

## Syllabus

## IN THE MATTER OF

## DAN TRAINOR, TRADING UNDER THE NAME NATIONAL ADMINISTRATORS ET AL.

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

*Docket 4870. Complaint Nov. 12, 1942—Decision, May 8, 1943*

Where an individual engaged in interstate sale and distribution of forms, form letters and envelopes for use by creditors and collection agencies in obtaining information concerning debtors, which were employed by two mail-order houses and a collection agency, among others, and which—calling, under the subterfuge below set out, for such information as a debtor's name, nickname, address, description, occupation, employer, income, home ownership or that of farm or car, and other details with respect to debtor's operations, status, etc.—displayed trade name "National Administrators," and such other matter as "ANSWER ALL THE FOLLOWING QUESTIONS IMMEDIATELY SO THAT WE CAN DETERMINE WHETHER YOU ARE THE PERSON TO WHOM THE MONEY SHOULD BE SENT," "Have you inherited any money recently?" and "It is understood that if the information furnished definitely establishes my identity, I will receive the money promptly," and in the letter employed displaying aforesaid trade name "Money is being held for \* \* \* We believe that you are this person" and "To make it possible for us to send you this money at once fill out the enclosed form and return it to us without delay. \* \* \* There is real money waiting for you";

Making use of a scheme under which said mail-order concerns, collection agency, and other purchasers inserted in the appropriate places names and addresses of persons concerning whom information was sought, placed the form letters and questionnaires, together with stamped reply envelopes addressed to said "National Administrators," in large envelopes purporting to be from said "National Administrators," and sent them to said individual, who mailed them and sent to said purchasers such replies as were received, and also sent to those replying a penny each accompanied by the statement that such was the total held for such person and a request not to communicate further with said individual;

- (a) Falsely represented, directly and by implication, through use of name "National Administrators" that his business functioned as administrator of estates of decedents; and
- (b) Falsely represented, and placed in the hands of aforesaid and other purchasers means of falsely representing, to many persons, that funds of more than trivial amount were being held for them by said National Administrators as administrators of decedents' estates, and that information sought was to identify the recipient as the proper person to receive such funds; and

Where (1) aforesaid mail-order houses, Chicago concerns with extensive businesses, selling household furnishings and other merchandise at retail on credit to purchasers in various States, and, in efforts to collect amounts claimed due from purchasers, making use of letters, forms and envelopes acquired from aforesaid individual; and two individuals engaged in the collection of delinquent accounts for retail merchants in various States and in the course of their said business employing said individual's letters, forms, and envelopes—

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(c) Falsely represented, directly and by implication, to many persons that funds of more than trivial amounts were being held for such persons by "National Administrators" as administrators of decedents' estates;

The facts being that said representations were false, information called for by the questionnaires and letters was sought solely for the purpose of assisting said Chicago mail-order concerns, collection agents, etc., and others, in the collection of alleged delinquent accounts, and name "National Administrators" was merely a disguise for the true nature of respondent Trainor's business;

With effect of misleading and deceiving, and with capacity and tendency to mislead and deceive, many of the persons to whom the letters, etc., were sent into the erroneous belief that such representations were true, and to cause them, by reason thereof, to give information which they otherwise would not supply:

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

*Mr. Randolph W. Branch* for the Commission.

*Comfort, Comfort & Irish*, of Des Moines, Ia., for Dan Trainor, John A. Janssen and Lloyd L. Hill.

*Fischel, Kahn & Heart*, of Chicago, Ill., for Chicago Mail Order Co., W. L. Schnadig and Ralph L. Arnheim.

*Mr. J. L. Alexander*, of Chicago, Ill., for Spiegel, Inc., Modie J. Spiegel, Frederick W. Spiegel, Earl D. Weil, Edward L. Swikard, H. G. Meinig, Bernadette Saindon, and Walter A. Gatzert.

## 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 Dan Trainor, an individual, trading under the name National Administrators, John A. Janssen and Lloyd L. Hill, individually, and trading under the name Consumer Distribution Consultants, Chicago Mail Order Co., a corporation, Spiegel, Inc., a corporation, W. L. Schnadig and Ralph L. Arnheim, individually, and as officers of Chicago Mail Order Co., Modie J. Spiegel, Frederick W. Spiegel, Earl D. Weil, Edward L. Swikard, H. G. Meinig, Bernadette Saindon, and Walter A. Gatzert, individually, and as officers of Spiegel, Inc., 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, Dan Trainor, is an individual, trading under the name National Administrators, with an office and principal place of business at 423 Grand Street, Winona, Minn.

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Respondents, John A. Janssen and Lloyd L. Hill, are copartners, trading under the name Consumer Distribution Consultants, with an office and principal place of business at 520 North Michigan Avenue, Chicago, Ill.

Respondent, Chicago Mail Order Co., is a corporation, organized and existing under the laws of the State of Illinois, with an office and principal place of business at 511 South Paulina Street, Chicago, Ill. Respondents, W. L. Schnadig and Ralph L. Arnheim, are, and at all times mentioned herein, have been, respectively, the president and the secretary-treasurer, of said corporation and in control of the management, policies and operation thereof, particularly in respect to the acts and practices herein alleged.

Respondent, Spiegel, Inc., is a corporation, organized and existing under the laws of the State of Delaware, with an office and principal place of business at 1061 West Thirty-fifth Street, Chicago, Ill. Respondents, Modie J. Spiegel, Bernadette Saindon and Walter A. Gatzert, are, and at all times mentioned herein have been, respectively, president, secretary and treasurer, of respondent Spiegel, Inc., and respondents, Frederick W. Spiegel, Earl D. Weil, Edward L. Swikard, and H. G. Meinig are, and at all times mentioned herein have been, vice presidents, of respondent, Spiegel, Inc.; said officers are now, and at all times mentioned herein have been, in control of the management, policies and operation of said corporate respondent, particularly in respect to the acts, practices, and methods herein alleged.

PAR. 2. Respondent, Dan Trainor, is now, and has been for more than 6 months last past, engaged in the business of selling and distributing envelopes, printed form letters, and questionnaire forms, said letters and questionnaire forms being as exemplified by copies thereof, marked respectively exhibits A, B, and C attached hereto, and by this reference incorporated herein and made a part hereof, designed and intended to be used as hereinafter set forth by creditors and collection agencies in obtaining information concerning delinquent debtors. Respondent, Trainor, causes the said envelopes, form letters and questionnaire forms, when sold, to be transported from his aforesaid place of business in the State of Minnesota to respondents, Chicago Mail Order Co., Spiegel, Inc., and Janssen and Hill, all located in the State of Illinois, and others in various States of the United States, and at all times mentioned herein has maintained, a course of trade therein in commerce between and among the various States of the United States.

PAR. 3. Respondent, Spiegel, Inc., is now, and has been for more than 6 months last past, engaged in the business of selling at retail household furnishings and other merchandise of various sorts and

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kinds. The business of said respondent is what is generally known as a "mail-order business," in the course and conduct of which orders for various articles are received through the mails from various persons located in States of the United States other than the State of Illinois, and the articles so ordered are caused to be transported by said respondent from its aforesaid place of business in the State of Illinois to the persons ordering the same. Said respondent's business is extensive and it maintains, and at all times mentioned herein has maintained, a course of trade in its said wares in commerce between and among the various States of the United States and in the District of Columbia. In connection with a large number of its sales said respondent extends credit to purchasers located in various States of the United States other than the State of Illinois. In many cases purchasers on credit from said respondent fail to meet their obligations when due, and said respondent in such cases exerts itself affirmatively to effect collection of the amounts which it claims are due it from such purchasers. In the course of its efforts to collect, it frequently desires to ascertain the current locations and addresses of many of such purchasers and for the purpose of so doing it employs the letters, forms, and envelopes acquired from respondent Trainor as hereinabove stated, in the manner hereinafter set forth.

PAR. 4. Respondents, John A. Janssen and Lloyd L. Hill, are now, and have been for more than 6 months last past, engaged in the business of collecting delinquent accounts for retail merchants located in various States of the United States. In the course of their efforts to collect such delinquent accounts, they frequently desire to ascertain the current locations and addresses of many such delinquent debtors and for the purpose of so doing employ the letters, forms, and envelopes acquired from respondent Trainor as hereinabove stated, in the manner hereinafter set forth.

PAR. 5. Respondent, Chicago Mail Order Co., is now, and has been for more than 6 months last past, engaged in the business of selling at retail goods and wares of various sorts and kinds. The business of said respondent is what is generally known as a "mail-order business" in the course and conduct of which orders for various articles are received through the mails from various persons located in States of the United States other than the State of Illinois and articles so ordered are caused to be transported by said respondent from its aforesaid place of business in the State of Illinois to the persons ordering the same. Said respondent's business is extensive and it maintains, and at all times mentioned herein has maintained, a course of trade in its said wares in commerce between and among the various States of the United States and in the District of Columbia. In connection with a large number of its sales said respondent extends credit to purchasers located

in various States of the United States other than the State of Illinois. In many cases purchasers on credit from respondent, Chicago Mail Order Co., fail to meet their obligations when due, and said respondent in such cases exerts itself affirmatively to effect collection of the amounts which it claims are due from such purchasers. In the course and conduct of its efforts to collect, it frequently desires to ascertain the current locations and addresses of many of such purchasers and for the purpose of so doing it employs the letters, forms, and envelopes acquired from respondent Trainor as hereinabove stated, in the manner hereinafter set forth.

PAR. 6. In the blank space which appears at the tops of the forms as exemplified by exhibits A and B and below the words "Money is being held for" in the letter exemplified by exhibit C, said respondents, Chicago Mail Order Co., Spiegel, Inc., Janssen and Lloyd, and others who purchase said forms, letters, and envelopes from respondent Trainor, insert the names, and such addresses as they have available, of the persons concerning whom information is sought. Said respondents and other purchasers then place the letters exemplified by exhibit C, and one of the questionnaire forms exemplified by either exhibit A or exhibit B in large envelopes upon which appear in the upper left hand-corners:

Return in 5 days to  
National Administrators,  
Winona, Minn.

together with stamped reply envelopes addressed to

National Administrators,  
Winona, Minn.

The large envelopes with the necessary postage attached, and their contents, are then sent by respondents, Spiegel, Inc., Chicago Mail Order Co., John A. Janssen and Lloyd L. Hill, and other purchasers of the said articles from respondent, Trainor, from their various places of business to respondent, Trainor, at Winona, Minn., usually in bundles containing a number of such filled envelopes.

Upon receipt of the said large addressed envelopes, with enclosures, by respondent, Trainor, at Winona, Minn., said respondent causes them to be deposited in the United States mails.

The questionnaires returned to respondent, Trainor, at Winona, Minn., are transmitted by him to respondents, Spiegel, Inc., Chicago Mail Order Co., and Janssen and Hill at their Chicago, Ill., addresses, and to the other purchasers from respondent, Trainor, who have purchased the said material from him. Respondent, Trainor, also sends to those who return the said questionnaires one penny each, together

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with a statement that this is the total amount held for such person and requesting that such person do not communicate with him further.

PAR. 7. Through the use of the name National Administrators said respondents have represented directly and by implication that the said concern functions in the capacity of an administrator of estates of decedents.

PAR. 8. By means of the aforesaid envelopes, form letters, and questionnaires, respondent, Trainor, has falsely represented, and has placed in the hands of the other respondents, and others, means of falsely representing, and said other respondents, and others, have falsely represented to many persons, directly and by implication, that funds are being held for such persons by National Administrators; that such funds are of more than trivial amount; that National Administrators holds the said fund in the capacity of administrator of decedent estates and that the information sought by means of said letters and questionnaires is for the purpose of identifying the recipients thereof as the proper persons to receive said funds.

PAR. 9. The said representations were false and misleading. In truth and in fact, the said respondent, Trainor, trading under the name National Administrators, was not acting in the capacity of administrator of the estate of any decedent, was not administrator of any estate in which any recipient of said letters and questionnaires had an interest, and has not had in his possession any sums of money rightfully due to any such person. Respondent, Trainor, trading under the name National Administrators, has not acted in the capacity of administrator of any decedent estate. The information called for by the said questionnaires and letters was not sought for the purpose of identifying the recipients as the persons entitled to funds from estates or from any other source, but was sought solely for the purpose of assisting respondents, Speigel, Inc., Chicago Mail Order Co., John A. Janssen and Lloyd L. Hill, and others, in the collection of alleged delinquent accounts. The said name National Administrators was merely a disguise for the true nature of respondent's business.

PAR. 10. The use, as hereinabove set forth, of the foregoing false and misleading statements and representations has had the tendency and capacity to, and has, misled and deceived many persons to whom the said letters, questionnaires, and envelopes were sent, into the erroneous and mistaken belief that said statements and representations were true and that the said name, National Administrators, truthfully indicated and described the capacity and character of the concern purportedly requesting the information and by reason thereof gave information which they would not otherwise have supplied.

PAR. 11. The aforesaid acts and practices of respondents, as herein alleged, are all to the prejudice and injury of the public and consti-

tute unfair and deceptive acts and practices in commerce in violation of the Federal Trade Commission Act.

EXHIBIT A

ANSWER ALL THE FOLLOWING QUESTIONS IMMEDIATELY SO THAT WE CAN DETERMINE WHETHER YOU ARE THE PERSON TO WHOM THE MONEY SHOULD BE SENT:

- 1. Is name above your full correct name? -----
- 2. Are you referred to by any "nickname" (state name) -----
- 3. To what address should money be sent? -----
- 4. Have you inherited any money recently? -----
- 5. What is your age?---- Height?---- Color of hair? ----- Color of eyes? ----
- 6. What is your occupation? -----
- 7. By whom employed (employer's name and address) -----
- 
- 8. If insured, give name and address of local agent -----
- 
- 9. What is your income from present employment? (weekly) -----
- 10. Do you have any other sources of income? (Insurance, annuities, pensions, disability compensations, etc.) -----
- 11. Do you own your home? -----
- 12. Do you own a car? -----
- 13. Give mother's birthplace and maiden name -----
- 14. When were you born? ----- Where? -----
- 15. Do you have any dependents? ----- How many? -----
- 16. Give names and addresses of personal references: -----
- 

All answers furnished are, to the best of my ability, truthful and complete. It is understood that if the information furnished definitely establishes my identity, I will receive the money promptly.

Your signature -----

If any additional remarks, please write on other side.

EXHIBIT B

ANSWER ALL THE FOLLOWING QUESTIONS IMMEDIATELY SO THAT WE CAN DETERMINE WHETHER YOU ARE THE PERSON TO WHOM THE MONEY SHOULD BE SENT:

- 1. Is name above your full correct name? -----
- 2. Are you referred to by any "nickname" (state name) -----
- 3. To what address should money be sent? -----
- 4. Have you inherited any money recently? -----

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5. What is your age? \_\_\_\_ Height? \_\_\_\_ Color of hair? \_\_\_\_ Color of eyes? \_\_\_\_
6. What is your occupation? \_\_\_\_\_
7. By whom employed (employer's name and address) \_\_\_\_\_  
\_\_\_\_\_
8. What is your income from present employment? (weekly) \_\_\_\_\_  
\_\_\_\_\_
9. Is your occupation farming? Yes -- No. -- If so answer following questions:
  - a. Yearly income \_\_\_\_\_ b. Location of your farm \_\_\_\_\_
  - c. Number of acres you are farming \_\_\_\_ d. Do you own your own farm? \_\_\_\_
  - Renter? \_\_\_\_\_ Share cropper \_\_\_\_\_ e. Is your farm mortgaged? \_\_\_\_\_
  - f. Number of acres under cultivation \_\_\_\_\_ Wheat \_\_\_\_\_ Corn \_\_\_\_\_
  - Oats \_\_\_\_\_ Tobacco \_\_\_\_\_ Cotton \_\_\_\_\_ Potatoes \_\_\_\_\_ Other \_\_\_\_\_
  - g. Number of cattle \_\_\_\_\_ Hogs \_\_\_\_\_ Chickens \_\_\_\_\_
  - h. What is your income from eggs and milk? \_\_\_\_\_
  - i. Do you own your own equipment? \_\_\_\_\_
10. Do you have any other sources of income? (Insurance, annuities, pensions, disability compensations, etc.) \_\_\_\_\_
11. If insured, give name and address of local agent \_\_\_\_\_
12. Do you own your home? \_\_\_\_\_ 13. Do you own a car? \_\_\_\_\_
14. Give mother's birthplace and maiden name \_\_\_\_\_
15. When were you born? \_\_\_\_\_ Where? \_\_\_\_\_
16. Do you have any dependents? \_\_\_\_\_ How many? \_\_\_\_\_
17. Give names and addresses of personal references: \_\_\_\_\_  
\_\_\_\_\_

All answers furnished are, to the best of my ability, truthful and complete. It is understood that if the information furnished definitely establishes my identity, I will receive the money promptly.

Your signature \_\_\_\_\_

If any additional remarks, please write on other side.

## EXHIBIT C

## NATIONAL ADMINISTRATORS

WINONA, MINNESOTA

Money is being held for \_\_\_\_\_  
We believe that you are this person.

This money will be sent you the moment we are absolutely certain that you are really the person for whom it is intended.

To make it possible for us to send you this money at once, fill out the enclosed form and return it to us without delay.

There is no obligation whatever nor expense to you. Merely answer the questions truthfully and thus enable us to place the cash money we are holding in your hands immediately.

If you are the person we are looking for—and we think you are—use the stamped self-addressed envelope to return the form to us now. There is real money waiting for you.

Sincerely yours,

NATIONAL ADMINISTRATORS.



## REPORT, FINDINGS AS TO THE FACTS, AND ORDER

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission on November 12, 1942, issued and subsequently served its complaint in this proceeding upon the respondents, Dan Trainor, trading under the name National Administrators, John A. Janssen and Lloyd L. Hill, individually, and trading under the name Consumer Distribution Consultants, Chicago Mail Order Company, a corporation, E. L. Schnadig (referred to in the complaint as W. L. Schnadig) and Ralph L. Arnheim, individually, and as officers of Chicago Mail Order Company, Spiegel, Inc., a corporation, and Modie J. Spiegel, Frederick W. Spiegel, Earl D. Weil, Edward L. Swikard, H. G. Meinig, Bernadette Saindon, and Walter A. Gatzert, individually, and as officers of Spiegel, Inc., charging them with the use of unfair and deceptive acts and practices in commerce in violation of the provisions of that act. Subsequently, the respondents filed their answers to the complaint, in which answers they admitted all of the material allegations of fact set forth in the complaint and waived all intervening procedure and further hearing as to the facts. Thereafter, the proceeding regularly came on for final hearing before the Commission on the complaint and the answers thereto, and the Commission, having duly considered the matter and being now fully advised in the premises, finds that this proceeding is in the interest of the public and makes this its findings as to the facts and its conclusion drawn therefrom.

## FINDINGS AS TO THE FACTS

PARAGRAPH 1. Respondent, Dan Trainor, is an individual, trading under the name National Administrators, with an office and principal place of business at 423 Grand Street, Winona, Minn.

Respondents, John A. Janssen and Lloyd L. Hill, are copartners trading under the name Consumer Distribution Consultants, with an office and principal place of business at 520 North Michigan Avenue, Chicago, Ill.

Respondent, Chicago Mail Order Company, is a corporation, organized and existing under the laws of the State of Illinois, with an office and principal place of business at 511 South Paulina Street, Chicago, Ill. Respondents, E. L. Schnadig and Ralph L. Arnheim are, and at all times mentioned herein have been, the president and the secretary-treasurer, respectively, of said corporation, and in control of the management, policies and operation thereof, particularly in respect to the acts and practices hereinafter set forth.

Respondent, Spiegel, Inc., is a corporation, organized and existing under the laws of the State of Delaware, with an office and principal

place of business at 1061 West Thirty-fifth Street, Chicago, Ill. Respondents, Modie J. Spiegel, Bernadette Saindon, and Walter A. Gatzert are, and at all times mentioned herein, have been, president, secretary, and treasurer, respectively, of respondent, Spiegel, Inc.; and respondents, Frederick W. Spiegel, Earl D. Weil, Edward L. Swikard, and H. G. Meinig are, and at all times mentioned herein, have been, vice presidents of respondent, Spiegel, Inc. These officers are now, and at all times mentioned herein have been, in control of the management, policies, and operation of said corporate respondent, particularly in respect to the acts, practices, and methods hereinafter set forth.

PAR. 2. Respondent, Dan Trainor, is now, and has been for more than 6 months last past, engaged in the business of selling and distributing envelopes, printed form letters, and questionnaire forms (copies of such letters and questionnaire forms being attached hereto as Exhibits A, B, and C, and made a part hereof) designed and intended to be used, as hereinafter set forth, by creditors and collection agencies in obtaining information concerning delinquent debtors. Respondent, Trainor, causes the envelopes, form letters, and questionnaire forms, when sold, to be transported from his place of business in the State of Minnesota to respondents, Chicago Mail Order Co., Spiegel, Inc., and Janssen and Hill, all located in the State of Illinois, and others in various States of the United States, and at all times mentioned herein respondent Trainor has maintained a course of trade therein in commerce between and among the various States of the United States.

PAR. 3. Respondent, Spiegel, Inc., is now, and has been for more than 6 months last past, engaged in the business of selling at retail household furnishings and other merchandise of various sorts and kinds. The business of said respondent is what is generally known as a mail-order business, in the course and conduct of which, orders for various articles are received through the mails from various persons located in States of the United States other than the State of Illinois and the articles so ordered are caused to be transported by respondent from its place of business in the State of Illinois to the persons ordering the same. Respondent's business is extensive, and it maintains and at all times mentioned herein has maintained a course of trade in its wares in commerce between and among the various States of the United States and in the District of Columbia. In connection with a large number of its sales, the respondent extends credit to purchasers located in various States of the United States other than the State of Illinois. In many cases, purchasers on credit from respondent fail to meet their obligations when due, and the respondent in such cases exerts itself affirmatively to effect collection

of the amounts which it claims are due it from such purchasers. In the course of its efforts to collect, it frequently desires to ascertain the current locations and addresses of many of such purchasers, and for the purpose of so doing it employs the letters, forms, and envelopes acquired from respondent, Trainor, as hereinabove stated, in the manner hereinafter set forth.

PAR. 4. Respondents, John A. Janssen and Lloyd L. Hill, are now, and have been for more than 6 months last past, engaged in the business of collecting delinquent accounts for retail merchants located in various States of the United States. In the course of their efforts to collect such delinquent accounts, they frequently desire to ascertain the current locations and addresses of many of such delinquent debtors, and for the purpose of so doing, employ the letters, forms, and envelopes acquired from respondent, Trainor, as hereinabove stated, in the manner hereinafter set forth.

PAR. 5. Respondent, Chicago Mail Order Co., is now, and has been for more than 6 months last past, engaged in the business of selling at retail goods and wares of various sorts and kinds. The business of said respondent is what is generally known as a mail-order business, in the course and conduct of which orders for various articles are received through the mails from various persons located in States of the United States other than the State of Illinois and articles so ordered are caused to be transported by respondent from its place of business in the State of Illinois to the persons ordering the same. Respondent's business is extensive, and it maintains and at all times mentioned herein has maintained a course of trade in its wares in commerce between and among the various States of the United States and in the District of Columbia. In connection with a large number of its sales the respondent extends credit to purchasers located in various States of the United States other than the State of Illinois. In many cases purchasers on credit from respondent, Chicago Mail Order Co., fail to meet their obligations when due, and respondent in such cases exerts itself affirmatively to effect collection of the amounts which it claims are due from such purchasers. In the course and conduct of its efforts to collect, it frequently desires to ascertain the current locations and addresses of many of such purchasers, and for the purpose of so doing it employs the letters, forms, and envelopes acquired from respondent, Trainor, as hereinabove stated, in the manner hereinafter set forth.

PAR. 6. In the blank space which appears at the top of the forms as exemplified by exhibits A and B, and below the words "Money is being held for" in the letter exemplified by exhibit C, respondents,

Chicago Mail Order Co., Spiegel, Inc., and Janssen and Hill, and others who purchase such forms, letters, and envelopes from respondent, Trainor, insert the names and such addresses as they have available of the persons concerning whom information is sought. These respondents and other purchasers then place the letters exemplified by exhibit C, and one of the questionnaire forms exemplified by either exhibit A or exhibit B, in large envelopes upon which appears in the upper left-hand corner—

Return in 5 days to  
National Administrators,  
Winona, Minnesota,

together with stamped reply envelopes addressed to—

National Administrators,  
Winona, Minnesota.

The large envelopes, with the necessary postage attached, and their contents are then sent by respondents, Spiegel, Inc., Chicago Mail Order Co., and Janssen and Hill, and by other purchasers of respondent, Trainor's material, from their various places of business to respondent, Trainor, at Winona, Minn., usually in bundles containing a number of such filled envelopes. Upon receipt by respondent, Trainor, of these large addressed envelopes with enclosures, he causes them to be deposited in the United States mail.

The questionnaires returned to respondent, Trainor, at Winona, Minn., are transmitted by him to respondents, Spiegel, Inc., Chicago Mail Order Co., and Janssen and Hill, at their Chicago, Ill., addresses, and to the other purchasers of his material at their various locations. Respondent, Trainor, also sends 1 penny each to those who return the questionnaires, together with a statement that this is the total amount held for such persons and a request that they do not communicate with him further.

PAR. 7. Through the use of the name "National Administrators," the respondents have represented, directly and by implication, that such concern functions in the capacity of an administrator of estates of decedents.

PAR. 8. By means of the aforesaid envelopes, form letters, and questionnaires, respondent, Trainor, falsely represents and places in the hands of the other respondents and others the means of falsely representing, and such other respondents and others falsely represent, to many persons, directly and by implication, that funds are being held for such persons by National Administrators; that such funds are of more than trivial amount; that National Administrators holds the funds in the capacity of administrator of decedent estates; and that

the information sought by means of the letters and questionnaires is for the purpose of identifying the recipients thereof as the proper persons to receive such funds.

PAR. 9. These representations are false and misleading. In truth and in fact, respondent, Trainor, trading under the name "National Administrators," is not acting in the capacity of administrator of the estate of any decedent, is not administrator of any estate in which any recipient of the letters and questionnaires has an interest, and does not have in his possession any sum of money rightfully due to any such person. The information called for by the questionnaires and letters is not sought for the purpose of identifying the recipients as the persons entitled to funds from estates or from any other source, but is sought solely for the purpose of assisting respondents, Spiegel, Inc., Chicago Mail Order Co., and Janssen and Hill, and others, in collection of alleged delinquent accounts. The name "National Administrators" is merely a disguise for the true nature of respondent Trainor's business.

PAR. 10. The use as hereinabove set forth, of the foregoing false and misleading statements and representations has the tendency and capacity to, and does, mislead and deceive many of the persons to whom the letters, questionnaires, and envelopes are sent into the erroneous and mistaken belief that such statements and representations are true, and that the name "National Administrators" truthfully indicates and describes the capacity and character of the concern purportedly requesting the information; and the tendency and capacity to cause such persons, by reason thereof, to give information which they otherwise would not supply.

CONCLUSION

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

EXHIBIT A

ANSWER ALL THE FOLLOWING  
 QUESTIONS IMMEDIATELY SO  
 THAT WE CAN DETERMINE  
 WHETHER YOU ARE THE PER-  
 SON TO WHOM THE MONEY  
 SHOULD BE SENT:

1. Is the name above your full correct name? -----
2. Are you referred to by any "nickname"? (state name) -----
3. To what address should money be sent? -----
4. Have you inherited any money recently? -----

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5. What is your age? \_\_\_\_\_ Height? \_\_\_\_\_ Color of hair? \_\_\_\_\_ Color of eyes? \_\_\_\_\_
6. What is your occupation? \_\_\_\_\_
7. By whom employed? (employer's name and address) \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
8. If insured, give name and address of local agent \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
9. What is your income from present employment? (weekly) \_\_\_\_\_
10. Do you have any other sources of income? (insurance, annuities, pensions, disability compensations, etc.) \_\_\_\_\_
11. Do you own your home? \_\_\_\_\_
12. Do you own a car? \_\_\_\_\_
13. Give mother's birthplace and maiden name \_\_\_\_\_  
 \_\_\_\_\_
14. When were you born? \_\_\_\_\_ Where? \_\_\_\_\_
15. Do you have any dependents? \_\_\_\_\_ How many? \_\_\_\_\_
16. Give names and addresses of personal references: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

All answers furnished are, to the best of my ability, truthful and complete. It is understood that if the information furnished definitely establishes my identity, I will receive the money promptly.

Your signature \_\_\_\_\_

If any additional remarks, please write on other side.

### EXHIBIT B

ANSWER ALL THE FOLLOWING  
 QUESTIONS IMMEDIATELY SO  
 THAT WE CAN DETERMINE  
 WHETHER YOU ARE THE PER-  
 SON TO WHOM THE MONEY  
 SHOULD BE SENT:

1. Is name above your full correct name? \_\_\_\_\_
2. Are you referred to by any "nickname"? (state name) \_\_\_\_\_
3. To what address should money be sent? \_\_\_\_\_
4. Have you inherited any money recently? \_\_\_\_\_
5. What is your age? \_\_\_\_\_ Height? \_\_\_\_\_ Color of hair? \_\_\_\_\_ Color of eyes? \_\_\_\_\_
6. What is your occupation? \_\_\_\_\_
7. By whom employed? (employer's name and address) \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
8. What is your income from present employment? (weekly) \_\_\_\_\_

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Exhibits

9. Is your Occupation farming? Yes ----- No ----- If so answer following questions: a. Yearly Income ----- b. Location of your farm ----- c. Number of acres you are farming ----- d. Do you own your own farm? ----- Renter? ----- Share Cropper? ----- e. Is your farm mortgaged? ----- f. Number of acres under cultivation ----- Wheat ----- Corn ----- Oats ----- Tobacco ----- Cotton ----- Potatoes ----- Other ----- g. Number of cattle ----- Hogs ----- Chickens ----- h. What is your income from eggs and milk? ----- i. Do you own your own equipment? -----
10. Do you have any other sources of income? (insurance, annuities, pensions, disability compensations, etc.) -----
11. If insured, give name and address of local agent -----
12. Do you own your home? -----
13. Do you own a car? -----
14. Give mother's birthplace and maiden name -----
15. When were you born? ----- Where? -----
16. Do you have any dependents? ----- How many? -----
17. Give names and addresses of personal references: -----

All answers furnished are, to the best of my ability, truthful and complete. It is understood that if the information furnished definitely establishes my identity, I will receive the money promptly.

Your signature -----

If any additional remarks, please write on other side.

EXHIBIT C

NATIONAL ADMINISTRATORS

WINONA, MINNESOTA

Money is being held for -----

We believe that you are this person.

This money will be sent you the moment we are absolutely certain that you are really the person for whom it is intended.

To make it possible for us to send you this money at once fill out the enclosed form and return it to us without delay.

There is no obligation whatever nor expense to you. Merely answer the questions truthfully and thus enable us to place the cash money we are holding in your hands immediately.

If you are the person we are looking for—and we think you are—use the stamped self-addressed envelope to return the form to us now. There is real money waiting for you.

Sincerely yours,

NATIONAL ADMINISTRATORS.

DT

## ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission and the answers of respondents, in which answers respondents admit all the material allegations of fact set forth in the complaint and waive all intervening procedure and further hearing as to the facts, 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.

1. *It is ordered*, That respondent, Dan Trainor, individually, and trading under the name, National Administrators, or trading under any other name, and his agents, representatives, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale, and distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act, of his form letters and questionnaires, or any other printed or written material of a substantially similar nature, do forthwith cease and desist from:

(a) Using the words "National Administrators," or any other word or words of similar import, to designate, describe, or refer to respondent's business; or otherwise representing, directly or by implication, that respondent acts in the capacity of an administrator of estates of decedents, or that respondent's business bears any other relation to such estates.

(b) Representing, directly or by implication, that any funds or other property are being held by respondent for persons concerning whom information is sought through respondent's letters, questionnaires, or other material.

(c) Representing, directly or by implication, that the information sought through respondent's letters, questionnaires, or other material is for the purpose of determining whether the person concerning whom such information is sought is entitled to receive funds or any other property from the estate of a decedent.

(d) Using, or placing in the hands of others for use, form letters, questionnaires, or other material which represent, directly or by implication, that respondent's business is other than that of obtaining information for use in the collection of debts, or that the information sought through such letters, questionnaires, or other material is for any purpose other than for use in the collection of debts.

2. *It is further ordered*, That respondents, Chicago Mail Order Co., a corporation, and its officers; E. L. Schnadig and Ralph L. Arnheim, individually, and as officers, of Chicago Mail Order Co.; Spiegel, Inc., a corporation, and its officers; Modie J. Spiegel, Frederick W. Spiegel,



Earl D. Weil, Edward L. Swikard, H. G. Meinig, Bernadette Saindon, and Walter A. Gatzert, individually, and as officers, of Spiegel, Inc.; and respondents' agents, representatives, and employees, directly or through any corporate or other device, in connection with the sale and distribution of respondents' merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act, including the collection or attempted collection of the purchase price of such merchandise, do forthwith cease and desist from:

(a) Using any form letters, questionnaires, or any other printed or written material which contain any representation prohibited in paragraph 1 hereof.

(b) Using, in connection with the collection or attempted collection of the purchase price of merchandise, any form letters, questionnaires, cards, or any other printed or written material which represent, directly or by implication, that the information sought through such means is for any purpose other than for use in the collection of debts.

3. *It is further ordered*, That respondents, John A. Janssen and Lloyd L. Hill, individually, and trading as Consumer Distribution Consultants, or trading under any other name, and their agents, representatives and employees, directly or through any corporate or other device, in connection with the carrying on of respondents' collection business in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

(a) Using any form letters, questionnaires, or any other printed or written material which contain any representations prohibited in paragraph 1 hereof.

(b) Using, in connection with the collection or attempted collection of debts, any form letters, questionnaires, cards, or any other printed or written material which represent, directly or by implication, that the information sought through such means is for any purpose other than for use in the collection of debts.

*It is further ordered*, That all of the respondents named 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 this order.