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IN THE MATTER OF  
ASSOCIATED SCHOOLS, INC., ET AL.

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

*Docket C-1453. Complaint, Nov. 15, 1968—Decision, Nov. 15, 1968*

## Complaint

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Consent order requiring a school for training operators of bulldozers, cranes, and other heavy equipment located in Dade County, Fla., to cease misrepresenting that its courses are recognized industrywide, and graduates will qualify as operators of heavy equipment, obtain immediate employment at exaggerated earnings, and membership in labor unions without a period of apprenticeship.

## 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 Associated Schools, Inc., formerly known as Associated Heavy Equipment Schools, Inc., a corporation, and Joseph J. Miles, Charles L. Craig, and Elaine P. (Mrs. Joseph J.) Miles 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:

PARAGRAPH 1. Associated Schools, Inc., formerly known as Associated Heavy Equipment Schools, Inc., is a corporation, organized, existing and doing business under and by virtue of the laws of the State of Florida, with its principal office and place of business located at 9999 NE. Second Avenue in Miami, Dade County, State of Florida.

Respondents Joseph J. Miles, Charles L. Craig and Elaine P. (Mrs. Joseph J.) Miles are individuals and 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 business address is the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale and distribution of courses of study and instruction purporting to train students thereof for employment as operators of bulldozers, cranes, graders, and other heavy equipment, said courses being pursued in part by correspondence through the United States mails and in part through resident training.

PAR. 3. In the course and conduct of their business, as aforesaid, respondents now cause, and for some time last past have caused, the home study portions of their said courses to be sent from their place of business in the State of Florida to purchasers thereof located in various other States of the United States.

Also in the course and conduct of their business, respondents now cause and for some time last past have caused their sales representatives to visit prospective purchasers of their courses in various States other than the State of Florida for the purpose of soliciting enrollments in respondents' courses. In the course of solicitation of purchasers of said courses, respondents sales representatives transmit enrollment contracts, checks, and other commercial instruments through the United States mails and by other means to respondents' place of business in the State of Florida from various other States. Respondents maintain, and at all times mentioned herein have maintained, a substantial course of trade in said study courses and business documents in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. Respondents obtain leads to prospective purchasers of their courses in various ways including advertisements in newspapers, magazines, and other periodicals, commercial solicitations broadcast over radio stations, and display cards placed in various business establishments. These various advertisements invite inquiries regarding respondents' courses. Persons responding to such advertisements are furnished by respondents with advertising and promotional material pertaining to their said courses, and subsequently such interested persons are solicited by respondents' sales representatives to enroll in the courses. In their sales presentation, representations are made orally by respondents' sales representatives and in advertising and promotional material displayed by said representatives to prospective students. These representations allegedly describe the nature and caliber of training of respondents' courses, the opportunities for employment available to persons completing said courses, the earnings of persons who obtain employment as a result of completing respondents' courses, and the assistance furnished by respondents to enrollees in obtaining employment. Said advertising and promotional material is furnished to said sales representatives by respondents.

PAR. 5. In and through the foregoing manner and means, respondents now represent and have represented, directly or by implication, that:

(1) Upon completion of respondents' courses, enrollees will be qualified for employment as operators of bulldozers, graders, draglines, cranes and other heavy equipment.

(2) Substantially all of the time spent by an enrollee in resident training will be devoted to the actual operation of the afore-said heavy equipment by the enrollee.

(3) Respondents' training program is recognized and approved throughout the construction industry.

(4) By virtue of completing respondents' courses, enrollees qualify for admission to memberships in the various labor unions having jurisdiction over such skills, and that such training will entitle and enable such enrollees to be admitted by such unions as heavy equipment journeymen operators without the necessity of undergoing a union proficiency examination or a period of apprenticeship.

(5) By virtue of completing respondents' courses, enrollees can expect to obtain regular employment as heavy equipment operators at earnings of \$165 a week. In other instances, respondents have represented that enrollees completing respondents' courses can earn \$10,000 per annum.

(6) By virtue of completing respondents' courses, enrollees enter a labor market in which their services are in great demand.

(7) Persons completing respondents' courses can expect immediate and regular employment opportunities throughout the United States and foreign countries as a result of respondents' extensive nationwide contacts with employers seeking heavy equipment operators.

(8) Respondents receive numerous bona fide employment requests for heavy equipment operators from employers seeking persons who have completed respondents' courses.

(9) Persons completing respondents' courses can expect significant assistance from respondents in obtaining immediate and regular employment as heavy equipment operators.

(10) Respondents' salesmen are "field registrars."

PAR. 6. In truth and in fact,

(1) Upon completion of respondents' courses, enrollees will not be qualified for employment as operators of bulldozers, graders, draglines, cranes, and other heavy equipment.

(2) Enrollees who attend resident training programs conducted by respondents, do not spend substantially all of the time at the resident programs in the actual operation of heavy equipment. The time spent in the actual operations of such equipment is very limited and significantly less than respondents represent.

(3) Respondents' training program is not recognized or approved throughout the construction industry.

(4) By virtue of completing respondents' courses, enrollees do not qualify for admission to membership in various labor unions having jurisdiction over such skills. Furthermore, such training does not entitle and enable such enrollees to be admitted by such

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unions as heavy equipment journeymen operators without undergoing a union proficiency examination or a period of apprenticeship.

(5) Upon completion of respondents' courses, enrollees cannot expect to obtain regular employment as heavy equipment operators at earnings of \$165 a week or \$10,000 per annum.

(6) By virtue of completing respondents' courses, enrollees do not enter a labor market in which their services are in great demand.

(7) Persons completing respondents' courses cannot expect immediate and regular employment opportunities throughout the United States and foreign countries as a result of respondents' extensive nationwide contacts with employers seeking heavy equipment operators. Actually respondents maintain few, if any, contacts with such employers.

(8) Respondents do not receive numerous bona fide employment requests for heavy equipment operators from employers seeking persons who have completed respondents' courses.

(9) Persons completing respondents' courses cannot expect significant assistance from respondents in obtaining immediate and regular employment as heavy equipment operators.

(10) Salesmen of respondents' courses are not "field registrars".

Therefore, the aforesaid statements and representations as set forth in Paragraph Five hereof were, and are false, misleading and deceptive.

PAR. 7. In the course and conduct of their business, at all times mentioned herein, respondents have been in substantial competition in commerce with corporations, firms and individuals engaged in the sale of courses of study and instruction covering the same or similar subjects.

PAR. 8. The use by 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 numbers of respondents' courses of study and instruction by reason of said erroneous and mistaken belief.

PAR. 9. The aforesaid acts and practices of respondents, as herein alleged, were and are all to the prejudice and injury of the

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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 Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Deceptive Practices proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, 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 alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Act, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Associated Schools, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Florida, with its office and principal place of business located at 999 N.E. Second Avenue, Miami, Dade County, State of Florida. Respondent was formerly known as Associated Heavy Equipment Schools, Inc.

Respondents Joseph J. Miles, Charles L. Craig and Elaine P. (Mrs. Joseph J.) Miles 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.

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## ORDER

*It is ordered,* That respondents Associated Schools, Inc., formerly known as Associated Heavy Equipment Schools, Inc., a corporation, and its officers, and Joseph J. Miles, Charles L. Craig and Elaine P. (Mrs. Joseph J.) Miles, 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 advertising, offering for sale, sale or distribution of courses of study or instruction in heavy equipment operation or any other subject, trade or vocation, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

A. Representing, directly or by implication, that:

1. Upon completion of respondents' courses enrollees will be qualified for employment as operators of bulldozers, graders, draglines, cranes, or other heavy equipment; or misrepresenting, in any manner, the qualifications, training, or skill of persons completing respondents' courses of instruction.

2. Enrollees will spend substantially all of the time in the resident programs in the actual operation of heavy equipment; or misrepresenting, in any manner, the kind or amount of resident or other training afforded to purchasers of respondents' courses of instruction.

3. Respondents' training program is recognized or approved throughout the construction industry; or misrepresenting, in any manner, the recognition, approval or accreditation of respondents' school or courses or business.

4. By virtue of completing respondents' courses, enrollees will qualify for admission to membership in the various labor unions having jurisdiction over operators of heavy equipment; or that the training of respondents' courses will entitle and enable enrollees to be admitted to membership in labor unions as heavy equipment journeymen operators without the necessity of undergoing a union proficiency examination or a period of apprenticeship; or misrepresenting, in any manner, the opportunities of persons completing respondents' courses of instruction to become members of labor unions by virtue of having completed said courses.

5. Persons completing respondents' courses can expect to obtain employment by virtue of completing said courses as heavy equipment operators at earnings of \$165 a week or \$10,000 per annum; or that persons completing any of respondents' courses of training or instruction can expect to receive or will receive any amount of income or earnings: *Provided, however,* That it shall be a defense in any enforcement proceedings instituted hereunder for respondents to establish that persons completing respondents' courses of training or instruction in a certain occupation generally receive the represented amount by virtue of such training.

6. By virtue of completing respondents' courses, enrollees enter a labor market in which their services are in great demand; or misrepresenting, in any manner, the demand for heavy equipment operators; or misrepresenting, in any manner, the demand for employment of persons who complete respondents' courses.

7. Persons completing respondents' courses can expect immediate or regular employment opportunities throughout the United States and foreign countries as a result of respondents' extensive nationwide contacts with employers seeking heavy equipment operators; or misrepresenting, in any manner, the opportunities for employment in the United States and foreign countries of persons who complete respondents' courses; or misrepresenting, in any manner, respondents' contacts, connections, or affiliations with employers.

8. Respondents receive numerous bona fide employment requests for heavy equipment operators from employers seeking persons who have completed respondents' courses; or misrepresenting, in any manner, the number or kind of requests received by respondents for persons who have completed their courses of training or instruction.

9. Persons completing respondents' courses can expect significant assistance from respondents in obtaining immediate or regular employment as heavy equipment operators; or misrepresenting, in any manner, the kind, amount, or effectiveness of the assistance furnished to persons completing respondents' courses in seeking employment.

10. Salesmen of respondents' courses are "field regis-

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trars''; or misrepresenting, in any manner, the title or status or position of respondents' salesmen or other representatives.

B. Failing to deliver a copy of this order to cease and desist to all present and future salesmen or other persons engaged in the sale of respondents' courses of training and instruction, and failing to secure from each such salesman or other person a signed statement acknowledging receipt of said order.

C. Furnishing to others the means, instrumentalities, services or facilities to mislead or deceive prospective purchasers of respondents' courses of instruction.

*It is further ordered*, That the respondent corporation shall forthwith distribute a copy of this order to each of its operating divisions.

*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.

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