FEDERAL TRADE COMMISSION DECISIONS

FINDINGS AND ORDERS, JULY 1, 1951, TO JUNE 30, 1952

IN THE MATTER OF

MILTON W. FOLDS, JESSIE D. FOLDS, AND JESSIE MAY FOLDS, DOING BUSINESS AS KLEEREX CO.

MODIFIED ORDER TO CEASE AND DESIST

Docket 5332. Order, July 6, 1951

Order modifying prior order of Commission of June 6, 1950, 47 F. T. C. 898, in accordance with the opinion and decision of the Court of Appeals for the Seventh Circuit on March 23, 1951, in *Folds et al.* v. *Federal Trade Commission*, 187 F. (2d) 658, and the court's final decree, which modified the Commission's order by eliminating the prohibition against representing that its "said product will cause pimples to disappear or constitutes an effective treatment for pimples," and inserting, in lieu thereof, a prohibition against representing that application of the preparation "will cause pimples to disappear overnight or that the user thereof will have a clear complexion the day following its use at night," and affirmed the order as thus modified.

Before *Mr. Webster Ballinger*, trial examiner.
Mr. B. G. Wilson for the Commission.
Frank E. & Arthur Gettleman, of Chicago, Ill., for respondents.

MODIFIED ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission, the answer of the respondents, testimony and other evidence introduced before a trial examiner of the Commission theretofore duly designated by it, recommended decision and supplemental recommended decision of the trial examiner, and the exceptions filed thereto, and briefs filed in support of and in opposition to the complaint (oral argument not having been requested); and the Commission, having made its findings as to the facts and its conclusion that the respondents have violated the provisions of the Federal Trade Commission Act and issued its order to cease and desist on June 6, 1950; and

Respondents Jessie D. Folds and Jessie May Folds, surviving copartners of Kleerex Co., having filed in the United States Court of Appeals for the Seventh Circuit their petition to review and set aside the order to cease and desist issued herein, and that court having heard the matter on briefs and oral argument and fully considered

the matter, and having, thereafter, on April 18, 1951, entered its final decree modifying and affirming, as modified, the aforesaid order to cease and desist pursuant to its opinion announced on March 23, 1951:

Now, therefore, it is hereby ordered, That respondents Jessie D. Folds and Jessie May Folds, individually and as surviving copartners of Kleerex Co., their officers, representatives, agents, and employees, directly or through any corporate or other device in connection with the offering for sale, sale, or distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act, of a preparation for the treatment of pimples known as Kleerex, under that name or under any other name, or of any product of substantially the same composition as said product Kleerex, do forthwith cease and desist from:

1. Disseminating or causing to be disseminated any advertisement by means of the United States mails or by any means in commerce, as "commerce" is defined in the Federal Trade Commission Act, which advertisement represents directly or by implication that the application of said product Kleerex will cause pimples to disappear overnight or that the used thereof will have a clear complexion the day following its use at night.

2. Disseminating or causing to be disseminated any advertisement by any means for the purpose of inducing or which is likely to induce directly or indirectly the purchase of said product in commerce, as "commerce" is defined in the Federal Trade Commission Act, which advertisement contains any representation prohibited in paragraph 1 hereof.

It is further ordered, That respondents Jessie D. Folds and Jessie May Folds shall, within 90 days after the entry of the aforesaid decree by the United States Court of Appeals for the Seventh Circuit, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

IN THE MATTER OF

CONSOLIDATED CIGAR CORP. AND G. H. P. CIGAR CO., INC.

COMPLAINT, FINDINGS, AND ORDERS IN REGARD TO THE ALLEGED VIOLATION OF SUBSEC. (D) OF SEC. 2 OF AN ACT OF CONGRESS APPROVED OCT. 15, 1914, AS AMENDED BY AN ACT APPROVED JUNE 19, 1936

Docket 5865. Complaint, Mar. 27, 1951—Decision, July 7, 1951

Where a corporate manufacturer and its wholly owned selling subsidiary, engaged in the sale and distribution of cigars, including their "El Producto" brand, directly to many large chain stores and large wholesalers and through their branches to thousands of independent retailers and small wholesalers;

Paid and contracted to pay money, goods or other things of value to or for the benefit of some of their customers as compensation for display services and facilities furnished by such customers in connection with the processing, handling, sale, or offering for sale of their said cigars, without making such payments or considerations available on proportionally equal terms to all other of their customers competing in the sale and distribution of said cigars, in that some customers received nothing; and others, as determined by individual negotiations, received different percentages of purchases, or varying lump sums; and thus made available such allowances, among others, to seven chain-store customers including some of the largest retail and retail cigar store chains, and included, among payments therefor, over a 4-year period, $10,000 a year in the case of one, and $4,000 in that of another; without making available, in any amount, such allowances to thousands of other customer chain stores and small independent retailers which competed with those thus favored:

Held, That such acts and practices, in the particulars noted, violated subsection (d) of section 2 of the Clayton Act as amended.

Before *Mr. Frank Hier*, trial examiner.

Mr. R. E. Schrimsher for the Commission.

Maass, Davidson, Levy & Friedman, of New York City, for respondents.

COMPLAINT

The Federal Trade Commission, having reason to believe that the corporations named in the caption hereof, hereinafter designated as respondents and more particularly described, have violated and are now violating the provisions of subsection (d) of section 2 of the Clayton Act (U. S. C. title 15, sec. 13) as amended by the Robinson-Patman Act, approved June 19, 1936, hereby issues its complaint stating its charges with respect thereto as follows:

PARAGRAPH 1. Respondent Consolidated Cigar Corp. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware with its office and principal place of business located at 67–73 West Forty-fourth Street, New York, N. Y.

Respondent G. H. P. Cigar Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Maryland, with its principal office and place of business located at Third and Brown Streets, Philadelphia, Pa. All of its capital stock is owned by, and all of its acts and practices are under the direction and control of respondent Consolidated Cigar Corp.

PAR. 2. Respondents are now and, since prior to June 19, 1936, have been engaged in the business of manufacturing and selling cigars. Certain of these cigars are being, and have been sold under the brand name El Producto by and through the respondent G. H. P. Cigar Co., Inc. Said El Producto cigars were sold directly to many large chain stores and large wholesalers and were sold through respondent's distributing branches to thousands of independent retailers and small wholesalers.

PAR. 3. In the course and conduct of said business, respondents engaged in commerce, as commerce is defined in the Clayton Act as amended by the Robinson-Patman Act, having shipped said cigars or caused them to be transported from their various plants, and from Philadelphia, Pennsylvania, and other places where such cigars are stored, to their customers having places of business located in the same and other States of the United States and the District of Columbia. Said cigars were sold by respondents to said customers for resale within the United States.

PAR. 4. In the course of said business in commerce respondents paid, and/or contracted to pay, money, goods, or other things of value to or for the benefit of some of their customers as compensation or in consideration for services and facilities furnished, or contracted to be furnished, by or through such customers, in connection with the processing, handling, sale, or offering for sale, of said cigars which respondents manufacture, sell, or offer for sale; and respondents did not make, or contract to make, such payments or considerations available on proportionally equal terms to all other of their customers competing in the sale and distribution of said cigars.

PAR. 5. Illustrative of and included among the payments alleged in paragraph 4 hereof were the payments of money for display services or facilities in connection with the offering for sale and sale of El Producto cigars, hereinafter referred to as display allowances. Said display allowances were available from respondents, and respondents paid or contracted to pay them, upon the following proportionally unequal terms:

Said display allowances were available in some amount to some customers, but said allowances were not available to all other and competing customers in any amount.

As to those customers to which said allowances were available in some amount, the amounts were different percentages or proportions of the dollar amount of purchases among competing customers, the amounts paid in some cases being predetermined as different percentages of purchases, and in other cases being lump sums, the amounts in each case being arbitrarily determined in individual negotiations with individual customers.

The display services or facilities furnished by said customers to which said display allowances were available in some amount, were indeterminate in number, kind, and amount, they being, like said display allowances, arbitrarily determined in individual negotiations with individual customers.

PAR. 6. Included among the customers receiving display allowances from respondents in the manner alleged in paragraph 5 hereof were seven chain-store customers, including some of the largest chain retail drug stores and chain retail cigar stores. Said customers received said display allowances in each of the years 1946 to 1949, inclusive. One such customer received $10,000 and another received $5,000 in each of those years.

Said display allowances were not available in any amount to thousands of respondents' other customers, including chain stores and small independent retail stores, many of which compete with said chain-store customers that received display allowances.

PAR. 7. The acts and practices of the respondents as above alleged violate subsection (d) of section 2 of the Clayton Act as amended by the Robinson-Patman Act (U. S. C. title 15, sec. 13).

DECISION OF THE COMMISSION

Pursuant to rule XXII of the Commission's rules of practice, and as set forth in the Commission's "Decision of the Commission and Order to File Report of Compliance," dated July 7, 1951, the initial decision in the instant matter of trial examiner Frank Hier, as set out as follows, became on that date the decision of the Commission.

INITIAL DECISION BY FRANK HIER, TRIAL EXAMINER

Pursuant to the provisions of the Clayton Act as amended by the Robinson-Patman Act approved June 19, 1936 (15 U. S. C., sec. 13), the Federal Trade Commission on March 27, 1951, issued and subsequently served its complaint in this proceeding upon Consolidated Cigar Corp., a corporation, and upon G. H. P. Cigar Co., Inc., a cor-

poration, charging them with violation of subsection (d) of section 2 of said act as amended, and fixing May 15, 1951, as the time for hearing on the charges in said complaint. On May 14, 1951, respondents filed their joint answer, admitting, for the purposes of this proceeding only, all the material allegations of fact set forth in said complaint, except two, to which respondents admitted the facts to be slightly different than alleged, and counsel in support of the complaint agreed that the facts stated in said answer were the facts. Said answer waived the filing of proposed findings and conclusion and all intervening procedure and further hearing as to the facts but reserved the right to appeal under rule XXIII of the Rules of Practice of the Commission.

The initial hearing set in the complaint was thereupon canceled and the record closed by the trial examiner. Thereafter, the proceeding regularly came on for final consideration by the above-named trial examiner theretofore duly designated by the Commission upon said complaint and answer thereto and said trial examiner, having duly considered the record herein, makes the following findings as to the facts, conclusions drawn therefrom, and order:

FINDINGS AS TO THE FACTS

PARAGRAPH 1. Respondent Consolidated Cigar Corp. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware with its office and principal place of business located at 67–73 West Forty-fourth Street, New York, N. Y.

Respondent G. H. P. Cigar Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Maryland, with its principal office and place of business located at 647 Fifth Avenue, New York, N. Y. All of its capital stock is owned by, and all of its acts and practices are under the direction and control of, respondent Consolidated Cigar Corp.

PAR. 2. Respondent Consolidated Cigar Corp. is now and since prior to June 19, 1936, has been engaged in the business of manufacturing and selling cigars. Respondent G. H. P. Cigar Co., Inc., since January 1941, has been and is now selling cigars but has not and does not manufacture cigars. Certain of these cigars are being, and have been sold under the brand name El Producto by and through respondent G. H. P. Cigar Co., Inc. Said El Producto cigars were sold directly to many large chain stores and large wholesalers and were sold through respondent's distributing branches to thousands of independent retailers and small wholesalers.

PAR. 3. In the course and conduct of said business, respondents engaged in commerce, as commerce is defined in the Clayton Act as

amended by the Robinson-Patman Act, having shipped said cigars or caused them to be transported from their various plants, and from Philadelphia, Pennsylvania, and other places where such cigars are stored, to their customers having places of business located in the same and other States of the United States and the District of Columbia. Said cigars were sold by respondents to said customers for resale within the United States.

PAR. 4. In the course of said business in commerce respondents paid, and/or contracted to pay, money, goods, or other things of value to or for the benefit of some of their customers as compensation or in consideration for services and facilities furnished, or contracted to be furnished, by or through such customers, in connection with the processing, handling, sale, or offering for sale, of said cigars which respondents manufacture, sell, or offer for sale; and respondents did not make, or contract to make, such payments or considerations available on proportionally equal terms to all other of their customers competing in the sale and distribution of said cigars.

PAR. 5. Illustrative of and included among the payments alleged in paragraph 4 hereof were the payments of money for display services or facilities in connection with the offering for sale and sale of El Producto cigars, hereinafter referred to as display allowances. Said display allowances were available from respondents, and respondents, paid or contracted to pay them upon the following proportionately unequal terms:

Said display allowances were available in some amount to some customers, but said allowances were not available to all other and competing customers in any amount.

As to those customers to which said allowances were available in some amount, the amounts were different percentages or proportions of the dollar amount of purchases among competing customers, the amounts paid in some cases being predetermined as different percentages of purchases, and in other cases being lump sums, the amounts in each case being arbitrarily determined in individual negotiations with individual customers.

The display services or facilities furnished by said customers to which said display allowances were available in some amount, were indeterminate in number, kind, and amount, they being, like said display allowances, arbitrarily determined in individual negotiations with individual customers.

PAR. 6. Included among the customers receiving display allowances from respondents in the manner alleged in paragraph 5 hereof were seven chain-store customers, including some of the largest chain retail drug stores and chain retail cigar stores. Said customers received said

display allowances in each of the years 1946 to 1949, inclusive. One such customer received $10,000 and another received $5,000 in each of those years.

Said display allowances were not available in any amount to thousands of respondents' other customers, including chain stores and small independent retail stores, many of which compete with said chain-store customers that received display allowances.

CONCLUSIONS

1. Respondents herein, having the free choice whether to make or not to make payments for advertising services, and the equally free choice as to the terms or basis upon which such payments would be made, determined to make payments for display services or facilities, upon the basis in some instances of the customer's volume of purchases, in other instances upon no basis at all, the payments being merely lump sums determined by separate negotiation between respondents and particular customers.

2. The statute requires that the terms or basis be proportionally equal for all customers competing in the resale of respondents' cigars. This requirement has been violated in three particulars; some customers received nothing at all, while others did. The latter did not receive the same proportion or percentage of the basis selected by respondents, namely, purchase volume, but received different proportions. Still others were not paid on the basis selected, but received lump sums determined by individual negotiation, on terms varying with each individual case. Thus respondents have paid some but not all their customers, have paid different proportions of the same term, and have paid on different terms, each available only to the particular customer; all classes of these customers being admittedly in competition with each other in the resale of respondents' products.

3. Such acts and practices, in the particulars noted, have violated subsection (d) of section 2 of the said Clayton Act as amended by the Robinson-Patman Act.

ORDER

It is ordered, That respondents Consolidated Cigar Corp., a corporation, and G. H. P. Cigar Co., Inc., a corporation, their officers, employees, agents, and representatives, directly or through any corporate or other device, in connection with the sale, or offering for sale, of cigars in commerce, as "commerce" is defined in the aforesaid Clayton Act as amended, do forthwith cease and desist from:

1. Paying, or contracting to pay or allow, anything of value to, or for the benefit of, any one customer for advertising or display services

or facilities furnished by or through such customer, unless such payment or consideration is available on proportionally equal terms to all other customers of respondents, who in fact compete with the favored customer in the resale of respondents' products.

2. Paying, or contracting to pay or allow, anything of value to, or for the benefit of, any customer for advertising or display services or facilities furnished by or through such customer as an agreed percentage or proportion of dollar volume of purchases by such customer, different from the agreed percentage or proportion granted any other customer where both such customers compete in fact in the resale of respondents' products and where such payments are based on the amount of purchases made.

3. Paying, or contracting to pay or allow, anything of value, such as lump sum payments arrived at by negotiation with individual customers to, or for the benefit of, any customer for advertising or display services or facilities furnished by or through such customer on terms not available to, or not proportionally equal for, all other customers competing with such customer and among themselves in the resale of respondents' products.

4. Paying, or contracting to pay or allow, anything of value to, or for the benefit of, a customer as compensation or in consideration for any services or facilities furnished by or through such customer in connection with the handling, processing, sale, or offering for sale of any products or commodities manufactured, sold, or offered for sale by respondents unless such payment or consideration is available on proportionally equal terms to all other customers competing in the distribution of such products or commodities.

Provided, however, That nothing contained in or relating to this order shall be construed to affect the duty, authority or power of the Federal Trade Commission to reopen this proceeding and alter, modify or set aside, in whole or in part, any provision of this order whenever in the opinion of the Federal Trade Commission conditions of fact or of law shall require such action nor to prevent representatives of either the Federal Trade Commission or of the respondents or any of them from moving to so alter, modify or set aside, in whole or in part, any provision of this order.

ORDER TO FILE REPORT OF COMPLIANCE

It is ordered, That the respondents herein 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 the order to cease and desist [as required by said declaratory decision and order of July 7, 1951].

IN THE MATTER OF

DAVID BERNSTEIN DOING BUSINESS AS AFFILIATED CREDIT EXCHANGE AND BUSINESS RESEARCH

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

Docket 5804. Complaint, Sept. 5, 1950—Decision, July 9, 1951

Where an individual engaged in California in collecting business and professional accounts upon a contingent basis, including many sent to him from other states;

In attempting to ascertain the current addresses of persons owing money to his clients, the names and addresses of their employers and other information concerning them, through "skip tracing," involving the use of double post cards upon which was set forth, "Return to BUSINESS RESEARCH," (followed by the Washington address of his agent who mailed the cards out and received and forwarded the replies to him), together with the advice that "the information requested on the attached card" was necessary "to enable us to complete our records;"

Falsely and misleadingly represented that he was engaged in conducting a business research bureau or office or in compiling business and labor statistics, and that the information requested was for such purposes, through the use of the name "Business Research" and the form and phraseology of the cards, upon the side of which was included a box of figures similar to the arrangement appearing on "punch cards" commonly used for statistical purposes;

The facts being his sole purpose and business was the obtaining of information for use in connection with the collection of unpaid accounts; he had no Washington office; and his sole purpose in employing said agent and in making use of said subterfuge was to locate the debtors and get as much information as possible in order to recover money for the creditors who employed him;

With capacity and tendency to mislead and deceive many persons to whom said cards were sent into the erroneous belief that said individual was engaged in conducting a research bureau or office or in compiling business and labor statistics, and to induce the recipients thereof to give information to him which otherwise they would not supply;

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

Before *Mr. Everett F. Haycraft*, trial examiner.
Mr. J. W. Brookfield, Jr., for the Commission.
Mr. Carl J. Mooslin, of Los Angeles, Calif., for respondent.

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 David Bernstein,

an individual trading and doing business as Affiliated Credit Exchange and Business Research, hereinafter referred to as respondent, has 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 David Bernstein is an individual trading and doing business under the names Affiliated Credit Exchange and Business Research, with his office and principal place of business located at 326 West Third St., in the city of Los Angeles, Calif.

PAR. 2. Respondent is now, and for more than 2 years last past, has been engaged in conducting a collecting agency and in collecting accounts owed to others upon a commission basis contingent upon collection. Many of these accounts are sent to respondent from persons residing in States other than California.

PAR. 3. In the course and conduct of his business, respondent frequently desires to ascertain the current addresses of persons from whom he is endeavoring to collect moneys due to his clients, the names and addresses of the employers of such persons and other information about such persons. For this purpose he uses, and has used, post cards of the type commonly referred to as "double post cards." These cards are mailed in bulk by respondent to his agent in Washington, D. C., and are in turn mailed by said agent at Washington, D. C., to the addresses located in various States. One part of the card is addressed to and contains a message for the debtor. On the other side of the debtor's address there appears the following:

Return to
BUSINESS RESEARCH
703 Albee Building,
Washington 5, D. C.

The card reads:

Washington, D. C.

To Addressee:

To enable us to complete our records it is necessary that you furnish the information requested on the attached card.

Do this at once and mail to us.

BUSINESS RESEARCH
By D. Bernstein.

The other, or "reply" part of the post card, is addressed to "Business Research, 703 Albee Building, Washington 5, D. C." and is intended to be detached, filled out and mailed by the debtor. The following is a copy:

Subject _____
Subject's Address _____
Subject's Employer _____
Address: _____
Monthly Salary: _____ Does this include room, board or services? _____
Employed Since (Approximate Date): _____
Own Home? _____ Rent? _____ Own Auto? _____
If married, spouse's name: _____
Spouse's employment, if any: _____
Number of dependents: _____
Your name: _____

Along the right side of the card a box of figures similar to the arrangement appearing on "punch cards" commonly used for statistical purposes, is printed. Such cards as are completed and mailed to the Washington, D. C., address are forwarded from Washington, D. C., to respondent in the State of California, by his said agent.

PAR. 4. Through the use of the name "Business Research" and the form and phraseology of the cards, respondent represents that he is engaged in conducting a business research bureau or office, or in compiling business and labor statistics and that the information requested is for such purposes.

PAR. 5. The aforesaid representations and the implications arising therefrom are false and misleading.

In truth and in fact, respondent is not conducting and is in no way connected with any research bureau, business or labor statistical office. His business and the sole purpose in sending said cards is in connection with the collection of accounts, and he is not engaged in business or labor research or the compiling of statistics of any nature.

PAR. 6. The uses hereinabove set forth of the aforesaid cards has, and has had, the capacity and tendency to mislead and deceive, and has misled and deceived, many persons to whom the said cards were sent into the erroneous and mistaken belief that the trade name used by respondent indicated the true nature of his business; that he was engaged in conducting a research bureau or office or in compiling business and labor statistics, and induced the recipient thereof to give information to respondent which otherwise they would not have supplied.

PAR. 7. The aforesaid acts and practices of respondent, 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.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission on September 5, 1950, issued and subsequently served its complaint in this proceeding upon the respondent, David Bernstein, an individual trading and doing business as "Affiliated Credit Exchange" and as "Business Research," charging said respondent with the use of unfair and deceptive acts and practices in commerce in violation of the provisions of said act. After the issuance of said complaint and the filing of the respondent's answer thereto, hearings were held at which testimony and other evidence in support of the complaint were introduced before a trial examiner of the Commission theretofore designated by it, and a stipulation by and between counsel was entered on the record to the effect that the material allegations of fact set forth in the complaint were correct. The aforesaid testimony and other evidence were duly recorded and filed in the office of the Commission, and on December 26, 1950, the trial examiner filed his initial decision.

Within the time permitted by the Commission's Rules of Practice the respondent filed with the Commission an appeal from said initial decision; and thereafter this proceeding regularly came on for final consideration by the Commission upon the record herein, including the respondent's brief in support of its appeal and the brief in opposition thereto filed by counsel in support of the complaint (oral argument not having been requested); and the Commission, having issued its order sustaining in part and denying in part the respondent's appeal, and being now fully advised in the premises, finds that this proceeding is in the interest of the public and makes the following findings as to the facts, conclusion drawn therefrom, and order, the same to be in lieu of the findings as to the facts, conclusion, and order included in the initial decision of the trial examiner.

FINDINGS AS TO THE FACTS

PARAGRAPH 1. Respondent David Bernstein is an individual trading and doing business under the names of Affiliated Credit Exchange and Business Research, with his office and principal place of business located at 326 West Third Street in the city of Los Angeles, State of California.

PAR. 2. Said respondent is now, and for more than 2 years last past has been, engaged in operating a collection agency and in collecting accounts owed to business and professional individuals, partnerships, and corporations, including doctors, dentists, garages, and grocery stores, upon a commission basis contingent upon collection.

Many of these accounts are sent to respondent from persons residing in States other than California. Most of respondent's said accounts are in the western States of Oregon, Washington, Wyoming, and California, and the creditors are scattered about in many States.

PAR. 3. Said respondent, in the course and conduct of his said business, attempts to ascertain the current addresses of persons from whom he is endeavoring to collect money due his clients, the names and addresses of the present employers of such persons and other information about such persons. For this purpose he has used and now uses double post cards which are mailed in bulk by said respondent to his agent in Washington, D. C., who, in turn, mails said post cards to the addressees located in various States of the United States. One part of the card is addressed to the debtor with the following message:

Return to
BUSINESS RESEARCH
703 Albee Building,
Washington 5, D. C.

The card reads:

Washington, D. C.

To Addressee:

To enable us to complete our records it is necessary that you furnish the information requested on the attached card.

Do this at once and mail to us.

BUSINESS RESEARCH
By D. Bernstein.

The other or "reply" part of the post card is addressed to "Business Research, 703 Albee Building, Washington 5, D. C.," and is intended to be detached, filled out and mailed by the debtor. The following is a copy:

Subject_____
Subject's Address_____
Subject's Employer_____
Address_____
Monthly Salary_____ Does this include room, board or services?_____
Employed Since (Approximate Date)_____
Own Home?_____ Rent?_____ Own Auto?_____
If married, spouse's name_____
Spouse's employment, if any_____
Number of dependents_____
Your name_____

Along the right side of the card a box of figures similar to the arrangement appearing on "punch cards" commonly used for statistical purposes is printed. Such cards as are completed and mailed to the