

IN THE MATTER OF

HERBERT L. ROSS, DOING BUSINESS AS NATIONAL
INHERITANCE SERVICE; AND O. F. BLAKER

COMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION
OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914

Docket 4849. Complaint, Oct. 15, 1942—Decision, Jan. 26, 1943

Where an individual, engaged in interstate sale and distribution of envelopes and form letters to be used by creditors and collection agencies in obtaining information concerning debtors, which bore his trade name, i. e., "National Inheritance Service," and San Francisco address, and contained such statements as "Examiners for Title Companies," "Searchers of Records," "Genealogists," "Estate Counsellors," "Missing Heirs Located," "Actuaries," and "We have been endeavoring to communicate with a person of the above name (name of person and address) * * *. This is a matter of distinct importance to the individual in question and that we may make certain you are the one, please answer the following questions" (relating to person's name, address, employer, and address, bank references, etc.); and some of which also contained statements designed to follow up similar unanswered communications; aided by a second individual who employed same trade name, with Baltimore address;

Making use of a plan under which said questionnaires were (1) assigned a code number identifying the customer involved; (2) had inserted the names and addresses of the debtors or others from whom customer sought information; (3) were signed by the customer usually with some fictitious name; (4) were placed in stamped envelopes bearing in upper left hand corner aforesaid trade name with either San Francisco or Baltimore address; (5) had enclosed a reply envelope addressed to such trade name and place of business in San Francisco or Baltimore; (6) were mailed or delivered by the customer to said individual who mailed them in San Francisco or delivered them to his associate for mailing in Baltimore, and who received 50 cents from his customers for each debtor's location so obtained; through said letters and envelopes, directly and by implication—

- (a) Falsely represented, and placed in the hands of his customers means of falsely representing, to customers, debtors and others from whom information was sought, that the "National Inheritance Service" had correspondents in all the principal cities of the world;
- (b) Falsely represented, etc., as above set forth, that said "National Inheritance Service" acted as examiner for title insurance companies;
- (c) Falsely represented, etc., that said "Service" engaged in genealogical research, actuarial work, and the searching of records; and
- (d) Falsely represented, etc., that the person concerning whom information was sought had or might have an interest in an estate or land which would be of financial benefit to him;

When in fact said representations were false and misleading, and said individual aforesaid had no knowledge of any such interests in estates or in lands; and

- (e) Falsely represented, through use of name "National Inheritance Service,"

directly and by implication, that his business bore some relation to estates and to the rights and interests of heirs therein;

When in fact he had nothing to do with such matters and name employed was merely a disguise for his true business of obtaining information for use in collection of debts;

With effect of misleading and deceiving many persons to whom such letters were sent into the mistaken belief that such representations were true, and that said trade name truthfully indicated the character of the concern making the inquiry, and by reason thereof, into giving information which they would not otherwise have supplied:

Held, That such acts and practices, under the circumstances set forth, were all to the prejudice and injury of the public, and constituted unfair and deceptive acts and practices in commerce.

Mr. Randolph W. Branch for the Commission.

Mr. James M. Hoffa, of Baltimore, Md., for respondents.

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 Herbert L. Ross, an individual, trading under the name National Inheritance Service, and O. F. Blaker, an individual, hereinafter 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, Herbert L. Ross, is an individual, trading under the name National Inheritance Service, with an office and principal place of business at 26 O'Farrell Street, San Francisco, Calif.

Respondent, O. F. Blaker, is an individual, with an office and principal place of business at 4642 York Road, Baltimore, Md.

PAR. 2. Respondent, Herbert L. Ross, is now, and has been for more than 2 years last past, engaged in the business of selling envelopes and form letters designed and intended to be used by creditors and collection agencies in obtaining information concerning debtors.

Respondent Ross causes the said envelopes and letters to be transported from his aforesaid place of business in the State of California to purchasers thereof in various States of the United States and in the District of Columbia. Said respondent maintains, and at all times mentioned herein has maintained, a course of trade in the said articles in commerce between and among the various States of the United States and in the District of Columbia.

In his business of selling and distributing said envelopes and letters, respondent Ross has traded under the name "National Inheritance Service."

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PAR. 3. The said letters sold and distributed by respondent are in the forms exemplified by copies thereof, marked Exhibits A, B, C, D, E, and F attached hereto, and by this reference incorporated herein and made a part hereof.¹

Exhibits A, B, C, and D, E, F are respectively letters sent to debtors and to those from whom information concerning debtors is sought.

PAR. 4. Each customer of respondent Ross is given a code number which identifies the customer to him.

Said customers insert in the appropriate spaces in the form letters the names and addresses of the debtors or others from whom information is sought, and their code numbers, and cause them to be signed, usually with fictitious names. The letters are then placed in stamped envelopes, addressed to the debtors or such other persons, which bear in the upper left hand corner either:

National Inheritance Service
20 O'Farrell Street
San Francisco, Cal., or

National Inheritance Service
4644 York Road,
Baltimore, Md.

together with a reply envelope addressed, as above, to either San Francisco, Calif., or Baltimore, Md. Such reply envelopes sometimes are, and sometimes are not, stamped by respondents' customers; upon their backs the customers place their code numbers.

Said customers thereafter (1) mail the letters themselves, or (2) cause them to be delivered to respondent, Ross, at San Francisco, Calif., who causes them to be deposited in the United States mail, or (3) causes them to be delivered to respondent, Blaker, at Baltimore, Md., who causes them to be deposited in the United States mail.

Such replies as are returned to respondent, Blaker, at Baltimore, Md., are received by him and transmitted by him to respondent, Ross, at San Francisco, Calif. Such replies, together with those received at the San Francisco office of respondent Ross, are identified, as to Ross' customers, by the code numbers on the envelopes, or on the letters, opened by him, and the results communicated to the appropriate customers. Ross receives 50 cents for each debtor's location thus obtained.

PAR. 5. By means of the aforesaid letters and envelopes respondent, Ross, has falsely represented, and placed in the hands of his customers means of falsely representing, directly and by implication, to customers' debtors, and others from whom information concerning such debtors is sought, that "National Inheritance Service" has corre-

¹ Exhibits published in the findings at p. 155.

spondents in all principal cities of the world, acts as counsellor to those in charge of estates, is engaged in the business of locating heirs to estates or to interests therein, acts as examiner for title insurance companies, engages in geneological research, actuarial work, and searches of records, and that the person concerning whom information is sought has or may have an interest in an estate or land which will be of financial benefit to him.

The said representations are false and misleading. In truth and in fact, respondent, Ross, in conducting the business called "National Inheritance Service" does not have correspondents in all the principal cities of the world. He does not act as counsellor to those in charge of estates, and is not engaged in the business of locating heirs to estates or interests therein. He does not make examinations for title insurance companies, or engage in geneological research, actuarial work or searches of records. He has no knowledge of any interests in estates or in lands to which the persons concerning whom information is sought may be entitled.

PAR. 6. Through the use of the name "National Inheritance Service" respondent has represented, directly and by implication, that his said business bears some relation to estates and to the rights and interests of heirs thereof.

Said representation is false and misleading. In truth and in fact, said business has nothing whatever to do with estates or the rights or interests of persons therein, and the said name is merely a disguise for the true nature of the business.

PAR. 7. The participation of respondent, Blaker, aids in the accomplishment of the plan for obtaining the desired information as regards persons from whom information is sought who are located in the general vicinity of San Francisco, and who are, in consequence, able to call in person at respondent, Ross', San Francisco office.

PAR. 8. The use, as hereinabove set forth, of the foregoing false and misleading statements, representations, and designations has had the capacity and tendency to, and has, misled and deceived many persons to whom said letters were sent into the erroneous and mistaken belief that said statements and representations were true, and by reason thereof to give information which they would not otherwise supply, and in many instances, to incur expense for postage in connection therewith.

PAR. 9. The aforesaid acts and practices of respondents, as herein alleged, are all to the prejudice and injury of the public, and constitute unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission, on October 15, 1942, issued and subsequently served its complaint in this proceeding upon the respondents, Herbert L. Ross, an individual, trading under the name National Inheritance Service, and O. F. Blaker, an individual, charging them with the use of unfair and deceptive acts and practices in commerce in violation of the provisions of that act. Answers were filed, by respondent Ross on November 16, 1942, and by respondent Blaker through his attorney on December 28, 1942, in which answers the respondents admitted all the material allegations of fact set forth in the complaint and waived all intervening procedure and further hearing as to the facts. Thereafter, the proceeding regularly came on for final hearing before the Commission on the complaint and the answers thereto, and the Commission, having duly considered the matter and being now fully advised in the premises finds that this proceeding is in the interest of the public and makes this its findings as to the facts and its conclusion drawn therefrom.

FINDINGS AS TO THE FACTS

PARAGRAPH 1. Respondent, Herbert L. Ross, is an individual, trading under the name National Inheritance Service, with an office and principal place of business at 26 O'Farrell Street, San Francisco, Calif.

Respondent, O. F. Blaker, is an individual, with an office and principal place of business at 4642 York Road, Baltimore, Md.

PAR. 2. Respondent, Ross, is now and for more than 2 years last past has been engaged in the business of selling envelopes and form letters designed and intended to be used by creditors and collection agencies in obtaining information concerning debtors.

Respondent, Ross, causes his envelopes and letters, when sold, to be transported from his place of business in the State of California to purchasers thereof in various States of the United States and in the District of Columbia. This respondent maintains and has maintained a course of trade in his products in commerce between and among the various States of the United States and in the District of Columbia.

In the business of selling and distributing his envelopes and letters, respondent Ross has traded under the name "National Inheritance Service."

PAR. 3. The letters sold and distributed by respondent Ross are in the forms exemplified by copies attached hereto, as Exhibits A, B, C, D, E, and F, and made a part hereof. These letters are sent to debtors and to those from whom information concerning debtors is sought.

PAR. 4. Each customer of respondent, Ross, is given a code number which identifies the customer to him. The customer inserts his code number and the names and addresses of the debtors or others from whom information is sought in the appropriate spaces in the form letters, and causes the letters to be signed, usually with fictitious names. The letters are then placed in stamped envelopes addressed to the debtors or such other persons. In the upper left-hand corner of the envelopes appears the following:

National Inheritance Service
28 O'Farrell Street
San Francisco, Cal.,

or

National Inheritance Service
4644 York Road
Baltimore, Md.

Enclosed in each letter is a reply envelope addressed to National Inheritance Service at either San Francisco Calif., or Baltimore, Md., which envelope bears the customer's code number upon its back. Postage stamps are affixed to these envelopes by the customer in some, but not in all, instances.

The customer thereafter mails the letters himself or causes them to be delivered to respondent, Ross, at San Francisco, Calif., who causes them to be deposited in the United States mail or delivered to respondent, Blaker, at Baltimore, Md., who causes them to be deposited in the United States mail.

Such replies as are received by respondent, Blaker, at Baltimore, Md., are transmitted by him to respondent, Ross, at San Francisco, Calif. These replies, together with those received at the San Francisco office of respondent, Ross, are opened and the results transmitted to the appropriate customers, who are identified by the code numbers on the envelopes or letters. Respondent, Ross, receives 50 cents for each debtor's location thus obtained.

PAR. 5. By means of these letters and envelopes respondent Ross has falsely represented, and placed in the hands of his customers means of falsely representing, directly and by implication, to customers' debtors and others from whom information concerning such debtors is sought, that "National Inheritance Service" has correspondents in all principal cities of the world; acts as counsellor to those in charge of estates, and is engaged in the business of locating heirs to estates or to interests therein; acts as examiner for title insurance companies; engages in genealogical research, actuarial work, and the searching of records; and that the person concerning whom informa-

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tion is sought has or may have an interest in an estate or land which will be of financial benefit to him.

These representations are false and misleading. In truth and in fact, respondent Ross in conducting the business called "National Inheritance Service" does not have correspondents in all the principal cities of the world. He does not act as counsellor to those in charge of estates, and is not engaged in the business of locating heirs to estates or interests therein. He does not make examinations for title insurance companies, or engage in genealogical research, actuarial work, or the searching of records. He has no knowledge of any interests in estates or in lands to which the persons concerning whom information is sought may be entitled.

PAR. 6. Through the use of the name "National Inheritance Service" respondent Ross has represented, directly and by implication, that his business bears some relation to estates and to the rights and interests of heirs therein. This representation is false and misleading. In truth and in fact, respondent, Ross', business has nothing whatever to do with estates or the rights or interests of heirs therein, and the name "National Inheritance Service" is merely a disguise for the true nature of the business, to wit, the obtaining of information for use in the collection of debts.

PAR. 7. The participation of respondent Blaker aids in the accomplishment of the plan for obtaining the desired information from persons who are located in the general vicinity of San Francisco, and who are, in consequence, able to call in person at respondent Ross' San Francisco office.

PAR. 8. The use of these false and misleading statements and representations, including the use of the name "National Inheritance Service," has had the capacity and tendency to and has misled and deceived many persons to whom such letters were sent into the erroneous and mistaken belief that such statements and representations were true and that the name "National Inheritance Service" truthfully indicated and described the character of the concern making the inquiry and requesting the information, and by reason thereof, into giving information which they would not otherwise have supplied and, in many instances, incurring expense for postage in connection therewith.

CONCLUSION

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

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Exhibits

EXHIBIT A

Examiners for
Title Companies
Searchers of Records

Genealogists

Correspondents in
All Principal Cities
Of the World

San Francisco, Calif.
Offices
416 to 419 Grant Bldg.

NATIONAL INHERITANCE SERVICE

ESTATE COUNSELLORS

Refer to
File No.

* * * * *

Missing Heirs Located

San Francisco, Calif.

We have been endeavoring to communicate with a person of the above name and our investigations lead us to believe that you are the party. This is a matter of distinct importance to the individual in question and that we may make certain you are the one, please answer the following questions:

Full Name_____ Age_____
Residence Address (present)_____
Residence Address (previous)_____
Name of employer_____
Address_____
Nearest Relative_____ Relationship_____
Address_____
Bank References_____ What branch_____
General Description of yourself_____

If the above information checks with our records, you will be communicated with by return mail. Use envelope enclosed for your reply.

Very truly yours,
NATIONAL INHERITANCE SERVICE.
By

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EXHIBIT B

CORRESPONDENTS IN ALL PRINCIPAL CITIES OF THE WORLD

EXAMINERS FOR TITLE COMPANIES

SEARCHERS OF RECORDS

ACTUARIES

GENEALOGISTS

NATIONAL INHERITANCE SERVICE

ESTATE COUNSELLORS

Missing Heirs Located

Offices: Grant Building

San Francisco, California

Cable Address

"NISCO"

Codes Bentleys

ABC-5th & 6th

Western Union

Refer to
File No.

Some time ago we wrote you requesting certain information concerning yourself, but to date we have not received your reply. We have been in communication with others of similar name in other sections of the country and it is of importance that you answer the questions below that we may ascertain definitely whether or not you are the party in question:

Full name..... Place and date of birth.....
 Present residence address.....
 Residence addresses (previous—list on reverse side).....
 If married, mate's full name.....
 Name of your employer's firm or own business.....
 Business address..... Occupation.....
 (list former ones on reverse side)
 Nearest relative..... Relationship.....
 Address.....
 With whom do you bank..... Address.....
 General description of yourself.....

An early reply, in the enclosed self addressed envelope will aid us materially in bringing this matter to a successful conclusion.

Very truly yours,

NATIONAL INHERITANCE SERVICE

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Exhibits

EXHIBIT C

correspondents in all principal cities of the world

EXAMINERS FOR TITLE COMPANIES

SEARCHERS OF RECORDS

ACTUARIES

GENEALOGISTS

NATIONAL INHERITANCE SERVICE

Cable address

ESTATE COUNSELLORS

"NISCO"

Missing Heirs Located

Codes Bentleys

Offices: 26 O'Farrell Street

ABC-5th & 6th

San Francisco, California

Western Union

Refer to
File No.

We have been endeavoring to communicate with a person of your name and our investigation now leads us to believe that you are the interested party.

This is a matter of distinct importance to you if you are the individual in question and that we may make certain you are the one, please answer the following questions:

Full name_____ Place and date of birth_____

Present residence address_____

Residence addresses (previous—list on reverse side)_____

(give dates)

If married, mate's full name_____

Name of employer's firm or own business_____

Business address_____ Occupation_____

(list former ones on reverse side)

Nearest relative _____ Relationship_____

Address _____

With whom do you bank_____ Address_____

General description of yourself _____

If the above information checks with the records, you will be communicated with by return mail Use envelope enclosed for your reply.

Very truly yours,

NATIONAL INHERITANCE SERVICE

P. S. Kindly mention File No. if not using this letter for your reply.

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EXHIBIT D

CORRESPONDENTS IN ALL PRINCIPAL CITIES OF THE WORLD

EXAMINERS FOR TITLE COMPANIES

SEARCHERS OF RECORDS

ACTUARIES

GENEALOGISTS

NATIONAL INHERITANCE SERVICE

ESTATE COUNSELLORS

Missing Heirs Located

Offices: Grant Building

San Francisco, California

Cable address

"NISCO"

Codes Bentleys

ABC 5th & 6th

Western Union

Refer to
File No.

We have been asked to communicate with the above subject and our file indicates that you may be able to assist us.

Can you give us the present address or refer us to a friend or relative who may be able to supply this information?

This is a matter of distinct importance to the person in question and an early reply will be appreciated. Just fill in the questions below and mail in the envelope enclosed.

Very truly yours,
NATIONAL INHERITANCE SERVICE
By

Full name _____

Residence address _____

Name of employer _____

Business address _____

Remarks (Use other side for additional information) _____

P. S. Kindly mention file No. if not using this letter for your reply.

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EXHIBIT E

Examiners for
Title Companies
Searchers of Records

Geneologists

Correspondents in
All Principal Cities
Of the World
San Francisco, Calif.
Offices
416 to 419 Grant Bldg.

NATIONAL INHERITANCE SERVICE

ESTATE COUNSELLORS

Missing Heirs Located
San Francisco, Calif.
Subject:

Refer to
File No.

We have been asked to communicate with the above subject and our file indicates that you may be able to assist us.

Can you give us the present address or refer us to a friend or relative who may be able to supply this information?

This is a matter of distinct importance to the person in question and an early reply will be appreciated. Just fill in the questions below and mail in the envelope enclosed.

Very truly yours,
NATIONAL INHERITANCE SERVICE.
By

Full name-----
Residence Address-----
Business Address-----
Remarks-----

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EXHIBIT F

CORRESPONDENTS IN ALL PRINCIPAL CITIES OF THE WORLD

EXAMINERS FOR TITLE COMPANIES	SEARCHERS OF RECORDS
<u> </u>	GENEALOGISTS
ACTUARIES	

NATIONAL INHERITANCE SERVICE

Cable address
"NISCO"

ESTATE COUNSELLORS

Codes Bentleys
ABC-5th & 6th
Western Union

Missing Heirs Located

Offices: Grant Building

San Francisco, California

Refer to
File No.

Re:

Some time ago we wrote you requesting certain information concerning the above party, but to date we have not received your reply.

Can you give us the present address or refer us to a friend or relative who may be able to supply this information:

Full name----- Age-----

Residence address-----

Name of employer-----

Business address-----

Nearest relative or friend-----

Address-----

An early reply, in the enclosed self-addressed envelope will aid us materially in bringing this matter to a successful conclusion.

Very truly yours,
NATIONAL INHERITANCE SERVICE.

ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission and the answers of respondents, in which answers respondents admit all the material allegations of fact set forth in the complaint and state that they waive all intervening procedure and further hearing as to the facts, and the Commission having made its findings as to the facts and conclusion that the respondents have violated the provisions of the Federal Trade Commission Act.

It is ordered, That the respondents, Herbert L. Ross, and O. F. Blaker, individually, and trading as National Inheritance Service, or trading under any other name, and their agents, representatives, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale, and distribution of respondents' form letters and envelopes in commerce, as "commerce"

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

1. Using the words "National Inheritance Service," or any other word or words of similar import, to designate, describe, or refer to respondents' business; or otherwise representing, directly or by implication, that respondents' business bears any relation to estates, or to the rights or interests of heirs therein.

2. Representing, directly or by implication, that respondents have correspondents in all the principal cities of the world.

3. Representing, directly or by implication, that respondents act as counsellors to those in charge of estates, or that respondents are engaged in the business of locating heirs to estates or interests therein.

4. Representing, directly or by implication, that respondents act as examiners for title insurance companies.

5. Representing, directly or by implication, that respondents are engaged in genealogical research, actuarial work, or the searching of records.

6. Representing, directly or by implication, that persons concerning whom information is sought through respondents' form letters have or may have any interest in estates or any other property.

7. Selling or distributing form letters or envelopes which represent, directly or by implication, that respondents' business is other than that of obtaining information to be used in the collection of debts; or which represent, directly or by implication, that the information sought through such letters is for any purpose other than for use in the collection of debts.

It is further ordered, That the respondents shall, within 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 this order.