

IN THE MATTER OF  
MIDLAND AFFILIATED BUSINESS SALES AND  
SERVICES, INC., ET AL.

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

*Docket 7543. Complaint, July 15, 1959—Decision, Jan. 6, 1960*

Consent order requiring a Chicago company to cease using deception to obtain advance fees for advertising real estate or for its services in obtaining loans or financial assistance for businessmen, and representing falsely that fees would be refunded when it failed to sell the property or procure the loan.

The complaint was dismissed on Mar. 19, 1960, p. 1069 herein, as to a former official of corporate respondent.

Before: *Mr. Edward Creel*, hearing examiner.

*Mr. John W. Brookfield, Jr.*, and *Mr. John J. Mathias* supporting the complaint.

*Mr. Ralph R. Mickelson* of Chicago, Ill., for respondents which are affected.

INITIAL DECISION AS TO ALL RESPONDENTS EXCEPT BERNARD HEWITT

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission on July 15, 1959, issued and subsequently served its complaint in this proceeding against the above-named respondents charging them with the use of false, misleading and deceptive statements for the purpose of obtaining listings of business and other property and in soliciting fees for services to be rendered in connection with obtaining loans or financial assistance for businessmen or others.

On November 2, 1959 there was submitted to the undersigned hearing examiner an agreement between certain respondents, their counsel, and counsel supporting the complaint providing for the entry of a consent order.

Under the foregoing agreement, Midland Affiliated Business Sales and Services, Inc., a corporation, and Saul Wallace, individually and as an officer of said corporation, admit the jurisdictional facts alleged in the complaint. The parties agree, among other things, that the cease and desist order there set forth may be entered without further notice and have the same force and effect as if entered after a full hearing and the document includes a waiver by the respondents of all rights to challenge or contest the validity of the order issuing in accordance therewith. The agreement further recites that it is for settlement purposes only and does not constitute an admission by the respondents that they have violated the law as alleged in the complaint.

The hearing examiner finds that the content of the agreements meets all of the requirements of Section 3.25 (b) of the Rules of the Commission.

The hearing examiner having considered the agreement, including the affidavit which is attached thereto and made a part thereof, and proposed order, and being of the opinion that they provide an appropriate basis for settlement and disposition of this proceeding, the agreement is hereby accepted, and it is ordered that said agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Commission. The following jurisdictional findings are made and the following order issued.

Order

56 F.T.C.

1. Respondent Midland Affiliated Business Sales and Services, Inc., is a corporation organized, existing and formerly doing business under and by virtue of the laws of the State of Illinois, with its principal office and place of business located at 176 Adams Street, Chicago, Illinois.

2. Respondent Saul Wallace is an officer of the corporate respondent. He formulates, directs, and controls its acts and practices. His address is the same as that of the corporate respondent.

3. The agreement does not dispose of this proceeding as to Bernard Hewitt who is subject to further proceedings.

4. 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 Midland Affiliated Business Sales and Services, Inc., a corporation, and its officers (except Adrienne E. Wallace), and Saul Wallace, individually and as an officer of said corporate respondent, and respondents' agents, representatives, and employees, directly or through any corporate or other device, in connection with the offering for sale, or sale of advertising in newspapers or other advertising media, or of other services or facilities in connection with the offering or listing for sale, selling, buying, or exchanging of business or any other kind of property in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, directly or by implication, that:

1. Respondents have available prospective buyers who are interested in the purchase of, and are financially able to purchase, the properties listed or advertised by them;

2. Respondents are able to and will finance the sale of said properties;

3. The property is underpriced by the owner or that the asking price should be increased or that respondents can or will sell the property at the increased price;

4. Respondents are associated with large numbers of real estate brokers who assist in the sale of the listed property; or that they are associated with any number of brokers that is not in accordance with the fact;

5. The property will be listed in advertisements in newspapers of the customer's choice;

6. The listing or advance fee is intended only as an advance on the selling commission; or that said fee is to assure that the owner will sell the property;

7. The listing or advance fee will be refunded if the property is not sold;

8. Respondents have sold the property of others within a short period of time; or within any period of time not in accordance with the fact;

9. Respondents will sell the property sought to be listed within a short period of time; or within any period of time not in accordance with the fact and that respondents' services will result in the sale of the properties which they accept for listing or advertising;

10. Respondents' services consist of anything other than advertising properties for sale.

*It is further ordered,* That respondents Midland Affiliated Business Sales and Services, Inc., a corporation, and its officers (except Adrienne E. Wallace), and Saul Wallace, individually and as an officer of said corporation, and respondents' agents, representatives, and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, or sale of their services in obtaining loans or financial assistance for businessmen or others, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, directly or by implication, that:

1. Respondents will obtain loans within a specified or short period of time; or within any other period of time not in accordance with the fact;

2. Respondents will refund the fee paid, in the event of failure to obtain or procure a loan;

3. A loan will be provided at, or at less than, a specific rate of interest;

4. Respondents make loans to clients from their own funds.

*It is further ordered,* That the complaint herein, insofar as it relates to respondent Adrienne E. Wallace, be, and the same hereby is, dismissed without prejudice to the right of the Commission to take such action in the future as the facts may then warrant.

#### DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall on the 6th day of January, 1960, become the decision of the Commission; and, accordingly:

*It is ordered,* That respondents Midland Affiliated Business Sales and Services, Inc., a corporation, and its officers, and Saul Wallace, individually and as an officer of said corporate respondent shall within sixty (60) days after service upon them of this order, file

