

Complaint

96 F.T.C.

IN THE MATTER OF
MACMILLAN, INC., ET AL.

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

Docket 9110. Complaint May 23, 1978—Decision, Sept. 4, 1980

This order requires a New York City publishing firm and its Chicago, Ill. subsidiary, LaSalle Extension University, among other things, to cease, in connection with the advertising and sale of correspondence courses, misrepresenting the school's admission policy; the need or demand for graduates of their courses; the employment prospects and potential earnings available to them; and the requirements or qualifications necessary to obtain employment in their chosen fields. Advertisements containing any job or earnings claim must include a disclaimer stating that "Graduation from this course does not guarantee you will get a job;" and testimonials which do not reflect the typical student experience must advise that the described experience is atypical. Further, if respondents represent to any prospective student that there is an employment demand for graduates of a relevant course, they must clearly and conspicuously disclose specified information regarding the vocation success rate of previous students. Additionally, respondents are prohibited from misrepresenting or failing to disclose material facts concerning a student's financial obligations upon enrollment, and right to cancellation and refund.

Appearances

For the Commission: *Alice S. Perlin.*

For the respondent: *Bella Linden and Frederick F. Greenman, Linden & Deutsch, New York City and Abe Fortas, Fortas & Koven, Washington, D.C.*

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 Macmillan, Inc., a corporation, and LaSalle Extension University, a corporation, hereinafter sometimes 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 Macmillan, Inc. (hereinafter sometimes referred to as Macmillan) is a corporation, organized, existing, and doing business under and by virtue of the laws of the State of

Delaware, with its principal place of business located at 866 Third Ave., New York, New York.

Respondent LaSalle Extension University (hereinafter sometimes referred to as LEU) is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Illinois, with its principal office and place of business located at 417 South Dearborn St., Chicago, Illinois. Respondent LaSalle Extension University is a wholly-owned subsidiary of respondent Macmillan, Inc.

The aforementioned respondents have cooperated, and acted together in carrying out the acts and practices hereinafter set forth. Respondent Macmillan has known of, condoned and approved, expressly or tacitly, the acts and practices of respondent LEU hereinafter set forth. Respondent Macmillan has assumed financial responsibility for respondent LEU.

PAR. 2. Respondents have been, and are now, engaged in the advertising, promotion, formulation, offering for sale, sale and distribution of correspondence courses of instruction to the public involving high school courses and those purporting to prepare completing students thereof for employment, advancement, or increased earnings in the fields of air conditioning and refrigeration, interior decorating, computer programming, hotel/motel executive training and various other fields of employment. Their volume of business has been, and is, substantial. [2]

PAR. 3. In the course and conduct of their aforesaid business, respondents have disseminated and caused to be disseminated by various means in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, certain advertisements concerning their correspondence courses, including but not limited to advertisements inserted and published in newspapers and magazines of general interstate circulation, by means of brochures, pamphlets and other promotional materials disseminated through the United States mail, commercial announcements on radio and television transmitted across state lines, and by other means for the purpose of obtaining leads or prospects for the sale of such correspondence courses and for the purpose of inducing the purchase of such correspondence courses.

Respondents have caused, and now cause, said courses of instruction to be shipped and distributed from their places of business or sources of supply to purchasers and prospective purchasers thereof located in various States of the United States other than the state of origination. Respondents transmit and receive and have caused to be transmitted and received, in the course of advertising, offering for sale, sale and distribution of such correspondence courses, advertis-

ing and promotional materials, invoices, checks, enrollment contracts, retail installment contracts, collection notices and various other commercial papers or documents to and from prospective students and students located in various States of the United States, other than the state of origination.

Respondents maintain, and at all times mentioned herein have maintained, a substantial course of trade in such correspondence courses, and other products or services in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, as amended.

PAR. 4. In the course and conduct of their aforesaid business, for the purpose of obtaining leads or prospects for the sale of their correspondence courses and for the purpose of inducing the purchase of such correspondence courses, respondents have made numerous statements and representations in oral sales presentations to prospective students and in magazines, brochures, and other media regarding opportunities for employment or advancement, occupational demand, earnings potentials, the qualifications of students who complete respondents' correspondence courses, the instruction and assistance available to students, and other related matters.

PAR. 5. By and through the use of the aforesaid statements and representations and others of similar import and meaning, but not expressly set forth herein, respondents have represented, directly or by implication that:

1. There is substantial need or demand for students who complete respondents' correspondence courses in the positions and career fields for which respondents train such students. [3]

2. Students completing respondents' correspondence courses will receive high wages or salaries from employment in the positions or career fields for which respondents train such students.

3. Students completing respondents' correspondence courses are qualified thereby to secure employment in the positions or career fields in which respondents train such students without further training or experience.

4. Respondents have admissions requirements and procedures to screen prospective students and to determine whether such prospective students have the qualifications and ability to assimilate successfully and complete respondents' correspondence courses.

PAR. 6. In truth and in fact:

1. There is not substantial need or demand for students complet-

ing respondents' correspondence courses in the positions or career fields for which respondents train such students.

2. In many instances students completing respondents' correspondence courses have not received high wages or salaries from employment in positions for which respondents train such students.

3. In many instances students completing respondents' correspondence courses are not thereby qualified to secure employment in the positions or career fields in which respondents train such students without further training or experience.

4. Respondents do not screen prospective students. To the contrary, respondents require few qualifications of prospective students and accept all or most persons for enrollment in such courses who are willing to execute a contract to pay for such correspondence courses. Any admission requirements or procedures used by respondents do not determine whether such prospective students have the qualifications and ability to assimilate successfully and complete respondents' correspondence courses; to the contrary, any such admission requirements or procedures are used by respondents as promotional devices to induce the purchase of respondents' correspondence courses.

Therefore, the statements and representations set forth in Paragraphs Four and Five were and are false, misleading, deceptive or unfair acts or practices.

PAR. 7. Through the use of the aforesaid advertisements, materials, oral presentations and otherwise, respondents have represented, directly or by implication, that there is or will be a substantial need or demand for all or most of the students enrolled in respondents' correspondence courses in [4]career fields for which respondents train them. Respondents at the time of said representations had no reasonable basis adequate to support such representations. Therefore, the aforesaid acts and practices were and are unfair acts or practices.

PAR. 8. In the further course and conduct of their aforesaid business, respondents have represented that students who have finished respondents' high school courses and received a diploma therefrom, have, on that basis alone, qualified themselves as high school graduates and were recognized as such by the state in which they were domiciled or worked.

PAR. 9. In truth and in fact all or virtually all of the States of the United States require a person not a graduate of a resident high school to take a general equivalency or other similar test in order to be recognized as a high school graduate.

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

PAR. 10. Respondents further have offered for sale correspondence courses intended to give students high school training without disclosing that all or virtually all States of the United States allow a person over 19 years of age to take a high school equivalency or similar test which would qualify the person as the equivalent of a high school graduate who had received a diploma, without the necessity of taking any courses. Therefore, the aforesaid acts and practices were and are false, misleading, deceptive or unfair acts or practices.

PAR. 11. Through the use of the aforesaid advertisements, materials, oral presentations and otherwise, and for their purpose of inducing the purchase of correspondence courses, respondents have degraded, debased or disparaged the present or potential career opportunities, education, training, family standing, community status, self-image or other personal characteristics of prospective students. Further, respondents represent, directly or by implication, that such prospective students can alter or improve such personal characteristics through respondents' correspondence courses.

The effect of the aforesaid disparagements and representations has been to aggravate and continue the unfair and deceptive effect of the acts and practices set forth herein. Therefore, the aforesaid acts and practices of respondents were and are unfair acts or practices.

PAR. 12. In the further course and conduct of their aforesaid business, respondents have failed to disclose or have misrepresented the true nature of the financial obligation to students who signed enrollment agreements or contracts.

The deceptions resulting from the acts or practices described in this Paragraph Twelve are continuing, in many instances, through the period of the students' enrollment and concomitant deferred payment obligations. [5]

Therefore, the aforesaid acts and practices of respondents were and are false, misleading, deceptive or unfair acts or practices.

PAR. 13. In the further course and conduct of their aforesaid business, and in furtherance of their purpose of inducing prospective students to execute enrollment contracts for the purchase of their correspondence courses, respondents and their employees, sales force members, and representatives, through the use of the false, misleading and deceptive statements, representations and practices set forth herein in this Complaint, have been able to induce prospective students into executing enrollment contracts upon initial contact without affording such students sufficient time to carefully consider

the purchase of correspondence courses. Therefore, the aforesaid are unfair acts or practices.

PAR. 14. Through the false, misleading and deceptive acts or practices, and the unfair acts or practices herein set forth in this Complaint, respondents have induced students and other persons or entities to pay, or contract to pay, to respondents substantial sums of money to purchase or pay for respondents' correspondence courses. In many instances such monies were paid to and received by respondents although such courses were of little value to students in fulfilling the expectations created by respondents' representations or contracts. Respondents have received the aforesaid monies and have failed to offer to refund such sums to, or to rescind contractual obligations of, many students and other persons or entities participating in the financing of such correspondence courses.

By inducing students and other persons or entities to pay, or contract to pay, to respondents substantial sums of money for respondents' correspondence courses where such correspondence courses are of little value to students and by failing to offer or refund such sums to, or to rescind the contractual obligations of many students and other persons or entities where such courses are of little value, respondents have engaged in unfair acts and practices.

Therefore, the said acts or practices constitute unfair acts or practices in violation of Section 5 of the Federal Trade Commission Act.

PAR. 15. By and through the use of the aforesaid acts and practices, statements and representations, respondents have placed in the hands of others the means and instrumentalities by and through which they mislead and deceive the public in the manner hereinabove alleged.

PAR. 16. The use by respondents of the aforesaid false, misleading, unfair or deceptive statements, representations, acts and practices, has had, and now has, the capacity and tendency to mislead and deceive a substantial portion of members of the general public into the erroneous and mistaken belief that said statements and representations were, and are, true and complete, [6]and to induce a substantial number thereof to purchase respondents' correspondence courses by reason of said erroneous and mistaken beliefs.

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 constituted, and now constitute, unfair or deceptive acts or practices in or affecting commerce, in violation of Section 5 of the Federal Trade Commission Act, as amended.

INITIAL DECISION BY THEODOR P. VON BRAND, ADMINISTRATIVE
LAW JUDGE

APRIL 28, 1980

PRELIMINARY STATEMENT

The complaint charges that Macmillan, Inc. and LaSalle Extension University in the course of operating a correspondence school violated Section 5 of the Federal Trade Commission Act.

The complaint alleges essentially that respondents misrepresented: [2]

1. the occupational demand for respondents' graduates in the fields for which respondents train their students.
2. the earnings potential of students completing respondents' correspondence courses.
3. that graduates of respondents' courses would be qualified to secure employment in the fields, in which respondents trained such students, without further training or experience.
4. that respondents had admission requirements to screen prospective students to determine that such students had the qualifications and ability to successfully assimilate and complete respondents' courses.

(Paragraphs Four and Five)

The complaint substantially alleges:

That respondents had no reasonable basis to support the representation that a substantial need or demand existed for all or most of the students enrolled in respondents' correspondence courses in the fields for which they trained.

(Paragraph Seven)

That respondents, as part of their sales or promotional effort, debased or disparaged the career potential, self image or other personal characteristics of prospective students, and that respondents further represented directly or by implication that prospective students could alter or improve such personal characteristics through respondents' correspondence courses. It is charged that such disparagement was unfair since it aggravated and continued the unfair and deceptive effect of the other acts and representation alleged illegal in the complaint.

(Paragraph Eleven)

[3] That respondents failed to disclose or misrepresented the true nature of the financial obligation incurred by those signing enrollment agreements or contracts.

(Paragraph Twelve)

That respondents through the use of false misleading and deceptive statements and practices alleged in the complaint induced prospective students to execute enrollment contracts without affording them sufficient time to consider such purchase.

(Paragraph Thirteen)

That respondents through the deceptive or unfair acts and practices alleged by the complaint induced students or others to pay substantial sums of money for their correspondence course. In many instances, it is alleged, such monies were paid to and received by respondents "although such courses were of little value to the students in fulfilling the expectations created by respondent's representations or contracts." The failure to refund or offer to refund such sums where the courses were of little value to students is alleged to be unfair.

(Paragraph Fourteen)

Paragraphs Eight, Nine, and Ten of the complaint alleged various misrepresentations concerning respondents' high school courses. No evidence was offered in support of these charges and they were dismissed.

This matter is now before the undersigned for decision based on the allegations of the complaint, the answers, the evidence of record and the proposed findings of fact, conclusions and briefs filed by the parties. All proposed findings of fact, conclusions and agreements not specifically found or accepted herein are rejected. The undersigned, having considered the entire record and the contentions of the parties, makes the following findings of fact and conclusions, and issues the orders set out herein. [4]

FINDINGS OF FACT

I. Identity of Respondents and the Nature of Their Business

1. Respondent Macmillan, Inc. (hereinafter cited as Macmillan) 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 866 Third Ave., New York, New York (Comp. Par. 1; Macmillan Ans. Par. 1).

2. Macmillan is engaged, directly and through its subsidiaries, in five lines of business: publishing, educational instruction, printing, manufacture of musical instruments, and film and book club distribution (CX 376C-D, 377D, 378E, 379B).

3. Respondent LaSalle Extension University (hereinafter cited as LaSalle) is a wholly-owned subsidiary of Macmillan (Comp. Par. 1; LaSalle Ans. Par. 1; Macmillan Ans. Par. 1). LaSalle is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois with its principal office and place of business located at 417 South Dearborn St., Chicago, Illinois (Comp. Par. 1; LaSalle Ans. Par. 1). It operates the Wayne School as an unincorporated division of LaSalle Extension University (RA 15).

4. LaSalle has been and is now engaged in the offering for sale and the sale of correspondence school education courses to the public (Comp. Par. 2, LaSalle Ans. Par. 2).

5. LaSalle is accredited by the National Home Study Council (CX 330). It operates under annual Certificates of Approval issued by the Office of the Superintendent of Education, State of Illinois and is licensed to do business in 17 other states (CX 327J).

6. LaSalle, as of 1975, offered correspondence courses in the following areas:

- Accounting
- Administrative Assistant
- Associate Degree Program in Accounting
- Associate Degree Program in Banking and Finance
- Associate Degree Program in Business Management [5]
- Associate Degree Program in Hotel and Restaurant Administration
- Bachelor of Science in Commerce and Social Studies
- Banking and Finance
- Basic Computer Programming
- Business Management
- California Law Program
- Drafting
- Electronics, FCC License
- Law for Executive Leadership
- Hotel/Motel Executive Training
- Interior Decorating
- LaSalle Writing Program

Personnel Management
 Real Estate
 Restaurant/Club & Food Management
 Secretarial Training
 Stenotype
 Supervisory Management
 Traffic and Transportation
 Writing
 Basic Air Conditioning and Refrigeration Service
 Basic Diesel Mechanics
 Dental Office Assistant
 High School

(CX 151R). New enrollments in the Basic Computer Programming course were terminated at approximately the end of 1977.

7. In the period 1973-1977, LaSalle enrolled the following numbers of students in its courses:

	<i>Total (All Courses)</i>	<i>Computer Programming</i>	<i>Air Conditioning & Refrigeration Service</i>	<i>Interior Decorating</i>
1973	86,913	2,363	3,575	10,282
1974	92,551	2,732	2,870	11,086
1975	53,187	1,500	1,477	6,744
1976	37,283	1,117	872	5,108
1977	34,704	1,038	857	3,901

(RA 22, 23, 24, 25).

8. In the course and conduct of its business, LaSalle disseminated and caused to be disseminated by various means in [6]or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, certain advertisements concerning its correspondence courses, including but not limited to advertisements inserted and published in newspapers and magazines of general interstate circulation. It has also utilized brochures, pamphlets and other promotional materials disseminated through the United States mail, commercial announcements on radio and television transmitted across state lines, as a means to obtain leads or prospects for the sale of correspondence courses and to induce the purchase of such courses (Comp. Par. 3; LaSalle Ans. Par. 3).

9. LaSalle is engaged in commerce, as "commerce" is defined in the Federal Trade Commission Act, as amended, in connection with

the offering for sale and sale of correspondence school courses for compensation (Comp. Par. 3; LaSalle Ans. Par. 3).

10. LaSalle maintains and has maintained a substantial course of trade in its correspondence courses and other products or services in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, as amended (Comp. Par. 3; LaSalle Ans. Par. 3).

11. Macmillan's sales and revenues in the period 1973-1977 were as follows:

1973	\$420,372,000
1974	466,584,000
1975	477,347,000
1976	493,425,000
1977	512,727,000

(RA 21). Its volume of business has been, and is, substantial.

12. LaSalle's sales and revenues for the years 1973-1977 were as follows:

1973	\$35,573,000
1974	36,582,000
1975	21,737,000
1976	17,192,000
1977	14,505,000

(RA 20). Expressed as a percentage of Macmillan's sales and revenues, LaSalle's contribution was:

1973	8.46%
1974	7.74 [7]
1975	4.55
1976	3.48
1977	2.83

(RA 20).

13. LaSalle's volume of business has been, and is, substantial.

II. Interrelationship of Macmillan and LaSalle

A. Corporate Officials

14. On August 30, 1978, Macmillan's Corporate Officials were the following:

Chairman of the Board and Chief Executive Officer (RA 1)	Raymond C. Hagel
President and Chief ¹ Operating Officer (from June 8, 1976) (RA 2)	Robert A. Barton
Vice-Chairman of the Board, Deputy Chief Operating Officer, Director (RA 9)	Alan L. Baker
Senior Vice President and Controller (RA 8)	James P. Kressler
Treasurer and Assistant Secretary (RA 6)	Gordon H. DeWerth
Secretary (RA 5)	Jeffrey R. Minot

15. LaSalle's principal officers as of September 1978 were:

[8]President and Chairman of the Board	Robert A. Barton ²
Vice-President	Robert Cornwell
Vice-President	Charles Marshall
Vice-President	Calvin Israel
Controller	John Sadler

(CX 110B; RA 2).

1. Overlap between Macmillan and LaSalle Officials and Involvement of Macmillan Officials in LaSalle's Business

16. Robert A. Barton, Director, President and Chief Operating Officer of Macmillan was also Director, Chairman of the Board and President of LaSalle (RA 2). Mr. Barton reported directly to Macmillan's Chairman of the Board (Barton 1795). As President of Macmillan, he was responsible for the assets of Macmillan and its subsidiaries as well as Macmillan's business strategy as carried out by its subsidiaries (Barton 1794).

17. Alan L. Baker, a Director, Vice-Chairman of the Board and Deputy Chief Operating Officer of Macmillan and a Director of LaSalle shared certain of Mr. Barton's responsibilities in managing Macmillan's business. He reported directly to Mr. Barton (RA 9; Barton 1795-96).

18. James P. Kressler, Senior Vice President and Controller of Macmillan was a Director of LaSalle and LaSalle's Executive Vice-

¹ Mr. Barton was Executive Vice President of Macmillan in the period 1973-June 8, 1976 (RA 2).

² Mr. Barton held these positions from May 1975 and was still in these positions as of August 30, 1978 (RA 2).

President of Finance (RA 8). Mr. Kressler reported directly to Macmillan's Chairman of the Board (Barton 1797). As Macmillan's senior financial officer, he had primary responsibility for the books and accounts of Macmillan and its subsidiaries. He was responsible for the auditing, accounting policy and the financial reporting system of the parent company and its subsidiaries (Barton 1796).

19. Gordon H. DeWerth was Treasurer and Assistant Secretary of Macmillan and Treasurer and a Director of LaSalle (RA 6). Mr. DeWerth, who reported directly to Macmillan's Controller was responsible for Macmillan's consolidated cash management, [9]investment of excess cash for foreign exchange, and pension investments (Barton 1796-97; DeWerth 1834).

20. The predecessor of Macmillan's current Treasurer and Assistant Secretary had also concurrently held the position of Director and Treasurer in LaSalle (RA 4).

21. Jeffrey A. Minot was Secretary of both Macmillan and LaSalle on August 30, 1978 (RA 5).

22. The predecessor of Macmillan's current Secretary was concurrently Secretary of LaSalle (RA 7).

23. The Chairman of the Board of Macmillan selected LaSalle's directors in consultation with Mr. Barton (Barton 1798). It is common practice to have some employees of Macmillan as Directors of LaSalle (Barton 1798-99).

24. There was extensive overlap in the positions of the officials and directors of Macmillan and LaSalle. See the following chart showing the positions held by certain key officials in the parent company and LaSalle as of January 1, 1977:

Robert A. Barton

Director, President, Chief Operating Officer, Macmillan
Director, Chairman of the Board, President, LaSalle

Warren B. Smith

Senior Vice-President, Macmillan
Director, LaSalle

Alan L. Baker

Director, Vice Chairman of the Board, Deputy Chief
Operating Officer, Macmillan
Director, LaSalle

James P. Kressler

Senior Vice-President, Controller, Macmillan
Director, Vice-President, Finance, LaSalle

Gordon H. DeWerth

Treasurer, Assistant Secretary, Macmillan

Director, Treasurer, LaSalle
Jeffrey R. Minot
Secretary, Macmillan
Secretary, LaSalle [10]

B. Duties and Reporting Relationships of LaSalle Officials

25. Robert A. Barton, LaSalle's Chairman of the Board and President, while serving as Macmillan's President, Chief Operating Officer and Director, was responsible for the business strategy of LaSalle, including development of long and short-range plans devised to achieve the long-range objectives. He had responsibility for decisions respecting the type of business to be pursued by LaSalle, the manner in which it would be pursued, and LaSalle's investment decisions (Barton 1797).

Mr. Barton represented LaSalle on the National Home Study Council (hereinafter cited as NHSC) (Barton 1829-30). He signed and certified as correct the LaSalle Self-Evaluation Report (CX 327), which had been prepared for purposes of LaSalle's accreditation by that organization. Mr. Barton submitted the report to the NHSC (CX 327B). He was also responsible for implementing the changes in LaSalle recommended by the NHSC (Barton 1830).

26. In 1978, Alan L. Baker, Macmillan's Deputy Chief Operating Officer and Vice Chairman of the Board, received monthly financial and operations reports from LaSalle (CX 554-63, 565-79; see Finding 17). He related the results to Mr. Barton (Barton 1802-03). Before 1978, Mr. Barton had received monthly reports directly from LaSalle (CX 501-51; Barton 1802-04).

27. John Sadler, the Controller of LaSalle and its chief financial officer also acted as LaSalle's Chief Operating Officer in 1978 (Barton 1810-11; DeWerth 1838-39). Mr. Sadler, who received reports from LaSalle's Vice Presidents and other personnel, consolidated such reports and reported in turn to Alan L. Baker, Vice Chairman of the Board and Deputy Chief Operating Officer of Macmillan (Barton 1798; 1804).

28. In 1979, LaSalle hired Henry Broido to head up a continuing education group and to take responsibility for overall operations at LaSalle. Certain changes in the reporting relationships occurred at that time. Mr. Barton thereafter received monthly operations and financial reports from Mr. Broido (Barton 1820-21).

29. John Sadler, LaSalle's Controller and its chief financial officer (Barton 1810-11; DeWerth 1838-39) commenced [11]reporting

to Mr. Broido after the latter was employed by LaSalle (Barton 1820).

30. Charles B. Marshall, LaSalle's Vice-President for Education (Marshall 1887) had submitted monthly reports to Alan Baker, Macmillan's Vice Chairman of the Board and Deputy Chief Operating Officer through Mr. Sadler, the LaSalle Controller (CX 575-79; Marshall 1892-93). These written reports concerned educational services, regulatory and financial matters, personnel matters and extraordinary events (Marshall 1897-98). Subsequent to Mr. Broido's appointment in 1979, Mr. Marshall reported to him (Marshall 1892-93).

31. Calvin Israel, LaSalle's Vice-President and Field Sales Manager since 1972 (Israel 1987) had overall responsibility for the field sales operation (Israel 1988). Mr. Israel reported to Alan Baker, Macmillan's Vice Chairman of the Board and Deputy Chief Operating Officer through John Sadler, the LaSalle Controller (CX 565-74; Israel 1988). Previously, he had reported to Sadler's predecessors in the position of LaSalle's chief operating officer (Israel 1988).

32. Robert Cornwell, LaSalle's Vice-President for Advertising since 1973 had overall responsibility for advertising and mail order sales (Barton 1797; Cornwell 1867). Mr. Cornwell reported to Alan Baker, Macmillan's Vice Chairman of the Board and Deputy Chief Operating Officer with copies of the reports to John Sadler, who was LaSalle's Controller, and who also acted as LaSalle's Chief Operating Officer (CX 554-63; Cornwell 1868-69). Mr. Cornwell had channeled previous reports to Sadler's predecessors as LaSalle's Chief Operating Officer (Cornwell 1867-68). Beginning in 1979, he reported to Mr. Broido (Cornwell 1867).

33. David Hetzel was LaSalle's Vice-President for Student Relations from 1971 through 1977 (Hetzel 3063-64). Hetzel was responsible for the student relations department, enrollment department, clerical operations department, systems, purchasing, warehouse, shipping and receiving. The Student Relations Department was responsible for maintenance of student grade records, responses to student inquiries and complaints, providing study materials, and calculating tuition (Hetzel 3064-65).

34. Douglas Linde has been Assistant to the President of LaSalle and University Administrative Officer for over 10 years (Linde 1852-53). His responsibilities included liaison and filing of documents with various federal and state agencies, submission of license applications to state agencies, and handling of third-party inquiries relating to students (Linde 1853). Mr. Linde reported in the past to Mr. Sadler and to Mr. Sadler's predecessors as chief operating officer of LaSalle