

Complaint

IN THE MATTER OF

EQUIFAX INFORMATION SERVICES LLC

CONSENT ORDER, ETC. IN REGARD TO ALLEGED VIOLATIONS OF
SECS. 604(C) AND 607(A) OF THE FAIR CREDIT REPORTING ACT AND
SEC. 5(A) OF THE FEDERAL TRADE COMMISSION ACT

Docket No. C-4387; File No. 102 3252
Complaint, March 5, 2013 – Decision, March 5, 2013

This consent order settles allegations that Equifax Information Services LLC, one of the largest consumer reporting agencies in the United States, violated the Fair Credit Reporting Act (“FCRA”) and Section 5 of the FTC Act by improperly selling lists of consumers who were late on their mortgage payments to third parties. The complaint alleges that, from January 1, 2008, through early 2010, Equifax sold more than 17,000 prescreened lists of consumers in financial distress to Direct Lending Source LLC and its affiliates (“Direct Lending”). Direct Lending subsequently resold these lists to third parties who used the data to pitch loan modification and debt relief services to these consumers. The complaint further alleges that Equifax failed to investigate promptly or fully when it learned that Direct Lending was violating Equifax’s internal policies relating to prescreening. The complaint also alleges that Equifax knew or should have known that Direct Lending resold the prescreened list without identifying the end user to Equifax. The order requires Equifax to pay \$392,803 in disgorgement and Direct Lending to pay \$1.2 million in civil penalties and prohibits either company from using or selling prescreened lists without a permissible purpose.

Participants

For the *Commission*: *Katherine Armstrong, Amanda Koulousias, and Katherine White.*

For the *Respondent*: *Tina Fahmy, Cindy Hanson, and Constance Robinson, Kilpatrick Townsend & Stockton LLP.*

COMPLAINT

The Federal Trade Commission, having reason to believe that Equifax Information Services LLC (“Equifax” or “Respondent”) has violated provisions of the Federal Trade Commission Act (“FTC Act”) and the Fair Credit Reporting Act (“FCRA”), and it appearing to the Commission that this proceeding is in the public interest, alleges:

Complaint

1. Respondent Equifax Information Services LLC is a limited liability company organized, existing, and doing business under the laws of the State of Georgia. Respondent is a wholly-owned subsidiary of Equifax Inc. and has its principal place of business at 1550 Peachtree Street, N.W., Atlanta, Georgia 30309.

2. The acts and practices of Respondent, as alleged herein, have been in or affecting commerce, as “commerce” is defined in section 4 of the Federal Trade Commission Act.

3. Equifax is, and at all times relevant to this complaint, has been a “consumer reporting agency” (“CRA”) as that term is defined in section 603(f) of the FCRA, 15 U.S.C. § 1681a(f). Equifax regularly sells in interstate commerce information on consumers that it assembles for the purpose of furnishing consumer reports to third parties.

4. Equifax sells “prescreened lists,” which are lists of consumers that meet certain pre-selected criteria such as consumers who were, among other things, 30, 60, or 90 days late on their mortgage payments. Such prescreened lists are “consumer reports” as defined in section 603(d) of the FCRA, 15 U.S.C. § 1681a(d). Information such as whether a consumer is 30, 60, or 90 days late on a mortgage payment bears on, among other things, a consumer’s credit worthiness and credit standing and is used or expected to be used as a factor in determining a consumer’s eligibility for credit.

5. Section 604 of the FCRA, 15 U.S.C. § 1681b, prohibits consumer reporting agencies from furnishing consumer reports to any person other than those they have reason to believe have a specified “permissible purpose.”

6. The only permissible purpose for using a prescreened list is to make a “firm offer of credit or insurance.” A “firm offer” is one that will be honored (subject to certain exceptions) if the consumers continue to meet the pre-selected criteria used to select them for the offer. 15 U.S.C. § 1681a(l). Using prescreened lists to send solicitations for general marketing is not a permissible purpose.

Complaint

7. Section 607(a) of the FCRA, 15 U.S.C. § 1681e(a), requires CRAs to maintain reasonable procedures to limit the furnishing of consumer reports to the purposes listed under section 604 of the FCRA, 15 U.S.C. § 1681b, including making reasonable efforts to verify the identity of each new prospective user of consumer report information and the uses certified by each prospective user prior to furnishing such user a consumer report.

RESPONDENT'S BUSINESS PRACTICES

8. From January 1, 2008 through early 2010, Equifax sold prescreened lists containing the consumer report information of millions of consumers to Direct Lending Source, Inc. or its affiliates, Bailey & Associates Advertising, Inc. and Virtual Lending Source, LLC (collectively "Direct Lending"). These lists included, among other things, consumers' credit scores and whether they were 30, 60, or 90 days late on their mortgage payments. In many instances, Direct Lending did not have a permissible purpose to obtain consumer reports under the FCRA but rather, Direct Lending used and sold these lists for the purpose of marketing products and services to consumers in financial distress.

9. Direct Lending sold the prescreened lists it obtained from Equifax to third parties, many of which did not have a permissible purpose to receive them under the FCRA. For example, it sold lists to marketers for the purpose of targeting consumers in financial distress for loan modification, debt relief, and foreclosure relief services.

10. Equifax did not maintain reasonable procedures to limit the furnishing of the prescreened lists it sold to Direct Lending so that prescreened lists would only be used for a permissible purpose. Equifax failed to investigate promptly or fully on certain occasions when it learned that Direct Lending was violating Equifax's internal policies relating to prescreening. Moreover, Equifax knew or should have known that in multiple instances Direct Lending resold the prescreened lists without identifying the end user to Equifax. Given Direct Lending's failures, Equifax had reason to believe that the entities to whom its prescreened lists were being sold did not have a permissible purpose for

Complaint

obtaining the lists. Nonetheless, Equifax continued to sell prescreened lists to Direct Lending.

11. Equifax provided prescreened lists to Direct Lending through an online portal. Equifax also provided access to the portal to third parties in connection with Direct Lending's prescreening operations. Equifax did not make reasonable efforts to verify the identity of these entities, and accordingly could not ensure that these entities would only use the lists for a permissible purpose.

12. Equifax's failure to employ reasonable and appropriate measures to control access to the sensitive consumer financial information it maintains and sells for prescreening services resulted in prescreened lists being sold to a number of entities that were ultimately the subject of actions or warnings by law enforcement. Equifax's lack of reasonable procedures caused or is likely to cause substantial consumer injury that is not reasonably avoidable by consumers and is not outweighed by benefits to consumers or competition.

VIOLATIONS OF THE FCRA

13. As described in Paragraphs 8 through 12, in multiple instances, Respondent furnished consumer reports to persons that it did not have reason to believe had a permissible purpose to obtain a consumer report. By and through the acts and practices described in Paragraphs 8 through 12, Respondent has violated section 604(c) of the FCRA, 15 U.S.C. § 1681b(c).

14. As described in Paragraphs 8 through 12, Respondent has failed to maintain reasonable procedures to limit the furnishing of consumer reports to the purposes listed under section 604(c) of the FCRA, has failed to make reasonable efforts to verify the identity of each new prospective user of consumer report information, and has failed to make reasonable efforts to verify the uses certified by each prospective user prior to furnishing such user a consumer report. By and through the acts and practices described in Paragraphs 8 through 12, Respondent has violated section 607(a) of the FCRA, 15 U.S.C. § 1681e(a).

Complaint

15. By its violation of sections 604(c) and 607(a) of the FCRA, and pursuant to section 621(a), 15 U.S.C. § 1681s, Respondent has engaged in unfair and deceptive acts and practices in or affecting commerce in violation of section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

VIOLATIONS OF THE FTC ACT

16. As described in Paragraphs 8 through 12, in numerous instances, Respondent has failed to employ reasonable and appropriate measures to control access to the sensitive consumer financial information it maintains and sells for prescreening services.

17. Respondent's actions caused or were likely to cause substantial injury to consumers that was not offset by countervailing benefits to consumers or competition and was not reasonably avoidable by consumers. The acts and practices of Respondent as alleged in this complaint constitute unfair acts or practices in or affecting commerce in violation of section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

THEREFORE, the Federal Trade Commission this fifth day of March, 2013, has issued this complaint against the respondent.

By the Commission, Commissioners Leibowitz and Wright not participating.

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 Complaint that the Bureau of Consumer Protection proposed to present to the

Decision and Order

Commission for its consideration and which, if issued by the Commission, would charge the Respondent with violation of the Fair Credit Reporting Act, 15 U.S.C. §§ 1681 *et seq.* and the Federal Trade Commission Act, 15 U.S.C. § 45 *et seq.*

The Respondent, Respondent's attorney, and counsel for the Commission having thereafter executed an Agreement Containing Consent Order ("Consent Agreement"), an admission by the Respondent of all the jurisdictional facts set forth in the aforesaid draft Complaint, a statement that the signing of said Consent 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 has reason to believe that the Respondent has violated the Fair Credit Reporting Act and the Federal Trade Commission Act, and that a Complaint should issue stating its charges in that respect, and having thereupon accepted the executed Consent Agreement and placed such Consent Agreement on the public record for a period of thirty (30) days for the receipt and consideration of public comments, and having duly considered the comments received from interested persons, now in further conformity with the procedure described in Section 2.34 of its Rules, 16 C.F.R. § 2.34, the Commission hereby issues its Complaint, makes the following jurisdictional findings, and enters the following Order:

1. Respondent Equifax Information Services LLC is a Georgia limited liability company with its principal office at 1550 Peachtree Street, N.W., Atlanta, Georgia 30309.
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.

Decision and Order

ORDER**DEFINITIONS**

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

1. Unless otherwise specified, “respondent” shall mean: Equifax Information Services LLC, its successors and assigns, and its officers, agents, representatives, and employees.
2. “Commerce” shall mean as defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. § 44.
3. The definitions set forth in the Fair Credit Reporting Act (“FCRA”), 15 U.S.C. §§ 1681a, *et seq.*, which is attached as Appendix A to this order, shall apply.
4. “Debt relief product or service” means any product, service, plan, or program represented, expressly or by implication, to renegotiate, settle, or in any way alter the terms of payment or other terms of the debt or obligation, including but not limited to a tax debt or obligation, between a person and one or more unsecured creditors or debt collectors, including but not limited to, a reduction in the balance, interest rate, or fees owed by a person to an unsecured creditor or debt collector by any person other than the unsecured creditor who holds the debt at issue. Debt relief product or service does not include the creation of a new loan to consolidate debts of a consumer.
5. “Mortgage assistance relief product or service” means any product, service, plan, or program, offered or provided to the consumer in exchange for consideration, by any person other than the dwelling loan holder, that is represented, expressly or by implication, to assist or attempt to assist the consumer with any of the following:

Decision and Order

- a. stopping, preventing, or postponing any mortgage or deed of trust foreclosure sale for the consumer's dwelling, any repossession of the consumer's dwelling, or otherwise saving the consumer's dwelling from foreclosure or repossession;
 - b. negotiating, obtaining, or arranging a modification of any term of a dwelling loan, including a reduction in the amount of interest, principal balance, monthly payments, or fees;
 - c. obtaining any forbearance or modification in the timing of payments from any dwelling loan holder or servicer on any dwelling loan;
 - d. negotiating, obtaining, or arranging any extension of the period of time within which the consumer may: (1) cure his or her default on a dwelling loan, (2) reinstate his or her dwelling loan, (3) redeem a dwelling, or (4) exercise any right to reinstate a dwelling loan or redeem a dwelling; or
 - e. obtaining any waiver of an acceleration clause or balloon payment contained in any promissory note or contract secured by any dwelling; or
 - f. negotiating, obtaining, or arranging: (1) a short sale of a dwelling, (2) a deed-in-lieu of foreclosure, or (3) any other disposition of a dwelling loan other than a sale to a third party that is not the dwelling loan holder.
6. "Prescreening" or "prescreened list" shall refer to the process and the resulting lists covered by sections 603(l), 604(c), 604(e), and 615(d) of the FCRA, 15 U.S.C. §§ 1681a(l), 1681b(c), 1681b(e), and 1681m(d).

Decision and Order

I.

IT IS ORDERED that respondent, directly or through any corporation, subsidiary, division, website, or other device, in connection with the compilation, creation, sale, or dissemination of any prescreened list, is hereby prohibited from:

- A. Furnishing a prescreened list to any person which respondent does not have reason to believe has a permissible purpose under section 604(c) of the FCRA, 15 U.S.C. § 1681b(c).
- B. Failing to maintain reasonable procedures designed to limit the furnishing of prescreened lists to the purposes listed under section 604(c) of the FCRA, 15 U.S.C. § 1681b(c), as set forth in section 607(a) of the FCRA, 15 U.S.C. § 1681e(a), including:
 - 1. Failing to require that prospective users of the information identify themselves, certify the purposes for which the information is sought, and certify that the information will be used for no other purpose;
 - 2. Failing to make a reasonable effort to verify the identity of a new prospective user and the uses certified by such prospective user prior to furnishing such user a prescreened list; and
 - 3. Furnishing a prescreened list to any person respondent has reasonable grounds for believing will use it for a purpose not listed in section 604(c) of the FCRA, 15 U.S.C. § 1681b(c).
- C. Furnishing consumer reports pursuant to section 604(c) of the FCRA, 15 U.S.C. 1681b(c), in connection with solicitations for debt relief products or services, or mortgage assistance relief products or services, offered by entities that respondent has reasonable grounds for believing charge advance fees for such services, i.e., fees collected prior to the

Decision and Order

provision of such services. This prohibition shall not apply to solicitations for refinancing of a dwelling loan, or services offered by attorneys.

II.

IT IS FURTHER ORDERED that respondent shall pay \$392,803 to the Federal Trade Commission, as follows:

- A. Within seven (7) days of service of this order, respondent shall transfer the sum to the Commission by electronic funds transfer in accordance with instructions previously provided by a representative of the Commission. These funds will be deposited in the United States Treasury as disgorgement.
- B. In the event of any default on any obligation to make payment under this order, which default continues for ten (10) days beyond the due date of the payment, interest shall accrue, computed pursuant to 28 U.S.C. § 1961, from the date of default to the date of payment.
- C. Respondent relinquishes all dominion, control, and title to the funds paid to the fullest extent permitted by law. Respondent shall make no claim to or demand return of the funds, directly or indirectly, through counsel or otherwise.
- D. This order for equitable monetary relief is solely remedial in nature and is not a fine, penalty, punitive assessment, or forfeiture.

III.

IT IS FURTHER ORDERED that, for five (5) years after the date of issuance of this order, respondent, and its successors and assigns, shall maintain and upon request make available to the Federal Trade Commission business records demonstrating compliance with the terms and provisions of this order, including but not limited to:

Decision and Order

- A. Files containing the names, addresses, telephone numbers, and all certifications made by persons seeking to obtain prescreened lists from respondent in order to finance the product or service provided by a third party, and all materials considered by respondent in connection with its verification of the identity of those persons and verification of the certifications made by those persons;
- B. Copies of all training materials and marketing materials that relate to respondent's prescreening activities as alleged in the complaint and respondent's compliance with the provisions of this order; and
- C. All records necessary to demonstrate full compliance with each provision of this order, including all submissions to the Commission.

IV.

IT IS FURTHER ORDERED that, for five (5) years after the date of issuance of this order, respondent, and its successors and assigns, shall deliver a copy of this order to: (1) all current and future principals, officers, and directors; and (2) all current and future managers, employees, agents and representatives who have responsibilities with respect to the subject matter of this order, and shall secure from each such person a signed and dated statement acknowledging receipt of the order, with any electronic signatures complying with the requirements of the E-Sign Act, 15 U.S.C. § 7001 *et seq.* Respondent shall deliver this order to current personnel within thirty (30) days after the date of service of the order, and to future personnel within thirty (30) days after the person assumes such position or responsibilities.

V.

IT IS FURTHER ORDERED that respondent and its successors and assigns shall notify the Commission at least thirty (30) days prior to any change in respondent that may affect compliance obligations arising under this order, including but not limited to, a dissolution, assignment, sale, merger, or other action

Decision and Order

that would result in the emergence of a successor company; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this order; the proposed filing of a bankruptcy petition; or a change in respondent's name or address. *Provided, however*, that with respect to any proposed change about which respondent learns less than thirty (30) days prior to the date such action is to take place, respondent shall notify the Commission as soon as is practicable after obtaining such knowledge. Unless otherwise directed by a representative of the Commission in writing, all notices required by this Part shall be sent by overnight courier (not the U.S. Postal Service) to the Associate Director of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580, with the subject line: In the Matter of Equifax Information Services LLC. *Provided, however*, that, in lieu of overnight courier, notices may be sent by first-class mail, but only if an electronic version of such notices is contemporaneously sent to the Commission at DEbrief@ftc.gov.

VI.

IT IS FURTHER ORDERED that respondent and its successors and assigns shall, within sixty (60) days after the date of service of this order, file with the Commission a true and accurate report, in writing, setting forth in detail the manner and form in which respondent has complied with this order. Within ten (10) days of receipt of written notice from a representative of the Commission, respondent shall submit additional true and accurate written reports.

VII.

This order will terminate on March 5, 2033, or twenty (20) years from the most recent date that the United States or the 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 Part of this order that terminates in less than twenty (20) years;

Analysis to Aid Public Comment

- 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 Part.

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 Part as though the complaint had never been filed, except that this 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.

By the Commission, Commissioners Leibowitz and Wright not participating.

ANALYSIS OF CONSENT ORDER TO AID PUBLIC COMMENT

The Federal Trade Commission has accepted, subject to final approval, a consent agreement from Equifax Information Services LLC ("Equifax").

The proposed consent order has been placed on the public record for thirty (30) days for receipt of comments by interested persons. Comments received during this period will become part of the public record. After thirty (30) days, the Commission will again review the agreement and the comments received, and will decide whether it should withdraw from the agreement and take appropriate action or make final the agreement's proposed order.

According to the Commission's proposed complaint Equifax is a "consumer reporting agency" ("CRA") that sells "prescreened lists," which are lists of consumers that meet certain pre-selected

Analysis to Aid Public Comment

criteria such as consumers who were, among other things, 30, 60, or 90 days late on their mortgage payments. Such prescreened lists are “consumer reports” because information such as whether a consumer is 30, 60, or 90 days late on a mortgage payment bears on, among other things, a consumer’s credit worthiness and credit standing and is used or expected to be used as a factor in determining a consumer’s eligibility for credit. The only permissible purpose under the Fair Credit Reporting Act (“FCRA”) for using a prescreened list is to make a “firm offer of credit or insurance.” A firm offer of credit is one that will be honored, subject to limited exceptions, if the consumer continues to meet the selection criteria.

First, the Commission’s proposed complaint alleges that Equifax violated Section 604(c) of the FCRA by furnishing consumer reports to persons that it did not have reason to believe had a permissible purpose to obtain a consumer report. The proposed complaint alleges that from January 1, 2008 through early 2010, Equifax sold prescreened lists to Direct Lending Source, Inc. or its affiliates, Bailey & Associates Advertising, Inc. and Virtual Lending Source, LLC (collectively “Direct Lending”) which included, among other things, consumers’ credit scores and whether they were 30, 60, or 90 days late on their mortgage payments. The proposed complaint further alleges that in many instances, Direct Lending did not have a permissible purpose to obtain consumer reports under the FCRA but rather, Direct Lending used and sold these lists for the purpose of marketing products and services to consumers in financial distress. For example, the complaint alleges Direct Lending sold lists to marketers for the purpose of targeting consumers in financial distress for loan modification, debt relief, and foreclosure relief services.

Second, the proposed complaint alleges that Equifax violated Section 607(a) of the FCRA by failing to maintain reasonable procedures to limit the furnishing of consumer reports to the purposes listed under section 604(c) of the FCRA, failing to make reasonable efforts to verify the identity of each new prospective user of consumer report information, and failing to make reasonable efforts to verify the uses certified by each prospective user prior to furnishing such user a consumer report. According to the proposed complaint, Equifax failed to maintain reasonable

Analysis to Aid Public Comment

procedures to limit the furnishing of the prescreened lists it sold to Direct Lending by: (1) failing to investigate promptly or fully on certain occasions when it learned that Direct Lending was violating Equifax's internal policies relating to prescreening; and (2) furnishing prescreened lists to Direct Lending although it knew or should have known that Direct Lending resold the prescreened lists, in multiple instances, without identifying the end user to Equifax. The complaint alleges that, given Direct Lending's failures, Equifax had reason to believe that the entities to whom its prescreened lists were being sold did not have a permissible purpose for obtaining the lists. Nonetheless, Equifax continued to sell prescreened lists to Direct Lending. The proposed complaint further alleges that Equifax provided prescreened lists to Direct Lending through an online portal and also provided access to the portal to third parties in connection with Direct Lending's prescreening operations, but did not make reasonable efforts to verify the identity of these entities, and accordingly, could not ensure that these entities would only use the lists for a permissible purpose.

Finally, the proposed complaint also alleges Equifax violated Section 5(a) of the FTC Act by failing to employ reasonable and appropriate measures to control access to the sensitive consumer financial information it maintains and sells for prescreening services. The complaint alleges that Equifax's failures resulted in prescreened lists being sold to a number of entities that were ultimately the subject of actions or warnings by law enforcement and that Equifax's lack of reasonable procedures caused or is likely to cause substantial consumer injury that is not reasonably avoidable by consumers and is not outweighed by benefits to consumers or competition.

The proposed order contains provisions designed to prevent Equifax from engaging in the future in practices similar to those alleged in the complaint.

Part I of the proposed order prohibits Equifax from: (1) furnishing a prescreened list to any person which Equifax does not have reason to believe has a permissible purpose under section 604(c) of the FCRA; (2) failing to maintain reasonable procedures designed to limit the furnishing of prescreened lists to the

Analysis to Aid Public Comment

purposes listed under section 604(c) of the FCRA; and(3) furnishing consumer reports pursuant to section 604(c) of the FCRA, in connection with solicitations for debt relief products or services, or mortgage assistance relief products or services offered by entities that respondent has reasonable grounds for believing charge advance fees for such services, unless: (a) the product or service is the refinancing of a dwelling loan; or (b) the entity offering the product or service is an attorney.

Part II of the proposed order requires Equifax to pay \$392,803 in disgorgement.

Part III through VII of the proposed order are reporting and compliance provisions. Part III requires that Equifax retain for a period of five (5) years: (1) files containing the names, addresses, telephone numbers, and all certifications made by persons seeking to obtain prescreened lists from Equifax in order to finance the product or service provided by a third party, and all materials considered by Equifax in connection with its verification of the identity of those persons and verification of the certifications made by those persons; (2) copies of all training materials and marketing materials that relate to Equifax's prescreening activities as alleged in the complaint and Equifax's compliance with the provisions of this order; and (3) all records necessary to demonstrate full compliance with each provision of this order, including all submissions to the Commission.

Part IV requires dissemination of the order now and in the future to principals, officers, directors, and managers, and to all current and future employees, agents, and representatives having responsibilities relating to the subject matter of the order. Part V ensures notification to the FTC of changes in corporate status. Part VI mandates that Equifax submit an initial compliance report to the FTC and make available to the FTC subsequent reports. Part VII is a provision "sunsetting" the order after twenty (20) years, with certain exceptions.

Analysis to Aid Public Comment

The purpose of the analysis is to aid public comment on the proposed order. It is not intended to constitute an official interpretation of the proposed order or to modify its terms in any way.

Complaint

IN THE MATTER OF

**OLTRIN SOLUTIONS, LLC, JCI JONES
CHEMICALS, INC., OLIN CORPORATION AND
TRINITY MANUFACTURING, INC.**

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

*Docket No. C-4388; File No. 111 0078
Complaint, March 7, 2013 – Decision, March 7, 2013*

This consent order addresses the acquisition by Oltrin Solutions, LLC (“Oltrin”) of certain assets of JCI Jones Chemicals, Inc. (“JCI”). In March 2010, Oltrin paid JCI \$5.5 million for a list of JCI’s bulk bleach customers and for an agreement prohibiting JCI from selling bulk bleach in North Carolina and South Carolina for six years. The complaint further alleges that the transaction violated Section 7 of the Clayton Act and Section 5 of the Federal Trade Commission Act, by eliminating actual, direct, and substantial competition between Oltrin and JCI in a market for bulk supply bleach. The consent order requires Oltrin to release JCI from the agreement not to compete for the sale of bulk bleach in North and South Carolina; to transfer customer contracts to JCI; to enter into a six-month backup bleach supply agreement with JCI; and to notify customers that JCI is also a current bleach supplier. The order further contains a set of provisions designed to ensure compliance.

Participants

For the *Commission*: Stephen Antonio, Steven A. Dahm, Melanie Hallas, Kenneth Libby, P. Abbott McCartney, and Eric M. Sprague.

For the *Respondents*: Thomas Dillickrath, David Emanuelson, and William A. Henry, Baker Botts LLP; Robert W. Turken and Scott Wagner, Bilzin Sumberg Baena Price & Axelrod, LLP; and Mark W. Merritt and Lawrence Moore, Robinson, Bradshaw & Hinson, P.A.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Clayton Act, and by virtue of the authority vested by said Acts, the Federal Trade Commission (the “Commission”), having reason to believe that respondent Oltrin Solutions, LLC