

IN THE MATTER OF

LYLE R. LARSON

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

Docket C-3672. Complaint, June 12, 1996--Decision, June 12, 1996

This consent order prohibits, among other things, a Washington-based individual doing business as Momentum from misrepresenting, in advertisements -- via a computer communications network, or by any other means -- for a credit repair product, any right or remedy available under the Fair Credit Reporting Act, including the ability to remove adverse information in any credit report, and the legality of any credit repair product. In addition, the consent order requires the respondent to disclose that the program may violate federal criminal laws.

Appearances

For the Commission: *Nicholas Franczyk, C. Steven Baker and Charulata Pager.*

For the respondent: *Pro se.*

COMPLAINT

The Federal Trade Commission, having reason to believe that Lyle R. Larson, individually and doing business as Momentum ("respondent"), has violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, alleges:

PARAGRAPH 1. Respondent Lyle R. Larson is an individual doing business as Momentum. His principal office or place of business is located at 3033 127th Place SE, Suite I-21, Bellevue, Washington.

PAR. 2. Respondent is engaged in the advertising, promotion, offering for sale, sale, and distribution of the CreditPlus credit repair product to the public.

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PAR. 3. The acts and practices of respondent alleged in this complaint have been in or affecting commerce, as "commerce" is defined in Section 4 of the Federal Trade Commission Act.

PAR. 4. Respondent has disseminated or has caused to be disseminated advertisements, including advertisements through the Internet, for the CreditPlus credit repair product. These advertisements include, but are not necessarily limited to, the attached Exhibit 1, which states, in part:

Don't Wait 7-10 Years!
Legally Remove "Bad Marks" From Your Credit Report

* * *

Even if your credit report doesn't contain an error, you can remove damaging entries. Let CreditPlus show you how!

* * *

Bankruptcies Removed!

...Even if you've declared bankruptcy, this package will show you how to get it removed! Also removable are Judgements, Foreclosures, Tax Liens, Repossessions, Late Payments, etc!

* * *

Create a "NEW" Credit File!

If you can't clean up your credit, CreditPlus will show you the secrets of obtaining a NEW credit file.... This is a little-known 100-percent effective method of erasing bad credit that is completely LEGAL under federal law.

PAR. 5. Through the use of the statements contained in the advertisements referred to in paragraph four, including, but not necessarily limited to, the advertisement attached as Exhibit 1, respondent has represented, directly or by implication, that:

A. Consumers can remove bankruptcies, judgments, foreclosures, liens, repossessions, late payments, and other adverse items of information from their credit reports even where such information is accurate and not obsolete; and

B. Respondent's product whereby consumers create new credit files is legal.

PAR. 6. In truth and in fact:

A. Most consumers cannot remove bankruptcies, judgments, foreclosures, liens, repossessions, late payments, and other adverse items of information from their credit reports where such information is accurate and not obsolete; and

B. Respondent's product whereby consumers create new credit files is not legal.

Therefore, the representations set forth in paragraph five were, and are, false and misleading.

PAR. 7. In the advertising, promotion, offering for sale, sale, and distribution of the CreditPlus credit repair product, including but not necessarily limited to the advertisement attached as Exhibit 1, respondent has represented that his product whereby consumers create new credit files is legal. Respondent has failed to disclose that consumers who follow respondent's product to create new credit files will violate federal criminal laws, including the federal law against making false statements on certain loan and credit applications, the federal law against falsely representing one's social security number, and the federal law against making false statements to a department or agency of the United States. This fact would be material to consumers in their decision to purchase the CreditPlus credit repair product. The failure to disclose this fact, in light of the representation made, was, and is, a deceptive practice.

PAR. 8. The acts and practices of respondent as alleged in this complaint constitute unfair or deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act.

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EXHIBIT 1

Credit Plus

Don't wait 7-10 years!

Legally Remove "Bad Marks" From Your Credit Report

TRW, CBI, Equifax and Trans Union maintain records on 160 million Americans. These credit bureaus are not governmental agencies, they are private companies that collect personal information on you and sell it for a profit! A national study revealed that nearly half of these reports contain errors! Even if your credit report doesn't contain an error, you can remove damaging entries. Let CreditPlus show you how!

The CreditPlus Package provides sample reports from these credit bureaus, with an explanation in plain English what their complicated codes really mean. You will learn how creditors "need" these reports, what is considered "negative" and how to remove it. You can even add positive entries using law provided in the Fair Credit Reporting Act.

Bankruptcies Removed!

The CreditPlus Package contains information on how to wipe out debts completely without having going bankrupt. Even if you've declared bankruptcy, this package will show you how to get it removed! Also removable are Judgments, Foreclosures, Tax Liens, Repossessions, Late Payments, etc! This is the same technique that Americans best credit lawyers use (and charge up to \$3,000 or more).

Create a "NEW" Credit File!

If you can't clean up your credit, CreditPlus will show you the secrets of obtaining a NEW credit file, enabling you to start from SCRATCH! It is then possible to add up to ten years of excellent credit to this new file. This is a little-known 100-percent effective method of erasing bad credit that is completely LEGAL under federal law.

This program is a detailed guide full of selected information on the latest and most effective credit repair techniques, legal angles, and no-nonsense how-to's. With all these features packaged in a menu driven program, with on-line help, and a self-running tutorial, CreditPlus is expertly designed custom software to create a level of functionality not found in books or guides you can interactively conduct your credit repair campaign with ease and accuracy by following the preprogrammed steps contained in the software. The system keeps track of everything you do, so you do not leave things out or miss responses or follow-ups. When you need information it is always there, available to you by pressing a key or selecting a from a menu. CreditPlus is the solution you've been looking for. The package also includes a hardcopy of instructions and all forms in case you do not have access to a computer.

No More Rejection

So stop being turned-down when you apply for credit, the answer will finally be "Yes, your application has been approved." Need a credit card? Learn how to get any credit card you want. Want a large loan? Don't wait 7-10 years to get that home, auto or boat - Order CreditPlus and start reestablishing your AAA-1 Credit Rating Today!

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Guaranteed.

We're so sure that CreditPlus will help you, we're offering this amazing guarantee: Use CreditPlus for up to A FULL YEAR, following the step-by step instructions. If you do not succeed at removing negative items, or can't obtain a new file, we will refund the ENTIRE purchase price, no questions asked.

Dial 206.865.9000

Call Mon - Fri 9am - 5pm (Pacific Time)

And charge on your credit card.

OR

Send check or money order to:

Momentum

15600 NE 8th

Suite B1 - Dept. 131

Bellevue, WA 98008

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 Chicago 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 respondent that the law has been violated as alleged in such complaint, or that the facts as alleged in such complaint, other than jurisdictional facts, are true 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, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of sixty (60) days, and no comments having been filed thereafter by interested parties 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 Lyle R. Larson is an individual doing business as Momentum with his principal office or place of business at 3033 127th Place SE, Suite I-21, Bellevue, Washington.

2. The acts and practices of the respondent alleged in this complaint have been in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act.

3. 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

DEFINITIONS

1. "*Credit report*" means any written, oral, or other communication of information by a consumer reporting agency bearing on a person's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living that is used or expected to be used or collected in whole or in part for the purpose of serving as a factor in establishing the consumer's eligibility for credit.

2. "*Credit repair product*" means any product or service to improve a person's credit report by removing adverse information appearing therein, changing the rating of such information from negative to positive, or otherwise enhancing the person's credit report.

I.

It is ordered, That respondent Lyle R. Larson, his agents, representatives, and employees, directly or through any corporation, subsidiary, division, or other device, in connection with the advertising, promotion, offering for sale, sale, or distribution of any credit repair product, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from misrepresenting, either directly or indirectly, in writing, via a computer communications network, or by any other means:

A. Any right or remedy available under the Fair Credit Reporting Act, 15 U.S.C. 1681 *et seq.*, including, but not limited to, the ability to remove adverse information in any credit report; and

B. The legality of any credit repair product.

II.

It is further ordered, That respondent Lyle R. Larson, his agents, representatives, and employees, directly or through any corporation, subsidiary, division, or other device, in connection with the advertising, promotion, offering for sale, sale, or distribution of any credit repair product involving the creation of a new credit file or tax

identification number, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from failing to disclose in any advertisement or promotional material, including any advertisement or promotion via a computer communications network, that:

- A. Making misrepresentations to the Internal Revenue Service may be a federal crime;
- B. Misrepresenting one's social security number for any purpose may be a federal crime;
- C. Making misrepresentations for a loan application may be a federal crime; and
- D. Making misrepresentations to a financial institution may be a federal crime.

III.

It is further ordered, That for five (5) years after the last date of dissemination of any representation covered by this order, respondent, or his successors and assigns, shall maintain and upon request make available to the Federal Trade Commission for inspection and copying:

- A. All materials that were relied upon in disseminating such representation; and
- B. All tests, reports, studies, surveys, demonstrations, or other evidence in his possession or control that contradict, qualify, or call into question such representation, or the basis relied upon for such representation, including complaints from consumers.

IV.

It is further ordered, That respondent shall:

- A. Within thirty (30) days from the effective date of this order deliver a copy of this order to each of his officers, agents, representatives, and employees who are engaged in the preparation or placement of advertisements, promotional materials or other such sales materials covered by this order.

B. For a period of ten (10) years from the effective date of this order deliver a copy of this order to each of his future officers, agents, representatives, and employees who are engaged in the preparation or placement of advertisements, promotional materials or other such sales materials covered by this order, within three (3) days after the person assumes such position.

V.

It is further ordered, That for a period of five (5) years from the date this order becomes final, respondent shall notify the Commission within thirty (30) days of the discontinuance of his present business or employment and of each affiliation with a new business or employment involving the advertising, offering for sale, sale, or distribution of any credit repair product. Each notice of affiliation with any new business or employment shall include his new business address and telephone number, current home address, and a statement describing the nature of the business or employment and the duties and responsibilities.

VI.

It is further ordered, That within sixty (60) days after service of this order, and at such other times as the Commission may require, respondent shall file with the Commission a report, in writing, setting forth in detail the manner and form in which he has complied with this order.

VII.

This order will terminate on June 12, 2016, or twenty years from the most recent date that the United States or the Federal Trade Commission files a complaint (with or without an accompanying consent decree) in federal court alleging any violation of the order, whichever comes later; provided, however, that the filing of such a complaint will not affect the duration of:

A. Any paragraph in this order that terminates in less than twenty years;

B. This order's application to any respondent that is not named as a defendant in such complaint; and

C. This order if such complaint is filed after the order has terminated pursuant to this paragraph.

Provided further, that if such complaint is dismissed or a federal court rules that the respondent did not violate any provision of the order, and the dismissal or ruling is either not appealed or upheld on appeal, then the order will terminate according to this paragraph as though the complaint was never filed, except that the order will not terminate between the date such complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

IN THE MATTER OF

SAINT-GOBAIN/NORTON INDUSTRIAL CERAMICS CORPORATION

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SEC. 7 OF THE CLAYTON ACT AND SEC. 5 OF THE
FEDERAL TRADE COMMISSION ACT

Docket C-3673. Complaint, June 12, 1996--Decision, June 12, 1996

This consent order requires, among other things, a Massachusetts-based corporation to divest businesses and associated assets in the United States markets for fused cast refractories, hot surface igniters, and silicon carbide refractory bricks. If the divestiture is not completed as required, the Commission may appoint one or more trustees to divest the remaining properties and assets.

Appearances

For the Commission: *Howard Morse, Robert Tovsky and William Baer.*

For the respondent: *Mark Leddy, Cleary, Gottlieb, Steen & Hamilton, Washington, D.C.*

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and of the Clayton Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Compagnie de Saint-Gobain, through its wholly-owned subsidiary Societe Europeenne des Produits Refractaires ("SEPR"), has entered into a Stock Purchase Agreement with subsidiaries of the British Petroleum Company p.l.c. ("BP") whereby Compagnie de Saint-Gobain will acquire certain of the subsidiaries of BP that together comprise The Carborundum Company ("Carborundum"), and that as part of this agreement, Saint-Gobain/Norton Industrial Ceramics Corporation ("Saint-Gobain") will acquire the United States assets of Carborundum other than assets relating to ceramic fibers, in violation of Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. 45, and that such acquisition, if consummated, would violate Section 7 of the Clayton Act, as amended, 15 U.S.C. 18, and Section 5 of the Federal Trade Commission Act, and having reason to believe that Compagnie de Saint-Gobain has entered into