



Office of the Secretary

United States of America  
FEDERAL TRADE COMMISSION  
WASHINGTON, D.C. 20580

April 11, 2013

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In the Matter of DesignerWare, LLC; Timothy Kelly and Ronald P. Koller; Aspen Way Enterprises, Inc.; B. Stamper Enterprises, Inc.; C.A.L.M. Ventures, Inc.; JDsentures, Inc1ubR4TT3

Practices (“FIPs”) similar to those set forth in the White House’s Consumer Privacy Bill of Rights (“CPBR”). You also recommend that the final orders make publicly available the

Finally, you note that “[RTO] companies are debt traps for low-income and disadvantaged consumers,” and request that the Commission further investigate the connection between privacy and poverty. We are cognizant of the consumer protection issues associated with RTO transactions, and the Commission’s complaints against DesignerWare and the RTO stores acknowledge and address the connection between their allegedly privacy-invasive conduct and their collection practices.<sup>5</sup> You specifically recommend that the Commission convene a workshop to explore how industry privacy practices may disproportionately affect low-income consumers. The Commission appreciates your attention to these issues. Protecting economically disadvantaged consumers and fighting the “last-dollar frauds” that target them are important priorities for the Commission, as evidenced by our enforcement actions in numerous areas, including privacy,<sup>6</sup> debt collection,<sup>7</sup> loan modifications,<sup>8</sup> and business opportunities.<sup>9</sup> We will continue to vigorously protect our nation’s most vulnerable consumers. Considerations regarding the privacy implications of business practices that affect these populations are an important component of our efforts.

In light of these considerations, the Commission has determined that the public interest would best be served by issuing the Decisions and Orders in final form without modifications.

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<sup>5</sup> The RTO store complaints allege that their use of information improperly gathered from consumers to collect on rental contracts was unfair, while the DesignerWare complaint alleges that the company and its principals provided their licensees with the means to engage in this unfair conduct.

<sup>6</sup> See, e.g., *United States v. PLS Fin. Servs.*, Case No. 1:12-cv-08334 (N.D. Ill. settlement filed Oct. 26, 2012) (data security and disposal practices of a consumer finance company whose services included payday loans, check cashing, automobile title loans, and phone cards); *Equifax Information Servs. LLC*, FTC Docket No. C-4387 (Mar. 5, 2013) (final consent order) (improper sale of prescreened lists of homeowners delinquent on mortgage payments that marketers then used to pitch debt relief and loan modification programs to these financially distressed consumers); *United States v. Direct Lending Source, Inc.*, Case No. 12-CV-2441-DMS-BLM (S.D. Cal. settlement filed Oct. 11, 2012) (same).

<sup>7</sup> See, e.g., *FTC v. Forensic Case Mgmt. Servs., Inc.*, Case No. CV-11-7484 (C.D. Cal. settlement filed Jan. 4, 2013) (illegal debt collection practices, including the improper disclosure of consumers’ debts to their employers, neighbors, and other third parties); *FTC v. Asset Acceptance LLC*, Case No. 9:12-CV-182-T-27EAJ (M.D. Fla. consent decree filed Jan. 12, 2012) (collection of time-barred debts and other debt collection practices).

<sup>8</sup> See, e.g., *FTC v. Consumer Advocates Group Experts, LLC*, Case No. CV12(o).(.)6( )h0ord 7.00bdi“dhJ(. C)6Oase Mgmte(S

The final Decisions and Orders and other relevant materials are available from the Commission's website at <http://www.ftc.gov>. It helps the Commission's analysis to hear from a variety of sources in its work. The Commission thanks you again for your comment.

By direction of the Commission, Commissioner Wright not participating.

Donald S. Clark  
Secretary