

Complaint

mission a report in writing setting forth in detail the manner and form in which it has complied with Paragraphs I, III, IV and V of this Order to cease and desist.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, published May 6, 1955, as amended, the initial decision of the hearing examiner shall, on the 6th day of January 1962, become the decision of the Commission; and, accordingly:

It is therefore ordered, That respondents shall, within the times provided for in the order contained in the initial decision herein, file with the Commission reports, in writing, setting forth in detail the manner and form in which they have complied with the order to cease and desist.

IN THE MATTER OF

THE NATIONAL SCHOOL OF CONSTRUCTION, INC.,
ET AL.

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

Docket C-62. Complaint, Jan. 8, 1962—Decision, Jan. 8, 1962

Consent order requiring Milwaukee sellers of a correspondence course in the operation and maintenance of heavy construction equipment, to cease using false representations in advertising in newspapers and periodicals, leaflets, form letters, etc., to sell its courses, including false employment offers and opportunities, exaggerated earnings claims, GI and Justice Department approval, operation of several branches, etc., as in the order below indicated.

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 The National School of Construction, Inc., a corporation, and Raymond F. Watt and Richard Kolpin, individually and as officers of said corporation; and James Haig Advertising, a corporation, and James Haig, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be

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in the public interest, hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. Respondent The National School of Construction, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Wisconsin, with its office and principal place of business located at 10852 West Wisconsin Avenue, in the city of Milwaukee, State of Wisconsin.

Respondent Raymond F. Watt is an individual and President of corporate respondent The National School of Construction, Inc., and respondent Richard Kolpin is an individual and Vice President and Treasurer of said corporate respondent. They formulate, control and direct the policies and practices of said corporate respondent, and have the same address as that of the corporate respondent.

Respondent James Haig Advertising is a corporation organized, existing and doing business under and by virtue of the laws of the State of Wisconsin, with its office and principal place of business located at 3707 North 92nd Street, in the city of Milwaukee, State of Wisconsin.

Respondent James Haig is an individual and President of corporate respondent James Haig Advertising. He formulates, controls and directs the policies and practices of said corporate respondent, including those hereinafter referred to, and his address is the same as that of said corporate respondent. Corporate respondent James Haig Advertising is the advertising agent of corporate respondent The National School of Construction, Inc., and prepares and places for publication or broadcast advertising material, including but not limited to that hereinafter set forth, to promote the instruction courses sold by corporate respondent The National School of Construction, Inc.

PAR. 2. Respondent The National School of Construction, Inc., is now, and for some time last past has been, engaged in the business of conducting a correspondence school and in selling and distributing courses of instruction in the operation and maintenance of heavy construction equipment.

PAR. 3. Respondents have caused, and are now causing, said courses of instruction in said subjects, when sold, to be transported from their place of business in the State of Wisconsin to purchasers thereof at their respective locations in other States of the United States and in the District of Columbia. Said respondents have maintained, and now maintain, a course of trade in said courses of instruction in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business as aforesaid, and for the purpose of enrolling prospective students and thereby promoting the sale of their said courses of instruction in the operation and maintenance of heavy construction equipment, respondents, through advertisements inserted and published in newspapers and periodicals having general circulation throughout the United States, in pamphlets, letterheads, leaflets, circulars, form letters, cards, printed contracts and other media distributed through the United States mail, and by radio broadcasts across state lines, and through oral representations made by their salesmen, and by other means and media, have made, and are now making, numerous statements with respect to their said courses of instruction and the advantages and benefits which the purchasers thereof will receive. Among and typical of such statements, but not limited thereto, are the following:

Men Needed to operate all kinds of heavy equipment Tractors, Scrapers, Graders, Bulldozers, etc. State in letter if you are experienced operator or trainee. Also untrained men needed to learn heavy equipment operation.

You don't have to relocate to learn. Men are needed now everywhere.

(Under "Help Wanted" columns in newspapers)

Men Wanted to Move the Earth.

Trained men are needed now to operate construction equipment * * *.

900,000 men will be needed in the ever expanding heavy equipment operating field.

(Radio-Television Script)

Men are needed now in your hometown.

Get Ahead Fast with Top Pay.

Learn to operate Big Construction Equipment.

You can be one of America's high-pay operators of giant Earth Moving Equipment * * *.

A short knowledge course which you can complete in your own home plus actual field training will enable you to operate the largest dozers, graders and tournapulls.

If you qualify Heavy Equipment & Gas Turbine Training Division will even help you finance your training as you learn.

Today contractors throughout the country watching National graduates at work know that these men have learned their jobs well * * *.

The National School of Construction, first of the kind in the nation, has proved to the industry that it is needed . . . that it is turning out graduates who step into their jobs . . . "moving earth the very first day" . . . in an efficient manner.

Learn the SURE WAY by DOING!

Practical Resident courses of 220 to 440 hours give you the actual practice you need.

Did you know the men operating heavy equipment earn up to \$10,000? So can you.

Operators with time off for winter have been earning \$7,000-\$10,000! Advancement to foreman earns up to \$12,000 to \$15,000.

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I make myself up to \$225 per week or \$10,000 per year and work only 11 months, all because of one simple reason. I signed up with National Schools to take a short knowledge course and spent 3 weeks of intensive training at their resident training grounds.

National Schools are GI Approved.

Approved by Commission on Adult Education.

Approved by the Immigration and Naturalization Department of the Justice Department.

National Schools of Construction, Inc. Offices in Milwaukee, Wisconsin—Charlotte, North Carolina.

Students learn by Doing-Photos taken at our Training Grounds.

We will train you to become a heavy equipment operator or field mechanic. Our huge proving grounds are staffed with qualified instructors * * * Write now.

National School of Construction, Inc.
10852 Wisconsin Ave., Milwaukee, Wisconsin.

Printed seals used by respondents on their agreements, etc., contain the following wording:

Carolinas Branch
AGC
Associate Member
Licensed
By N.C.
State Dept.
Of Public
Instruction
American Road Builders Assn.
A
R B
A
1902

PAR. 5. Through the use of the aforesaid statements and representations, and others of similar import not specifically set forth herein, with respect to their courses of instruction in the operation and maintenance of heavy equipment, respondents represent, and have represented, directly or by implication, that:

1. Respondents offer employment in the operation of construction equipment, including tractors, scrapers, graders, bulldozers, and other earth moving equipment.

2. There is a shortage of heavy equipment operators and men are needed everywhere to operate construction equipment, and that purchasers of respondents' courses will secure employment as heavy machine operators.

3. Respondents' courses provide all the necessary instruction and experience to qualify persons who complete the courses for immediate employment as operators of heavy construction equipment.

4. Completion of respondents' courses will assure purchasers thereof of earnings of up to \$10,000 yearly, or \$7,000 to \$10,000 without working in the winter, or high pay as an operator of earth moving equipment.

5. Respondents will aid in financing the training of persons who purchase their courses.

6. Respondents' school is GI Approved, approved by the Commission on Adult Education and by the Bureau of Immigration and Naturalization of the Department of Justice.

7. Respondents' school is licensed by the North Carolina State Department of Public Instruction; is an associate member of the Associated General Contractors of America and of the American Road Builders Association.

8. Respondents operate more than one school, with branches in several locations.

9. Respondents own facilities for practical training and students will be trained at the school's proving grounds.

In soliciting the sale of said courses, respondents' salesmen repeat in substance the statements made in the foregoing advertisements and scripts, and in addition represent, directly or by implication, that:

1. Students will be placed in jobs or their names furnished to companies or others needing heavy equipment operators.

2. Persons who purchase and complete said courses will earn \$9,000 to \$15,000 yearly, a minimum of \$165.00 a week, or from \$7,000 to \$9,000 a year without working during the winter.

3. Purchasers of the courses will receive from 80 to 220 hours of practice on heavy equipment.

PAR. 6. The aforesaid statements and representations are grossly exaggerated, false, misleading and deceptive. In truth and in fact:

1. Respondents do not offer employment. Their sole purpose in advertising is to interest prospects in purchasing their said courses of instruction.

2. There is no shortage of heavy equipment operators in many areas of the United States, and purchasers of respondents' courses are not assured of securing employment as heavy equipment operators.

3. Respondents' courses do not provide all the necessary instruction and experience to qualify persons who complete the courses for immediate employment as operators of heavy construction equipment.

4. Completion of respondents' courses will not assure the purchasers thereof earning up to \$10,000 or high pay as an operator of heavy equipment, and in most instances will not assure any such employment.

5. Respondents do not aid in financing the training of persons who purchase their courses.

6. Respondents' school is not GI Approved, nor approved by the Commission of Adult Education or the Bureau of Immigration and Naturalization of the Department of Justice.

7. Respondents' school is not licensed by the North Carolina State Department of Public Instruction, is not an associate member of the Associated General Contractors of America nor of the American Road Builders Association.

8. Respondents operate only one school, the residence school in Milwaukee, and have no other branches.

9. Respondents do not own any facilities for practical training or training grounds. Purchasers of their courses are trained by other schools, under contract, which are not owned by or affiliated with respondents.

10. Respondents do not place students or purchasers of their courses in jobs, nor do they furnish such persons with the names of contractors or others who will employ them.

11. Persons who purchase and complete respondents' courses do not earn from \$9,000 to \$15,000 yearly, or a minimum of \$165.00 a week, nor do they earn from \$7,000 to \$9,000 a year without working during the winter.

12. Purchasers of respondents' courses do not receive from 80 to 220 hours of practice on heavy equipment.

PAR. 7. At all times mentioned herein respondents have been, and are, in substantial competition, in commerce, with corporations, firms and individuals also selling and distributing courses of instruction of the same general kind and nature as those sold by respondents.

PAR. 8. The use by respondents of the aforesaid false, misleading and deceptive statements and representations and the acts and practices engaged in by them, as aforesaid, have had, and now have, the tendency and capacity to mislead and deceive members of the purchasing public into the erroneous belief that said statements and representations were true and by reason of said erroneous and mistaken belief to induce the purchase of respondents' said courses of instruction.

PAR. 9. The aforesaid acts and practices of respondents, as herein alleged, were, and are, all to the prejudice and the 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(a)(1) of the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the complaint, 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 set forth in the complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent The National School of Construction, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Wisconsin, with its office and principal place of business located at 10852 West Wisconsin Avenue, in the city of Milwaukee, State of Wisconsin.

Respondents Raymond F. Watt and Richard Kolpin are officers of said corporation, and their address is the same as that of said corporation.

Respondent James Haig Advertising is a corporation organized, existing and doing business under and by virtue of the laws of the State of Wisconsin, with its office and principal place of business located at 3707 North 92nd Street, in the city of Milwaukee, State of Wisconsin.

Respondent James Haig is an officer of corporate respondent James Haig Advertising, and his address is the same as that of said corporation.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That The National School of Construction, Inc., a corporation, and its officers, and respondents Raymond F. Watt and

