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IN THE MATTER OF  
AMERICAN RAILWAY TELEGRAPHY SCHOOL, INC.,  
ET AL.

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

*Docket C-130. Complaint, Apr. 27, 1962—Decision, Apr. 27, 1962*

Consent order requiring Fresno, Calif., sellers of a correspondence course intended to prepare students for employment by railroads as telegraph operators, station agents, etc., to cease representing falsely in advertisements in "Help Wanted" columns of newspapers and by their commission sales agents that they were affiliated with railroad companies, and offering and guaranteeing jobs at high salaries to their trainees.

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 American Railway Telegraphy School, Inc., a corporation, Terry H. Cross and Mrs. Jimmie C. Cross, individually and as officers of said corporation, here-

inafter 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:

PARAGRAPH 1. Repondent American Railway Telegraphy School, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of California with its principal office and place of business located at 200 West Olive Avenue, Fresno, Calif.

Respondents Terry H. Cross and Mrs. Jimmie C. Cross (wife of Terry H. Cross) 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 the same as that of the corporate respondent.

PAR. 2. Respondents are now, and have been for more than one year last past, engaged in the sale and distribution of a course of study and instruction intended to prepare students thereof for employment by telegraph operators, station agents and kindred employment by railroad companies, which said course is pursued by correspondence through the United States mail, as well as in residence training at the school.

PAR. 3. In the course and conduct of their business respondents have caused said course of study and instruction to be sent from their place of business in the State of California to, into and through states of the United States other than the State of California, to purchasers thereof located in such other states. There has been at all times mentioned herein a substantial course of trade in said course of study and instruction, so sold and distributed by respondents in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their said business, as aforesaid, respondents have published and caused to be published, advertisements in the "Help Wanted" and other columns of newspapers distributed through the United States mail, and by other means, to prospective enrollees and students in the several states in which said course is sold, of which the following is typical:

MEN 17-28

Urgently Needed To Train  
For Railroad Positions  
Work Days—Train Nights  
We Prepare Men for Station  
Agents, Telegrape (sic)  
Operators, Communication  
Positions

\* \* \*

## Complaint

60 F.T.C.

No experience necessary for those willing to work days and train nights while taking short low cost training on live equipment. Railroads offer LIFETIME JOB SECURITY, plus many other railroad benefits. Starting salaries of \$415 and up with advancement opportunities. High School education required, no physical defects. For personal interview, Write Mr. Schreck, Box 3068 % Reporter-Times Spencer, Iowa, giving age, phone No. and complete address.

MEN 18-35. Good Health, High School necessary. Train as Agent-Operators for Nation-Wide Placement with American's Railroads. Average \$420 month. Jobs waiting. Write name, address, phone to Box 6171 % Litchfield News-Herald.

## Earn As You Learn

Men 18-35. High School Graduates. Express—Freight—Teletype—Train orders. W. Union—Operators—Agents. POSITIONS OPEN IN RAILROAD COMMUNICATIONS. For Confidential Interview write Mr. Hewitt, Box 9525, The Lima News, giving name, age, address and phone number. If RFD give directions.

PAR. 5 By means of the statements appearing in said advertisements, as set out in paragraph 4 above, respondents have represented, and are representing, directly or by implication that:

1. The advertisement was an offer of employment;
2. Respondents were a railroad company or affiliated with one or more railroad companies;
3. Positions of employment as station agent or telegraph operator were open to graduates of respondents' school upon completion of respondents' course of training;
4. The starting salary would be \$415 or more monthly.

PAR. 6. The aforesaid statements are false, misleading and deceptive. In truth and in fact:

1. The said advertisement was not an offer of employment, but was published for the purpose of obtaining purchasers of respondents' course of study and instruction;

2. The respondents are not a railroad company, nor are they affiliated with one or more such companies;

3. Employment as railroad station agents or telegraph operators is not open to persons accepted by respondents as trainees who complete said course without further training and experience.

4. The monthly salary of \$415 greatly exceeds the starting salary of persons completing respondents' said course who are successful in obtaining employment with railroad companies.

PAR. 7. In the course and conduct of their business, as aforesaid, respondents employ commission sales agents or representatives who call upon prospective purchasers and solicit their purchase of said course of study and instruction.

In the course of such solicitation, such sales agents or representatives have made directly or by implication many statements and representations to purchasers and prospective purchasers of said course of study and instruction. Typical, but not all inclusive of which, are the following:

1. Railroad station agents and telegraph operators were in great demand with the railroad companies;

2. They guarantee employment as railroad station agents or telegraph operators to persons completing respondents' course of study and instruction.

PAR. 8. The statements, representations and implications set out in paragraph 7 above were exaggerated, false, misleading and deceptive. In truth and in fact:

1. While there are opportunities for employment as railroad station agents and telegraph operators as a result of vacancies created by death, retirement and other reasons, such opportunities are decreasing due to technological and other changes in the railroad industry and there was not and is not, a great demand for persons to fill such positions. Furthermore, such demand as does occur is sporadic and varies from place to place.

2. Respondents do not guarantee employment in any position with railroads for their graduates let alone as station agents or as telegraph operators.

PAR. 9. Respondents at all times mentioned herein, have been, and are now, in substantial competition in commerce with individuals, firms and corporations engaged in the sale and distribution of like correspondence courses.

PAR. 10. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices, has had, and now has, the tendency and capacity to mislead and deceive a sub-

stantial portion of the purchasing public into the erroneous and mistaken belief that said statements and representations were and are true, and to induce a substantial number thereof to subscribe to, and purchase, respondents' said course of study and instruction.

PAR. 11. 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 American Railway Telegraphy School, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of California, with its office and principal place of business located at 200 West Olive Avenue, in the city of Fresno, State of California.

Respondents Terry H. Cross and Mrs. Jimmie C. Cross are officers of said corporation and their address is the same as that of said corporation.

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, American Railway Telegraphy School, Inc., a corporation, and its officers, and Terry H. Cross and Mrs. Jimmie C. Cross, 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 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. Respondents are a railroad company or are affiliated with a railroad company;
3. Positions of employment as a railroad station agent or telegraph operator are open to persons completing said course of study and instruction without further training or experience, or otherwise misrepresenting the opportunities for employment by persons completing said courses;
4. Persons completing respondents' course of study and instruction are qualified for positions of employment with starting salaries of \$415 per month, or otherwise misrepresenting the earnings which such persons may expect to achieve;
5. Railroad station agents or telegraph operators are in great demand or otherwise misrepresenting the demand for persons to fill such positions of employment;
6. Respondents guarantee employment to persons completing said course of study and instruction.

*It is further 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 this order.

Complaint

60 F.T.C.

IN THE MATTER OF

CHARLES M. LEVINSON ET AL. TRADING AS  
SURE-FIT SEAT COVER CENTERORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE  
COMMISSION ACT*Docket 8202.—Complaint, Dec. 6, 1960—Decision, Apr. 28, 1962*

Order dismissing, for failure of proof, complaint charging Washington, D.C., retailers with misrepresentations in a so-called Washington's Birthday seat cover sale, consisting of use of the word "Reg." in advertising prices, and words "customized", "plastic fiber", and "vinyl plastic" in describing their seat covers.

## 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 Charles M. Levinson and Maurice Bernstein, individually and as copartners trading as Sure-Fit Seat Cover Center, 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:

PARAGRAPH 1. Respondents Charles M. Levinson and Maurice Bernstein are individuals and copartners trading as Sure-Fit Seat Cover Center, with their office and principal place of business located at 1601 14th Street, N.W., Washington, D.C.

PAR. 2. Respondents are now, and for some time last past have been, engaged in advertising, offering for sale, sale and distribution, among other things, of automobile seat covers, floor mats and convertible tops to the public through retail stores operated by respondents in the District of Columbia and in the States of Maryland and Virginia and maintain and at all times mentioned herein have maintained a substantial course of trade in said merchandise, in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 3. In the course and conduct of their business, and for the purpose of inducing the sale of their merchandise, respondents have made certain statements concerning such merchandise in advertisements in newspapers of general circulation. Among and typical but not all inclusive of the statements so made are the following: