

**UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION**

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

_____)	
In the Matter of)	
)	Docket No.
)	
Professional Skaters Association,)	
 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

herein, many of Respondent's members have been and are now in competition among themselves and with other coaches of ice skating.

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. Respondent confers pecuniary benefits on its members, including:
 - a. PSA membership is required by the U.S. Figure Skating Association ("USFSA") for coaches of skaters participating in: (i) USFSA qualifying competitions, and (ii) international ice skating competitions as part of Team USA. Because of this requirement, PSA membership is required in order to coach competitive skaters.
 - b. Coaches require access to ice skating rink facilities in order to engage in teaching. Some ice skating rink facilities require that coaches have PSA membership.
 - c. PSA offers insurance to its members, including general liability coverage and participant accident coverage.
 - d. PSA provides to members in good standing certain accreditations, ratings, and rankings that enable such members to charge fees for, and that affects the amount that can be charged for, coaching services.
6. 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. PSA'S CONDUCT IN RESTRAINT OF TRADE

A. PSA RESTRICTIONS ON SOLICITATION

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 the ability of its members to solicit the customers of competing teachers and coaches of skating. Specifically, Respondent's Code of Ethics contains a provision that reads:

"No member shall in any case solicit pupils of another member, directly or indirectly, or through third parties."

Further, Respondent's Code of Ethics requires that, "Prior to acting as a coach, the member shall determine the nature and extent of any earlier teaching relationship with that skater and other members."

8. Respondent requires its members to agree to abide by the Code of Ethics, educates members about the Code of Ethics, exhorts its members to follow the Code of Ethics, and enforces the Code of Ethics through a grievance process (described below).

B. PSA EXHORTS ITS MEMBERS TO FORGO SOLICITATION

9. Respondent has adopted and publicized a broad definition of solicitation that restricts many types of competition among members.
10. Respondent created an Ethics Committee to develop educational materials and programs in the area of ethics, and to educate its members about the types of conduct that it considers prohibited solicitation. Education occurs through required continuing education programs, publications, web postings, and the fielding of questions by Respondent's staff, including Respondent's Executive Director and General Counsel.
11. Respondent disseminates publicly and to its members a variety of documents that interpret and apply the Code of Ethics, including *Proper Procedures for Changing Coaches*, *Ethics Issues When Changing Coaches*, and *Tenets of Professionalism*.
12. Respondent defines the following statements as solicitation prohibited by the Code of Ethics:

“I am a much more qualified coach than _____ is.”

“Join our program. That other program isn't very good.”

“We'll give your child free lessons, ice time, equipment, etc.”

13. Respondent published in its magazine, *Professional Skater*, articles stating that handing to a student a business card that reads, “one free lesson” is prohibited solicitation.
14. Respondent created and disseminated supplemental guidelines to the Code of Ethics that discourage solicitation of ice skating teaching work in situations specific to team teaching (primary coaches, secondary coaches, specialty coaches), pairs and dance, synchronized skating, and social media. In these guidelines, Respondent gives the following instructions regarding the Code of Ethics no-solicitation provision:

Targeting a skater already established with a coach and suggesting they change to you is SOLICITATION.”

“Telling a skater already involved in a coaching relationship they will have better results with you is SOLICITATION.”

“(Solicitation) A coach approaches a skater (or skater's parent) who is already taking lessons and has a primary coach.”

“(Solicitation) A team travels to an established training center for a seminar with a nationally/internationally recognized coach. After the

seminar, the program director/coach/presenter suggests they stay for a few days of training to work with them or someone else.”

“

20. Since 2006, Respondent has suspended at least one coach for violation of the Code of Ethics no-solicitation provision. The suspension was for six months. The suspension rendered the coach ineligible to attend or accompany skaters to USFSA qualifying competitions, or to work with skaters on Team USA. The suspension also resulted in the coach's losing insurance coverage. Respondent publicized notice of the suspension in Respondent's magazine, *Professional Skater*.
21. Since 2006, Respondent has publicly admonished at least one coach for violation of the Code of Ethics no-solicitation provision.
22. Since 2006, Respondent has privately admonished at least six additional coaches for violation of the Code of Ethics no-solicitation provision. COPS panel members have voted for private admonitions even in situations where they believed a coach's alleged solicitation was "mild," was via a third party, was probably inadvertent, was not intentional, was not premeditated, and was probably harmless.
23. Members of Respondent's COPS panels have acknowledged that even private sanctions may be sufficient to sensitize sanctioned coaches to the prohibition on solicitation, and to deter coaches from future violations of the no-solicitation provision of the Code of Ethics.
24. Member coaches being investigated for violation of the no-solicitation provision of the Code of Ethics have in some cases specifically pledged not to violate the no-solicitation provision in the future.
25. Respondent has sanctioned member coaches when skaters switched to or spent more time with a coach who was alleged to have engaged in the following practices, among others:
 - a. Offering skating workshops to students of other coaches;
 - b. Offering free admission or scholarships to workshops to students of other coaches;
 - c. Offering housing, costumes, or other support to students of other coaches.
26. Respondent has sanctioned member coaches for soliciting students of other members even over the objection of skating students and their parents who wanted to switch coaches and submitted affidavits or letters explaining their decisions to the PSA COPS panel. Respondent has sanctioned members for soliciting students of other members even when parents presented to the PSA COPS independent reasons for wanting to switch coaches

