

IN THE MATTER OF

FLEET FINANCE, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
THE TRUTH IN LENDING ACT, REGULATION Z AND THE
FEDERAL TRADE COMMISSION ACT

Docket C-3899. Complaint, Oct. 5, 1999--Decision, Oct. 5, 1999

This consent order, among other things, requires Fleet Finance, Inc., and its successor companies to pay \$1.3 million in consumer redress and administrative costs, and prohibits the respondents from future violations of the Truth in Lending Act and from making various misrepresentations of credit costs and terms of home equity loans or any credit transaction.

Participants

For the Commission: *Carole Reynolds, Thomas Kane, Margaret Patterson and James Lacko.*

For the respondents: *Harold Shaw, King & Spalding, Washington, D.C.*

COMPLAINT

The Federal Trade Commission, having reason to believe that Fleet Finance, Inc., incorporated in Delaware ("Fleet Finance"), a corporation, and a related now-defunct corporation, Fleet Finance, Inc., which was incorporated in Rhode Island, have violated the provisions of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. 45-58, as amended, the Truth in Lending Act ("TILA"), 15 U.S.C. 1601-1667, as amended, and its implementing Regulation Z, 12 CFR 226, as amended, and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent Fleet Finance is a Delaware corporation with its principal office or place of business at 6 Executive Park Drive, Atlanta, Georgia.
2. Respondent Fleet Finance has engaged in the business of offering and extending "consumer credit" to the public and is a "creditor," as those terms are defined in the TILA and Regulation Z.

3. Respondent Fleet Finance's consumer credit transactions have included, but not been limited to, those in which Fleet acquires or retains a security interest in a consumer's principal dwelling. Respondent Fleet Finance has also purchased through assignments consumer credit transactions, including but not limited to those in which Fleet Finance obtained a security interest in the consumer's principal dwelling.

4. 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 FTC Act.

TRUTH IN LENDING ACT AND FTC ACT VIOLATIONS

Count I: Failure to Provide the Right to Rescind in Extended Transactions

5. Respondent Fleet Finance, in the course and conduct of its business, has, on numerous occasions, extended consumer credit transactions in which Fleet Finance acquired or retained a security interest in the consumers' principal dwellings and failed to provide these consumers with the right to rescind the credit transactions by:

(a) Failing to provide consumers with notices of the right to rescind;

(b) Waiving consumers' right to rescind, and disbursing funds, pursuant to rescission waivers that: (i) failed to describe, in writing, a *bona fide* personal financial emergency of the consumers; (ii) failed to modify or waive consumers' right to rescind in writing; and/or (iii) involved verbal waivers; and

(c) Failing to take actions terminating the security interest and returning any money and property given by consumers in connection with the credit transactions when consumers exercise their right to rescind.

6. Respondent Fleet Finance's aforesaid acts and practices violate Sections 125(a), (b) and (d) of the TILA, 15 U.S.C. 1635(a), (b) and (d) and Sections 226.23(a), (b), (c), (d) and (e) of Regulation Z, 12 CFR 226.23(a), (b), (c), (d) and (e), and constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. 45(a).

Count II: Failure to Provide the Right to Rescind
in Purchased Transactions

7. Respondent Fleet Finance, in the course and conduct of its business, has, on numerous occasions, purchased consumer credit transactions through assignments in which Fleet Finance acquired or retained security interests in the consumers' principal dwellings that failed to provide these consumers with the right to rescind the credit transactions by:

(a) Failing to provide consumers with notices of the right to rescind;

(b) Failing to permit consumers the right to rescind the credit transaction until, and disbursing funds before, midnight of the third business day following the later of consummation, delivery of the rescission notice or delivery of all material disclosures;

(c) Waiving consumers' right to rescind the credit transactions, and disbursing funds, pursuant to rescission waivers that failed to describe, in writing, a *bona fide* personal financial emergency of the consumers; and/or

(d) Including requirements that consumers pay certain costs and release fees if the consumers choose to exercise their right to rescind.

8. Respondent Fleet Finance's aforesaid acts and practices, based on its assignee liability in Section 131 of the TILA, 15 U.S.C. 1641, violate Sections 125(a), (b) and (d) of the TILA, 15 U.S.C. 1635(a), (b) and (d) and Sections 226.23(a), (b), (c), (d) and (e) of Regulation Z, 12 CFR 226.23(a), (b), (c), (d) and (e) and constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. 45(a).

Count III: Failure to Provide TILA Disclosures and/or Failure to
Provide Timely TILA Disclosures in Extended Transactions

9. Respondent Fleet Finance, in the course and conduct of its business, has, on numerous occasions, extended consumer credit transactions and failed to provide consumers with all TILA disclosures of the costs and terms of credit and/or to provide all TILA disclosures prior to consummation of credit transactions.

10. Respondent Fleet Finance's aforesaid acts and practices violate Sections 121 and 128 of the TILA, 15 U.S.C. 1631 and 1638,

and Sections 226.17 and 226.18 of Regulation Z, 12 CFR 226.17 and 226.18 of Regulation Z, 12 CFR 226.17 and 226.18, and constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. 45(a).

Count IV: Failure to Provide TILA Disclosures and/or Failure to Provide Timely TILA Disclosures in Purchased Transactions

11. Respondent Fleet Finance, in the course and conduct of its business, has, on numerous occasions, purchased consumer credit transactions through assignments that failed to provide consumers with all TILA disclosures of the costs and terms of credit and/or that failed to provide all TILA disclosures prior to consummation of credit transactions.

12. Respondent Fleet Finance's aforesaid acts and practices, based on its assignee liability in Section 131 of the TILA, 15 U.S.C. 1641, violate Sections 121 and 128 of the TILA, 15 U.S.C. 1631 and 1638, and Sections 226.17 and 226.18 of Regulation Z, 12 CFR 226.17 and 226.18, and constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. 45(a).

Count V: Failure to Provide or Failure to Provide Accurately TILA Disclosures in Extended Transactions

13. Respondent Fleet Finance, in the course and conduct of its business, has, on numerous occasions, extended consumer credit transactions and failed to provide or failed to provide accurately certain TILA disclosures, including but not limited to the following:

- (a) The annual percentage rate;
- (b) The number, amount, and timing of payments scheduled to repay the obligation; and
- (c) The total of payments.

14. Respondent Fleet Finance's aforesaid acts and practices violate Sections 107 and 128 of the TILA, 15 U.S.C. 1606 and 1638, and Sections 226.18(e), (g) and (h) and 226.22 of Regulation Z, 12 CFR 226.18(e), (g) and (h) and 226.22, and constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. 45(a).

Count VI: Failure to Provide or Failure to Provide Accurately
TILA Disclosures in Purchased Transactions

15. Respondent Fleet Finance, in the course and conduct of its business, has, on numerous occasions, purchased consumer credit transactions through assignments that failed to provide or failed to provide accurately certain TILA disclosures, including but not limited to the following:

- (a) The identity of the creditor;
- (b) The number, amount, and timing of payments scheduled to repay the obligation; and
- (c) The total of payments.

16. Respondent Fleet Finance's aforesaid acts and practices, based on its assignee liability in Section 131 of the TILA, 15 U.S.C. 1641, violate Section 128 of the TILA, 15 U.S.C. 1638, and Sections 226.18(a), (g) and (h) of Regulation Z, 12 CFR 226.18(a), (g) and (h), and constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. 45(a).

Count VII: Failure to Retain Documents in Extended Transactions

17. Respondent Fleet Finance, in the course and conduct of its business, has, on numerous occasions, extended consumer credit transactions and failed to retain TILA disclosures, TILA notices of the right to rescind, promissory notes and/or other evidence of the terms and conditions of consumer credit transactions for two years after the date disclosures are required to be made or action is required to be taken concerning the transaction.

18. Respondent Fleet Finance's aforesaid acts and practices violate Section 226.25(a) of Regulation Z, 12 CFR 226.25(a).

Count VIII: Failure to Retain Documents in Purchased Transactions

19. Respondent Fleet Finance, in the course and conduct of its business, has, on numerous occasions, purchased consumer credit transactions through assignments that failed to retain TILA disclosures, TILA notices of the right to rescind, promissory notes and/or other evidence of the terms and conditions of consumer credit transactions for two years after the date disclosures are required to be made or action is required to be taken concerning the transaction.

20. Respondent Fleet Finance's aforesaid acts and practices, based on its assignee liability in Section 131 of the TILA, 15 U.S.C. 1641, violate Section 226.25(a) of Regulation Z, 12 CFR 226.25(a).

DECISION AND ORDER

The Federal Trade Commission ("the Commission") having initiated an investigation of certain acts and practices of respondent Fleet Finance, Inc., incorporated in Delaware ("Fleet Finance") named in the caption hereof and a predecessor corporation, Fleet Finance, Inc., which was incorporated in Rhode Island ("Fleet Finance (RI)") and is now succeeded by Home Equity U.S.A., Inc. incorporated in Rhode Island ("Home Equity U.S.A. (RI)"), and Home Equity U.S.A., Inc., incorporated in Delaware ("Home Equity U.S.A. (DE)"), corporations, and the respondents having been furnished thereafter with a copy of a draft complaint that the Bureau of Consumer Protection proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent Fleet Finance with violation of the Truth in Lending Act, 15 U.S.C. 1601 *et seq.* and its implementing Regulation Z, 12 CFR 226, and the Federal Trade Commission Act, 15 U.S.C. 45 *et seq.*; and

The respondents named in the caption, their attorney, and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as alleged in such complaint, 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 respondent Fleet Finance has violated the said Acts and Regulation, and that a 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 sixty (60) days, now in further conformity with the procedure described in Section 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdiction findings and enters the following order:

1. Respondent Fleet Finance is a Delaware corporation with its principal office or place of business at 6 Executive Park Drive, Atlanta, Georgia.

2. Respondent Home Equity U.S.A. (RI) is a Rhode Island corporation with its principal office or place of business at 6 Executive Park Drive, Atlanta, Georgia.

3. Respondent Home Equity U.S.A. (DE) is a Delaware corporation with its principal office or place of business at 6 Executive Park Drive, Atlanta, Georgia.

4. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

DEFINITIONS

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

1. "*Address*" or "*addresses*" means the full street address, including the: street number and, where applicable, apartment or condominium number; city or town; state; and zip code.

2. "*Advertisement*," "*business day*," "*consumer*," "*consumer credit*," "*dwelling*," and "*security interest*" are defined as provided in Regulation Z, 12 CFR 226.2(a), as amended, and the Federal Reserve Board Commentary to Regulation Z ("Regulation Z Commentary"), 12 CFR 226.2(a), Supp. 1, as amended.

3. "*Applicable respondent*" means the entity among the respondents who is the creditor for the particular consumer credit transaction.

4. "*Date of foreclosure*" means the date of foreclosure by Fleet Finance or Fleet Finance (RI) on the property involved in the eligible foreclosed consumer's transaction that was extended or purchased by Fleet Finance or Fleet Finance (RI) between January 1, 1990 and December 31, 1993.

5. "*Foreclose*" means that foreclosure proceedings were instituted with respect to the applicable consumer. In a state where judicial proceedings were not utilized, the term means an official notice was provided to the consumer, by Fleet Finance or Fleet Finance (RI) that foreclosure had, in fact, commenced.

6. "*Mailing address*" means the street or U. S. Post Office box, city, state, and zip code.

7. "*Name*" means: (a) the consumer's full name in respondents' primary listing of borrowers' names and addresses and shall include, where available, the consumer's first name, middle initial and last name; (b) a consumer's name provided to the independent agent by the Commission; or (c) the full name provided by the consumer to the independent agent, including, where available, the first name, middle initial and last name.

8. "*Paid off by foreclosure by Fleet Finance or Fleet Finance (RI)*" means that the consumer's obligation was paid off by foreclosure proceedings instituted by Fleet Finance or Fleet Finance (RI) and subsequent sale of the property to, or subsequent payment of the balance by, someone other than the respective consumer.

9. "*Eligible consumer*" means every consumer who meets the following three requirements: (a) the consumer had a consumer credit transaction that was secured by the consumer's principal dwelling, and the transaction was either extended or purchased by Fleet Finance or Fleet Finance (RI) at any time from January 1, 1990 through December 31, 1993; (b) the consumer is one for whom respondents have a computer or other readily available record or whose name is provided to the independent agent by the Commission; and (c) the consumer's transaction described in this subparagraph was, at any time prior to the date of this order, paid off to or written off by Fleet Finance or Fleet Finance (RI) or any other Fleet Financial Group, Inc. entity, either prior to, at, or after maturity of the obligation, in any manner excluding paid off by foreclosure by Fleet Finance, Fleet Finance (RI) or any other Fleet Financial Group, Inc. entity. Respondents shall make good faith efforts to locate their computer or other readily identifiable records with the names of eligible consumers.

10. "*Eligible foreclosed consumer*" means every consumer who meets the following three requirements: (a) the consumer had a consumer credit transaction that was secured by the consumer's principal dwelling and was either extended or purchased by Fleet Finance or Fleet Finance (RI) at any time from January 1, 1990 through December 31, 1993; (b) the consumer is one for whom respondents have a computer or other readily available record or whose name is provided to the independent agent by the Commission; and (c) the consumer's transaction described in this subparagraph was, at any time prior to the date of this order, paid off by foreclosure by Fleet Finance, Fleet Finance (RI) or any other Fleet Financial Group,

Inc. entity, either prior to, at, or after maturity of the obligation. Respondents shall make good faith efforts to locate their computer or other readily identifiable records with the names of eligible foreclosed consumers.

11. "*Independent agent*" means the independent agent designated by the Commission to oversee redress for this matter.

12. Unless otherwise specified, "*respondents*" means Fleet Finance, Home Equity U.S.A. (RI), and Home Equity U.S.A. (DE), corporations, their successors and assigns and their officers; and each of the above's agents, representatives, and employees.

13. "*Commerce*" means as defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. 44.

I.

It is ordered, That respondents, directly or through any corporation, subsidiary, division, or other device, in connection with any extension of consumer credit or advertisement to promote directly or indirectly any extension of consumer credit in or affecting commerce, shall not, in any manner, expressly or by implication:

- A. Misrepresent the annual percentage rate;
- B. Misrepresent the number, amount, and timing of payments scheduled to repay the obligation and the total of payments;
- C. Misrepresent the right to rescind the credit transaction;
- D. Misrepresent any term or condition of financing for any consumer credit transaction;
- E. In rescindable credit transactions under Regulation Z, fail to deliver to consumers two copies of a Notice of Right to Rescind, conforming to the requirements of Section 226.23(a) and (b) of Regulation Z, 12 CFR 226.23(a) and (b), as amended, and Section 226.23(a) and (b) of the Regulation Z Commentary, 12 CFR 226.23(a) and (b), Supp. 1, as amended, affording consumers until midnight of the third business day following the later of consummation, delivery of the Notice of Right to Rescind, or delivery of all material disclosures, the right to rescind the credit transaction creating any of respondents' security interests in consumer credit transactions, as required by Section 125(e) of the TILA, 15 U.S.C. 1635(e), as amended, Section 226.23(f) of Regulation Z, 12 CFR 226.23(f), as amended, and Section 226.23(f) of the Regulation Z Commentary, 12 CFR 226.23(f), Supp. 1, as amended;

F. In rescindable credit transactions under Regulation Z, modify or waive a consumer's right to rescind a credit transaction unless and until the consumer gives to the applicable respondent a dated written statement that (1) describes a bona fide personal financial emergency; (2) specifically modifies or waives the right to rescind the credit transaction; and (3) bears the signature of all consumers entitled to rescind the credit transaction, as required by Section 125 of the TILA, 15 U.S.C. 1635(d), as amended, Section 226.23(e) of Regulation Z, 12 CFR 226.23(e), as amended, and Section 226.23(e) of the Regulation Z Commentary, 12 CFR 226.23(e), Supp. 1, as amended;

G. In rescindable credit transactions under Regulation Z, disburse any money, other than to escrow, perform any service, or deliver any materials (other than taking the steps provided in Section 226.23(c) of Regulation Z, 12 CFR 226.23(c), as amended, and Section 226.23(c)-3 of the Regulation Z Commentary, 12 CFR 226.23(c)-3, Supp. 1, as amended), unless and until any of the following occur: (1) time has expired for receipt of mail from consumers who have the right to rescind the credit transaction that is postmarked before midnight of the third business day following the later of consummation of the credit transaction, delivery of the Notice of Right to Rescind, or delivery of all material disclosures under the TILA, Regulation Z, and the Regulation Z Commentary, and the applicable respondent has not received notice of rescission from the consumer; (2) consumers entitled to waive their right of rescission do so pursuant to Section 125(d) of the TILA, 15 U.S.C. 1635(d), as amended, Section 226.23(e) of Regulation Z, 12 CFR 226.23(e), as amended, and Section 226.23(e) of the Regulation Z Commentary, 12 CFR 226.23(e), Supp. 1, as amended; or (3) after midnight of the third business day following the later of consummation of the credit transaction, delivery of the Notice of Right to Rescind, or delivery of all material disclosures required by the TILA and Regulation Z, the applicable respondent obtains a signed written statement from all consumers entitled to rescind the credit transaction stating that three business days have passed since the later of consummation of the credit transaction, delivery of the Notice of Right to Rescind, or delivery of all material disclosures, and that no consumer has rescinded the credit transaction;

H. In rescindable credit transactions under Regulation Z, fail to take actions terminating the security interest created under a credit transaction and return any money and property given by consumers

in connection with the credit transaction when consumers exercise their right to rescind, as required by Section 125(b) of the TILA, 15 U.S.C. 1635(b), as amended, Section 226.23(d) of Regulation Z, 12 CFR 226.23(d), as amended, and Section 226.23(d) of the Regulation Z Commentary, 12 CFR 226.23(d), Supp. 1, as amended, and this order;

I. Fail to accurately make all disclosures, and in the manner, required by Sections 121, 122, 125, 127A, 128, 129, and 137 of the TILA, 15 U.S.C. 1631, 1632, 1635, 1637a, 1638, and 1647, as amended, and Sections 226.5b, 226.17, 226.18, 226.19, 226.20, 226.23, and 226.32 of Regulation Z, 12 CFR 226.5b, 226.17, 226.18, 226.19, 226.20, 226.23, and 226.32, as amended, and Section 226.5b, 226.17, 226.18, 226.19, 226.20, 226.23, and 226.32 of the Regulation Z Commentary, 12 CFR 226.5b, 226.17, 226.18, 226.19, 226.20, 226.23, and 226.32, Supp. 1, as amended, including but not limited to the following: the identity of the creditor required to make the disclosure; the annual percentage rate; the number, amount, and timing of payments scheduled to repay the obligation; and the total of payments; and

J. Fail in any other manner to meet the requirements of the TILA, 15 U.S.C. 1601 *et seq.*, as amended, including but not limited to 15 U.S.C. 1615, as amended, and its implementing Regulation Z, 12 CFR 226, as amended, and the Regulation Z Commentary, 12 CFR 226, Supp. 1, as amended.

II.

It is further ordered, That respondents, directly or through any corporation, subsidiary, division, or other device, shall not, in any manner, purchase, by any means, any promissory note or other consumer credit transaction in which the disclosures required by Sections 121, 122, 125, and 128 of the TILA, 15 U.S.C. 1631, 1632, 1635, and 1638, as amended, violate, on their face, any provision of the TILA, 15 U.S.C. 1601 *et seq.*, as amended, Regulation Z, 12 CFR 226, as amended, and the Regulation Z Commentary, 12 CFR 226, Supp. 1, as amended, by, for example, inaccuracies or incompleteness or absence of disclosures required by the TILA, Regulation Z and the Regulation Z Commentary.

III.

It is further ordered, That respondents shall pay to the Commission as consumer redress and attendant costs of administration the sum of one million three hundred thousand dollars

(\$1,300,000). Respondent shall make the payment by electronic transfer on or before the tenth day following the date of service of this order. The payment shall be deposited into a suspense account established by the Commission. In the event of any default in the payment, respondents shall also pay interest as computed under 28 U.S.C. 1961(a), which shall accrue on the unpaid balance from the date of default until the date the balance is fully paid.

The payment made by respondents shall, in the discretion of the Commission, be used by the Commission to provide direct redress to consumers as specified in this order in connection with the acts or practices alleged in the complaint, and to pay any attendant costs of administration. If the Commission determines, in its sole discretion, that redress to consumers is wholly or partially impracticable or is otherwise unwarranted, any funds not so used shall be paid to the United States Treasury.

The independent agent shall establish an escrow account for the payment. The independent agent shall deposit the payment into the escrow account upon transfer of the payment from the Commission to the independent agent. At any time after this order becomes final, the Commission or the independent agent may direct that the payment be distributed as provided in this order.

Respondents relinquish all dominion, control and title to the payment made to the Commission. Respondents shall make no claim to or demand for return of the payment, directly or indirectly, through counsel or otherwise; and in the event of bankruptcy of respondents, respondents acknowledge that the payment is not part of the debtor's estate, nor does the estate have any claim or interest therein.

IV.

It is further ordered, That respondents, directly or through any corporation, subsidiary, division, or other device, shall comply with paragraphs I, III, and IV of Appendix A to this order and shall also provide reasonable cooperation to the Commission and the independent agent in connection with administration of the Consumer Redress Program and Other Consumer Redress Requirements as described in Appendices A, B, C, D, and E to this order, hereby incorporated into this order.

V.

It is further ordered, That respondents, directly or through any corporation, subsidiary, division, or other device, shall not communicate directly with eligible consumers or eligible foreclosed consumers, orally or in writing, concerning the Consumer Redress Program and Other Consumer Redress Requirements as described in Appendices A, B, C, D, and E to this order prior to being notified by Commission staff that the Consumer Redress Program and Other Consumer Redress Requirements have been completed, except to refer consumers to the 800-number provided by the independent agent.

VI.

It is further ordered, That respondents shall, for five (5) years from the date of this order, maintain and upon request promptly and within a reasonable period of time make available to the Federal Trade Commission for inspection and copying all documents that will demonstrate compliance with this order, provided, however, that nothing in this Part shall limit respondents' continuing obligation to retain evidence of compliance with Regulation Z, pursuant to Section 226.25(a) of Regulation Z, 12 CFR 226.25(a).

VII.

It is further ordered, That respondents are required, in accordance with 31 U.S.C. 7701, to furnish to the Commission the respective taxpayer identifying numbers (employer identification number), which shall be used for purposes of collecting and reporting on any delinquent amount arising out of such person's relationship with the Commission.

VIII.

It is further ordered, That respondents shall deliver a copy of this order to all current and future principals, officers, directors, and managers, and to all current and future employees, agents, and representatives having responsibilities with respect to the subject matter of this order, and shall obtain from each such person a signed and dated statement acknowledging receipt of the order. Respondents shall deliver this order and obtain the signed receipt to such currently employed personnel within thirty (30) days after the date of service

of this order, and to such future employed personnel within thirty (30) days after the person assumes such position or responsibilities.

IX.

It is further ordered, That respondents shall notify the Federal Trade Commission at least thirty (30) days prior to any change in the corporation(s) that may affect compliance obligations arising under this order, including but not limited to a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor corporation; 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 the corporate name or address. Provided, however, that, with respect to any proposed change in the corporation about which respondents learn less than thirty (30) days prior to the date such action is to take place, respondents shall notify the Commission as soon as is practicable after obtaining such knowledge. All notices required by this Part shall be sent by certified mail to the Associate Director, Division of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, Washington, D.C. 20580.

X.

It is further ordered, That respondents shall, within sixty (60) days after the date of service of this order, and at such other times as the Federal Trade Commission may require, file with the Commission a report, in writing, setting forth in detail the manner and form in which they have complied with all aspects of this order and the appendices to this order.

XI.

It is further ordered, That respondents shall not be liable for any acts or omissions of the independent agent that do not involve the acts or omissions of respondents.

XII.

This order will terminate on October 5, 2019, or twenty (20) 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,

