

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

Docket 8868. Complaint, Nov. 2, 1971—Decision, March 9, 1972

Order requiring an individual with headquarters in New York City who operates seven corporations in New York, Massachusetts, Pennsylvania, the District of Columbia and California, which prepare and distribute personal resumes for job seekers and furnish other career guidance and counseling service to cease misrepresenting the corporate respondents as the largest in the world, guaranteeing that clients will be placed in better jobs, mis-

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representing that their staff counselors previously occupied key positions in industry, misrepresenting that they maintain offices in all major cities in the United States as well as in foreign cities, that respondents provide career guidance and counseling services, failing to make refunds of deposits after receipt of clients' notice of withdrawal, and failing to disclose that portion of the fees paid by clients for vocational-psychological tests is rebated to respondents; respondents are also ordered to cease using the word "Harvard" or any other term implying connection with an educational institution.

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 Career Search International, Inc., a New York corporation, Career Search International, Inc., a Massachusetts corporation, Career Search International, Inc., a Pennsylvania corporation, Career Search International, Inc., a District of Columbia corporation, Career Search International, Inc., a California corporation, The Executive Center, Inc., a New York corporation, The Executive Center, Inc., a Massachusetts corporation and Arthur M. Shain individually and as chairman of the board of directors and principal stockholder of said Career Search International, Inc., corporations and as an officer, chairman of the board of directors and sole stockholder of The Executive Center, Inc. corporations, 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, Career Search International, Inc., a New York corporation in which respondent Arthur M. Shain owns 100 percent of the capital stock, is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 350 Fifth Avenue in the city of New York, State of New York. This office functions as the headquarters office of Career Search International, Inc.

Respondent, Career Search International, Inc., a Massachusetts corporation in which respondent Arthur M. Shain owns 81 percent of the capital stock, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Massachusetts, with its office and principal place of business located at 47 Church Street in the City of Wellesley, State of Massachusetts.

Respondent, Career Search International, Inc., a Pennsylvania corporation in which respondent Arthur M. Shain owns 100 percent of the capital stock, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Pennsylvania, with its office and principal place of business at 1 Oliver Plaza in the city of Pittsburgh, State of Pennsylvania.

Respondent, Career Search International, Inc., A District of Columbia corporation in which respondent Arthur M. Shain owns 100 percent of the capital stock, is a corporation organized, existing and doing business under and by virtue of the laws of the District of Columbia, with its office and principal place of business located at 2021 L Street, N.W., District of Columbia.

Respondent, Career Search International, Inc., a California corporation in which respondent Arthur M. Shain owns 81 percent of the capital stock, 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 9460 Wilshire Boulevard in the city of Beverly Hills, State of California.

Respondent, The Executive Center, Inc., a New York corporation in which respondent Arthur M. Shain owns 100 percent of the capital stock is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 350 Fifth Avenue, in the city of New York, State of New York.

Respondent, The Executive Center, Inc., a Massachusetts corporation in which respondent Arthur M. Shain owns 100 percent of the capital stock, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Massachusetts with its office and principal place of business located at 47 Church Street in the city of Wellesley, State of Massachusetts.

Respondent, Arthur M. Shain, is chairman of the board of directors of each of the corporate respondents and is either the sole or majority shareholder in each of the corporate respondents. He formulates, directs and controls the acts and practices of the corporate respondents, including the acts and practices hereinafter set forth. His address is the same as that of the New York corporations, Career Search International, Inc., and The Executive Center, Inc., 350 Fifth Avenue in the city of New York, State of New York. He is responsible for the acts and practices of the aforementioned corporate respondents.

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Career Search International, Inc., prior to a corporate name change in 1969, previously identified itself, as advertised, and conducted business as Harvard Executive Research Center, Inc.

PAR. 2. Respondents are now, and for some time last past have been engaged in the advertising, offering for sale and selling of their services and facilities in the preparation and distribution of personal resumes of job seekers to prospective employers, performance of career guidance and counseling services, and otherwise undertaking to secure employment for such persons.

PAR. 3. In the course and conduct of their business, respondents operate and conduct, and have operated and conducted, said business from their headquarters office in New York, New York; and now cause, and for some time last past have caused, their advertisements, correspondence and customers to pass between New York, New York, and various other states of the United States; and maintain, and at all times mentioned herein have maintained a substantial course of trade in said business in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their aforesaid business, and for the purpose of inducing the purchase of their services, the respondents have made numerous statements in advertisements in newspapers and company stationery with respect to the nature, type and effectiveness of their employment placement program for executives.

Typical and illustrative, but not all inclusive, of the aforesaid statements and representations are the following:

1. The world's largest executive placement service.
2. Guarantees you a better job.
3. The man from Harvard is a business executive who holds the key to your rewarding future.
4. There is no financial risk on your part.
5. We are not a job counseling firm nor an employment agency.
6. Other offices located in all major cities.
7. Brussels—Paris—Madrid.
8. There must be a reason why over 800 executives seek our services every week.
9. An International Executive Recruiting Service with offices in principal cities throughout the world.

P(8. 5. By and through the use of the above-quoted statements and representations, and others of similar import and meaning not specifically set out herein, the respondents represent, and have represented, directly or by implication that:

1. Respondent organization is, in terms of size, personnel and number of offices, the largest such placement service in the world

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in comparison to all other competitor organizations active in the job placement field.

2. Respondents unconditionally guarantee that they will in all instances place all of their clients in better paying and more rewarding jobs than they hold at the time such clients contract with respondents for their placement services.

3. All staff counselors of Career Search International, Inc. have previously occupied key executive positions in a specific business or industry prior to their affiliation with respondents.

4. Respondents do not exact or require the payment of any sums of money in the form of fees, retainers, or deposits by their clients when clients contract for the services of respondents.

5. The services rendered by respondents are not those of an employment agency.

6. Respondents operate and maintain offices in all major cities in the United States.

7. Respondents operate and maintain offices in the European cities of Brussels, Belgium; Paris, France; and Madrid, Spain.

8. A minimum of 800 executives contract with and utilize the services of respondents every week during the course of each year.

9. Respondents operate and maintain offices in principal cities throughout the world.

PAR. 6. In truth and in fact:

1. Respondents have not operated and do not now operate the world's largest executive placement service.

2. Respondents do not guarantee that their clients will be placed in better paying and/or more rewarding jobs than they presently hold.

3. Respondents' staff members who allegedly provide counsel and guidance to clients do not possess that type of degree of experience and educational background to be designated as a professional counselor.

4. Respondents require that clients furnish deposits of money ranging from \$500 to \$2,500, which in numerous instances, they have declined to return to clients who have withdrawn from respondents' program.

5. The services performed by respondents are essentially identical to those of an employment agency.

6. Respondents have never operated or maintained offices in all major cities in the United States.

7. Respondents have never operated or maintained offices in the cities of Paris, France and Madrid, Spain.

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8. Eight hundred (800) executives do not contract with and utilize the services of respondents on a weekly basis.

9. Respondents have never operated or maintained offices in principal cities throughout the world.

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

PAR. 7. In the further course and conduct of their business, and for the purpose of inducing prospective clients to enter into contracts and pay fees, respondents, through oral statements by officers and staff members in consultation and interviews with said clients, have represented directly or by implication that:

1. There is no financial risk involved on the part of the client and that, while a deposit is required to evidence the client's good faith and interest in respondents' placement service, said deposit will be refunded in full (a) immediately upon the receipt of written notification of the client's withdrawal from respondents' program, or (b) within thirty days of receipt of written notification of the client's withdrawal from respondents' program.

2. Respondents' clients receive career counseling and guidance by staff experts who had previously held responsible executive positions in various professional fields.

3. Respondents provide career counseling and guidance service and assist in developing a program designed to aid the client in achieving career goals.

4. Respondents have job openings available which require the specific qualifications possessed by the prospective clients.

5. Respondents refuse to accept prospective clients unless they possess qualification which ensure prompt placement by respondents.

PAR. 8. In truth and in fact:

1. There is financial risk involved on the part of respondents' clients inasmuch as respondents require the posting of a deposit which, in many instances, is not returned to clients upon their withdrawal from respondents' program.

2. Few, if any, staff members of respondents possess any measurable degree of experience or education in the particular fields of employment in which they profess to be counselors.

3. Respondents perform no career counseling and guidance services, nor do they assist in developing programs designed to aid clients in achieving career goals.

4. Respondents seldom, if ever, have current job openings which require the specific qualifications possessed by prospective clients;

further, respondents seldom, if ever, place any clients in positions which are currently listed as job openings in their fields.

5. The qualifications of the prospective clients and the probable success in placing such prospective clients are not factors in respondents' decision to accept such persons as clients; respondents accept as a client any person willing to execute respondents' agreement and pay the deposit required by respondents.

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 their business and in furtherance of their sales program for inducing prospective clients to enter into contracts and pay fees, respondents have utilized various types of written agreements which have borne affirmative misrepresentations of facts and deceptive omissions of material facts as follows:

1. Certain of respondents' written agreements affirmatively represent therein that deposits posted by clients will be refunded in full immediately upon the respondents' receipt of written notice of the clients' withdrawal from the program. Other of respondents' written agreements affirmatively represent therein that deposits posted by clients will be refunded in full within thirty (30) days of respondents' receipt of written notice of the clients' withdrawal from the program.

2. Certain of respondents' written agreements affirmatively represent therein that there are no fees or charges for services of the respondents to the client at any time. Other of respondents' written agreements make no mention of or reference to the imposition of fees or charges in the event of withdrawal by the client from respondents' program.

PAR. 10. In truth and in fact:

1. Respondents do not refund the client's deposit either (a) immediately, or (b) within thirty (30) days, as represented in their written agreements; but instead, refuse to refund the client's deposit until the expiration of a twenty-four (24) month period of time from the date of the agreement executed by respondents with the client.

2. Respondents do charge the client for expenses incurred and miscellaneous services rendered to the client upon the withdrawal of the client from respondents' program.

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

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PAR. 11. In the course and conduct of their business, and in furtherance of a deceptive sales program for inducing prospective clients to enter into contracts and pay fees, respondents have engaged in the following unfair and deceptive acts and practices:

Respondents have solicited, persuaded, and caused large numbers of their clients to agree to contract for and pay for a battery of vocational-psychological tests for a fee of \$125 or other fixed sums of money, which fees are paid by such clients directly to certain designated independent testing organizations.

PAR. 12. By and through the use of these practices and representations, the respondents represent and have represented directly or by implication that the entire fee for the administering and evaluation of the tests is due, owing to, and to be paid to such designated independent testing organizations.

PAR. 13. In truth and in fact, respondents have, pursuant to mutual agreement with such designated testing organizations, received a portion of such fees in the form of a rebate or credit of \$50 or other fixed sums of money per client. Respondents by failing to disclose these facts to their clients have misrepresented the nature and extent of such clients' indebtedness to the designated testing organizations and to respondents themselves.

PAR. 14. In the course and conduct of their aforesaid business, respondents have used for advertising purposes and for the purpose of trade the name or other identification of Harvard College, Cambridge, Massachusetts without the consent of the aforesaid Harvard College.

PAR. 15. By and through the use of the name or other identification of the aforesaid Harvard College during the course of their business, respondents have represented, by implication, that they are affiliated with Harvard College, a prestigious educational institution.

PAR. 16. In truth and in fact, respondents are not and have never been connected or affiliated in any manner with Harvard College. Therefore such representations were and are false, misleading and deceptive.

PAR. 17. 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 and performance of services and facilities of the same general kind and nature as those sold and performed by respondents.

PAR. 18. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had,

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and now has, the capacity and tendency to mislead members of the public into the erroneous and mistaken belief that said statements and representations were and are true; and into entering substantial numbers of contracts and agreements with respondents for their services and facilities by reason of said erroneous and mistaken belief.

PAR. 19. The aforesaid acts and practices of the 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.

Mr. Martin J. Dolan, Jr. supporting the complaint.

Mr. Daniel Markewich, Markewich Rosenhaus Markewich & Friedman, New York, New York for respondents.

INITIAL DECISION BY WILLIAM K. JACKSON, HEARING EXAMINER

JANUARY 27, 1972

This proceeding was commenced by the issuance of a complaint on November 2, 1971, charging the corporate respondents and Arthur M. Shain, individually and as an officer of said corporation, with unfair and deceptive acts and practices and unfair methods of competition in commerce, in violation of Section 5 of the Federal Trade Commission Act by making certain false, misleading and deceptive claims with respect to the nature, type and effectiveness of their employment placement program for executives.

Respondents have failed to file answers to the complaint within thirty (30) days as set forth in the notice served with said complaint and as provided by Section 3.12(a) of the Commission's Rules of Practice for Adjudicative Proceedings, have failed to appear at the initial hearing set for December 28, 1971, and they are now in default under Section 3.12(c) of said rules. By letter dated December 6, 1971, Daniel Markewich, Esq., counsel for respondents, advised the examiner "* * * that, pursuant to Rule 3.12(c), respondents Career Search International, Inc., et al., Docket No. 8868, will be defaulting."

By reason of such default, respondents have waived their right to appear and contest the allegations of the complaint and the hearing examiner under Section 3.12(c) of the rules is authorized, without further notice to the respondents, to find the facts to be as alleged in the complaint and to enter an initial decision containing such findings, appropriate conclusions and order.

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FINDINGS

1. Respondent, Career Search International, Inc., a New York corporation in which respondent Arthur M. Shain owns 100 percent of the capital stock, is a corporation organized, existing and doing business under by virtue of the laws of the State of New York, with its office and principal place of business located at 350 Fifth Avenue in the city of New York, State of New York. This office functions as the headquarters office of Career Search International, Inc.

Respondent, Career Search International, Inc., a Massachusetts corporation in which respondent Arthur M. Shain owns 81 percent of the capital stock, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Massachusetts, with its office and principal place of business located at 47 Church Street in the city of Wellesley, State of Massachusetts.

Respondent, Career Search International, Inc., a Pennsylvania corporation in which respondent Arthur M. Shain owns 100 percent of the capital stock, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Pennsylvania, with its office and principal place of business at 1 Oliver Plaza in the city of Pittsburgh, State of Pennsylvania.

Respondent, Career Search International, Inc., a District of Columbia corporation in which respondent Arthur M. Shain owns 100 percent of the capital stock, is a corporation organized, existing and doing business under and by virtue of the laws of the District of Columbia, with its office and principal place of business located at 2021 L Street, N.W., District of Columbia.

Respondent, Career Search International, Inc., a California corporation in which respondent Arthur M. Shain owns 81 percent of the capital stock, 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 9460 Wilshire Boulevard in the city of Beverly Hills, State of California.

Respondent, The Executive Center, Inc., a New York corporation in which respondent Arthur M. Shain owns 100 percent of the capital stock is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 350 Fifth Avenue, in the city of New York, State of New York.

Respondent, The Executive Center, Inc., a Massachusetts corporation in which respondent Arthur M. Shain owns 100 percent of the

capital stock, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Massachusetts with its office and principal place of business located at 47 Church Street in the city of Wellesley, State of Massachusetts.

Respondent, Arthur M. Shain, is chairman of the board of directors of each of the corporate respondents and is either the sole or majority shareholder in each of the corporate respondents. He formulates, directs and controls the acts and practices of the corporate respondents, including the acts and practices hereinafter set forth. His address is the same as that of the New York corporations, Career Search International, Inc., and The Executive Center, Inc., 350 Fifth Avenue in the city of New York, State of New York. He is responsible for the acts and practices of the aforementioned corporate respondents.

Career Search International, Inc., prior to a corporate name change in 1969, previously identified itself, as advertised, and conducted business as Harvard Executive Research Center, Inc.

2. Respondents are now, and for some time last past have been engaged in the advertising, offering for sale and selling of their services and facilities in the preparation and distribution of personal resumes of job seekers to prospective employers, performance of career guidance and counseling services, and otherwise undertaking to secure employment for such persons.

3. In the course and conduct of their business, respondents operate and conduct, and have operated and conducted, said business from their headquarters office in New York, New York; and now cause, and for some time last past have caused, their advertisements, correspondence and customers to pass between New York, New York and various other States of the United States; and maintain, and at all times mentioned herein have maintained a substantial course of trade in said business in commerce, as "commerce" is defined in the Federal Trade Commission Act.

4. In the course and conduct of their aforesaid business, and for the purpose of inducing the purchase of their services, the respondents have made numerous statements in advertisements in newspapers and company stationery with respect to the nature, type and effectiveness of their employment placement program for executives.

Typical and illustrative, but not all inclusive, of the aforesaid statements and representations are the following:

- a. The world's largest executive placement service.
- b. Guarantees you a better job.
- c. The man from Harvard is a business executive who holds the key to your rewarding future.

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- d. There is no financial risk on your part.
- e. We are not a job counseling firm nor an employment agency.
- f. Other offices located in all major cities.
- g. Brussels—Paris—Madrid.
- h. There must be a reason why over 800 executives seek our services every week.
- i. An International Executive Recruiting Service with offices in principal cities throughout the world.

5. By and through the use of the above-quoted statements and representations, and others of similar import and meaning, not specifically set out herein, the respondents represent, and have represented, directly or by implication that:

a. Respondent organization is, in terms of size personnel and number of offices, the largest such placement service in the world in comparison to all other competitor organizations active in the job placement field.

b. Respondents unconditionally guarantee that they will in all instances place all of their clients in better paying and more rewarding jobs than they hold at the time such clients contract with respondents for their placement services.

c. All staff counselors of Career Search International, Inc. have previously occupied key executive positions in a specific business or industry prior to their affiliation with respondents.

d. Respondents do not exact or require the payment of any sums of money in the forms of fees, retainers, or deposits by their clients when clients contract for the services of respondents.

e. The services rendered by respondents are not those of an employment agency.

f. Respondents operate and maintain offices in all major cities in the United States.

g. Respondents operate and maintain offices in the European cities of Brussels, Belgium; Paris, France; and Madrid, Spain.

h. A minimum of 800 executives contract with and utilize the services of respondents every week during the course of each year.

i. Respondents operate and maintain offices in principal cities throughout the world.

6. In truth and in fact:

a. Respondents have not operated and do not now operate the world's largest executive placement service.

b. Respondents do not guarantee that their clients will be placed in better paying and/or more rewarding jobs than they presently hold.

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c. Respondents' staff members who allegedly provide counsel and guidance to clients do not possess that type or degree of experience and educational background to be designated as a professional counselor.

d. Respondents require that clients furnish deposits of money ranging from \$500 to \$2,500, which in numerous instances, they have declined to return to clients who have withdrawn from respondents' program.

e. The services performed by respondents are essentially identical to those of an employment agency.

f. Respondents have never operated or maintained offices in all major cities in the United States.

g. Respondents have never operated or maintained offices in the cities of Paris, France and Madrid, Spain.

h. Eight hundred (800) executives do not contract with and utilize the services of respondents on a weekly basis.

i. Respondents have never operated or maintained offices in principal cities throughout the world.

Therefore, the statements and representations as set forth in Findings 4 and 5 hereof were, and are, false, misleading and deceptive.

7. In the further course and conduct of their business, and for the purpose of inducing prospective clients to enter into contracts and pay fees, respondents, through oral statements by officers and staff members in consultation and interviews with said clients, have represented directly or by implications that:

a. There is no financial risk involved on the part of the client and that, while a deposit is required to evidence the client's good faith and interest in respondents' placement service, said deposit will be refunded in full (1) immediately upon the client's withdrawal from respondents' program, or (2) within thirty (30) days of receipt of written notification of the client's withdrawal from respondents' program.

b. Respondents' clients receive career counseling and guidance by staff experts who had previously held responsible executive positions in various professional fields.

c. Respondents provide career counseling and guidance service and assist in developing a program designed to aid the client in achieving career goals.

d. Respondents have job openings available which require the specific qualifications possessed by the prospective clients.

e. Respondents refuse to accept prospective clients unless they possess qualifications which ensure prompt placement by respondents.

8. In truth and in fact:

a. There is financial risk involved on the part of respondents' clients inasmuch as respondents require the posting of a deposit which, in many instances, is not returned to clients upon their withdrawal from respondents' program.

b. Few, if any, staff members of respondents possess any measurable degree of experience or education in the particular fields of employment in which they profess to be counselors.

c. Respondents perform no career counseling and guidance services, nor do they assist in developing programs designed to aid clients in achieving career goals.

d. Respondents seldom, if ever, have current job openings which require the specific qualifications possessed by prospective clients; further, respondents seldom if ever, place any clients in positions which are currently listed as job openings in their files.

e. The qualifications of the prospective clients and the probable success in placing such prospective clients are not factors in respondents' decision to accept as a client any person willing to execute respondents' agreement and pay the deposit required by respondents.

Therefore, the statements and representations as set forth in Finding 7 hereof were, and are, false, misleading and deceptive.

9. In the course and conduct of their business and in furtherance of their sales program for inducing prospective clients to enter into contracts and pay fees, respondents have utilized various types of written agreements which have borne affirmative misrepresentations of facts and deceptive omissions of material facts as follows:

a. Certain of respondents' written agreements affirmatively represent therein that deposits posted by clients will be refunded in full immediately upon the respondents' receipt of written notice of the client's withdrawal from the program. Other of respondents' written agreements affirmatively represent therein that deposits posted by clients will be refunded in full within thirty (30) days of respondents' receipt of written notice of the client's withdrawal from the program.

b. Certain of respondents' written agreements affirmatively represent therein that there are no fees or charges for services of the respondents to the client at any time. Other of respondents' written agreements make no mention of or reference to the imposition of

fees or charges in the event of withdrawal by the client from respondents' program.

10. In truth and in fact:

a. Respondents do not refund the client's deposit either (1) immediately, or (2) within thirty (30) days, as represented in their written agreements; but instead, refuse to refund the client's deposit until the expiration of a twenty-four (24) month period of time from the date of the agreement executed by respondents with the client.

b. Respondents do charge the client for expenses incurred and miscellaneous services rendered to the client upon withdrawal of the client from respondents' program.

Therefore, the statements and representations as set forth in Finding 9 hereof were, and are, false, misleading and deceptive.

11. In the course and conduct of their business, and in furtherance of a deceptive sales program for inducing prospective clients to enter into contracts and pay fees, respondents have engaged in the following unfair and deceptive acts and practices: Respondents have solicited, persuaded, and caused large numbers of their clients to agree to contract for and pay for a battery of vocational-psychological tests for a fee of \$125 or other fixed sums of money, which fees are paid by such clients directly to certain designated independent testing organizations.

12. By and through the use of these practices and representations, the respondents represent and have represented directly or by implication that the entire fee for the administering and evaluation of the tests is due, owing to, and to be paid to such designated independent testing organizations.

13. In truth and in fact, respondents have, pursuant to mutual agreement with such designated testing organizations, received a portion of such fees in the form of a rebate or credit of \$50 or other fixed sums of money per client. Respondents by failing to disclose these facts to their clients have misrepresented the nature and extent of such clients' indebtedness to the designated testing organizations and to respondents themselves.

14. In the course and conduct of their aforesaid business, respondents have used for advertising purposes and for the purpose of trade the name or other identification of Harvard College, Cambridge, Massachusetts without the consent of the aforesaid Harvard College.

15. By and through the use of the name or other identification of the aforesaid Harvard College during the course of their business,

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respondents have represented, by implication, that they are affiliated with Harvard College, a prestigious educational institution.

16. In truth and in fact, respondents are not and have never been connected or affiliated in any manner with Harvard College. Therefore such representations were and are false, misleading and deceptive.

17. 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 and performance of services and facilities of the same general kind and nature as those sold and performed by respondents.

18. 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 public into the erroneous and mistaken belief that said statement and representations were and are true; and into entering substantial numbers of contracts and agreements with respondents for their services and facilities by reason of said erroneous and mistaken belief.

CONCLUSIONS

1. The aforesaid acts and practices of the respondents, as herein found, 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.

2. The Federal Trade Commission has jurisdiction of and over respondents and the subject matter of this proceeding.

3. The complaint herein states a cause of action and this proceeding is in the public interest.

ORDER

It is ordered, That respondents, Career Search International, Inc., a New York corporation; Career Search International, Inc., a Massachusetts corporation; Career Search International, Inc., a Pennsylvania corporation; Career Search International, Inc., a District of Columbia corporation; Career Search International, Inc., a California corporation; The Executive Center, Inc., a New York corporation; The Executive Center, Inc., a Massachusetts corporation, their successors and assigns, and their officers, and Arthur M. Shain, individually and as chairman of the board and principal stockholder of said Career Search International, Inc. corporations and as an officer, chairman of the board of directors and sole stockholder of the Executive Center, Inc., and respondents' agents, rep-

representatives, employees, successors and assigns, directly or through any corporation, subsidiary, division or other device, in connection with the advertising, offering for sale, or sale of job or career counseling services, job or employment placement services, applicant for employment services, or any article, material or device in connection therewith, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do, forthwith cease and desist from, directly or by implication:

1. Representing that the corporate respondents are the largest executive placement service in the world or misrepresenting in any manner the size of the corporate respondents.

2. Representing that respondents guarantee that their clients will be placed in better jobs as a result of respondents' services.

3. Representing that respondents' staff counselors have previously occupied key executive positions in a specific business or industry prior to their affiliation with respondents or misrepresenting in any manner the professional qualifications, experience, or reputation of members of respondents' staff.

4. Representing to prospective clients that there is no financial risk involved on the part of its clients.

5. Representing that the services rendered by respondents are not those of an employment agency.

6. Representing that respondents maintain offices in all major cities in the United States unless such offices as represented are maintained.

7. Representing that respondents maintain offices in the foreign cities of Paris, France and Madrid, Spain, or in any other foreign or domestic city unless such offices as represented are maintained.

8. Misrepresenting, in any manner, the number of persons who contract with and utilize the services of respondents on a weekly basis or any other time period basis.

9. Representing that respondents' clients receive career counseling and guidance by staff experts who had previously held responsible executive positions in various professional fields.

10. Representing that respondents provide career counseling and guidance services and assist in developing a program designed to aid the client in achieving career goals.

11. Representing that respondents have job openings available which require the specific qualifications possessed by prospective clients.

12. Representing that respondents refuse to accept prospective clients unless they possess qualifications which ensure prompt placement by respondents.

13. Failing or refusing to refund in full the deposits posted by clients in accordance with the provisions in respondents' contract or the oral representations made by respondents' staff members or employees within the specified period represented after receipt of clients' notice of withdrawal from respondents' program.

14. Failing or refusing to disclose to prospective clients that they are required to pay for expenses incurred and miscellaneous services rendered to the client upon the withdrawal of the clients from respondents' program.

15. Failing or refusing to disclose to clients that a portion of the fee paid by the clients to the testing organization designated by the respondents for vocational-psychological tests and evaluation is rebated or credited to respondents.

It is further ordered, That respondents Career Search International, Inc., a New York corporation; Career Search International, Inc., a Massachusetts corporation; Career Search International, Inc., a Pennsylvania corporation; Career Search International, Inc., a District of Columbia corporation; Career Search International, Inc., a California corporation; The Executive Center, Inc., a New York corporation; The Executive Center, Inc., a Massachusetts corporation, their successors and assigns, and their officers, and Arthur M. Shain, individually and as chairman of the board of directors, and principal stockholder of said Career Search International, Inc. corporations and as officer, chairman of the board of directors, and sole stockholders of The Executive Center, Inc. corporations; and respondents' agents, representatives and employees, directly or through any corporation, subsidiary, division or other device, in connection with the advertising, offering for sale or sale of job or career counseling services, job or employment placement services, applicant for employment placement services or any article, material or device in connection therewith, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from using the word "Harvard" or any other name or any other identification which implies an affiliation or connection with Harvard College or any other educational institution in respondents' corporate or trade names, advertising materials, stationery, directory listings, and otherwise using such terms in the course and conduct of their business.

It is further ordered, That respondents deliver a copy of this order to cease and desist to each of its branch offices, and to all present and future officers and staff members or other persons engaged in the offering for sale and sale of respondents' services or any

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articles, materials or devices in connection therewith; and to secure from each such person a signed statement acknowledging receipt of said order.

It is further ordered, That respondents notify the Commission at least thirty (30) days prior to any proposed change in any corporate respondent, such as dissolution, assignment or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries, or any other change in any corporation which may affect compliance obligations arising out of the order.

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.

FINAL ORDER

No appeal from the initial decision of the hearing examiner having been filed, and the Commission having determined that the case should not be placed on its own docket for review and that pursuant to Section 3.51 of the Commission's Rules of Practice (effective August 15, 1971), the initial decision should be adopted and issued as the decision of the Commission:

It is ordered, That the initial decision of the hearing examiner shall, on the 9th day of March, 1972, become the decision of the Commission.

It is further ordered, That the corporate respondents herein, their officers, and Arthur M. Shain, individually and as officer, director and principal stockholder of said corporations, shall, within sixty (60) days after service of this order upon them, file with the Commission a report in writing, signed by such respondents, setting forth in detail the manner and form of their compliance with the order to cease and desist.

IN THE MATTER OF

TIMES FURNITURE COMPANY, ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
TRUTH IN LENDING AND THE FEDERAL TRADE COMMISSION ACTS