

Complaint

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IN THE MATTER OF

BUSINESS & PROFESSIONAL, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION
OF THE FEDERAL TRADE COMMISSION ACT*Docket C-524. Complaint, July 16, 1963—Decision, July 16, 1963*

Consent order requiring Roselle, N. J., collectors of debts on a commission basis in which connection they used a variety of forms to obtain information regarding delinquent debtors, to cease using on post cards such misleading terms as "REGIONAL REGISTRY BOARD" signed "_____ Director", printing at the end of demand letters the titles "Legal Department", "Claims Department", and "Credit Manager", and mailing to delinquents printed forms resembling legal summons headed "Final Notice Prior to Suit".

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 Business & Professional, Inc., a corporation, and Thomas Campagna, Sallianne Campagna, and Richard N. Heale, individually and as officers of said corporation, 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 Business & Professional, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey with its principal office and place of business located at 613 St. Georges Avenue in the City of Roselle, State of New Jersey.

Respondents Thomas Campagna, Sallianne Campagna and Richard N. Heale are officers of the corporate respondent. They formulate, direct and control the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. Their 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 collection of debts alleged to be due and owing by others, upon a commission basis, contingent upon collection.

PAR. 3. In the course and conduct of their business, respondents now cause, and for some time last past have caused, printed forms to be mailed from their place of business in the State of New Jersey

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to alleged debtors located in various other states of the United States, and have been, and are now, receiving accounts for collection from persons, firms and corporations and have been collecting accounts due by persons, firms and corporations located outside the State of New Jersey and received by means of the United States mail, letters, checks and documents to and from states other than the State of New Jersey, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said collection work in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business, respondents frequently desire to obtain information as to the current addresses, places of employment and other pertinent information as to persons whose alleged delinquent accounts the respondents are seeking to collect. For this purpose they use, and have used, certain printed forms and post cards. Typical, but not all inclusive, of said forms is the following, which is printed on a post card:

REGIONAL REGISTRY BOARD
Upon careful investigation of your
records we find them incomplete.
It is urgent that you call—
HU 6-3562

File #
Not a government agency.

Mr. Russell
Director

PAR. 5. Through the use of the designation "Regional Registry Board" and by the wording on said post card, particularly the words at the end "Mr. Russell, Director," respondents represent, directly or by implication, to those to whom the post card is mailed that the respondents are communicating with the addressee in some official capacity, governmental or otherwise, and that the information is required for official purposes.

In truth and in fact, respondents are not acting in any official capacity, governmental or otherwise, but desire the addressee to contact them solely for the purpose of locating the person to whom it is addressed and obtaining his present address, place of employment and other pertinent information.

Therefore, the aforesaid representations were, and are, false, misleading and deceptive.

PAR. 6. In the course and conduct of their business as a collection agency, respondents cause to be sent to the persons from whom they seek to collect alleged delinquent accounts, demand letters

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at the end of which are printed certain titles. Typical, but not all inclusive, of such designations are the following:

Legal Department
Claims Department
Credit Manager

In truth and in fact, respondents have no Legal Department, Claims Department or Credit Manager, but, on the contrary, respondents' sole business is the collection of alleged delinquent accounts.

Therefore, the aforesaid representations were, and are, false, misleading and deceptive.

PAR. 7. In the course and conduct of their business, respondents have mailed to alleged delinquent debtors certain printed forms. Typical but not all inclusive of said forms is the following:

FINAL NOTICE PRIOR TO SUIT

To the above named debtor:

First: You will please take notice that the undersigned claims that you are indebted to -----

in the sum of ----- for goods sold and delivered, together with interest.

Second: This is your final notice, and that unless you appear at the office of the Business & Professional, Inc., located at 613 St. Georges Ave., Roselle, N.J. on or before the ----- day of ----- 19--, before 6:00 p.m. of that day, for payment or adjustment of this claim, suit will forthwith be brought for the total amount, with interest, costs and attorney's fees.

Dated at Roselle, State of New Jersey, this ----- day of ----- 19--.

BUSINESS & PROFESSIONAL, INC.,
Collecting Agents for

per.-----

AFFIDAVIT

STATE OF NEW JERSEY,
County of Union:

On this ----- day of -----, 19--, before me personally appeared A. Armand, who being duly sworn, deposes and says: That he is the manager of the Business & Professional, Inc. collecting agents for -----, and there is now due from the debtor the sum of -----, which includes interest.

Further affiant saith naught.

Subscribed and sworn to before me ----- a notary public in and for the County of Union, State of New Jersey,

This is not a court order or process.
(The words in the last line are printed in type which is much smaller than the other type used on said form.)

PAR. 8. By the use of said form set forth in the last preceding paragraph respondents lead alleged delinquent debtors into the belief that such form is a legal summons, notice, writ or other legal process or document and that said form imposes upon the recipient thereof a legal obligation to respond, and that failure to so respond will or may result in the entry of a default judgment, or other legal consequences.

In truth and in fact, said form is not a legal document or process, but, on the contrary, it is a demand for payment before suit is brought.

Therefore, said form is false, misleading and deceptive.

PAR. 9. The use, as hereinbefore set forth, of said representations and said forms has had, and now has, the tendency and capacity to deceive and mislead persons into the erroneous and mistaken belief that said representations and implications are true, and induce the recipients thereof to supply information which they otherwise would not have supplied and the payment of accounts to respondents, by reason of said erroneous and mistaken belief.

PAR. 10. The aforesaid acts and practices of respondents as herein alleged, were and are, all to the prejudice and injury of the public and constituted, and now constitute, unfair and deceptive acts and practices in commerce, in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Deceptive Practices proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act; and

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

The Commission, having reason to believe that the respondents have violated the Federal Trade Commission Act, and having determined that complaint should issue stating its charges in that

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respect, hereby issues its complaint, accepts said agreement, makes the following jurisdictional findings and enters the following order:

1. Respondent Business & Professional, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey, with its office and principal place of business located at 613 St. Georges Avenue, in the city of Roselle, State of New Jersey.

Respondents Thomas Campagna, Sallianne Campagna and Richard N. Heale, are officers of said corporation and their 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 the respondent, Business & Professional, Inc., a corporation, and its officers, and respondents Thomas Campagna, Sallianne Campagna and Richard N. Heale, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the collection of, or the attempt to collect, alleged delinquent accounts in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using, or placing in the hands of others for use, any forms, letters or any other materials, printed or written, which do not clearly and conspicuously reveal thereon that the purpose thereof is to obtain information regarding alleged delinquent debtors.

2. Using post cards, forms, letters or other material which represent, directly or by implication, that respondents' business is other than that of collecting alleged delinquent debts for themselves or others.

3. Using as a designation to any form, letter or other material the words "Legal Department", "Claims Department" or "Credit Manager" or any similar designation of any department, branch or division unless the respondents have such department, branch or division actually in operation as a part of their organization, or otherwise representing that respondents' business is other than that of an agency for the collection of debts from alleged delinquent debtors.

4. Using, or placing in the hands of others for use, respondents' present form designated "Final Notice Prior to Suit"; or any other form or material which simulates legal process.

It is further ordered, That the respondents herein 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 this order.
