
IN THE MATTER OF
ACTION FOR CREDITORS, INC., ET AL.

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

Docket 7539. Complaint, July 14, 1959—Decision, Jan. 30, 1960

Consent order requiring a Washington, D.C., concern to cease using or selling misleading "skip tracing" forms for collection of delinquent accounts which implied—through misleading titles and an eagle perched atop a shield, ambiguous statements, and a Washington, D.C., mailing address—that they were sent by a Government agency.

Mr. Edward F. Downs for the Commission.

Mr. Kenneth H. Fast of *Fast & Fast*, of Newark, N.J., for respondents.

INITIAL DECISION BY EDGAR A. BUTTLE, HEARING EXAMINER

On July 14, 1959, the Federal Trade Commission issued its complaint against the above-named respondents charging them with violating the provisions of the Federal Trade Commission Act in connection with the sale of printed forms, cards and envelopes, which are designed for use in the location of delinquent debtors, or as an aid in the collection of money owed by delinquent debtors, to credit bureaus, collection agencies, finance companies and business firms and individuals. On November 5, 1959, the respondents and counsel supporting the complaint entered into an agreement containing a consent order to cease and desist in accordance with section 3.25(a) of the Rules of Practice and Procedure of the Commission.

Under the foregoing agreement, the respondents admit the jurisdictional facts alleged in the complaint and agree, among other things, that the cease and desist order there set forth may be entered after a full hearing. The agreement includes a waiver by the respondents of all rights to challenge or contest the validity of the order issuing in accordance therewith; and recites that the said agreement shall not become a part of the record (i.e. official record) unless and until it becomes a part of the decision of the Commission, and 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 agreement further provides that the complaint insofar as it concerns respondent Fae Hoffman in her individual capacity, should be dismissed for the reasons set forth in an affidavit attached thereto to the effect that said respondent has not participated in the formulation, distribution or control of the policies, acts or practices of said corporation. The hearing examiner finds that the content of the said agreement meets all the requirements of section 3.25(b) of the Rules of Practice.

This proceeding having now come on for final consideration by the hearing examiner on the complaint and the aforesaid agreement for consent order, and it appearing that said agreement provides for an appropriate disposition of this proceeding, the aforesaid agreement is hereby accepted and is ordered filed upon becoming part of the Commission's decision in accordance with section 3.21 of the Rules of Practice; and in consonance with the terms of said agreement, the hearing examiner makes the following jurisdictional findings and order:

1. Respondent Action For Creditors, Inc., is a corporation organized, existing and doing business under and by virtue of the

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laws of the District of Columbia, with its principal place of business at 2000 P Street, N.W., Washington, D.C.

Respondents Edwin G. Axel and Milton S. Hoffman are officers of the corporate respondent. They formulate, direct and control the acts and practices of the corporate respondent. Respondent Edwin G. Axel's address is 364 Main Street, East Orange, New Jersey and the address of Milton S. Hoffman is 2422 Eccleston Street, Silver Spring, Maryland.

Respondent Fae Hoffman is an officer of the corporate respondent and her address is 2422 Eccleston Street, Silver Spring, Maryland.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents hereinabove named. The complaint states a cause of action against said respondents under the Federal Trade Commission Act, and this proceeding is in the interest of the public.

ORDER

It is ordered. That respondents Action For Creditors, Inc., a corporation, and its officers, and Edwin G. Axel and Milton S. Hoffman, individually and as officers of said corporation and Fae Hoffman as an officer of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or use of printed forms or other material in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using the names "Bureau of Delinquent Accounts," "Office of Credit Investigation and Protection," the picturization of an eagle or any other name, phrase, picturization, or emblem of similar import on printed forms or otherwise.

2. Representing, directly or by implication, or placing in the hands of others any means of representing.

(a) That any investigation or other action has been, or will be, taken by any agency of the United States Government, or any other government or any branch or agency thereof;

(b) That any such forms are in any way the product of or used by any agency of the United States Government, or any other government or any branch or agency thereof;

(c) That respondents, or any of them, or their business or forms are in any way connected with the United States Government, or any other government or any branch or agency thereof.

3. Using or placing in the hands of others for use, any printed forms or other material which do not clearly reveal that respondents are engaged in the collection of delinquent debts or the sale of forms for use in the collection of delinquent debts.

4. Misrepresenting in any manner the type of business in which respondents are engaged or the purpose of any forms or other material used or sold by respondents.

It is further ordered, That the complaint be, and the same hereby is, dismissed as to respondent Fae Hoffman, individually, without prejudice to the right of the Commission to take such further action against said respondent as future facts may 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 30th day of January, 1960, become the decision of the Commission; and, accordingly:

It is ordered, That respondents Action For Creditors, Inc., a corporation, and Edwin G. Axel and Milton S. Hoffman, individually and as officers of said corporation and Fae Hoffman as an officer of said corporation, shall, within sixty (60) days after 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 the order to cease and desist.