

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

*Docket C-2076. Complaint, Nov. 3, 1971—Decision, Nov. 3, 1971**

Consent order requiring a New York City seller of articles of wearing apparel and nine affiliated firms in other cities who sell their goods to individuals, some 3000 'personal shoppers,' who in turn sell to the consuming public to cease misrepresenting the amount of money respondents' customers can earn, failing to disclose the liability of the customer for the goods in his possession, making threats of legal action against delinquent debtors through the use of spurious documents and by phone calls and letters, and failing to maintain adequate records documenting any matter covered in this order.

*Spanish translation of decision and order follows English version of order.

Complaint

79 F.T.C.

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 Helix Marketing Corporation, a corporation, Gramont Company, Inc., a corporation, The Helix Company, Inc., a corporation, Royal Crown Hosiery Company of Illinois, Incorporated, a corporation, Royal Crown Hosiery Company, a corporation, Gramont Company Incorporated of Philadelphia, a corporation, Gramont Company Incorporated, a corporation, Gramont Company, Inc. of St. Louis, a corporation, The Helix Co., Inc., a corporation, Royal Crown Company, Inc., a corporation, William T. Comfort, Jr. and Jacob M. Levine, individually and as officers or directors of certain of said corporations, 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 Helix Marketing Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its principal place of business at 264 West 35th Street, New York, New York. Said corporate respondent controls and dominates the acts and practices of its wholly-owned subsidiary, corporate respondent Gramont Company, Inc. and the wholly-owned subsidiaries of Gramont Company, Inc.; The Helix Company, Inc., Royal Crown Hosiery Company of Illinois, Incorporated, Royal Crown Hosiery Company, Gramont Company Incorporated of Philadelphia, Gramont Company Incorporated, Gramont Company, Inc. of St. Louis, The Helix Co., Inc., and Royal Crown Company, Inc.

Respondent Gramont Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its principal place of business at 264 West 35th Street, New York, New York. Said corporate respondent is a wholly-owned subsidiary of corporate respondent Helix Marketing Corporation.

Respondent The Helix Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its principal place of business at 61 West 23rd Street, New York, New York. Said corporate respondent is a wholly-owned subsidiary of corporate respondent Gramont Company, Inc.

Respondent Royal Crown Hosiery Company of Illinois, Incorporated, is a corporation organized, existing and doing business under

and by virtue of the laws of the State of Illinois, with its principal place of business at 210 West Madison, Chicago, Illinois. Said corporate respondent is a wholly-owned subsidiary of corporate respondent Gramont Company, Inc.

Respondent Royal Crown Hosiery Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Michigan, with its principal place of business at 19 Clifford Street, Detroit, Michigan. Said corporate respondent is a wholly-owned subsidiary of corporate respondent Gramont Company, Inc.

Respondent Gramont Company Incorporated of Philadelphia is a corporation organized, existing and doing business under and by virtue of the laws of the State of Pennsylvania, with its principal place of business at 1005 Market Street, Philadelphia, Pennsylvania. Said corporate respondent is a wholly-owned subsidiary of corporate respondent Gramont Company, Inc.

Respondent Gramont Company Incorporated, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois, with its principal place of business at 630 South Wabash, Chicago, Illinois. Said corporate respondent is a wholly-owned subsidiary of corporate respondent Gramont Company, Inc.

Respondent Gramont Company, Inc. of St. Louis is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its principal place of business at 808 Washington Avenue, St. Louis, Missouri. Said corporate respondent is a wholly-owned subsidiary of corporate respondent Gramont Company, Inc.

Respondent The Helix Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Ohio, with its principal place of business at 2082 East 4th Street, Cleveland, Ohio. Said corporate respondent is a wholly-owned subsidiary of corporate respondent Gramont Company, Inc.

Respondent Royal Crown Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the District of Columbia with its principal place of business at 1319 F Street, N.W., Washington, D.C. Said corporate respondent is a wholly-owned subsidiary of corporate respondent Gramont Company, Inc.

Respondent William T. Comfort, Jr. is an individual and is a member of the board of directors of Helix Marketing Corporation and Gramont Company, Inc. He is an officer of Helix Marketing Corporation. His business address is 264 West 35th Street in the city of New York, State of New York.

Respondent Jacob M. Levine, is an individual and was, until January 31, 1971, an officer of Helix Marketing Corporation. He was until the above date, an officer and member of the board of directors of Gramont Company, Inc., The Helix Company, Inc., Royal Crown Hosiery Company of Illinois, Incorporated, Royal Crown Hosiery Company, Gramont Company Incorporated of Philadelphia, Gramont Company Incorporated, Gramont Company, Inc. of St. Louis, The Helix Co., Inc., and Royal Crown Company, Inc. He is currently a member of the board of directors of Gramont Company, Inc. His business address is 264 West 35th Street in the city of New York, State of New York.

The individual respondents, William T. Comfort, Jr. and Jacob M. Levine formulate, direct and control the acts and practices of the corporate respondents, including the acts and practices hereinafter set forth.

PAR. 2. Respondents are engaged in the sale and distribution, through a number of branches or outlets, of articles of wearing apparel and other products, to some 3000 "personal shoppers" or "customers" who thereafter sell and distribute such products to the consuming public. Respondents recruit said "personal shoppers" from among housewives, including many welfare recipients, to sell such products at retail to relatives, acquaintances and other members of the consuming public. Respondents assist in the sales effort of said "personal shoppers" by extending short term financing in varying amounts, depending upon the individual, by allowing credit on the return of unsold merchandise, and by furnishing them with instructions as to methods of selling said products and collecting payment therefor.

PAR. 3. In the course and conduct of their business, respondents cause said articles of wearing apparel and other products to be shipped and distributed from the places of origin or storage of said products in various states, to places of storage or distribution in other states, for sale and distribution to respondents' customers and to ultimate consumers located in various other States of the United States. Respondents also cause checks, sales memoranda, policy directives, instructions, and other documents and communications to be transmitted by means of the United States mails and other interstate mechanisms, to and from respondents' principal and other offices and places of business located in various States of the United States. Respondents disseminate, or cause to be disseminated advertisements published in various newspapers and other publications of interstate circulation to recruit customers of said products for resale, and to induce the sale of the said products to said customers for resale to ultimate consumers located in various States of the United States. Respondents furnish means, instru-

All of the aforesaid acts and practices have been engaged in, in the course and conduct of respondents' business and all such acts and practices have a close and substantial relationship to the interstate flow of respondents' business. Respondents now have, and at all times mentioned herein have had, a substantial course of trade in said merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act.

Among and typical of said statements and representations, but not all inclusive thereof, are the following:

Our Women Average \$68 Weekly
No Canvassing Necessary . . .
FILL OUR CUSTOMERS ORDERS

* * * * *
 CAN EARN \$72 WEEKLY * * *
 * * * * *

2. Statements made by respondents or their agents or representatives during the course of personal interviews with prospective "personal shoppers" responding to said advertisements, such as:

(b) "Give me your address so I can see if we need someone in your neighborhood. What is your zip code? I'm so glad you called, we need someone right there."

1. Persons answering said advertisements are likely to earn the

amounts set forth in said advertisements and that customers are not required to solicit orders in order to make sales.

2a. Announcement cards will be sent by the respondents to neighbors of the prospective customer, and that these cards may produce sales.

b. A prospective customer will be the exclusive merchandiser in that person's neighborhood.

PAR. 6. In truth and in fact:

1. The earnings figures set forth in said advertisements are far in excess of the amounts a substantial portion of prospective customers are likely to earn. Additionally, it is necessary for respondents' customers to canvass in order to obtain sales.

2a. Announcement cards are seldom, if ever, sent out by respondents.

b. Respondents do not grant exclusive sales territories.

Therefore, respondents' statements, representations, acts and practices, as referred to in Paragraphs Four and Five hereof were, and are, false, misleading and deceptive.

PAR. 7. In the course and conduct of their business, respondents require persons recruited as "personal shoppers" to secure the signature of two other persons on an instrument or form which is represented by respondents or their agents and representatives to be used for tracing or locating missing personal shoppers. In truth and in fact, the said instrument or form is used by respondents to hold the signatories thereto as guarantors, who may be personally liable for any monies which may be due or owing to respondents should the "personal shopper" refuse or be unable to pay respondents for credit extended. Respondents' use of said instrument or form, their representations as to its purpose and use, and their failure to disclose material facts as to the actual purpose and use of said instrument or form, as aforesaid, were and are false, misleading, deceptive and unfair acts or practices.

PAR. 8. In the further course and conduct of their business, and in an effort to collect accounts respondents have elected to treat as delinquent, and by means of letters and telephone calls, respondents or their representatives and agents have made certain statements of which the following are typical, but not all inclusive:

(a) HELIX Collection Department

DEAR -----:

Your above listed employee owes the amount stated * * *.

If payment is not made promptly, we shall be compelled to sue your employee and, when judgment has been obtained, to institute GARNISHMENT PROCEEDINGS * * *.

By

Collection Dept.

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Complaint

(b) ROYAL CROWN Collection Department

DEAR -----:

We regret to inform you that your account is being released to the Small Claims Court for collection.

Within the next five days you will be receiving a summons to appear in Court regarding your debt to the Gramont Company of New York, New York.

We hope that within this period of time you will realize the extra cost, embarrassment, garnishment of wages to you or your husband, or both, and also the fact that your name will be sent to the Credit Bureau * * *

By

Collection Manager

(c) FINAL NOTICE BEFORE SUIT

----- creditor

----- address

----- debtor

Amount due \$-----

TO THE DEBTOR'S ABOVE NAMED

TAKE NOTICE (1) that the above named creditor has a valid claim against you * * * for the amount mentioned above and affidavit supporting said claim is herein below annexed * * *.

* * * * *

(3) That unless remittance is received by the above named creditor * * * within 5 days from date, suit will be brought immediately for the total amount due, with interest, together with cost of said action.

Dated at this day of 19

Signed by -----

(d) Stuart Babitch, Attorney at Law, 396 Broadway, New York, New York 10013.

DEAR -----:

I have been advised by my client Helix Co., Inc. that you have defaulted. * * *

This is to inform you that unless the amount due is paid to my client directly * * *. I shall proceed to prosecute suit against you as scheduled.

Very truly yours,

STUART N. BABITCH.

(e) ROYAL CROWN Collection Department

DEAR -----:

We have been retained by the Helix Co. to recover the unpaid balance due them on your account.

You committed a serious legal offense in opening that account, as the APPLICATION FOR CREDIT you furnished to the Helix Co. supposedly bears the signature of ----- who has advised that the signature was forged.

Forgery is a criminal offense and can result in arrest, prosecution and imprisonment. Before swearing out a Warrant for your arrest on charges of forgery, we are giving you one more opportunity to settle your account.

Unless we hear from you immediately, this matter will be turned over to the police.

By Collection Agent

PAR. 9. By and through the use of the aforesaid statements, and others similar thereto, but not specifically set forth, respondents represent, directly or indirectly, that:

- (a) Garnishment of wages will result if payment is not made.
- (b) (i) Collection cases are turned over to independent collection agencies such as Royal Crown.
- (b) (ii) Steps preliminary to the filing of legal suit are taken.
- (c) A letter entitled "FINAL NOTICE BEFORE SUIT" originates not from respondents, but from a court of law.
- (d) A delinquent account has been turned over to an attorney for collection.
- (e) Unless payment is made on a delinquent account, criminal prosecution will occur.

PAR. 10. In truth and in fact:

- (a) Respondents seldom, if ever, garnishee the wages of delinquent debtors and guarantors.
- (b) (i) Royal Crown is not an independent collection agency but to the contrary, is a subsidiary of corporate respondent Gramont Company, Inc., and operates under its direction and control.
- (b) (ii) Respondents do not take any legal steps preliminary to the filing of suit.
- (c) A letter entitled "FINAL NOTICE BEFORE SUIT" originates, not from a court of law, but from the respondents. Since respondents seldom, if ever, bring suit, this letter is not the final notice before suit.
- (d) Accounts seldom, if ever, are turned over to an attorney for collection. Letters bearing an attorney's letterhead are supplied in bulk by an attorney, and are signed by respondents' employees. Furthermore, said attorney is not familiar with the specific details as to particular accounts and, in fact, refers any inquiries regarding delinquent accounts over to respondents.
- (e) No delinquent customer has ever been criminally prosecuted at the behest of respondents.

Therefore, respondents' statements, representations, acts and practices, as referred to in Paragraphs Nine and Ten hereof, were, and are, false, misleading, deceptive and unfair.

PAR. 11. In the course and conduct of their business, and at all times mentioned herein, respondents have been in substantial competition in commerce, with corporations, firms and individuals engaged in the sale of merchandise of the same general kind and nature as sold by respondents.

PAR. 12. The use by the respondents of the representations, acts and

practices, and their failure to disclose material facts, as aforesaid has had, and now has the capacity and tendency to mislead members of the public dealing with said respondents into the erroneous and mistaken belief that such statements were and are true and complete and into the purchase of substantial quantities of respondents' products by reason of said erroneous and mistaken belief and unfairly into the assumption of debts and obligations which they might otherwise not have done.

PAR. 13. The aforesaid acts and practices of the respondents were and are to the prejudice and injury of the public and of respondents' competitors and 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 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 Consumer Protection proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with a 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 respondents that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Act, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in Section 2.34(b) of its rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Helix Marketing Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its principal place of business at 264

West 35th Street, New York, New York. Said corporate respondent controls and dominates the acts and practices of its wholly-owned subsidiary, corporate respondent Gramont Company, Inc., and the wholly-owned subsidiaries of Gramont Company, Inc.; The Helix Company, Inc., Royal Crown Hosiery Company of Illinois, Incorporated, Royal Crown Hosiery Company, Gramont Company Incorporated of Philadelphia, Gramont Company Incorporated, Gramont Company, Inc. of St. Louis, The Helix Co., Inc., and Royal Crown Company, Inc.

Respondent Gramont Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its principal place of business at 264 West 35th Street, New York, New York.

Respondent The Helix Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its principal place of business at 61 West 23rd Street, New York, New York.

Respondent Royal Crown Hosiery Company of Illinois, Incorporated is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois, with its principal place of business at 210 West Madison, Chicago, Illinois.

Respondent Royal Crown Hosiery Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Michigan, with its principal place of business at 19 Clifford Street, Detroit, Michigan.

Respondent Gramont Company Incorporated of Philadelphia is a corporation organized, existing and doing business under and by virtue of the laws of the State of Pennsylvania, with its principal place of business at 1005 Market Street, Philadelphia, Pennsylvania.

Respondent Gramont Company Incorporated, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois, with its principal place of business at 630 South Wabash, Chicago, Illinois.

Respondent Gramont Company, Inc. of St. Louis is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its principal place of business at 808 Washington Avenue, St. Louis, Missouri.

Respondent The Helix Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Ohio, with its principal place of business at 2082 East 4th Street, Cleveland, Ohio.

Respondent Royal Crown Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the

District of Columbia with its principal place of business at 1319 F Street, N.W., Washington, D.C.

Respondent William T. Comfort, Jr. is a member of the board of directors of Helix Marketing Corporation and Gramont Company, Inc., and he is an officer of Helix Marketing Corporation. He formulates, directs and controls the policies, acts and practices of the corporate respondents, and his business address is 264 West 35th Street in the city of New York, State of New York.

Respondent Jacob M. Levine was, until January 31, 1971, an officer of Helix Marketing Corporation, and an officer and member of the board of directors of Gramont Company, Inc., The Helix Company, Inc., Royal Crown Hosiery Company of Illinois, Incorporated, Royal Crown Hosiery Company, Gramont Company Incorporated of Philadelphia, Gramont Company Incorporated, Gramont Company, Inc. of St. Louis, The Helix Co., Inc., and Royal Crown Company, Inc. Until the above date, he formulated, directed and controlled the acts and practices of the corporate respondents. He is currently a member of the board of directors of Gramont Company, Inc. and his business address is 264 West 35th Street in the city of New York, State of New York.

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 Helix Marketing Corporation, a corporation and its officers, Gramont Company, Inc., a corporation and its officers, The Helix Company, Inc., a corporation and its officers, Royal Crown Hosiery Company of Illinois, Incorporated, a corporation and its officers, Royal Crown Hosiery Company, a corporation and its officers, Gramont Company Incorporated of Philadelphia, a corporation and its officers, Gramont Company Incorporated, a corporation and its officers, Gramont Company, Inc. of St. Louis, a corporation and its officers, The Helix Co., Inc., a corporation and its officers, Royal Crown Company, Inc., a corporation and its officers, and William T. Comfort, Jr. and Jacob Levine, individually and as officers or directors of said corporations or any of them, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of articles of wearing apparel or other products, or the collection or attempted collection of delinquent or other accounts, and the general operation of its business, in commerce as

"commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication, that:

(a) Any customer can earn \$3.00 an hour or more, or \$68 or \$72 a week, or any other amounts in excess of those which are normally or customarily earned by said customers under normal conditions or circumstances in the ordinary course of business.

(b) Persons answering respondents' advertisements may earn money other than by the canvassing and the direct solicitation of orders.

(c) Respondents will contact, by mail or otherwise, persons in the neighborhood of respondents' customers unless said contacts are, in fact, made, and result in substantial retail sales to respondents' customers.

(d) Exclusive sales territories are granted to customers.

2. Failing to clearly and conspicuously, in the language commonly used by the signer, disclose on guarantee or similar forms, that the person signing such form is, or may be liable for any debt, default or obligation of the principal obligor or others.

3. Representing, directly or by implication, that:

(a) A delinquent debtor's wages will be or may be garnisheed unless payment is made.

(b) Helix, Royal Crown, or any other subsidiary, parent or division, are independent collection agencies.

(c) Legal action will be or may be taken against a delinquent debtor unless payment is made on a delinquent account.

(d) Legal action has been taken and suit filed against a delinquent debtor.

(e) Collection costs are or may be increased due to the preparation of credit reports, transfer to a collection agency, or by any other means.

(f) A delinquent debtor's name will be or may be sent to a credit bureau unless payment is made.

(g) Accounts are or may be turned over to collection agencies.

(h) A delinquent debtor is being contacted by an attorney when the call or letter originates from respondents' offices.

(i) Criminal prosecution will or may result if payment is not made on a delinquent account.

4. Using, for the purpose of collecting payment on delinquent accounts, letters purporting to be sent from an independent collection agency.

5. Sending to delinquent debtors notices, summonses, and other like documents, purporting to be legal documents having to do with the collection of said sums but which are in fact fictitious and not legal documents.

6. Using or employing any false or fictitious forms, documents, or threats of suits at law, for the purpose of collecting alleged delinquent accounts.

7. Failing to maintain adequate records which will furnish full particulars as to any action taken in any matter which is covered by a prohibition contained in this order.

It is further ordered, That respondents notify the Commission at least thirty (30) days prior to any proposed change in the corporate respondents, or any of them, such as dissolution, assignment or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries or any other change in the corporation which may affect compliance obligations arising out of this order.

It is further ordered, That respondents distribute a copy of this order to all operating divisions and subsidiaries of said corporations and also distribute a copy of this order to each and all of respondents' employees concerned with the promotion, sale and distribution of merchandise to respondents' customers.

It is further ordered, That respondents distribute a copy of this order to all current customers who have purchased merchandise from respondents within thirty days preceding the effective date of this order. It is ordered that a copy of this order, attached hereto, prepared in the Spanish language, be distributed to all of respondents' Spanish speaking customers.

It is further ordered, That 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.

ORDEN

Se ordena, a los demandados, Helix Marketing Corporation, una corporación y sus oficiales, Gramont Company, Inc., una corporación y sus oficiales, The Helix Company, Inc., una corporación y sus oficiales, Royal Crown Hosiery Company of Illinois, Incorporated, una corporación y sus oficiales, Royal Crown Hosiery Company, una corporación y sus oficiales, Gramont Company, Incorporated of Philadelphia, una corporación y sus oficiales, Gramont Company, Incorporated, una corporación y sus oficiales, Gramont Company, Inc. of St. Louis, una corporación y sus oficiales, The Helix Co., Inc., una

corporación y sus oficiales, Royal Crown Company, Inc., una corporación y sus oficiales, y a William T. Comfort, Jr. y a Jacob M. Levine, como individuos y como oficiales o directores de las mencionadas corporaciones o de cualquiera de ellas, y a los agentes, representantes o empleados de estos demandados, ya sea directamente o a través de alguna corporación u otro medio, que en relación con el anuncio, oferta para la venta, venta, a distribución de ropa u otros artículos; o en el cobro de deudas atrasadas u otras cuentas, en el curso general de su negocio en el comercio, entendido de la misma manera que "comercio" se define en el Federal Trade Commission Act, por la presente, cesen y desistan de:

1. Hacer creer, por medio de representaciones directas o de implicaciones que:

(a) Cualquiera de sus clientes puede ganar \$3.00 ó más por hora, o de \$68 a \$72 semanales, o cualquier otra cantidad en exceso de lo que normal y acostumbradamente ganan estas personas en el curso ordinario del negocio y bajo circunstancias normales.

(b) Las personas que responde a los anuncios de los demandados pueden ganar dinero de otro modo que no sea solicitando ordenes.

(c) Los demandados se pondrán en contacto, por medio del correo o por cualquier otro medio, con personas en el vecindario de sus clientes, a menos que en realidad los demandados se pongan en contacto con estas personas y esto resulte en una fuente de ventas para los clientes de los demandados.

(d) Los demandados conceden territorios de venta exclusivos.

2. Dejar de informar en forma clara y conspicua y en el idioma que comunmente usado por el firmante, en las formas usadas como garantía u otras formas similares, que los firmantes de tal papel, son, o pueden ser responsables por cualquier deuda, incumplimiento u obligación de el deudor principal u otros.

3. Hacer creer por medio de representaciones directas o de implicaciones que:

(a) El salario de un deudor delincuente será o podría ser embargado a menos que se pague la cuenta atrasada.

(b) Helix, Royal Crown, o cualquier otra subsidiaria, corporación principal o división son agencias independientes de cobro de deudas.

(c) Se tomará acción legal en contra de los deudores delincuentes a menos que se pague la cuenta atrasada.

(d) Se ha comenzado acción legal en contra de el deudor delincuente.

(e) Los gastos de cobro de la deuda se hacen mayores o pueden hacerse mayores por la preparación de informes de crédito, trabajos de una agencia de cobro o por cualquier otra razón.

(f) El nombre de un deudor delincuente será o podría ser enviado a un negociado de información de crédito de no pagarse la la cuenta atrasada.

(g) Las cuentas atrasadas son o podrían ser entregadas a una agencia de cobro.

(h) Las llamadas o cartas que está recibiendo un deudor delincuente provienen de un abogado, cuando tales llamadas o cartas provienen de las oficinas de los demandados.

(i) Una acción criminal será comenzada o podría ser comenzada de no pagarse la cuenta atrasada.

4. Usar, con el propósito de obtener el pago de cuentas atrasadas, cartas que parecen provenir de agencias de cobro independientes.

5. Enviar a los deudores delincuentes avisos, citaciones y otros documentos similares que parecen ser documentos legales relacionados con el cobro de las cuentas, pero que, en realidad, son ficticios y no son documentos legales.

6. Usar, con el propósito de obtener el pago de las mencionadas cuentas atrasadas, cualquier forma, documento o amenaza de acción legal que sea falso o ficticio.

7. No mantener récords adecuados que revelen todos los detalles acerca de cualquier acción tomada en cualquier materia cubierta por alguna prohibición incluida en esta orden.

Se ordena además, a los demandados notificar a la Comisión, con por lo menos treinta (30) días de anticipación, de cualquier cambio en cualquiera o alguno de aquellos demandados que son corporaciones, ya sea por disolución, traspaso o venta que resulte en la formación o disolución de subsidiarias o cualquier otro cambio corporativo que pueda afectar el cumplimiento de las obligaciones que surgen de esta orden.

Se ordena además, a los demandados distribuir una copia de esta orden a cada división activa y a cada subsidiaria de las corporaciones mencionadas en esta orden, además a todos y cada uno de aquellos empleados de los demandados que están envueltos en la promoción, venta o distribución de mercancía a sus clientes.

Decision and Order

79 F.T.C.

Se ordena además, a los demandados distribuir una copia de esta orden a todos aquellos clientes que hayan comprado mercancía a los demandados durante los treinta (30) días que precedan a la fecha efectiva de esta orden. También se ordena que la copia de esta orden, aquí incluída, en el idioma español sea distribuída a todos los clientes de los demandados que hablen ese idioma.

Se ordena además, a los demandados aquí mencionados archivar dentro de los sesenta (60) días siguientes al diligenciamiento de esta orden, con la Comisión un informe escrito exponiendo, en detalle, la forma y maneras en que se ha cumplido esta orden.
