

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: Edith Ramirez, Chairwoman
Julie Brill
Maureen K. Ohlhausen
Joshua D. Wright
Terrell McSweeney

_____)
In the Matter of)
)
National Association of Teachers of Singing,) Docket No. C-4491
Inc.,)
)
a corporation.)
_____)

COMPLAINT

The Federal Trade Commission (“Commission”), pursuant to the provisions of the Federal Trade Commission Act, as amended, 15 U.S.C. § 41 *et seq.*, and by virtue of the authority vested in it by said Act, having reason to believe that the National Association of Teachers of Singing, Inc. (“Respondent” or “NATS”), a corporation, has violated and is violating the provisions of Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues this Complaint, stating its charges as follows:

I. RESPONDENT

- 1. Respondent National Association of Teachers of Singing, Inc. is a non-profit corporation organized, existing, and doing business under, and by virtue of, the laws of the State of Florida, with its office and principal place of business located at 9957 Moorings Drive, Suite 401, Jacksonville FL 32257.
- 2. Respondent is a professional association of teachers of singing with over 7,300 members. Many of Respondent’s members provide singing teaching services for a fee. Some are employed at schools, universities and music studios as teachers of singing. Except to the extent that competition has been restrained as alleged herein, many of Respondent’s members have been and are now in competition among themselves and with other teachers of singing.

3. Respondent has state and local chapters organized in 14 regions. Members of the NATS chapters also are members of Respondent. The NATS Bylaws permit chapters to establish their own Bylaws and operating procedures consistent with the NATS Bylaws, and with the review and consent of the NATS Board of Directors.

II. JURISDICTION

4. Respondent conducts business for the pecuniary benefit of its members and is therefore a “corporation,” as defined in Section 4 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 44.
5. The acts and practices of Respondent, including the acts and practices alleged herein, are in or affecting “commerce” as defined in Section 4 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 44.

III. NATURE OF THE CASE

6. Respondent maintains a Code of Ethics applicable to the commercial activities of its members, requires its members to agree to abide by the Code of Ethics, and encourages its members to follow its Code of Ethics. Some NATS chapters have the same Code of Ethics that the NATS has. Some NATS chapters have adopted different codes of ethics.
7. Respondent has acted as a combination of its members, and in agreement with at least some of those members, to restrain competition by restricting through its Code of Ethics the ability of its members to solicit the customers of competing teachers of singing. Specifically, the NATS Code of Ethics contains a provision in its Code of Ethics section titled “Ethical Standards Relating to Colleagues” that states:

“Members will not, either by inducements, innuendos, or other acts, proselytize students of other teachers.”
8. In furtherance of the combination alleged in Paragraph 7, Respondent established a process for receiving complaints about and resolving alleged violations of the Code of Ethics. Respondent encourages its members to resolve disputes arising out of the Code of Ethics, and mediates disputes. Respondent’s Bylaws reserve to the Board of Directors the right to terminate membership for violations of the Code of Ethics.

IV. VIOLATION CHARGED

9. The purpose, effects, tendency, or capacity of the combination, agreement, acts and practices alleged in Paragraphs 7 and 8 has been and is to restrain competition unreasonably and to injure consumers by discouraging and restricting competition among teachers of singing, and by depriving consumers and others of the benefits of free and open competition among teachers of singing.

10. The combination, agreement, acts and practices alleged in Paragraphs 7 and 8 constitute unfair methods of competition in violation of Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45. Such combination, agreement, acts and practices, or the effects thereof, are continuing and will continue or recur in the absence of the relief requested herein.

WHEREFORE, THE PREMISES CONSIDERED, the Federal Trade Commission on this first day of October, 2014, issues its Complaint against Respondent.

By the Commission.

Donald S. Clark
Secretary

SEAL: