
IN THE MATTER OF

WEAVER AIRLINE PERSONNEL SCHOOL, INC., ET AL.

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

Docket C-2638. Complaint, Feb. 13, 1975 - Decision, Feb. 13, 1975

Consent order requiring a Kansas City, Mo., airline school and its parent corporation located in Los Angeles, Calif., among other things to cease misrepresenting the degree of industry demand for its graduates, its selectivity in accepting enrollees, the availability of jobs, and the nature and effectiveness of its placement service. Further, the order requires pro-rata refunds be paid to recent eligible enrollees.

Appearances

For the Commission: *Keith Q. Hayes* and *Charles B. Wesonig*.

Complaint

85 F.T.C.

For the respondents: *Roger S. Fine, Cahill, Gordon & Reindel*, New York City.

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 Weaver Airline Personnel School, Inc. and General Educational Services Corporation, corporations, sometimes hereinafter jointly 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 Weaver Airline Personnel School, Inc., (hereinafter sometimes referred to as respondent Weaver), is a corporation organized, existing and doing business under and by virtue of the laws of the State of Missouri. It maintains its principal office and place of business at 3521 Broadway, in the city of Kansas City, State of Missouri. Respondent Weaver is a wholly-owned subsidiary of respondent General Educational Services Corporation. Respondent Weaver is now, and for some time last past has been, engaged in the formulation, development, offering for sale, sale and distribution of course(s) of instruction intended to prepare graduates thereof for entry level employment in the airline industry as reservation agents, communication agents, ticket agents, operations (transportation, ramp) agents and air freight sales agents.

Respondent General Educational Services Corporation, (hereinafter sometimes referred to as respondent GES), is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware. It maintains its principal office and place of business at 1880 Century Park East, in the city of Los Angeles, State of California. Respondent GES owns all of the stock of respondent Weaver Airline Personnel School, Inc. It dominates and controls the business acts and practices of respondent Weaver Airline Personnel School, Inc., and further accepts the pecuniary and other benefits flowing from the acts and practices hereinafter set forth of respondent Weaver Airline Personnel School, Inc.

PAR. 2. Respondents, in the course and conduct of their business as aforesaid, have caused respondent Weaver's airline training course(s) of instruction to be advertised, sold and financed to purchasers thereof located in the various States of the United States, and maintain, and at all times mentioned herein have maintained, a substantial course of

trade in said airline training course(s), in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 3. In the course and conduct of its aforesaid business, respondent Weaver, for the purpose of obtaining leads to prospective purchasers and inducing the purchase of its course(s) of instruction, related products, and services by members of the public, has made numerous statements and representations in advertisements inserted in newspapers, magazines and in direct mail pieces of general interstate circulation, without disclosing that persons who respond to such advertisements will be called upon by respondent Weaver's salesmen. Typical and illustrative of the foregoing, but not all inclusive thereof, are the following:

AIRLINES NEED
Young Men and Women

For glamorous public contact positions as Reservationist, Passenger or Ticket
Agent, Communicationist * * *. For full information phone _____, or
mail coupon to _____.

* * * * *

AIRLINES GIRLS HAVE
EXCITING FUTURES

START YOUR
AIRLINE
CAREER
THE WEAVER WAY

Jet-age expansion is creating many new positions with the airlines. Young women (and men, too.) are needed in reservations, communications ticketing and passenger service* * *.

* * *If you are a high school graduate, send coupon today to learn if you can qualify.

* * * * *

let your future soar!

GET INTO AN AIRLINE CAREER!

* * * * *

This coupon brings you free facts about Weaver Airline training. . . .

* * * * *

COMMERCIAL AIRLINES URGENTLY NEED YOUNG MEN AND
WOMEN BETWEEN THE AGES OF 17 AND 28.

* * * * *

PAR. 4. Through the use of the statements and representations set

forth above, and others similar thereto, but not specifically set out herein, and through other statements made orally and in writing by respondent Weaver, its employees, agents and representatives, respondent has represented, directly or by implication, to the purchasing public that:

1. Airlines hire almost all of respondent Weaver's students while they are attending residence training or upon completion of the course.
2. Airlines need substantial numbers of new men and women employees in 1970, 1971 and 1972.
3. Respondent Weaver is selective and limits the number of prospective purchasers it will enroll in its course(s) in airline training.
4. Most of respondent Weaver's students will be interviewed by various airlines during residence training.
5. Respondent Weaver operates an effective placement service which is successful in obtaining employment in the airline industry for most of the students who attend residence training or complete its airline training course(s).
6. Persons graduating from respondent Weaver's course(s) in airline training can usually obtain employment in the airline industry in the geographic area of their choice.

PAR. 5. In truth and in fact:

1. Most of the students who attended residence training, or completed respondent Weaver's course(s) in airline training in 1970, 1971 and 1972, were not employed by the airline industry.
2. During the calendar years of 1970, 1971 and 1972, the airline industry did not need substantial numbers of new men and women.
3. Respondent Weaver is not selective and does not limit the number of prospective purchasers that its salesmen can enroll in its course(s) of airline training.
4. Few, if any, of respondent Weaver's students are interviewed by an airline while attending residence training.
5. Respondent Weaver's placement service was unable to obtain employment in the airline industry for most of respondent Weaver's students in 1970, 1971 and 1972.
6. Most of respondent Weaver's graduates have been unable to obtain employment in the airline industry in the geographic area of their choice in 1970, 1971 and 1972.

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

PAR. 6. Respondent Weaver has offered for sale, course(s) of instruction intended to prepare graduates thereof for entry level

employment in the airline industry, without disclosing in advertising or through its sales representatives:

1. That most persons enrolling in respondent Weaver's course(s) of airline instruction do not complete such course(s) of instruction.

2. That most persons who do complete respondent Weaver's course(s) in airline training do not obtain employment in the airline industry.

3. The number of its graduates who were able to obtain the employment for which they were trained, in relation to the number of persons enrolled, and the number of persons graduated for such period(s) of time.

4. That most airlines train those persons whom they employ, and the training offered by respondent Weaver is not necessary to obtain entry level employment in the airline industry, or any other industry. Knowledge of such facts would indicate the possibility of securing future employment as a result of enrolling in respondent Weaver's course(s) of airline training. Thus, respondent Weaver has failed to disclose material facts, which, if known to certain consumers, would be likely to affect their consideration of whether or not to purchase such course(s) of instruction.

Therefore, The aforesaid acts and practices were and are false, misleading and deceptive or unfair acts and practices.

PAR. 7. Respondent Weaver has used the aforesaid false, misleading, deceptive or unfair acts and practices which, under all of the facts and circumstances, respondents should have known were false, misleading, deceptive and unfair, to induce persons to pay or to contract to pay substantial sums of money for respondent Weaver's course(s) of instruction which, in connection with said purchasers' future employment and careers, were, and are, without substantial value to many enrollees of said courses. Respondents have received the said sums and have failed to offer refunds, or refund such sums, to a substantial number of enrollees and participants in such courses who were unable to secure employment in the positions and fields for which they have been purportedly trained by respondents.

The use by respondent Weaver of the aforesaid acts and practices and respondents' continued retention of said sums of money, as aforesaid, were, are, unfair acts and practices.

PAR. 8. The use by respondents of false, misleading, deceptive and unfair statements, representations, acts and practices, and their failure to disclose material facts, as aforesaid, has had a capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were true and complete, and into the purchase of said respondents' course(s) in airline

training and related products and services, by reason of said erroneous and mistaken belief.

PAR. 9. The aforesaid acts and practices of respondents, as herein alleged, were all to the prejudice and injury of the public and constituted, and now constitute, unfair and deceptive acts and practices in commerce in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Consumer Protection 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 complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's rules; and

The Commission having considered the agreement and having accepted same, and the agreement containing consent order having thereupon been placed on the public record for a period of sixty (60) days, and having duly considered the comments filed thereafter pursuant to Section 2.34(b) of its rules, 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. Respondent Weaver Airline Personnel School, Inc. is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Missouri, with its principal office and place of business located at 3521 Broadway, Kansas City, Mo.

Respondent General Educational Services Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware with its principal office and place of business located at 1880 Century Park E., Los Angeles, Calif.

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 respondent Weaver Airline Personnel School, Inc., a corporation, and respondent General Educational Services Corporation, a corporation, their successors and assigns, and their officers, and respondents' agents, representatives, and employees, directly or through any corporation, subsidiary, division, or other device, in connection with advertising, offering for sale, sale or distribution of courses of study, training, or instruction in the field of airline training, do forthwith cease and desist from:

1. Representing, orally, in writing, or in any other manner, directly or by implication, that:

(a) The airline industry has employed or will employ enrollees or graduates of any such course(s), without furnishing the information specified in Paragraph 5(b)(3) of this order.

(b) The airline industry needs men and/or women, without furnishing the information specified in Paragraph 5(b)(3) of this order.

(c) Respondents are selective or limit the number of prospective purchasers whom they will enroll in any such course(s).

(d) Representatives of the airline industry come to respondents' place of business, or any other place, to hire graduates of any such course(s) of instruction, without furnishing the information specified in Paragraph 5(b)(3) of this order.

(e) Any placement service has or will assist enrollees or graduates of any such course(s) in any manner, without furnishing the information specified in Paragraph 5(b)(3) of this order.

(f) Persons who enroll in any such course(s) of instruction offered by respondents can obtain employment in or near any geographic location.

2. Failing to disclose, clearly and conspicuously, in advertisements for any such course(s) that inquirers will be visited by sales representatives, unless consent to such visits is first obtained by mail or telephone.

3. Using, orally, in writing, or in any other manner, at any time, statistical data or numerical estimates, derived from any source whatsoever, respecting present or future occupational demand or the growth of employment in the airline industry, without furnishing the information specified in Paragraph 5(b)(1), (2), (3) of this order.

4. Failing to keep adequate records which may be inspected by the Commission staff members upon reasonable notice:

(a) Which disclose the facts upon which any placement statistics or

claims or other representations of the type described in Paragraph 5(b)(1), (2), (3) of this order are based, and

(b) From which the validity of any placement statistics described in Paragraph 5(b)(3) of this order can be determined, for so long as such statistics, claims or other representations are disseminated, made or authorized by respondents, or are required to be disclosed hereunder and for a further period of three (3) years after respondents' termination of dissemination, use, authorization or disclosure of such statistics, claims or representations, (whichever period is the longer).

5. Failing to send by certified mail, return receipt requested, to each person that shall contract for the sale of any such course of instruction, a notice, in a form approved by the Commission which shall disclose the following information and none other:

(a) The title "IMPORTANT INFORMATION" printed in bold face type across the top of the form.

(b) A paragraph reciting the following affirmative disclosures:

(1) A statement disclosing the total number of students who have enrolled in each such course of instruction offered by respondents for each of the three preceding calendar years.

(2) A statement disclosing the total number of students who have graduated from each such course of instruction offered by respondents for each of the three preceding calendar years.

(3) A statement disclosing the total number of students who have obtained employment through respondents' placement service each year for the three preceding calendar years in the airline industry.

(4) A statement which shall read as follows:

Most airlines train those persons whom they employ and the training offered by proprietary vocational training schools, which are not affiliated with the airlines, is not necessary to obtain entry level employment with such airlines. Where other factors are equal, airlines may give preference in employment to persons having such training.

(5) An explanation of the cancellation procedure provided in this order, namely, that any contract or other agreement may be cancelled within three (3) days after receipt by the customer, via the U.S. mails, of this notice.

(6) Said notice shall contain a detachable form which the person may use as a notice of cancellation, which indicates the proper address for accomplishing any such cancellation.

(7) The said notice shall be sent by respondents no sooner than the next day after the person shall have executed a contract for the sale of any such course of instruction.

6. Contracting for any sale of any such course of instruction in the form of a sales contract or other agreement which shall become binding

prior to the end of the third day after the day of receipt by the customer of the form of notice provided in Paragraph 5 of this order.

7. *It is further ordered*, That respondents, in connection with the sale or offering for sale of any such course, training, or instruction:

(a) Inform orally all prospective purchasers to whom solicitations are made, and provide, in writing, in all applications and contracts, in at least ten-point bold type, that the application or contract may be cancelled for any reason by notification to respondents, in writing, within three (3) days from the date of receipt of the form of notice provided in Paragraph 5 of this order.

(b) Refund immediately all monies to all purchasers who have requested cancellation of the application or contract within three (3) days from the date of receipt of the form of notice provided in Paragraph 5 of this order.

8. *It is further ordered*, That:

(a) Respondents herein deliver a copy of the decision and order in this matter to each of their present and future employees, salesmen, agents, solicitors, independent contractors, or to any other person, who promotes, offers for sale, sells or distributes any course of instruction included in this order.

(b) Respondents herein provide each person so described in Paragraph 8(a) above with a form, returnable to the respondents, clearly stating his intention to be bound by and to conform his business practices to the requirements of this order; retain said statement during the period said person is so engaged; and make said statement available to the Commission's staff for inspection and copying purposes upon request.

(c) Respondents herein inform each person so described in Paragraph 8(a) above that the respondents will not use or engage or will terminate the use or engagement of any such party, unless such party agrees to and does file notice with the respondents that he will be bound by provisions contained in this order.

(d) If such party as described in Paragraph 8(a) above will not agree to so file the notice set forth in Paragraph 8(b) above with the respondents and be bound by the provisions of the order, the respondents will not use or engage or continue the use or engagement of such party to promote, offer for sale, sell or distribute any course of instruction included in this order.

(e) Respondents herein inform the persons described in Paragraph 8(a) above that the respondents are obligated by this order to discontinue dealing with, or to terminate the use or engagement of persons who continue on their own the deceptive acts or practices prohibited by this order.

(f) Respondents herein institute a program of continuing surveillance adequate to reveal whether the business practices of each said person described in Paragraph 8(a) above conform to the requirements of this order.

(g) Respondents herein discontinue dealing with or terminate the use or engagement of any person described in Paragraph 8(a) above, as revealed by the aforesaid program of surveillance, who continues on his own any act or practice prohibited by this order.

9. *It is further ordered*, That respondents shall forthwith distribute a copy of this order to each of their operating divisions or subsidiaries in the field of airline training or any other field.

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

11. *It is further ordered*, That respondent Weaver Airline Personnel School, Inc. shall notify in writing, at the last known address, within thirty (30) days after the date this order becomes final, all students who enrolled in any of the courses offered by respondent Weaver Airline Personnel School, Inc. on or after Jan. 1, 1972, and who paid in full for such course on or before the date this order becomes final, by certified mail, return receipt requested of their right to present claims for restitution according to the following terms and conditions:

Students shall be informed that in order to be entitled to restitution they must submit to respondent Weaver Airline Personnel School, Inc. a notarized affidavit containing details of the following affirmations:

(a) That the student enrolled in any course(s) of instruction offered by respondent Weaver Airline Personnel School, Inc. on or after Jan. 1, 1972.

(b) That the student paid the full amount required by respondents for tuition for any course(s) of instruction offered by respondent Weaver Airline Personnel School, Inc. on or after Jan. 1, 1972.

(c) That the student attempted to procure employment in the field for which he or she took training from respondent Weaver Airline Personnel School, Inc. and was unsuccessful in obtaining employment within six months after completion or termination by the student of his or her course(s).

(d) That the student agrees that in consideration of his receipt of a pro-rata share of cash restitution as provided for in this order such student releases respondents from any and all further claims such student might have, whether known or unknown, with respect to or

arising out of his or her agreement with or course of study at Weaver Airline Personnel School, Inc.

Failure to seek or obtain restitution pursuant to this order shall not preclude any student from pursuing any other remedy under law.

Provided, however, That no such notice need be sent to any such students with respect to whom respondent Weaver Airline Personnel School, Inc. certifies to the staff of the Commission that it placed in employment in the airline or travel-related field together with such details of such placements as the staff may reasonably require.

Respondent Weaver Airline Personnel School, Inc. shall make restitution to any student submitting a sworn affidavit complying with the provisions of Sections (a) through (d) of this paragraph, pursuant to the following procedure:

(1) Students seeking restitution must submit proper affidavits within seventeen (17) months after receiving proper notice as to their right to such restitution.

(2) Respondent Weaver Airline Personnel School, Inc. shall make pro-rata payments, in amounts to each student no greater than that student's total tuition payment, to each student seeking and qualifying for restitution under the terms of this order. *Provided, however,* That the total sum to be paid in restitution under Paragraph 11 of this order shall not be greater than two hundred and forty-nine thousand dollars (\$249,000). Said payments shall be made no later than thirty (30) days after the final date established for submission of student requests for restitution.

Provided further, That in the event the amount required to be paid in restitution to those students who enrolled on or after Jan. 1, 1972 is less than two hundred and forty-nine thousand dollars (\$249,000), respondent Weaver Airline Personnel School, Inc. shall notify all students who enrolled on or after Jan. 1, 1971, but not later than Dec. 31, 1971, and who paid in full, of their right to restitution, in the same manner as provided in this Paragraph for those students who enrolled on or after Jan. 1, 1972, except that such notice shall be sent within thirty (30) days after the final date upon which the initial restitution payments shall be due. Said students seeking restitution must then submit affidavits, as provided in Sections (a) through (d) of this paragraph (modified as to date of enrollment in subparagraph (a)) within ninety (90) days after receipt of said notice. Weaver Airline Personnel School, Inc. shall then make pro-rata refunds, in the same manner as provided in Section (2) of this paragraph. *Provided, however,* That the total sum to be paid under this paragraph shall not exceed two hundred and forty-nine thousand dollars (\$249,000) when combined with the total restitution paid to those students who enrolled on or after Jan. 1, 1972. In the

event the amount required to be paid still does not exceed two hundred forty-nine thousand dollars (\$249,000) then the same procedure set forth in this paragraph shall be followed with respect to all students who enrolled on or after Jan. 1, 1970 but not later than Dec. 31, 1970 and who paid in full.

12. *It is further ordered*, That all sums collected or received by Weaver Airline Personnel School, Inc. on or after May 20, 1974 on obligations of students shall be distributed as follows:

1. The first three hundred thousand dollars (\$300,000) so collected or received shall be the property of respondent Weaver Airline Personnel School, Inc.

2. All sums so collected in excess of three hundred thousand dollars (\$300,000) shall be kept in a special escrow account (said excess sums are hereinafter referred to as the "Escrow Funds"). Respondent Weaver Airline Personnel School, Inc. shall notify in writing, at the last known address, twelve (12) months after the date this order becomes final, all students who enrolled in any of the courses offered by respondent Weaver Airline Personnel School, Inc. and whose accounts receivable are outstanding, in whole or in part, as of the date this order becomes final, by ordinary mail, of their right to present claims for restitution according to the following terms and conditions:

(a) Respondent Weaver Airline Personnel School, Inc. shall make restitution to any student submitting a notarized affidavit containing details of the following affirmations:

(1) That the student enrolled in any course(s) of instruction offered by respondent Weaver Airline Personnel School, Inc.

(2) That the student paid the full amount required by respondents for tuition for any course(s) of instruction offered by respondent Weaver Airline Personnel School, Inc. on or after the date this order becomes final. (Respondents shall, in the notice to said students of their right to restitution, set forth the date this order becomes final.)

(3) That the student attempted to procure employment in the field for which he or she took training from respondent Weaver Airline Personnel School, Inc. and was unsuccessful in obtaining employment within six (6) months after completion or termination by the student of his or her course(s), or as of the date the student files his or her affidavit requesting restitution pursuant to this order, whichever date is earlier.

(4) That the student agrees that in consideration of his receipt of a pro-rata share of cash restitution as provided for in this order such student releases respondents from any and all further claims such student might have, whether known or unknown, with respect to or

arising out of his agreement with or course of study at Weaver Airline Personnel School, Inc.

(b) Students seeking restitution must submit proper affidavits within six (6) months after receiving proper notice as to their right to such restitution.

(c) Respondent Weaver Airline Personnel School, Inc. shall then make pro-rata payments, in amounts to each student no greater than that student's total tuition payment, to each student seeking and qualifying for restitution under the terms of this order. *Provided, however,* That the total sum to be paid in restitution under Paragraph 12 of this order shall not be greater than the principal amount of the escrow funds as of the final date by which such students are required to submit requests for restitution under this paragraph. Said payments shall be made no later than thirty (30) days after the final date established for submission of student requests for restitution under this Paragraph.

(d) Sums collected after the final date established for submission of student requests for restitution under this Paragraph, and any interest earned on the escrow funds, shall be the property of respondent Weaver Airline Personnel School, Inc.

Provided, however, That nothing in this order shall be deemed as abrogating any defense any student may have with respect to any claim by respondents for all or part of any unpaid tuition fees allegedly due or owing from any student enrolled in any course(s) of instruction offered by respondent Weaver Airline Personnel School, Inc.

Provided further, That in the event respondents negotiate or otherwise transfer to any third party, during the period ending with the last date by which students may seek restitution under this paragraph of this order, any of the accounts receivable representing tuition payments allegedly due and owing from enrollees in any course(s) of instruction offered by respondent Weaver Airline Personnel School, Inc., its successors or assigns, said transfer or negotiation shall be accompanied by an explicit written agreement that the transferee or purchaser of said account receivable shall be subject to the terms and conditions of Paragraph 12 of this order.

13. *It is further ordered,* That the obligation of respondent Weaver Airline Personnel School, Inc. to make restitution as set forth in this order shall be and hereby is guaranteed by respondent General Educational Services Corporation.

14. *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 the order.

Complaint

85 F.T.C.

IN THE MATTER OF

J. M. SANDERS T/A J. M. SANDERS JEWELRY
COMPANYORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF THE FEDERAL
TRADE COMMISSION AND TRUTH IN LENDING ACTS*Docket 8977. Complaint, July 1, 1974 - Decision, Feb. 18, 1975*

Consent order requiring a Chattanooga, Tenn., retailer of jewelry and small appliances, among other things to cease violating the Truth in Lending Act by failing to disclose to consumers, in connection with the extension of consumer credit, such information as required by Regulation Z of the said Act.

Appearances

For the Commission: *Edward J. Carnot, W. Roland Campbell, and Barbara S. Schanker.*

For the respondent: *Glen Copeland, Roberts, Weill, Ellis & Copeland, Chattanooga, Tenn.*

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 J. M. Sanders, an individual trading and doing business as J. M. Sanders Jewelry Company, hereinafter sometimes referred to as respondent, has violated the provisions of said Acts, and the implementing regulation promulgated under the Truth in Lending 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 J. M. Sanders is an individual trading and doing business as J. M. Sanders Jewelry Company, under and by virtue of the laws of the State of Tennessee, with his principal office and place of business located at 1431 Market St., in the city of Chattanooga, State of Tennessee.

PAR. 2. Respondent is now, and for some time last past has been, engaged in the advertising, offering for sale, sale and distribution of jewelry, small appliances, and other types of merchandise to the public.

PAR. 3. In the ordinary course and conduct of his business as aforesaid, respondent regularly extends consumer credit and arranges for the extension of consumer credit, as "consumer credit" and "arrange for the extension of credit" are defined in Regulation Z, the