
IN THE MATTER OF

INTERNATIONAL CREDITORS' ASSOCIATION, INC., ET AL

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

Docket C-1083. Complaint, July 7, 1966—Decision, July 7, 1966

Consent order requiring a Chicago, Ill., seller of debt collection forms to cease misrepresenting the nature and scope of its business and making other false claims.

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 International Creditors' Association, Inc., a corporation, and Harold G. Beebe and Eleanor Beebe, 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 International Creditors' Association, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois, with its principal office and place of business located at 2801 North Sheffield Avenue, Chicago, Illinois.

Respondents Harold G. Beebe and Eleanor Beebe are officers of the said 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 business of publishing, preparing and selling printed forms, letters and other materials known as "I. C. A.—Collection System" which are to be used by the purchaser in attempting to collect accounts from alleged delinquent debtors.

PAR. 3. Respondents cause said printed forms and other material, when sold, to be transported from their place of business in the State of Illinois to purchasers thereof located in various other States of the United States and have sent and received, by means of the United States mail, letters, checks and documents to and from States other than the State of Illinois. Respondents maintain, and at all times hereinafter mentioned have maintained, a course of trade in their forms and other collection material in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. The said printed forms, letters and other material, known as "I. C. A.—Collection System" are bound in book form and are published, prepared and sold by the respondents to merchants and others who have unpaid accounts and are designed and intended to be used, and are used, by the purchasers thereof in attempting to collect alleged delinquent accounts.

When the forms, letters or other material have been addressed and prepared for mailing they may, at the option of the purchaser, be sent, in bulk, to the office of the respondents in Chicago to be mailed so that they will display a Chicago postmark.

PAR. 5. The respondents use the corporate name International Creditors' Association, Inc., in connection with their business. Respondents further refer to persons and firms purchasing their

said system as members of International Creditors' Association and issue to each purchaser as part of said book or collection system a certificate of membership reading as follows:

To be framed and placed in prominent place where it can be seen.

CERTIFICATE OF MEMBERSHIP
IN THE
INTERNATIONAL
CREDITORS'
ASSOCIATION
(an International Organization)
FOR INTERCHANGE OF CREDIT INFORMATION
AND PROTECTION OF MERCANTILE CREDITS

THIS IS TO CERTIFY that the above named is a registered member of the

INTERNATIONAL CREDITORS' ASSOCIATION
and is entitled to all the benefits of the Association
INTERNATIONAL CREDITORS' ASSOCIATION

By _____
Vice President-Secretary

Date _____

NUMBER

BONDED ATTORNEYS IN ALL CITIES AND TOWNS IN THE UNITED STATES AND CANADA

PAR. 6. By the use of the name "International Creditors' Association" separately and in connection with the statements on said certificate and by other statements and representations not specifically set forth herein, respondents represent, directly or by implication, that the corporate respondent is an association of creditors, is international in scope, and has bonded attorneys in all cities in the United States and Canada.

PAR. 7. In truth and in fact, said corporate respondent is not an association of creditors, is not international in scope, and does not have bonded attorneys in all cities in the United States and Canada, but, on the contrary, the only business of the corporate respondent is the publishing, preparing and selling of the forms known as "I. C. A.—Collection System."

Therefore, the statements and representations set forth in Paragraphs Five and Six hereof are false, misleading and deceptive.

PAR. 8. In the reminders and letters which constitute and make up the "I. C. A.—Collection System," respondents have made cer-

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tain statements and representations, directly or by implication, with respect to their business. Typical and illustrative, but not all inclusive, of such representations are the following:

International Creditors' Association for reporting delinquent debtors and for the protection of trade.

General offices: 2801 Sheffield Avenue, Chicago, Illinois. U.S.A.

Associated representatives in New York, Chicago, Denver, Philadelphia, Winnipeg, Cincinnati, Toronto, Kansas City, Seattle, San Francisco, St. Louis, Detroit, Vancouver, B.C., New Orleans, Minneapolis.

This association functions nationally—cooperating with local credit bureaus and commercial credit rating agencies in the interest of its members, and it is represented in your locality by attorneys bonded by the Central Guarantee Company, who are properly equipped to effect settlement of this account by legal process if necessary thereby incurring additional expense and embarrassment to you.

Our services included replevin, foreclosures, attachments, judgements, through bonded attorneys everywhere.

PAR. 9. By and through the use of the aforesaid statements and representations, and others of similar import and meaning not expressly set out herein, respondents represented, and now represent, directly or by implication, that:

(1) International Creditors' Association, Inc., is a collection agency;

(2) has bonded or other attorneys and associated representatives in principal cities;

(3) has resources and facilities for compiling and disseminating credit information and that the respondent is a credit bureau; and

(4) is prepared to render legal services and to institute legal proceedings in the collection of delinquent debts.

PAR. 10. In truth and in fact:

(1) International Creditors' Association, Inc., is not a collection agency;

(2) does not have bonded or other attorneys, or associated representatives in principal cities;

(3) has no resources or facilities for compiling or disseminating credit information and is not a credit bureau; and

(4) does not and cannot render legal services or institute legal proceedings of any kind.

On the contrary, respondents' sole business is the publishing, preparing and selling of the said "I. C. A.—Collection System" referred to hereinbefore.

Therefore, the statements and representations set forth in Par-

agraphs Eight and Nine hereof are false, misleading and deceptive.

PAR. 11. Respondents have adopted the following names or designations which are used on one or more of the letters or forms sold as part of the "I. C. A.—Collection System":

1. Collection Department.
2. Claim Department.
3. Credit Reporting Department.

Respondents thereby represent, directly or by implication, that the corporate respondent is a large, departmentalized organization performing the functions indicated.

PAR. 12. In truth and in fact, there are no departments within the corporate respondent but, on the contrary, it is engaged only in the preparation and sale of the forms hereinbefore described.

Therefore, the representations set forth in Paragraph Eleven hereof are false, misleading and deceptive.

PAR. 13. In the conduct of their business, at all times mentioned herein, respondents have been in substantial competition with other corporations, firms and individuals engaged in the business of operating collection agencies and in publishing, preparing and selling forms, letters and other materials for use in attempting to collect delinquent accounts.

PAR. 14. By the sale of said printed forms, letters and other material, known as "I. C. A.—Collection System," respondents have placed in the hands of purchasers means and instrumentalities which have the capacity and tendency to mislead members of the public into the erroneous and mistaken belief that said statements were, and are, true and into payment of accounts by debtors to their creditors by reason of said erroneous and mistaken belief.

PAR. 15. 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 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 respond-

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ents 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 to issue herein, 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 such 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 International Creditors' Association, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois, with its office and principal place of business located at 2801 North Sheffield Avenue, in the city of Chicago, State of Illinois.

Respondents Harold G. Beebe and Eleanor Beebe 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 respondents International Creditors' Association, Inc., a corporation, and its officers, and Harold G. Beebe and Eleanor Beebe, individually and as officers 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, sale or distribution of any service or printed matter for use in the collection of claims or accounts in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using the words "Association," "Creditors' Association," "International Creditors' Association," or any other words or terms of similar import or meaning in or as a part of respondents' trade or corporate name; or representing in any other manner that respondents' enterprise is an associa-

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tion, or is an organization of creditors, or is international in scope.

2. Representing, directly or by implication, that respondents' business is a credit reporting agency or is a collection agency, or that an account has been placed with them for collection; or misrepresenting in any manner the nature and scope of their business.

3. Representing, directly or by implication, that respondents:

(a) Have bonded or other attorneys or associated representatives in principal cities or in all cities and towns in the United States and Canada; or misrepresenting in any other manner the geographical scope of respondents' operations.

(b) Compile or disseminate credit information.

(c) Are prepared to or render legal services or institute, or cause to be instituted, legal proceedings in the collection of delinquent debts.

4. Representing, directly or by implication, that the corporate respondent has a collection department, claim department or credit department.

5. Placing in the hands of others the means and instrumentalities to represent any of the matters heretofore prohibited by this order.

It is further ordered, That respondents herein shall have six months from date of service of this order upon them within which to comply with this order and within which to file a report in writing setting forth in detail the manner and form in which they have complied with said order.