

Syllabus

IN THE MATTER OF
MAURICE KRESSIN, TRADING UNDER THE NAME
UNITED DELIVERY SYSTEM, AND
ESTHER KRESSIN

COMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION
OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 28, 1914

Docket 4873. Complaint, Nov. 24, 1942—Decision, May 1, 1944

Where a husband and wife engaged in the interstate sale and distribution of postcards, envelopes, and form letters, designed to be used by creditors and collection agencies in obtaining information concerning debtors—the cards, addressed to “UNITED DELIVERY SYSTEM, Distribution Department, 639 NEW YORK AVENUE, N. W., WASHINGTON, D. C.” and containing on the reverse side, among other matter, “Return this notice promptly, UNITED DELIVERY SYSTEM, Distribution Department, UNCLAIMED PACKAGE DIVISION, WASHINGTON, D. C., Package Reference Number, A package bearing your name and address is held at your risk—subject to your forwarding directions below.” and “CONSIGNEE MUST BE IDENTIFIED”; under the instruction “Deliver the Above Package to” calling for name and address of debtor and, under “For Identification I Refer You to My Employer and bank,” their name and address: and the form letters, using the same trade name and address, and such matter as “MERCHANDISE, Distribution Department, Specialists in Package Deliveries” and other statements calculated to create the impression of a storage, shipping and distribution concern, including the words “Unclaimed Package Division,” inquiring of the recipient when addressed to other than debtors, as to whether he could advise as to the present address of the debtor, and stating that “we have a package addressed to the above party and we understand that there has been some change in their address.” and “We would appreciate your kindness in advising us of their present location”; and that they were “enclosing a self addressed and stamped envelope, and would appreciate any information,” etc.; and, where employed for contacting the debtors directly, having appropriate changes such as “we have a package for you which we would like to complete delivery of,” etc.; and in both cases, including blanks for the name and address of the debtor and those of his employer and bank;

Making use of a plan under which material in question was sent by them—along with unaddressed envelopes bearing their return address and a notation “Postmaster—Important. If this letter cannot be delivered to address shown, please forward to last address.”—to their customers, who addressed the envelopes to the last known addresses of the debtors about whom information was sought and returned them in bulk to said persons in Washington, who there mailed said material to the debtors, sent to the customers, identified by a code number placed on the forms, the information received, and sent to debtors replying thereto a few paper cups or a six-inch cardboard ruler or some similar article of trivial value “in order to comply with the post office regulations”—

Falsely represented, through use of said name, “United Delivery System,” and placed in the hands of others the means of representing, through use of said cards and form letters, to the debtors and others, that the information was desired for use in connection with the delivery of goods to the proper consignees;

The facts being said name as thus used was merely a disguise to conceal from the addressee the true nature of said persons’ business;

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With capacity and tendency to mislead and deceive the addressees of said matter, and cause them to furnish said persons with information which would not have been furnished if the true purpose of their inquiry were known:

Held, That such acts and practices, under the circumstances set forth, were all to the prejudice and injury of the public and constituted unfair and deceptive acts and practices.

Before *Mr. John L. Hornor*, trial examiner.

Mr. Randolph W. Branch for the Commission.

Mr. Albert Brick, of Washington, D. C., for respondents.

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 Maurice Kressin, an individual, trading under the name United Delivery System, and Esther Kressin, an individual, 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, Maurice Kressin, is an individual, trading under the name United Delivery System, with an office and principal place of business at 639 New York Avenue, N. W., Washington, D. C.

Respondent, Esther Kressin, is the wife of respondent, Maurice Kressin, and is in active and actual charge of the business carried on by her husband under the name United Delivery System.

PAR. 2. Respondents are now, and have been for more than three years last past, engaged in the business of selling and distributing postcards, envelopes and forms designed and intended to be used by creditors and collection agencies in obtaining information concerning debtors.

Respondents cause the said postcards, envelopes and forms to be transported from their aforesaid place of business in the District of Columbia, to purchasers thereof in various States of the United States. Respondents maintain, and at all times mentioned herein have maintained, a course of trade in said postcards, envelopes and forms in commerce between and among the various States of the United States and in the District of Columbia.

PAR. 3. The said cards sold and distributed by respondents are in the form exemplified by a photostatic copy thereof marked Exhibit A, attached hereto and by this reference incorporated herein and made a part hereof; the said forms so sold and distributed are in the forms exemplified by photostatic copies thereof marked Exhibits B and C, attached hereto, and by this reference incorporated herein and made a part hereof.

PAR. 4. In the space for "Package Reference No." on the cards, as exemplified by Exhibit A,¹ when they are delivered to purchasers thereof, respondents have placed numbers which are their serial numbers for identifying their customers to them.

Respondents' purchasers cause the said cards to be placed in envelopes, in the upper left hand corners of which appear:

If not delivered return to
United Delivery System
Merchandise Distributors
639 New York Avenue, N. W.
Washington, D. C.,

¹ See opposite page.

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attach the necessary postage and cause them to be deposited in the United States mail.

Such of the return cards as are filled out and mailed are received by respondents and sent by them to the proper customers who are identified by the serial numbers.

Respondents then send to the debtors about whom information has been sought 6 inch rulers made of cardboard.

[Exhibit A]

PLACE
A
ONE CENT
STAMP
HERE

THIS SIDE FOR ADDRESS ONLY

UNITED DELIVERY SYSTEM

Distribution Department

639 NEW YORK AVENUE, N. W.

WASHINGTON, D. C.

Exhibit "A"

RETURN THIS NOTICE PROMPTLY

UNITED DELIVERY SYSTEM

DISTRIBUTION DEPARTMENT
UNCLAIMED PACKAGE DIVISION
Washington, D. C.

ON HAND DEPT.

PACKAGE REFERENCE
NUMBER

Locating Agent -----

Checked by -----

Charges -----

A package bearing your name and address is held at your risk subject to your forwarding directions below.

CONSIGNEE MUST BE IDENTIFIED

DELIVER THE ABOVE PACKAGE TO

Name -----

Address -----

City -----

State -----

FOR IDENTIFICATION I REFER YOU TO MY EMPLOYER AND BANK

Employer -----

Address -----

Bank -----

All shipments subject to storage charges ten days after receipt by consignee of this notice.

Exhibit "A"

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PAR. 5. Upon the forms as exemplified by Exhibit B¹ when they are delivered to purchasers thereof, respondents have placed numbers which are their serial numbers and identify the customers to them. The purchasers insert opposite the word "Consignee" the name of the person concerning whom information is sought, and insert his last known address in the spaces opposite "Street," "City," and "State." Said purchasers then insert the forms in envelopes, purchased by them from said respondents, which they cause to be addressed to the persons concerning whom information is sought. Upon these envelopes in the upper left hand corner appears:

If not delivered return to
United Delivery System
Merchandise Distributors
639 New York Avenue, N. W.,
Washington, D. C.

With the said forms are also enclosed envelopes, also purchased from said respondents, to which said purchasers have attached the necessary postage; these envelopes are addressed to

United Delivery System
Distribution Department
639 New York Avenue, N. W.
Washington, D. C.

Said purchasers then cause the said envelopes, properly stamped, and their enclosures, to be delivered to respondents at their place of business aforesaid, and respondents cause them to be deposited in the United States mail. Such replies as are returned are received by respondents, who identify the customers by the code numbers heretofore mentioned, and send the replies to the proper customers. Respondents also send to each of the persons concerning whom the desired information has been received, a 6 inch cardboard ruler.

In the space opposite "File No." on the forms exemplified by Exhibit C,² when they are delivered to purchasers thereof, respondents have placed numbers which are their serial numbers, and identify the customers to them. These forms are used when information concerning an alleged debtor is sought from some person other than the debtor, and they are used and handled in a manner substantially identical with that in which the forms exemplified by Exhibit B are handled as hereinabove set forth.

PAR. 6. By means of the aforesaid cards, envelopes and forms, respondents have falsely represented, and placed in the hands of their customers means of falsely representing, directly and by implication, to customers' debtors, and others from whom information concerning such debtors is sought, that such debtors are consignees of packages sent by someone other than respondents, and in the hands of respondents in the usual course of their business; that the packages were of more than the trivial value of a 6 inch pasteboard ruler, and that delivery could not be made by reason of change in the address of the consignee.

PAR. 7. Through the use of the name "United Delivery System" respondents have represented, directly and by implication, that they are in some capacity connected with the movement and transportation of goods and their delivery to the proper consignees. The said name is merely a disguise for the true nature of respondents' business.

¹ See opposite page.

See page 414.

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PAR. 8. The said representations were false and misleading. In truth and in fact respondents' business has, so far as the recipients of said cards and forms are concerned, nothing whatever to do with the movement or transportation of goods or their delivery to the proper consignees. The persons with respect to whom the said cards and forms are intended to elicit information are not consignees of packages sent by others than respondents and in the hands of respondents. The packages to which the

[Exhibit B]

UNITED DELIVERY SYSTEM

Distribution Department
Specialists in Package
Deliveries

EXECUTIVE OFFICES
639 NEW YORK AVENUE, N. W.
Washington, D. C.

Phone Connections
Cable Address
"Arrange"

Contracts made for
the distribution of
all kinds of
advertising matter,
trade papers,
publications, and
general merchandise
by uniformed force

* *

STORAGE AND
SHIPPING

* *

Merchandise and
advertising matter
received in carload
or less than carload
lots stored, broken
up and delivered
or reshipped by
parcel post,
freight or express
Pool car distributing
and forwarding.

Always at Your
Service

MERCHANDISE
DISTRIBUTORS

Consignee

Street

City.....State

We have a package for you which we would like to complete delivery of, but due to some change in address we will appreciate it if you will send us your present and correct address in order to make immediate and proper delivery.

We are inclosing herewith a self-addressed and stamped envelope for your reply. We would appreciate it if you fill in the following and return at your earliest convenience.

Very truly yours,

UNITED DELIVERY SYSTEM.

For the purpose of complete identification all of the data below is required.

Name

Address

Former Address

Name of present employer

Address

Bank

Address

Name of reference for identification

*The World's Largest Problem Today Is Distribution—Getting Goods From Where They Are
To Where They Ought To Be—System!*

Exhibit "B"

MAIL BACK IN ENCLOSED ENVELOPE

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[Exhibit C]

MAURICE KRESSIN
General Mgr.

MERCHANDISE
Distribution Department
Specialties in Package
Deliveries

UNITED DELIVERY SYSTEM

EXECUTIVE OFFICES
639 NEW YORK AVENUE, N. W.
WASHINGTON, D. C.

Phone Connection

Unclaimed Package Division
File No. -----

Contracts made for
the distribution of
all kinds of
advertising matter,
trade papers,
publications, and
general merchandise
by uniformed force.

* *

STORAGE AND
SHIPPING

* *

Merchandise and
advertising matter
received in carload
or less than carload,
lots stored, broken
up and delivered
or reshipped by
parcel post,
freight or express.
Pool car distributing
and forwarding.

Always at Your
Service.

MERCHANDISE
DISTRIBUTORS

Name -----

Address -----

Can you inform us as to the present address or where-
abouts of -----

who formerly lived at -----

We have a package addressed to the above party and we
understand that there has been some change in their address.
We are desirous of making proper delivery and would ap-
preciate your kindness in advising us of their present loca-
tion.

We are enclosing a self addressed and stamped envelope
and we would appreciate any information you can give us
regarding this party's present address or place of employ-
ment so we can make prompt delivery of this package.

Thanking you for an early reply, we are

Very truly yours,

UNITED DELIVERY SYSTEM.

Name of party -----

Present address -----

City -----

Present employment -----

Remarks -----

*The World's Largest Problem Today Is Distribution—Getting Goods From Where They Are
To Where They Ought To Be—System!*

Exhibit "C"

 MAIL BACK IN ENCLOSED ENVELOPE 

said cards and forms refer are those made up by respondents containing the rulers referred to above. The whole scheme is merely an attempt to obtain information by subterfuge, and the information sought was not for the purpose of locating the whereabouts of and identifying the persons concerning whom information was sought as consignees of packages but was sought solely for the purpose of assisting respondents' customers in collecting alleged delinquent accounts.

PAR. 9. The use as hereinabove set forth of the foregoing false and misleading statements and representations has had the tendency and capacity to, and has, misled and deceived many persons to whom the said cards and forms were sent into the erroneous and mistaken belief that said statements and representations were true, and by reason thereof to give information which they would not otherwise supply.

PAR. 10. The aforesaid acts and practices of respondents, as herein alleged, are all to the prejudice and injury of the public and constitute unfair and deceptive acts and practices within the intent and meaning of the Federal Trade Commission Act.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission on November 24, 1942, issued and subsequently served its complaint in this proceeding upon Maurice Kressin, an individual, trading as United Delivery System, and Esther Kressin, an individual, charging them with the use of unfair and deceptive acts and practices in commerce in violation of the provisions of said act. After the issuance of said complaint and the filing of respondents' answer thereto, testimony and other evidence in support of and in opposition to the allegations of said complaint were introduced before an examiner of the Commission theretofore duly designated by it, and said testimony and other evidence were duly recorded and filed in the office of the Commission. Thereafter, the proceeding regularly came on for final hearing before the Commission on the said complaint, the answer thereto, testimony and other evidence, report of the trial examiner and exceptions thereto, briefs in support of and in opposition to the complaint, and the oral arguments of counsel; and the Commission, having duly considered the matter and being now fully advised in the premises, finds that this proceeding is in the interest of the public and makes this its findings as to the facts and its conclusion drawn therefrom.

FINDING AS TO THE FACTS

PARAGRAPH 1. Respondent, Maurice Kressin, is an individual, trading as United Delivery System, with his office and principal place of business at 639 New York Avenue, N. W., Washington, D. C. Respondent, Esther Kressin, is the wife of Maurice Kressin and aids, assists, and is active in the conduct of the business carried on by both respondents as a family enterprise under the name "United Delivery System."

PAR. 2. Respondents are now, and for more than three years last past have been, engaged in the sale and distribution of post cards, envelopes, and form letters designed and intended to be used by creditors and collection agencies in obtaining information concerning debtors. Respondents cause said post cards, envelopes, and form letters, when sold, to be

transported from their place of business in the District of Columbia to purchasers thereof in various States of the United States, and maintain, and have maintained, a course of trade in said post cards, envelopes, and form letters in commerce between and among various States of the United States and in the District of Columbia.

PAR. 3. In advertising and promoting the sale of their cards, envelopes, and form letters respondents have represented to merchants, collection agencies, and other customers or prospective customers, with reference to "Locating persons commonly called 'skips' and obtaining information as to their employment," in part as follows:

Have you any persons upon your books commonly called "skips" who try to evade payment of honest debts due your firm, or persons who are deliberately refusing to answer your letters or purposely returning mail to make you believe that they have moved, thus leading you off your track in the collection of accounts?

We can help you locate these persons and their addresses and get you information as to their present employment, and thus make it more convenient for you to obtain judgment against them and issue garnishment proceedings against the employer as to money in their possession belonging to the debtor.

We are in the business of delivering packages and messages in all of the principal cities in the United States, with executive offices in the city of Washington, D. C.

Our plan briefly stated, in obtaining this information is as follows:

(a) A letter is sent by you on our letterhead to the party you wish to locate, stating that the United Delivery System has a package for him that we have been unable to deliver on account of a change of address.

(b) This letter is mailed out by you in which there is an additional envelope printed with our name and address thereon for their reply. After receiving this letter the party is naturally anxious to know what kind of a package we may have for him, and consequently he fills in the lines printed on the attached letter which shows name, address and present employer, and in the event the party happens to be an employer himself, a bank reference will be requested. The return replies are received at our executive offices and we in turn return them to you for your information, mailing to the person replying a box of paper cups in order to comply with the Post Office Regulations.

This system is now being successfully used by the leading credit houses throughout the United States. By using these letters you can accomplish the following:

1. Obtain the correct addresses of persons who have moved and who are trying to evade payment of their debts to you.
2. Obtain the name of their employer whose name you might use to great advantage in either bringing garnishment proceedings against debtor or compelling him to pay his account by threatening to do so.
3. Obtain bank references of employers who are debtors.
4. Locate persons who have purchased goods from you under assumed names.

PAR. 4. The cards sold by respondents are addressed to:

UNITED DELIVERY SYSTEM

DISTRIBUTION DEPARTMENT

639 NEW YORK AVENUE, N. W.

WASHINGTON, D. C.

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Findings

and upon the reverse side bear the following:

Return this notice promptly

UNITED DELIVERY SYSTEM

DISTRIBUTION DEPARTMENT

UNCLAIMED PACKAGE DIVISION

Washington, D. C.

On Hand Dept.

Package Reference
Number

Locating Agent -----

Checked by -----

Charges -----

A package bearing your name and address is held at your risk subject to your forwarding directions below.

CONSIGNEE MUST BE IDENTIFIED

DELIVER THE ABOVE PACKAGE TO

Name -----

Address -----

City ----- State -----

FOR IDENTIFICATION I REFER YOU TO MY
EMPLOYER AND BANK

Employer -----

Address -----

Bank -----

All shipments subject to storage charges ten days after receipt by consignee of this notice.

In the space marked "Package Reference Number" appears a number assigned by respondents to the customer who purchases the particular cards. With this card is furnished an unaddressed envelope bearing respondents' return address and a notation, "POSTMASTER—Important: if this letter can not be delivered to address shown please forward to last address." Respondents' customers address these envelopes to the last-known address of the debtor about whom information is sought, return them in bulk to respondents, who mail them in Washington, D. C. When cards thus sent to debtors and others are returned to respondents with the information desired, the original purchaser is identified by the numbering process above mentioned and respondents thereupon send the cards to such purchaser.

Findings

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The form letters sold by respondents for use by their customers in locating debtors, when addressed to other than debtors, read:

Unlimited Facilities

Courtesy and Efficiency

MAURICE KRESSIN
General Mgr.

UNITED DELIVERY SYSTEM

Unclaimed Package
Division

EXECUTIVE OFFICES
639 NEW YORK AVENUE, N. W.
WASHINGTON, D. C.

MERCHANDISE

Distribution Department
Specialties in Package
Deliveries

File No. _____

Contracts made for
the distribution of
all kinds of
advertising matter,
trade papers,
publications, and
general merchandise
by uniformed force.

* *

**STORAGE AND
SHIPPING**

* *

Merchandise and
advertising matter
received in carload
or less than carload
lots stored, broken
up and delivered
or reshipped by
parcel post,
freight or express.
Pool car distributing
and forwarding.

Always at Your
Service

**MERCHANDISE
DISTRIBUTORS**

Name _____

Address _____

Can you inform us as to the present address or whereabouts

of _____

who formerly lived at _____

We have a package addressed to the above party and we understand that there has been some change in their address. We are desirous of making proper delivery and would appreciate your kindness in advising us of their present location.

We are enclosing a self addressed and stamped envelope and we would appreciate any information you can give us regarding this party's present address or place of employment so we can make prompt delivery of this package.

Thanking you for an early reply, we are

Very truly yours,

UNITED DELIVERY SYSTEM.

Name of party _____

Present address _____

City _____

Present employment _____

Remarks _____

*The World's Largest Problem Today Is Distribution—Getting Goods From Where They Are
To Where They Ought To Be—System!*



MAIL BACK IN ENCLOSED ENVELOPE



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Findings

The form letters addressed to debtors¹ are upon a letterhead similar to the above, and read:

Unlimited Facilities

UNITED DELIVERY SYSTEM Courtesy and Efficiency

EXECUTIVE OFFICES

639 NEW YORK AVENUE, N. W.
WASHINGTON, D. C.

Phone Connections
Cable Address
"Arrange"

Distribution Department
Specialists in Package
Deliveries

Contracts made for
the distribution of
all kinds of
advertising matter,
trade papers,
publications, and
general merchandise
by uniformed force.

* *

**STORAGE AND
SHIPPING**

* *

Merchandise and
advertising matter
received in carload
or less than carload
lots stored, broken
up and delivered
or reshipped by
parcel post,
freight or express.
Pool car distributing
and forwarding.

Always at Your
Service

**MERCHANDISE
DISTRIBUTORS**

Consignee

Street

City.....State

We have a package for you which we would like to complete delivery of, but due to some change in address we will appreciate it if you will send us your present and correct address in order to make immediate and proper delivery.

We are inclosing herewith a self-addressed and stamped envelope for your reply. We would appreciate it if you fill in the following and return at your earliest convenience.

Very truly yours,

UNITED DELIVERY SYSTEM.

For the purpose of complete identification all of the data below is required.

Name

Address

Former Address

Name of present employer

Address

Bank

Address

Name of reference for identification

*The World's Largest Problem Today Is Distribution—Getting Goods From Where They Are
To Where They Ought To Be—System!*

 MAIL BACK IN ENCLOSED ENVELOPE 

¹ Error in inadvertently using word "creditors" instead of "debtors" was corrected by nunc pro tunc order of the Commission dated May 31, 1944.

With these letters is furnished an addressed envelope directed to United Delivery System, Distribution Department, at respondents' Washington address, and also an unaddressed envelope, similar to that furnished to purchasers of cards, for use in mailing the letter and reply envelope. When addressed by the purchasers thereof, they are returned to respondents, who mail them in Washington, D. C., receive the replies, and send such replies to the original purchaser of the form letter.

When a card or letter containing the information requested for the use of their customers is returned to respondents by the person about whom the information is desired, they mail to him a few paper cups or a six-inch ruler made of cardboard, or some similar article of trivial value. These articles are furnished by respondents and sent out by them "in order to comply with the Post Office Regulations." In some instances replies have been received to as high as 90 percent of the inquiries sent out, but the average returns approximate 30 percent of the inquiries. Respondent Maurice Kressin testified that in some instances in the past, prior to mailing such inquiries, the packages containing the small articles of merchandise mentioned were addressed to persons to whom inquiries were sent, but this is not currently being done and was never the general practice. It is customary to make up and address these packages after a reply is received. Respondents in fact are not seeking to make delivery of merchandise to the debtors of their customers but only to request information for the use of their customers. Respondent Maurice Kressin also testified that the business of United Delivery System had two phases: one devoted to the delivery of merchandise and advertising matter; and the other devoted to the sale and handling of cards and form letters used in locating and securing information concerning delinquent debtors.

PAR. 5. Through the use of the name "United Delivery System" in the manner above set forth, respondents falsely represent to the debtors and others from whom information concerning debtors is sought that the information is desired for use in connection with the movement and transportation of goods and the delivery thereof to the proper consignees, and the name as thus used is merely a disguise to conceal from such addressees the true nature of respondents' business. The use of said name and the false representations made to debtors and to others from whom information is sought concerning debtors, as aforesaid, have the capacity and tendency to mislead and deceive the persons addressed and cause them to furnish respondents with information which would not be furnished if the true purpose of respondents' inquiry were known. Through the use of the cards, form letters, and envelopes heretofore described respondents place in the hands of others means of making the aforesaid false representations.

CONCLUSION

The acts and practices of respondents as herein found are all to the prejudice and injury of the public and constitute unfair and deceptive acts and practices within the intent and meaning of the Federal Trade Commission Act.

ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission, the answer of respondents, testimony and other evidence in support of and in opposition to the allegations

of said complaint, report of the trial examiner and exceptions thereto, briefs filed herein, and the oral arguments of counsel; and the Commission having made its findings as to the facts and its conclusion that said respondents have violated the provisions of the Federal Trade Commission Act.

It is ordered, That respondent, Maurice Kressin, an individual, trading as United Delivery System or under any other name, and respondent, Esther Kressin, an individual, jointly or severally, their representatives, agents, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale, and distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act, of cards, form letters, envelopes, or any other printed or written material for use in obtaining information concerning debtors or alleged debtors, do forthwith cease and desist from:

1. Representing, or placing in the hands of others means of representing, directly or by implication, that persons concerning whom information is sought are the consignees of merchandise or other property being held for delivery to them.

2. Using the name "United Delivery System," or any other name which imports or implies the shipment, transportation, or distribution of merchandise, to designate, describe, or refer to respondents' business insofar as said business is concerned with obtaining information to be used in the collection of debts.

3. Using, or placing in the hands of others for use, cards, form letters, envelopes, or other printed or written material by means of which respondents' business of obtaining information for the purpose of facilitating the collection of debts is represented as a business of some other nature or character.

It is further ordered, That respondents shall, within 60 days after the 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 this order.

IN THE MATTER OF
H. L. ROBINSON COMPANY

COMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION
OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914

Docket 4906. Complaint, Feb. 12, 1943—Decision, May 2, 1944

Where an individual engaged in the manufacture of neon electrical display signs and in the leasing and installation thereof at the business places of purchasers in various States and in the District of Columbia, contacting, either personally or through salesmen, prospective lessees, many of whom, proprietors of small businesses such as filling stations and road-side restaurants, with only limited business experience, were unwilling to enter into leases for more than five years, or to enter into any fixed period lease until a trial satisfied them it would be profitable to do so, or preferred to purchase on the installment plan, and with whom it was the practice of said individual and his salesmen promptly to agree to whatever terms of lease or purchase were desired, telling the purchaser that the matter would be arranged to permit cancellation after trial, or installment purchase or whatever was desired—

- (a) Made use of lease agreements, bound in triplicate, which, regardless of verbal agreements, provided on their face for a five-year lease, and on the reverse side, concealed further by the carbons interposed, contained many important contractual provisions of which the other parties were carefully kept in ignorance, including provision "in Bible print" that if the user or his assignees were "in business at the expiration of the initial 60-month period, or any extension thereof as herein provided, this agreement . . . shall automatically . . . be extended for an additional like period of 60 months"; and, having written various matters on the face of the top sheets and obtained the signatures of the other parties thereon, refused to furnish copies until after the signs' installation and endeavored by every means at their command to induce the other parties not to read the face of the contracts upon which their signatures were placed, falsely representing that the contract was in accordance with the verbal understandings;

With the result that through said acts and practices and said forms of agreement, which were traps for the unwary and inexperienced, baited with the various representations of said individual and his salesmen, many persons were induced to enter into lease agreements as to the terms and conditions of which they had been intentionally misled, deceived and kept in ignorance; and

- (b) Made it their practice, in connection with certain of the agreements which provided that payment of rental for the signs was to be made by depositing coins in meters installed by said individual, to install such meters in a fashion which deprived the users of electric current for their entire establishments unless the said meters were fed at the times and in the amounts required by the lease, thus compelling users to pay rent for the signs as a prerequisite to obtaining electric current for other purposes:

Held, That such acts and practices, as above set forth, were all to the prejudice and injury of the public, and constituted unfair and deceptive acts and practices in commerce.

Mr. Randolph W. Branch for the Commission.

Cookingham & Hanley, of Portland, Ore., for respondent.