicated, to sell his courses; and to cease using the word "Institute" in his trade name or in the name of his school.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that Cecil T. Jenkinson, an individual doing business as Washington Training Institute, hereinafter referred to as respondent, has violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges as follows:

PARAGRAPH 1. Respondent Cecil T. Jenkinson is an individual trading and doing business as Washington Training Institute, with his office and principal place of business located in the Lauer Building, Plymouth, Ind.

PAR. 2. Respondent is now, and for some time last past has been, engaged in the sale and distribution, through the United States mails, of a correspondence course of study and instructions purporting to prepare purchasers thereof for United States Civil Service examinations and positions with the United States Government.

Respondent causes, and has caused, his said course of study and instructions to be sent from his place of business in the State of Indiana to purchasers thereof located in various other states of the United States, and at all times mentioned herein has maintained a

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course of trade in said course of study and instructions, in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 3. Respondent's method of doing business is through direct mail solicitations and newspaper advertising, followed by personal contact by respondent, who delivers a sales talk and undertakes to consummate the sale of said course of study and instructions. Typical, but not all inclusive, of such representations made in such mail solicitations and advertising are the following:

NOW!

GOVERNMENT POSITIONS

for MEN and WOMEN 18 to 50

START HIGH AS \$4750.00

CIVIL SERVICE offers permanent employment, paid vacations, paid sick leave, pay raises, promotions, excellent pensions. SECURITY! Prepare for examinations in your area. Complete instructions available if you qualify.

CIVIL SERVICE INCLUDES

Storekeepers	Post Office Clerks	Railway Mail Clerks
Rural Mail Carriers	Warehousemen	Truck Drivers
Border Patrolmen	Typists	Mechanics
Stenographers	Forest Service	Highway Mail
Customs Service	Immigration Service	Bookkeepers
Ass't Meat Inspectors	Postmasters	Livestock Inspectors
Internal Revenue Service	Clerks	Custodians
Deputy U.S. Marshals	City Mail Carriers	
	Guards	

HUNDREDS OF OTHERS!

SEND CARD TODAY!!

For qualifications and information

HIGH SCHOOL NOT ALWAYS NECESSARY.

 BUSINESS REPLY CARD

First Class Permit No. 53, Plymouth, Indiana

 WASHINGTON TRAINING INSTITUTE

P.O. BOX 644

PLYMOUTH, INDIANA

I understand that I am entitled to receive, without further cost, complete training for the following Examination.

* * * is entitled to all instructions, services, rights and privileges of membership in this institute during lifetime.

Our purpose is to supply you with all available information.

Permanent employment

MEN . . . WOMEN

From Ages 18 to 51 Prepare now for US Civil Service Job.

Openings in this area during the next 12 months.

But to get one of these jobs you must pass a test. * * * Washington Service helps many prepare for these tests every year * * *.

For FREE information on Government Jobs including list of positions and salaries fill out coupon and mail at once. TODAY. You will also get full details on how you can qualify yourself to pass these tests.

PAR. 4. Through the use of the foregoing statements and other statements appearing in his mail solicitations, advertising and form letters, respondent has represented, and now represents, directly or by implication, that:

1. There are many vacancies in the United States Civil Service positions listed and in numerous others.

2. There are now Civil Service positions open in the prospective customer's area or that there will be such positions open within the next 12 months for men and women in their local areas.

3. Respondent will furnish complete instructions or training for Civil Service examinations or all the information necessary to obtain a Civil Service position.

4. Purchasers of respondent's course will receive instructions or service for life.

5. Prospective purchasers of respondent's course must pass a test and have special qualifications before they will be permitted to enroll in or purchase respondent's course of instructions.

PAR. 5. In the course and conduct of his said business, respondent calls upon prospective purchasers of his course and by means of oral statements repeats the statements made in the printed advertising, cards and form letters, and, in addition, represents, directly and by implication, to said prospective purchasers that:

1. Anyone who completes respondent's course will pass a Civil Service examination and qualify for a Civil Service position, or be assured of securing such a position.

2. Unless one enrolls in the course within a limited or specified time he will not be permitted to purchase or take the course.

3. Specific amounts, such as \$5,000 annually, are the starting salaries in Civil Service positions for which respondent's course purports to train or prepare.

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4. Prospective purchasers of respondent's course must pass a test and have special qualifications before they will be permitted to purchase, or enroll in, respondent's course.

5. It is necessary to take a correspondence course before being able to pass a Civil Service examination.

6. Education is the only requirement or qualification for obtaining a Civil Service position.

7. Respondent will continue to train a purchaser of his course until the purchaser has passed an examination and received a Civil Service position.

8. Respondent will give personal training or assistance to purchasers of his course, will notify them of approaching Civil Service examinations, and will assist them in filling out applications for such examinations.

PAR. 6. All of said statements and representations are false, misleading and deceptive. In truth and in fact:

1. There are no vacancies in the United States Civil Service for many of the positions represented by respondent to be open to the prospective purchasers of his course.

2. Seldom, if ever, are any of the positions open in the home locality of the prospective purchaser, as represented by the respondent.

3. Respondent does not furnish complete instructions or training for successful passing of Civil Service examinations or for securing Civil Service positions, nor does he notify purchasers of his course when and where such examinations will be held.

4. Respondent does not furnish instructions or service for life of the purchaser of his course, nor does he give any personal instructions or furnish any service except the course of instructions which he sells; neither does he continue to instruct or train purchasers of his course until they secure Civil Service appointments.

5. The only required qualifications to enroll in respondent's said course are that the prospective purchaser will sign a contract and make the down payment.

6. Completion of respondent's course or the passing of a Civil Service examination for the position desired does not assure or guarantee an appointment to such a position.

7. Other requirements, such as experience, accomplishments, and physical condition, as well as the educational requirement, must be met before a person is qualified to take a Civil Service examination for many of the positions listed by the respondent.

8. There is no limit to the time in which a person may purchase the respondent's said course of study and instructions.

9. It is not necessary to purchase or enroll in respondent's or in any other correspondence course in order to qualify for and pass a Civil Service examination.

PAR. 7. The use of the word "Institute" in respondent's trade name implies the existence and operation of a resident institution of higher learning, with a staff of competent, experienced and qualified educators, offering instructions in the arts, sciences and subjects of higher learning. The primary object of the work of an institute is that of scientific investigation or instruction, and not that of a commercial promotion for profit.

In truth and in fact, respondent's business is not an "institute" within the generally accepted meaning of the term. Respondent's said business is that of selling a course of study and instructions purporting to prepare a person for Civil Service examinations, which does not involve study of subjects in higher education or arts and sciences; in fact, respondent does not require any education for the taking of his course. Respondent's business is operated for the sole purpose of financial gain for himself.

PAR. 8. Respondent is now, and at all times mentioned herein has been, in substantial competition with other individuals, corporations, partnerships and firms engaged in the sale, in commerce, of courses of instructions by correspondents.

PAR. 9. The use by respondent of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were, and are, true and into the purchase of respondent's said course of study and instructions by reason of said erroneous and mistaken belief.

PAR. 10. The aforesaid acts and practices of respondent, as herein alleged, were, and are, all to the prejudice of the public and of respondent's competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce in violation of Section 5(a)(1) of the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondent named in the caption hereof with violation of the Federal Trade Commission Act, and the respondent having been served with notice of said determination and with a copy of the com-

plaint the Commission intended to issue, together with a proposed form of order; and

The respondent and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that the law has been violated as set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent, Cecil T. Jenkinson, is an individual trading and doing business as Washington Training Institute, with his office and principal place of business located in the Lauer Building, in the city of Plymouth, State of Indiana.

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

ORDER

It is ordered, That Cecil T. Jenkinson, individually and trading and doing business under the name of Washington Training Institute, or under any other name, and his 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 a course of study and instructions, do forthwith cease and desist from:

1. Representing, directly or indirectly, that:

(a) Completion of respondent's course of study assures passing a Civil Service examination or assures the purchaser of said course of qualifying for or securing a Civil Service position.

(b) There are vacancies in any United States Civil Service positions when such vacancies do not exist.

(c) Vacancies exist in United States Civil Service positions in any specified locality when such vacancies do not exist.

(d) It is necessary to take a correspondence course, or any other course of study, before a person will be able to pass a Civil Service examination, when such is not the fact.

(e) Positions in the United States Civil Service, which are restricted to any group, or otherwise restricted, or require certain qualifications, are open unless such restrictions or qualifications are clearly disclosed.

(f) Passing an examination for a Civil Service position guarantees or assures an appointment to such a position.

(g) Prospective purchasers must pass a test or have special qualifications before they may enroll for respondent's course.

(h) Respondent's offer of sale of his course is limited as to time.

(i) Respondent furnishes complete information as to and notifies the purchaser of his course when and where a Civil Service examination will be held, or will assist in filing an application to take a Civil Service examination.

2. Using the word "Institute" or any abbreviation or simulation thereof as part of said respondent's trade name or as a part of the name of respondent's school; or otherwise representing, directly or indirectly, that respondent's school is an institute.

It is further ordered, That the respondent herein shall, within sixty (60) days after service upon him of this order, file with the Commission a report in writing setting forth in detail the manner and form in which he has complied with this order.

IN THE MATTER OF

DUOTONE COMPANY, INC., ET AL.

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

Docket C-87. Complaint, Feb. 28, 1962—Decision, Feb. 28, 1962

Consent order requiring Keyport, N.J., manufacturers of phonograph needles and accessories to disclose clearly the country of origin of imported needles; to cease representing falsely that synthetic needle points were made of jewels or sapphires, that excessive list prices and printed amounts on retail packages were the usual retail prices for the needles, and that their diamond needle was guaranteed in every respect.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that Duotone Company, Inc., a corporation, and Stephen Nester and Virginia Nester, individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

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PARAGRAPH 1. Respondent, Duotone Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its principal office and place of business located at Locust Street, Keyport, State of New Jersey.

Respondents Stephen Nester and Virginia Nester are officers of the corporate respondent. They formulate, direct and control the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. Their address is 56 Ocean Avenue, Ideal Beach, N.J.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the manufacture and importation, advertising, offering for sale, sale and distribution of phonograph needles and phonograph accessories to wholesalers or distributors for sale to retailers, and in some instances directly to retailers for resale to the public.

PAR. 3. In the course and conduct of their business, respondents now cause, and for some time last past have caused, their said products, when sold, to be shipped from their place of business in the State of New Jersey to purchasers thereof located in various other States of the United States, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business, as aforesaid, and for the purpose of inducing the sale of their said phonograph needles, respondents have made certain statements and representations with respect to the origin, composition, price and guarantee of said products.

Among and typical of such statements and representations, but not all inclusive thereof, as set forth in respondents' Catalog, Replacement Needle Wall Reference Charts, Counter Sales Cards, and other point of sale materials, including the individual retail packages or containers in which said merchandise is displayed for retail sale, are the following:

- (A) Duotone Phonograph Needle
 Duotone (followed by the Arabic numbers such
 as) 724, or 725, or 738.
 Duotone Co. Locust St. Keyport, N.J.
 1960 DUOTONE
 Locust Street
 Replacement Needle Wall Reference Chart

1960
 Keyport, N.J.

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- (B) Duotone Needles are Color-Coded:
 Diamonds:

Sapphires:

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All twin point Sapphire needles are available in .001 both sides at no additional cost.

A section of manufacturing operations. Employees are engaged in processing material for phonograph needles and mounting stones both jewel and diamond to needle shanks.

OSMIUM JEWEL DIAMOND

Needle Number	List Price	Needle Number	List Price	Needle Number	List Price
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PHONOGRAPH MODEL NEEDLE GUIDE

Sapphire diamond

THE DUOTONE SAPPHIRE

SONOTONE

TWIN-POINT

SAPPHIRE

(C) (Catalog: Page 4)

No.	Cartridge Type	Point size in mills	List Price
508D	Philco	1	\$9. 95
515	R.C.A.	1	1. 50
519	Shure	2	1. 50
524	Philco	3	2. 50
534D	Electro-Voice	1	9. 95
DUOTONE 694		\$5. 00	
Replacement for Zenith		142-72	
Jewel Tip (Yellow)		All Speed	
DUOTONE 631	(WE022)	\$1. 50	
		Standard	

(Display Card):

DUOTONE
SONOTONE
TWIN POINT
Sapphire Needle \$3. 50

(Individual Needle Retail packaging):

DUOTONE	735 (Stereo)	\$3. 50
DUOTONE	694	5. 00
DUOTONE	631 (WE022)	1. 50

(D) DUOTONE GUARANTEES THE *WHOLE* DIAMOND
NEEDLE FOR EITHER MONOPHONIC OR
STEREOPHONIC REPRODUCTION, AT NO EXTRA COST

PAR. 5. By and through the use of the aforementioned statements and representations, and others similar thereto but not specifically set forth herein, respondents have represented, and are now representing, directly or by implication:

1. That all of said products are manufactured or originate in the United States.

2. That their phonograph needles have points made of jewels or sapphires.

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3. That said "list prices", available for inspection by the general public, are the usual and regular retail selling prices of said merchandise in the trade area or areas where the representations are made.

4. By printing or causing to be printed, certain amounts on the individual phonograph needle retail packages or containers, thereby representing, directly or by implication, that said imprinted amounts are the usual and customary retail prices for said phonograph needles in the trade area or areas where the representations are made.

5. That said diamond phonograph needle is guaranteed in every respect.

PAR. 6. Said statements and representations were and are false, misleading and deceptive. In truth and in fact:

1. All of said phonograph needles are not manufactured in the United States. Some of said phonograph needles are manufactured in Japan or other foreign countries and this fact is not clearly or adequately disclosed so as to give the purchasing public notice of the countries of origin of said phonograph needles.

There are among members of the purchasing public a substantial number who have a preference for products originating in the United States over products originating in foreign countries, including phonograph needles originating in Japan.

2. The tips or points of the phonograph needles designated as jewel or sapphire are not made of the precious stones known as sapphires or jewels, but said tips or points are in fact composed of synthetic material.

3. Respondents' "list prices" are fictitious and in excess of the usual and customary retail prices for said phonograph needles in the trade area or areas where the representations are made.

4. The printed amounts on the individual phonograph needle retail packages or containers are not the usual and customary retail prices for said phonograph needles in the trade area or areas where the representations are made.

5. Respondents' products are not guaranteed in every respect. The guarantee provided was limited and the nature and extent of such limitations were not disclosed.

PAR. 7. By the aforesaid acts and practices, respondents place in the hands of dealers and retailers means and instrumentalities by and through which they may mislead the public as to origin, composition, guarantee and usual and customary retail selling price of said products.

PAR. 8. In the conduct of their business, at all times mentioned herein, respondents have been in substantial competition, in com-

merce, with corporations, firms, and individuals in the sale of phonograph needles and related phonograph accessories of the same general kind and nature as that sold by the respondents.

PAR. 9. The use by the respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were and are true and into the purchase of substantial quantities of respondents' products by reason of said erroneous and mistaken belief.

PAR. 10. The aforesaid acts and practices of respondents, as herein alleged, were, and are, all to the prejudice and injury of the public and of respondents' competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce, in violation of Section 5(a)(1) of the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent, Duotone Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at Locust Street, in the city of Keyport, State of New Jersey.

Respondents Stephen Nester and Virginia Nester are officers of

said corporation, and their address is 56 Ocean Avenue, Ideal Beach, N.J.

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 respondent Duotone Company, Inc., a corporation, and its officers, and Stephen Nester and Virginia Nester, individually and as officers of said corporation, 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 phonograph needles, or any other products, in commerce as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Offering for sale, selling or distributing any such product which is packaged or otherwise placed in a container unless the country or place of origin is clearly and conspicuously disclosed on such package or container.

2. Offering for sale, selling or distributing any such product in such a manner that the country or place of origin of the product is not clearly disclosed to prospective purchasers.

3. Disseminating, or causing to be disseminated, any display or point of sale material with respect to any such product which fails to clearly and conspicuously disclose the country or place of origin of the product.

4. Advertising or representing in any manner and in any medium including point of sale material that the points or tips of respondents' phonograph needles are jewel, jeweled, sapphire, or, using any other term descriptive of precious stone, unless such points or tips are in truth and in fact composed of precious stone.

5. Offering for sale, selling or distributing phonograph needles containing points or tips of synthetic nature, unless there is a clear and conspicuous disclosure of the synthetic nature thereof.

6. Representing, directly or by implication, by means of preticketing, use of the words "list price" or in any other manner, or by any other means, that any amount is the usual and regular retail price of merchandise when such amount is in excess of the price at which said merchandise is usually and regularly sold at retail in the trade area or areas where the representations are made.

7. Representing that any merchandise offered for sale is guaranteed, unless the nature and extent of the guarantee and the manner in which

the guarantor will perform thereunder are clearly and conspicuously disclosed.

8. Furnishing to others any means or instrumentalities by and through which they may misrepresent the origin, composition, guarantee or usual and customary retail prices of respondents' merchandise.

It is further ordered, That the respondents herein shall, within sixty