

Complaint

92 F.T.C.

IN THE MATTER OF

MARATHON OIL COMPANY

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION ACT*Docket C-2931. Complaint, Oct. 18, 1978 — Decision, Oct. 18, 1978*

This consent order, among other things, requires a Findlay, Ohio producer and retailer of petroleum products to cease instituting, or authorizing the institution of debt collection suits in forums other than those in which consumer resided or signed the credit contract. The firm is further required to terminate suits pending in distant counties; vacate resulting default judgments; and provide consumers and credit reporting agencies with notice of such suit terminations.

*Appearances*For the Commission: *Eddie W. Correia.*For the respondent: *William J. Lowrey, Findlay, Ohio.*

COMPLAINT

The Federal Trade Commission, having reason to believe that certain acts and practices engaged in by respondent Marathon Oil Company violated Section 5 of the Federal Trade Commission Act, and that a proceeding in respect thereof would be in the public interest, issues this complaint:

PARAGRAPH 1. Marathon Oil Company is an Ohio corporation with its principal office located at 539 South Main St., Findlay, Ohio.

PAR. 2. Respondent produces petroleum products and distributes them to consumers for retail purchase.

PAR. 3. In the course and conduct of its business as aforesaid, respondent now causes the sale, ships and distributes its merchandise to purchasers located in various States of the United States. Therefore, respondent maintains a substantial course of trade in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, as amended.

PAR. 4. In the course and conduct of its business, respondent extended credit to holders of its credit card for the purpose of facilitating consumers' purchases of respondents' merchandise.

PAR. 5. In the course and conduct of attempting to collect allegedly delinquent retail credit accounts, respondent instituted collection suits in the name of respondent against consumers in counties other than where the consumers resided or signed the contract sued upon.

PAR. 6. The above acts and practices were all to the prejudice and

injury of the public and constituted unfair or deceptive acts or practices in or affecting commerce, in violation of Section 5 of the Federal Trade Commission Act, as amended.

DECISION AND ORDER

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

The respondent and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent 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 respondent 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 respondent has violated the said Act, and that complaint should issue stating its charges in that respect, having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of sixty (60) days and having duly considered the comments filed thereafter pursuant to Section 2.34 of its Rules, now in further conformity with the procedure prescribed in Section 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Marathon Oil Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Ohio, with its office and principal place of business located at 539 South Main St., in the City of Findlay, State of Ohio.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding, and of the respondent, and the proceeding is in the public interest.

ORDER

I

For purposes of this order, the following term shall apply:

"Suits in a distant forum" shall mean retail credit collection suits, other than suits to enforce an interest in real property securing the consumer's obligation, instituted in a judicial district or similar legal entity other than the one in which the consumer signed the contract sued upon or resides at the commencement of the action.

II

It is ordered, That proposed respondent, Marathon Oil Company, a corporation, and its successors, assigns, officers, agents, representatives and employees, directly or through any corporation, subsidiary, division or other device, in connection with the collection of retail credit accounts in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, as amended, do forthwith cease and desist from instituting, or authorizing the institution of, suits in a distant forum.

III

It is further ordered, That as to any suit in a distant forum instituted by or on behalf of proposed respondent pending on the day this order is served or instituted subsequent to the day on which this order becomes final, such suit shall be terminated and any default judgment entered thereunder vacated forthwith. For such suits instituted prior to the date on which this order is served, "pending" shall mean any suits not reduced to judgment. In all such cases, clear notice shall be provided to the defendants to these actions, to each "consumer reporting agency," as such term is defined in the Fair Credit Reporting Act (15 U.S.C. 603) which proposed respondent knows or has reason to know recorded the suit or judgment in its files, and to any other person or organization upon request of the defendant.

IV

It is further ordered, That proposed respondent shall forthwith deliver a copy of this order to each of its subsidiaries and operating divisions dealing with consumer credit and to each agency with whom proposed respondent currently places its retail credit accounts for collection, and to any other agency prior to referral of proposed respondent's retail credit accounts for collection. Proposed respondent shall obtain and preserve for two (2) years after it terminates its business relationship with any agency with regard to the collection of retail credit accounts, a signed and dated statement from each

agency acknowledging receipt of the order and willingness to comply with it.

V

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

It is further ordered. That proposed respondent shall, within sixty (60) days and at the end of six (6) months after service upon it of this order served upon it, file with the Commission a report, in writing, signed by proposed respondent setting forth in detail the manner and form of its compliance with this order.

Complaint

92 F.T.C.

IN THE MATTER OF
NATIONAL INDEMNITY COMPANY, ET AL.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION AND FAIR CREDIT REPORTING
ACTS

Docket C-2932. Complaint, Oct. 18, 1978 — Decision, Oct. 18, 1978

This consent order, among other things, requires an Omaha, Nebraska insurance company and its subsidiaries to cease failing to provide insurance applicants with required disclosures regarding preparation of investigative consumer reports and the nature and scope of such investigations.

Appearances

For the Commission: *Rena Steinzor.*

For the respondents: *William D. Lyons, Omaha, Neb.*

COMPLAINT

Pursuant to the provisions of the Fair Credit Reporting Act and the Federal Trade Commission Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that National Indemnity Company, a corporation, and its subsidiaries: Cornhusker Casualty Company, Home and Automobile Insurance Company, Lakeland Fire and Casualty Company, Texas United Insurance Company, Insurance Company of Iowa and Kansas Fire and Casualty Company, hereinafter sometimes referred to as respondents, have violated the provisions of said Acts, 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 National Indemnity Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Nebraska, with its principal office and place of business located at 3024 Harney St., Omaha, Nebraska.

Respondent Cornhusker Casualty Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Nebraska, with its principal office and place of business located at 105 North 31st Ave., Omaha, Nebraska.

Respondent Home and Automobile Insurance Company 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 101 South Wacker Drive, Chicago, Illinois.