

IN THE MATTER OF

SERVICE ONE INTERNATIONAL CORPORATION, ET AL.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF SEC. 5 OF
THE FEDERAL TRADE COMMISSION ACT

Docket C-3172. Complaint, Oct. 29, 1985—Decision, Oct. 29, 1985

This consent order requires a Chatsworth, Calif. credit counseling service and two corporate officers, among other things, to cease misrepresenting that they will obtain credit or credit cards for applicants; have developed working relationships with any creditors; or will provide a full or partial refund of any fees paid by consumers seeking credit or credit cards. Additionally, respondents are prohibited from misrepresenting the likelihood of any consumer obtaining credit or credit cards; the extent to which it can help consumers seeking credit or credit cards; or the conditions under which it will furnish refunds. Further, respondents are required to send to all customers who paid for the service and did not receive a credit card, a notice that gives them the option of receiving a full refund within 30 days or participating in respondents' new credit-counseling service without additional charge.

Appearances

For the Commission: *David G. Grimes, Jr.*

For the respondents: *Robert L. Mabee*, Sioux Falls, S.D.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, 15 U.S.C. 41, *et seq.*, and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that Service One International Corporation, a corporation, also trading and doing business as Service One Corporation and First Credit Services, and Reza Fayazi and Ali Fayazi individually and as a former officer of said corporation, hereinafter sometimes 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 Service One International Corporation, is a corporation organized, existing and doing business under and by virtue of the laws of the State of California, with its principal office and place of business located at 21032 Devonshire Street, Suite 215, Chatsworth, California. Service One International Corporation also

trades and does business as Service One Corporation and First Credit Services.

Respondents Reza Fayazi and Ali Fayazi are officers of Service One International Corporation. They have formulated, directed and controlled the acts and practices of Service One Corporation, including the acts and practices hereinafter set forth. Their address is the same as that of Service One International Corporation.

PAR. 2. Respondents are now, and for some time in the past have been preparing and causing the dissemination of retail advertising and promotional material to the public describing services and soliciting business. Respondents have caused such advertising and promotional material to be disseminated by various means, including insertion in magazines with national circulation that are distributed through the mail across state lines, and direct distribution through the mail across state lines. Typical statements in said advertisements and promotional materials, but not necessarily inclusive thereof, are found in advertisements attached hereto as Exhibits 1 through 3.

PAR. 3. Respondents maintain and have maintained a substantial course of business, including the acts and practices as hereinafter set forth, which are in or affect commerce as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business through advertisements, promotional literature or other written materials, including Exhibits 4, 5, 6, and 7, attached hereto, respondents have made the following statements:

Get Credit Visa/Mastercard Call Toll Free 1-800-423-2714

NOW YOU CAN GET THE CREDIT YOU WANT through FirstCreditServices . . . HOW DO I APPLY??? Complete the information requested. Sign the application as indicated. Return this form and your check or money order in the postage-paid envelope today. Processing of your application normally takes three weeks. Applications received without the required fee will not be processed. . . .

FIRSTCREDITSERVICES CREDIT CARD APPLICATION . . .

. . . Let us get you the credit you desire . . .

Please accept this invitation to VISA, MasterCard, and the world of credit. Simply complete the enclosed application form and return it with your \$25 check or money order in the postage-paid envelope. Your application will be processed within three weeks . . .

FCS has developed working relationships with banks across the country which will issue our clients' VISA and MasterCard regardless of past credit experience.

PAR. 5. By statements such as the ones set forth in Paragraph Four, respondents have represented, directly or by implication, that they will obtain credit cards for consumers for a fee, and that they have

working relationships with banks that will issue such credit cards to consumers regardless of past credit experience.

PAR. 6. In truth and in fact, respondents do not obtain credit cards for consumers after payment of fees, and have not developed any working relationship with banks that will issue such credit cards regardless of past credit experience. Therefore the representations set forth in Paragraph Five were and are false and misleading.

PAR. 7. In the course and conduct of their business, in connection with the representation in Paragraph Five, *supra*, through advertisements, promotional literature or other written materials, including Exhibits 6 and 7, attached hereto, respondents have made the following statements:

In the event you are unable to obtain credit, a full refund will be made with (sic) 20 days. If FCS cannot successfully process your application, your uncashed check or money order will be returned to you.

What if I can't get credit? If you are unable to obtain credit, FCS will refund your fee in full within 20 days. If FCS cannot process your application for any reason, your uncashed check or money order will be returned to you immediately.

PAR. 8. By statements such as those in Paragraph Seven, respondents have represented, directly or by implication, that consumers who have paid a fee to respondents to obtain a credit card but do not receive a credit card will obtain from respondents a full refund of the fee paid.

PAR. 9. In truth and in fact, a substantial number of consumers who have paid \$25 to \$50 in fees to respondents to obtain a credit card and have not received a credit card have not received any refund despite having requested one. Of those consumers who have received a refund, a substantial number have received only a partial refund, with a \$10 "processing fee" withheld. Therefore, the representations set forth in Paragraph Seven were and are false and misleading.

PAR. 10. The use by respondents of the aforesaid, false and misleading representations has had, and now has, the capacity and tendency to mislead members of the public into the erroneous and mistaken belief that said representations were, and are, true and complete, and into the purchase of substantial quantities of respondents' services in reliance on said erroneous and mistaken belief.

PAR. 11. The 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 or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act. The acts and practices of respondents as herein

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Complaint

alleged, are continuing and will continue in the absence of the relief hereby requested.

Complaint

106 F.T.C.

EXHIBIT 1



Regardless of
Past Credit
Experience...



GET YOUR OWN CREDIT CARDS.






Whether you have had
slow payments, insur-
gent credit for income,
even bankruptcy, we
can help.

you get credit cards
like VISA® and
MasterCard®. So get
the credit you want.
Call today.

1-800-CARD-800



24 hours toll free or send in the coupon below.

First Credit Services, 420 South Beverly Drive, Suite 203, Beverly Hills, CA 90242

☐ **YES!** I want to get my own credit cards. Please tell me how.

MY NAME _____

MY ADDRESS _____

CITY _____

STATE _____ ZIP _____

Mail to:

FIRST CREDIT SERVICES

Data Processing Center

P.O. Box 7803

Van Nuys, CA 91409

© 1983 First Credit Services

VISA and MasterCard are registered trademarks of VISA International and MasterCard International, respectively.

EXHIBIT 2

Wednesday

4:30 PM to 5:30 PM

- 4:35 **BENNY HILL**—Comedy
 5 PM **HOGAN'S HEROES**—Comedy
NEWS
LITTLE HOUSE ON THE PRAIRIE
 Miss Beadle (Charlotte Stewart) and Nellie (Alison Arngim) fall for a hog farmer and his son. (60 min.)
VIDEO ONE—Music
 Included: Pat Benatar, John Cougar Mellencamp, Culture Club. (60 min.)
ONE DAY AT A TIME—Comedy
 Nick won't let Alex get away with turning in a shoddy science project. Nick: Ron Rifkin.
BEWITCHED—Comedy
 Sam spends a harrowing weekend with Darrin's parents.
HEIDI—Novela
3-2-1 CONTACT (CC)
 Ant behavior is examined by Miguel.
3-2-1 CONTACT (CC)—Children
 A look at an automobile assembly line.
EN BUSCA DEL PARAISO
 —Novela
UP ON MELODY MOUNTAIN
 —Religion
COLLEGE BASKETBALL
 Fordham at Notre Dame. (Live)
SEASON PREVIEW
NEWS—Dobbs/Ladendorf
EVERLY BROTHERS—Music
COLLEGE BASKETBALL
 Tulane at Louisville. (Live)
MOVIE—Comedy
 "Lovesick." (1 hr., 40 min.)
COLLEGE BASKETBALL
 Villanova at St. John's. (Live)
 5:05 **MOVIE**—Drama
 "Oklahoma Crude." (1973) George Scott and Faye Dunaway play rough in this brawling saga of the Southwestern oil fields in 1913. Doyle: John Mills. (2 hrs., 10 min.)
 5:30 **M*A*S*H**
 Not all MASH personnel work up a sweat over the impending visit of Gen. Douglas MacArthur.
JEFFERSONS (CC)—Comedy
 George (Sherman Hemsley) recalls the day he struggled to open his first store—the day of Martin Luther King Jr.'s assassination.
ANDY GRIFFITH—Comedy
 Opie (Ronny Howard) accidentally handcuffs a friend to the flagpole.
IN RECITAL
 Piano duo Ralph and Alberine Votapek perform Rachmaninoff's Suite No. 2 for Two Pianos, Op. 17.
SPACES (CC)—Children
 A study of computer technology in

REGARDLESS OF
CREDIT EXPERIENCEGET
YOUR
OWN
VISA® and

MASTERCARD®

Credit Cards

Whether you have a history of slow payments, insufficient credit or income, even bankruptcy, First Credit Services can help you get your own VISA and Mastercard credit cards.

For complete information call:

CREDIT LINE NUMBER

1-800-227-3800

operator 80

Call Toll Free 24 Hours

NO COST OR
OBLIGATION!!!

☐ Tell me more about how I can receive my VISA and Mastercard Credit Cards.

Name _____

Address _____

City _____

State _____

Zip _____

Mail to: First Credit Services

P.O. Box 7803, Van Nuys, CA 91409



FIRST CREDIT SERVICES

420 South Beverly Dr., Suite 203

Beverly Hills, CA 90212

VISA and MASTERCARD are registered

trademarks of VISA International and

MASTERCARD International respectively.

© 1983 First Credit Services

A subsidiary of Service One Corporation

EXHIBIT 3

★ Regardless of Past Credit Experience

**GET YOUR OWN
VISA[®] and
MASTERCARD[®]
CREDIT CARDS**

FIRST CREDIT SERVICES can help you get your own credit cards, including VISA[®] and MASTERCARD[®] credit cards, even if you have

- Bad Credit
- No Credit
- Slow Payments
- Even bankruptcy!

For complete information
call today:

CREDIT LINE NUMBER
1-800-CARD-800
Operator 100
Call Toll Free 24 Hours

☐ Tell me more about how I can receive my VISA[®] and MASTERCARD[®] credit cards.

Name

Address

City

State Zip

Mail to: FIRST CREDIT SERVICES, Data Processing
Center, P.O. Box 7803, Van Nuys, CA 91409



FIRST CREDIT SERVICES
420 South Beverly Drive
Suite 203
Beverly Hills, CA 90212

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A subsidiary of Service One Corporation

EXHIBIT 4

**Dialing for time
and not getting it?**

Please use this number:

976-1616

It's the correct number to dial for the right time. And it's no more than a dime for our customers in 212, 914, and 516 areas. Long distance elsewhere.



A DIAL-IT Service of New York Telephone.

THE SUPREME COURT
HAS ORDERED A RE-
PARTY PRIMARY ELEC-
TION COUNCILMANIC DISTR-
BE HELD ON TUESDAY
WILL BE OPEN FROM 6.

406- MONEY TO LEND

CREDIT

Get Credit

Call Toll Free 1-800-473-2714

500-MERCHANDISE MARKET

CHRISTMAS-PRIZE WHOLESALE

Quality Plus Low Prices

CALL 717-878-2548

ON 717-878-2547

HAWAIIAN ORGAN

Model C.I. Includes 1 Hawaiian

home cultured with 10 inch

Speakers plus Leslie Speaker

Keyboard, 25 pedals and Bench

Excellent condition. \$2,500 Firm

(212) 426-6341

INSTANT CREDIT

For Furniture, No Money Down

10-7pm Daily. 212-337-6162

SURPLUS KEYS

CAES - BOATS

Heavy Salt for Under \$50.00 Per

ton. Call 212-931-1941 Ext. 1240

WHITE REFRIGERATORS

BLATON, Sae 21, Like New! Small

Case Range, Major, Churn, Brass

Long. After 5pm. Call 337-4754

524 - MERCHANDISE

WANTED

Inflationary Cash Prices Paid

Antiques, Furniture, Pottery,

Rugs, Silver & Paintings.

See Galleries 245-2720

534-Flea Market/Bazaar

Antique Flea Market & Garage

Sale Opening Oct 30, Sat-Sun, 10

to 5pm. Largest outdoor display of

antiques & flea market items in N.Y.C.

Minut Vendor Space avail. In-

quiries dealers 1st fl. Con't make

2nd fl. Factory outlet 2nd fl. Food

Vendors 2nd fl. For info 848-2345

COME ON DOWN TO THE

SUNSHINE FLEA MARKET

45-17 43rd St. New York City

Antique Furniture & Jewelry, Clothing,

Leather Goods, California Records

& Comics & Much More! You have

to see it to believe it!

Space Available

786-9845 242-4301

Fri to Sun Mon to Thurs

700- DOGS

Duke Pups B/T Big Bored AKC

Beachers 212-212-7970

ACTION 6/9 1M

3360-664 Jerome Ave

DOBERMAN AKC PUPS M/F

Chassis lined, inner, docked,

cropped Large bones, Muscular,

Call 1-516-338-1237

DOBERMAN MALE

9 mo old Pup

Black/Tan AKC

Call 212-331-7007

Doberman Pups AKC Large Bored

short, docked, wormed, health

guaranteed Home bred. Race

212-435-8199

German Shepherd Pups

M/F AKC Parents on premises

Specialty bred. Call 216-365-9117

GREAT DANE & DOBE Mated

AKC Parents \$100 each

Also White Shepherd Pups

\$185. Call 1-516-354-3488

MINI Poodles AKC

Beautiful Apsons 2 mo old Home

bred. 175 Call 212-849-9340

POODLES/TOY, White, all short,

wormed, paper trained, all AKC

Call 212-437-1041 (9-5pm)

Poodles \$199. Shags \$99 up. Do-

ber 1150 up. Typical & gold fish

eyes. Bred. Dogs. Puppies. Re-

fers. Bred. Or Cash. 878-5095

700- DOGS

Rottweiler Pups AKC

Private 212-441-0481

ROTTWEILERS 4 yrs old

M/F AKC Champs Bred, huge head,

large bones. Home raised \$450.

Call 212-438-1907

Yorkies Toys AKC

Champion bloodlines. Model Pups

Born. 3360-664 Jerome Ave

Private. Call 360-3357

701- CATS

Siamese Seal Point Kittens

Reg. 212-441-0481, trained, trans-

ported. Call 360-3357

702- ADOPTION

Terrier Pups, Pretty Red Fox Pups

AKC, P/S, AKC, P/S, AKC, P/S

Please call. All need a good home.

212-332-1400

703- BIRDS

COCKATOO Lines, Sulphur Crest

ed. Untrained, under 1 yr old plus

one & outside perch. \$700 firm.

212-665-9304 for 8-10pm & Mon

704-TROPICAL FISH

30 L Tank & Stand \$6

Complete with accessories

212-462-0785

707- PET TRAINING

ACTION 6/9 LTD Trained pro-

fess for home or business. A

boarded training. All breeds.

quality professionals. 798-9700

708- STUD & MALE

MINI DOGS FOR SALE

Handsome, healthy, good temper-

ament. 212-437-3215. Bklyn

800-AUTOS FOR SALE

ALL MAKES & MODEL

CREDIT PROBLEMS NO CRI-

EVERYONE RIDES 212-347-14

AMC 77 Mustang 4-Dr. Jack

Auto. Air. P/S. AM/FM. 1

\$3,000 incl. Garage. \$500

cash. \$1,800. AM. 212-47

AMC 77 Mustang 4-Dr. Jack

Auto. Air. P/S. AM/FM. 1

\$3,000 incl. Garage. \$500

cash. \$1,800. AM. 212-47

LEGAL SERVICES

ACCIDENTS

PAUL S. MIRMAN Attorney At Law

Car Accidents & No Fault - Falls - Construction Accidents

Insurance Denial Defense Products & Machinery - Medical Malpractice

THE ATTORNEY FOR THE ACCIDENTS - PATRICK SPALDING

1508 Rockaway Pkwy. Brooklyn, N.Y.

(212) 272-5100

(212) 272-5100

(212) 272-5100

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(212) 272-5100

(212) 272-5100

(212) 272-5100

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(212) 272-5100

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AMNESTY FOR ALIENS

PREPARE NOW!

THOUSANDS OF GREEN CARDS

obtained for our clients

Open Sun - We speak 10 languages

Call 692-7600

DAVID SCHEINFELD, J.D.

41 East 42nd St. NYC - 6th Fl.

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(212) 692-7600

(212)

FEDERAL TRADE COMMISSION DECISIONS
Complaint
EXHIBIT 5

106 F.T.C.

Give Yourself Credit...

MasterCard
Member Bank
0000 1234 5678 9010
1234 5678 9010 1234

VISA

Regardless of past credit Experience
FirstCreditServices

FirstCreditServices

TEXACO
Hertz
Shell
Conoco
Standard Service

VISA
At the credit card...
...as over 200 million
...the world for all
...needs.

MasterCard
At the new...
...Center...
...east...
...world...
...and

Courtesy Express
...your personal check
...at the end of
...to

VISA Money Card
...a check and is
...credit card
...checking account
...bill

FIRSTCREDITSERVICES

CREDIT CARD APPLICATION



NOW YOU CAN GET THE CREDIT YOU WANT
through FirstCreditServices

As the pioneer in consumer credit advisement, FirstCreditServices has become "America's Credit Expert®". Our unique approach can provide you with a new opportunity to establish or re-establish credit with a VISA® and MasterCard®, department store and oil company cards, and a check guarantee card.

HOW DO I APPLY???

Complete the information requested. Sign the application as indicated. Return this form and your check or money order in the postage-paid envelope today. Processing of your application normally takes three weeks. Applications received without the required fee will not be processed.

NAME OF APPLICANT		FIRST	MIDDLE	INITIAL	LAST	PLEASE PRINT LEGIBLY WITH DARK INK									
PERSONAL MR. MRS. MISS ADDRESS															
		SOCIAL SECURITY NO.													
MONTHLY PAYMENT		RENT		LIVE WITH PARENTS		DATE OF BIRTH	AGE	AREA CODE	STATE	CITY	ZIP CODE	NO. OF DEPT.	NO. OF YEARS		
PREVIOUS ADDRESS		OWN		OTHER											
PRESENT EMPLOYER		ADDRESS		CITY		STATE	ZIP CODE	NO. OF YEARS							
POSITION/RANK		BUSINESS PHONE		CITY		STATE	ZIP CODE	NO. OF YEARS							
OTHER SOURCE OF INCOME		CHILD SUPPORT OR REGULAR MAINTENANCE INCOME		NEED											
APPLICANT'S DRIVER'S LICENSE NUMBER		CITY		STATE	ZIP CODE	POSITION/RANK	YES	NO							
NAME AND ADDRESS OF PREVIOUS EMPLOYER		CITY		STATE	ZIP CODE	POSITION/RANK	YES	NO							
APPLICANT'S DRIVER'S LICENSE NUMBER		CITY		STATE	ZIP CODE	POSITION/RANK	YES	NO							
COMPLETE IF JOINT		JOINT APPLICANT'S FULL NAME		DATE OF BIRTH		AGE									
NAME AND ADDRESS OF JOINT APPLICANT'S PRESENT EMPLOYER		CITY		STATE	ZIP CODE	POSITION/RANK	YES	NO							
APPLICANT'S DRIVER'S LICENSE NUMBER		CITY		STATE	ZIP CODE	POSITION/RANK	YES	NO							
NAME AND ADDRESS OF JOINT APPLICANT'S PRESENT EMPLOYER		CITY		STATE	ZIP CODE	POSITION/RANK	YES	NO							
APPLICANT'S DRIVER'S LICENSE NUMBER		CITY		STATE	ZIP CODE	POSITION/RANK	YES	NO							
OFFICE USE ONLY															
I/We certify the information provided is correct. I authorize you to investigate my credit report. I authorize processing this application. I understand that FIRST CREDIT SERVICES will assist me in obtaining credit or my fee will be refunded. I understand that a savings and/or checking account may be required. I understand that the contents of this application will remain confidential.															
Signature _____ Date _____ Joint Applicant															

Complaint

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EXHIBIT 6

DATE: &DATE&	REFER ID: #&CLIENTNO&
&FNAME& &LNAME& &STREET& &CITY&, &STATE& &ZIP1&  FIRSTCREDITSERVICES	

Dear &FNAME& &LNAME&:

Thank you for your interest in FirstCreditServices.

Whether you have a bankruptcy, slow payments, insufficient credit or income, you can have a VISA and MasterCard.

Each month, thousands of consumers with credit problems become credit cardholders through FirstCreditServices. That's why we have become "America's Credit Expert." Our service starts when we receive your completed application, and it ends when you have a VISA and MasterCard, department store and oil company cards, and a check guarantee card.

The good life and good credit go hand in hand. Let us get you the credit you desire so you can purchase furniture, stereos, and clothes or take a vacation.

Please accept this invitation to VISA, MasterCard, and the world of credit. Simply complete the enclosed application form and return it with your \$25 check or money order in the postage-paid envelope. Your application will be processed within three weeks.

If you don't receive credit, your fee is returned. In full. Within 10 days.

If you require further information, please call (213) 709-2072 and a member of our staff will gladly assist you.

I am looking forward to the day when a VISA and MasterCard are yours, &FNAME& &LNAME&.

Sincerely,

Henry A. McDonald III
FirstCreditServices
Consumer Credit Division

EXHIBIT 7

FIRST CREDIT SERVICES

(800) 423-2714
Operations Center
13615 Victory Blvd.
Suite 117
Van Nuys, CA 91401

CORPORATE OFFICES
420 So. Beverly Drive
Suite 207
Beverly Hills, CA
90212

(213) 786-0941
Telemarketing Center
P.O. Box 77
Van Nuys, CA 91408

Dear Consumer:

Thank you for your interest in First Credit Services. FCS is a nationwide service organization which successfully assists thousands of consumers each year to become credit cardholders.

FCS has developed working relationships with banks across the country which will issue our clients' VISA and MasterCard regardless of past credit experience. For the vast majority of our clients, no savings account deposit is required. Our Total Credit Concept® provides integrated credit counseling.

How does the Total Credit Concept® operate? When your completed application is received, one of our counseling staff will evaluate your credit profile in sixteen separate categories. This financial and credit data is then used to match your application to the requirements of our selected banks. Institutions will be selected for your successful applications for VISA and MasterCard. Further, local department stores which will extend your credit will be selected from our data bank. In addition, an institution from which you will receive a Check Guarantee Card will be selected. Also, one of eleven proven legal methods will be selected for your use in removing any unfavorable information from your credit file.

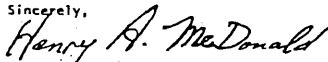
All of this information selected for you is then transcribed into a written portfolio of between 15 to 28 pages. Your portfolio is then forwarded to you. After its receipt, you will complete the Total Credit Concept® Program by receiving personal credit reports, removing any unfavorable past credit data from your credit file, and submit applications for VISA and MasterCard to the selected banks. Fifteen days are required for processing and arrival of your portfolio. Your assigned counselor is available for telephone consultations at no charge whenever the need arises.

We at FCS know good credit is a necessity, not a luxury. Because FCS pioneered consumer credit advisement, our total fee is only \$30. There are no further fees or costs. Our fee includes all processing and one copy of your written portfolio. In the event you are unable to obtain credit, a full refund will be made within 20 days. If FCS cannot successfully process your application, your uncashed check or money order will be returned to you.

Please accept your invitation to VISA, MasterCard, and the world of credit. Simply complete and return the enclosed application form along with your check or money order in the amount of \$30, using the postage-paid envelope provided. If you require further information, please call 213/989-6046 and a member of our staff will assist you.

Thanking you for this opportunity to be of service, I remain,

Sincerely,



Henry A. McDonald III
Director/Credit Services Division
Enclosure

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 violation of the Federal Trade Commission Act; and

The respondents, their attorney, 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 sixty (60) days, 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 Service One International Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of California with its office and principal place of business located at 21032 Devonshire Street, Chatsworth, California. Respondents Reza Fayazi and Ali Fayazi are officers of said corporation. They formulate, direct and control the policies, acts and practices of said corporation, and their principal office and place of business is located at the above stated address.

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

I.

It is hereby ordered, That respondents Service One International Corporation, a corporation, its successors and assigns, and its officers, and Reza Fayazi and Ali Fayazi individually and as officers of said corporation, and respondents' agents, representatives and employees, directly or through any corporation, subsidiary, division or other device, in connection with the advertising, offering for sale, sale and distribution of any service or material purporting to secure, or to assist in securing, credit or a credit card for any consumer(s) or to assist any consumer(s) in obtaining credit or a credit card, do forthwith cease and desist from:

1. Representing directly or by implication, in any manner, contrary to fact, that they:

(a) Will obtain credit or a credit card for, or will send a credit card to, any member of the public;

(b) Have developed any working or other relationship with any credit card issuer or other creditor that issues or will issue credit cards or grants or will grant credit;

(c) Will provide a full or partial refund of any fee paid to secure or obtain credit or a credit card.

2. Misrepresenting in any manner:

(a) The conditions under which any consumer can secure or obtain credit or a credit card or the likelihood that any consumer will secure or obtain credit or a credit card, including, but not limited to, the percentage or number of credit applicants who receive credit and whether bankruptcy, no credit history or a prior, adverse credit history make it more difficult to secure or obtain credit or a credit card;

(b) The extent to which help will be given any consumer to secure or obtain credit or a credit card;

(c) The conditions under which any refund will be furnished to any consumer.

II.

It is further ordered, That respondent Service One International Corporation shall:

1. Within twelve months after the date of service of this order, send by first class mail in the manner described below, a copy of the notice that is affixed hereto as Attachment A, to each person who between

February 1, 1982, and the date of service of this order paid money to First Credit Services in connection with its credit card program and has not received a refund of the full amount paid. If ninety percent or more of the customers to whom the notice is sent within the first three months after the date of service of this order return the notice within six months after the date of service of this order, the words "twelve months" in the first line of subparagraph 1 are changed to "eighteen months." The notice shall appear by itself in not less than 12 point bold face type, on one side of a sheet of paper not less than 8½ inches by 11 inches. The print shall be black and the color of the paper shall be yellow. The notice shall be accompanied by a postage-prepaid, addressed return envelope. The notice may be accompanied by not more than 3 other pieces of paper, none of which shall be larger than the notice or the same color as the notice. The notice shall be mailed to the customer at the last known address shown in respondent's records for said customer. The face of the envelope in which the notice is mailed to the customer shall contain the following phrase printed in 12 point bold face type: "First Credit Services-Refund Offer."

2. Send by first class mail a refund check to each customer who returns the notice with Option 1 checked. Service One International Corporation shall also mail a refund check to each such customer who requests a refund by any other method. In each case the refund check shall be made payable to the customer for the total amount the customer paid, less any refund previously provided the customer and be mailed within 30 days of receipt of the notice or other request to the address the customer provides. If the customer does not provide an address, the check shall be mailed to the address to which the notice described in II(1) was mailed or to the customer's last known address, whichever is most recent.

3. Within thirty days of receipt of the notice, send by first class mail to each customer who returns the notice with Option 2 checked, to the address the customer provides:

(a) (1) a letter stating that the customer has been approved for a Visa or MasterCard credit card together with the name and address of the institution to which the customer should send the \$250 to serve as a minimum balance for the savings account; and

(2) a postage prepaid envelope made out to that name and address;
or

(b) (1) a letter stating that the customer has not been approved for a Visa or MasterCard credit card (which letter shall be in addition to the adverse action notice required by the Equal Credit Opportunity

Act, 15 U.S.C. 1691 *et seq.*, and Section 202.9 of Regulation B, 12 C.F.R. 202); and

(2) a refund check payable to that customer for the total amount the customer paid, less any refund previously provided the customer.

If the customer does not provide an address, the items shall be mailed to the address to which the notice described in Paragraph 1 of Section II was mailed or to the customer's last known address, whichever is most recent.

4. Within thirty days after receipt of \$250 by the card issuing institution on behalf of each customer described in Subparagraph 3(a), above, send such customer by first class mail a Visa or MasterCard credit card in that customer's name, which that customer may use in connection with a credit card account opened in his or her name. The address to which the card shall be sent shall be determined in the manner described in Paragraph 3, above.

III.

It is further ordered, That respondents shall maintain for at least three (3) years and, upon request, make available to the Federal Trade Commission for inspection and copying:

1. Copies of all advertising and promotional materials concerning any service or material offered to help secure or obtain credit or a credit card.

2. Copies of all advertising and promotional materials concerning any offer of a refund.

3. Copies of all requests made for a refund and of all correspondence and other records relating to such requests, as well as evidence of what refunds are made.

IV.

It is further ordered, That respondents shall notify the Federal Trade Commission at least thirty (30) days prior to any proposed changes 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 corporate structure of respondents that may affect compliance obligations arising out of this order.

V.

It is further ordered, That respondents shall deliver a copy of this order to each present and future employee engaged in preparing or

making any oral or written representations to consumers concerning the securing or obtaining of credit or a credit card or the making of any refund offer or engaged in the granting or denying of refund requests and obtain from such person a signed statement acknowledging receipt of a copy of this order.

VI.

It is further ordered, That respondents herein shall within sixty (60) days after the date of 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.

ATTACHMENT A

PREVIOUS SUBSCRIBERS OF FIRST CREDIT SERVICES:

NOTE THIS REFUND OFFER

If you previously paid money to First Credit Services to get a credit card, you may choose either Option 1, or Option 2, as part of an agreement with the Federal Trade Commission.

Option 1. If you decide not to participate in Service One Corporation's new credit offer outlined below, Service One will refund to you the money you paid to First Credit Services, if you so request.

Option 2. You may apply for a Visa/Mastercard credit card through Service One Corporation, using the enclosed application, and you pay *no processing fee*. To obtain a card, from us you must establish and maintain a savings account with a minimum balance of \$250 with the card issuer and you will be billed for a \$35 annual card fee. If your application is rejected, we will automatically refund in full any fee you paid to First Credit Services when you previously applied to First Credit Services for credit.

**CHECK THE APPROPRIATE BOX, FILL IN YOUR NAME AND ADDRESS,
AND RETURN THIS FORM IN THE ENCLOSED BUSINESS REPLY
ENVELOPE.**

Option 1 () Please refund the money I paid to First Credit Services.

Option 2 () Please accept my enclosed application for a Visa or Mastercard credit card with no processing fee.

Name _____
Street _____
City _____, State _____ Zip _____

For refund assistance or more information, you may write or call us:

Service One Corporation
Consumer Affairs Department
21032 Devonshire Street
Chatsworth, California 91311

Phone (818) 709-2072

IN THE MATTER OF
NATIONAL ASSOCIATION OF TEMPORARY SERVICES, INC.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF SEC. 5 OF
THE FEDERAL TRADE COMMISSION ACT

Docket C-3173. Complaint, Nov. 5, 1985—Decision, Nov. 5, 1985

This consent order requires an Alexandria, Va. association of temporary help companies, among other things, to cease engaging in any practices or maintaining any code of ethics provision or other written provision that has the purpose or effect of restraining the recruitment or employment of employees registered with another temporary help firm; the solicitation of another temporary help firm's clients; and the provision of temporary help employees to companies involved in a strike or lock-out. The Association is barred from affiliating or federating any organization of temporary help firms that has adopted by-laws or a code of ethics containing a prohibited provision; and required to maintain records relating to disaffiliations and refused affiliations or federations for three years. The order further requires that the Association send a copy of the complaint and order, together with an explanatory letter, to each of its current members and provide a copy of the order to all new members for a period of three years.

Appearances

For the Commission: *Dennis D. McFeely.*

For the respondent: *Arthur L. Herold, Webster, Chamberlain & Bean, Washington, D.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 National Association of Temporary Services, Inc., a corporation, has 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:

Definitions: For purposes of this complaint, the following definitions shall apply:

A. The term *temporary help employees* shall mean employees who are assigned to work for customers on a nonpermanent basis.

B. The term *temporary help firms* shall mean businesses employing temporary help employees.