

ceeding as to all of the parties hereto; and that said order therefore should be, and hereby is, entered as follows:

It is ordered, That respondent The Herst-Allen Company, a corporation, and its officers, employees, agents and representatives, directly or through any corporate or other device, in or in connection with the offering for sale, sale or distribution of any of its products in commerce, as "commerce" is defined in the Clayton Act, as amended, do forthwith cease and desist from:

Paying or contracting for the payment of anything of value to, or for the benefit of, any customer of respondent as compensation or in consideration for any services or facilities furnished by or through such customer in connection with the offering for sale, sale or distribution of respondent's products, unless such payment or consideration is made available on proportionally equal terms to all other customers competing in the distribution of such products.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 31st day of August 1960, become the decision of the Commission; and, accordingly:

It is ordered, That respondent The Herst-Allen Company, a corporation, shall, within sixty (60) days after service upon it of this order, file with the Commission a report in writing, setting forth in detail the manner and form in which it has complied with the order to cease and desist.

IN THE MATTER OF
ASSETS, INC., ET AL.

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

Docket 7874. Complaint, Apr. 28, 1960—Decision, Aug. 31, 1960

Order requiring a concern in Hoboken, N.J., to cease obtaining current information on delinquent debtors by use of the trade name "Trans-American Express Agency" and deceptive "skip-tracing" forms which represented that it was an express agency holding valuable property for debtor recipients and that the information requested was to be used to make delivery—for receipt of which information a pack of chewing gum was sent the debtor.

Mr. Harry E. Middleton, Jr., supporting the complaint.

No appearance for respondents.

INITIAL DECISION OF JOHN LEWIS, HEARING EXAMINER

The Federal Trade Commission on April 28, 1960, issued and thereafter served its complaint in this proceeding charging the respondents hereinabove named with having engaged in unfair and deceptive acts and practices, in commerce, in violation of the Federal Trade Commission Act, by selling certain so-called skip-tracing forms, which are used to obtain information concerning delinquent debtors through subterfuge. Although duly served with said complaint respondents failed to file answer thereto within thirty (30) days, as required by Section 3.7 of the Commission's Rules of Practice for Adjudicative Proceedings and by the Notice served with said complaint.

Thereafter, a hearing was held on July 7, 1960, in Washington, D.C., before the undersigned hearing examiner, theretofore duly designated to hearing this proceeding. No appearance was made at said hearing by the respondents. Counsel supporting the complaint thereupon moved that, in view of the failure of the respondents to appear and show cause, the case be closed for the taking of testimony and that, in accordance with Section 3.7(b) of the Commission's Rules of Practice, the hearing examiner find the facts to be as alleged in the complaint. Counsel submitted a form of proposed order and moved that said order be entered against respondents. The undersigned granted said motion to the extent that findings and conclusions would be made, based upon the allegations of the complaint, and that the proposed order would be taken into consideration in the framing of an appropriate order.

This proceeding having now come on for final consideration on the complaint and the proposed order of counsel supporting the complaint, and it appearing that the order proposed covers all of the allegations of the complaint and provides for an appropriate disposition of this proceeding, the undersigned finds that this proceeding is in the interest of the public and, in accordance with Section 3.7 of the Rules of Practice, makes the following findings as to the facts, conclusion and order:

FINDINGS OF FACT

PARAGRAPH 1. Respondent Assets, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey. Its office is located at 20 Hudson Place, Hoboken, N.J.

The individual respondent Hyman Tenenbaum is an officer of said corporation and formulates, directs and controls the policies and

practices of the corporate respondent. His business address is the same as that of the corporate respondent.

The corporate respondent, in connection with the practices hereinafter set forth, trades and does business as Trans-American Express Agency at the same address.

PAR. 2. Respondents, trading and doing business as Trans-American Express Agency, with an office at 20 Hudson Place, Hoboken, New Jersey, are now, and for some time last past have been, engaged in the business of selling certain printed forms, letters, cards and envelopes which are designed for use, and are used, by the purchasers thereof for the purpose of obtaining information concerning delinquent debtors with the aid of the respondents, as hereinafter set forth.

PAR. 3. Respondents cause their said printed forms and other materials, when sold, to be transported from their place of business in the State of New Jersey to the purchasers thereof located in various other states, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said forms and other material, in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. Persons purchasing said forms and other materials fill in the names of the persons concerning which information is sought on the form, which consists in part of a series of questions, and mail said forms in bulk to respondents. Respondents have the envelopes enclosing the individual forms mailed in Hoboken, N.J., a self-addressed envelope requiring no postage being enclosed with the form, addressed to Trans-American Express Agency at the Hoboken, N.J., address for use in returning the completed forms.

Completed forms, when received by respondents, are mailed to the purchaser who sent them to respondents and respondents send a package of chewing gum to the debtor completing the form.

A copy of the questionnaire form sent to the debtors is attached to this decision as Exhibit A. A copy of the form letter which accompanies the questionnaire is attached hereto marked Exhibit B. A third form which is designed to be sent to third parties who may have information about a debtor is attached hereto marked Exhibit C.

PAR. 5. Respondents, through the use of the name Trans-American Express Agency, and the various depictions and statements set out on the attached exhibits, have represented and have furnished to their purchasers of said forms and material the means and instrumentalities by and through which they may and do represent that:

- (a) Respondents are engaged in the business of an express agency.

Emergency Deliveries • Freight Forwarding • Field/Zip Freight and Packaging Deliveries • Distribution Services • Motor Carriers • Door-to-Door Pickup and Delivery • Express Service

CARTAGE - DOCK - RAIL FACILITIES
 20 HUDSON PLACE, HOBOKEN, NEW JERSEY

SPECIAL NOTICE
 Deliveries are not possible to General Delivery or Post Office Box Addresses, nor will delivery be made in care of anyone else.

To Person Named On The Enclosed Shipping Tag
YOUR ATTENTION PLEASE!!!
 We have for delivery to you a PREPAID PACKAGE which is being held due to ERROR or CHANGE OF ADDRESS.

This package cannot be delivered without your complete identification. Please complete carefully all the questions enumerated on the enclosed Shipping Tag and return promptly to speed delivery of this package to you.

This package is PREPAID so there are NO CHARGES TO YOU. We can only hold same for 30 days, at YOUR RISK subject to your complete identification and shipping instructions.

PLEASE REPLY PROMPTLY in the enclosed, Postage Free, Self-Addressed Envelope. Be sure to answer all questions on Shipping Tag, so that we can speed package to you at once.

NOTE: After 30 days other disposition will be made of this package!

Very Truly yours,
 TRANSAMERICAN EXPRESS AGENCY

TRANSCONTINENTAL SERVICE
 1959 TRANSAMERICAN EXPRESS AGENCY

FORM TA 30073

THIS COMMUNICATION FROM
SPECIAL DELIVERY DEPT.
 REGARDING ARRIVAL OF PACKAGE

PREPAID
 BY SHIPPER

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Order

(b) Respondents have property of value being held for delivery to the addressee.

(c) The information requested as set out on the forms is for use in connection with making delivery of the property represented as being held for delivery.

PAR. 6. Said representations are false, misleading and deceptive. In truth and in fact:

(a) Respondents are not in the business of an express agency.

(b) Respondents do not hold any property of any value for delivery to the addressee.

(c) The information requested on the forms is not for use in connection with making delivery of property represented as being held for delivery to the addressee, but is for the sole purpose of obtaining information concerning delinquent debtors by subterfuge and constitutes a scheme to mislead and deceive the persons receiving said forms as to the true purpose for which the information is sought.

PAR. 7. The use, as hereinabove found, of respondents' forms and other materials by respondents' purchasers has had, and now has, the tendency and capacity to mislead and deceive many persons to whom said forms are sent into the erroneous and mistaken belief that the statements, representations and implications set out therein are true and to induce the recipients thereof to supply information to respondents' purchasers which otherwise would not have been supplied.

CONCLUSION

The acts and practices of the respondents, as hereinabove found, were and are all to the prejudice and injury of the public and constituted, and now constitute, unfair and deceptive acts and practices, in commerce, within the intent and meaning of the Federal Trade Commission Act.

ORDER

It is ordered. That respondents Assets, Inc., a corporation, and its officers, and Hyman Tenenbaum, individually and as an officer of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the business of obtaining information concerning delinquent debtors, or the offering for sale, sale or distribution of forms to be used in obtaining information concerning delinquent debtors, or in the collection of, or attempting to collect accounts, in

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

1. Using, or placing in the hands of others for use, any form, questionnaire or other material, printed or written, which does not clearly reveal that the purpose for which the information is requested is that of obtaining information concerning delinquent debtors.

2. Representing, or placing in the hands of others any means whereby they may represent, directly or by implication, that a package or anything of value is being held for delivery pending receipt of the information on questionnaires for delivery to the addressee.

3. Using the name "Trans-American Express Agency" or any other name, word or phrase of similar import, or otherwise representing, directly or by implication, that requests for information concerning delinquent debtors are from bona fide express agencies or other type of business.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 31st day of August 1960, become the decision of the Commission; and, accordingly:

It is ordered, That the respondents herein shall within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist.

IN THE MATTER OF

MIDWEST BISCUIT COMPANY

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION
OF SEC. 2(d) OF THE CLAYTON ACT

Docket 7868. Complaint, Apr. 19, 1960—Decision, Sept. 3, 1960

Consent order requiring a manufacturer of bakery products, including biscuits and crackers, in Burlington, Iowa, with annual sales exceeding \$4,000,000, to cease violating Sec. 2(d) of the Clayton Act by paying certain of its customers but not their competitors for services or facilities, such as payments of \$650 for advertising made in each of the years 1958 and 1959 to a retail grocery chain with headquarters in Burlington.

