

MISSOURI COLLEGE OF AUTOMATION, INC., ET AL.

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

Docket C-884. Complaint, Mar. 3, 1965—Decision, Mar. 3, 1965

Consent order requiring St. Louis, Mo., sellers of correspondence and resident training courses, intended to prepare students for employment as I.B.M. Key Punch operators, to cease representing falsely in "Help Wanted" columns of newspapers and through salesmen offers of employment to secure leads to prospective purchasers of their courses, making exaggerated salary claims, and misrepresenting that they operate a placement service or assist in any manner in obtaining employment for persons completing their courses.

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 Missouri College of Automation, Inc., a corporation, and Marion Shreve, individually and as an officer and director 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:

PARAGRAPH 1. Respondent Missouri College of Automation, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Missouri, with its principal office and place of business located at 6050 Brown Road, St. Louis, Missouri.

Respondent Marion Shreve is an officer and director of said corporation. He formulates, directs and controls the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. His 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 courses of instruction intended to prepare students thereof for employment as I.B.M. key punch machine, machine tabulation, and computer operators. Said courses are pursued by correspondence through the United States mail, as well as by resident training in the school.

PAR. 3. In the course and conduct of their business, respondents have caused their courses of study and instruction to be sent from their place of business, located in the State of Missouri, to, into and through States of the United States other than the State of origin, to purchasers thereof located in such other States. Respondents also utilize the services of salesmen who call on prospective purchasers of the courses of instruction located in States other than the State of Missouri. There has been at all times mentioned herein a substantial course of trade in commerce of said courses of study and instruction as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their 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 purchasers in the several States in which respondents do business, of which the following are typical, but not all inclusive:

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WANTED

For I.B.M. Training
 10 Women, age 18 to 38
 to train as
 I. B. M.
 Key Punch Operators
 Earn \$300 to \$500 a month.
 10 Men, age 18 to 40,
 to train as
 I. B. M.
 —Machine Operators
 —Computer Programmers
 —Systems Planners
 Earn \$400 to \$800 a month.

For interview in your area, fill out and mail coupon to Box A-49, this newspaper.

COUPON

Name -----
 Address -----
 Telephone ----- Age -----
 Hours at home -----

WANTED

For I.B.M. Training
 10 Women, 18 to 38
 To Train As
 I. B. M.
 Key Punch Operators
 Earn High Earnings
 10 Men, 18 to 40
 To Train As
 I. B. M.
 Machine Operators
 Computer Programmers
 Systems Planners
 Exceptionally High Earnings

For interview in your area, fill and mail coupon to C-357, Box 824, Piqua, Ohio in care of Herald-Whig.

Name -----
 Address -----
 City -----
 Age ----- Phone Number -----
 Hours at home -----

PAR. 5. By means of the statements and representations appearing in the advertisements referred to in Paragraph Four hereof, respondents represent, directly and by implication, that the advertiser is offering employment to 10 women and 10 men who will be trained to operate various items of equipment manufactured by the International Business Machines Corporation, or I.B.M. as it is popularly known.

PAR. 6. In truth and in fact, respondents do not offer employment to women and men to be trained to operate I.B.M. equipment. Respondents publish or cause said advertisements to be published to obtain leads to prospective purchasers of their courses of study and instruction.

Therefore, the statements and representations referred to in Paragraph Five were, and are, false, misleading and deceptive.

PAR. 7. Further, in the course and conduct of their business, as aforesaid, respondents have made other statements and representations, directly and by implication, in pamphlets, contract forms and other printed matter and through the medium of oral representations by their salesmen, that:

1. Persons completing respondents' course in I.B.M. Key Punch operation will thereby have received the training and experience required to qualify them for employment as I.B.M. Key Punch operators at salaries of \$300 to \$500 per month.

2. Respondents provide a placement service to assist persons completing their courses in obtaining employment and will actively attempt to obtain employment for those persons.

PAR. 8. In truth, and in fact:

1. The salaries set forth in Subparagraph (1) of Paragraph Seven hereof represent the salaries paid to experienced I.B.M. Key Punch operators. Persons completing respondents' course in I.B.M. Key Punch operation do not thereby receive the training and experience required to qualify them for employment as experienced I.B.M. Key Punch operators at salaries of \$300 to \$500 per month.

2. Respondents do not have a placement service to assist persons completing their courses in obtaining employment. Respondents do not contact prospective employers and arrange job interviews for their graduates or otherwise actively attempt to obtain employment for those persons. Those of respondents' graduates who may be successful in obtaining employment as operators of I.B.M. equipment do so as a result of their own efforts.

Therefore, the statements and representations referred to in Paragraph Seven hereof were, and are, false, misleading and deceptive.

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 similar courses of study and instruction.

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-

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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 purchase respondents' said courses of study and instruction by reason of said erroneous and mistaken belief.

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 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 Missouri College of Automation, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Missouri, with its office and principal place of business located at 6050 Brown Road, in the city of St. Louis, State of Missouri.

Respondent Marion Shreve is an officer and director of said corporation, and his 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.

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ORDER

It is ordered, That respondents Missouri College of Automation, Inc., a corporation, and its officers and directors, and Marion Shreve, individually and as an officer and director of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of courses of study or 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 the real purpose of such offer is to secure leads to persons interested in purchasing respondents' courses of study or instruction;

(2) Persons completing respondents' course in I.B.M. Key Punch operation will thereby have received the training and experience required to qualify them for employment as experienced I.B.M. Key Punch operators at salaries of \$300 to \$500 per month; or otherwise misrepresenting in any manner the employment or salaries for which persons completing respondents' courses will be qualified or the training and experience afforded by respondents' courses;

(3) Respondents operate a placement service to assist persons completing their courses in obtaining employment or that respondents will actively attempt to obtain employment for such persons; or misrepresenting in any other manner the assistance furnished by respondents in obtaining employment for persons completing respondents' courses of study or 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.

IN THE MATTER OF

FEDERAL SWEETS & BISCUIT CO., INC.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
SEC. 2(a) OF THE CLAYTON ACT

Docket C-885. Complaint, Mar. 3, 1965—Decision, Mar. 3, 1965

Consent order requiring a New Jersey manufacturer of cookies, cakes, crackers, candy bars and related products who sells and distributes its products