

Commissioner MacIntyre concurred in the result but not in the opinion. Commissioner Jones dissented for the reasons set forth in her accompanying dissenting statement.

IN THE MATTER OF
UNIVERSAL CREDIT ACCEPTANCE CORPORATION,
ET AL.

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

Docket 8821. Complaint, Oct. 6, 1970—Decision, Feb. 16, 1973.

Order requiring three California corporations engaged in the advertising and sale of franchises which authorize franchisees to sell memberships in a credit card program, among other things to cease deceptions and misrepresentations with respect to the "Honor All Credit Card" program. Respondents are further required to offer a 7-day cooling-off period for cancellation of future contracts with full refund rights. An individual respondent is further required to refund all payments for franchise fees within 90 days to everyone who became members of franchisees during the last seven years.

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 Universal Credit Acceptance Corporation, a corporation, Continental Credit Card Corporation, a corporation, and International Credit Card Corporation, a corporation, also trading as National Credit Service, and John Clifford Heater, individually and as an officer of Universal Credit Acceptance Corporation and International Credit Card Corporation, and Howard P. Gingold, individually and as an officer of Continental Credit Card Corporation, 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 Universal Credit Acceptance Corporation is a corporation organized, existing, and doing business under and by virtue of the laws of the State of California, with

its principal office and place of business located at 218 California Drive, Burlingame, California.

Respondent Continental Credit Card Corporation is a corporation organized, existing, and doing business under and by virtue of the laws of the State of California, with its principal office and place of business located at 218 California Drive, Burlingame, California.

Respondent International Credit Card Corporation, also trading as National Credit Service, is a corporation organized, existing, and formerly doing business under and by virtue of the laws of the State of California, with its principal office and place of business formerly located at 2305 South El Camino Real, San Mateo, California.

Respondent John Clifford Heater is an individual and an officer of Universal Credit Acceptance Corporation and International Credit Card Corporation. His business address is the same as the corporate respondent, Universal Credit Acceptance Corporation. Respondent Howard P. Gingold is an individual and is an officer of Continental Credit Card Corporation, and his business address is the same as said corporate respondent.

Respondent Heater has been and is primarily responsible for establishing, supervising, directing and controlling the acts and practices of each of said corporate respondents. He originally engaged in the business activities alleged herein under the names of National Credit Service and corporate respondent International Credit Card Corporation, and said activities were transferred to and have been continued under the names of corporate respondents Universal Credit Acceptance Corporation and Continental Credit Card Corporation.

Respondent Gingold, in addition to his functions as president of respondent Continental Credit Card Corporation, also has acted as a salesman of franchises for said corporation.

The aforementioned respondents cooperate and act together in carrying out the acts and practices hereinafter set forth.

PAR. 2. Respondent International Credit Card Corporation, also trading as National Credit Service, was, and respondents Universal Credit Acceptance Corporation, Continental Credit Card Corporation, John Clifford Heater, and Howard P. Gingold were and are now engaged in the advertising and offering for sale and sale of franchises which authorize the franchisees to sell retail merchants memberships in respondents' "Honor All Credit Card" program for the use of respondents' credit card services, and in

the advertising and offering for sale, and sale of such services to retail merchants.

Respondents first sell franchises to persons who invest a substantial sum of money as a condition to being granted exclusive rights to sell memberships in respondents' "Honor All Credit Card" program (hereinafter referred to as respondents' program). Second, directly and through such franchisees, respondents sell their credit card clearing services to retail merchants (hereinafter referred to as members), who invest substantial sums of money as fees, dues and service discounts on credit sales. Respondents' program entitles members to sell their respective products and services to customers presenting any one of a large number of credit cards approved by respondents, and to submit such credit charges to respondents. Respondents collect the charges from the customers of members and remit payment to the members.

PAR. 3. In the course and conduct of their business as aforesaid, respondent International Credit Card Corporation, also trading as National Credit Service, has caused, and respondents Universal Credit Acceptance Corporation, Continental Credit Card Corporation, Heater and Gingold were and are now causing their advertising matter to be published in newspapers of interstate circulation and their promotional materials to be mailed or otherwise conveyed to various persons residing outside the State of California in each and every State of the United States and in foreign countries. Advertising matter, applications, contracts, franchise agreements, letters, checks or other written instruments and communications have been sent and have been received between the respondents at their places of business located in California, and persons in various other States of the United States and of foreign countries. As a result of said interstate advertising and promotion and as a result of said transmission and receipt of said written instruments and communications, respondents have maintained a substantial course of trade in said franchises and credit card services in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their aforesaid business, respondents now engage in, and/or have engaged in, a continuing program of recruiting franchisees to sell respondents' services and of selling memberships in respondents' program.

A. SALE OF FRANCHISES

Respondents solicit the sale of their franchises in the following manner and by the following means. Respondents publish, or cause to be published, in magazines and newspapers of regional and national circulation and disseminate through the mails advertisements inviting inquiries from persons interested in becoming franchisees. To persons who respond to such invitations, respondents send through the mails advertising and promotional material containing many statements and representations regarding respondents' services and the financial and other benefits to be enjoyed by persons who become franchisee of respondents. Persons who express further interest receive a telephone sales presentation by one of respondents' sales representatives and, in most instances, are invited to visit respondents' place of business, now in Burlingame, California. Respondents also disseminate said advertisements, statements and representations through existing franchisees for the purpose of soliciting the sale of subfranchises, new franchises, and the resale of franchises.

Typical and illustrative of said representations and statements appearing in advertising and promotional material, but not all inclusive thereof, are the following:

FULL OR PART TIME BUSINESS You can have a **SECURE FUTURE** as a business partner with America's leading credit organization. Our unique service allows retail business firms to honor over 200 million credit cards now in use, including most major oil company cards * * * with guaranteed payment from us.

Opportunity for **EXCEPTIONALLY HIGH EARNINGS**. \$10,000 investment required. Partial financing considered. Renewals and bonuses insure permanent security and income. No age limit. For personal interview, write Universal Credit Acceptance Corp., Box 593, Burlingame, California 94010. **WRITE TODAY**, while your area is still available.

DID YOU NOTICE THIS AD IN THE BUSINESS OPPORTUNITIES SECTION OF YOUR NEWSPAPER?

ARE YOU LOOKING—for a profitable addition to your present income or business? Why not diversify with a non-competitive service that offers immediate profits and a virtually unlimited opportunity for future business expansion.

NOW—YOU CAN OBTAIN THE SALES RIGHTS for the "HONOR ALL CREDIT CARD" program in your area. Through our program, any merchant, large or small, can make *instant credit sales* to more than 100 million credit card customers * * * with guaranteed payment. It is the most appealing business and sales promotion program on the market today!

FIND OUT FOR YOURSELF! Ask any merchant if he would like to be able to accept the 3 leading all-purpose credit cards plus those issued by

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over 50 different oil companies—over 100 million potential customers—without risking his own money.

YOUR PROFITS ARE IMMEDIATE—THEY ARE SUBSTANTIAL—THEY ARE CONTINUOUS! This is the opportunity you've been waiting for * * * the chance to own a secure, profitable full or part-time business. Complete details can be yours at once. Simply fill out the attached card and **MAIL TODAY.**

B. SALE OF CREDIT CARD SERVICES

Respondents solicit the sale of their credit card services to members in the following manner and by the following means. Respondents disseminate through the mails to retail-merchants advertisements and promotional material containing many statements and representations regarding respondents' services and the financial benefits to be enjoyed by persons who become members. Leads resulting from responses to said mailings are forwarded to respondents' franchise holders who also make such statements and representations directly with the aid of sales kits, and other material supplied to them by respondents.

Typical and illustrative of said representations and statements to prospective members, but not all inclusive thereof, are the following:

UNIVERSAL CREDIT ACCEPTANCE CORP * * * the nation's largest credit card clearing house, is your answer to increased business. You fill out just ONE simple form for any credit sale. You receive ONE BIG CHECK for all credit sales every month. It's fast! It's easy! It's PROFITABLE! Payment is guaranteed, non-recourse.

PAR. 5. By and through the statements and representations contained in the advertising and promotional material referred to in Paragraph Four hereof, and others similar thereto but not expressly set out herein, and in the course of oral sales presentations, respondents, their agents, representatives and employees, for the purpose of inducing the sale of franchises, memberships and credit card services, represent, and have represented, directly or by implication:

A. To prospective franchisees, that:

1. Franchisees selling memberships in respondents' program can expect to receive profitable earnings from the sale of two to five memberships per week, and can expect to remain active franchisees selling memberships for many years.

2. Respondents' program can be sold with ease to retail merchants.

3. Solicited prospective franchisees do not risk losing any expenditure of money in coming to Burlingame, California for an interview; and that respondents have authorized the reimbursement of the prospects' air fare expenses for such interviews.

4. Solicited prospective franchisees do not risk losing their deposits or downpayments submitted with applications for franchises; and that such deposits or downpayments are refundable if the applicants withdraw or otherwise do not consummate the franchise agreements.

5. Geographical areas offered to prospective franchisees have not been previously franchised; or that the areas offered have been franchised before and were profitable for the prior franchisees.

6. Respondents offer only a limited number of sales franchises to qualified individuals.

7. There is a "Regional Manager" of respondents who is interviewing other franchise applicants for the same area as each franchise prospect; and that the prospective franchisees must act immediately to be considered for a franchise.

8. Franchise holders receive substantial benefits from renewals of memberships, and from annual bonuses based on a percentage of net credit charges submitted by members in each franchisee's territory.

9. Franchise holders risk losing little or nothing in investing in a franchise; that respondents will repurchase the franchise and/or aid in its resale; and that the franchise is a vested property right which may be sold, assigned, transferred, or testated.

B. To both prospective franchisees and prospective members, that:

1. Respondents' program has received national acceptance.

2. There are thousands of members honoring all credit cards under respondents' program each and every month.

3. All credit charges submitted under respondents' program are guaranteed payable without recourse; that respondent's assume all risk of nonpayment by the members' customers; that members can expect to be successful and satisfied with the program's performance; and that members usually continue using respondents' program for two years and renew their contracts thereafter.

4. Articles used to solicit sales of franchises and memberships are unsolicited and impartial accounts about respondents' program.

5. Letters and payment checks used to attest to the success of respondents' program are representative, typical and current, and that such letters and checks reflect an unbiased evaluation.

6. Respondents' program costs members little or nothing at all; and that the program costs members half as much as trading stamps.

7. Members complete just one simple form for all credit charges; and that members receive payment for each credit charge submitted to respondents in 30 days.

8. Respondents are the largest credit card clearing house in America.

9. Respondents' program is approved or endorsed by the individual issuers of the credit cards accepted by respondents.

10. Respondents' authorized capitalization of \$3,000,000 is liquid and available to provide financial resources and ability to service members.

11. Members are assured a minimum 10 percent increase in business within the first 12 months using respondents' program, and that in the event such increase does not materialize, membership dues will be waived for the second year.

12. Respondents are members in good standing of an independent organization by the name of the Fair Trade Bureau; and that the Better Business Bureau has written an uncensored, objective report on respondents' business.

C. To members, that:

1. Every credit charge submitted by members is subject to the most intensive collection procedure in the credit industry, consisting of billing, outside collection and legal action.

2. When a member becomes inactive and respondents determine his account is in arrears, respondents will institute legal action for the collection of such monies unless they are remitted by the member to respondents upon demand.

PAR. 6. In truth and in fact:

A. With respect to the representations directed to prospective franchisees:

1. Franchisees selling memberships in respondents' program have not received profitable earnings from the sale of two to five

memberships per week, and have not remained active franchisees selling memberships for many years. A substantial number of franchisees do not achieve either a return of their original investment or even one year longevity as franchisees actively pursuing sales efforts.

Further, respondents fail to disclose to prospective franchisees relevant information, which would assist such prospects in evaluating the probabilities of their success and chances of achieving longevity as franchisees, and which would lessen the potential for deception, including: the median and mean earnings from the sale of memberships by franchisees associated with respondents during the previous calendar or fiscal year; the median and mean length of time that said franchisees pursued membership sales efforts; the median and mean period of time that members associated with respondents' program during the previous calendar or fiscal year submitted payment vouchers for credit charges using respondents' program; the number of such members submitting said payment vouchers each month; the rate or degree of recouping such credit charges back to members during the previous calendar or fiscal year; and, the full number and nature of reasons for which respondents recourse charges to members.

2. Respondents' program has not been and cannot be sold with ease to retail merchants.

3. Solicited prospective franchisees do risk losing the money they expend for air fare in coming to Burlingame, California for an interview. Respondents authorize the reimbursement of prospects' air fare expenses only upon the payment of the funds required to accompany applications.

4. Solicited prospective franchisees do risk losing their deposits or downpayments submitted with applications for franchises and such deposits or downpayments are not refundable if the applicants withdraw or otherwise do not consummate the franchise agreements.

5. In a substantial number of instances, the geographical areas offered to prospective franchisees have been previously franchised and were not profitable for the prior franchisees.

6. Respondents do not limit the number of sales franchises offered.

7. There is no "Regional Manager" of respondents who is interviewing other franchise applicants in each area, but rather all persons responding to respondents' invitation for inquiries receive

the same form letter stating that said "Regional Manager" is interviewing other interested persons for the same franchise area. In few, if any, instances need prospective franchisees act immediately to be considered for a franchise.

8. Franchise holders do not receive substantial benefits from renewals of memberships, or from annual bonuses based on a percentage of net credit charges submitted by members in each franchisee's territory.

9. Franchise holders do risk losing their investment. Respondents do not repurchase the franchise, and in those instances where respondents do aid in its resale, they retain at least half of the amount for which it is resold. The franchise is not a vested property right which may be sold, assigned, transferred or testated. If a franchise holder does not produce the sales quota set forth in his franchise agreement, the franchise may be terminated by respondents.

B. With respect to the representations directed to both prospective franchisees and prospective members:

1. Respondents' program has not received national acceptance.
2. There are not thousands of members honoring all credit cards under respondents' program each and every month.
3. Not all credit charges submitted under respondents' program are guaranteed payable without recourse. Respondents do not assume all risk of non-payment by the members' customers. A substantial number of members have been neither successful nor satisfied with the program's performance. A substantial number of members have not continued using respondents' program for even one year, and have not renewed their contracts after the expiration of two years.

Further, respondents fail to disclose to prospective members relevant information, which would assist such prospects in evaluating the probabilities of their success and chances of achieving longevity as members, and which would lessen the potential for their deception, including: the median and mean period of time that members associated with respondents' program during the previous calendar or fiscal year submitted payment vouchers for credit charges using the program; the number of such members submitting said payment vouchers each month; the rate or degree of recouping credit charges back to members during the previous calendar or fiscal year; and, the full number and nature of reasons for which respondents recourse charges.

4. Articles used to solicit sales of franchises and memberships are not unsolicited and impartial accounts about respondents' program. Such accounts, for the most part, are prepared and placed by representatives of respondents.

5. In many instances, letters and payment checks used to attest to the success of respondents' program are unrepresentative and atypical, and are from franchisees and/or members who are no longer active with the program. Many of such letters and checks do not reflect an unbiased evaluation of respondents' program. Furthermore, respondents fail to disclose that many testimonial letters have been prepared by representatives of respondents and many are from persons who received remuneration or other beneficial consideration from respondents, so as to mislead and deceive prospective franchisees and members with respect thereto.

6. Respondents' program does not cost members little or nothing at all. The program does not cost members half as much as trading stamps. Taking into account the initial membership fee, the monthly dues, the discount rate, the total amount of charges recoured, and the 6 percent discount fee paid even on recoured charges, the program costs the members a substantial amount.

7. The forms which members must complete to process credit charges are not simple and are burdensome to fill out in practice. Members do not receive payment for each credit charge submitted to respondents in 30 days.

8. Respondents are not the largest credit card clearing house in America. There are other credit card operations with larger retail memberships and with larger amounts of financial resources than respondents' business.

9. Respondents' program has not been approved or endorsed by the individual issuers of the credit cards accepted by respondents.

10. Respondents' authorized capitalization of \$3,000,000 is not liquid and available to provide financial resources and ability to service members. It is merely the amount selected by respondents as the sum on which the fee to be paid to the California Corporations Commissioner was determined. Further, respondents fail to disclose the relevant information that their net working capital is a deficit, so as to mislead and deceive prospective franchisees and prospective members with regard to respondents' financial condition.

11. In most instances, members have not realized a minimum 10 percent increase in business within the first 12 months using

respondents' program, and have not received a waiver of membership dues the second year.

12. Respondents are not members of an independent organization by the name of the Fair Trade Bureau. The Fair Trade Bureau is a division of respondents, having no members or function at present, other than its use as a reference in the materials disseminated by respondents. The Better Business Bureau report evaluating respondents' business is not an uncensored, objective document.

C. With respect to the representations directed to members:

1. Every credit charge submitted by members is not subject to the most intensive collection procedure in the credit industry, consisting of billing, outside collection and legal action. Respondents' collection efforts are not uniformly intensive, but are determined by the dollar amount of each individual charge. Respondents do not in practice institute legal action against delinquent customers. Further, respondents fail to disclose to members and to debtor-customers, at any time, that North American Collections, the agency to which delinquent accounts are turned over, is not an outside agency, but rather an affiliated division of respondents.

2. Respondents have not instituted legal action against inactive members whose accounts respondents have determined are in arrears.

Therefore, the statements and representations, as set forth in Paragraphs Four and Five hereof, were and are false, misleading and deceptive.

PAR. 7. Furthermore, it was and is an unfair practice and a false, misleading and deceptive act and practice for respondents to seek to sell their franchises, memberships and credit card services in the manner set forth in Paragraphs Four and Five hereof, while they knew or, as reasonably prudent businessmen, should have known, that their "Honor All Credit Card" program would not operate and produce results as represented.

Moreover, it was and is an unfair practice and a false, misleading and deceptive act and practice for respondents to seek to sell franchises in the manner aforesaid when respondents knew or, as reasonably prudent businessmen, should have known that the realization of profit by franchisees contemplates, and is necessarily predicated upon, the exploitation of member

retailers who must be induced to participate in respondents' program by misrepresentations.

At no time did respondents notify any persons who expended money in reliance upon respondents' statements and representations that their money would be refunded if respondents knew or, as reasonably prudent businessmen, should have known that respondents' program would not operate and produce results as represented, and if in fact such persons found in practice that the program did not operate and produce results as represented. Meanwhile, the operations and practices of respondents alleged herein were and are perpetuated for an indeterminate period of time with the monies obtained from such persons who expended sums in reliance upon respondents' statements and representations.

Therefore, the aforesaid failure of respondents to notify and refund to persons who acted in reliance upon said statements and representations set forth in Paragraphs Four and Five hereof, all monies expended by such persons, was and is inherently and unconscionably unfair and deceptive.

PAR. 8. In the course and conduct of their aforesaid business, and at all times mentioned herein, respondents International Credit Card Corporation, also trading as National Credit Service, has been, and respondents Universal Credit Acceptance Corporation, Continental Credit Card Corporation, Heater and Gingold have been, and now are, in substantial competition, in commerce, with corporations, firms and individuals in the sale of franchises or distributorships to persons interested in establishing their own businesses, and with corporations, firms and individuals in the sale of credit card services.

PAR. 9. The use by respondents of the aforesaid unfair acts and false, misleading and deceptive statements, representations and practices, has had and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were and are true and into investing substantial sums of money in becoming franchisees to sell respondents' services, and into investing substantial sums of money in becoming members of respondents' program for the use of respondents' services, and into the payment of substantial sums of money by reason of said erroneous and mistaken belief.

PAR. 10. The aforesaid acts and practices of respondents, including their failure to refund all monies expended by persons who

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acted in reliance upon respondents' statements and representations, as herein alleged, were and are all to the prejudice and injury of the public and of respondents' competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce in violation of Section 5 of the Federal Trade Commission Act.

Mr. Alfred Lindeman, William A. Arbitman, and William T. Mitchell supporting the complaint.

Young and Gush, San Mateo, Ca., by Mr. Alfred L. Young, counsel for respondents.

INITIAL DECISION

BY RAYMOND J. LYNCH, HEARING EXAMINER

FEBRUARY 29, 1972

PRELIMINARY STATEMENT

The complaint in this proceeding was issued on October 6, 1970, charging the corporate and individual respondents with violations of Section 5 of the Federal Trade Commission Act through the use of unfair or deceptive acts and practices and unfair methods of competition in commerce in the sale of "franchises" and "memberships" in their "Honor All Credit Card" program.

Respondents filed an answer to the complaint on December 17, 1970. A prehearing conference was held on February 10, 1971 in San Francisco, California, at which time the examiner set the matter for formal hearings on May 18, 1971. Subsequent thereto on April 19, 1971, counsel supporting the complaint filed a motion to amend the complaint which was denied by the Commission on July 21, 1971.

The matter finally came on for hearing before the undersigned examiner on November 2, 1971, and concluded on November 11, 1971. Pursuant to an order issued by the Commission granting the respondents an extension of time in which to file proposed findings, they were filed on January 17, 1972.

Respective counsel were afforded full opportunity to be heard, to examine and cross-examine all witnesses and to introduce such evidence as is provided for under Section 3.43(b) of the Commission's Rules of Practice for Adjudicative Proceedings. Proposed findings of fact and conclusions submitted and not adopted in substance or form as herein found and concluded are hereby rejected. After carefully reviewing the entire record in this proceeding and based on such record and the observation of the witnesses testify-

ing herein, the following Findings of Fact and Conclusions therefrom are made, and the following Order issued.

Nature of Respondents' Business and Business Methods

Respondents in this proceeding are promoting an "Honor All Credit Card" program. The primary basis of the program is the sale by respondents of franchises to individuals which permits them to act as salesmen for memberships in respondents' program. Member merchants can extend credit to holders of selected credit cards (including the cards issued by the major banks, oil companies and other issuers such as American Express, Diner's Club, and Carte Blanche) and send the charge tickets to respondents who bill the customer and remit payments to the merchant. Advertised and promoted as a nonrecourse program, *i.e.*, the merchant gets paid by respondents whether or not the latter collect, and one under which the merchant is guaranteed payment in 30 days, it has great surface appeal. It opens up a vast market of customers to whom merchants can ostensibly extend credit without risk of loss and without the administrative problems connected with handling accounts receivable. Furthermore, since respondents portray themselves as a large, well-respected financial institution (\$3,000,000), any concern about their reliability and financial dependability is dispelled.

Beneath the surface of this program, however, lies something entirely different. After having paid, or obligated themselves to pay, a \$240 membership fee, \$240 in dues, and a 6 percent discount fee on all charges submitted, members soon discover that respondents avoid paying charges which they can't collect by citing one or more of *at least* 18 different reasons why they are not obligated to pay. Members also discover that, rather than receiving payment for charges within 30 days from the date they are submitted, payment is not received until anywhere from 45 to 75 days later. As a result of this treatment and despite the fact that they signed a two-year contract, member merchants give up in despair and, swallowing their losses, stop using the program after about seven to eight months on the average. Typically, in addition to having paid what is not an insignificant sum for a service that was never delivered, members have, in fact, risked and lost money for charges recouped by respondents.

Since the program as administered has no merit and results in financial loss and aggravation to merchants, franchisees who

purchase the rights to sell it are also destined to fail and have failed miserably.

What the record establishes is that these respondents have perpetrated a scheme fraught with misrepresentations from which they try to insulate themselves by using devious contractual language, not intended or likely to be read and not clearly understandable, even if actually read. Respondents have cleverly calculated the program to enrich only themselves at the expense of innocent small businessmen lured into it as members and franchisees.

FINDINGS OF FACT

1. Respondent Universal Credit Acceptance Corporation is a corporation organized, existing, and doing business under and by virtue of the laws of the State of California,¹ with its principal office and place of business located at 218 California Drive, Burlingame, California (deemed admitted by respondents' Answer).

2. Respondent Continental Credit Card Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of California, with its principal office and place of business located at 218 California Drive,² Burlingame, California (deemed admitted by respondents' Answer; see also CX 6 A-D).

3. Respondent International Credit Card Corporation, also trading as National Credit Service, is a corporation organized, existing, and formerly doing business under and by virtue of the laws of the State of California,³ with its principal office and place of business formerly located at 2305 South El Camino Real, San Mateo, California (deemed admitted by respondents' Answer; see also CX 1 A-L). Said corporation, though dormant, has never been dissolved (Heater, Tr. 765).

4. Respondent John Clifford Heater is an individual and an officer of Universal Credit Acceptance Corporation and International Credit Card Corporation. His business address is the same as the corporate respondent Universal Credit Acceptance Corporation. Respondent Howard P. Gingold is an individual and

¹ Universal Credit Acceptance Corporation has apparently also been incorporated in the State of Nevada on March 1, 1971 (Cerino, Tr. 680-682).

² Although the address used on letterheads by Continental Credit Card Corporation is 216 California Drive, Burlingame, California, there is ample evidence in the record to the effect that both 216 and 218 California Drive are in fact the same entrance to the same building (Fish, Tr. 172; MacDonald, Tr. 540).

³ International Credit Card Corporation was apparently also incorporated in the State of Nevada (Heater, Tr. 763).

