
IN THE MATTER OF
UNITED STATES CREDIT RATING BUREAU, INC., ET AL.
CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT

Docket C-71. Complaint, Feb. 8, 1962—Decision, Feb. 8, 1962

Consent order requiring Baltimore operators of a collection agency to cease representing falsely by their corporate name that they were a "bureau" and were engaged in rating other concerns from a credit standpoint; and rep-

resenting falsely in printed matter disseminated to clients and debtors that they provided "Nationwide Credit Protection".

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 United States Credit Rating Bureau, Inc., a corporation, and Landres Chilton, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges as follows:

PARAGRAPH 1. Respondent United States Credit Rating Bureau, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Maryland with its principal office and place of business at 100 Court Square Building, Baltimore 2, Md. Respondent Landres Chilton is an officer of said corporate respondent and he formulates, directs and controls the acts, policies and practices of said corporate respondent. His address is the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the business of operating a collection agency. Respondents solicit delinquent accounts for collection from business persons and firms in various States of the United States other than the State of Maryland. In the process of collecting said delinquent accounts, respondents send and transmit various notices, letters and documents of a commercial nature from their places of business in the State of Maryland to the debtors of their clients located in various States of the United States other than the State of Maryland and receive checks, money orders and other documents from said debtors transmitted across state lines. Respondents thus engage in extensive commercial intercourse, in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 3. In the course and conduct of their business, respondents, through the use of the name United States Credit Rating Bureau, Inc., have represented, and do now represent, that they are a "bureau" and that they are engaged in the business of rating other firms and companies from a credit standpoint. In truth and in fact, respondents are not a bureau and are not engaged in any credit rating but are instead a collection agency.

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PAR. 4. In the course and conduct of their business, as aforesaid, respondents have made various statements concerning their business, its nature, size and extent, in the printed material disseminated to their clients and to debtors. Typical of the statements made are the following:

1. Serving the Nation's Business;
2. Nationwide Credit Protection.

PAR. 5. Through the aforesaid statements, respondents have represented, and now represent, directly or by implication, that:

1. The business is nationwide in scope;
2. They offer credit protection.

PAR. 6. The foregoing representations were and are false, misleading and deceptive. In truth and in fact:

1. The business is not nationwide in scope; its operations are limited to approximately four states and the District of Columbia;
2. Respondents do not offer or supply any credit protection or furnish any credit reports.

PAR. 7. In the conduct of their business, at all times mentioned herein, respondents have been in substantial competition in commerce with corporations, firms and individuals engaged in business of the same general kind and nature.

PAR. 8. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had and now has the capacity and tendency to mislead members of the public, including debtors and creditors, into the erroneous and mistaken belief that said statements and representations were and are true and into the purchase of respondents' services and the payment of accounts by debtors to respondents, by reason of said erroneous and mistaken belief.

PAR. 9. The aforesaid acts and practices of respondents, as herein alleged, were and are all to the prejudice and injury of the public and of respondents' competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce, in violation of Section 5(a)(1) of the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act, and the respondents having been served with notice of said determination and with a copy

of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as set forth in the complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent, United States Credit Rating Bureau, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Maryland, with its office and principal place of business located at 100 Court Square Building, in the city of Baltimore, State of Maryland.

Respondent Landres Chilton is an officer of said corporation, and his address is the same as that of said corporation.

2. 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 United States Credit Rating Bureau, Inc., a corporation, and its officers, and Landres Chilton, 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 offering for sale or sale of any service or printed matter for use in the collection of claims or accounts, the solicitation of accounts or contracts therefor, or the collection of accounts in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using the words "credit rating" or "bureau", or any other term of similar import or meaning in the corporate name or in any other manner to designate, describe or refer to respondents' business, or otherwise representing, directly or by implication, that respondents' business is a credit rating bureau or is other than that of a collection agency;

2. Using the word "nationwide" to describe or refer to respondents' business, or otherwise representing, directly or by implication, that

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respondents' business is nationwide in scope or that it serves an area larger than is the fact.

3. Using the words "credit protection" in connection with the business aforesaid, or otherwise representing, directly or by implication, that respondents offer or supply credit protection or furnish credit reports.

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commis-