

Decision

IN THE MATTER OF
ACCURATE QUILTING COMPANY, INC., ET AL.CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION AND THE WOOL PRODUCTS LABELING ACTS*Docket 7139. Complaint, May 7, 1958—Decision, Nov. 7, 1958*

Consent order requiring manufacturers in Hoboken, N.J., to cease violating the Wool Products Labeling Act by labeling interlining materials which contained substantially less reprocessed or reused wool than the percentage set out, as "70% Reprocessed Wool, 30% Man-made Fibers"; "80% Reused Wool, 20% Unknown Fibers"; "100% Reprocessed Wool," etc., and by failing to label other materials as required.

Thomas A. Ziebarth, Esq., for the Commission.

INITIAL DECISION BY JAMES A. PURCELL, HEARING EXAMINER

The complaint in this proceeding, issued May 7, 1958, charges the respondents above named with violation of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, and of the Rules and Regulations promulgated under authority of the said Wool Products Labeling Act, in connection with the introduction or manufacture for introduction into commerce, sale, offering for sale, transportation and distribution, and delivery for shipment in commerce of interlinings or other wool products in commerce, as "commerce" is defined in said Acts.

After the issuance of said complaint respondents, on August 25, 1958, entered into an agreement for a consent order with counsel supporting the complaint, disposing of all of the issues in this proceeding, which agreement was duly approved by the director and assistant director of the Bureau of Litigation of the Federal Trade Commission. It was expressly provided in said agreement that the signing thereof is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint.

By the terms of said agreement, respondents admitted all of the jurisdictional allegations of the complaint and agreed that the record herein may be taken as though the Commission had made findings of jurisdictional facts in accordance with such allegations. By said agreement the parties expressly waived a hearing before the hearing examiner or the Commission, the making of findings of fact or conclusions of law by the hearing

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examiner or the Commission, the filing of exceptions and oral argument before the Commission, and all further and other procedure before the hearing examiner and the Commission to which the respondents may otherwise be entitled under the Federal Trade Commission Act or the Rules of Practice of the Commission.

By said agreement, respondents further agreed that the order to cease and desist issued in accordance with said agreement shall have the same force and effect as though made after a full hearing, presentation of evidence and findings and conclusions thereon, and specifically waived any and all right, power or privilege to challenge or contest the validity of such order.

It was further provided that said agreement, together with the complaint, shall constitute the entire record herein; that the complaint herein may be used in construing the terms of the order issued pursuant to said agreement; and that the said order may be altered, modified or set aside in the manner provided for other orders of the Commission.

Said agreement recites that respondent Accurate Quilting Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York with its offices and principal place of business located at 225 Adams Street, Hoboken, N.J. Individual respondents Joseph Teitelbaum and S. J. Tuttle are president and secretary-treasurer, respectively, of said corporate respondent and have the same address as the corporate respondent.

The hearing examiner has considered such agreement and the order therein contained, and, it appearing that said agreement and order provides for an appropriate disposition of this proceeding, the same is hereby accepted and, without further notice to respondents is ordered filed upon becoming part of the Commission's decision in accordance with Sections 3.21 and 3.25 of the Rules of Practice, and in consonance with the terms of said agreement, the hearing examiner finds that the Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents named herein, and that this proceeding is in the interest of the public, wherefore he issues the following order:

ORDER

It is ordered, That respondents Accurate Quilting Company, Inc., a corporation, and its officers, and Joseph Teitelbaum and S. J. Tuttle, individually and as officers of said corporation, and

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respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction or manufacture for introduction into commerce, or the offering for sale, sale, transportation or distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, of woolen battings or other wool products as such products are defined in, and subject to, said Wool Products Labeling Act, do forthwith cease and desist from:

A. Misbranding such products by:

(1) Falsely or deceptively tagging, labeling or otherwise identifying such products as to the character or amount of the constituent fibers contained therein;

(2) Failing to securely affix to, or place on, each such product a stamp, tag or label or other means of identification showing in a clear and conspicuous manner:

(a) The percentage of the total fiber weight of such wool product exclusive of ornamentation not exceeding five percentum of said total fiber weight of (1) wool, (2) reprocessed wool, (3) reused wool, (4) each fiber other than wool where the percentage by weight of such fiber is five percentum or more, and (5) the aggregate of all other fibers.

(b) The maximum percentage of the total weight of such wool product of any nonfibrous loading, filling or adulterating matter, and;

(c) The name or the registered identification number of the manufacturer of such wool product or one or more persons engaged in introducing such wool product into commerce or in the offering for sale, sale, transportation, distribution or delivery for shipment thereof in commerce, as "commerce" is defined in the Wool Products Labeling Act of 1939.

It is further ordered, That Accurate Quilting Company, Inc., a corporation, and its officers, and Joseph Teitelbaum and S. J. Tuttle, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of woolen interlining materials or other products in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from misrepresenting the character or amount of the constituent fibers contained in such products on invoices or shipping memoranda applicable thereto or in any other manner.

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DECISION OF THE COMMISSION AND ORDER TO FILE
REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 7th day of November, 1958, become the decision of the Commission; and, accordingly:

It is 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 to cease and desist.

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IN THE MATTER OF
ALLEGHANY PHARMACAL CORP. ET AL.CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION ACT

Docket 7176. Complaint, June 27, 1958—Decision, Nov. 7, 1958

Consent order requiring distributors in New York City to cease representing falsely in newspaper advertisements and otherwise that their reducing drug preparation designated "Hungrex with P.P.A." was safe for use by all obese persons, and that such persons could expect to lose weight at the rate of five pounds a week.

Mr. Morton Nesmith and Mr. Berryman Davis for the Commission.

Mr. Milton A. Bass of Bass & Friend, of New York, N.Y., for respondents.

INITIAL DECISION BY EVERETT F. HAYCRAFT, HEARING EXAMINER

On June 27, 1958, the Federal Trade Commission issued its complaint against the above-named respondents charging them with the use of an unfair and deceptive act and practice in commerce in violation of the provisions of the Federal Trade Commission Act in the dissemination of false advertisements of a drug preparation designated "Hungrex with P.P.A." In lieu of submitting answer to said complaint, the respondents entered into an agreement for consent order with counsel supporting the complaint disposing of all the issues in this proceeding in accordance with Section 3.25 of the Rules of Practice and Procedure of the Commission, which agreement has been duly approved by the Bureau of Litigation. It was recommended in the agreement that the complaint be dismissed as to Harry Evans and Vincent J. Lynch as officers of Alleghany Pharmacal Corp., the respondent corporation, as they had resigned as such officers before the issuance of the complaint. In support of said recommendation, an affidavit by these individual respondents was attached to the agreement and by reference made a part thereof.

The reference to "respondents" herein is only to Alleghany Pharmacal Corp., a corporation, and Harry Evans and Vincent J. Lynch, individually.

By the terms of said agreement, the respondents admitted all the jurisdictional facts alleged in the complaint and agreed that

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the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations. Respondents in the agreement expressly waived any further procedural steps before the hearing examiner and the Commission; the making of findings of fact or conclusions of law; and all of the rights they may have to challenge or contest the validity of the order to cease and desist entered in accordance with this agreement.

It was further provided in said agreement that the record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and the said agreement. It was further agreed that the agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Commission, and that said agreement is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint. The agreement also provided that the order to cease and desist issued in accordance with said agreement shall have the same force and effect as if entered after a full hearing; that it may be altered, modified or set aside in the manner provided for other orders; and that the complaint may be used in construing the terms of the order.

This proceeding having now come on for final consideration by the hearing examiner on the complaint and the aforesaid agreement for consent order, and it appearing that said agreement provides for an appropriate disposition of this proceeding, the aforesaid agreement is hereby accepted and is ordered filed upon becoming part of the Commission's decision in accordance with Sections 3.21 and 3.25 of the Rules of Practice; and in consonance with the terms of said agreement, the hearing examiner makes the following jurisdictional findings and order:

1. Respondent Alleghany Pharmacal Corp. is a corporation 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 16 West 61st Street, New York, N.Y. The address of the individual respondents is the same as that of the corporate respondent.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents hereinabove named. The complaint states a cause of action against said respondents under the Federal Trade Commission Act and this proceeding is in the interest of the public.

ORDER

It is ordered, That respondents, Alleghany Pahrmacal Corp., a corporation, and its officers, and Harry Evans and Vincent J. Lynch, individually, and respondents' representatives, agents, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of the preparation "Hungrex with P.P.A.", or any other preparation of substantially similar composition or possessing substantially similar properties, whether sold under the same name or any other name, do forthwith cease and desist from, directly or indirectly:

1. Disseminating or causing to be disseminated any advertisement by means of the United States mails or by any means in commerce, as "commerce" is defined in the Federal Trade Commission Act, which advertisement represents, directly or indirectly:

(a) That said preparation is safe to use by all obese persons;

(b) That any predetermined weight reduction can be achieved by the taking or use of said preparation for a prescribed period of time.

2. Disseminating or causing the dissemination of any advertisement by any means for the purpose of inducing or which is likely to induce, directly or indirectly, the purchase in commerce, as "commerce" is defined in the Federal Trade Commission Act, of said preparation, which advertisement contains any of the representations prohibited in paragraph 1 hereof.

It is further ordered, That the complaint be, and the same hereby is, dismissed as to Harry Evans and Vincent J. Lynch as officers of Alleghany Pharmacal Corp., a corporation.

DECISION OF THE COMMISSION AND ORDER TO FILE
REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 7th day of November 1958, become the decision of the Commission; and, accordingly:

It is ordered, That respondents Alleghany Pharmacal Corp., a corporation, and Harry Evans and Vincent J. Lynch, individually, 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 to cease and desist.

Complaint

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IN THE MATTER OF
NEAPCO PRODUCTS, INC.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION
OF SEC. 2(a) OF THE CLAYTON ACT

Docket 6891. Complaint, Sept. 17, 1957—Decision, Nov. 8, 1958

Consent order requiring a manufacturer of automotive products and supplies in Pottstown, Pa., to cease charging small independent wholesalers higher prices than it charged their heavier-buying independent competitors by means of its 2 percent to 10 percent rebate schedule based on total purchases, and by granting to group wholesalers rebates equal to 15 percent of net prices on aggregate purchases of the group while holding the independents to the 2 percent to 10 percent schedule.

COMPLAINT

The Federal Trade Commission, having reason to believe that the party respondent named in the caption hereof and hereinafter more particularly designated and described, has violated and is now violating the provisions of Subsection (a), Section 2 of the Clayton Act, as amended by the Robinson-Patman Act, approved June 19, 1936 (U.S.C., Title 15, Sec. 13) hereby issues its complaint, stating its charges with respect thereto as follows:

PARAGRAPH 1. Respondent Neapco Products, Inc., is a corporation organized 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 Cross and South Streets, Pottstown, Pa.

PAR. 2. Respondent is now, and for several years has been, engaged in the business of the manufacture, sale and distribution of automotive products and supplies including universal joints and components, power takeoff universal joints and chassis parts. Respondent's total sales in 1956 exceeded \$2,200,000.00.

Said products and supplies are sold by the respondent for use, consumption or resale within the United States and the District of Columbia, and respondent causes said products and supplies to be shipped and transported from the State of location of its principal place of business to approximately 3000 purchasers thereof located in States other than the State wherein said shipment or transportation originated.

Respondent maintains, and at all times mentioned herein has maintained, a course of trade and commerce in said products

and supplies among and between the States of the United States and in the District of Columbia.

PAR. 3. Respondent, in the course and conduct of its business, has been and is now engaged in active and substantial competition with other sellers in manufacturing, selling, and distributing comparable automotive products and supplies in commerce. Many of the purchasers from the said sellers and many of the purchasers from the respondent are competitively engaged each with the other.

Among respondent's approximately 3000 customers are many who are members of organizations commonly known as buying groups and are sometimes known as group wholesalers. Other customers of respondent are known as independent wholesalers. Such group wholesalers and independent wholesalers are frequently located in the same trade area and compete each with the other in the resale of said automotive products and supplies.

PAR. 4. Respondent, in the course and conduct of its business, has been and is now discriminating in price between different purchasers of its automotive products and supplies of like grade and quality by selling to some independent wholesalers at higher and less favorable prices than it sells to other independent wholesalers, or to wholesaler-members of buying groups, some of which are competitively engaged with the others in the resale of said products.

Prior to January 1955, respondent granted to all wholesalers a rebate on total purchases, equal to from 2% to 10% of net purchase price, relating only to the volume of merchandise purchased. Thus, some independent wholesalers purchasing less volume were charged higher and less favorable net prices than other independent wholesalers purchasing in great volume. Further, wholesaler-members of groups were permitted to aggregate purchases of the total group membership to obtain a higher percentage of rebate than was allowed individual independent wholesalers purchasing similar volumes.

From about January 1955 and continuing to the present time, respondent granted to group wholesalers rebates equal to 15% of net prices on all purchases. At the same time, respondent maintained the schedule of rebates to independent wholesalers equal to from 2% to 10% of net purchase price according to the volume of merchandise purchased.

PAR. 5. The effect of respondent's aforesaid discriminations in price may be substantially to lessen, injure, destroy or prevent

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competition between and among respondent's independent wholesalers and between and among respondent's independent and group-member wholesalers, or with customers of either of them.

PAR. 6. The aforesaid acts and practices of respondent constitute violations of the provisions of subsection (a) of section 2 of the Clayton Act, (U.S.C., Title 15, Sec. 13), as amended by the Robinson-Patman Act, approved June 19, 1936.

Mr. Francis C. Mayer and *Mr. Franklin A. Snyder* for the Commission.

Halfpenny & Hahn, of Chicago, Ill., for respondent.

INITIAL DECISION BY FRANK HIER, HEARING EXAMINER

Pursuant to the provisions of subsection (a) of section 2 of the Clayton Act (U.S.C., Title 15, Sec. 13) as amended by the Robinson-Patman Act, the Federal Trade Commission on September 17, 1957, issued and subsequently served its complaint in this proceeding against respondent Neapco Products, Inc., a corporation existing and doing business under and by virtue of the laws of the State of Delaware.

On September 22, 1958, there was submitted to the undersigned hearing examiner an agreement between respondent and counsel supporting the complaint providing for the entry of a consent order. By the terms of said agreement, respondent admits all the jurisdictional facts alleged in the complaint and agrees that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations. By such agreement, respondent waives any further procedural steps before the hearing examiner and the Commission; waives the making of findings of fact and conclusions of law; and waives all of the rights it may have to challenge or contest the validity of the order to cease and desist entered in accordance with this agreement.

Such agreement further provides that it disposes of all of this proceeding as to all parties; that the record on which this initial decision and the decision of the Commission shall be based shall consist solely of the complaint and this agreement; that the latter shall not become a part of the official record unless and until it becomes a part of the decision of the Commission; that the agreement is for settlement purposes only and does not constitute an admission by respondent that it has violated the law as alleged in the complaint; and that the following order to cease and desist

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may be entered in this proceeding by the Commission without further notice to respondent, and, when so entered, it shall have the same force and effect as if entered after a full hearing, and may be altered, modified, or set aside in the manner provided for other orders; and that the complaint may be used in construing the terms of the order.

The hearing examiner having considered the agreement and proposed order, and being of the opinion that they provide an appropriate basis for settlement and disposition of this proceeding, the agreement is hereby accepted, the following jurisdictional findings made, and the following order issued.

Respondent Neapco Products, Inc. is a corporation organized 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 Cross and South Streets, Pottstown, Pa.

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

ORDER

It is ordered, That respondent Neapco Products, Inc., a corporation, and its officers, representatives, agents and employees, directly or through any corporate or other device, in or in connection with the sale, for replacement purposes, of automotive parts and supplies in commerce, as "commerce" is defined in the amended Clayton Act, do forthwith cease and desist from discriminating, directly or indirectly, in the price of such products and supplies of like grade and quality by selling to any one purchaser at net prices higher than the net prices charged to any other purchaser who, in fact, competes with the purchaser paying the higher price in the resale and distribution of respondent's products.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 8th day of November, 1958, become the decision of the Commission; and, accordingly:

It is ordered, That the respondent herein shall, within sixty (60) days after service upon it of this order, file with the Commission a report in writing setting forth in detail the manner and form in which it has complied with the order to cease and desist.

IN THE MATTER OF
NORTHWEST AIR COLLEGE, INC., ET AL.

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

Docket 7091. Complaint, Mar. 20, 1958—Decision, Nov. 11, 1958

Order requiring two associated corporate sellers in Spokane and Seattle, Wash., of correspondence and residence courses in "Specialized Airlines Training" purporting to prepare enrollees for employment in commercial airline positions, to cease using deceptive employment offers and other misrepresentations concerning their schools, opportunities for students, etc., in advertising in newspapers and periodicals and through commissioned sales agents who followed up leads to interested prospects.

A similar order was consented to by two individual respondents, officers of the schools, on Sept. 25, 1958, *supra*, p. 463.

Mr. Ames W. Williams and Mr. John J. McNally for the
Commission

No appearance for respondents.

INITIAL DECISION AS TO CORPORATE RESPONDENTS AND INDIVIDUAL
RESPONDENTS JAMES E. MURTHA AND EDWIN R. POSSENRIEDE
BY LOREN H. LAUGHLIN, HEARING EXAMINER

The Federal Trade Commission (sometimes also hereinafter referred to as the Commission) issued its complaint herein, charging the respondents named herein with having violated the provisions of the Federal Trade Commission Act in certain particulars.

Respondents, other than John W. McBride and Anna M. Searle as to whom other appropriate disposition of this case has heretofore been made, were each and all duly served with a copy of the complaint and all other jurisdictional and other processes of the Commission but have failed and neglected to answer the complaint. Upon due notice of the time and place of the initial hearing set for 10:00 a.m. (local time), on August 27, 1958, in Room 262, Federal Trade Commission Building, Sixth and Pennsylvania Avenue, NW., Washington, D.C., by order dated August 6, 1958, and served upon each of said respondents in accordance with the rules of the Commission, the said respondents and each of them also failed to appear at said hearing, and, upon motion of counsel supporting the complaint, the default of answer and of appearance of each was taken and entered of record herein, and

said respondents were and are in default in this proceeding under the Commission's Rules of Practice for Adjudicative Proceedings, particularly §3.7(b) thereof. The hearing examiner, therefore, without further notice to the respondents has found the facts to be as alleged in the complaint, and at said hearing was requested by counsel supporting the complaint to issue a form of order which is deemed to be appropriate, and this initial decision is, therefore, entered containing such findings and order.

The hearing examiner finds that the following facts as set forth in the complaint are true:

1. Respondents Northwest Air College, Inc., and American Air College and Training School, Inc., are Washington corporations with offices at 2225 Inland Empire Way, Spokane, and 3146 Eastlake Avenue, Seattle, Wash., respectively. Respondents James E. Murtha and Edwin R. Possenriede, alias E. R. Riede, are or were officers of the aforementioned corporations. The post office address of James E. Murtha is East 1002 Nora, Spokane, Wash., and of Edwin R. Possenriede, alias E. R. Riede, is 3146 Eastlake Avenue, Seattle, Wash.

In performing the acts and practices hereinafter charged, the said corporations, are, or were, under the management, control and direction of the above-named individual respondents.

2. The respondents, under the corporate names hereinabove mentioned, have engaged for sometime past in the sale and distribution of a course of study and instruction in so-called "Specialized Airlines Training" purporting to prepare enrollees for employment in commercial airline positions as stewards, station agents, hostesses, reservationists, ticket agents, telephone sales agents, teletype operators and ground radio officers which course of study and instruction is given and pursued through the medium of the United States mails in its entirety or in combination with a period of residence study in Spokane or Seattle, Wash.

Said respondent corporations, in the course and conduct of their business under the said corporate names and during the time aforesaid, have caused, and now cause, said course of study and instructions to be transported from their places of business in the State of Washington to purchasers thereof located in various other States and maintain and have maintained a course of trade in commerce, as "commerce" is defined in the Federal Trade Commission Act. Their volume of business in such commerce has been, and is, substantial.

3. In the course and conduct of their business as hereinbefore

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described, Northwest Air College, Inc., American Air College and Training School, Inc., and their officers, the individual respondents hereinbefore named and each of them, have made, published and caused to be published certain statements in various printed periodicals and newspapers of which the following is typical:

AIRLINES NEED
MEN AND WOMEN

We need Reservationists, Station Agents, Passenger Agents, Stewards, Radio Operators, Hostesses, Communicationists for public contact positions. If you are 18 or over, a High School Graduate or equivalent and have a good personality, U. S. Citizen, don't miss this opportunity, Good salaries, rapid promotions, free travel passes, security. Preliminary training need not interfere with present employment.

4. By means of the statements appearing in said advertisement, respondents represented, directly or by implication, that the advertisement was an offer of employment for the positions set out therein.

5. Said statement and representation is false, misleading and deceptive. In truth and in fact, said advertisement is not an offer of employment for any of the positions listed.

6. Respondents employ commission sales agents, who call upon prospects whose interest has been aroused by reason of the aforesaid advertisement, and others of the same import, and endeavor to sell respondents' course of study. Respondents furnish such salesmen with various kinds of printed material for exhibition to such prospective customers and also mail printed material to prospective customers located in various States.

7. The hearing examiner finds that respondents, by their said advertising as well as by oral statements made by their sales agents, have made numerous false, misleading, and deceptive statements and representations concerning their so-called "Specialized Airlines Training" in the numerous particulars alleged in the complaint as follows:

a. That there are positions presently open in all of the categories set out in paragraph 3 hereof and that such positions will be available to those who complete respondents' course of instruction;

b. That persons who complete their course of instruction thereby become qualified for employment by 17 major airlines;

c. That thousands of persons have been employed by commercial airlines by virtue of completing their course of instruction;

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- d. That respondents provide a lifetime placement service to all graduates;
- e. That commercial airlines employ men and women from age 17 to 39;
- f. That Northwest Air College and American College and Training School, Inc., are recognized and accredited by the State of Washington;
- g. That there is a great demand for graduates of the schools conducted by respondents;
- h. That respondents' schools use a system of rigid selectivity in selling their courses of instruction;
- i. That part time employment is obtained by respondents for students while attending their resident schools;
- j. That class room space is limited in their resident schools and prompt enrollment is necessary in order to attend;
- k. That scholarships are available for selected students;
- l. That respondents' schools are adequately equipped to teach the specified courses;
- m. That respondents' schools are connected with leading airlines;
- n. That the starting salaries for their graduates range between \$275 to \$300 a month;
- o. That their schools are centrally located and near supervised living facilities;
- p. That only two students are required to share a room in the living facilities;
- q. That a swimming pool is provided for the use of students;
- r. That fraternity and sorority houses are established at the schools.

8. The hearing examiner further finds that through the use of the word "college" in their corporate names, respondents Northwest Air College, Inc., and American Air College and Training School, Inc., have falsely and deceptively represented that their schools are institutions of higher learning, as the word "college" is usually understood in the educational field and by the general public.

9. The hearing examiner further finds that respondents employ sales agents which they designate as "registrars" to sell their course of instruction upon a commission basis, but that said salesmen are not registrars as that word is commonly accepted and understood, that is, professional persons who are affiliated or employed by educational institutions and who are

