
IN THE MATTER OF
MOTEL MANAGERS TRAINING CORPORATION, ET AL.

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

Docket C-1583. Complaint, Sept. 2, 1969—Decision, Sept. 2, 1969

Consent order requiring a Milwaukee, Wisc., distributor of correspondence courses in hotel and motel management, to cease misrepresenting the employment opportunities of its graduates, that respondent will place graduates regardless of age, that the course has been endorsed by an official of the Home Study Association, and that enrollment is limited.

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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 Motel Managers Training Corporation, a corporation, and Richard D. Kolpin, individually and as an officer of said corporation, and Kathryn C. Kolpin, as an officer 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 Motel Managers Training Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of Wisconsin, with its principal office and place of business located at 2433 North Mayfair Road, Milwaukee, Wisconsin, 53226.

Respondents Richard D. Kolpin and Kathryn C. Kolpin are individuals and 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 for some time last past have been, engaged in the advertising, offering for sale, sale and distribution of courses of instruction in hotel and motel management by correspondence through the United States mails and by resident training at various motels in the State of Wisconsin.

PAR. 3. In the course and conduct of their business as aforesaid, respondents now cause, and for some time last past have caused, their courses, when sold, to be shipped from their place of business in the State of Wisconsin to purchasers thereof located in various other States of the United States. Respondents also transmit to and receive from such purchasers contracts, checks and other instruments of a commercial nature in connection with the sale of such courses. Respondents maintain, and all times mentioned herein have maintained, a substantial course of trade in said course of instruction 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 purchase of their course, the respondents have made, and are now making, numerous statements and representations in advertisements inserted in

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newspapers, periodicals and in other advertising material with respect to employment openings as managers of hotels and motels, salaries, and placement services made available by respondents.

Typical and illustrative of the statements and representations contained in respondents' said advertising, but not all inclusive thereof, are the following:

Advertisements and statements appearing in brochures:

Chains like Holiday Inns and Howard Johnson are adding new motels almost weekly. Independent hotels and motels are thriving as never before.

Leading chains such as Holiday Inns, Ramada Inns, Howard Johnson's to name a few, plan about 400 motels each, scattered all over the country.

90,000 new, trained and qualified managers are needed. You can be one of them.

No matter if you are fifteen or sixty-five, age is no barrier.

MMTC-Approved by the Association of Home Study Schools.

Personal supervision and assistance by instructors experienced in Motel and Hotel work.

MMTC offers our graduates nationwide placement service.

This is to advise you that your enrollment has been accepted by our Department of Instruction.

The necessary files, records, and forms have been set up in the various departments to assure you of efficient service.

Advertisements appearing in periodicals:

Furnished apartment, plus \$400-\$1,000 monthly salary, if qualified as Motel Manager.

Earn up to \$1,000 monthly plus furnished apartment.

Openings coast to coast. Choose your location.

Live in a climate of your choice.

Advertisements appearing in newspapers:

NO FEE for placement service. Openings coast to coast.

Train for high paying careers in a location of your choice.

Endorsement of Benjamin Klekner, Ph.D., Executive Director of the Association of Home Study Schools:

I want to take this opportunity to commend you upon the excellent quality of the course of training which your school has to offer.

The lessons which you submitted to us for examination indicate that they were well written * * * complete and contain valuable information for an individual who is desirous of preparing himself to become a motel manager.

The Association of Home Study Schools is pleased to "approve" your lesson material and accept your school to membership.

PAR. 5. By and through the use of the above-quoted advertising statements and representations, and others of similar import and meaning but not expressly set out herein, separately and in connection with the oral statements and representations of their salesmen and representatives, the respondents have represented, and are now representing to purchasers, directly or by implication, that:

1. Graduates of respondents' course of instruction in hotel and motel management will be employed as managers of hotels and motels by virtue of completing such course.
2. Many openings as managers of hotels and motels are available to graduates of respondents' course of instruction in hotel and motel management.
3. Graduates of respondents' course of instruction in hotel and motel management earn as much as \$1,000 per month as motel managers and in addition are provided with a furnished apartment.
4. A graduate of respondents' course in hotel and motel management can obtain employment as a manager of a hotel or motel regardless of his age or the fact that his children will be living with him.
5. Respondents have a placement service to assist graduates of their course in hotel and motel management to obtain positions as hotel and motel managers.
6. Graduates of respondents' course of instruction in hotel and motel management can obtain positions as managers of hotels and motels in the geographical area of their choice.
7. Respondents' residence training program is a necessary part of the course and is essential to obtaining employment as a motel or hotel manager.
8. Respondents' school is a large school with various departments and has a staff which is trained and experienced in teaching hotel and motel management.
9. Dr. Benjamin Klekner, Executive Director of the Association of Home Study Schools, endorsed respondents' course of instruction as a disinterested person.
10. Published testimonials of graduates of respondents' course of instruction in hotel and motel management are unsolicited and spontaneous expressions of these persons.
11. Enrollment in respondents' school is limited; that there is a great demand for enrollment; and that only one interview is granted to each prospective student.

PAR. 6. In truth and in fact:

1. Graduates of respondents' course of instruction in hotel and motel management will not be employed as managers of hotels and motels by virtue of completing such course.

2. Few, if any, openings as managers of hotels and motels are available to graduates of respondents' course of instruction in hotel and motel management.

3. Graduates of respondents' course of instruction in hotel and motel management do not earn as much as \$1,000 per month as motel managers and are not provided a furnished apartment.

4. Certain motels have limitations regarding the age of prospective managers and restrictions as to children living with them; hence, graduates of respondents' course of instruction, even if otherwise qualified, would not be hired because of these factors.

5. Respondents do not have a placement service to assist graduates of their course in hotel and motel management to obtain positions as hotel and motel managers. Respondents merely advertise the availability of their graduates generally in various hotel and motel periodicals and advise graduates who request placement services to advertise in "help wanted" columns of newspapers.

6. Graduates of respondents' course of instruction in hotel and motel management in few, if any, instances can obtain positions as managers in the geographic area of their choice.

7. Respondents' residence training program is not a necessary part of the course and is not essential to obtaining employment as a motel or hotel manager. In fact, graduates of respondents' course of instruction were, in some instances, informed by respondents that the residence training program was unnecessary and not essential to obtaining employment as a hotel or motel manager.

8. Respondents' school is not large, it does not have departments and its staff is not trained and experienced in teaching hotel and motel management. Respondents' school is a two-room office and supply room with the staff consisting of the two individual respondents and four secretaries whose duties in connection with administration of said course is mainly clerical.

9. Dr. Klekner, Executive Director of the Association of Home Study Schools, wrote part of respondents' course in hotel and motel management; hence, his endorsement was not that of a disinterested person.

10. Published testimonials of graduates of respondents' course of instruction are not the unsolicited and spontaneous expressions of these persons. Instead, in many instances, these testimonials are sought by respondents or their representatives and the content of these testimonials is suggested to graduates of respondents' course by respondents or their representatives.

11. Enrollment in respondents' course in hotel and motel management is not limited; there is virtually no demand for enrollment in such course; and more than one interview will be granted.

PAR. 7. In the course and conduct of their aforesaid business, and at all times mentioned herein, respondents have been, and now are, in substantial competition, in commerce, with corporations, firms and individuals in the sale of correspondence courses of the same general kind and nature as that sold by respondents.

PAR. 8. By and through the use of the aforesaid acts and practices respondents place in the hands of salesmen, representatives and others the means and instrumentalities by and through which they may mislead and deceive the public in the manner and as to the things hereinabove alleged.

PAR. 9. 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 to induce a substantial number thereof to subscribe and to purchase said course of instruction.

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 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 the 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 alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having considered the agreement and having accepted same, and the agreement containing consent order having thereupon been placed 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 in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Motel Managers Training Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of Wisconsin, with its office and principal place of business located at 2433 North Mayfair Road, Milwaukee, Wisconsin, 53226.

Respondents Richard D. Kolpin and Kathryn C. Kolpin are officers of said corporation. They formulate, direct and control the policies, acts and practices 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 Motel Managers Training Corporation, a corporation, and its officers, and Richard D. Kolpin, individually and as an officer of said corporation, and Kathryn C. Kolpin, as an officer 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 instruction in hotel and motel management or any other courses of study or instruction or other services or products, 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. Graduates of respondents' course of instruction in hotel and motel management will be employed as managers of hotels or motels by virtue of completing such course; or misrepresenting, in any manner, the value or effectiveness of respondents' courses of study or instruction in qualifying persons for employment.

2. Many openings as managers of hotels and motels are available to graduates of respondents' course of instruction in hotel and motel management; or misrepresenting, in any manner, the number or kind of job openings or the opportunities available to graduates of respondents' courses of study or instruction.

3. Graduates of respondents' courses of study or instruction will derive any stated amount or gross or net profits or other earnings; or representing, in any manner, the past earnings of graduates of respondents' courses of study or instruction unless in fact the past earnings represented are those of a substantial number of graduates and accurately reflect the average earnings of these graduates under circumstances similar to those of the prospective student to whom the representation is made; or misrepresenting, in any manner, the benefits afforded to graduates of respondents' courses of study.

4. A graduate of respondents' course in hotel and motel management can in all instances obtain employment as a manager of a hotel or motel regardless of his age or the fact that his dependent children will be living with him; or failing to disclose that in certain instances, a person's age or his having dependent children living with him is an obstacle in securing employment as a manager of a hotel or motel.

5. Respondents have a placement service to assist graduates of their course in hotel and motel management to obtain positions as hotel and motel managers unless they do, in fact, maintain a placement service and place graduates in such positions as represented; or misrepresenting, in any manner, the nature, extent or effectiveness of the assistance furnished to persons complet-

ing respondents' courses of study or instruction in finding employment.

6. Graduates of respondents' course of instruction in hotel and motel management can obtain positions as managers of hotels and motels in the geographical area of their choice.

7. Respondents' resident training program is a necessary part of the course in hotel and motel management or is essential to obtaining employment as a motel or hotel manager.

8. Respondents' school has various departments or has a staff which is trained and experienced in teaching hotel and motel management; or misrepresenting, in any manner, the size of the school or the qualifications of the staff.

9. Dr. Benjamin Klekner, Executive Director of the Association of Home Study Schools, endorsed respondents' course of instruction as a disinterested person; or falsely representing that any person purporting to endorse respondents' courses of instruction is a disinterested person.

10. Published testimonials of graduates of respondents' course of instruction or others which are not voluntary and genuine expressions of such persons, are unsolicited and spontaneous expressions of these persons.

11. Enrollment in respondents' school is limited; that there is a great demand for enrollment; or that only one interview is granted to each prospective student.

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 instruction, and failing to secure from each such salesman or other person a signed statement acknowledging receipt of said order.

It is further ordered, That respondents shall furnish a copy of this order to each of their operating departments or 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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IN THE MATTER OF

REGALIA FURS, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION
OF THE FEDERAL TRADE COMMISSION AND THE FUR PRODUCTS
LABELING ACTS

Docket C-1584. Complaint, Sept. 2, 1969—Decision, Sept. 2, 1969

Consent order requiring a New York City manufacturing furrier to cease misbranding, falsely invoicing and deceptively guaranteeing its fur products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Regalia Furs, Inc., a corporation, and Irving Trokel and Herman Lebow, individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Fur Products Labeling 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 Regalia Furs, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondents Irving Trokel and Herman Lebow are officers of the said corporate respondent. They formulate, direct and control the acts, practices and policies of the said corporate respondent including those hereinafter set forth.

Respondents are manufacturers of fur products with their office and principal place of business located at 345 Seventh Avenue, city of New York, State of New York.

PAR. 2. Respondents are now and for some time last past have been engaged in the introduction into commerce, and in the manufacture for introduction into commerce, and in the sale, advertising, and offering for sale in commerce, and in the transportation and distribution in commerce, of fur products; and have manufactured for sale, sold, advertised, offered for sale,