

materials or articles related thereto, among other things to cease misrepresenting job availability; the nature or extent of available jobs; misrepre-

senting respondents as being non-profit in character; misrepresenting the scope or scale of their operations; misrepresenting the use of computers for matching individuals to particular jobs; misrepresenting services as free; using the word "association" as part of respondents' trade or corporate name; failing to disclose to consumers, in connection with the extension of consumer credit, such information as required by Regulation Z of the Truth in Lending Act.

Appearances

For the Commission: *Dean A. Fournier* and *Michael A. Katz*.

For the respondents: *John R. Martin, Jr.*, of *Johnson Mijich & Martin*, Seattle, Washington for H. Glenn Johnson and Edgar H. Berry. *David L. Scott*, Seattle, Washington for Georgie P. Schwary. *Norman W. Quinn*, of *Driano, Allen & Quinn*, Seattle, Washington for William C. Geltz.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and of the Truth in Lending Act and the implementing regulation promulgated thereunder, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Overseas-Alaska Personnel Association and Nationwide Services, Inc., corporations, and George P. Schwary, H. Glenn Johnson and Edgar H. Berry, individually and as officers of said corporations, and Joseph Robert Kollmar, individually and as a former officer of Overseas-Alaska Personnel Association, and William C. Geltz, individually and as a former salesman for Overseas-Alaska Personnel Association, hereinafter referred to as respondents, have violated the provisions of said Acts and regulation, 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 Overseas-Alaska Personnel Association is a corporation organized, existing and formerly doing business under and by virtue of the laws of the State of Washington, with its principal office and place of business located at 3010 First Avenue, Seattle, Washington.

Respondent Nationwide Services, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Washington, with its principal office and place of business now located at 1200 Westlake Avenue North, Seattle, Washington. The address of said principal office and place of business was, until recently, 3010 First Avenue, Seattle, Washington.

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Respondent George P. Schwary is an individual and an officer and director of both said corporations. He formulates, directs and controls the policies, acts and practices of each corporate respondent, including the acts and practices hereinafter set forth. His present address is 1200 Westlake Avenue North, Seattle, Washington.

Respondents H. Glenn Johnson and Edgar H. Berry are individuals and are officers and directors of Overseas-Alaska Personnel Association, and former officers of Nationwide Services, Inc. Together with respondent Schwary they own all of the capital stock of the latter corporation, and formulated, directed and control the policies, acts and practices of both corporations, including the acts and practices hereinafter set forth. Their address is 3010 First Avenue, Seattle, Washington.

Respondent Joseph Robert Kollmar is an individual and former officer of Overseas-Alaska Personnel Association. Until February 1971, he participated with respondents George P. Schwary, H. Glenn Johnson and Edgar H. Berry in formulating, directing and controlling the acts and practices of both corporate respondents, including the acts and practices hereinafter set forth. His present address is 720 15th S.W., Edmonds, Washington.

Respondent William C. Geltz is an individual and former salesman for Overseas-Alaska Personnel Association. He was the manager of its International Office from November 1970 until February 1971. From May 1970 until November 1970, he was the research director of Nationwide Services, Inc. He participated and cooperated in the acts and practices of the other respondents, including the acts and practices hereinafter set forth, but excluding those set forth in Count II. His present address is 10823 Marine View Drive S.W., Seattle, Washington.

Respondent Schwary traded and did business as Nationwide Resume Service and under other business names prior to his causing the formation, in November 1969, of a corporation named Alaska-Overseas Personnel Association. Respondent Johnson joined him during 1969 as an officer of said corporation and as an officer and part owner of Nationwide Services, Inc. Respondents Kollmar and Berry traded and did business as Overseas Associates and under other business names prior to May 1970, at which time they consolidated their business enterprise with those of respondents Schwary and Johnson as Overseas-Alaska Personnel Association. The corporate name of Alaska-Overseas Personnel Association was formally changed to Overseas-Alaska Personnel Association on or about December 20, 1970.

In February 1971, respondents Kollmar and Geltz severed their business connections with the corporate respondents and with respondents Schwary, Johnson and Berry. From February 1971 until May 1971, respondents Kollmar and Geltz traded and did business as International Personnel Exchange.

Subsequently, on or about December 27, 1971, through the device of Manpower Assurance Corporation, International, a Washington corporation wholly owned and controlled by them, respondents Schwary, Johnson and Berry obtained a license to operate an employment agency in the State of Washington under the name of International Personnel Association. Since that date they have traded and done business in Washington as International Personnel Association, and for limited periods during 1972 have continued operation of Overseas-Alaska Personnel Association under its own name in other states.

The aforementioned individual respondents and respondents Overseas-Alaska Personnel Association and Nationwide Services, Inc., have cooperated and acted together in bringing about and carrying out the acts and practices hereinafter set forth, with the exception of respondent Geltz as to those acts and practices set forth in Count II.

PAR. 2. Unless otherwise required by context, the following definitions shall apply for purposes of this complaint and the accompanying order to cease and desist:

(a) The term "companies" means corporations and other legal entities of any type whatever, partnerships and individuals doing business overseas or elsewhere, and governments and governmental subdivisions, agencies and instrumentalities.

(b) The terms "job search" and "job search services" mean services consisting in whole or in part of any of the following: the preparation of resumes of persons seeking employment, the distribution of resumes to companies thought to be prospective employers, and the performance of job counseling, employment research and other efforts to find job openings.

PAR. 3. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale and sale of job search services and related materials to persons seeking employment. Respondents Joseph Robert Kollmar and William C. Geltz are no longer engaged in the advertising, offering for sale and sale of such services and materials. They were engaged in the aforementioned activities at the time the acts and practices hereinafter set forth occurred.

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COUNT I

Alleging violations of Section 5 of the Federal Trade Commission Act, the allegations of Paragraphs One, Two, and Three above are incorporated by reference in Count I as if fully set forth verbatim.

PAR. 4. In the course and conduct of their business as aforesaid, until on or about December 27, 1971 and in a number of instances outside the State of Washington since that date, respondents have normally required as a prerequisite to commencing services for any individual client, that said client pay and/or make unconditional commitment to pay in full, in advance, respondents' prescribed fee. Said fee has been set, during the period of respondents' operation, at \$220, \$195, and other amounts usually expressed as constituent portions for "initiation" and for "dues."

PAR. 5. In the course and conduct of their business, respondents now cause, and for some time last past have caused, their clients' resumes and other documents and communications to be transmitted across state lines by means of the United States mails and other mechanisms, to, from and among respondents' principal and other offices in the State of Washington and other States of the United States, and to companies in various other States of the United States and in foreign countries; and, in addition, respondents cause and have caused clients and other individuals, and funds to pass between the State of Washington and various other States of the United States and foreign countries. Respondents maintain, and at all times mentioned herein have maintained, a substantial course of trade in their said business in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 6. In the course and conduct of their business, and for the purpose of inducing the purchase of and payment for their services and materials, respondents have made and caused to be made, through advertisements published in newspapers of general interstate circulation, through brochures, form letters and other promotional matter, and through oral statements by respondents, their agents and representatives during personal interviews and consultations with prospective clients, numerous statements and representations with respect to the nature of their organization, the availability of jobs overseas, and the nature, type and effectiveness of their job search programs.

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

1. Advertisements inserted in "Help Wanted" columns and under equivalent classifications or headings in various newspapers, stating *inter alia*:

OVERSEAS JOBS NOW!

IMMEDIATE OPENINGS

Locations

South America

Southeast Asia

Middle East

Mid-Pacific Islands

Other Tax-Exempt Foreign Countries

DEPARTURES IN MAR-APR-MAY

Employers Will Interview Throughout the Next 45 Days * * *

Call the OAPA Chapter Nearest You * * *

Need Several HVY EQUIP. MECH'S * * * MISCELLANEOUS Min. 2 to 5 yrs.
exp.

Const. Equip. Specialist

Asst. Personnel Manager

Computer Operator (CDC 3100)

Electronics Technician

Communications Supervisor

Training Administrator II

Junior Accountants

Keypunch Verifier

Dairy Plant Supvs.

Asst. Groc. Store Mgr.

Records Clerk (35 WPM)

Bartender

Construct. Scheduler

Xerox Repairman

Patrolman-Security Guards

Aircraft Firefighters

Diesel Engine Mech's

Appliance Repairmen

Power Plant Electricians

Supply Clerks (Mil. Specs.)

Water Systems Plantman * * *

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WEST AFRICA
 INDONESIA * * *
 ALASKA
 THAILAND
 KOREA
 MID-PACIFIC * * *

Overseas contractors have requested assistance in staffing their projects in the above areas. OAPA is presently screening qualified applicants in the following fields:

CONSTRUCTION * * *
 COMMUNICATIONS
 POWER DISTRIBUTION
 DATA PROCESSING
 LOGISTICS
 ENGINEERING * * *

* * * * *

WE NOW NEED * * * MORE SERVICE PERSONNEL

Everything from Ofc. Machine Repairmen to Doctors

CONSTRUCTION MEN

Most types w-at least 5 yrs. exp.

ENGINEERS

With construction background—More openings than we can fill * * *

MANY MORE

We are receiving new requirements Weekly from American Companies in a Variety of Fields

CALL NOW
 233-2481
 JOIN OAPA

America's fastest growing membership service organization for persons who live and work abroad

* * * * *
 MEMBERSHIP OPEN TO ALL CRAFTS AND PROFESSIONS—OUR MEMBERS WORK IN ALMOST EVERY FREE COUNTRY IN THE WORLD

* * * * *

OAPA Keeps Us Working

* * * * *

OVERSEAS EMPLOYMENT INFORMATION CENTERS * * *

FACT: OAPA Employment Centers are getting new openings daily for a total of 300 to 400 jobs per month * * *

FACT: You can get all the facts by calling or visiting any of the following offices without cost or obligation * * *

* * * * *

(We Are Not A Resume or Fee Agency)

* * * * *

GET THE FACTS ON
OVERSEAS
ALASKA-SE ASIA
MIDDLE EAST-EUROPE
AUSTRALIA-JAPAN
TRUST TERRITORIES
JOBS

Free Information Centers

Before you waste hundreds of dollars on resumes and mailing lists—call OAPA for a personal interview and free literature.

OAPA

Overseas-Alaska Personnel Assoc. An Equal Opportunity non-profit association of persons who live & work overseas and in Alaska * * *

* * * * *

2. Form letters, promotional matter and oral representations made or disseminated by or for respondents, stating *inter alia*:

New EDP System for Matching Members and Employers * * * You, as a member, will be fed into the computer by your skill codes * * * All job orders that employers list with OAPA will also be fed into the system when received by corresponding code numbers. The data processing equipment will automatically match-up job orders with all available members, and in turn resumes are pulled and sent to the requesting company * * * Consequently, we can get your resumes to employers within hours after they contact us, thereby giving you, an OAPA member, the greatest advantage over all other applicants.

OAPA * * * is a non-profit association of men and women who work in practically every free country of the world * * * OAPA helped them get their first job abroad and for some, their second and third foreign service contract.

OAPA is incorporated as a non-profit membership service organization. The primary purpose of OAPA is to provide a liaison service between employers and Association Members not represented by organized labor movements.

* * * If for any reason (your) membership application is not accepted by the Membership Review Board, (your) initiation fee and any membership dues * * * will be refunded in full.

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If, after review, your application is not accepted, your full deposit will be promptly refunded.

We are receiving constant requests for EDP personnel for overseas assignment.

The number of new openings and companies listing openings has exceeded anything we have ever experienced in the past.

At the present time we are in need of personnel in all phases of Construction, Aircraft Maintenance, Communications, etc. * * * After reviewing a draft of your critique, I feel that it would be to your advantage to contact our office at your earliest convenience so that we may obtain an overseas position for you.

One month after our appeal went out to Employers * * * OAPA received no less than 790 job listings * * * We still receive calls daily from members and employers notifying us of the hiring results.

PAR. 7. By and through the use of the aforesaid statements, representations and advertisements, and others of similar import and meaning but not expressly set out herein, respondents have represented directly or by implication:

1. That job openings for Americans are plentiful and immediately or imminently available, overseas and in Alaska, in various occupations including those set out in respondents' advertisements.

2. That respondents have been requested by a substantial number of companies to recruit persons to fill large numbers of definite, current job openings in many occupations throughout the world, including the occupations and geographical areas set out in respondents' advertisements.

3. That particular skills or qualifications of individual clients and prospective clients are in great demand in one or more parts of the world, and that such individuals will encounter little difficulty in obtaining employment through utilization of respondents' services.

4. That Overseas-Alaska Personnel Association is a bona fide association of persons working or interested in working in Alaska or overseas, controlled by its membership and not operated for profit.

5. That applicants are examined or screened as to their possession of qualifications necessary for overseas employment, and that those who are not qualified will not be accepted as clients.

6. That respondents' services include the utilization of a computer for instantaneous matching or coordinating of a client's specific skills with companies which have a need for such skills.

7. That respondents provide free information on specific job openings overseas, together with personal counseling relative thereto, without cost or obligation.

8. That overseas jobs in various occupations, including those set out in respondents' advertisements, provide high pay by American standards.

9. That clients can expect their earnings overseas to be exempt from income taxes.

PAR. 8. In truth and in fact:

1. In all but a few of the occupations set out in respondents' advertisements, jobs in Alaska and overseas were not plentiful at the time of such advertisements and have seldom been available immediately, imminently, or at any time to Americans.

2. Respondents have not been requested by any substantial number of companies to recruit persons to fill definite, current job openings in many occupations throughout the world, including the occupations and geographical areas set out in respondents' advertisements. The great majority of companies with overseas operations have expressed no interest in respondents' clients or offers to refer clients, and only a small number of companies have reciprocated respondents' contacts by extending firm offers to such clients. Employment obtained as a result of respondents' services has generally been limited to a very few occupational skills, and to worksites concentrated in Southeast Asia.

3. During the periods respondents made the representations set forth in Section (3) of Paragraph Seven, respondents had no reasonable basis to support said representations in that they lacked specific knowledge of the extent of demand for particular skills or qualifications of individual clients and prospective clients, and of the degree of difficulty to be encountered by such individuals in obtaining employment as a result of respondents' services.

4. Overseas-Alaska Personnel Association is not an association of persons working or interested in working in Alaska or overseas, nor is it controlled by its membership. It was formed and maintained to serve the business interests of respondents Schwary, Johnson, Kollmar and Berry, and is and at all times has been controlled and dominated by one or more of said individuals and operated wholly as their instrumentality and that of respondent Nationwide Services, Inc., a proprietary corporation, in continuing and furthering their business enterprise for profit.

5. Applicants were not examined or screened as to their possession of qualifications necessary for overseas employment. Qualifications and probable success in placement played little part in decisions to accept individual clients. Respondents accepted almost anyone willing to enter into a contract and pay the fee.

6. Respondents' services have never included the utilization of a computer to match or coordinate clients' skills with companies' needs.

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7. Respondents do not provide free information or counseling on specific job openings overseas. The only employment opportunity information supplied without cost or obligation is general in nature. Such information and related personal counseling are normally limited to advice and statements integral to respondents' efforts to induce the purchase of their services.

8. Overseas jobs, including those in the occupations set out in respondents' advertisements, do not provide high pay by American standards.

9. Clients cannot expect their earnings overseas to be exempt from income taxes. Overseas employment obtained as a result of respondents' services has seldom been of sufficient duration to qualify for exemption from United States income taxes, and in many instances has been subject to income taxation by the particular foreign state in which situated.

Therefore, the statements and representations as set forth in Paragraphs Six and Seven hereof were and are false, misleading, unfair or deceptive acts or practices.

PAR. 9. In the further course and conduct of their business, and for the purpose of inducing the purchase of their services and materials, respondents have caused the publication, in many of the aforesaid "Help Wanted" and equivalent columns, of certain advertisements which name a single job skill or occupational category, or one or more related skills or categories, but which do not disclose in any way the function of respondents' organization and in several instances do not identify it as the advertiser. Typical and illustrative of such advertisements, but not all inclusive thereof, are the following:

SUPPLY MEN

OVERSEAS WORK

Mr. Stanley PR5-1558

* * * * *

VIET-NAM

Hi Pay, Tax Free Contracts Construction Administrative All Crafts * * *

OAPA

* * * * *

TEACHERS

If Interested In Contracts for 1971 In Foreign Countries INVESTIGATE NOW!

Family & Single Status Husband & Wife Teams

* * * * *

PATROLMEN

OVERSEAS WORK

Mr. Phillips

MU2-3180

* * * * *

PAR. 10. By failing, in advertisements of the type described in Paragraph Nine hereof, to disclose either that the advertiser is a job search firm or that it is not an employer, respondents have falsely represented, directly or by implication, that their organization is currently hiring as an employer of persons in the named occupational categories and/or as an agency authorized to make hiring commitments for companies which employ such persons. Therefore, the acts and practices set forth in Paragraph Nine hereof were and are unfair, misleading and deceptive.

PAR. 11. By and through the use of the statements and representations described and exemplified in Paragraphs Six, Seven and Nine hereof, respondents have represented to unemployed persons and other job-seekers that they have job opportunities currently available and/or will find promptly a suitable job for each individual taken on as a client. In reliance on such representations of respondents' service as essentially one of successfully obtaining a satisfactory offer of employment, many of such unemployed persons and other job-seekers have been induced, to their substantial hardship and detriment, into becoming clients of respondents and into paying and/or making unconditional commitments to pay respondents' prescribed fee in advance as required.

In fact, however, the eventuality of a firm offer of employment is and has been dependent, in each instance, on hiring policies and decisions of independent companies and on other factors, all beyond respondents' control; and respondents' services have failed, and continue to fail, to obtain employment for substantial numbers of clients who have paid to respondents in advance, as hereinabove alleged, the prescribed fees of Overseas-Alaska Personnel Association and of the various other job search businesses operated by respondents prior to December 27, 1971.

Moreover, the collecting of respondents' fee in advance of placement has inherently diminished and tended to eliminate, as to each individual client, respondents' incentive to provide and continue diligent efforts and service toward finding employment opportunities and matching clients thereto.

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Therefore, it was and is in itself an unfair trade practice for respondents to require clients to pay in advance for their service as represented and described above.

PAR. 12. In the course and conduct of their business, and at all times mentioned herein, respondents have been and now are in substantial competition, in commerce, with corporations, firms and individuals engaged in the sale and performance of services and materials of the same general kind and nature as those sold and performed by respondents.

PAR. 13. The use by respondents of the aforesaid false, misleading, unfair and deceptive statements, representations, acts 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 statements and representations were and are true, and to induce a substantial number thereof to enter into contracts and agreements for the purchase of respondents' services and for the payment of respondents' fees in advance by reason of said erroneous and mistaken belief.

PAR. 14. 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.

COUNT II

Alleging violations of the Truth in Lending Act and the implementing regulation promulgated thereunder, and of the Federal Trade Commission Act, the allegations of Paragraphs One, Two and Three above are incorporated by reference in Count II as if fully set forth verbatim.

PAR. 15. Notwithstanding the allegations of Paragraph Four hereof, respondents, in a substantial number of instances in the ordinary course of their business as aforesaid, and particularly between November 1970 and January 1971 as to clients with certain aircraft maintenance skills, have regularly extended consumer credit, as "consumer credit" is defined in Regulation Z, the implementing regulation of the Truth in Lending Act, duly promulgated by the Board of Governors of the Federal Reserve System.

PAR. 16. Subsequent to July 1, 1969, in the ordinary course of their business as aforesaid, and in connection with their credit sales, as "credit sale" is defined in Regulation Z, respondents have caused clients

to execute contracts and promissory notes, hereinafter referred to as the "contract" and "note," respectively, upon which certain minimal consumer credit cost information appears. Respondents do not provide and have not provided these clients with any other consumer credit cost disclosures.

By and through the use of the contract and note, respondents:

1. Failed to use the term "cash price" to describe the purchase price of their services, the term "cash downpayment" to describe the downpayment in money, and the term "amount financed" to describe the amount of credit extended, as required by Sections 226.8(c) (1), (2), and (7), respectively, of Regulation Z.

2. Failed to disclose the sum of all charges required to be disclosed by Section 226.4 of Regulation Z, and to describe that sum as the "finance charge" and its annual percentage expression as the "annual percentage rate," as required by Sections 226.8(c) (8) (i) and 226.8(b) (2), respectively, of Regulation Z.

3. Failed to disclose the sum of the cash price, all charges which are included in the amount financed but which are not part of the finance charge, and the finance charge, and to describe that sum as the "deferred payment price," as required by Section 226.8(c) (8) (ii) of Regulation Z.

4. Failed to disclose the number, amounts and due dates or periods of payments scheduled to repay the indebtedness, and the sum of such payments, and to describe said sum as the "total of payments," as required by Section 226.8(b) (3) of Regulation Z.

5. Failed to make, in a single written statement or instrument as required by Section 226.8(a) of Regulation Z, the disclosures required by Sections 226.8(b) and (c) of Regulation Z.

PAR. 17. Pursuant to Section 103(q) of the Truth in Lending Act, respondents' aforesaid failures to comply with the provisions of Regulation Z constitute violations of that Act and, pursuant to Section 108 thereof, respondents have thereby violated 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 Seattle Regional Office 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 Section 2.34(b) of its rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Overseas-Alaska Personnel Association is a corporation organized, existing and formerly doing business under and by virtue of the laws of the State of Washington, with its principal office and place of business located at 3010 First Avenue, Seattle, Washington.

Respondent Nationwide Services, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Washington, with its principal office and place of business located at 1200 Westlake Avenue North, Seattle, Washington.

Respondent George P. Schwary is an individual and an officer of said corporations. He formulates, directs and controls the policies, acts and practices of both corporations and his address is 1200 Westlake Avenue North, Seattle, Washington.

Respondents H. Glenn Johnson and Edgar H. Berry are individuals and officers of Overseas-Alaska Personnel Association, and former officers of Nationwide Services, Inc. They formulated, directed and controlled the policies, acts and practices of both corporations and their address is 3010 First Avenue, Seattle, Washington.

Respondent Joseph Robert Kollmar is an individual and former officer of Overseas-Alaska Personnel Association. He participated in formulating, directing and controlling the acts and practices of both corporate respondents. His present address is 720 15th S.W., Edmonds, Washington.

Respondent William C. Geltz is an individual and former salesman for Overseas-Alaska Personnel Association. He was the manager of its International Office, the research director of Nationwide Services, Inc., and participated and cooperated in the acts and practices of both corporate respondents. His present address is 10823 Marine View Drive S.W., Seattle, Washington.

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 Overseas-Alaska Personnel Association and Nationwide Services, Inc., corporations, and their officers, and George P. Schwary, H. Glenn Johnson, and Edgar H. Berry, individually and as officers of said corporations, and Joseph Robert Kollmar, individually and as a former officer of Overseas-Alaska Personnel Association, and William C. Geltz, individually and as a former salesman for Overseas-Alaska Personnel Association, and respondents' successors, assigns, 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 search services or materials or articles incident thereto, or similar services, materials, or articles, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

A. Representing, directly or by implication:

1. That jobs are plentiful overseas or elsewhere, unless respondents are able to establish that jobs are in fact plentiful, and available to Americans, in the degree or quantity represented.

2. That respondents have current job openings, except to the extent that respondents do in fact have prior knowledge of specific qualifications required for definite, current openings, by prospective employers who have consented to consider persons referred by respondents for such openings.

3. That particular skills or qualifications of individual clients or prospective clients are in great demand in any part of the world, or that such individuals will encounter little difficulty in obtaining employment through utilization of respondents' services; unless, at the time of such representations, respondents have a reasonable basis for making such representations, which may consist of specific, documented

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knowledge of the extent of demand for such skills or qualifications or of the difficulty encountered by individual applicants in obtaining employment under circumstances similar to that of the client or prospective client, or other statistically valid data of current applicability to said client's or prospective client's specific job skill.

4. That Overseas-Alaska Personnel Association or any entity or organization controlled by one or more respondents is non-profit, or misrepresenting in any manner the nature or character of respondents' business or the scope or scale of their operations.

5. That respondents are an employer of persons in any occupational category.

B. Misrepresenting in any manner, directly or by implication:

1. That respondents' services include the utilization of a computer for matching or coordinating a client's skills with companies which have a need for such skills.

2. That any of respondents' services or information on specific job openings is furnished free or without cost or obligation.

3. That respondents are authorized to make hiring commitments for companies.

4. The demand for persons to fill overseas positions; the opportunities for employment overseas or the likelihood of avoiding income taxes thereby; the availability or immediacy of any employment opportunity; or any terms, conditions or compensation incident to employment.

5. The character of services actually provided by respondents to persons seeking employment; the nature, extent or recency of respondents' knowledge of employment opportunities overseas or elsewhere; or the manner in which clients' qualifications are presented to prospective employers.

6. The number or proportion of clients who have obtained employment overseas or elsewhere as a result of respondents' services.

C. Charging or accepting, from any individual client or applicant, a fee or unconditional commitment to pay a fee (1) of any kind, for services consisting in any part of job search or referral, or (2) in excess of ten (\$10) dollars, for compilations or lists of jobs or companies, or like information for persons seeking employment; unless and until the individual shall have accepted an au-

thentic, firm offer of employment tendered as a result of respondents' furnishing such services, lists or information. *Provided, however,* That this paragraph shall not apply to the mere preparation and/or duplication of personal resumes, when sold independently of any other job search service.

D. Using the word "association" or any word of similar import or meaning in or as a part of respondents' trade or corporate name, or representing directly or by implication that any entity or organization controlled by respondents is a mutual benefit association of persons working or interested in working in Alaska, overseas, or elsewhere.

It is further ordered, That respondents maintain at all times in the future, for a period of not less than one year, complete business records relative to the manner and form of their continuing compliance with the above terms and provisions of this order; *Provided, however,* That this provision shall not be construed as requiring the recording of interviews and consultations with clients and prospective clients, nor as mitigating in any way the record-keeping requirements imposed by Regulation Z of the Truth in Lending Act.

It is further ordered, That respondents Overseas-Alaska Personnel Association and Nationwide Services, Inc., corporations, and their officers, and George P. Schwary, H. Glenn Johnson, and Edgar H. Berry, individually and as officers of said corporations, and Joseph Robert Kollmar, individually and as a former officer of Overseas-Alaska Personnel Association, and respondents' successors, assigns, agents, representatives and employees, directly or through any corporation, subsidiary, division or other device, in connection with any extension of consumer credit or advertisement to aid, promote or assist directly or indirectly any extension of consumer credit, as "consumer credit" and "advertisement" are defined in Regulation Z (12 C.F.R. § 226) of the Truth in Lending Act (Pub. L. 90-321, 15 U.S.C. 1601 *et seq.*), do forthwith cease and desist from:

A. Failing to make, in a single written statement or instrument as required by Section 226.8(a) of Regulation Z, the disclosures required by Sections 226.8(b) and (c) of Regulation Z, including the cash price, cash downpayment, amount financed, finance charge, annual percentage rate, deferred payment price, total of payments, and the number, amounts, and due dates or periods of payments scheduled to repay the indebtedness.

B. Failing, in any consumer credit transaction or advertisement, to make all disclosures, determined in accordance with

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Sections 226.4 and 226.5 of Regulation Z, at the time and in the manner, form, and amount required by Sections 226.6, 226.8, and 226.10 of Regulation Z.

It is further ordered, That respondents deliver a copy of this order to cease and desist to each operating division, to all present and future franchisees and licensees, and to all personnel of respondents now or hereafter engaged in the offering for sale, or sale of respondents' job search services or related materials or articles, or in any aspect of the preparation, creation or placing of advertising of such services, materials or articles, and that respondents 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 a corporate respondent, such as dissolution, assignment or sale resulting in the emergence of a successor corporation or corporations, the creation or dissolution of subsidiaries, or any other change in the corporations which may affect compliance obligations arising out of the order.

It is further ordered, That the individual respondents named herein promptly notify the Commission of the discontinuance of their present business or employment, and/or of their affiliation with any other business offering job search or placement services or materials for a fee or fees payable by persons seeking employment, in the event of such discontinuance or affiliation within ten (10) years of the date of service of this order. Such notice shall include respondents' current business address and a statement as to the nature of the business or employment in which they are engaged as well as a description of their duties and responsibilities.

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

IN THE MATTER OF

AUTO BROKERS CORPORATION, ET AL.

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

Docket C-2440. Complaint, Sept. 11, 1973—Decision, Sept. 11, 1973.

Consent order requiring a Falls Church, Virginia, retailer and distributor of used cars, among other things to cease violating the Truth in Lending Act