



newspapers that Consolidated Systems, Inc., is a trucking company and that employment is offered to qualified applicants, and to cease misrepresenting job opportunities, training, wages, and terms of payment for 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 James Sharp, individually and as a former officer of Consolidated Systems, Inc., 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 in that respect as follows:

PARAGRAPH 1. Consolidated Systems, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Indiana, with its principal office and place of business located at 2102 East 52nd Street, Indianapolis, Indiana.

Respondent James Sharp is an individual and was formerly an officer of said corporation. He formulated, directed and controlled the policies, acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. His address is 10335 Heather Hills Road, Indianapolis, Indiana.

PAR. 2. Respondent is now, and has been for some time last past, engaged in the advertising, offering for sale, sale and distribution of courses of study and instruction purporting to prepare graduates thereof for employment as truck drivers. Said courses consist of a series of lessons pursued by correspondence through the United States mails and a period of in-residence training at a place designated by respondent.

PAR. 3. In the course and conduct of his business, respondent now causes, and for some time last past has caused, the correspondence portion of his courses, when sold, to be sent from respondent's place of business in the State of Indiana to purchasers thereof located in various other States of the United States. Respondent utilizes the services of salesmen who induce prospective purchasers of respondent's courses located in states other than the State of Indiana to call on said salesmen at respondent's offices. Said salesmen transmit to and receive from respondent contracts, checks and other instruments of a commercial nature. Respondent maintains, and at all times mentioned herein has maintained, a substantial course of trade in said courses of study and instruction in commerce, as "commerce" is defined in the Federal Trade Commission Act.

Complaint

79 F.T.C.

PAR. 4. In the course and conduct of his business as aforesaid, and for the purpose of obtaining leads to prospective purchasers of his courses, respondent has published or caused to be published in the "Help-Wanted" and other columns of newspapers advertisements containing statements and representations regarding job opportunities, training and wages for persons interested in becoming truck drivers. Typical and illustrative, but not all inclusive, of such advertisements is the following:

SEMI DRIVERS NEEDED

Over age 21, Married or Single, good physical condition, some experience or willing to learn to earn high wages driving Semi Tractor Trailers, Local or Over the Road, Midwest, Mideast and Southern areas. For application write to Trucks, P.O. Box 40456, Indianapolis, Ind., 46205, or call (317) 784-1348.

PAR. 5. By and through the use of the statements and representations contained in the advertisement set forth in Paragraph Four and others of similar import and meanings but not expressly set out herein, respondent represents, directly or by implication, that:

1. Consolidated Systems, Inc., is a trucking company.
2. Respondent is offering employment to qualified applicants who will be trained as truck drivers.

PAR. 6. In truth and in fact:

1. Consolidated Systems, Inc., was not and is not a trucking company.
2. Respondent does not offer employment to persons who will be trained as truck drivers. The real purpose of such advertisements is to obtain leads to prospective purchasers of respondent's courses of study and instruction.

Therefore, the statements and representations as set forth in Paragraphs Four and Five were, and are, false, misleading and deceptive.

PAR. 7. In the further course and conduct of his business as aforesaid, respondent causes persons who respond to advertisements seeking leads to prospective purchasers to visit respondent's salesmen at respondent's offices. For the purpose of inducing the sale of respondent's courses, such salesmen make to prospective purchasers many statements and representations, direct and by implication, regarding opportunities for employment as truck drivers available to purchasers of respondent's courses, the assistance furnished to respondent's graduates in obtaining employment and other matters. Some of the aforesaid statements and representations appear in brochures, pamphlets and other printed material furnished to said salesmen by respondent and other statements and representations are made orally by said salesmen. Among and typical, but not inclusive, of such statements and representations are the following:

1. Respondent has been requested by trucking companies to train drivers and, therefore, employment as a truck driver is assured to persons completing respondent's course.

2. Respondent is connected or affiliated with the Consolidated Freightways Corporation.

3. Respondent operates and maintains school facilities, and that respondent provides training and instruction for prospective truck drivers at these school facilities.

4. Respondent will train enrollees on the best and most up-to-date trucks and auxiliary equipment available in the trucking industry.

5. Persons completing respondent's course will thereby be qualified for employment as local or over-the-road truck drivers without further training or experience.

6. Persons enrolling in respondent's course are required to post a bond or pay an insurance fee.

7. Payment of the balance of the cost of respondent's course remaining after the initial or registration fee has been paid can be deferred until after the student has completed the course and obtained employment as a truck driver.

8. To other prospective purchasers of respondent's course, representations have been made that respondent will handle or arrange financing of the balance of the cost of respondent's course remaining after the initial or registration fee has been paid.

9. Respondent has a placement service which will secure a job as a local or over-the-road truck driver for graduates of respondent's course and such a job is assured for everyone who wants to work.

10. Graduates who desire employment in a particular geographic area are assured of a job in the area of their choice.

PAR. 8. In truth and in fact:

1. Respondent has not been requested by trucking companies to train drivers and, therefore, employment as a truck driver is not assured to persons completing respondent's course.

2. Consolidated Systems, Inc., has not had nor has it now any connection or affiliation with Consolidated Freightways Corporation.

3. Respondent does not operate and maintain school facilities that provide training and instruction for prospective truck drivers. Respondent has no school or training facilities whatsoever and sends all enrollees to an independent truck driver training school.

4. Respondent owns no trucks or auxiliary equipment whatsoever. The equipment provided by the independent training school is of poor quality and is often inoperable.

5. Persons completing respondent's course are not thereby qualified for employment as local or over-the-road truck drivers without further training or experience.

6. The sum of money that enrollees in respondent's course are required to pay is not a bond or an insurance fee but is a non-refundable registration fee.

7. Respondent generally requires that the balance of the cost of respondent's course remaining after the initial or registration fee has been paid must be paid before the student can attend the resident training portion of the course and does not permit students to defer such payments until after employment as a truck driver has been obtained.

8. Respondent seldom, if ever, handles or arranges financing to enable purchasers of respondent's course to pay the balance of the cost.

9. Respondent does not have a placement service which will secure a job as a local or over-the-road truck driver for graduates of respondent's course and such a job is not assured for everyone who wants to work.

10. Graduates who desire employment in a particular geographic area are not assured of any job, much less a job in the area of their choice.

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

PAR. 9. In the course and conduct of his aforesaid business, and at all times mentioned herein, respondent has been, and now is, in substantial competition in commerce with corporations, institutions, and organizations of various kinds engaged in the sale and distribution of similar courses of study and instruction.

PAR. 10. The use by respondent 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 substantial 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 respondent's said courses of study or instruction by reason of said erroneous and mistaken belief.

PAR. 11. The aforesaid acts and practices of respondent, as herein alleged, were and are all to the prejudice and injury 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 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 complaint 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 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 Section 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. Consolidated Systems, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Indiana, with its office and principal place of business located at 2102 East 52nd Street, Indianapolis, Indiana.

Respondent James Sharp was an officer of said corporation. He formulated, directed and controlled the policies, acts and practices of said corporation. His address is 10335 Heather Hills Road, Indianapolis, 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 respondent James Sharp, individually and as former officer of Consolidated Systems, Inc., and respondent's 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 and instruction in truck driving 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:

1. Representing, directly or by implication, that respondent Consolidated Systems, Inc., is a trucking company; misrepresenting, in any manner, the nature of respondent's business.
2. (a) Failing to disclose, clearly and conspicuously, in advertisements seeking leads to prospective purchasers of respondent's courses, in catalogs, brochures and on letterheads that respondent's business is that of a seller of a course of study and instruction for prospective truck drivers, not affiliated with any trucking company.
(b) Failing to disclose, clearly and conspicuously, in advertisements seeking leads to prospective purchasers of respondent's courses which are sold through sales representatives, that inquirers will be visited by respondent's sales representatives.
3. Representing, directly or by implication, that employment is being offered when the real purpose of such offer is to obtain leads to prospective purchasers of respondent's courses.
4. Failing to specify, clearly and conspicuously, as a condition to the publication of classified advertisements seeking leads to prospective purchasers, that such advertisements be published only in the education, instruction or similar columns of classified advertising.
5. Representing, directly or by implication, that respondent has been requested to train drivers by any trucking company, misrepresenting, in any manner, respondent's connection or affiliation with the trucking industry or any member thereof.
6. Representing, directly or by implication, that respondent is connected or affiliated with Consolidated Freightways, Inc.
7. (a) Representing, directly or by implication, that respondent operates a training school or facility for prospective truck drivers.
(b) Representing, directly or by implication, that enrollees in respondent's course in truck driver training will be trained on the best and most up-to-date truck driver training equipment available; misrepresenting, in any manner, the quality or nature of truck driver training equipment available for enrollees' training.
8. (a) Representing, directly or by implication, that persons completing respondent's course in truck driver training will thereby be qualified for employment as local or over-the-road truck drivers without further training or experience; misrepresenting, in any manner, the content, completeness or effect of any of respondent's courses.

Decision and Order

(b) Failing to disclose clearly and conspicuously in advertising and promotional material seeking leads to prospective purchasers of respondent's courses of training in any occupation, and in advertising and promotional material furnished to persons expressing interest in such courses, the nature and duration of any further training, instruction or experience in addition to the type of training afforded by respondent's course which is generally required before a person will be regarded as fully trained in the occupation for which respondent's training has been offered.

9. Representing, directly or by implication, that enrollees in respondent's course in truck driver training are required to post a bond or pay an insurance fee; misrepresenting, in any manner, the nature or purpose of any fee which must be paid by enrollees in respondent's courses.

10. (a) Representing, directly or by implication, that the balance of the cost of respondent's course remaining after the initial or registration fee has been paid can be deferred until after the student has completed the course and obtained employment as a truck driver;

(b) Representing, directly or by implication, that respondent will handle or arrange the financing of any portion of the cost of respondent's course;

(c) Misrepresenting, in any manner, the terms or conditions under which payment may be made for respondent's courses.

11. Representing, directly or by implication, that respondent's placement service will guarantee or assure the placement of graduates in jobs for which respondent's courses are represented to train them, or will guarantee or assure the placement of graduates in such jobs in the geographical area of their choice; misrepresenting, in any manner, respondent's ability or facilities for assisting graduates of their courses in obtaining employment.

It is further ordered, That respondent shall deliver a copy of this order to cease and desist to all present and future salesmen or other persons engaged in selling respondent's courses of study and instruction and secure from each such salesman or other person a signed statement acknowledging receipt of said order.

It is further ordered, That 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.

Complaint

79 F.T.C.

IN THE MATTER OF

STANDARD EDUCATORS, INC., ET AL.

ORDER, OPINION, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT*Docket 8807. Complaint, Dec. 30, 1969—Decision, Dec. 6, 1971*

Order requiring door-to-door seller of encyclopedias of East Hartford, Conn., to cease misrepresenting to prospective purchasers that they were engaged in a national advertising campaign and offering a set of the New Standard Encyclopedia "free" or at a special price to specially selected persons who would endorse their products, and misrepresenting that certain books in a combination offer were free and the offer was limited to the time of the call.

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 Standard Educators, Inc., a corporation, and James A. Melley, Sr., individually and 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 Standard Educators, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the state of Connecticut, with its principal office and place of business located at 100 Prestige Park Road, in the city of East Hartford, State of Connecticut.

Respondent James A. Melley, Sr., is an individual and an officer of the corporate respondent. He formulates, directs and controls the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. His 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 various books, including an encyclopedia named "New Standard Encyclopedia" and supplements and a consultation service in connection therewith to the public.

PAR. 3. In the course and conduct of their business as aforesaid, respondents now cause, and for some time last past have caused, their said books including the New Standard Encyclopedia, when sold, to