

Complaint

IN THE MATTER OF

TRI-STATE DRIVER TRAINING, INC., ET AL.

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

Docket C-2839. Complaint, Sept. 20, 1976 — Decision, Sept. 20, 1976

Consent order requiring a Middletown, Ohio, truck driver training school, among other things to cease misrepresenting the role of salespersons, industry affiliations, job demand, earnings, placement services, and financing arrangements; failing to disclose, prior to sale, names of firms currently hiring graduates; the placement rate and salary range for graduates; failing to disclose purchaser's right to cancellation and refund within ten days; and failing to honor valid cancellations. Additionally, respondents are required to institute and enforce a monitoring program and maintain pertinent records.

Appearances

For the Commission: *William M. Rice.*

For the respondents: *Daft, Stettinius & Hollister, Cincinnati, Ohio.*

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 Tri-State Driver Training, Inc., a corporation, and Robert L. Wise and Robert J. Kuhn, individually and as officers 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 in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Tri-State Driver Training, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Ohio, with its principal office and place of business located at 1130 First Ave., Middletown, Ohio.

Respondent Robert L. Wise is an individual and an officer of respondent corporation. His business address is the same as that of said corporate respondent.

Respondent Robert J. Kuhn is an individual and an officer of respondent corporation. His business address is the same as that of said corporate respondent.

The said individual respondents together formulate, direct and control the acts and practices hereinafter set forth.

PAR. 2. Respondents are now, and have been for some time last past,

engaged in the advertising, offering for sale, sale or distribution of courses of study and instruction purporting to prepare graduates thereof for employment as truck drivers and related occupations. Said courses when pursued to completion consist of a series of lessons pursued by correspondence through the United States mail and by a period of in-residence training at a place designated by respondents.

PAR. 3. In the course and conduct of their business, respondents now cause, and for some time last past have caused, the publication of advertisements concerning the said courses in newspapers of general circulation and have caused the correspondence portion of said courses, when sold, to be sent from respondents' place of business in the State of Ohio to purchasers thereof located in various other States of the United States. Respondents utilize the services of salesmen who induce prospective purchasers of said courses located in states other than the State of Ohio to contact said salesmen at respondents' offices. Said salesmen transmit to and receive from respondents contracts, checks and other instruments of a commercial nature relating to the sale of said courses to said purchasers. Respondents also utilize the services of brokers and other solicitors, who pay respondents a fee for providing the resident training portion of courses to persons recruited by said brokers and solicitors. Respondents maintain, and at all times mentioned herein have maintained, a substantial course of trade in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business as aforesaid, respondents have published or caused to be published in the "Help-Wanted" and other columns of newspapers advertisements containing statements regarding job opportunities, training and wages for persons interested in becoming truck drivers. Typical and illustrative, but not all inclusive, of such advertisements is the following:

"SEMI-DRIVERS NEEDED

On the job type training with our truck hauling steel throughout the Mid-West. Free placement. For an application and interview, call: 813/621-1244 or write Tri-State Driver Training, Inc., 1367 78th St., South, Tampa, Florida 33619."

"CONSTRUCTION WORKERS

and men on other seasonal jobs, we can train you to fill immediate openings as tractor-trailer drivers. No experience necessary! For an application and interview call: 513/424-0031,

or write: Tri-State Driver Training, Inc., 2507 N. Verity Pkwy., Middletown, Ohio 45042."

PAR. 5. By and through the use of the statements contained in the advertisements set forth in Paragraph Four and others of similar import and meaning but not expressly set out herein, respondents represent directly or by implication that:

1. Respondents are offering employment to qualified applicants who will be trained as truck drivers.

2. There is a reasonable basis from which to conclude that there is now or will be a need or demand for truck drivers which respondents' training is designed to meet.

PAR. 6. In truth and in fact:

1. Respondents do not offer employment to persons who have been trained as truck drivers, but attempt to and do sell courses of instruction to said purchasers.

2. Respondents had no reasonable basis from which to conclude that there is now or will be a need or demand for truck drivers which respondents' training is designed to meet.

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

PAR. 7. In the further course and conduct of their business as aforesaid, respondents cause persons who respond to the aforesaid or similar advertisements to visit respondents' salesmen at respondents' offices. For the purpose of inducing the sale of said courses, said salesmen make to prospective purchasers many statements and representations, directly or by implication, regarding opportunities for employment as truck drivers available to purchasers of said courses, the assistance furnished to graduates of said courses in obtaining employment and other matters. Some of the aforesaid statements and representations appear in brochures, pamphlets and other printed material furnished to said salesmen by respondents and other statements and representations made orally by said salesmen. Among and typical, but not all inclusive of such statements and representations are the following:

1. Respondents have been requested by trucking companies to train operators and drivers for specific jobs as truck drivers with their companies upon completion of said training.

2. Graduates of said courses will be qualified thereby for employment as truck drivers without further training or experience.

3. The nature of an initial payment by prospective enrollees of said

courses prior to the undertaking of a formal obligation to respondents is not that of a non-refundable tuition fee.

4. Respondents will permit enrollees of said courses to defer payment of the balance of the cost of said courses remaining after the initial or registration fee has been paid until after the graduate of said courses has obtained employment as a truck driver.

5. Respondents provide a placement service which will assure jobs as truck drivers for graduates of said courses who want to work in such capacity.

6. Graduates of said courses who want to work are assured jobs as truck drivers as a consequence of graduating from said courses.

PAR. 8. In truth and in fact:

1. Respondents have not received sufficient requests from trucking companies to train people for specific jobs as truck drivers, to offer such specific jobs to all graduates of said training.

2. Graduates of said courses are not thereby qualified for all types of employment as truck drivers without further training or experience.

3. The sum of money which enrollees in said courses are required to pay prior to the undertaking of a formal obligation with respondents is a non-refundable fee.

4. Respondents generally do not permit enrollees to defer payment of the balance of the cost of said courses remaining after the initial or registration fee has been paid until after employment as a truck driver has been obtained.

5. The placement service provided by respondent will not assure jobs for graduates of said courses.

6. Graduates of said courses who want to work are not assured jobs as truck drivers as a consequence of graduating from said courses.

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

PAR. 9. In the course and conduct of their business as aforesaid, respondents have utilized the services of brokers and other solicitors to provide students for the resident training portion of the courses offered by respondents. These brokers and other solicitors are under an obligation to pay a fee to respondents for providing to respondents enrollees of said resident training courses. Said brokers and other solicitors have published, or caused to be published, advertisements containing statements and representations similar to those described in Paragraphs Four and Five above. As a consequence of said advertisements or other inducements, prospective enrollees met with salesmen of such brokers and solicitors to discuss said courses. In their attempts to induce prospective enrollees to enroll in said courses, said salesmen made various statements and representations regarding the tuition-

financing arrangements, the training program provided by respondents, the assistance furnished to graduates in obtaining employment and the availability of employment opportunities, and other matters. Respondents have been aware of said statements and representations made by or in behalf of said brokers and other solicitors for the purpose of inducing prospective purchasers to enroll in courses offered by respondents. Said statements and representations are often false, misleading or deceptive.

PAR. 10. Respondents offered for sale courses of instruction to prepare graduates thereof for jobs as truck drivers without disclosing in advertising or through their sales representatives: (1) the recent percentage of graduates of each school who were able to obtain the employment for which they were trained; (2) the employers that hired any such graduates; (3) the initial salary any such graduates received; and (4) the percentage of recent enrollees of each school for each course offered that have failed to complete their course of instruction. Knowledge of such facts would indicate the possibility of securing future employment upon graduation and the nature of such employment. Thus, respondents have failed to disclose a material fact, which, if known to certain prospective enrollees, would be likely to affect their consideration of whether or not to purchase such course of instruction. Therefore, the aforesaid acts and practices were, and are, false, misleading, deceptive, or unfair.

PAR. 11. In the further course and conduct of their business, and in furtherance of their purpose of inducing the purchase of their courses by the general public, respondents acting directly through their company-owned training facilities and furnishing the means and instrumentalities to their salesmen, directly or indirectly, have engaged in the following additional acts or practices:

Respondents have induced members of the general public to sign certain contracts entitled "Application." Respondents thereby have deceptively and misleadingly created the impression that said documents are not legally binding contractual agreements, when in fact said documents are legally binding contractual agreements.

Therefore, respondents' statements, representations, acts or practices as set forth herein were, and are, false, misleading, unfair or deceptive acts or practices.

PAR. 12. Respondents have entered into contracts with purchasers of said courses of instruction which contracts contain provisions for the cancellation of said contracts and the refund of tuition monies paid by said purchasers. In many instances, respondents have failed to offer to refund and refused to refund to purchasers who have cancelled their

contracts such monies as may be due and owing according to the terms of said contracts.

The use by respondents of the aforesaid practice and their continued retention of said sums, as aforesaid, is an unfair act or practice and an act of unfair competition within the intent and meaning of Section 5 of the Federal Trade Commission Act.

PAR. 13. (a) Respondents have been and are now using the aforesaid unfair, false, misleading or deceptive acts and practices, which a reasonably prudent person should have known, under all of the facts and circumstances, were unfair, false, misleading or deceptive, to induce persons to pay or to contract to pay over to them substantial sums of money to purchase or pay for courses of instruction which, to such purchasers in connection with their future employment and careers was, and is, virtually worthless. Respondents have received the said sums and have failed to offer refunds and have failed to refund such sums to or to rescind such contractual obligations of substantial numbers 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 respondents of the aforesaid acts and practices, their continued retention of said sums and their continued failure to rescind such contractual obligations of their customers, as aforesaid, are unfair acts or practices.

(b) In the alternative and separate from Paragraph Thirteen (a) herein, respondents, who are in substantial competition, in commerce, with corporations, firms and individuals engaged in the sale of courses of vocational instruction, have been and are now using, as aforesaid, false, misleading, deceptive or unfair acts or practices, to induce persons to pay over to respondents substantial sums of money to purchase courses of instruction.

The effect of using the aforesaid acts and practices to secure substantial sums of money is or may be to substantially hinder, lessen, restrain, or prevent competition between respondents and the aforesaid competitors.

Therefore, the said acts and practices constitute an unfair method of competition in violation of Section 5 of the Federal Trade Commission Act.

PAR. 14. By and through the use of the aforesaid acts, practices, statements and representations, respondents place in the hands of others the means and instrumentalities by and through which they mislead and deceive the public in the manner and as to the things hereinbefore alleged.

PAR. 15. In the course and conduct of their aforesaid 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 distribution of similar courses of study and instruction.

PAR. 16. The use by respondents of the false, misleading and deceptive statements, representations, acts and practices and their failure to disclose material facts as aforesaid, has had, and now has the tendency and capacity to mislead and deceive a substantial portion of the purchasing public into the erroneous and mistaken belief that said statements and representations were and are true and complete, and to induce a substantial number thereof to purchase said courses of study and instruction offered by respondents by reason of said erroneous and mistaken belief.

PAR. 17. 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 and deceptive acts and practices in or affecting commerce, in violation of Section 5 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 hereto 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 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 provisionally accepted same, and the agreement containing consent order having thereupon been placed on the public record for a period of sixty (60) days, now in further conformity with the procedure prescribed in Section 2.34 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 Tri-State Driver Training, Inc. is a corporation organized, existing and doing business under and by virtue of the laws

of the State of Ohio, with its office and principal place of business located at 1130 First Ave., in the city of Middletown, State of Ohio.

Respondents Robert L. Wise and Robert J. Kuhn are officers of said corporation. They formulate, direct and control the policies, acts and practices of said corporation, and their 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 respondents Tri-State Driver Training, Inc., a corporation, its successors and assigns, and officers, and Robert L. Wise and Robert J. Kuhn, individually and as officers of said corporation, and respondents' officers, agents, representatives, and employees, directly or through any corporation, subsidiary, division or other device, in connection with the advertising, offering for sale, sale or distribution of courses of study and instruction in truck driving or any other subject, trade or vocation, or in connection with any other product or service in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

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

(a) Employment is being offered when the real purpose of such offer is to obtain leads to prospective purchasers of such training courses.

(b) There is a need or demand of any size, proportion or magnitude for persons completing any of the courses offered by the respondents in the field of truck driving or any other field, or otherwise representing that opportunities for employment, or opportunities of any size, figure or number are available to such persons or that persons completing said courses will or may earn any specific amount of money, or otherwise representing by any means the prospective earnings of such persons except as hereafter provided in Paragraph 9 of the order.

(c) Respondents have been requested by trucking companies or any other business or organization to train persons for specific jobs; or misrepresenting, in any manner, respondents' connection or affiliation with any industry or any member thereof.

(d) Graduates of respondents' courses will be qualified thereby for employment as truck drivers without further training or experience.

(e) Any payments made by prospective enrollees prior to the

undertaking of a formal obligation to respondents may be refunded to such enrollees upon request; or misrepresenting in any manner the nature of any payments made by such enrollees.

(f) After payment of the initial or registration fee, enrollees will be permitted to defer the payment of any balance remaining for tuition until after they have graduated and commenced employment as truck drivers; or misrepresenting in any manner the terms and conditions under which tuition payments are to be made.

(g) Respondents will finance the balance of tuition remaining after the payment of the initial or registration fee or will arrange for such financing by others, unless such financing is in fact provided by respondents or by others that are specifically named to enrollees.

(h) Respondents or others provide a placement service which will assure jobs for graduates of their courses.

(i) Graduates of said courses are assured of placement in the positions for which they have been trained; or representing that graduates of said courses will easily attain employment.

(j) Respondents' courses provide any stated minimum number of hours of road-driving instruction, when such representations do not accurately disclose the actual number of hours of behind-the-wheel road-driving instruction furnished to enrollees; or misrepresenting, in any manner, the number of actual hours of behind-the-wheel road-driving instruction furnished to enrollees.

(k) Any person engaged in the promotion, offering for sale, sale, distribution or other use of respondents' courses is a trained admissions counselor or vocational counselor; or misrepresenting the training, experience, title, qualifications or status of such person or the import or meaning of any advice given by or any other statement made by any such person.

(l) Respondents accept only qualified candidates for enrollment in their courses.

2. Placing advertisements in "Help Wanted" columns, or failing to specify, clearly and conspicuously, as a condition to the publication of classified advertisements seeking leads to prospective purchasers, that such advertisements be published only in the education, instruction or similar columns of classified advertising.

3. Failing to disclose, in writing, clearly and conspicuously, prior to the signing of any contract, to any prospective enrollee of any truck driver training course offered by respondents, the following information:

(a) The title "IMPORTANT INFORMATION" printed in ten (10) point boldface type across the top of the form.

(b) Paragraphs providing the following information:

(1) Many employers of truck drivers prescribe a minimum age of twenty-one (21) years of age for drivers.

(2) Many employers of truck drivers give preferential consideration in hiring to driver-applicants who are twenty-five (25) years of age.

(3) Many employers of truck drivers give preferential consideration in hiring to driver applicants with actual truck-driving experience.

4. Failing to disclose, clearly and conspicuously, in advertisements, in catalogs, brochures and on letterheads that respondents' business is a private school.

5. Utilizing the services of, brokers, or solicitors who engage in any of the acts or practices prohibited by this order, or who otherwise misrepresent in any way the training program offered by respondents, the type of training equipment utilized by respondents, the tuition-financing arrangements, the assistance furnished to graduates in obtaining employment and the availability of employment opportunities, and other matters.

6. Failing to place the title "CONTRACT" or "AGREEMENT" in boldface type, on any document which evidences an agreement between an enrollee and respondents for the purchase of any of the courses offered by respondents.

7. Failing to disclose, in writing, clearly and conspicuously, prior to the signing of any contract, to any prospective enrollee of any course offered by respondents, the full cost of such course including the fee for any residential training.

8. Failing to keep adequate records which may be inspected by Commission staff members upon reasonable notice which substantiate the data and information required to be disclosed by Paragraph 9 of this order and prescribed in Appendix A.

9. Failing to disclose, in writing, clearly and conspicuously, prior to the signing of any contract, to any prospective enrollee of any course of instruction offered by respondents, the following information in the format prescribed in Appendix A and for a base period designated as described in Appendix B.

(a) The number and percentage of enrollees who have failed to complete their course of instruction, such percentage to be computed separately for each course of instruction offered by respondents at each school, location or facility;

(b) The placement rate, ratio or percentage for enrollees and graduates, and also the numbers upon which such rates, ratios or percentage to be computed separately for each course of instruction offered by respondents at each school, location or facility;

(c) The salary range of respondents' graduates as to the same graduates used to compute the placement percentage in (b) above;

(d) A list of firms or employers which are currently hiring graduates of said courses in substantial numbers and in the positions for which such graduates have been trained, and the number of such graduates hired, as to the same graduates used to compute the placement percentage in (b) above.

Provided, however, this paragraph shall be inapplicable to any school newly established by respondents in a metropolitan area or county, whichever is larger, where they previously did not operate a school, or to any course newly introduced by respondents, until such time as the new school or course has been in operation for the base period established pursuant to Appendix B as prescribed in this paragraph. However, during such period, the following statement, and no other, shall be made in lieu of the Appendix A Disclosure Form required by this paragraph:

DISCLOSURE NOTICE

This school [or course, as the case may be] has not been in operation long enough to indicate what, if any, actual employment or salary may result upon graduation from this school [course].

10. (a) Contracting for the sale of any course of instruction in the form of a sales contract or any other agreement which does not contain in immediate proximity to the space reserved in the contract for the signature of the prospective enrollee in boldface type of a minimum size of ten (10) points, a statement in the following form:

“You, the prospective enrollee, may cancel this transaction at any time prior to midnight of the tenth business day after the date of this transaction. See attached notice of cancellation form for an explanation of this right.”

(b) Failing to furnish each prospective enrollee, at the time he signs the sales contract or otherwise agrees to enroll in a course of instruction offered by respondents, a complete form in duplicate, which shall be attached to the contract or agreement, and easily detachable, and which shall contain in ten (10) point boldface type the following information and statements:

NOTICE OF CANCELLATION

(enter date of transaction)
(Date)

YOU MAY CANCEL THIS TRANSACTION, WITHOUT ANY PENALTY OR

OBLIGATION, WITHIN TEN (10) BUSINESS DAYS FROM THE ABOVE DATE.

IF YOU CANCEL, ANY PAYMENTS MADE BY YOU UNDER THE CONTRACT OR SALE, AND ANY NEGOTIABLE INSTRUMENT EXECUTED BY YOU WILL BE RETURNED WITHIN TEN (10) BUSINESS DAYS FOLLOWING RECEIPT BY THE SELLER OF YOUR CANCELLATION NOTICE, AND

ANY SECURITY INTEREST ARISING OUT OF THE TRANSACTION WILL BE CANCELLED.

IF YOU CANCEL, YOU MUST MAKE AVAILABLE TO THE SELLER AT YOUR RESIDENCE, IN SUBSTANTIALLY AS GOOD CONDITION AS WHEN RECEIVED, ANY GOODS DELIVERED TO YOU UNDER THIS CONTRACT OR SALE: OR YOU MAY, IF YOU WISH, COMPLY WITH THE INSTRUCTIONS OF THE SELLER REGARDING THE RETURN SHIPMENT OF THE GOODS AT THE SELLERS' EXPENSE AND RISK.

IF YOU DO MAKE THE GOODS AVAILABLE TO THE SELLER AND THE SELLER DOES NOT PICK THEM UP WITHIN TWENTY (20) DAYS OF THE DATE OF YOUR NOTICE OF CANCELLATION, YOU MAY RETAIN OR DISPOSE OF THE GOODS WITHOUT ANY FURTHER OBLIGATION. IF YOU FAIL TO MAKE THE GOODS AVAILABLE TO THE SELLER, OR IF YOU AGREE TO RETURN THE GOODS TO THE SELLER AND FAIL TO DO SO, THEN YOU REMAIN LIABLE FOR PAYMENT FOR SAID GOODS.

TO CANCEL THIS TRANSACTION, MAIL OR DELIVER A SIGNED AND DATED COPY OF THIS CANCELLATION NOTICE OR ANY OTHER WRITTEN NOTICE, OR SEND A TELEGRAM, TO (Name of seller), AT (Address of seller's place of business) NOT LATER THAN MIDNIGHT OF (date).

I HEREBY CANCEL THIS TRANSACTION.

(Date)

(Buyer's signature)

(c) Failing to orally inform each prospective enrollee of his right to cancel at the time he signs a contract or agreement for the sale of any course of instruction.

(d) Misrepresenting in any manner the prospective enrollee's right to cancel.

(e) Failing or refusing to honor any valid notice of cancellation by a prospective enrollee and within ten (10) business days after the receipt of such notice, to: (i) refund all payments made under the contract or sale; (ii) return any goods or property traded in, in substantially as good condition as when received by respondent; (iii) cancel and return any negotiable instrument executed by the prospective enrollee in connection with the contract or sale.

(f) During the cancellation period described herein, respondents shall

not initiate contacts with such contracting persons other than contacts permitted by this paragraph.

11. Making any representations of any kind whatsoever, which are not already proscribed by other provisions of this order, in connection with the advertising, promoting, offering for sale, sale or distribution of courses of study, training or instruction in the field of truck driver training or any other course offered to the public in any field in commerce, for which respondents have no reasonable basis prior to the making or dissemination thereof.

12. Furnishing or otherwise placing in the hands of others the means and instrumentalities by and through which the public may be misled or deceived in the manner, or by the acts and practices prohibited by the order.

II

1. *It is further ordered, That:*

(a) Respondents herein deliver, by registered mail, a copy of this decision and order to each of their present and future franchisees, licensees, employees, sales representatives, agents, solicitors, brokers, independent contractors or to any other person who promotes, offers for sale, sells or distributes any course of instruction included within the scope of this order;

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

(c) Respondents herein inform each person or entity described in subparagraph (a) of this paragraph 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 or she will be bound by the provisions contained in this order;

(d) If such party as described in subparagraph (a) of this paragraph will not agree to file the notice set forth in subparagraph (b) above with the respondents and be bound by the provisions of this order, the respondents shall 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 within the scope of this order;

(e) Respondents herein inform the persons or entities described in subparagraph (a) above that the respondents are obligated by this order to discontinue dealing with or to terminate the use or engagement of

persons or entities 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 or entity described in subparagraph (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 subparagraph (a) above, who continues on his or her own any act or practice prohibited by this order as revealed by the aforesaid program of surveillance.

(h) Respondents herein maintain files containing all inquiries or complaints from any source relating to acts or practices prohibited by this order, for a period of two years after their receipt, and that such files be made available for examination by a duly authorized agent of the Federal Trade Commission during the regular hours of the respondents' business for inspection and copying.

2. *It is further ordered*, That respondents herein present to each interested applicant or prospective student immediately prior to the commencement of any interview or sales presentation conducted at any location other than respondents' offices during which the purchase of or enrollment in any course of instruction offered by respondents herein is discussed or solicited, a 5" x 7" card containing only the following language:

"YOU WILL BE TALKING TO A SALESPERSON"

3. *It is further ordered*, That respondent corporation shall forthwith distribute a copy of this order to each of its operating divisions.

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

5. *It is further ordered*, That the individual respondents named herein promptly notify the Commission of the discontinuance of their present business or employment and of their affiliation with a new business or employment. Such notice shall include respondents' current business or employment in which they are engaged as well as a description of their duties and responsibilities.

6. *It is further ordered*, That the respondents herein shall within sixty (60) days after service upon them of this order, file with the

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Decision and Order

Commission a report, in writing, setting forth in detail the manner and form in which they have complied with this order.

Commissioner Dole did not participate by reason of absence.

APPENDIX A

DISCLOSURE FORM

(NAME OF SCHOOL)

DROP OUT AND PLACEMENT RECORD FOR

(NAME OF COURSE) FOR THE PERIOD OF (DATE) TO (DATE)

1. TOTAL ENROLLEES [Number]
2. TOTAL WHO FAILED TO COMPLETE THE COURSE [Number]
3. PERCENTAGE WHO FAILED TO COMPLETE THE COURSE [%]
4. TOTAL NUMBER OF STUDENTS WHO OBTAINED EMPLOYMENT IN THE POSITION FOR WHICH THIS COURSE OF STUDY PREPARED THEM [Number]
5. PERCENTAGE OF STUDENTS WHO OBTAINED EMPLOYMENT IN THE POSITION FOR WHICH THIS COURSE OF STUDY PREPARED THEM [% of Enrollees]
6. PERCENTAGE OF GRADUATES WHO OBTAINED EMPLOYMENT IN THE POSITION FOR WHICH THIS COURSE OF STUDY TRAINED THEM [% of Graduates]
7. NUMBER AND PERCENTAGE OF TOTAL ENROLLEES AND GRADUATES WHO OBTAINED EMPLOYMENT IN THE FOLLOWING SALARY RANGES:

Less Than \$2.50 Per Hour	[Number]	STUDENTS WHICH IS [%] OF TOTAL GRADUATES
\$2.50 - \$3.99 Per Hour		”
\$4.00 - \$5.50 Per Hour		”
\$5.51 - \$7.00 Per Hour		”
More Than \$7.00 Per Hour		”
8. EMPLOYERS HIRING PERSONS WHO GRADUATE FROM [NAME OF COURSE] FROM (DATE) TO (DATE) AS TRACTOR TRAILER DRIVERS:

<i>NAMES OF EMPLOYERS</i>	<i>TOTAL NUMBER OF GRADUATES HIRED</i>
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APPENDIX B

“Base period” shall mean that period of time that begins with the entrance and ends with the graduation of respondents’ most recent graduating class, provided that the class graduated at least three (3) months prior to the date on which respondents must begin to disseminate the necessary statistics with respect to the base period.

The three (3) month period immediately following the close of the base period shall be used by respondents to monitor and record the employment success of all enrollees whose enrollment terminated during the base period. Respondents may not include in the computation of statistics for the base period persons whose enrollment terminated during the three (3) month recordation period. Such persons will be included in the statistics for the base period that covers their graduating class.

