

**UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION**

COMMISSIONERS: **Lina M. Khan, Chair**
 Noah Joshua Phillips
 Rebecca Kelly Slaughter
 Christine S. Wilson

In the Matter of

**DUN & BRADSTREET, INC., a corporation,
d/b/a D&B.**

DOCKET NO. C-4761

COMPLAINT

The Federal Trade Commission, having reason to believe that Dun & Bradstreet, Inc., a corporation, has violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent Dun & Bradstreet, Inc. (“D&B”), also doing business as D&B, is a Delaware corporation with its principal office or place of business at 101 John F. Kennedy Parkway, Short Hills, NJ 07078. D&B is a wholly owned subsidiary of The Dun & Bradstreet Corporation.

2. From at least May 2015, Respondent has advertised, marketed, offered for sale, sold, and distributed products to small and mid-sized business consumers, including products Respondent claims will help a business monitor, manage, and build its business credit report. Respondent claims that the products offer a business an easy way to provide D&B with positive payment history, otherwise unreported by D&B, to improve the business’s credit report. In fact, Respondent rejects a majority of the submissions, and thousands of businesses that have paid for these products cannot get even a single payment experience added to their credit reports.

3. The acts and practices of Respondent alleged in this complaint have been in or affecting commerce, as “commerce” is defined in Section 4 of the Federal Trade Commission Act.

Respondent's Business Practices

Overview

4. Respondent is involved in the commercial credit reporting business. Respondent maintains files containing information on over 300 million businesses and other entities, including nonprofits, cities, counties, municipalities, and other governmental entities (hereinafter, collectively referred to as "affected businesses") worldwide.

5. Among other things, Respondent creates and maintains commercial credit reports on affected businesses. These commercial credit reports contain a variety of information about affected businesses, as well as proprietary scores and ratings that Respondent generates and assigns.

6. Respondent makes its credit reports available to entities, including an affected business's potential suppliers and vendors, for a fee. Respondent has represented that a strong credit report may improve an affected business's chances to qualify for loans, attract new customers, increase cash flow, lower interest rates, and negotiate better payment terms.

7. In many instances, Respondent's credit reports on small and mid-sized affected businesses reflect incorrect or incomplete information, including incorrect information about the affected business itself or incomplete information about an affected business's payment experiences with other entities and its overall financial health.

8. Unlike an individual credit report, a D&B credit report does not identify by name the entities that have provided payment information about an affected business. Nor does a D&B credit report list the specific amount and specific date of any transaction reflected in the report. Moreover, even when an affected business questions the accuracy of the payment information appearing on the report, Respondent will not tell affected businesses the specific sources of Respondent's information about the affected business except when the source permits such disclosure.

9. If Respondent's credit report reflects incorrect or incomplete information about an affected business, the affected business's only recourse is to deal directly with Respondent to seek to correct or supplement the report.

10. If an affected business contacts Respondent to dispute a payment experience appearing on its credit report, Respondent's policy is to contact the entity that reported the information to Respondent and ask it to recheck the payment experience. Respondent provides no new or additional information to the source about the reported payment experience. Thus, in some instances, affected businesses cannot obtain changes through this process, or on their own by reaching out directly to the reporting entity.

11. Affected businesses have suffered negative consequences as a result of incomplete and inaccurate information appearing on their credit report, including denial of credit, less favorable contract terms, and loss of contracts with other businesses.

12. Respondent also offers various paid products to small and mid-sized affected businesses, purportedly to help them monitor, manage, and improve their own credit reports. Respondent uses the term “credit-on-self” to describe these products, as they purportedly allow an affected business to monitor, and have information added to, its own credit report, including information that would correct or supplement the information reported by Respondent.

13. Respondent’s “credit-on-self” products have included products called CreditBuilder, CreditBuilder Plus, and CreditBuilder Premium and related products or services, including Credit Essentials, a product that includes CreditBuilder features. Collectively, these “credit-on-self” products are referred to herein as “CreditBuilder Line products.”

14. Respondent has generated sales of CreditBuilder Line products through multiple deceptive acts and practices.

15. For affected businesses dissatisfied with the accuracy or completeness of the information Respondent reports about them, Respondent has routinely deceptively claimed that purchasing a CreditBuilder Line product is the path by which an affected business can add payment history and improve its scores and ratings.

16. Respondent has routinely deceptively claimed that if an affected business would simply purchase a CreditBuilder Line product and provide information to Respondent, Respondent would verify that information and add it to the credit report. For example, in pitching CreditBuilder Line products, Respondent’s telemarketers have made specific deceptive claims including, “we will contact those companies that you add ... [and] verify that payment history going back a full 12 months,” and “[i]t’s a really easy process[,] I just need a little bit of information from you and we basically take over the rest from there.”

17. In addition, in numerous instances Respondent’s telemarketers have deceptively pitched CreditBuilder Line products to new businesses, and to businesses unfamiliar with Respondent, through misleading claims that the affected business needs to purchase a CreditBuilder Line product in order to “complete” its credit file.

18. Respondent has also employed deceptive practices to enable it to collect payments from CreditBuilder Line product customers for products different from the ones to which they agreed to subscribe. Moreover, Respondent has deceptively collected credit card information from CreditBuilder Line product customers without adequately disclosing material aspects of its charging practices, including, in many instances, failing to disclose that at the end of the product’s subscription term, Respondent will automatically charge the customer’s credit card again for a subscription to a CreditBuilder Line product.

Background on Respondent’s Credit Reporting Business

19. To establish a credit file on an affected business, Respondent gathers information from sources including public records, payment information supplied to D&B by an affected business’s vendors and creditors, and information supplied to D&B by the affected business itself.

20. At the time it establishes an affected business's credit file, Respondent also assigns the affected business a DUNS number, a unique, nine-digit identifier of a single affected business that ties directly to an affected business's D&B credit file, and which D&B is solely responsible for issuing. In numerous instances, Respondent opens a credit file and assigns a DUNS number on its own initiative. In other instances, Respondent does so after an affected business contacts D&B to request a DUNS number. The request for a DUNS number and the creation of a credit file and report are free.

21. Affected businesses often need a DUNS number, because certain entities require an affected business to obtain a DUNS number before they will work with the affected business, and the federal government has required an affected business to have a DUNS number in order to apply for certain federal government contracts or grants.

22. Although an affected business should only receive a single DUNS number, in some instances, Respondent has assigned a single affected business multiple DUNS numbers attached to multiple credit files, and has included different information about the affected business in each credit file.

23. An affected business's D&B credit report includes basic information about the affected business, such as its name, address, and principals, and public information on any judgments or liens. In numerous instances, Respondent reports incorrect or incomplete basic and public information about an affected business.

24. An affected business's D&B credit report may include information relating to how the affected business pays its bills, such as whether the affected business pays its bills on time, is late, or is delinquent. Respondent bases this element of its business credit reports on commercial payment information that it receives from other entities.

25. Respondent sometimes refers to the sources that supply commercial payment information to D&B as "Trade References," and other times uses the term "Trade References" to refer to the payment information these entities provide to D&B.

26. According to Respondent, only a small number of entities have agreements with D&B to automatically report commercial payment information or "payment experiences" to D&B on a regular basis about affected businesses with which the entities do business. Respondent sometimes refers to these entities as "Trade Tape Providers." The Trade Tape Providers have varied over time.

27. Of the tens of millions of businesses in the United States, at any given time only approximately 3,000-5,000 companies are Trade Tape Providers.

28. In numerous instances, an affected business's payment experiences will go unreported by D&B. First, an affected business's suppliers, vendors, and other entities the affected business works with often are not Trade Tape Providers and therefore do not automatically report an affected business's payment experiences to D&B. Second, even if the

affected business has a relationship with a Trade Tape Provider, in some instances, D&B fails to report the payment experiences because the Trade Tape Provider may not have provided the particular affected business's payment experiences to D&B, and/or D&B fails to match the reported payment experiences to the affected business.

29. Even when Respondent reports payment experiences, in some instances, such payment experiences may be incorrect. Because Respondent reports what Trade Tape Providers send to Respondent, any errors in the Trade Tape Provider's data are inherently reflected in what Respondent reports on an affected business's credit report.

30. If Respondent contacts a Trade Tape Provider about a dispute from an affected business, and receives no response at all from the Trade Tape Provider, Respondent's practice is to delete the disputed payment experience. However, if the same Trade Tape Provider later provides another file to Respondent that contains the same disputed payment experience, Respondent will again report it. Thus, an affected business may believe that it has effectively disputed erroneous payment experience data only to later see it reappear.

31. In addition to reporting on an affected business's payment experiences, Respondent assigns an affected business various scores and ratings, which appear on the affected business's credit report. These scores and ratings purportedly reflect the creditworthiness of the affected business, including predicting the likelihood that the affected business will experience financial distress or cease operations over the next year.

32. Respondent calculates many of the scores and ratings by using payment experience information that it receives from Trade References regarding how an affected business pays its bills. As Respondent often receives limited or no payment experience information about an affected business, and as data provided from Trade Tape Providers may contain errors, in many instances the scores and ratings that Respondent assigns, particularly as to small and mid-sized businesses, may not accurately reflect how the affected business has performed in the past and/or how it will perform in the future.

33. The manner in which Respondent gathers and maintains data can result in it reporting errors and incomplete information. Even in the course of producing CreditBuilder Line product information to the Commission during the investigation of this matter, Respondent produced data containing errors such as incorrect basic information about Respondent's customers.

Background on Respondent's CreditBuilder Line Products

34. Respondent has represented that CreditBuilder Line products allow an affected business to submit the names of the entities it does business with—its own Trade Reference information—to Respondent so that Respondent can add the affected business's payment experiences with these entities to the affected business's credit report.

35. The number of Trade References that Respondent permits a subscriber to add to its credit report differs depending on the CreditBuilder Line product. The basic CreditBuilder

product allows subscribers to add up to four Trade References per year, CreditBuilder Plus allows subscribers to add a maximum of 12 Trade References per year, and CreditBuilder Premium allows subscribers to add an unlimited number of Trade References.

36. Most of Respondent's CreditBuilder Line products are sold as annual subscriptions and are generally non-refundable during their term. Respondent typically collects subscribers' credit card information and collects full payment for the term up-front. Respondent then automatically renews and charges for CreditBuilder Line products at the beginning of each succeeding term unless the subscriber notifies D&B before the end of the term that it does not want to renew.

37. For annual subscriptions, the current list price for the basic CreditBuilder product is \$899, for CreditBuilder Plus it is \$1,499, and for CreditBuilder Premium it is \$1,999. Respondent sometimes charges an additional \$149 one-time activation fee at the time of purchase.

38. In approximately August 2017, Respondent introduced Credit Essentials for \$1,599 per year. Credit Essentials included access to two products, the basic CreditBuilder product and Respondent's Credit Reporter product, which, among other things, allowed a subscriber to monitor the reports of five other companies.

39. In approximately April 2018, Respondent stopped selling the Credit Essentials product described in Paragraph 38 above and began offering a new Credit Essentials product (sometimes referred to as Credit Essentials Plus) for \$2,499 per year. This new Credit Essentials product combined features of CreditBuilder Premium and Credit Reporter.

How Respondent Introduces CreditBuilder Line Products to Potential Subscribers

40. In numerous instances, after learning about what they believe to be incomplete or inaccurate payment-related information and/or inaccurate scores and ratings appearing on their D&B credit reports, affected businesses have contacted Respondent to complain. Respondent has routinely offered these affected businesses a CreditBuilder Line product as a way to improve their reports. Respondent's telemarketers have routinely told such affected businesses that purchasing a CreditBuilder Line product is the only way to improve their D&B credit reports.

41. Respondent has also offered CreditBuilder Line products when an affected business calls after receiving one or more of Respondent's "business credit notification" mailers. These mailers represent, for instance, that the affected business's scores have declined and urge the affected business to call a D&B "Credit Advisor" or "Account Manager" to learn how to "safeguard" the affected business.

42. For example, one mailer claims that a D&B customer has purchased the affected business's file, and the file contains the affected business's "Delinquency Predictor Score, which has declined." It warns, "a low Delinquency Predictor Score may mean that you have an increased risk of delinquent payments." The mailer advises:

Many companies, banks, government agencies—even current and potential business partners—may be using information in your D&B credit file to help make decisions about doing business with you. Having a complete and well-managed D&B credit profile can help you:

- Show your company's financial health in the best possible light
- Negotiate better payment terms with suppliers
- Qualify for better insurance premium and mortgage rates

Affected businesses are urged to call Respondent to learn more about the inquiry and how D&B may help the affected business impact its score.

43. Respondent also has marketed CreditBuilder Line products directly to affected businesses through outbound calls and emails. In many instances, Respondent initiates these marketing calls and emails after an affected business has submitted a request for a free DUNS number or free credit report, or after Respondent has sent the affected business one or more business credit notification mailers as described in Paragraphs 41 and 42, above.

Respondent's Telemarketers Tell Potential Subscribers that it Is Easy to Add Trade References and that Respondent Will Actively Help Them

44. Respondent's telemarketers have routinely begun their sales pitch for CreditBuilder Line products by representing that the affected business's credit report contains limited and/or negative payment information, that the vast majority of companies do not report payment experiences automatically to D&B, and that therefore, it is up to the affected business to manage, report, and update its own D&B credit report.

45. Respondent has claimed that CreditBuilder Line products allow an affected business to manually submit or self-report to D&B its Trade References, and/or add the names of its vendors and suppliers to increase the positive payment experiences in its credit report. Respondent has claimed that once an affected business submits its Trade References using the CreditBuilder Line product, Respondent contacts the Trade References to verify the payment history and then adds the payment information to the affected business's credit report.

46. Respondent has claimed that CreditBuilder Line products will improve, build, and/or establish an affected business's credit report, and move its credit scores and ratings in a positive direction.

47. Respondent has represented that it will actively assist the affected business in getting its payment experiences added to the credit report.

48. Specifically, Respondent's telemarketers have represented:

- [T]here's only a small percentage of companies that actually automatically record [sic] payment history to Dun & Bradstreet.... So when you're in a niche type of line of business, then it's even harder to get payment history on here.... If you want to build the report up, you can actually self-report some of the expenses that aren't being captured on here where you provide ... the contact information for the vendor. We'll go to that vendor to get the payment history to verify and add to your credit report.

[Ex. A, Sales Call Tr. 8:20-10:1]

- [T]o have an impact on your scores and your ratings, you are going to need to add more references in here – more payment references to help improve your payment summary.... So that’s where the service comes in. So that’s done through the CreditBuilder. So that’s a service that you pay for, and that allows you to add the payment history to help improve your status on Dun & Bradstreet.

[Ex. B, Sales Call Tr. 14:2-14:11]

- [T]here’s only a handful of companies that report to Dun & Bradstreet.... We make it so we give you full access to your files so you can give us all that – those companies that you pay out to operate your business, and we put them – we help you get that on the report.... So basically you give us the names and the address of those companies and then we go and help them get all that financial data [sic] on the report for you.

[Ex. C, Sales Call Tr. 9:7-9:16]

- [I]t’s up to you to self-report.... So what I would actually do is set you guys up with a service called CreditBuilder Premium that allows you guys to self-report your operating expenses by giving us the names of the companies that you guys are doing business with so that we can reach out to them and gather all your payment history to get the information updated for you on the file

[Ex. D, Sales Call Tr. 7:22, 9:14-9:20]

- So usually a company will pay for the service fee, they’ll log in, they’ll add their top 25 vendors. It takes about 20, 25 minutes. And then we do the rest of the work. We contact them; verify the credit limits and terms; and they mainly input that information on your report for you. That way, when you have customers or vendors and banks and whoever is pulling the report, they’re more likely to see that financial strength.

[Ex. E, Sales Call Tr. 7:16-7:24]

49. Respondent listened to the stored recordings of the calls described in Paragraph 48, above, after businesses filed complaints against it with the Better Business Bureau. Although Respondent occasionally cited some of the telemarketers for violating company policies, such as “using fear to sell product,” Respondent did not cite any of the telemarketers for violating company policy regarding their presentation of and their statements made about CreditBuilder Line products.

50. Despite notice of complaints from business customers concerning the sale of CreditBuilder Line products, Respondent has continued to make claims similar to those in Paragraph 48. For instance:

- [T]he way that a credit report works in the business world is once you get a number assigned, there are scores and ratings that are going to showcase how you’re operating and how you pay your bills.... So we do not get that information automatically usually. So what you’re going to need to do is, you know, the 30

vendors that you had mentioned that you have...we're going to need to physically submit and add them on to your credit report.

[Ex. F, Sales Call Tr. 13:12-24]

- [Y]ou simply give us the names and the contact detail of the company that you pay bills to. Even if you're paying up-front using your own debit card right now, paying in cash, it doesn't matter. However you're paying, you log in here, you give us the names and contact detail, we will contact those companies that you add. We verify that payment history going back a full 12 months and we manually (recording malfunction) that payment history on the report....Now, this DUNS number is free. The credit report for the business is free. Again, there's only a cost involved in you submitting the bills because, again, we're not a reporting company, we don't know who you're paying. You're essentially hiring us to work for you.

[Ex. G, Sales Call Tr. 17:4-12, 19:13-18]

- Just email me the contact information of who you're going to be making payments to and then our trade department is going to do the rest of the work from there by calling those companies to verify how much you spent with them, the percentage that was paid on time, and if you have any terms with them. And then once we verify that information, then that gets added into the report. It's a really easy process. I just need a little bit of information from you and we basically take over the rest from there.

[Ex. H, Sales Call Tr. 7:18-8:2]

Subscribers Find that it Is Not Easy to Get Trade References Accepted and Payments Added, and Respondent Does Not Actively Help Them

51. Although Respondent has represented to affected businesses that it is easy to have their Trade References accepted and unreported payment experiences added to their credit reports, in numerous instances and for various reasons, Respondent has rejected Trade References added by CreditBuilder Line customers and declined to include the information on their credit report.

52. For example, if a CreditBuilder Line customer submits a company that is a Trade Tape Provider, Respondent rejects that submission regardless of whether the entity has actually reported on the customer; if the Trade Tape Provider has not reported on the customer, Respondent will not bother to contact the entity to let it know it should be doing so.

53. Respondent also rejects submissions of entities that appear on its no-contact list. In numerous instances, these companies are precisely the types of large and well-known vendors and suppliers that an affected business may seek to have added to its credit report. While the companies on the no-contact list have varied over time, examples have included prominent vendors such as Fortune 500 computer companies, internet and telecommunications companies, a very large and well-known shipping company, a supplier of paints, coatings and related products, a hardware company, and a construction rental company.

54. On the other end of the spectrum, when affected businesses submit smaller vendors or suppliers as Trade References, Respondent rejects any entity that itself does not have a DUNS number and a credit file that is complete, active, and in good standing. Respondent has claimed that basic information missing from the potential Trade Reference's D&B file renders the file incomplete, and has caused Respondent to reject the submission. In the past, that has included minor gaps such as a missing telephone number or address.

55. Contrary to its telemarketing pitch, Respondent does not help subscribers in their efforts to have payment experiences added to their credit report. For example, Respondent does not tell affected businesses why it rejects specific submitted Trade References. Individual CreditBuilder Line subscribers have submitted the same proposed Trade References multiple times, unaware that Respondent is automatically rejecting the proposed Trade Reference because it is a Trade Tape Provider or on a no-contact list.

56. Moreover, in prior years, if a submitted Trade Reference simply asked Respondent for confirmation that the CreditBuilder Line customer had authorized the Trade Reference to disclose payment information, D&B rejected the submission outright. If Trade Reference contact information provided to D&B by an affected business was not accurate, Respondent did not request corrected or updated contact information from the submitter, nor did it check its own database or public records to see if it had or could locate current contact information for the Trade Reference. Instead, Respondent just rejected the Trade Reference.

57. Respondent knows CreditBuilder Line product subscribers often cannot get their Trade References accepted. In fact, when customers attempt to cancel their CreditBuilder Line product because their Trade References are being declined, Respondent has trained its telemarketers to pitch higher-priced, upgraded products that purportedly provide subscribers with a dedicated D&B employee to help get Trade References added. Contrary to Respondent's previous claims about the ease of getting their Trade Reference information added, Respondent has instructed its telemarketers to explain to customers who complain that their CreditBuilder Line product was a waste of money that submitting Trade References is not really an easy process, and that the higher-priced product would allow a dedicated D&B employee to use a variety of "tips" and "tricks" to help get the payment experiences added.

58. For thousands of affected businesses that have purchased and attempted to use a CreditBuilder Line product, Respondent has not accepted even a single submitted Trade Reference, which means that using a CreditBuilder Line product did not allow these affected businesses to have any unreported payment experiences added to their D&B credit reports. Overall, Respondent has rejected more than half of the total number of Trade References its customers have submitted through the CreditBuilder, CreditBuilder Plus, and CreditBuilder Premium products.

Respondent Tells Potential Subscribers they Need a CreditBuilder Line Product to Complete their Report, for Scores and Ratings, or for their Background Check

59. In addition to making the Trade Reference claims described above, Respondent has represented to potential subscribers, typically those that have applied for a free DUNS number and/or are newer businesses, that the D&B credit file will not be useful without a CreditBuilder Line product. In numerous instances, Respondent has claimed that a CreditBuilder Line product is needed to complete the credit file and enable the potential subscriber to become eligible for D&B scores and ratings. Respondent has also represented that a CreditBuilder Line product is necessary for D&B to conduct a background check that is required to establish the affected business's file.

60. For instance, in the course of making CreditBuilder Line product sales pitches, Respondent's telemarketers have represented:

- [T]he application you submitted, typically, it would take 30 business days. But, again, it does leave your file incomplete. So you wouldn't even yet qualify for the full set of ratings. So we will initiate a background check so that way you have that completed report. That will only take ... three to five business days. And then once that is completed, we typically start your scores and ratings in the mid-range. That way, you're not showing poor ratings right from the beginning.... In order for us to initiate the background check and to get the links and logins so that way you'll have the full access to self-report. That would be through a Credit Builder basic platform. We just roll this out to newer companies or companies who don't have the DUNS number just yet.
[Ex H, Sales Call Tr. 10:10-20, 11:5-10]
- [T]he application that you submitted, typically it would take up to 30 business days to receive, but what happens is it does leave the file incomplete. So you wouldn't yet qualify for all seven scores and ratings that are attached to the DUNS number. So since you're using this for commercial purposes -- and that's one reason, we want to make sure at the very minimum you do have that completed report. So we will initiate a background check. We don't need any legal documents from you. We'll get all of that squared away over here. And then within three to five business days, once you confirm the company was registered and if there's been any lawsuits or bankruptcies, we complete your file for the lifetime of the company.... In order for us to initiate the background check and to get the links and logins so that way you have the full access to the report, that is through a Credit Builder Basic platform. We just roll this out to newer companies.
[Ex I, Sales Call Tr. 11:19-12:9, 14:25-15:4]
- So you actually already have the DUNS number. It's just that it's attached to an incomplete credit file.... So what we need to do is get you set up so that you get a completed report. That's just going to mean that we confirm operations, make sure there are no lawsuits, liens, judgments ... bankruptcies.... and then we'll set you up so that you can add in the names of those suppliers so we can help you start to build the credit.... So what we'll do is we'll set you up on the entry-level

service. It's only \$1,499, and it's going to complete your report for the life of the business.”

[Ex J, Sales Call Tr. 15:13-16:5, 17:12-15]

61. In fact, an affected business does not need to purchase a CreditBuilder Line product in order for Respondent to conduct a background check or to verify background information for a credit file.

62. A CreditBuilder Line product also is not needed to “complete” an affected business’s credit file. In the context of determining whether a Trade Reference is qualified, Respondent has represented that a “complete” file means it includes all basic information, such as name and contact information. However, affected businesses can use one of Respondent’s free online platforms to add or update their basic information and submit financial statements. Affected businesses also can, and often do, provide much of this information to Respondent over the telephone.

63. Moreover, a CreditBuilder Line product cannot “complete” a business’s credit file in terms of ensuring that the file contains all relevant credit information, since, in numerous instances, payment experience information will still be missing or incomplete. For instance, as described above, Respondent often does not add payment experience information to an affected business’s credit file automatically or manually.

64. An affected business with a DUNS number and credit file is eligible to receive its D&B scores and ratings without a CreditBuilder Line product. At the same time, a CreditBuilder Line product cannot ensure that an affected business will in fact receive them all. For instance, Respondent requires an affected business to have three payment experiences for a score that Respondent refers to as a PAYDEX score. In numerous instances, an affected business that purchases a CreditBuilder Line product will not be able to add sufficient payment experiences to generate this score.

65. Respondent has used its claim that an affected business’s credit file is or will be incomplete in a marketing campaign to “drive customer traffic” and “maximize” its CreditBuilder Line sales opportunities. Respondent has referred to this marketing campaign as its “incomplete file campaign.”

66. Information produced by Respondent to the Commission during the investigation of this matter shows that thousands of CreditBuilder Line customers have never submitted even a single Trade Reference and never once logged in to their CreditBuilder Line accounts on D&B’s online portal. This evidence supports a strong inference that Respondent’s deceptive claims that an affected business must purchase a CreditBuilder Line product to avoid having an “incomplete” D&B file have been material and effective.

Respondent’s Deceptive Product Renewal Practices

67. Many times, Respondent’s telemarketers have failed to tell affected businesses that, at the end of the subscription term, D&B will automatically charge the affected business

again for a subscription to the CreditBuilder Line product being purchased, and that the charge will be in the amount of the product's "then current price."

68. In the instances when Respondent's telemarketers have made this auto-renewal disclosure, or something similar, Respondent's telemarketers have typically buried it in a statement after the affected business has already agreed to the purchase and provided its payment information. At the time of the initial purchase, Respondent's telemarketers have not informed subscribers that D&B may later substitute a different CreditBuilder Line product for the one that the customer is purchasing.

69. In numerous instances, Respondent has automatically renewed an affected business's CreditBuilder Line subscription at a materially higher price than the price the subscriber agreed to at the time of the purchase, without notice or adequate notice to the customer in advance of the price increase. Respondent has done this by routinely increasing the list price of CreditBuilder Line products and charging the higher price at the time of the automatic renewal. Respondent has also done this by eliminating certain CreditBuilder Line products and moving existing subscribers into different and higher-priced CreditBuilder Line products, a practice Respondent has referred to as "product migration."

70. As an example of an automatic renewal at a materially higher price, in November 2015, Respondent increased the annual list price of CreditBuilder Plus from \$1,099 to \$1,399, and increased it again in July 2016 to \$1,599. By 2016, subscribers that purchased CreditBuilder Plus at \$1,099 were automatically renewed at the "then current price" of \$1,599. Despite the 45% price increase, there was no change to the CreditBuilder Plus features. In numerous instances, Respondent did not provide affected businesses with notice or adequate notice of the price increase before automatically renewing the product.

71. Two examples of Respondent's product migration and price increase practices involve the basic CreditBuilder product and a product called "Credit Monitor." In Spring 2015, Respondent temporarily stopped making the basic CreditBuilder product available. At that time, the basic CreditBuilder product had a list price of \$949. At the time of automatic renewal, instead of renewing the product to which the affected business had subscribed, Respondent moved numerous basic subscribers into a higher-priced CreditBuilder Plus product that, by July 2016, cost \$1,599 per year, a price increase of more than 65% for a product the subscriber did not order. Also in July 2016, Respondent stopped offering its \$499 Credit Monitor product and moved those subscribers to Respondent's \$1,599 CreditBuilder Plus at the time of their automatic renewal. In numerous instances, Respondent did not provide affected businesses with notice or adequate notice before the product migration.

72. Although Respondent has used its "then current price" disclosure to justify charging an affected business more for a product than it agreed to pay for its initial subscription, when Respondent has reduced the list price of a CreditBuilder Line product, Respondent has continued automatically renewing existing CreditBuilder Line customers at the former higher list price rather than the new, reduced, "then current price."

73. Nor has Respondent applied its product migration practices and automatic renewal “at the then current price” in a way that would restore subscribers’ original purchases and reduce the amount Respondent charges. Not long after Respondent eliminated the basic CreditBuilder and Credit Monitor products in 2015 and 2016, respectively, it reintroduced both in early 2018. However, Respondent did not move any of the subscribers it had previously moved from these products to the materially higher-priced CreditBuilder Plus through product migration back to the lower-priced products they had originally agreed to purchase.

74. In addition to the automatic renewal and product migration practices described above, in numerous instances, Respondent has affirmatively misrepresented to affected businesses the CreditBuilder Line product that Respondent is attempting to renew, allowing Respondent to move subscribers from one CreditBuilder Line product to another product or into higher-priced products without notice to subscribers.

75. For instance, beginning in approximately August 2017, when Respondent attempted to auto-renew a CreditBuilder Plus subscription for a customer whose payment method on file was no longer valid, Respondent’s telemarketers would call the subscriber to get updated payment information. In some of those instances, Respondent’s telemarketers moved CreditBuilder Plus subscribers to Respondent’s new, \$1,599 Credit Essentials product by falsely representing to the CreditBuilder Plus subscribers that Respondent was calling to renew their current subscription, the subscriber needed to provide updated payment information for the renewal, and the CreditBuilder Plus product had been renamed Credit Essentials but was the same as the subscriber’s current product.

76. Although Respondent represented to these CreditBuilder Plus subscribers that CreditBuilder Plus and Credit Essentials were the same product, they were not. For instance, among other material changes in features, Credit Essentials allowed subscribers to add only four Trade References per year, while CreditBuilder Plus allowed subscribers to add 12 Trade References per year.

77. As another example, in approximately April 2018, Respondent stopped offering the Credit Essentials product described in Paragraphs 75 and 76, above, and began offering a new \$2,499 Credit Essentials product (sometimes referred to as Credit Essentials Plus), which allowed the subscriber to add an unlimited number of Trade References. If the affected business’s payment method on file was not valid and did not allow for an automatic renewal of the \$1,599 Credit Essentials product, Respondent called the subscriber and represented that the subscriber’s service was set to renew and that Respondent needed to collect updated payment information. In fact, Respondent was not calling to renew the affected business’s current \$1,599 Credit Essentials product, but instead, to move the affected business into the different, higher-priced Credit Essentials Plus product.

78. Respondent has routinely moved affected businesses from one product to another, told affected businesses that they have one product when in fact they have a different product, and has sold additional related products and add-on products. As a result, affected businesses often experience confusion about what product or products they are paying for and what the current features of those products are.

Count I

False or Misleading Claims Regarding CreditBuilder Line Products: Trade References

79. In numerous instances in connection with the advertising, promotion, offering for sale or sale of CreditBuilder Line products, Respondent has represented, directly or indirectly, expressly or by implication, that:

- a. Using a CreditBuilder Line product allows an affected business to have its previously unreported commercial payment experiences added to the affected business's credit report.
- b. Respondent will actively assist CreditBuilder Line product subscribers in adding such unreported commercial payment experience information to the affected business's credit report.

80. In fact, in numerous instances in which Respondent has made the representations set forth in Paragraph 79, using a CreditBuilder Line product does not allow an affected business to have its previously unreported commercial payment experiences added to the affected business's credit report, and Respondent does not actively assist CreditBuilder Line product subscribers in adding unreported commercial payment experience information to the affected business's credit report. Therefore, the representations set forth in Paragraph 79 are false or misleading.

Count II

False or Misleading Claims Regarding CreditBuilder Line Products: Status of Report

81. In numerous instances, in connection with the advertising, promotion, offering for sale, or sale of its CreditBuilder Line products, Respondent has represented, directly or indirectly, expressly or by implication, that CreditBuilder Line products are required for Respondent to conduct a background check on the affected business or will provide an affected business with a complete report including a full set of scores and ratings.

82. In fact, CreditBuilder Line products are not required for Respondent to conduct a background check on the affected business, and will not always provide an affected business with a complete report including a full set of scores and ratings. Therefore, the representations set forth in Paragraph 81 are false or misleading.

Count III

False or Misleading Claims Regarding CreditBuilder Line Products: Collection and Renewal

83. In numerous instances in connection with collecting updated payment information for CreditBuilder Line products that are scheduled to renew, Respondent has represented,

directly or indirectly, expressly or by implication, that Respondent is collecting payment for and is renewing the product that the affected business purchased the prior term.

84. In fact, in numerous instances in which Respondent has made the representation set forth in Paragraph 83, Respondent is not collecting payment for and is not renewing the product that the affected business purchased the prior term. Therefore, the representation set forth in Paragraph 83 is false or misleading.

Count IV
Failure to Disclose: Renewal Practices

85. In numerous instances in connection with the advertising, promotion, offering for sale, or sale of its CreditBuilder Line products, Respondent has represented that it collects customer credit card data for payment so that the customer may subscribe to a CreditBuilder Line product for a designated period (*e.g.*, 12 months).

86. In fact, in numerous instances in which Respondent has made the representation set forth in Paragraph 85, Respondent has failed to disclose or disclose adequately, that:

- a. At the end of the designated period, and at the end of each succeeding designated period until cancelled, Respondent will automatically charge the customer's credit card again for a subscription to a CreditBuilder Line product.
- b. At Respondent's unilateral choice, the CreditBuilder Line product for which Respondent will charge the customer at the end of the designated period, or any succeeding designated period, may be materially different from the CreditBuilder Line product to which the customer originally subscribed.
- c. If the list price of the CreditBuilder Line product to which the customer is subscribing increases, Respondent will charge the customer the increased price, but if the list price of the CreditBuilder Line product to which the customer is subscribing is reduced, Respondent will not give the customer the benefit of the price reduction and will charge the customer at the higher previous price.
- d. If at any time Respondent unilaterally moves the customer into a different CreditBuilder Line product from the one to which the customer is subscribing, Respondent will not unilaterally move the customer back to the product to which the customer originally subscribed.

87. These facts would be material to affected businesses in their purchase decisions regarding CreditBuilder Line products.

88. Respondent's failure to disclose or disclose adequately the material information described in Paragraph 86, in light of the representation set forth in Paragraph 85, is a deceptive act or practice.

Count V
Unfair Dispute Investigation and Resolution Practices

89. As described in Paragraphs 7-11, 22, 23, 29-33 and 40, in numerous instances, Respondent has reported incorrect information on affected businesses' D&B credit reports, yet has not provided affected businesses with a reasonable means to dispute such information.

90. This practice has caused or is likely to cause substantial injury to consumers that is not outweighed by countervailing benefits to consumers or competition and is not reasonably avoidable by consumers themselves. This practice is an unfair act or practice.

Violations of Section 5

91. The acts and practices of Respondent as alleged in this complaint constitute unfair or deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act.

THEREFORE, the Federal Trade Commission this 6th day of April, 2022, has issued this Complaint against Respondent.

By the Commission.

April J. Tabor
Secretary

SEAL:

In the Matter of:

Dun & Bradstreet

February 12, 2019

FTC-00008796

Condensed Transcript with Word Index



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4

1 P R O C E E D I N G S
 2 - - - - -
 3 FTC-00008796
 4 STEVE: [REDACTED].
 5 RACHEL: Hi, is Steve available?
 6 STEVE: This is Steve.
 7 RACHEL: Hi, Steve. It's Rachel from Dun &
 8 Bradstreet on a recorded line. We were chatting online
 9 there about the credit files.
 10 STEVE: Yes. Can I close my chat file now?
 11 RACHEL: Yeah, you can close that out.
 12 STEVE: All right. Okay.
 13 RACHEL: All right. So is this the first time
 14 that you (inaudible) about your credit file; that you've
 15 ever really needed the credit report before?
 16 STEVE: Yeah.
 17 RACHEL: Okay.
 18 STEVE: We got it in 2005.
 19 RACHEL: Okay.
 20 STEVE: We were applying for a federal grant
 21 from the Department of Education. We had to have a Dun &
 22 Bradstreet number. And after we got the grant, I just
 23 didn't -- didn't even know what my number was after that.
 24 I could go back on my original -- look all that up and
 25 find it. But I was like, okay, huh.

5

1 RACHEL: Okay. And what's going on? You said
 2 that you went to a new laboratory? Like, what exactly is
 3 it that your company does?
 4 STEVE: Drug testing.
 5 RACHEL: Oh, okay, okay. So you're using a new
 6 facility. Is this for expansion or --
 7 STEVE: We wanted to use a new laboratory
 8 because of some of the services they offer. Yeah,
 9 they've got some -- you know, some advanced equipment and
 10 stuff that does a better job. But they said our Dun
 11 Bradstreet is kind of a muck.
 12 RACHEL: Yeah. So your scores and ratings are
 13 all currently in the high-risk range.
 14 STEVE: Okay.
 15 RACHEL: And the scores and ratings are built
 16 off of two different types of information. They're built
 17 off of basic demographic info like where you're located,
 18 what your line of business is, how long you've been in
 19 business, how large the company is, stuff like that. And
 20 then financial information, which for your entity is
 21 going to be payment history. That's --
 22 STEVE: Right.
 23 RACHEL: -- reported to us from your vendors.
 24 Because of the niche type of line of business that you're
 25 in, you don't have a lot of vendors that you pay who

6

1 actually report payment history to us. So the first
 2 issue is there's not really a lot of information in here
 3 to build strong reporting --
 4 STEVE: That's what they said. There's just no
 5 information in there.
 6 RACHEL: Yeah.
 7 STEVE: They said it was like -- it was like
 8 almost we don't exist.
 9 RACHEL: Yeah. Can you give me an idea of what
 10 -- like, what your annual sales are as an organization?
 11 STEVE: \$104,000 last year.
 12 RACHEL: Okay. All right. So right now
 13 there's only a couple of payments on file. Of the
 14 payments that are currently on file, there have recently
 15 been a few that have been reported as paid slow. And
 16 they actually tank your scores quite a bit.
 17 STEVE: Okay.
 18 RACHEL: Okay? So you've got --
 19 STEVE: Two of those?
 20 RACHEL: Two -- two main components that you
 21 need to work on here.
 22 STEVE: Okay.
 23 RACHEL: The industries that are listed
 24 associated with these payments are short-term business
 25 credits.

7

1 STEVE: Okay.
 2 RACHEL: Recently reported last month with a
 3 high credit of \$1,000 and now owes \$1,000, low by up to
 4 30 days. And a miscellaneous business service industry
 5 for \$250. And then something pretty big that looks like
 6 it went to some type of a collection service for \$20,000.
 7 It doesn't give an actual company name or industry.
 8 The way that business credit works is the
 9 industries get listed on the credit report initially.
 10 And if there's a slow payment, you can put it in for
 11 dispute with us and we'll go back to the company that
 12 reported it on your behalf to confirm the details of the
 13 payment and then ask for a name release to come back to
 14 you and say, well, it was ABC Company and have you check
 15 your record.
 16 So the first thing that we want to do is put
 17 these payments in for dispute so that you can get an idea
 18 of where it's coming from.
 19 STEVE: Okay.
 20 RACHEL: This one in particular is a pretty
 21 hefty payment and it is listed as an unfavorable comment
 22 on your credit file, which probably doesn't mean anything
 23 to you because you don't quite know what that means. It
 24 basically just means that it was like a company that --
 25 some type of payment or line of credit or expense was

8

1 sent to a third party collection.
 2 STEVE: And I don't know who that would have
 3 been.
 4 RACHEL: Yeah. I mean, you're not going to
 5 have a ton of expenses as -- you know, with your line of
 6 business. So I'm not quite sure where these payments are
 7 coming from.
 8 STEVE: We have like Office Depot and our
 9 phone, our rent, but that's about it, you know, other
 10 than lab fees.
 11 RACHEL: Yeah. So what I'm going to recommend
 12 you do is work with our customer support department.
 13 They can put these payments in (inaudible) to help you
 14 get to the bottom of where they're coming from, and that
 15 will help clean up your scores.
 16 STEVE: Okay.
 17 RACHEL: Okay?
 18 STEVE: So it's just there's -- there's not
 19 much there really to work with.
 20 RACHEL: Yeah. I mean, most companies, there's
 21 only a small percentage of companies that actually
 22 automatically record payment history to Dun Bradstreet.
 23 STEVE: I see.
 24 RACHEL: And it's something like less than 5
 25 percent. So when you're in a niche type of line of

9

1 business, then it's even harder to get payment history on
 2 here.
 3 STEVE: So most of our -- most of our companies
 4 that we deal with don't even report to y'all. So --
 5 RACHEL: Yeah.
 6 STEVE: -- if we don't check up on it and then
 7 update it, then it doesn't get done.
 8 RACHEL: Any further than what it is now
 9 because, I mean, there is \$22,800 in here. So it's not
 10 like there's zero dollars. It's just it's not a lot.
 11 You can use --
 12 STEVE: Right.
 13 RACHEL: -- services that we provide. So you
 14 can update all that basic and demographic information
 15 that I was talking about. You can update all of that for
 16 free online.
 17 STEVE: Okay.
 18 RACHEL: If you want to build the report up,
 19 you can actually self-report some of the expenses that
 20 aren't being captured on here where you provide --
 21 STEVE: Okay.
 22 RACHEL: -- the contact information for the
 23 vendor.
 24 STEVE: Okay.
 25 RACHEL: We'll go to that vendor to get the

10

1 payment history to verify and add to your credit report.
 2 STEVE: So how do I do that? Do I do that --
 3 where do I do that at?
 4 RACHEL: That's (inaudible) of self-reporting
 5 vendors. So that process of self-reporting vendors is a
 6 service that we provide. It's a paid-for service. So
 7 your company --
 8 STEVE: Okay.
 9 RACHEL: -- would purchase the service with us.
 10 It's called Credit Builder Plus. It gives you access to
 11 monitor your scores for a year and it gives you the
 12 ability to report vendor information for up to 12 vendors
 13 over the course of the year.
 14 And at the same time, you can dispute those
 15 payments. But you can dispute those for free. You don't
 16 need a paid-for service to do that. Okay?
 17 STEVE: Okay.
 18 RACHEL: Now, the service retails at \$1,599.
 19 But based off of the size of your business and the
 20 limited number of expenses that you have, we'll offer you
 21 a discount if you're interested in proactively building
 22 the report. That brings the cost of the service down to
 23 \$800.
 24 STEVE: Well, I'd like to know what it is
 25 first. You know, I'd like to go in there and check on

11

1 that.
 2 RACHEL: On what is in the report currently?
 3 STEVE: Right.
 4 RACHEL: Okay. So you can do that right on our
 5 website for free.
 6 STEVE: Okay.
 7 RACHEL: What you want to do is go on the
 8 website and register your email address.
 9 STEVE: What is my number anyway?
 10 RACHEL: Your DUNS number -- let me give it to
 11 you -- is [REDACTED] --
 12 STEVE: Okay, [REDACTED] --
 13 RACHEL: No, it's [REDACTED] --
 14 STEVE: Oh, [REDACTED] I'm sorry.
 15 RACHEL: Yes, [REDACTED]
 16 STEVE: So [REDACTED].
 17 RACHEL: Yes.
 18 STEVE: So three zeroes and [REDACTED]
 19 RACHEL: And at the very beginning is a [REDACTED]
 20 STEVE: Got that.
 21 RACHEL: Yeah. So it's a total of nine digits.
 22 STEVE: I always worry about the big zeroes.
 23 You know, the zeroes, man, you can tell -- that gets you
 24 off real quick. It's got to be the right number.
 25 RACHEL: Right, yeah.

12

1 STEVE: Sorry about my bad joke about owner and
 2 chief bottle washer. I -- when you're a small business,
 3 you do a lot of things.
 4 RACHEL: Oh, no, no. That's okay. It wasn't a
 5 problem at all. I mean, I understand exactly how -- how
 6 that works. You're a jack of all trades. You do all
 7 kinds of stuff for the company.
 8 STEVE: Yes, yes, yes, yes.
 9 RACHEL: I mean, realistically your scores and
 10 ratings, I don't know how long ago this company pulled a
 11 copy of your report. It looks like they pulled it -- the
 12 most recent pulls happened in the last 90 days. But they
 13 didn't happen, like --
 14 STEVE: Probably one of those was [REDACTED]
 15 [REDACTED] --
 16 RACHEL: -- last March.
 17 STEVE: -- [REDACTED]
 18 RACHEL: Yes. So it doesn't look like they
 19 checked it last month. And last month is when that
 20 \$20,000 payment, the negative payment, was reported to
 21 the credit file. So if you go onto our website and you
 22 register for a free account right on the website, you can
 23 take a look at the free information in the credit file,
 24 the basic info for free, including that payment history.
 25 STEVE: Right.

13

1 RACHEL: And you can put the disputes in to at
 2 least start getting access and figuring out, you know,
 3 what's in here and get to the bottom of that part.
 4 STEVE: Sure. Excellent. Okay. Well, I will
 5 take care of that.
 6 RACHEL: Okay?
 7 STEVE: And I appreciate your help. So I'll
 8 know what to do. Like I say, after we got the grant, I
 9 didn't really want a DUNS number because we're such a
 10 small business.
 11 RACHEL: Mm-hmm. Yes. Well, and you're not
 12 going to need it for a lot of things. It's just every
 13 once --
 14 STEVE: No.
 15 RACHEL: -- in a while, you know, you're going
 16 to run into a situation where somebody wants to look at
 17 it. So --
 18 STEVE: Well, and I'll tell you this: We got
 19 -- there was another [REDACTED] --
 20 RACHEL: Mm-hmm.
 21 STEVE: -- that we got a lot of mail for. It
 22 was collection stuff. But it wasn't us. They were a --
 23 some type of construction type thing.
 24 RACHEL: Okay. So that could be part of the
 25 problem as to what is showing up on your credit files.

14

1 STEVE: Yeah. We got some stuff and it had
 2 another person's name on it that we didn't recognize.
 3 And the phone number was different. And I guess they --
 4 and we actually had a lady call us one time from, like,
 5 Georgia --
 6 RACHEL: Mm-hmm.
 7 STEVE: -- and said, you know, is this [REDACTED]
 8 [REDACTED] And I said yes. And she said, well, I had a
 9 credit card payment that came out to an [REDACTED] in
 10 [REDACTED] [REDACTED] and what did I buy from there? I
 11 said, did you have a drug test? And she said no. I
 12 said, well, that's not us, then.
 13 RACHEL: Yeah. Wow. That's crazy.
 14 STEVE: We do drug tests. All we do is drug
 15 and alcohol testing, and DNA testing.
 16 RACHEL: Yeah.
 17 STEVE: And it was --
 18 RACHEL: That's so weird.
 19 STEVE: -- a company, [REDACTED] in
 20 [REDACTED] that actually had ran a credit card on her.
 21 RACHEL: Wow. So then it is a very good chance
 22 that some of this information in the report could be
 23 connected with --
 24 STEVE: Now, I think they since --
 25 RACHEL: -- this company.

15

1 STEVE: -- went out of business --
 2 RACHEL: Oh, okay.
 3 STEVE: -- a couple or three years ago. But
 4 that's been four or five years ago that happened. I
 5 think they went out of business a couple or three years
 6 ago. They were -- they did, like, home improvement type
 7 stuff, you know, remodeling and things like that.
 8 RACHEL: Mm-hmm.
 9 STEVE: Did some concrete and custom rock work,
 10 you know, stone work, patios and things like that.
 11 RACHEL: Right, yeah. Like general
 12 construction stuff. Gotcha.
 13 STEVE: Yeah, basically.
 14 RACHEL: Well, I mean, once you put these
 15 payments in for dispute, we'll get to the bottom of them
 16 with you.
 17 STEVE: Okay.
 18 RACHEL: And if we find that there's a
 19 situation where the payment really doesn't belong to your
 20 business, then we're going to remove it from the credit
 21 report.
 22 STEVE: Excellent.
 23 RACHEL: Let me give you a phone number, too,
 24 to follow up with in case you have any issues getting
 25 into the account or if you have any problems or anything

16

1 like that.
 2 STEVE: Okay.
 3 RACHEL: You can call [REDACTED] --
 4 STEVE: [REDACTED] --
 5 RACHEL: -- [REDACTED]
 6 STEVE: [REDACTED] And I've got everything else
 7 here now that I need. I'm going to print all this off
 8 and that way I'll have all my information. And --
 9 RACHEL: Perfect. Yeah, reach out to us --
 10 STEVE: Okay.
 11 RACHEL: -- if you need anything else. Okay?
 12 STEVE: I appreciate that.
 13 RACHEL: Have a good day.
 14 STEVE: Uh-huh.
 15 RACHEL: Bye-bye.
 16 (The call was concluded.)
 17 (The recording was concluded.)
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1 CERTIFICATE OF TRANSCRIPTIONIST

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I, George Quade, do hereby certify that the foregoing proceedings and/or conversations were transcribed by me via CD, videotape, audiotape or digital recording, and reduced to typewriting under my supervision; that I had no role in the recording of this material; and that it has been transcribed to the best of my ability given the quality and clarity of the recording media.

I further certify that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were transcribed; and further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of the action.

DATE: 2/6/2019 s/George Quade
GEORGE QUADE, CERT

In the Matter of:

Dun & Bradstreet

February 12, 2019

FTC-00008797

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1 P R O C E E D I N G S
 2 - - - - -
 3 FTC-00008797
 4 STEVE: [REDACTED], this is Steve. May I
 5 help you?
 6 MICKEY: Hi, Steve. This is Mickey with Dun &
 7 Bradstreet.
 8 STEVE: Oh --
 9 We're on a recorded line. Hello, how are you?
 10 STEVE: Yeah, I was told earlier that I can go
 11 on there and -- without having to pay --
 12 MICKEY: Uh-huh.
 13 STEVE: -- contest a report.
 14 MICKEY: So you can dispute --
 15 STEVE: Because it's showing a \$20,000 --
 16 MICKEY: Slow payment?
 17 STEVE: Something that is on there that I
 18 wasn't aware of.
 19 MICKEY: Okay. And I wanted to let you know
 20 the call is recorded for quality.
 21 STEVE: Sure.
 22 MICKEY: So I'm just -- my system is loading up
 23 your report right now. So I'm trying to take a look at
 24 it so that we can address the situation here.
 25 STEVE: Okay.

5

1 MICKEY: All right. And then --
 2 STEVE: We had a lab that we were trying to do
 3 business with. I know there's not much on ours so -- I
 4 tried to log in. It kept trying to charge me for stuff,
 5 wanting me to put a credit card in and everything. And
 6 I'm like, ahhh, no.
 7 MICKEY: You were probably -- yeah, the system
 8 was probably trying to -- to, like, let you purchase a
 9 copy of the report. Steve, what is your title with the
 10 business?
 11 STEVE: I am -- as I told her, owner and chief
 12 bottle washer.
 13 MICKEY: Okay. So all of the above.
 14 STEVE: All of the above, yes.
 15 MICKEY: Okay.
 16 STEVE: Other duties as assigned.
 17 MICKEY: Right. Now, let's see. Oh, yeah,
 18 there's -- there's a lot of issues with your report.
 19 Have you ever actually looked at this other than today?
 20 STEVE: No. I haven't even looked at it today.
 21 Just what little I saw on there. We got that in 2005.
 22 We had applied for a grant from the Department of
 23 Education and had to have a DUNS number.
 24 MICKEY: Okay.
 25 STEVE: -- to apply for the grant. And that's

6

1 how we ended up with it. And I haven't touched it since.
 2 MICKEY: Okay. All right. So a couple of
 3 things. The person that you spoke with earlier, do you
 4 know who that was?
 5 STEVE: I don't.
 6 MICKEY: Okay. So what I'm going to do is I'm
 7 going to set you up with -- it's a quick view. So it's a
 8 little bit different than logging in. But there's some
 9 stuff that you need to see on here that you're not going
 10 to have access to see unless you pay for service. So I'm
 11 just going to set it up here for you. It's a snapshot of
 12 the report.
 13 STEVE: Okay.
 14 MICKEY: Give me a second while I'm doing that
 15 in the system. Okay?
 16 STEVE: Are you going to email that to me or
 17 something?
 18 MICKEY: It should send you an email, but give
 19 me a second.
 20 STEVE: Yeah. She said there was a \$20,000
 21 collection on us. I haven't heard of anything.
 22 MICKEY: Yeah. Honestly, there's a lot of
 23 problems with this report. A lot.
 24 STEVE: Okay.
 25 MICKEY: So -- okay. So you know the login

7

1 that you did for the credit signal where you see the
 2 trends of your scores?
 3 STEVE: Yeah, it's --
 4 MICKEY: Okay.
 5 STEVE: -- of course our email address and
 6 [REDACTED], apostrophe.
 7 MICKEY: Okay. So it's going to be that same
 8 login, but give me one second while I add it in. I'm
 9 still filling out your address and everything. It makes
 10 me re-fill out everything for your business --
 11 STEVE: Sure.
 12 MICKEY: -- before it will send it to you. The
 13 lab that you're talking about, was that like a customer
 14 that you were working with or a vendor or --
 15 STEVE: It was a new vendor that we were
 16 looking at.
 17 MICKEY: Oh. So you were going to be buying
 18 from them?
 19 STEVE: Well, yeah, services. Just lab
 20 services. But they said in a report -- the other lady
 21 said, yeah, there's a lot of weird stuff on there. Some
 22 of it is just -- it's just like there's not been a whole
 23 lot, though.
 24 MICKEY: Yeah. There's not a whole lot. And
 25 what is on here is not good.

8

1 STEVE: What it is is negative, and -- yeah.
 2 MICKEY: Exactly. You don't have enough
 3 positive to outweigh the [REDACTED]
 4 [REDACTED]
 5 [REDACTED] right. So go ahead and log into
 6 that account.
 7 STEVE: Okay. Hang on. Okay, come on. Oh,
 8 come on. Really? You going to do this to me now? Hang
 9 on.
 10 MICKEY: Sure.
 11 STEVE: My ESAP is scanning. If it sees
 12 unusual activity, it kind of kicks back --
 13 MICKEY: Wants to make sure it's safe.
 14 STEVE: Oh, yeah.
 15 MICKEY: Well, that's good.
 16 STEVE: It scans --
 17 MICKEY: It's good and annoying at the same
 18 time.
 19 STEVE: Yeah, it is. Okay, here we go. Now
 20 we're cooking. Dun Bradstreet reports; company name,
 21 [REDACTED]; search; boom, [REDACTED],
 22 there I am; select.
 23 MICKEY: Let me know once it gets you in there.
 24 STEVE: Here I go.
 25 MICKEY: Okay. And you can always just view it

9

1 and look at the basic information for free online. This
 2 is just going to be a different portal just so you can
 3 actually see some of the scores on the report so that you
 4 understand the status of this file.
 5 So what do you see right now?
 6 STEVE: It's asking for a credit card.
 7 MICKEY: Oh, it shouldn't ask you for a credit
 8 card. You're just logging in, right?
 9 STEVE: Right. Let's see, let's try it again
 10 here.
 11 MICKEY: It does not ask you for a credit card
 12 in this screen.
 13 STEVE: Google Dun Bradstreet login. Let's
 14 see if that works.
 15 MICKEY: Yeah. Well, you know what, go to --
 16 because we have two websites. So make sure you're on
 17 www.d, like David, a-n-d, so apple, Nancy, David --
 18 STEVE: Okay. Hang on a second.
 19 MICKEY: B like boy --
 20 STEVE: Okay. Give me just a second here.
 21 Come on. Okay. Www-dot --
 22 MICKEY: D as in David, and, a-n-d, apple,
 23 Nancy, boy -- D again like David. So dandb, like Dun
 24 Bradstreet.com.
 25 STEVE: Dunandb.

10

1 MICKEY: But you don't spell out Dun, okay?
 2 Just the letter D.
 3 STEVE: DandB.
 4 MICKEY: Yes.
 5 STEVE: Right.
 6 MICKEY: Okay.
 7 STEVE: Dot-com. There.
 8 MICKEY: It should look different, right?
 9 STEVE: Right.
 10 MICKEY: Okay. On the left-hand corner,
 11 there's a log-in screen. Click on that.
 12 STEVE: There it is, got it. Boom, there it
 13 is. Never save, no. Don't save those. Okay. [REDACTED]
 14 [REDACTED] I've got a quick view and a credit signal.
 15 MICKEY: Under quick view, click view report.
 16 STEVE: Okay.
 17 MICKEY: And then the business summary is going
 18 to come up. So since a lot of that stuff is blank, how
 19 many employees do you guys have?
 20 STEVE: Three.
 21 MICKEY: Okay. What do you -- what is it that
 22 the company does?
 23 STEVE: Drug testing.
 24 MICKEY: Okay. And then the estimated revenue
 25 per year is about 120?

11

1 STEVE: We did 104 last year.
 2 MICKEY: Okay. And then you can take a look at
 3 the scores and the readings. This is your current
 4 status, your Paydex score. When you click on the top on
 5 the left, it says click --
 6 STEVE: Right.
 7 MICKEY: Mm-hmm. So the first one is Paydex.
 8 What this does is it showcases how you pay your bills.
 9 That scoring system goes from a one to 100, and 80 means
 10 that you pay within terms. So right now yours is a five.
 11 Okay? The next one --
 12 STEVE: Rating, CR-4.
 13 MICKEY: Yeah. You can click around on all of
 14 those. You know, it's pretty obvious your credit limit
 15 recommendation is going to be a zero. But if you click
 16 on the payments, this will show you the unfavorable
 17 comment for \$20,000.
 18 STEVE: Comments.
 19 MICKEY: You've got to scroll down.
 20 STEVE: Where do I find that?
 21 MICKEY: When you click on payments, you have
 22 to scroll down a little bit and it shows you --
 23 STEVE: Oh, okay.
 24 MICKEY: -- trends. Yeah, and then underneath
 25 that it shows the unfavorable comment for \$20,000. So

12

1 that's -- that's number one problem. And then you also
 2 have these other -- other two vendors reporting yearly on
 3 the short-term business credit for \$1,000 and then the
 4 business service for 250.
 5 Now, the main problem -- one of the main
 6 problems is when you click under public filings, you have
 7 all kinds of tax liens coming up.
 8 STEVE: And those are all taken care of.
 9 MICKEY: Like, paid taken care of or you set up
 10 arrangements --
 11 STEVE: No. I have a payment plan. I've got
 12 that --
 13 MICKEY: Okay.
 14 STEVE: -- in writing from the IRS.
 15 MICKEY: Okay. So, you know, there's two of
 16 the same one reporting it looks like. But --
 17 STEVE: Right.
 18 MICKEY: It looks -- you know, when somebody
 19 else looks at it, I mean, it looks like you owe like
 20 \$80,000 or probably more because that same one posted on
 21 there twice. Let me see the total amount of open liens
 22 showing. Yeah, like it looks like you guys owe \$90,287
 23 total.
 24 STEVE: No.
 25 MICKEY: Because this one posted on there

13

1 twice.
 2 STEVE: Hang on just a second here.
 3 (Brief pause.)
 4 STEVE: Yeah, it's actually \$34,000. And I
 5 have an agreement -- payment agreement for \$100 a month.
 6 That's going to be reduced even further. They actually
 7 -- because I have an attorney working on it.
 8 MICKEY: Mm-hmm.
 9 STEVE: They are looking into that because they
 10 were saying we didn't file some 1120Ss, which we did, and
 11 941s. So I had to turn all those over that I had here.
 12 MICKEY: Okay.
 13 STEVE: And they're going to go back and
 14 renegotiate that. It's probably going to be closer to
 15 \$14,000 is what the attorney said.
 16 MICKEY: Oh, good. So you guys should be able
 17 to pay that off.
 18 STEVE: So that's why they just did it for \$100
 19 a month because, I mean, you can't owe that much money to
 20 the IRS and they're going to let you pay \$100 a month.
 21 MICKEY: Right.
 22 STEVE: Yeah. And so they even deferred the
 23 payments until March, the end of March, so they could get
 24 all this cleaned up before the payments start.
 25 MICKEY: Okay. So you can just view those.

14

1 Like I said earlier, basic updates and disputes are done
 2 at no charge. But to be honest with you, to have an
 3 impact on your scores and your ratings, you are going to
 4 need to add more references in here -- more payment
 5 references to help improve your payment summary.
 6 STEVE: Okay.
 7 MICKEY: So that's where the service comes in.
 8 So that's done through the CreditBuilder. So that's a
 9 service that you pay for, and that allows you to add the
 10 payment history to help improve your status on Dun &
 11 Bradstreet.
 12 STEVE: Okay. And these -- these loans that
 13 are out --
 14 MICKEY: The [redacted] --
 15 STEVE: [redacted], all of that, those are
 16 probably going to be --
 17 MICKEY: Validated?
 18 STEVE: No. Those are probably going to be
 19 wiped out. Those were -- the State Attorney General is
 20 fixing to go after some of these companies. And I -- we
 21 took this money out, we were the first part of last year.
 22 We took some big hits in our business. We do the drug
 23 and alcohol testing. We lost about \$6,000 a month in
 24 gross revenues, and \$12,000 in bad debt invoices from oil
 25 and gas producers and oil fill service companies that

15

1 went out of business.
 2 MICKEY: Oh, no.
 3 STEVE: And -- yes. And so I took out some --
 4 a couple of these advances just to kind of bridge. They
 5 are -- the attorney general here I think is fixing to
 6 file a class action lawsuit, it sounds like. Because
 7 some of these places are doing those daily pays, which
 8 they were doing with us, and it's the way they're
 9 compounding them. It looks like interest rate, which I
 10 didn't understand.
 11 They said, you know, we're giving you this --
 12 you know, this rate at 15 percent. But what it is it's
 13 15 percent of your daily gross revenues, and so it ends
 14 up to be like 200, 300 percent interest, which is illegal
 15 in the State of [redacted] because the State of [redacted] has a
 16 set maximum interest rate that can be charged on loans.
 17 MICKEY: Oh, okay. Well, as soon as you get
 18 that, if you do get those paid or if you want to dispute
 19 those, you can always dispute them off of the report,
 20 too. And that's part of the free service. The only
 21 problem is is you're only able to dispute five items at a
 22 time.
 23 STEVE: Right.
 24 MICKEY: So you can dispute the five and
 25 then --

16

1 STEVE: The only one I need to -- the only one
 2 I need to fix right now, the main one, is that lien
 3 because that's -- of course, the lien stays in force, but
 4 we do have a agreement --
 5 MICKEY: Yeah. And at this point --
 6 STEVE: -- which I have in writing.
 7 MICKEY: -- I mean, it looks like there's two
 8 that are the same lien being reported.
 9 STEVE: Right.
 10 MICKEY: Okay. So that -- because it's on
 11 there twice, it looks like it's two separate liens when
 12 you look, like, on paper. You know what I mean?
 13 STEVE: Right.
 14 MICKEY: So you're going to need to dispute
 15 those. And then plus that \$20,000 slow payment, or the
 16 unfavorable comment. That also needs to be taken care
 17 of, too.
 18 STEVE: Right.
 19 MICKEY: And then in the meantime, you're going
 20 to need start adding in the tradelines. Now you can't
 21 see this on your end, but there have been 11 inquiries on
 22 the report.
 23 STEVE: Right.
 24 MICKEY: So those are other companies purchased
 25 a new report to run a risk assessment on you. Other than

17

1 that lab, who else would have been looking at this?
 2 STEVE: I'm not sure. Two labs, that's about
 3 it.
 4 MICKEY: Two?
 5 STEVE: Two --
 6 MICKEY: Okay.
 7 STEVE: -- is all I know of.
 8 MICKEY: Okay. Yeah, because there's been 11
 9 of them on here within the last 12 months, which is a
 10 lot.
 11 STEVE: Huh. So how do I contest these? You
 12 said I --
 13 MICKEY: So -- yeah.
 14 STEVE: -- can do five of them for free?
 15 MICKEY: Uh-huh. So what you do is on the
 16 upper right-hand corner of the screen where it says
 17 Welcome, Steven, click on that, and then click on company
 18 update. And then you can go through that process --
 19 STEVE: Okay.
 20 MICKEY: -- to get access. Now, were you
 21 wanting to set up the service to help build and improve
 22 your scores and your ratings, or --
 23 STEVE: Well, I want to get this done first.
 24 MICKEY: Yeah, that's fine.
 25 STEVE: Because this is a pressing matter

18

1 because I need to get this new lab on board. And to do
 2 that, I need to get this cleaned up.
 3 MICKEY: Mm-hmm. The only issue is, is that
 4 even when you get that \$20,000 payment removed --
 5 STEVE: Right.
 6 MICKEY: -- your payment history is only
 7 \$22,000 on here. So when you get the \$20,000, if it
 8 comes off, then that's going to drop the payment history
 9 to \$2,000. So it still may not put your report in the
 10 best shape, if that makes any sense. You're going to
 11 have -- you're going to have to do more than one thing at
 12 once to really get the ball rolling with the report.
 13 STEVE: Okay.
 14 MICKEY: You know? You're going to need --
 15 because this is a time-consuming process. So even during
 16 the disputes, I mean, that still takes usually about
 17 seven to 10 business days to even get that process
 18 completed.
 19 STEVE: Okay. So I've got dashboard, company
 20 update, account settings --
 21 MICKEY: Company update.
 22 STEVE: Company update. Okay. Company update
 23 is fast, free and easy to use.
 24 MICKEY: Close out of that.
 25 STEVE: Okay.

19

1 MICKEY: Click Get Started.
 2 STEVE: Get Started.
 3 MICKEY: You're going to have to search for
 4 your business.
 5 STEVE: Okay. Search. So there's a bunch of
 6 [REDACTED]. All right.
 7 MICKEY: Now, is this the Dun Bradstreet
 8 number that they gave to you?
 9 STEVE: Yes, [REDACTED] Okay, I clicked on the
 10 name of my company; submit. [REDACTED] --
 11 MICKEY: Yours was the first one that came up,
 12 right?
 13 STEVE: Right.
 14 MICKEY: Okay. There are quite a few in [REDACTED]
 15 there with your business name, huh?
 16 STEVE: There used to be another one here in
 17 town.
 18 MICKEY: Really? That's strange.
 19 STEVE [REDACTED]. Yeah, there were a
 20 general contractor, general construction. Because we had
 21 -- we got some mail for them, but it was at our address.
 22 But they've never been here. We've been here since 2002
 23 at this address.
 24 MICKEY: Mm-hmm.
 25 STEVE: But the phone number was not our phone

20

1 number, and the contact name was not me.
 2 MICKEY: So did you decide to give it a call,
 3 or --
 4 STEVE: I called them and they said, well, you
 5 have an outstanding debt for something from a lumber
 6 supplier or something like that. Anyway, it was, you
 7 know -- and I said, well, we do drug testing, so we don't
 8 use much lumber. And they said -- and I said, and I
 9 don't know who this person is. And they said, well, we
 10 just tried to find the company because they kind of
 11 dropped off the map; we've just been looking for them.
 12 MICKEY: Wow.
 13 STEVE: They come up with [REDACTED], us, and
 14 then it wasn't a month-and-a-half after that I had a lady
 15 from, like, Georgia or someplace call me and she said, is
 16 this [REDACTED]? I said, yes, it is. And she said,
 17 well, I've got a credit card charge from y'all and I need
 18 to know what it was for. And I said, well, it must have
 19 been a drug or alcohol test or a DNA test. And she said,
 20 I haven't had any of that. I said, has any of your
 21 family members? She said no.
 22 I said, well, that's all we do. So she said,
 23 no, it was for something else. And I said, that's
 24 nothing that we provide here. And I said, who is it
 25 processed through? And she told me it was some credit

21

1 card processing company here in town. I said, we don't
 2 use them; we use Intuit QuickBooks for all of our credit
 3 card processing. And so -- it was weird.
 4 MICKEY: That is. That is really weird. Okay.
 5 Because it's strange that the state would even let them
 6 register the name so close to yours, or even the exact
 7 same name.
 8 STEVE: Now, I use -- I don't use my home
 9 address on anything because of what we do for a living.
 10 We have -- we don't give out our address. We've had our
 11 house vandalized twice.
 12 MICKEY: Uhhh, really?
 13 STEVE: Yes.
 14 MICKEY: So -- so what you're doing right now,
 15 it is going to make you verify that. But we're not
 16 posting it anywhere.
 17 STEVE: Right.
 18 MICKEY: What you're doing is you have to
 19 authenticate to confirm you are who you say you are in
 20 order to have access to the disputes --
 21 STEVE: Okay. So nobody has access to this?
 22 MICKEY: No. We don't publish that or
 23 anything.
 24 STEVE: Okay. That's good. Because -- yeah,
 25 we do drug testing for the courts here. And --

22

1 MICKEY: Oh, I see.
 2 STEVE: Yeah. You have people lose their
 3 children. They tend to get a little upset.
 4 MICKEY: Oh, yeah. Oh, yeah. Even though it's
 5 really their fault.
 6 STEVE: Well, it's never their fault.
 7 MICKEY: Oh, right, right.
 8 STEVE: And [REDACTED] is no longer in the business.
 9 MICKEY: Okay. Yeah, I seen her listed --
 10 STEVE: [REDACTED]
 11 MICKEY: Okay. I wasn't sure if she was your
 12 [REDACTED] or not or --
 13 STEVE: [REDACTED]
 14 MICKEY: -- business partner. Okay.
 15 STEVE: [REDACTED]
 16 [REDACTED]
 17 MICKEY: [REDACTED]
 18 STEVE: [REDACTED]
 19 MICKEY: [REDACTED]
 20 STEVE: [REDACTED]
 21 arrangements. So, yeah, it's bad.
 22 MICKEY: [REDACTED]
 23 [REDACTED]
 24 STEVE: It [REDACTED]
 25 MICKEY: [REDACTED]

23

1 [REDACTED]
 2 STEVE: [REDACTED]
 3 [REDACTED] S hildre
 4 [REDACTED]
 5 MICKEY: Right.
 6 STEVE: Okay. Oh, wow, what's this?
 7 Professional license. We don't really have one even
 8 though I have them. It's not required --
 9 MICKEY: What is that? What is it asking you?
 10 STEVE: Professional license. You're not going
 11 to have ours on here.
 12 MICKEY: Yeah. Is it a requirement to put
 13 something there? If not, I would just skip that.
 14 STEVE: I don't think so, no.
 15 MICKEY: Okay.
 16 STEVE: No, it's not.
 17 MICKEY: Okay.
 18 STEVE: It does not have an asterisk or
 19 anything.
 20 MICKEY: Okay.
 21 STEVE: We don't have a website. I have a
 22 Facebook, but not really.
 23 MICKEY: That's fine.
 24 STEVE: I don't twiddle, twitter or -- I call
 25 it tweedle and -- because to me it's useless.

24

1 MICKEY: Yeah. I have a Facebook, but that's
 2 it. I don't do Instagram and --
 3 STEVE: I don't do all that.
 4 MICKEY: -- Twitter and --
 5 STEVE: No, we have a Facebook page --
 6 MICKEY: -- Snapchat and --
 7 STEVE: -- but it's more -- it's more -- we
 8 have people that get us on Facebook to ask questions, I
 9 had this drug test at such and such and it did this, and,
 10 you know, I was told that you guys can help me and tell
 11 me what to do. And so it's more professional. It's a
 12 business Facebook page. We don't really use it that
 13 much. It's a question and answer thing for me.
 14 MICKEY: Yeah. And if you're doing it for the
 15 court, you really don't have to, like, market your
 16 business out. Right? Unless you --
 17 STEVE: We do.
 18 MICKEY: -- guys are trying to find more --
 19 STEVE: We do. But we don't --
 20 MICKEY: -- companies to reach out to.
 21 STEVE: -- market much because it all comes
 22 from our other -- our customers. So we're loading your
 23 information; this may take a few minutes. But, yeah, we
 24 -- we don't really -- we used to have a website and, I
 25 don't know, I'm a quirky person. I'm not -- what are the

25

1 first two digits of my Social Security number. No, your
 2 business. Oh, sorry.
 3 MICKEY: No, you're fine. Don't ask me why it
 4 makes you go through this. But it's really for your
 5 security, just to --
 6 STEVE: Right, right.
 7 MICKEY: Because you wouldn't want somebody
 8 else going on here and updating this or changing the
 9 address to something else.
 10 STEVE: No. Absolutely not. That's why we use
 11 the ESAP. There we go, complete. Update your Dun
 12 Bradstreet report; review and dispute payments. There we
 13 go. Is that what I need to do?
 14 MICKEY: Yeah. Well, that's where you -- yeah,
 15 click on the review and dispute and then it's going to
 16 give you a list of them. Click on -- next to the
 17 \$20,000, click on that.
 18 STEVE: Okay.
 19 MICKEY: And then press dispute. Now, the only
 20 issue is is try -- try -- if you can, try to make sure
 21 everything is selected at once. Okay? As far as the
 22 liens and then that slow payment because I think if you
 23 submit the slow payment without doing the liens then it's
 24 going to lock you out of the system automatically. Then
 25 you're not going to be able to dispute the liens. Does

26

1 that make sense?
 2 STEVE: Yes. I've got to do up to five.
 3 MICKEY: And then the liens are going to be --
 4 let me remember how to get there. Click on -- try to
 5 click on public filings.
 6 STEVE: Review public filings.
 7 MICKEY: Yeah. And then --
 8 STEVE: It says, do you want to cancel update.
 9 MICKEY: Oh, so it's going to make you do one.
 10 You can give it a shot to go ahead and dispute that one
 11 and then come over to this other part.
 12 STEVE: Okay.
 13 MICKEY: Hopefully it's going to let you do
 14 both without locking you out.
 15 STEVE: I don't know what these cash accounts
 16 are.
 17 MICKEY: If they're showing you paid on time, I
 18 would just leave them. Because it could be, like, a
 19 purchase from, like, I don't know, some paper or
 20 something that you bought.
 21 STEVE: I don't have any cash accounts. Now,
 22 lease agreement, I don't have any lease agreements except
 23 for my lease on my office, and it never was \$750.
 24 MICKEY: And they can round that up. So if it
 25 was, like, \$720, it's going to be rounded.

27

1 STEVE: Yeah. It's -- it was \$1,194.70, and
 2 then when we started losing the business we moved down to
 3 a smaller office, and that's just the first of the year.
 4 So --
 5 MICKEY: Oh, okay.
 6 STEVE: -- it's -- or the end of last year. So
 7 this thing has been going since 4 of 2016. So I don't
 8 know what that is; never seen that before. I don't have
 9 any leases.
 10 MICKEY: I'm not sure. It could be like a
 11 computer lease, a copier lease.
 12 STEVE: Nothing. I don't lease things.
 13 MICKEY: Okay. Well, if it's not reporting you
 14 late, I would leave it on there. If it's reporting you
 15 late --
 16 STEVE: Not reporting -- it's not reporting --
 17 now owes \$750; past due, zero. So I don't know what that
 18 is.
 19 MICKEY: Yeah. I would just -- it looks -- it
 20 sounds like it's being paid on time. So I would just
 21 leave that on there for now.
 22 STEVE: Leave that one on there?
 23 MICKEY: Yeah.
 24 STEVE: Okay.
 25 MICKEY: If it starts doing you harm or showing

28

1 that you're not paying it or that it's not being paid,
 2 then dispute it. And then after you do that, then you
 3 click --
 4 STEVE: Yeah. \$20,000 is what now? That's the
 5 one that's the loan.
 6 MICKEY: Unfavorable comment.
 7 STEVE: Okay. What do I put, incorrect terms?
 8 MICKEY: Yeah, I would -- I would just mark any
 9 one of them. Because we're going to go through an
 10 investigation.
 11 STEVE: Okay, good. Okay, incorrect terms.
 12 Now it says back. So I guess that goes back so I can do
 13 some other ones?
 14 MICKEY: It doesn't show me the screen that
 15 you're on so I have no idea.
 16 STEVE: Let me just hit review public findings.
 17 MICKEY: Yeah, try to do that.
 18 STEVE: Okay. It says back. Now it lets me go
 19 back to that and it's got that one checked; review public
 20 findings.
 21 MICKEY: And then what is it showing you?
 22 STEVE: Cancel update.
 23 MICKEY: Oh, go ahead and do the update. Go
 24 ahead and finalize that other one.
 25 STEVE: Okay. Liens, review public filings,

29

1 details. Huh. Liens for -- there it is. There's four
 2 of those. So I could do all -- I could do two of those,
 3 couldn't I?
 4 MICKEY: You should be able to, yeah.
 5 STEVE: Because they're all for the same
 6 amount. Is that what you're showing?
 7 MICKEY: The two, the two bottom ones were for
 8 the same amount.
 9 STEVE: What is that showing, the \$40,000?
 10 MICKEY: Forty -- yeah, like 43 each. Let me
 11 pull it back up.
 12 STEVE: And what are the top ones for?
 13 MICKEY: Yeah, 43.
 14 STEVE: That one should be the 4,800.
 15 MICKEY: The top one is for 2,900, and then the
 16 second one down doesn't have a number.
 17 STEVE: Okay. They were filed on the same day.
 18 So it's probably the same filing.
 19 MICKEY: Start with the two bottom ones because
 20 those are the worst or the largest amounts --
 21 STEVE: Okay.
 22 MICKEY: -- I should say.
 23 STEVE: All right. Okay. Now, one of those --
 24 I'm going to do both of them because that's not the
 25 amount. That's the same filing.

30

1 MICKEY: Yeah. Just put not correct amount.
 2 STEVE: Upload -- it says upload.
 3 MICKEY: Oh, that's right. You've got to put
 4 some documents in there.
 5 STEVE: Okay.
 6 MICKEY: I'm sorry, I forgot about that. So
 7 you -- you have the document right now, right?
 8 STEVE: So I can put that agreement -- I can
 9 put that payment agreement in there --
 10 MICKEY: Yeah.
 11 STEVE: -- and that would -- okay.
 12 MICKEY: Hopefully -- hopefully it's going to
 13 remove it. I can't guarantee that it's going to remove
 14 it. But if not, I'm hoping at least they're going to
 15 remove one so that there's not the two listings on there
 16 so it doesn't look like you owe 90 grand. I mean, that's
 17 a lot of money.
 18 STEVE: Right. Yeah, yeah. And it's not
 19 actually much even. So --
 20 MICKEY: Mm-hmm. I mean, you're -- you're like
 21 a third of that. So if we can get it down to 30,000,
 22 that will probably look a lot better.
 23 STEVE: Hang on a second. Let me get the
 24 phone. IRS. Yeah, that was pretty strange dealing with
 25 all that. Well, you sure need an attorney, though.

31

1 MICKEY: What's that? And then when you try to
 2 call and to get it straightened out, you're spending
 3 hours on the line.
 4 STEVE: Well, it's -- you know, it's one of
 5 those things that you do stupid things when you panic.
 6 MICKEY: Mm-hmm.
 7 STEVE: And I thought, okay, well, what I'll do
 8 is I'll just hold off on paying some of these 941s and
 9 business will pick up and I'll pay a little late fee and
 10 a penalty and that will be all she wrote and we'll catch
 11 up.
 12 MICKEY: Yeah. It doesn't work out that way,
 13 huh?
 14 STEVE: Yeah. That was stupid.
 15 MICKEY: Well, at least now you know for the
 16 future.
 17 STEVE: [REDACTED] -- [REDACTED] -- [REDACTED]
 18 MICKEY: [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
 19 [REDACTED]
 20 STEVE: Yeah. [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
 21 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
 22 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
 23 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
 24 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
 25 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

32

1 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
 2 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
 3 MICKEY: [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
 4 STEVE: [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
 5 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
 6 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
 7 MICKEY: [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
 8 STEVE: [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
 9 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
 10 MICKEY: [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
 11 STEVE: [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
 12 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
 13 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
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 17 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
 18 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
 19 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
 20 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
 21 MICKEY: Oh, no.
 22 STEVE: Mm-hmm.
 23 MICKEY: That's terrible.
 24 STEVE: So I had to go down today and take care
 25 of that. That was always good.

33

1 MICKEY: A lot going on.
 2 STEVE: There's little piddly crap that, you
 3 know, you just want to pull your hair out after a while.
 4 But, you know it's -- I'm trying to -- I'm sure it's here
 5 in a pile of junk somewhere. We have -- we just moved
 6 our office so I'm discombobulated right now.
 7 MICKEY: Nothing is where it should be.
 8 STEVE: No, absolutely not.
 9 MICKEY: Yeah.
 10 STEVE: I've got -- we're having to redo our
 11 files because we don't have the space that we used to
 12 have. So I'm having to refile everything.
 13 MICKEY: Oh, yeah. As soon as you find it, you
 14 can just, you know, upload it into the account and then
 15 that's going to allow you to dispute it. And then, you
 16 know, as far as the disputes, like I was saying, they
 17 normally take about seven to ten business days.
 18 STEVE: Okay.
 19 MICKEY: Sometimes they take a little bit
 20 longer. But as long as you can get the documents
 21 uploaded in there, then it should -- should go pretty
 22 quickly.
 23 STEVE: Okay, good. Well, that's all I'll
 24 need. If I need anything, I've got the toll-free number
 25 she gave me. I was just --

34

1 MICKEY: All righty.
 2 STEVE: -- thinking maybe, you know, we can get
 3 that done quicker this way. But I couldn't negotiate
 4 that too well. So, anyhow, it's -- but I'll get that
 5 uploaded and -- there it is. I'll get that uploaded to
 6 you --
 7 MICKEY: Okay. Sounds good.
 8 STEVE: -- and, like I say, this is showing how
 9 much is actually --
 10 MICKEY: Currently owed, the balance. Okay.
 11 STEVE: Yeah, yeah.
 12 MICKEY: That's fine. Yeah, and if you are
 13 wanting to set up that credit builder service, this way
 14 you can focus on, you know, multiple things at once to
 15 get the file cleaned up. That would be the best option
 16 for you guys. Even if you set the service up on a
 17 monthly basis for now, I would definitely recommend you
 18 to do that. Okay?
 19 STEVE: How much does that run?
 20 MICKEY: So the -- the yearly cost, retail,
 21 it's \$1,599, \$1,599. We can put in some discounts. I
 22 can -- because I know you're a smaller company and you
 23 guys have a lot going on. So we can discount it down to
 24 \$799 -- \$799.50.
 25 STEVE: Okay.

35

1 MICKEY: Or monthly. Monthly is going to be
 2 more expensive just because we -- we have no control over
 3 your discount. So monthly is going to be \$159 a month.
 4 STEVE: Okay. All right. Well, very good.
 5 Listen, thank you very much. I appreciate your help.
 6 MICKEY: No problem. Enjoy the rest of your
 7 day.
 8 STEVE: Thank you.
 9 MICKEY: Bye-bye.
 10 (The call was concluded.)
 11 (The recording was concluded.)
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36

1 CERTIFICATE OF TRANSCRIPTIONIST
 2
 3
 4 I, George Quade, do hereby certify that the
 5 foregoing proceedings and/or conversations were
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 23
 24
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In the Matter of:

Dun & Bradstreet

February 12, 2019

FTC-00008800

Condensed Transcript with Word Index



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1 OFFICIAL TRANSCRIPT PROCEEDING
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3

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1 FEDERAL TRADE COMMISSION
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4

1 P R O C E E D I N G S
 2 - - - - -
 3 FTC-00008800
 4 RONNIE: Thank you for calling Dun &
 5 Bradstreet. All calls are recorded. This is Ronnie.
 6 How may I help you?
 7 PHILIP [REDACTED] Hey, there, Ronnie. Philip
 8 [REDACTED] How are yo
 9 RONNIE: Hello. I'm great, how are you?
 10 PHILIP [REDACTED] Good. Hey, trying --
 11 RONNIE: Good.
 12 PHILIP [REDACTED] -- to pull up these reports on
 13 my business here, and I -- I don't know what to do. It's
 14 my first time doing it. I was trying to get credit
 15 somewhere and somebody said some shit's showing up on my
 16 Dun & Bradstreet report. So I need to see what it looked
 17 like.
 18 RONNIE: Okay. Let's -- let me help you with
 19 that. Let's see here. May I have your DUNS number?
 20 PHILIP [REDACTED] No, I didn't even know I had
 21 one.
 22 RONNIE: Oh, okay. Let me see if you have one
 23 here. So a lot of times you could be given one
 24 organically once you get recognized as a business.
 25 PHILIP [REDACTED] I had to look it up by telephone

5

1 number when I was on your website. It wouldn't accept
 2 the business name for some reason.
 3 RONNIE: Okay. What's your business name?
 4 PHILIP [REDACTED]
 5 [REDACTED]
 6 [REDACTED]
 7 RONNIE: Okay.
 8 PHILIP [REDACTED]
 9 RONNIE: And where is your business located?
 10 PHILIP [REDACTED]
 11 RONNIE: [REDACTED] Okay, awesome. Thank
 12 you. And may I have your name for compliance purposes?
 13 PHILIP [REDACTED] Phil [REDACTED]
 14 RONNIE: All right, Phil.
 15 PHILIP [REDACTED] Phil [REDACTED]
 16 RONNIE: Thanks, Phil. All right, Phil. I'm
 17 looking at your company credit report right now. Your
 18 DUNS number is [REDACTED]. It says
 19 the CEO is Matthew [REDACTED].
 20 PHILIP [REDACTED] Yes.
 21 RONNIE: Is that -- is that right, Phil?
 22 PHILIP [REDACTED] That is correct.
 23 RONNIE: All right; perfect. It shows that
 24 you're a \$9 million company.
 25 PHILIP [REDACTED] Yep.

7

1 RONNIE: Yeah, yeah. It's -- is [REDACTED] the
 2 manufacturing company?
 3 PHILIP [REDACTED] No. It's a [REDACTED] company.
 4 RONNIE: Okay. And why would they be
 5 purchasing your report, Phil?
 6 PHILIP [REDACTED] Because we're increasing the
 7 amount of business we're doing with them.
 8 RONNIE: Oh, nice. Okay. Let me go over this
 9 basic demographics with you really quick. I want to make
 10 sure this is going out correctly. [REDACTED]; your
 11 DUNS number is [REDACTED]. That's on the report. Your
 12 phone number is [REDACTED]. Is that correct, Phil?
 13 PHILIP [REDACTED] that is correct.
 14 RONNIE: Perfect. And then your address is
 15 [REDACTED], [REDACTED] (inaudible) thousand
 16 six. So I've got to ask you for -- being a \$9 million
 17 company, you only have three employees?
 18 PHILIP [REDACTED] Yeah.
 19 RONNIE: And then Matthew [REDACTED], single
 20 location; sales is \$9 million; business services is your
 21 line of business. What is it you guys do? What is
 22 [REDACTED]?
 23 PHILIP [REDACTED] We're in the telecommunication
 24 industry.
 25 RONNIE: So I would -- like, if I want to do a

6

1 RONNIE: You have inquiries on your report. I
 2 guess, Phil, how familiar are you with Dun & Bradstreet,
 3 sir?
 4 PHILIP [REDACTED] I remember talking about you
 5 guys when I was in college.
 6 RONNIE: Okay, nice.
 7 PHILIP [REDACTED] But other than that..
 8 RONNIE: What was you talking about in college?
 9 PHILIP [REDACTED] You know, I just remember it
 10 being mentioned if one of my college classes.
 11 RONNIE: Okay. Well, you're familiar with your
 12 personal credit, Phil, how that works with TransUnion --
 13 PHILIP [REDACTED] Yes.
 14 RONNIE: -- Equifax, Experian, how they hold
 15 your personal credit? So we -- Dun & Bradstreet, we hold
 16 your business credit. That DUNS number is like the
 17 Social Security number to your business, and attached is
 18 your company credit report that I'm currently looking at
 19 right now. There is activity on the report. Typically
 20 what that means is that activity is companies or
 21 businesses that you are currently working with, it looks
 22 like they reached out to Dun & Bradstreet and they
 23 purchased a copy of your company credit file.
 24 PHILIP [REDACTED] Okay. Yeah, that should have
 25 been [REDACTED] recently.

8

1 conference meeting, you would set that up for me? That's
 2 how, I'm assuming?
 3 PHILIP [REDACTED] Yeah, mm-hmm.
 4 RONNIE: Okay, cool. How do you get your
 5 customers?
 6 PHILIP [REDACTED] They come to us.
 7 RONNIE: All right, nice. Well, you have ten
 8 inquiries. Typically that means, like I was telling you,
 9 businesses you're more than likely working with purchased
 10 a copy of your company credit report. They spend up to
 11 188 bucks to look at your financial resume.
 12 PHILIP [REDACTED] Yeah. Apparently something bad
 13 is on there.
 14 RONNIE: Okay. Why do you say that? What's
 15 going on?
 16 PHILIP [REDACTED] Well, because -- because they
 17 said after looking at our Dun & Bradstreet they wouldn't
 18 give us the credit. We have to give them cash to cover
 19 our --
 20 RONNIE: Okay. Okay.
 21 PHILIP [REDACTED] I need to know what's wrong on
 22 there so I can fix it.
 23 RONNIE: Okay.
 24 PHILIP [REDACTED] And that's why I'm calling you.
 25

9

1 RONNIE: Okay. So there's -- well, you have
 2 your company credit report and there's five scores and
 3 ratings on the report currently. And because you haven't
 4 got in this report and managed this report, you're
 5 showcasing that you only paid out \$7,700 in the last 24
 6 months to operate your business. And the reason why that
 7 is, there's only a handful of companies that report to
 8 Dun Bradstreet. Okay?
 9 PHILIP [REDACTED] Yeah.
 10 RONNIE: We make it so we give you full access
 11 to your files so you can give us all that -- those
 12 companies that you pay out to operate your business, and
 13 we put them -- we help you get that on the report. Okay?
 14 So basically you give us the names and the address of
 15 those companies and then we go and help them get all that
 16 financial data on the report for you.
 17 PHILIP [REDACTED] Okay.
 18 RONNIE: Right now currently, because it's only
 19 showing \$7,700 and your -- you got some slow pays on the
 20 report that you're not aware of. So your Paydex score is
 21 a 51. So the Paydex score is like the FICO score to your
 22 personal credit. Okay?
 23 PHILIP [REDACTED] I got you.
 24 RONNIE: Because of the financial data that's
 25 on the report currently, that's why it's showing that.

10

1 That's probably why they're not going to lend you or
 2 extend any kind of credit towards you because of your
 3 report.
 4 PHILIP [REDACTED] Yeah.
 5 RONNIE: The way it shows on -- because this is
 6 important to showcase your full financial strength of
 7 your company. Your SER score is a five. The SER score,
 8 it's called the supplier evaluation risk. Basically what
 9 this score lets companies know how long -- how much
 10 longer you're going to be in business based on that
 11 score. You're currently at a five right now. So nine is
 12 the highest.
 13 PHILIP [REDACTED] Oh, okay.
 14 RONNIE: So you're kind of right in the middle
 15 there. Typically it likes to see below the five. So
 16 you're right on that line. But -- so we make it capable
 17 so you have full access to your file so you can showcase
 18 that. And we make it so you get verified on the report.
 19 What that means is when we do a background check, this
 20 basically shows you're a legitimate company. When you
 21 are -- when you do get your company credit report pulled
 22 from Dun Bradstreet.
 23 PHILIP [REDACTED] Okay.
 24 RONNIE: Does that make sense?
 25 PHILIP [REDACTED] Yeah.

11

1 RONNIE: How many -- how many bills or expenses
 2 do you pay out on a monthly basis?
 3 PHILIP [REDACTED] Hold up.
 4 RONNIE: Ten, 15?
 5 PHILIP [REDACTED] I don't know, \$300,000?
 6 RONNIE: Okay. That's about right for \$9
 7 million. So you got your mascot in there?
 8 PHILIP [REDACTED] Yeah.
 9 RONNIE: That's awesome. What kind of dog is
 10 he?
 11 PHILIP [REDACTED] He's a yellow lab mutt.
 12 RONNIE: Nice, nice. You just got one?
 13 PHILIP [REDACTED] Yeah, yeah.
 14 RONNIE: Yeah. Yeah, I love dogs. I got four
 15 of them myself.
 16 PHILIP [REDACTED] Oh, fantastic.
 17 RONNIE: I know. It keeps me -- keeps my hands
 18 full for sure. So you're paying out about \$300,000. We
 19 need to make sure that this showcases on the report for
 20 you to give you -- you can always update, view and
 21 dispute any of that basic information for free. But to
 22 have full access to your file and to be able to get in
 23 here and give us all that financial information that
 24 you're paying out to that the report's lacking, and to
 25 get your scores and ratings fixed so you can have -- with

12

1 the communication company that you were telling me about
 2 --
 3 PHILIP [REDACTED] Uh-huh.
 4 RONNIE: -- so you can extend that credit, you
 5 need full access to it. And it's a fee-based service
 6 that we provide for you. It's an annual fee to get in
 7 here and start doing this, Phil.
 8 PHILIP [REDACTED] Okay.
 9 RONNIE: I mean, I recommend the premium
 10 because of the size company you are. Inaudible) looking
 11 at about 25 trade references, you can pull ten reports on
 12 others, and you get full monitoring. And this is going
 13 to help with that background check. So once I send you
 14 out your links and logins, you'll have full access and
 15 you can start building this up. We show you how to do
 16 this so you can start leveraging your DUNS number to grow
 17 your business. What is your email address, Phil?
 18 PHILIP [REDACTED]
 19 RONNIE: And that -- is it with one L?
 20 PHILIP [REDACTED] Yes, one L, P-h-I-l --
 21 RONNIE: Okay, okay [REDACTED].
 22 So, yeah, the annual fee for the premium credit builder,
 23 it's \$1,999. Typically you would have an activation fee
 24 of \$149. I'll get that waived for you today.
 25 PHILIP [REDACTED] Okay. I got to talk to the

13

1 partners about this, though.
 2 RONNIE: Okay.
 3 PHILIP [REDACTED] I can't just --
 4 RONNIE: I --
 5 PHILIP [REDACTED] -- inaudible) right now.
 6 RONNIE: Okay. How soon -- I mean, how soon do
 7 you need this report fixed?
 8 PHILIP [REDACTED] Well, I'm only giving them
 9 \$7,500 to continue working with them. So --
 10 RONNIE: Yeah. I mean, I --
 11 PHILIP [REDACTED] Inaudible).
 12 RONNIE: Typically, I mean, we have the
 13 CreditBuilderPlus, which is a smaller one. That's
 14 \$1,599. That will give you access to put in 12 trade
 15 references.
 16 PHILIP [REDACTED] Yeah.
 17 RONNIE: What I can do, Phil, is -- are you at
 18 your email right now?
 19 PHILIP [REDACTED] Yes, I am.
 20 RONNIE: Here, let me -- let me do this. Let
 21 me send you over the PDF so you can see these. For
 22 everything that you're trying to accomplish, I mean, I
 23 understand, you know, I don't -- we're not trying to
 24 break the bank by no means --
 25 PHILIP [REDACTED] Yeah. It's just weird that --

14

1 it's just weird because in 11 years of doing business,
 2 I've never even come across this.
 3 RONNIE: Yeah. And you're -- you know what,
 4 honestly, Phil, you're going to find it more and more and
 5 more. I mean, it's -- I've been with Dun Bradstreet
 6 for about a year now, and the more companies that require
 7 business credit and it makes -- they look at them scores
 8 and ratings. I -- it's crazy. I'm not kidding you. It
 9 absolutely is. And that's why you've been in business
 10 for as long as you have and then you're hearing it for
 11 the first time.
 12 PHILIP [REDACTED] Yeah.
 13 RONNIE: And this is -- I mean, this is where
 14 you want to make sure that you're -- we give you the
 15 opportunity to make sure you're leveraging yourself by
 16 making sure you got a full file and you get that correct
 17 information. Because this is the way companies -- it's
 18 more than a handshake and a smile anymore, man. Again,
 19 you can go on -- you can -- I don't know if you -- you
 20 obviously never logged into your report before. You can
 21 go to the iUpdate again --
 22 PHILIP [REDACTED] Mm-hmm.
 23 RONNIE: It's iupdate.dndb.com.
 24 PHILIP [REDACTED] Okay.
 25 RONNIE: It's -- yeah, the I-dot --

15

1 iupdate.dndb.com. And that will get authenticated to
 2 your report. And then once you get -- you'll be able to
 3 see everything.
 4 PHILIP [REDACTED] Okay.
 5 RONNIE: I just sent you the PDF.
 6 PHILIP [REDACTED] Okay.
 7 RONNIE: What I'll send you is -- well, I'll
 8 send you that CreditSignal, Phil, so you can see an
 9 overview of your report. This just kind of gives you an
 10 overview of your scores and ratings.
 11 PHILIP [REDACTED] Perfect.
 12 RONNIE: You can see this. Typically once you
 13 move forward with the service, obviously you'll hold onto
 14 the receipt for tax purposes and then, again, you have
 15 full access to the file. I get you over to our
 16 engagement team, which is our product specialist, and
 17 they -- they help you and they help navigate you through
 18 your company credit report and help you get your -- they
 19 show you how to get your trade references onto the report
 20 so it showcases that financial strength. Then they go
 21 over the scores and ratings with you.
 22 PHILIP [REDACTED] Yeah.
 23 RONNIE: So you know what's going on. Hey,
 24 Philip, can you spell your last name for me?
 25 PHILIP [REDACTED] .

16

1 RONNIE: Okay, thank you. Okay. This is the
 2 CreditSignal I'm sending you. And then you'll get a
 3 temporary password. It takes a few minutes to get this
 4 one. It's a big file. Are you -- are you -- are you in
 5 your report yet, or --
 6 PHILIP [REDACTED] No, I'm not.
 7 RONNIE: Okay.
 8 PHILIP [REDACTED] I haven't received it from you.
 9 RONNIE: Did you get the CreditSignal yet?
 10 PHILIP [REDACTED] No. I got --
 11 RONNIE: Oh, okay.
 12 PHILIP [REDACTED] -- just the first one that you
 13 sent me, which was the CreditBuilder and the -- just the
 14 premium and the plus.
 15 RONNIE: Okay. Them are the two different
 16 services that you would need to get your file to where it
 17 needs to be. The CreditSignal, it should be there. It
 18 takes a few minutes. It's a huge file.
 19 PHILIP [REDACTED] Okay.
 20 RONNIE: Who is John [REDACTED]
 21 PHILIP [REDACTED] One of the partners.
 22 RONNIE: Yeah? Okay. Did you get it?
 23 PHILIP [REDACTED] Your account has been created.
 24 Okay.
 25 RONNIE: Okay. This is the dashboard to the

17

1 CreditSignal. You're going to get a temporary password.
 2 Through CreditSignal, you'll be able to look at your
 3 company update as well. If you launch your CreditSignal
 4 once you're in it -- tell me when you're in it.
 5 PHILIP [REDACTED] I'm in the dashboard here. It's
 6 at product license agreement. All right. Then I got
 7 temporary password (inaudible) new password.
 8 RONNIE: Yep.
 9 PHILIP [REDACTED] All right. I already have a
 10 DUNS number. All right. Now what do I do? It says
 11 getting your unique global identifier, and then I got
 12 CreditSignal here. Am I supposed to click on learn more?
 13 Yes/no?
 14 RONNIE: Yes, I think -- I mean, once you put
 15 in your temporary password, did it come -- did it bring
 16 you to your dashboard?
 17 PHILIP [REDACTED] Yeah, I'm on the dashboard right
 18 now.
 19 RONNIE: Okay. And then did you click on
 20 CreditSignal?
 21 PHILIP [REDACTED] It just -- it's faded black or
 22 faded out and it just says learn more. I can't look into
 23 it.
 24 RONNIE: Okay. I guess --
 25 PHILIP [REDACTED] Add my company --

18

1 RONNIE: That's interesting. I thought you'd
 2 just get access like I had. I can look at what you're
 3 looking at and just kind of walk you through and explain
 4 some things to you.
 5 PHILIP [REDACTED] Maybe I've got to add the -- no.
 6 I don't see any place to add the -- it says get free DUNS
 7 number.
 8 RONNIE: You already have a DUNS number.
 9 PHILIP [REDACTED] Well, yeah, but I -- I have to
 10 add it to my account, I guess.
 11 MICKIE: Oh, I see.
 12 PHILIP [REDACTED] I've got to put in so much crap
 13 to do this. Complete one of four steps -- I have to
 14 complete all sorts of shit to do this. All right.
 15 (Inaudible) professional license. Well, I'm not going to
 16 be on the company. So is this thing going to kick me
 17 back out trying to get on it since I'm not --
 18 RONNIE: Kick you back out? What do you mean?
 19 PHILIP [REDACTED] Well, because I'm not --
 20 RONNIE: No. It --
 21 PHILIP [REDACTED] -- (inaudible).
 22 RONNIE: No. It should -- yeah, you're fine.
 23 PHILIP [REDACTED] Okay.
 24 RONNIE: I just wanted you to see it and go
 25 over it. I wanted -- I guess I wanted to make sure that

19

1 you understood the scores and ratings and what that looks
 2 like and just be available to answer any questions for
 3 you.
 4 PHILIP [REDACTED] Okay, yeah. Ronnie, I think I
 5 got somebody showing up for a meeting here.
 6 RONNIE: Okay.
 7 PHILIP [REDACTED] Can I reply to your email and
 8 that will get to you?
 9 RONNIE: Yeah, absolutely. Let me know how I
 10 can help. I mean, typically the first time you're
 11 getting into this is -- I'm going to waive the activation
 12 fee and I can help you guys with a discount when you're
 13 ready. I mean, I don't -- we're not trying to break the
 14 bank. I just want to help you and set you up for
 15 success. Okay, Phil?
 16 I mean, I understand, I get it. But at the
 17 same time, I just want to make you understand what the
 18 investment is and how easy we make it for you. So it is
 19 a business as well. So, anyways -- so, yeah, just send
 20 me an email, Phil, and we'll get you taken care of. Let
 21 me know.
 22 PHILIP [REDACTED] All right. Thank you very much.
 23 RONNIE: All right, sir. Thank you. Have a
 24 great day.
 25 PHILIP [REDACTED] Yep. Bye-bye.

20

1 RONNIE: Bye.
 2 (The call was concluded.)
 3 (The recording was concluded.)
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1 CERTIFICATE OF TRANSCRIPTIONIST

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I further certify that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were transcribed; and further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of the action.

DATE: 2/6/2019 s/George Quade
GEORGE QUADE, CERT

In the Matter of:

Dun & Bradstreet

February 13, 2019

FTC-00009300

Condensed Transcript with Word Index



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3

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1 FEDERAL TRADE COMMISSION
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4

1 P R O C E E D I N G S
 2 - - - - -
 3 FTC-00009300
 4 NICOLE MOORE: Dun & Bradstreet. This is
 5 Nicole. How can I assist you?
 6 RHONDA [REDACTED] Nicole, my name's Rhonda
 7 [REDACTED] and I have a -- a Dun & Bradstreet number, and
 8 someone's reported that I'm \$1,000 late on a bill for the
 9 month of -- month of December.
 10 NICOLE MOORE: Okay.
 11 RHONDA [REDACTED] I pay \$18 million worth of
 12 bills a year --
 13 NICOLE MOORE: Mm-hmm.
 14 RHONDA [REDACTED] -- and this \$1,000 bill, I
 15 don't know who it is, I need to find out so we can get it
 16 corrected.
 17 NICOLE MOORE: Okay. All right. Give me one
 18 second here --
 19 RHONDA [REDACTED] How do I go about finding it
 20 out?
 21 NICOLE MOORE: Well, let's go over your account
 22 here. What's your DUNS number that's at the top of that
 23 notification?
 24 RHONDA [REDACTED] One -- 10 --
 25 NICOLE MOORE: Your DUNS number -- oop, okay.

5

1 RHONDA [REDACTED] -- [REDACTED] --
 2 NICOLE MOORE: Mm-hmm.
 3 RHONDA [REDACTED] -- [REDACTED]
 4 NICOLE MOORE: Okay, give me one second. For
 5 [REDACTED] [REDACTED]
 6 RHONDA [REDACTED] Yep.
 7 NICOLE MOORE: Okay. And, Rhonda, what's your
 8 position with the company?
 9 RHONDA [REDACTED] I'm the owner.
 10 NICOLE MOORE: Okay. All right. Let's see
 11 what's coming up here. You guys have had a lot of
 12 inquiries here. But I'm showing --
 13 RHONDA [REDACTED] Evidently.
 14 NICOLE MOORE: -- one, two -- I'm showing three
 15 slow payments sitting on this report. I'm showing one
 16 was just filed in January of 2018 in the amount of \$50
 17 slow paid. I'm also showing --
 18 RHONDA [REDACTED] \$50?
 19 NICOLE MOORE: Mm-hmm. There's also one, \$250,
 20 that was filed back in September of 2017. And as of
 21 right now, there's a payment for \$1,000 that's past due,
 22 and that was in December of 2017.
 23 RHONDA [REDACTED] Can you tell me who they
 24 were?
 25 NICOLE MOORE: Well, it's only going to be

6

1 listed by the industry, but let me just see here if I can
 2 figure it out. One of them was a manufacturer of paint
 3 products.
 4 RHONDA [REDACTED] Paint?
 5 NICOLE MOORE: Paint, mm-hmm.
 6 RHONDA [REDACTED] Is that the \$50 one or what?
 7 NICOLE MOORE: That's the \$250 one.
 8 RHONDA [REDACTED] Okay.
 9 NICOLE MOORE: And this other one here, I'm not
 10 really sure. Yeah, it was just reported, so it's not
 11 really a lot of detail coming up on that one. But the
 12 \$20,000 one with the \$1,000 past due, let me see if I can
 13 figure that one out. And that one is coming from a
 14 short-term business credit.
 15 RHONDA [REDACTED] A what?
 16 NICOLE MOORE: Short-term business credit from
 17 the looks of it here.
 18 RHONDA [REDACTED] How do I go about finding
 19 these --
 20 NICOLE MOORE: I'm sorry, you know what, it's a
 21 wholesale --
 22 RHONDA [REDACTED] -- inaudible).
 23 NICOLE MOORE: -- yeah, wholesale hardware. So
 24 basically, you don't need to know who it is in order to
 25 dispute it. Once you dispute that information, it starts

7

1 a process on this end, where we're reaching back out to
 2 those companies that have reported that information to
 3 let them know that you are not in agreement with the
 4 payment history.
 5 So they either have one of three things that
 6 they can do. Either they're going to come back to us and
 7 tell us that this information is accurate and show proof,
 8 or they're going to say, well, you know what, or they
 9 could potentially say, you know what, we made a mistake,
 10 there was an invoice mixup, and they'll correct it on our
 11 end. Or if we don't hear anything back from them in a
 12 certain amount of time, we automatically remove it from
 13 the file.
 14 RHONDA [REDACTED] Okay.
 15 NICOLE MOORE: Okay?
 16 RHONDA [REDACTED] So what do I have to do to
 17 get that ball rolling?
 18 NICOLE MOORE: So basically there's several
 19 things that you need to do. Okay, so it's not just
 20 disputing the information, but given the fact that you
 21 guys aren't really doing anything with the file, it's up
 22 to you to self-report because not all your vendors and
 23 suppliers are reporting just a lot of information. So I
 24 know earlier you said you guys spend millions of dollars
 25 in bills, but only 136,000 has been reported over the

8

1 last two years. So that information needs to get updated
 2 as well.
 3 Let me just see what else is sitting on here
 4 that could be impacting you. I am seeing here you have
 5 two lawsuits that are pending, and you have 11 UCC
 6 filings. So the whole file in general just needs to be
 7 cleaned up and updated.
 8 RHONDA [REDACTED] The two -- the two UCC
 9 filings, I contacted an attorney and he contacted the
 10 courthouse, and it satisfied the bank that those were
 11 dismissed --
 12 NICOLE MOORE: Right, but that was --
 13 RHONDA [REDACTED] -- you know --
 14 NICOLE MOORE: Mm-hmm. Are you talking about
 15 the UCC --
 16 RHONDA [REDACTED] But what do I do here?
 17 NICOLE MOORE: -- filings or --
 18 RHONDA [REDACTED] Yes.
 19 NICOLE MOORE: -- the lawsuits?
 20 RHONDA [REDACTED] The lawsuits.
 21 NICOLE MOORE: Okay. So if those have been
 22 dismissed, then it's up to you to provide us with
 23 supporting documentation showing us that so that we can
 24 get the information updated on this end, because without
 25 that documentation, no one's told us anything. So it

9

1 still looks like it's still pending on paper.
 2 RHONDA [REDACTED] All right.
 3 NICOLE MOORE: Okay? So this is what everyone
 4 is seeing when they're looking at your report, like your
 5 vendors, suppliers, potential customers. And this file
 6 has actually gone out over 52 times already. So they're
 7 definitely looking at this report. Actually, 57 times.
 8 So one of the things I would definitely recommend,
 9 because you guys are set up for CreditSignal, which is
 10 basically something for a startup company. It just tells
 11 if your scores are good (inaudible). You guys are too
 12 big of a company to do that. You need to know what your
 13 numerical scores and ratings are. Okay?
 14 So what I would actually do is set you guys up
 15 with a service called CreditBuilder Premium that allows
 16 you guys to self-report your operating expenses by giving
 17 us the names of the companies that you guys are doing
 18 business with so that we can reach out to them and gather
 19 all your payment history to get the information updated
 20 for you on the file, as well as monitoring your scores
 21 and ratings and being alerted to credit score changes, as
 22 well as running reports on other companies to mitigate
 23 your risk in doing business with them, like they're doing
 24 with you. So this just kind of keeps you guys proactive.
 25 RHONDA [REDACTED] But this is all free --

10

1 NICOLE MOORE: That is not a free service, no.
 2 To dispute the information and to update basic company
 3 information like name, address, phone number, officers,
 4 that's all free. But to update this report as far as the
 5 payables and monitor your scores and ratings, which I
 6 would definitely recommend because it looks like other
 7 people are and you guys aren't, I would definitely
 8 recommend getting into that service that allows you guys
 9 to do so.
 10 RHONDA [REDACTED] And how much is that?
 11 NICOLE MOORE: That service is \$1,999 for the
 12 entire year. It's definitely --
 13 RHONDA [REDACTED] And where do I --
 14 NICOLE MOORE: I'm sorry, go ahead.
 15 RHONDA [REDACTED] Where do I contact the --
 16 where do I contact to get these -- these disputed ones
 17 cleared up --
 18 NICOLE MOORE: So --
 19 RHONDA [REDACTED] -- in the --
 20 NICOLE MOORE: Okay, so, what you would do for
 21 the --
 22 RHONDA [REDACTED] -- (inaudible) --
 23 NICOLE MOORE: -- dispute is you'd have to go
 24 to the free website portal to dispute that information,
 25 which is CompanyUpdate.com.

11

1 RHONDA [REDACTED] CompanyUpdate.com?
 2 NICOLE MOORE: Mm-hmm. And you're going to
 3 register to use that website if you haven't already. So
 4 you can see the report, see the things that are on it.
 5 You just can't see any of your scores, ratings, or any of
 6 the 57 inquiries. And you'll just --
 7 RHONDA [REDACTED] Okay.
 8 NICOLE MOORE: -- dispute the information. And
 9 it asks you for the reason for the dispute, and it takes
 10 about 7 to 14 business days. And the lawsuits, any
 11 public filings, that can take up to 30 business days, but
 12 we need the supporting documentation for each of those.
 13 And that's how you'll go to submit that.
 14 RHONDA [REDACTED] And how do I get the
 15 supporting documentation?
 16 NICOLE MOORE: So you'll have to either call
 17 the courthouse to get it, or if it's for UCC filings, the
 18 Secretary of State may have it on their website listed.
 19 So you'll just need to get that information.
 20 Now, is there something going on that brought
 21 this to your attention?
 22 RHONDA [REDACTED] Well, we're applying for an
 23 SBA loan, and it stopped because this is on there. And
 24 I'm like, what the hell.
 25 NICOLE MOORE: Right. I understand.

12

1 RHONDA [REDACTED] (Inaudible) crap.
 2 NICOLE MOORE: Well, I mean, what are you guys
 3 needing the loan for? Like, what are you attempting to
 4 do with the loan?
 5 RHONDA [REDACTED] We're -- we're expanding our
 6 business.
 7 NICOLE MOORE: Okay. And how soon are you --
 8 RHONDA [REDACTED] (Inaudible) basically --
 9 NICOLE MOORE: Okay, I'm sorry. I didn't mean
 10 to cut you off. You're expanding the business?
 11 RHONDA [REDACTED] Inaudible) yes, by a
 12 substantial amount.
 13 NICOLE MOORE: Okay.
 14 RHONDA [REDACTED] We've grown by about \$4
 15 million, so...
 16 NICOLE MOORE: Oh, wow. Okay. And what was
 17 your --
 18 RHONDA [REDACTED] And to have \$1,000
 19 inaudible) and a 250 and a 50 --
 20 NICOLE MOORE: Right.
 21 RHONDA [REDACTED] -- is just -- it's like
 22 freaking payments (inaudible) drive you crazy.
 23 NICOLE MOORE: Right. Now --
 24 RHONDA [REDACTED] It's basically (inaudible)
 25 you get stupid girls in the office. I've got people at

13

1 Dun Bradstreet calling me, you know, and I guess if our
 2 customer's of good standing, I -- and they're a couple
 3 days late, I don't -- I don't report it.
 4 NICOLE MOORE: Mm-hmm.
 5 RHONDA [REDACTED] You know, and you got some
 6 ding-dong in your office that doesn't know, understand
 7 business, why -- and they -- you could be a couple days
 8 late and then they -- they say, oh, yep, we're late,
 9 let's report this, which is inaudible).
 10 NICOLE MOORE: Yeah. Yeah, and unfortunately,
 11 too, sometimes what happens is, too, like, if you guys
 12 had, like, a dispute, like with an invoice, maybe it
 13 wasn't the right price or, you know, they may have
 14 shipped you guys something that was incorrect. By the
 15 time they report that information to Dun Bradstreet,
 16 they're getting it straight out on -- straightened out on
 17 your end, then they report it to us as a slow payment.
 18 So, I mean, it could be something that simple. But how
 19 soon are you actually looking to get this information up-
 20 to-date?
 21 RHONDA [REDACTED] Well, it's holding up our
 22 loan.
 23 NICOLE MOORE: Oh, wow, okay.
 24 RHONDA [REDACTED] It's --
 25 NICOLE MOORE: So --

14

1 RHONDA [REDACTED] Yeah.
 2 NICOLE MOORE: -- all right. So let me do
 3 this.
 4 RHONDA [REDACTED] And it's inaudible) our
 5 company.
 6 NICOLE MOORE: Okay. Now, what should -- I
 7 know you said you guys pay millions of dollars, you know,
 8 just in payables a month, but what was your total revenue
 9 last year?
 10 RHONDA [REDACTED] Twenty -- 20 or 21 million.
 11 NICOLE MOORE: Okay. Because we do have a
 12 faster option to get this updated quickly for you, and
 13 that means everything in the file gets updated very fast,
 14 faster than what you would be able to do it on your own.
 15 And basically that would be what's called our Concierge
 16 Service. So you would actually get a dedicated account
 17 rep. So basically they will get started on this account
 18 within 24 hours and start disputing, updating everything,
 19 getting things removed if they need to. So, I mean,
 20 again, that would probably be the fastest option for you,
 21 as opposed to you guys trying to do this on your own.
 22 RHONDA [REDACTED] How much is that?
 23 NICOLE MOORE: That service typically retails,
 24 for a company your size, \$14,999 for the year.
 25 RHONDA [REDACTED] Oh, I'm not doing that.

15

1 NICOLE MOORE: I mean, I can work with you on
 2 the price. We do have payment options available as well.
 3 You guys do qualify for that where we break the payments
 4 up 30/60/90, but I can work with you with the pricing,
 5 but this would be definitely the fastest option in
 6 getting this report up-to-date, quickly as possible if
 7 this is the only thing that's holding you up.
 8 RHONDA [REDACTED] I -- I'd probably just as
 9 soon bitch about it as pay \$14,000 to get it cleaned up.
 10 NICOLE MOORE: I mean, I can --
 11 RHONDA [REDACTED] That's crazy.
 12 NICOLE MOORE: -- well, I mean, there's other
 13 companies --
 14 RHONDA [REDACTED] Inaudible).
 15 NICOLE MOORE: Go ahead.
 16 RHONDA [REDACTED] No, do they -- are -- banks
 17 use Equifax and other -- other forms of credit checking,
 18 and, you know, this is the first time I ran into this
 19 problem. Obviously, I've gotten other loans in the past
 20 ten years, and those loans -- those lawsuits have never
 21 showed up or been a concern. Now all of a sudden they're
 22 a concern ten years later, is just -- it's mind-boggling.
 23 NICOLE MOORE: Well, the thing is, too, keep in
 24 mind that we have all the UCC filings here with [REDACTED]
 25 [REDACTED] Bank, so, yeah, you're getting the loans, but

16

1 under what it costs, because you're having to give up
 2 some type of collateral, which means that you may also be
 3 paying higher rates. Okay, because there's just not
 4 enough equity built up in the loan -- or I'm sorry, on
 5 your business credit file for the business credit to
 6 stand on its own. So, again, I mean, yeah, you're
 7 getting the loan but at what cost?
 8 RHONDA [REDACTED] Well, it's not \$14,000 worth
 9 of credit reporting that's going to save me here.
 10 NICOLE MOORE: Well, again, I can work with you
 11 on the price. Let me see here.
 12 RHONDA [REDACTED] If you can do that for 1,400,
 13 I'd probably say inaudible) but I'm not going to do it
 14 for 14,000.
 15 NICOLE MOORE: Okay, let me see what I can do.
 16 RHONDA [REDACTED] If you can do it for 1,400.
 17 NICOLE MOORE: Well, I can't do it for 1,400.
 18 That would be a self-service, which means that you guys
 19 are going to be in standard and normal time frames along
 20 with thousands of other customers. But let me just see
 21 what I can do on this end, okay?
 22 RHONDA [REDACTED] Well, I'm -- all right.
 23 NICOLE MOORE: Hold on just a second.
 24 (Call on hold.)
 25 NICOLE MOORE: Okay, Rhonda?

17

1 RHONDA [REDACTED] Yeah.
 2 NICOLE MOORE: Okay. So the only thing that I
 3 would be able to do --
 4 RHONDA [REDACTED] Yes, I'm here.
 5 NICOLE MOORE: -- the only thing I would be
 6 able to do is drop it down to \$10,000, and then like I
 7 said, we can --
 8 RHONDA [REDACTED] Inaudible).
 9 NICOLE MOORE: -- set it up on payments for
 10 you, but that would actually get someone assigned to you
 11 guys within 24 hours to start working on this for you to
 12 get it all cleaned up.
 13 RHONDA [REDACTED] No.
 14 NICOLE MOORE: And you'd only have to pay
 15 \$2,499 today.
 16 RHONDA [REDACTED] Nope.
 17 NICOLE MOORE: Okay.
 18 RHONDA [REDACTED] That's highway robbery.
 19 That's holding me up. It's just not right, but I guess
 20 you do whatever you need to do, but --
 21 NICOLE MOORE: I mean, you can -- okay. So you
 22 can do the self-service option.
 23 RHONDA [REDACTED] I'll have to inaudible).
 24 NICOLE MOORE: Again, that'll allow you to
 25 monitor the scores and -- but you're going to be

18

1 responsible for updating the report. And, again, like I
 2 said, you will be in the standard time frames along with
 3 everyone else. So to dispute the information, it would
 4 be 7 to 14 business days, and to dispute the public
 5 filings, it could take up to 30 business days. But,
 6 again, with the Concierge Service, though, everything
 7 gets expedited, so that -- it's going to cut that time in
 8 half.
 9 RHONDA [REDACTED] Yeah.
 10 NICOLE MOORE: I mean, they're able to get
 11 things updated a lot faster than what you or I are able
 12 to do.
 13 RHONDA [REDACTED] Yeah. I'm not going to pay
 14 four -- \$10,000 to save 5 days or 15 days or whatever.
 15 NICOLE MOORE: Well, I mean, it could save a
 16 lot more than that, but, yeah, it could save a lot more
 17 than that. And the file would be up-to-date. And they
 18 don't need the supporting documentation to get the things
 19 updated to where you guys have to go out, get the
 20 supporting documentation, so that's going to take time,
 21 and then to submit that information so then you have more
 22 time.
 23 RHONDA [REDACTED] I'll tell you what --
 24 NICOLE MOORE: I can tell you --
 25 RHONDA [REDACTED] -- what's your direct-dial

19

1 number?
 2 NICOLE MOORE: Sure, my --
 3 RHONDA [REDACTED] What's your direct-dial
 4 number, and I will inaudible) okay.
 5 NICOLE MOORE: Sure. It's 866) 257-9158. And
 6 my extension is 6212.
 7 RHONDA [REDACTED] And your name?
 8 NICOLE MOORE: Nicole. And the last name is
 9 Moore.
 10 RHONDA [REDACTED] Okay. So I can do the
 11 Concierge Service for 10,000.
 12 NICOLE MOORE: Mm-hmm.
 13 RHONDA [REDACTED] They'll clear it up in how
 14 many days?
 15 NICOLE MOORE: It's going to be -- I mean, I
 16 can't give you exact time frames, but I've seen things
 17 done in a week, just in my experience, and I've seen
 18 things done sooner than that. And I've seen things done
 19 within two weeks.
 20 RHONDA [REDACTED] Okay. And to clear up the --
 21 the payment disputes, doing it on the CompanyUpdate.com
 22 will take two weeks?
 23 NICOLE MOORE: Yeah, but they'll do all that
 24 for you --
 25 RHONDA [REDACTED] Inaudible).

20

1 NICOLE MOORE: -- yeah, but if you go with the
 2 Concierge Service, oh, they're doing everything for you,
 3 so you guys don't actually have to do anything. They're
 4 doing all the updating, disputing, they're doing all of
 5 that. And they're going to be doing all of that
 6 throughout the year for you.
 7 RHONDA [REDACTED] Yeah.
 8 NICOLE MOORE: So they're actually going to be
 9 managing your credit report moving on for 12 months.
 10 RHONDA [REDACTED] Oh, so -- yeah. So I go to
 11 CompanyUpdate.com and I register to use it.
 12 NICOLE MOORE: Mm-hmm.
 13 RHONDA [REDACTED] And then I can dispute the
 14 information and as far as the lawsuits, I have to provide
 15 supporting documentation.
 16 NICOLE MOORE: Correct. But I would definitely
 17 --
 18 RHONDA [REDACTED] Everything else I would just
 19 --
 20 NICOLE MOORE: Yep, but I -- I would honestly
 21 suggest that if you're thinking about going with the
 22 Concierge Service, don't do anything. Let them handle
 23 it.
 24 RHONDA [REDACTED] Inaudible).
 25 NICOLE MOORE: But if you want to -- yeah.

21

1 RHONDA [REDACTED] I'm going to talk to my bank,
 2 but I don't -- I don't really believe that that Concierge
 3 Service is necessary and I for God's sake don't think
 4 it's necessary at that dollar amount.
 5 NICOLE MOORE: Okay.
 6 RHONDA [REDACTED] It's not like I (inaudible)
 7 I'm going to shrivel up and fall away here if I don't get
 8 this loan done in 14 days. It's just -- yeah.
 9 NICOLE MOORE: Well, and keep in mind, though,
 10 too, I mean, it could take longer because there could be
 11 other things that may be hindering it as well. But you
 12 do have the lawsuits on there. You do have the UCC
 13 filings as well.
 14 RHONDA [REDACTED] Okay.
 15 NICOLE MOORE: But it's not just about the
 16 loan, though, too. It could be business, I mean, because
 17 you have a lot of people looking at this report, so they
 18 could have looked at this report, too, and decided to go
 19 elsewhere, because there's nine different scores and
 20 ratings on this report.
 21 RHONDA [REDACTED] Yeah, you know, I've never
 22 had anybody turn me down for credit before.
 23 NICOLE MOORE: And they may not. They --
 24 RHONDA [REDACTED] So I don't think the report
 25 is (inaudible).

22

1 NICOLE MOORE: Yeah, they -- they may not, but
 2 they're --
 3 RHONDA [REDACTED] All these --
 4 NICOLE MOORE: -- definitely looking at it.
 5 RHONDA [REDACTED] -- it's the Government --
 6 it's the Government bureaucracy at work at its finest.
 7 This is all this is. And I'll have to deal with it, I
 8 guess. I'll -- I just can't imagine that -- I'll -- I'll
 9 talk to my banker, but I can't imagine -- I'm sure he'll
 10 agree with me that \$10,000 is outrageous and we'll just
 11 deal with it on our own, but I appreciate all your help,
 12 Nicole.
 13 NICOLE MOORE: Okay. Well, I mean, did you
 14 want me to put you into --
 15 RHONDA [REDACTED] Thank you.
 16 NICOLE MOORE: -- the self-service?
 17 RHONDA [REDACTED] No, I don't want to pay
 18 \$2,400 a year either, or 2,000 or whatever the amount is.
 19 NICOLE MOORE: Well, yeah, it's not per year,
 20 though.
 21 RHONDA [REDACTED] That's --
 22 NICOLE MOORE: Okay?
 23 RHONDA [REDACTED] What?
 24 NICOLE MOORE: So this is not per year. So the
 25 thing is our services, yes, they are designed to auto-

23

1 renew, however, you have the option to auto-renew or not
 2 auto-renew every year.
 3 RHONDA [REDACTED] Right.
 4 NICOLE MOORE: Okay? So I would just say at
 5 least do it for a year. That way, you get the file up-
 6 to-date, get the payment history up-to-date, start
 7 monitoring your scores and ratings so you guys can
 8 actually get an idea for what you guys are doing that's
 9 causing people to look at this report, as well as putting
 10 yourself in a better position financially to where you
 11 guys actually know what your scores and ratings are,
 12 because as of right now, you don't. So everyone else
 13 looking at this report, they do. So they're coming to
 14 you telling you what's in your report.
 15 RHONDA [REDACTED] I -- all these -- all the
 16 Equifax and all the other reports that the lenders use --
 17 NICOLE MOORE: Mm-hmm.
 18 RHONDA [REDACTED] -- tell us that we have a
 19 very good, very high credit score, so --
 20 NICOLE MOORE: But we're --
 21 RHONDA [REDACTED] -- Dun Bradstreet's the
 22 only one that's (inaudible) so, you know, I don't know.
 23 I don't know how it's credit --
 24 NICOLE MOORE: -- well, the thing is -- yeah, I
 25 mean, the thing is, too, I mean, this is what we

24

1 specialize in. We're a data-collection agency. So the
 2 thing is is that in just my experiences listening to
 3 other people talk about their Experian business credit
 4 report, there is about five times more information that
 5 is sitting on our report than it is on any other
 6 company's report, because this is what we do. We're a
 7 data collection, so we have a lot of different sources of
 8 data.
 9 RHONDA [REDACTED] Well --
 10 NICOLE MOORE: But the problem is it's just not
 11 all your --
 12 RHONDA [REDACTED] (Inaudible).
 13 NICOLE MOORE: -- vendors and suppliers are
 14 reporting. So that's the other part, too.
 15 RHONDA [REDACTED] Oh, okay. All right. So
 16 I'll --
 17 NICOLE MOORE: Okay, but you have my -- yeah,
 18 you have my contact information, just let me know what
 19 you guys decide to do. Just give me a call back. I'm
 20 going to -- again, like I said, we do have payment
 21 options, too.
 22 RHONDA [REDACTED] Okay.
 23 NICOLE MOORE: All right?
 24 RHONDA [REDACTED] Sounds good.
 25 NICOLE MOORE: All right, thank you.

25

1 RHONDA [REDACTED] Thank you so much.
 2 NICOLE MOORE: You're welcome.
 3 RHONDA [REDACTED] Uh-huh.
 4 NICOLE MOORE: Bye-bye.
 5 (The call was concluded.)
 6 (The recording was concluded.)
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1 CERTIFICATE OF TRANSCRIPTIONIST
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 3
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 23
 24
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In the Matter of:

Dun & Bradstreet

February 13, 2019

FTC-00008997

Condensed Transcript with Word Index



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OFFICIAL TRANSCRIPT PROCEEDING
 FEDERAL TRADE COMMISSION

MATTER NO. 1723196

TITLE DUN & BRADSTREET

DATE RECORDED: DATE UNKNOWN
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PAGES 1 THROUGH 9

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FEDERAL TRADE COMMISSION

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3 In the Matter of:)
4 Dun & Bradstreet) Matter No. 1723196
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12 digital file provided to For The Record, Inc. on January
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FEDERAL TRADE COMMISSION
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P R O C E E D I N G S

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3 FTC-00008997
4 JIM: Dun & Bradstreet. All calls are
5 recorded. This is Jim.
6 MICHAEL [REDACTED] Jeff [sic], this is Michael
7 [REDACTED], DUNS Number [REDACTED]
8 [REDACTED]
9 JIM: Just give me a second or two to pull up
10 your report. I guess in the meantime, how familiar are
11 you with Dun & Bradstreet, like who we are and what we
12 do?
13 MICHAEL [REDACTED] Pretty much.
14 JIM: Okay. I have it. And what prompted your
15 call today?
16 MICHAEL [REDACTED] Okay, I got a letter from you
17 guys that's saying that we have a low delinquency
18 predictor score. I'm very unhappy about that. We pay
19 all our bills on time without fail forever. And, so, why
20 you're coming up with this number, I don't know. I don't
21 like the fact that if anybody checks on us they're going
22 to see this. It needs fixed.
23 JIM: Okay. Well, I'll be happy to help you
24 with that. So let me look. Yeah, your payment behavior
25 is really good. The issue is -- is there's just not a

5

1 lot of payment history at all. So, you know, I know you
 2 said you're pretty familiar with Dun Bradstreet. Most
 3 companies don't report to D&B automatically, so I'm
 4 looking at the payment history. The total showing for
 5 the last two years is only showing \$137,000 in payment
 6 history over the --
 7 MICHAEL [REDACTED] (Inaudible .
 8 JIM: -- last -- so the vendors and suppliers
 9 you guys pay.
 10 MICHAEL [REDACTED] (Inaudible .
 11 JIM: So any good or service that the company
 12 uses to run your business, any kind of bill or invoice,
 13 that's what the payment history is showing. And for a
 14 \$10.4, \$10.5 million company, that's -- that's
 15 dangerously low.
 16 MICHAEL [REDACTED] Yeah, well, I don't know how
 17 you're crunching your numbers. I really don't care, but
 18 you can't be putting this out. You know, if you don't
 19 give us the top-rated score, then we just need to get off
 20 of there because you're putting out something that's not
 21 factual. And how you came up with it, I don't care, but
 22 this is not acceptable.
 23 JIM: Okay. So what we need to do then, we
 24 need to send you access to your D&B report. That way,
 25 you can start adding in your vendors and suppliers.

6

1 MICHAEL [REDACTED] I -- I don't have time to do
 2 that. You know --
 3 JIM: But we -- then you can hire us to do it
 4 for you.
 5 MICHAEL [REDACTED] -- (inaudible). No, I'm not
 6 hiring and paying you guys anything. If you can't give
 7 us the proper score, then I want off the listing. I'm
 8 not happy with what's going on --
 9 JIM: Well, what --
 10 MICHAEL [REDACTED] -- because I'm busy. I don't
 11 have time to run checks or paperwork. I don't want to be
 12 paying you guys for baloney, and so, you know, either fix
 13 it or turn me off.
 14 JIM: Okay. Well, with all due respect, sir,
 15 the DUNS number is there. You know, it's been there
 16 since 1982 for --
 17 MICHAEL [REDACTED] Yeah.
 18 JIM: -- this individual company. You're going
 19 to have a DUNS number until the business closes. You're
 20 going to have this credit report until the business
 21 closes. So (inaudible) --
 22 MICHAEL [REDACTED] Oh, it sounds more like a
 23 threat to me, so anyway, if that's how you're going to
 24 be, I'm not going to send you any more financial
 25 statements or anything. You guys -- you need to -- I

7

1 don't know why you've turned into this where you become a
 2 detriment instead of an asset to us, but --
 3 JIM: Well, it's just my job, sir. You're --
 4 you know, you want to get rid of your DUNS number because
 5 your scores and ratings are a concern to you, and, no,
 6 you don't have to do anything, you know, but if you want
 7 this report to look good, and that's what you said, you
 8 know, I'm giving you the best advice to do that.
 9 MICHAEL [REDACTED] No, I just don't have time to
 10 do a bunch of extra data entry, you know --
 11 JIM: It doesn't -- to be honest, it takes
 12 about 20 minutes. You know, usually my customers take
 13 about 20 minutes --
 14 MICHAEL [REDACTED] Twenty minutes, what, every --
 15 every day or what?
 16 JIM: No. So usually a company will pay for
 17 the service fee, they'll log in, they'll add their top 25
 18 vendors. It takes about 20, 25 minutes. And then we do
 19 the rest of the work. We contact them; verify the credit
 20 limits and terms; and they mainly input that information
 21 on your report for you. That way, when you have
 22 customers or vendors and banks and whoever is pulling the
 23 report, they're more likely to see that financial
 24 strength.
 25 MICHAEL [REDACTED] And how much does that cost?

8

1 JIM: It's only 1,748 for the year.
 2 MICHAEL [REDACTED] Forget it.
 3 (The call was concluded.)
 4 (The recording was concluded.)
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1 CERTIFICATE OF TRANSCRIPTIONIST

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In the Matter of:

Dun & Bradstreet

April 20, 2020
FTC-00009741 [REDACTED]

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DATE RECORDED: DATE UNKNOWN
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PAGES 1 THROUGH 21

FTC-00009741 ([REDACTED])

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3 In the Matter of:)
4 Dun & Bradstreet) Matter No. 1723196
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6 -----)
7 Date Unknown

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1 FEDERAL TRADE COMMISSION
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1 P R O C E E D I N G S
2 - - - - -
3 FTC-00009741
4 PETER: Hello.
5 NICKI: Hi, is this Peter?
6 PETER: Yes, it is.
7 NICKI: Hi, this is Nicki with Dun & Bradstreet
8 on a recorded line.
9 PETER: Yes.
10 NICKI: All right. So what are you trying to
11 get done?
12 PETER: I'm trying to establish credit in the
13 company. We have decent revenue, we have 30 probably
14 vendors we pay every month, and I realized we're not
15 establishing any credit. So I wanted to figure out how
16 -- what's the best process to do that. We've acquired a
17 couple companies so I'm just trying to figure out what
18 our steps are to get our holding company to establish
19 credit.
20 NICKI: Absolutely. So I can definitely help
21 you with that. Now, is the holding company -- which I
22 may be looking at something totally different. But
23 attached to your phone number, there is a business by the
24 name of [REDACTED]. Is that the one that
25 you're referring to?

5

1 PETER: No, that's another company I own.
 2 NICKI: Okay. So which one are we talking
 3 about here?
 4 PETER: What I'm trying to do -- it's called
 5 [REDACTED] -- [REDACTED].
 6 NICKI: [REDACTED] okay.
 7 PETER: Yeah.
 8 NICKI: It sounds like you're used to saying
 9 the website on a regular basis.
 10 PETER: Yeah, yeah.
 11 NICKI: All right. And then what state is the
 12 holdings company in?
 13 PETER: It's in [REDACTED].
 14 NICKI: In [REDACTED] okay. Is that where you're
 15 at, too?
 16 PETER: Yes.
 17 NICKI: Okay. That's a nice area to be. I'm
 18 in Tucson, Arizona --
 19 PETER: Oh, nice.
 20 NICKI: -- in the desert.
 21 PETER: That's not bad.
 22 NICKI: Yeah. It's not bad because we do get
 23 the warm weather in the winter. [REDACTED] [REDACTED] [REDACTED] [REDACTED]
 24 [REDACTED] [REDACTED] [REDACTED] So --
 25 PETER: Yeah.

6

1 NICKI: -- it's unfortunate. What city in
 2 [REDACTED] is it?
 3 PETER: [REDACTED]. I have an EIN number from
 4 some -- does that help?
 5 NICKI: Do you have the Dun & Bradstreet
 6 number?
 7 PETER: I don't have one yet I don't believe.
 8 NICKI: Okay, all right. So we may have to
 9 generate it. So what are the businesses that fall
 10 underneath the holdings?
 11 PETER: I have -- let me see. I have --
 12 they're all on -- [REDACTED] own all of them and --
 13 but they're just fictitious. They're DBAs.
 14 NICKI: Okay.
 15 PETER: And I own like seven schools.
 16 NICKI: Oh, like elementary schools or --
 17 PETER: Oh, preschools. I own two [REDACTED]
 18 schools and then I owe one, two, three, four Immersion
 19 schools for (inaudible).
 20 NICKI: Wow.
 21 PETER: Oh, yeah. We're opening another one
 22 in --
 23 NICKI: That's amazing.
 24 PETER: -- well, a seventh location in August.
 25 NICKI: Wow, congratulations. That's awesome.

7

1 PETER: Yeah.
 2 NICKI: Yeah, I have two -- I have three kids,
 3 but two smaller ones. I have a three-year-old, so
 4 preschool age, and then a one-year-old.
 5 PETER: Okay, okay.
 6 NICKI: Yeah. So fortunately, my mother-in-law
 7 does a lot of the babysitting for me while I'm at work.
 8 But I am looking for a preschool.
 9 PETER: Huh. Well, you -- I'm sure -- well,
 10 [REDACTED], you looked that up first, we're the
 11 distributors for [REDACTED] for schools.
 12 NICKI: Oh, okay.
 13 PETER: Have you seen [REDACTED]? Have you guys
 14 used that?
 15 NICKI: No, I'm going to Google it right now.
 16 What is it called? [REDACTED]
 17 PETER: [REDACTED]
 18 NICKI: [REDACTED]?
 19 PETER: Yeah.
 20 NICKI: Okay. Yeah, I'm going to -- and does
 21 that reach all the way out to Arizona?
 22 PETER: Oh, yeah, it's a website for kids ages
 23 two to eight.
 24 NICKI: Oh.
 25 PETER: And it's a (inaudible) program. You've

8

1 probably seen it on TV. It's on TV like a hundred times
 2 a day on Sprout, Super Y, Disney, and --
 3 NICKI: Yeah.
 4 PETER: -- Nickelodeon.
 5 NICKI: Yeah, I've seen this.
 6 PETER: That kind of stuff, yeah. That's --
 7 NICKI: You said that you --
 8 PETER: Yeah, [REDACTED], my first company that
 9 you brought up, that -- we distribute -- we have 11,000
 10 schools using that throughout the United States.
 11 NICKI: That is amazing. That is really quite
 12 -- I'm actually going to copy this down and show it to my
 13 son because he's so into like electronics and TV and, you
 14 know good thing for him, he really likes the learning
 15 stuff and the learning songs and stuff like that. But --
 16 PETER: Yeah, there's so much (inaudible).
 17 They get their own --
 18 NICKI: -- there's so much out there.
 19 PETER: Yeah, they get their own avatar, they
 20 get all the biomes. They travel the world. So -- and
 21 it's all 100 percent educational. There's no popups,
 22 there's no ads, there's no markup. You know, most games,
 23 you know, websites, you know, they try to sell you
 24 something once you already bought it.
 25 NICKI: Yeah.

9

1 PETER: Yeah. You know, there's no -- there's
 2 no selling -- selling up or anything like that.
 3 NICKI: Yeah. I'm going to -- I'm actually
 4 pulling it up on my phone, too, so that I have it when I
 5 get home. That is really cool.
 6 PETER: Yeah, yeah.
 7 NICKI: Okay.
 8 PETER: We're on iTunes and Android, all the
 9 Google Play store, everything.
 10 NICKI: Okay, cool. Yeah, I'm going to go on
 11 it. All right. So, yes, we do need to get a number
 12 generated for [REDACTED].
 13 PETER: Okay.
 14 NICKI: And it's [REDACTED] like a [REDACTED] egg,
 15 right?
 16 PETER: Correct, yeah, [REDACTED], yes.
 17 NICKI: Okay.
 18 PETER: It's [REDACTED].
 19 NICKI: Okay. And then what I'm doing now is
 20 I'm loading your other business. So I'm going to pull up
 21 that credit information. This way, we can compare and
 22 see like if the address is going to be the same and I can
 23 just copy and paste a lot of it. Which is it -- is this
 24 business at [REDACTED] Road?
 25 PETER: No, that's old, yeah.

11

1 PETER: 250.
 2 NICKI: Okay. So you've definitely grown over
 3 the last few years. That's amazing.
 4 PETER: Yeah. Well, that -- in this company,
 5 yes, with the schools.
 6 NICKI: Okay. 250. And --
 7 PETER: And this is under [REDACTED] not [REDACTED]
 8 [REDACTED]
 9 NICKI: Yeah, no, no, no, no, yeah, under
 10 [REDACTED]
 11 PETER: Yeah, okay.
 12 NICKI: Yep. I have to -- because there's not
 13 a number in this (inaudible) have to fill in all of the
 14 spaces.
 15 PETER: Okay.
 16 NICKI: Yeah.
 17 PETER: Okay.
 18 NICKI: And then what are your -- your revenue
 19 per year? Your revenue?
 20 PETER: Let me see. We added some new schools,
 21 so let me (inaudible). 4.8 million.
 22 NICKI: Okay. Oh, yeah, we definitely need to
 23 start showcasing some credit history for your business.
 24 And then I'm sure once you use -- you said that you were
 25 opening some new schools, right?

10

1 NICKI: Oh, okay.
 2 PETER: Yeah.
 3 NICKI: So what's your new address or current?
 4 PETER: Our address -- our current address is
 5 [REDACTED] --
 6 NICKI: Okay.
 7 PETER: And it's [REDACTED] --
 8 NICKI: [REDACTED]
 9 PETER: -- [REDACTED] --
 10 NICKI: Okay.
 11 PETER: -- [REDACTED] [REDACTED] just an NW --
 12 NICKI: Uh-huh.
 13 PETER: -- and then Suite [REDACTED]
 14 NICKI: Okay.
 15 PETER: And it's [REDACTED] [REDACTED] [REDACTED]
 16 NICKI: Okay. -- you said [REDACTED]
 17 PETER: Yeah, [REDACTED]
 18 NICKI: Okay, perfect. All right. And you are
 19 100 percent owner or do you have business partners?
 20 PETER: I have a partner. I'm [REDACTED]
 21 NICKI: Okay. So we list your partner, too, or
 22 is it okay just to have your name for now?
 23 PETER: Yeah, mine for now because he's silent.
 24 NICKI: Okay, okay, perfect. And how many
 25 employees do you have?

12

1 PETER: Yes, uh-huh.
 2 NICKI: Okay. Are you projecting that -- is
 3 that what's going to make you hit the 4 -- 4 million,
 4 4.8?
 5 PETER: Well, we're currently doing 4.8.
 6 NICKI: Okay, okay. So once you open those new
 7 locations, then it's going to grow quite a bit more?
 8 PETER: Yes, yeah, exactly.
 9 NICKI: Okay. Now, as far as Dun & Bradstreet
 10 is concerned, you know, I'm going to help you build this
 11 credit report and showcase the financial stability of the
 12 business. Are you planning on using this number for any
 13 purpose, you know, a bank loan, new vendor accounts,
 14 customers?
 15 PETER: Nothing -- yeah, but I've had some, you
 16 know, vendors ask us, you know, for a Dun & Bradstreet
 17 number. We acquired these two [REDACTED] schools and,
 18 you know, they were schools that are 15 years old. So
 19 they have a lot of history.
 20 NICKI: Wow. Mm-hmm. Yeah, and that could be
 21 concerning because some of the vendors and suppliers that
 22 they're already dealing with because -- not saying that
 23 your business is going to fail or anything, but a lot of
 24 times when people buy companies, the percentages of that
 25 business succeeding goes down quite a bit, especially new

3 (Pages 9 to 12)

13

1 owners.
 2 PETER: Mm-hmm.
 3 NICKI: I mean, you're an existing business
 4 owner, so you're not going to have any problems.
 5 PETER: Right.
 6 NICKI: But give it to a brand new person, you
 7 know, who wants to try to buy a business, you know, the
 8 chances of them running it into the ground is a lot
 9 higher than, you know, an experienced person like
 10 yourself.
 11 PETER: Mm-hmm.
 12 NICKI: So it's common. You know, the way that
 13 a credit report works in the business world is once you
 14 get a number assigned, there are scores and ratings that
 15 are going to showcase how you're operating and how you
 16 pay your bills.
 17 PETER: Right.
 18 NICKI: So we do not get that information
 19 automatically usually. So what you're going to need to
 20 do is, you know, the 30 vendors that you had mentioned
 21 that you have --
 22 PETER: Yeah.
 23 NICKI: -- we're going to need to physically
 24 submit and add them on to your credit report.
 25 PETER: Okay.

14

1 NICKI: This way, you can work on building your
 2 business credit.
 3 PETER: Okay, good.
 4 NICKI: Now, the phone number -- so is this
 5 your cell phone or is this a business phone number?
 6 PETER: This is my cell phone.
 7 NICKI: Okay. So what's your business phone
 8 number? I don't want to put your cell phone on the
 9 credit report unless you don't mind people calling you.
 10 PETER: Yeah, that's okay, yeah. Yeah, put
 11 that on there for now.
 12 NICKI: Okay, all right. And if you ever want
 13 to change that, you can.
 14 PETER: Okay.
 15 NICKI: Yeah. So just keep in contact with me
 16 and I'll show you where the update the free information.
 17 PETER: Okay.
 18 NICKI: And then this business -- when did
 19 [REDACTED] start, what year?
 20 PETER: 2017.
 21 NICKI: Okay. And you said 250 employees?
 22 PETER: Mm-hmm.
 23 NICKI: Okay. And you registered in the State
 24 of [REDACTED]
 25 PETER: Yes.

15

1 NICKI: Okay, perfect. Now, do you have any
 2 like specific time frames as far as how soon you wanted
 3 to start building the business credit or do you have a
 4 few months to work on it?
 5 PETER: Yeah, I have a few months to work on
 6 it.
 7 NICKI: Okay. So there's two options. For now
 8 since you have a few months to work on it, I'm going to
 9 set you up with the Credit Builder Service. So that's
 10 what's going to allow you to self-report your payment
 11 history, to work on building and establishing a credit
 12 for the company.
 13 The other option, if this does become too much
 14 and you don't have the time to manage and maintain it,
 15 then we'll just have a representative here, like myself,
 16 assigned to maintain the report for you.
 17 PETER: Okay.
 18 NICKI: All right. So the DUNS number is going
 19 to be emailed over to you in three to five business days.
 20 It's the completed file. And then once you get the
 21 number, that's when you're going to be able to log in and
 22 start reporting the 30-plus vendors that you do have,
 23 Peter.
 24 PETER: Okay.
 25 NICKI: The yearly service -- there is a yearly

16

1 service fee. It's 2,148 for the year, 2,148. And for
 2 that, you could use either a credit or a debit card. How
 3 did you want to take care of that?
 4 PETER: Okay. Credit.
 5 NICKI: Okay. And that number whenever you're
 6 ready?
 7 PETER: [REDACTED].
 8 NICKI: And the expiration?
 9 PETER: [REDACTED].
 10 NICKI: [REDACTED], okay. And then the billing
 11 address is the new one that you gave me, right? The
 12 [REDACTED]
 13 PETER: Yeah, the [REDACTED] Yes.
 14 NICKI: Okay, perfect. Now, the Dun
 15 Bradstreet number itself is free. What we're setting you
 16 up with the tools to start building and establishing the
 17 credit behind the business. So you will be getting the
 18 receipt in just a couple of minutes emailed over to you.
 19 Again, it's the Credit Builder Premium. With the
 20 activation, it's 2,148 for the year.
 21 We partner with two separate companies. So one
 22 is LegalZoom, which you get some free documents, some
 23 legal documents. We'll share your basic information with
 24 them. And then the other is a company called Redact-It
 25 and they do dark web monitoring. So we'll share your

17

1 information with them. What they really do is -- I guess
 2 it's a platform where if, for some reason, they see like
 3 your business information or your email on the dark web,
 4 they'll send you alerts and notifications so that you
 5 can, you know, change your passwords or something like
 6 that to help prevent you from getting hacked.
 7 PETER: Okay.
 8 NICKI: And then the service is set for auto-
 9 renewal each year at the current price -- at the then
 10 current price.
 11 PETER: Okay.
 12 NICKI: So I submitted everything. Let's
 13 schedule a call sometime next week, Peter. Once you get
 14 the number, I would like to show you where to submit your
 15 payment history and kind of walk you through it so that
 16 you know what you're doing because it can be a little
 17 confusing at first. But once you get the hang of it --
 18 PETER: Okay.
 19 NICKI: -- it's pretty simple.
 20 PETER: Okay.
 21 NICKI: So you should have your number in three
 22 to five days. How about this? Let me email you my
 23 contact and if you get it sooner, then you can call me.
 24 If not, then we can schedule for like next Friday. Would
 25 that work for you?

18

1 PETER: Yeah, that would work.
 2 NICKI: Okay. But if you get it sooner, then I
 3 want you to call me.
 4 PETER: Okay. Yeah, I just got all the stuff
 5 that you just --
 6 NICKI: Okay, cool. And you can actually log
 7 in now and reset your passwords and everything.
 8 PETER: Okay.
 9 NICKI: Let me --
 10 PETER: Yeah, I'm inaudible).
 11 NICKI: Where's my email?
 12 Pause.)
 13 NICKI: Hold on one second. I don't know where
 14 -- my email was closed out for some reason.
 15 Pause.)
 16 NICKI: So how did you come up with that
 17 program?
 18 PETER: Oh, it's just years of previous stuff
 19 that we were doing inaudible).
 20 NICKI: That is so cool. And it's such a nice
 21 website, too.
 22 PETER: Oh, yeah, there's -- it's very cool.
 23 There's like a thousand employees out in [redacted] that
 24 actually do all the -- the animation and graphic design
 25 and all that.

19

1 NICKI: Yeah.
 2 PETER: Inaudible).
 3 NICKI: They did such a good job on it.
 4 PETER: Yeah, it's -- it's really -- there's
 5 over six million kids using it. So it's pretty cool.
 6 NICKI: That is so awesome. And actually you
 7 said that there is an app, right?
 8 PETER: Yeah, there's apps and you can just log
 9 in once you get a subscription. Send me your stuff.
 10 I'll send you a code next week so you can use it.
 11 NICKI: Okay.
 12 PETER: I'll give you a free year.
 13 NICKI: Yeah, cool.
 14 PETER: Okay. That way -- I'll send it to you
 15 next week. All my staff's leaving right now.
 16 NICKI: Okay, okay, awesome. Like just my
 17 Gmail email and stuff like that?
 18 PETER: Yeah, send that to me and then I'll
 19 send you a code that will give you a free subscription
 20 for a year.
 21 NICKI: Okay.
 22 PETER: And it's up -- it's good for up to
 23 three kids.
 24 NICKI: Awesome. That is so exciting. Okay.
 25 And I just sent you an email with my contact information,

20

1 too. So, yeah, let's schedule some time next week and
 2 I'll give you the walk through and show you how to do it.
 3 And like I said, I mean, I know that you are a growing
 4 business and opening and running, you know, seven schools
 5 is probably not the easiest.
 6 PETER: I have -- yeah, I have a whole staff,
 7 though. So I --
 8 NICKI: Okay.
 9 PETER: -- I'll have my operations person, her
 10 name is Brittany.
 11 NICKI: Okay.
 12 PETER: And I'll introduce you -- I'll
 13 introduce her to you Friday. And then you can show her
 14 and she can do everything.
 15 NICKI: Yeah, okay, perfect. Sounds good.
 16 PETER: All right. Okay, sounds good. Thanks
 17 a lot.
 18 NICKI: Okay, you're welcome.
 19 PETER: All right, all right, see ya, bye.
 20 NICKI: Bye. Have a good weekend.
 21 PETER: You, too.
 22 NICKI: All right.
 23 PETER: See ya, bye.
 24 (The call was concluded.)
 25 (The recording was concluded.)

1 CERTIFICATE OF TRANSCRIPTIONIST

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I further certify that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were transcribed; and further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of the action.

DATE: 4/20/2020 s/Elizabeth M. Farrell
ELIZABETH M. FARRELL, CERT

In the Matter of:

Dun & Bradstreet

April 20, 2020

FTC-00009781

Condensed Transcript with Word Index



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OFFICIAL TRANSCRIPT PROCEEDING
 FEDERAL TRADE COMMISSION

MATTER NO. 1723196

TITLE DUN & BRADSTREET

DATE RECORDED: DATE UNKNOWN
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PAGES 1 THROUGH 27

FTC-00009781 ()

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FEDERAL TRADE COMMISSION

In the Matter of:)
 Dun & Bradstreet) Matter No. 1723196
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FEDERAL TRADE COMMISSION
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P R O C E E D I N G S

FTC-00009781

JOSEPH: Hello. Hello.
 JONATHAN: Yes, Joseph, please.
 JOSEPH: This is he.
 JONATHAN: Hey, Joseph. My name is Jonathan. I'm with Dun & Bradstreet on a monitored line, sir. How are you?
 JOSEPH: Good.
 JONATHAN: Good. You may have received notification from LegalZoom that we would reach out to you in regards to the DUNS number and the credit report that we're going to be setting up for the business as part of the process. Did you get that application?
 JOSEPH: Yeah. No, I haven't seen it yet, but I understand it's coming.
 JONATHAN: Okay, perfect. Are you familiar at all with Dun & Bradstreet, what we are, what we do, where we come into play?
 JOSEPH: Yes.
 JONATHAN: Okay. Just so we're on the same page, can you tell me what your understanding is of what this DUNS number is and how it's going to be used?
 JOSEPH: Well, it's a -- you're basically going

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1 to publish -- you publish like my business name, correct?
 2 JONATHAN: Yeah, go ahead.
 3 JOSEPH: And I understand it will be
 4 categorized so people know how to get to me and they'll
 5 be able to see how big the business is, you know, that
 6 kind of thing, correct?
 7 JONATHAN: Yeah, that's -- let me just kind of
 8 cover the bases just to be safe, okay?
 9 JOSEPH: Sure. Certainly.
 10 JONATHAN: Dun Bradstreet, kind of like how
 11 Equifax or Transunion hold our personal credit, we're the
 12 ones who house the credit reports for companies
 13 worldwide, strictly business. So to put this into
 14 perspective, okay, your legal structure, the LLC, I
 15 assume you set it up to help protect yourself from tax
 16 and liability purposes, right?
 17 JOSEPH: Yes, correct.
 18 JONATHAN: So let's just say, for example, you
 19 go out there and you open a credit card for the business
 20 and you end up putting down your Social Security number
 21 to secure the card, which is oftentimes what these banks
 22 may try and get you to do, regardless of the legal
 23 structure that you have. If you use your Social Security
 24 number, you end up putting that liability back on
 25 yourself. You're still responsible.

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1 JOSEPH: Ah, I see.
 2 JONATHAN: That's where we come into play.
 3 JOSEPH: I see.
 4 JONATHAN: Dun Bradstreet, we're going to
 5 assign to you what's called a DUNS number. You're going
 6 to have a DUNS number throughout the life of the
 7 business, whether you want it, need it, or know it. It's
 8 still nine digits. So any time you're setting up any
 9 type of credit accounts moving forward, it's important
 10 that you are proactively using this DUNS number alongside
 11 that tax ID number or the EIN number to help you build
 12 real credit for the business or, more importantly, use it
 13 in place of your own Social Security number. So you're
 14 helping to separate yourself financially. You're helping
 15 to protect your personal credit and your assets and
 16 you're letting the company stand on its own.
 17 JOSEPH: Yeah.
 18 JONATHAN: Does that make more sense?
 19 JOSEPH: Yes, of course.
 20 JONATHAN: Okay. So my job, Joseph, is to make
 21 sure the information LegalZoom is sending us is accurate
 22 and make sure the report is set up correctly for what
 23 you're trying to accomplish because --
 24 JOSEPH: Excuse me.
 25 JONATHAN: No, no worries, man. Make sure the

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1 report is set up correctly for what you're trying to
 2 accomplish because business credit is reported a lot
 3 differently than personal credit.
 4 JOSEPH: Yeah.
 5 JONATHAN: So I'm just going to run through
 6 what we have. First, if there's anything that you need
 7 changed or updated, you let me know so I can submit the
 8 changes for you, okay?
 9 JOSEPH: Okay.
 10 JONATHAN: Okay. So, Joseph, almost -- we have
 11 you currently listed as the owner of the company. Is
 12 there any other titles that you want to be listed as?
 13 Principal, president?
 14 JOSEPH: Um, yeah.
 15 JONATHAN: CEO?
 16 JOSEPH: President. Yes, president probably,
 17 okay?
 18 JONATHAN: Yeah.
 19 JOSEPH: CEO, that would be fine, too. It's
 20 just -- basically, it's just me at this point.
 21 JONATHAN: Okay, I got ya. Address that I show
 22 for the business is [REDACTED], [REDACTED]
 23 [REDACTED]
 24 JOSEPH: That's correct, yes.
 25 JONATHAN: Is that also going to be the mailing

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1 address?
 2 JOSEPH: Yes.
 3 JONATHAN: Perfect. The phone number that I
 4 show for the business is [REDACTED].
 5 JOSEPH: Yes, correct.
 6 JONATHAN: And any other phone number or fax
 7 number that you need listed?
 8 JOSEPH: Yeah, fax number is [REDACTED].
 9 JONATHAN: Okay. And do you have a website
 10 that you would like listed?
 11 JOSEPH: I don't at the moment.
 12 JONATHAN: Okay.
 13 JOSEPH: I do not.
 14 JONATHAN: Now, is there anybody else that you
 15 need listed on the report besides yourself?
 16 JOSEPH: Nope, just me.
 17 JONATHAN: Perfect. You're the only one that's
 18 going to be able to use this DUNS number in place of your
 19 Social. You started the business this year, 2019.
 20 Congratulations, again. Do you have any employees or
 21 just yourself?
 22 JOSEPH: No, it's just myself at the moment.
 23 JONATHAN: All right. How about the estimated
 24 sales? What are you projecting for the first year?
 25 What's your goal?

9

1 JOSEPH: Well, we're just developing several
 2 products at the moment. But no idea exactly. 50,000,
 3 something like that. That's not much.
 4 JONATHAN: I got ya. Starting point, I got ya.
 5 JOSEPH: Okay.
 6 JONATHAN: Now, the company name, was it
 7 actually accepted by the state yet or was that still in
 8 the planning process?
 9 JOSEPH: Yes, it -- yes, it was, uh-huh.
 10 JONATHAN: What name was accepted?
 11 JOSEPH: [REDACTED]
 12 [REDACTED]
 13 JONATHAN: [REDACTED]
 14 JOSEPH: Yes.
 15 JONATHAN: Perfect. Are you going to be doing
 16 business under any other name?
 17 JOSEPH: [REDACTED]
 18 JONATHAN: Yes.
 19 JOSEPH: Possibility. I've got another idea,
 20 another product that I'm looking at and that has a whole
 21 different name.
 22 JONATHAN: Okay. Did you register any DBAs
 23 with LegalZoom?
 24 JOSEPH: No. Um, a DBA, yes, I did.
 25 JONATHAN: So which DBA?

10

1 JOSEPH: It's [REDACTED]
 2 JONATHAN: So the legal name is [REDACTED]
 3 [REDACTED]
 4 JOSEPH: Correct.
 5 JONATHAN: And what -- the DBA is doing
 6 business as.
 7 JOSEPH: Correct.
 8 JONATHAN: So if you're going to be doing
 9 business under any other name, what other names did you
 10 get registered?
 11 JOSEPH: The other -- I haven't actually taken
 12 out a DBA with the other name yet.
 13 JONATHAN: Okay. No worries then. We'll just
 14 leave it as is. Now, the line of business, just so I can
 15 help you understand where this report might come into
 16 play, tell me a little bit more about the business. What
 17 exactly do you do?
 18 JOSEPH: Well, designing products, just kind of
 19 all over the board. At the moment, I've got one product
 20 that's dealing with coffee, the other one is with a
 21 patrol car. So, you know, the manufacturing, sheet metal
 22 design, plastic injection molding, plastics. So it's
 23 kind of all over the board.
 24 JONATHAN: Okay.
 25 JOSEPH: But I want to put it under one

11

1 umbrella.
 2 JONATHAN: I got ya.
 3 JOSEPH: I have mechanically -- a mechanical
 4 engineering background for 50 years.
 5 JONATHAN: Nice.
 6 JOSEPH: Just putting it to use here.
 7 Actually, I retired a couple years ago --
 8 JONATHAN: You're developing a --
 9 JOSEPH: -- (inaudible).
 10 JONATHAN: -- product -- tell me about the
 11 product that you're developing for coffee you said.
 12 JOSEPH: Yeah. It's a -- for pour-over coffee.
 13 It's a tapper type of device for compacting coffee and a
 14 spotter for when they pour -- are you familiar with pour-
 15 over coffee?
 16 JONATHAN: Yeah, absolutely.
 17 JOSEPH: A lot of people -- a lot of people do
 18 that. Well, they're missing one key element I just
 19 discovered and that is the coffee needs to be compacted
 20 and a spot in the center for the first pour.
 21 JONATHAN: Okay.
 22 JOSEPH: So I developed a little plastic device
 23 and now I turned it into a stainless steel device that's
 24 basically a compactor.
 25 JONATHAN: Nice.

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1 JOSEPH: Or tapper as they call it, tapper.
 2 JONATHAN: Just -- so you're trying to get this
 3 tapper into different baristas and things of that nature?
 4 JOSEPH: Correct.
 5 JONATHAN: Gotcha.
 6 JOSEPH: 4.5 million people make pour-over
 7 coffee every day and they're -- they're missing one key
 8 element. This, which makes the coffee slightly stronger,
 9 fuller-body, better coffee.
 10 JONATHAN: Okay, okay. So you have another --
 11 you've already developed this product and now you're in
 12 the manufacturing stage?
 13 JOSEPH: I'm just -- I'm just finishing the
 14 prototyping stage and I just -- I gave it a name. I've
 15 got a flyer how it operates and will be sending it out to
 16 -- I guess more a focus group type of thing first, get a
 17 response out of it.
 18 JONATHAN: Absolutely. What's your next step?
 19 JOSEPH: Next step would be to research coffee
 20 forums online to see where I can get into and get some
 21 exposure and go from there.
 22 JONATHAN: Okay. That's kind of where this
 23 report may come into play, especially if you're going to
 24 deal with like -- I'm just going to use Starbucks for an
 25 example because --

13

1 JOSEPH: Mm-hmm.
 2 JONATHAN: -- huge opportunity there, right?
 3 JOSEPH: Sure. Sure. I may go do it.
 4 JONATHAN: So it's -- exactly. If Starbucks
 5 wants to make sure that you can deliver as many tappers
 6 as they need, that's typically where they pull the
 7 report. Make sure you're financially stable yourself.
 8 There's no lawsuits, liens, judgments, bankruptcies,
 9 things of that nature.
 10 Have you -- have you set up any type of credit
 11 accounts with like vendors, suppliers, sheet metal
 12 company?
 13 JOSEPH: Not yet, but that's another step.
 14 That's coming up.
 15 JONATHAN: Okay. That's also where the report
 16 may come into play. When they're negotiating giving you
 17 terms of even credit lines, a lot of times they pull the
 18 report, again, just to make sure you're financially
 19 stable yourself. It's a common business practice.
 20 Where do you see the -- that product in the
 21 next, let's say, 6 to 12 months?
 22 JOSEPH: Well, it should be -- it should be in
 23 full production by then and -- yeah. And it should be --
 24 after I've done all the research of getting -- you know,
 25 you got to get to the right people --

14

1 JONATHAN: Yeah.
 2 JOSEPH: -- obviously trade shows that do all
 3 this as well --
 4 JONATHAN: Mm-hmm.
 5 JOSEPH: -- and to many of those. You know,
 6 just exposure is probably going to be a big -- you know,
 7 getting that first exposure out there is my big push.
 8 JONATHAN: Absolutely. What about the -- you
 9 said something about a product that you're developing for
 10 a patrol car?
 11 JOSEPH: Yeah. It's a -- you've seen -- you've
 12 seen the way there's patrol cars with a push bumper in
 13 the front?
 14 JONATHAN: Yes.
 15 JOSEPH: Yeah, yeah. Well, one of the things
 16 that I've known -- I've seen and watched many times when
 17 the police pull somebody over, they usually -- they
 18 actually detain that person. They usually make them sit
 19 on the ground.
 20 JONATHAN: Mm-hmm.
 21 JOSEPH: I'm developing -- I'm developing a
 22 fold-down seat that mounts right in that front bumper so
 23 they sit there instead of the ground --
 24 JONATHAN: Got it.
 25 JOSEPH: -- facing the policy, so they can

15

1 contact them and talk to them --
 2 JONATHAN: Okay.
 3 JOSEPH: -- and secure them. Once that police
 4 officer puts cuffs on him, he's there responsibility to
 5 inaudible) --
 6 JONATHAN: Oh, yeah, absolutely.
 7 JOSEPH: -- and walks out into traffic, he's
 8 dead and it's his fault.
 9 JONATHAN: Yeah, I got ya.
 10 JOSEPH: It's a -- it's basically a very
 11 simple fold-down seat -- I'm surprised nobody's done it
 12 before -- to sit is basically what it comes down to. And
 13 I'm in the process of building a prototype of that at the
 14 moment as well.
 15 JONATHAN: Where are you in the development
 16 stage?
 17 JOSEPH: We've got one piece that is -- we're
 18 waiting for a latch. Everything else is done. We should
 19 have it up and running here in the next couple of months.
 20 JONATHAN: Okay.
 21 JOSEPH: And, again, it will have to be -- you
 22 know, we'll get it in front of the people that can give
 23 us feedback and we can go from there.
 24 JONATHAN: Absolutely. So oftentimes -- oh, so
 25 you're going to be dealing with like the state, the city

16

1 and things of that nature, law enforcement?
 2 JOSEPH: Yeah, right.
 3 JONATHAN: Okay. So the city, the state, they
 4 will primarily use this DUNS number so they can pay you
 5 on the products they purchase from you, okay?
 6 JOSEPH: Mm-hmm.
 7 JONATHAN: They use --
 8 JOSEPH: Yeah, right.
 9 JONATHAN: -- they use the DUNS number like a
 10 tracking system between you two. Now, same concept. If
 11 they want to make sure if you're -- you know, that aspect
 12 alone, just having a DUNS number is for -- just so they
 13 can pay you. But in the same -- in the same respect, if
 14 they want to make sure you can deliver goods as promised,
 15 they want to make sure you're financially stable, that's
 16 within your best interest to start reporting the bills.
 17 Business credit, it's not like our personal credit. Like
 18 my personal credit, for example, my mortgage company,
 19 credit card payments, car payments, these things report
 20 on me automatically. As an individual, all I really have
 21 to do is pay my bills on time.
 22 Now --
 23 JOSEPH: Mm-hmm.
 24 JONATHAN: -- in the business world, it's
 25 really more about the cash flow. Where are you going to

17

1 be spending the money that you're going to be spending?
 2 The sheet -- sheet metal company, the vendors and
 3 suppliers, the materials that you buy. You got to log in
 4 to your report and you simply give us the names and the
 5 contact detail of the company that you pay bills to.
 6 Even if you're paying up-front using your own debit card
 7 right now, paying in cash, it doesn't matter. However
 8 you're paying, you log in here, you give us the names and
 9 contact detail, we will contact those companies that you
 10 add. We verify that payment history going back a full 12
 11 months and we manually (recording malfunction) that
 12 payment history on the report.
 13 Now, you're not just building the company's
 14 credit. Now, you're starting to showcase your company's
 15 financial strength and stability. So if you're -- if
 16 you're Starbucks, okay, and you need, oh, man, let's say
 17 -- let's say 100, 100 tappers for 100 different stores.
 18 You know, if they want to make -- if you -- if you're
 19 Starbucks, you (recording malfunction) tappers, if you
 20 pull my company's report and I'm not reporting my bills,
 21 what gives you that piece of mind that I can deliver what
 22 you need whenever you need it?
 23 JOSEPH: Yeah, I hear you. Got it.
 24 JONATHAN: Same thing with a -- with the
 25 sheriff's departments, the city policy, you know. Again,

18

1 showcase that strength and stability, report the bills,
 2 earn the credit you deserve and put your company in a
 3 much better position to get your products where they need
 4 to be.
 5 JOSEPH: Okay, yes, I hear, yeah.
 6 JONATHAN: That's it. The next step is getting
 7 you set up to go through what's called a Credit Builder
 8 program. This is what gives you full administrative
 9 rights so you can log in here and start giving us some
 10 names and the contact details of the company that you
 11 pay. How much do you think you've invested so far in the
 12 developing -- the developing, the manufacturing --
 13 JOSEPH: Oh, probably 3- to 5,000.
 14 JONATHAN: That's what you're going to start
 15 reporting. Right now, it's not about you paying a ton of
 16 bills; it's really just about that consistency,
 17 showcasing or at least paying the bills on time. Once
 18 you get that payment history in here, you go back to your
 19 vendors, your suppliers and say, hey, look, here's my
 20 DUNS number, give me terms, give me credit lines.
 21 Because let's be honest, as the company grows, you're
 22 going to need more product, you're going to have to
 23 develop more product. The manufacturing company -- can
 24 you pay for everything up-front?
 25 JOSEPH: No, no, well, I can't.

19

1 JONATHAN: Exactly. So report what bills you
 2 have right now and put your company in a much better
 3 position to start negotiating the terms and credit lines
 4 from the very, very start instead of being forced to pay
 5 up-front. Make sense?
 6 JOSEPH: Understand, yes.
 7 JONATHAN: Any questions so far?
 8 JOSEPH: No.
 9 JONATHAN: Okay. The credit --
 10 JOSEPH: Yes. What is -- what's this -- what's
 11 it going to cost to put all this together?
 12 JONATHAN: I'm going to -- I'm going to go over
 13 that right now. Now, this DUNS number is free. The
 14 credit report for the business is free. Again, there's
 15 only a cost involved in you submitting the bills because,
 16 again, we're not a reporting company, we don't know who
 17 you're paying.
 18 You're essentially hiring us to work for you.
 19 You went to LegalZoom, you get their discounts. Anybody
 20 outside LegalZoom, they typically pay full price for the
 21 Credit Builder Plus Program, which is normally 1,499 for
 22 the year, plus an activation fee. LegalZoom customers,
 23 we're not only waiving the activation fee, we're going to
 24 give you the Credit Builder Program for \$899. And if it
 25 helps you, I can even split it up into three payments.

20

1 That way, you don't have to absorb the whole 899 at once.
 2 JOSEPH: Yeah, that would -- that would work.
 3 JONATHAN: Okay.
 4 JOSEPH: Splitting it up, yeah.
 5 JONATHAN: You make the first payment. What we
 6 do then is contact the Secretary of State. We make sure
 7 the DUNS number that we assign is actually the link to
 8 the legal structure you created. That way, it's set up
 9 for credit purposes for the life of the business and that
 10 way other companies have the peace of mind that you're
 11 going to be safe and reliable to do business with.
 12 And in three to five business days when this
 13 DUNS number is assigned, I'm going to be on the phone
 14 with you again. We're going to log in together and I'm
 15 going to show you how to add the bills to the business.
 16 Pretty simple process after.
 17 JOSEPH: Got it.
 18 JONATHAN: Okay.
 19 JOSEPH: Yeah, yeah.
 20 JONATHAN: Okay.
 21 JOSEPH: Good. Okay.
 22 JONATHAN: Bear with me. Hold on one second.
 23 Let me just get everything -- so you're going to receive
 24 the links and passwords here shortly. Now, you can log
 25 in right away. But, again, you're going to see

21

1 everything listed as pending for the next three to five
 2 business days. So we have the DUNS number linked to the
 3 legal structure.
 4 Now, I'm assuming your territory is going to be
 5 all of the U.S., right?
 6 JOSEPH: That's correct, yes.
 7 JONATHAN: Canada as well or --
 8 JOSEPH: Yeah. I'm sure Canada would be --
 9 they drink coffee.
 10 JONATHAN: Yeah. I don't know anybody that
 11 doesn't. Oh, that's funny. So what made you --
 12 JOSEPH: Well, actually the world.
 13 JONATHAN: -- take a stab?
 14 JOSEPH: I mean, just watching -- I've been
 15 drinking coffee the same way all my life and I just
 16 realized that I get a better cup of cappuccino -- I mean,
 17 they compact that coffee really tight. You've seen --
 18 they have a specific tapper there as well.
 19 JONATHAN: Yeah.
 20 JOSEPH: This is -- this is -- this is slightly
 21 different, but it's on the same line, same concept. And
 22 so they're missing -- they're missing one important step
 23 to making the best coffee.
 24 JONATHAN: Okay. How did you discover it,
 25 though? That's my question.

22

1 JOSEPH: Watching videos of people making the
 2 best coffee -- pour-over coffee and thinking --
 3 JONATHAN: Okay.
 4 JOSEPH: -- well --
 5 JONATHAN: I got ya.
 6 JOSEPH: -- well, they want -- put inaudible)
 7 and they weigh it. They weigh the water. They have the
 8 water at a particular temperature.
 9 JONATHAN: Mm-hmm.
 10 JOSEPH: But they don't -- they don't compress
 11 the coffee. You need -- you need to compress it. You
 12 need to tap it down and compress it. And they also talk
 13 about making sure you pour that coffee directly in the
 14 center of that pile of --
 15 JONATHAN: Mm-hmm.
 16 JOSEPH: -- you know, coffee. Well, I put a
 17 little spot there so that's like a target. It's like a
 18 little pit.
 19 JONATHAN: Yeah.
 20 JOSEPH: The name of the product is
 21 (inaudible). It's called [REDACTED]
 22 JONATHAN: Yeah. Nice. I love it. I love it.
 23 JOSEPH: It takes seconds, but I'm telling you,
 24 you'll see a different cup of coffee.
 25 JONATHAN: I got ya. Okay. You'll get the

23

1 links and passwords here shortly. It's the Credit
 2 Builder Program. We're splitting it up into three
 3 payments, 899. The first payment is going to be 299.67.
 4 What's the method of payment you want to use?
 5 JOSEPH: It would be a credit card.
 6 JONATHAN: Visa, Mastercard, Amex or Discover?
 7 JOSEPH: Oh, let's -- let's say -- hold on.
 8 Let me -- let me get to that.
 9 Okay. It would be Visa.
 10 JONATHAN: Okay. Go ahead with the number
 11 whenever you're ready.
 12 JOSEPH: Okay.
 13 JONATHAN: Same billing address, right? The
 14 [REDACTED]
 15 JOSEPH: That's correct, yes.
 16 JONATHAN: Okay.
 17 JOSEPH: It is [REDACTED].
 18 JONATHAN: And the expiration date?
 19 JOSEPH: [REDACTED].
 20 JONATHAN: You're getting the Credit Builder
 21 Program. Let me just reiterate this for -- just for
 22 compliance purposes. Again, you're getting the Credit
 23 Builder Program, \$899 with the LegalZoom discount,
 24 splitting it up into three payments, 299.67 for the first
 25 payment. You have a second payment due 30 days from

24

1 today. Final payment, 60 days. That will give you full
 2 access for the next 12 months. We do have your
 3 permission to process that Visa ending in [REDACTED] in the
 4 amount of 299.67 for the Credit Builder Program?
 5 JOSEPH: Yes.
 6 JONATHAN: Perfect. You'll get the receipt
 7 there shortly. Make sure that you save that for tax
 8 purposes because you can possibly write it off as a
 9 business expense. You're also going to be getting a
 10 Business Advantage Plus from LegalZoom. Now, this is
 11 absolutely free. They're going to provide you with a
 12 comprehensive calendar that's going to alert you to any
 13 key filings that might be essential for the business and
 14 you'll also have access to the legal library, which you
 15 can use for business or personal use throughout the
 16 course of the Credit Builder Program.
 17 Lastly, the program is typically set up to
 18 automatically renew same time next year at the then-
 19 current price. What I would recommend that you do is
 20 just set yourself up a time reminder for about nine, ten
 21 months down the road. The payment history that we
 22 capture and verify and put in the report now, it audio
 23 malfunction) in the report for up to 24 months.
 24 So if you're going to be doing business with
 25 the same (audio malfunction) year after year, you may

25

1 only need to do this every two or three years. But in
 2 the same respect, if you bring on new vendors and new
 3 suppliers throughout the year, consider renewing it so
 4 you consistently build that credit, you consistently
 5 showcase that strength and stability.
 6 Does that make sense?
 7 JOSEPH: Yes.
 8 JONATHAN: Okay. You're going to get an email
 9 from me here shortly with your login information. Again,
 10 you'll see everything listed as pending for three to five
 11 business days. But my information's going to be there.
 12 Whenever you get the notification that the DUNS number is
 13 assigned, by all means, reach out to me, we'll log in
 14 together. I do check my system periodically. So if I
 15 notice it's been assigned before you do, then I'll
 16 probably reach out to you. But other than that, I
 17 appreciate your time, man. I look forward to working
 18 with you and welcome to Dun Bradstreet.
 19 Any questions for me?
 20 JOSEPH: Very good. No, that's it. Thank you
 21 very much.
 22 JONATHAN: Definitely. I'll talk to you soon,
 23 okay?
 24 JOSEPH: You bet. Thanks.
 25 JONATHAN: Have a good one.

26

1 JOSEPH: Bye. Mm-hmm, bye.
 2 (The call was concluded.)
 3 (The recording was concluded.)
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1 CERTIFICATE OF TRANSCRIPTIONIST
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 3
 4 I, Elizabeth M. Farrell, do hereby certify that
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 22 ELIZABETH M. FARRELL, CERT
 23
 24
 25

In the Matter of:

Dun & Bradstreet

April 20, 2020

FTC-00009825 [REDACTED]

Condensed Transcript with Word Index



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OFFICIAL TRANSCRIPT PROCEEDING
 FEDERAL TRADE COMMISSION

MATTER NO. 1723196

TITLE DUN & BRADSTREET

DATE RECORDED: DATE UNKNOWN
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PAGES 1 THROUGH 17

FTC-00009825 [REDACTED]

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1 FEDERAL TRADE COMMISSION

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3 In the Matter of:)

4 Dun & Bradstreet) Matter No. 1723196

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7 Date Unknown

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1 P R O C E E D I N G S

2 - - - - -

3 FTC-00009825

4 IGOR: Hello.

5 CHELSEA: Hi, this is Chelsea from Dun &

6 Bradstreet, monitored line. How are you doing today?

7 IGOR: Hi, hello, this is Igor. I just left a

8 message.

9 CHELSEA: Yes, thank you so much for giving me

10 a call. I was assigned to the application that you

11 submitted for the DUNS number. So I just need to go over

12 the information that's listed here so we can get

13 everything set up for you.

14 IGOR: Okay, great.

15 CHELSEA: All right, wonderful. So before I

16 dive into the application, what was the reason for

17 requesting the DUNS number?

18 IGOR: Well (inaudible) the ratings -- to get a

19 rating started.

20 CHELSEA: Sure.

21 IGOR: So that we could get our -- registered

22 first and then get a rating --

23 CHELSEA: Okay.

24 IGOR: -- and a record for our company.

25 CHELSEA: Perfect. I can definitely help you

5

1 with that. So do you have like a prospective customer
 2 who may be looking into your report or are you going to
 3 be applying for any sort of like credit or financing in
 4 the future?
 5 IGOR: No, we're planning to deal the -- have
 6 a business with government agencies and -- especially
 7 GSA and (inaudible) asking for a record -- to have a
 8 rating -- a credible -- to have -- to be credible and
 9 having a rating and record --
 10 CHELSEA: Sure.
 11 IGOR: -- from your company.
 12 CHELSEA: Perfect, yep. (Inaudible) the free
 13 DUNS number so that makes sense. So what is the line of
 14 business? What do you do exactly?
 15 IGOR: Architect. Architectural company.
 16 CHELSEA: Okay, great. So do you typically
 17 only deal with government or do you have like commercial
 18 clients as well?
 19 IGOR: No, we deal with commercial and private
 20 clients and now we would like to reorient our company
 21 toward the public sector.
 22 CHELSEA: Okay, great. Yeah, so especially
 23 when you're dealing with commercial clients, they will
 24 typically come to us to look at your information as well.
 25 They want to make sure, of course, you're safe to deal

6

1 with, you're financially stable and see the credibility
 2 of your company. So the way you submitted the
 3 application, it leaves your file incomplete, which means
 4 you don't yet qualify for all seven scores and ratings
 5 that are attached to the DUNS number.
 6 So what we'll do is we will initiate a
 7 background check. It only takes three to five business
 8 days. We don't need any legal documents from you. We
 9 just simply --
 10 IGOR: Mm-hmm.
 11 CHELSEA: -- just confirm that the company is
 12 registered, verify if there's been any lawsuits, liens,
 13 judgments, bankruptcies, things of that nature, and then
 14 once completed, you'll be qualified for the full set of
 15 scores and ratings for the lifetime of your business.
 16 IGOR: So your ratings are mainly driven off of
 17 your payment history. Do you have any idea how much
 18 you've spent within the last 12 months? We can go back a
 19 year in payment history and capture those expenses you
 20 had and get that added into the report to help you build
 21 up your file.
 22 IGOR: Is that -- is that spending including
 23 the employees' salaries, office expenses, those type of
 24 expenses?
 25 CHELSEA: Yep. Any -- yeah. Any products or

7

1 services that you're paying for.
 2 IGOR: Okay. Yeah, I can provide it, sure.
 3 CHELSEA: Do you have like a rough estimate of
 4 how much that would be?
 5 IGOR: An estimate, it should -- for the past
 6 12 months?
 7 CHELSEA: Mm-hmm.
 8 IGOR: Something about 300- to 350,000.
 9 CHELSEA: Wow, that's huge. So especially if
 10 you're going to be anticipating to have customers looking
 11 at your report, we want to make sure that you're
 12 showcasing that so that way they can see the size of the
 13 company, the financial stability and the credibility of
 14 your business. So what we'll do is we'll get links and
 15 logins sent to your email once the DUNS number is
 16 assigned to you.
 17 IGOR: Mm-hmm.
 18 CHELSEA: Just email me the contact information
 19 of who you're going to be making payments to and then our
 20 trade department is going to do the rest of the work from
 21 there by calling those companies to verify how much you
 22 spent with them, the percentage that was paid on time,
 23 and if you have any terms with them. And then once we
 24 verify that information, then that gets added into the
 25 report. It's a really easy process. I just need a

8

1 little bit of information from you and we basically take
 2 over the rest from there.
 3 What is your projection for revenue for this
 4 year? Do you have an idea of what that would be?
 5 IGOR: It's tough. With today's market, I
 6 cannot really tell. But --
 7 CHELSEA: Sure.
 8 IGOR: -- we hope that it's going to meet -- I
 9 don't know. I mean, in the same -- I cannot really tell
 10 you. I don't know.
 11 CHELSEA: Okay. We can leave that blank.
 12 IGOR: (Inaudible).
 13 CHELSEA: Yeah, no, that's fine.
 14 IGOR: We're hoping between 3- to 400.
 15 CHELSEA: You said 2- to 400?
 16 IGOR: In between 3- to 400. It's various.
 17 CHELSEA: Okay, all right. Great. So how much
 18 is one customer usually worth? Is it different for each
 19 one or are they roughly the same?
 20 IGOR: It's -- we're dealing with a different
 21 -- with private sector customers through developers.
 22 CHELSEA: Sure.
 23 IGOR: So we're working with the different
 24 types of projects. So they could be \$5 million to \$30
 25 million projects.

9

1 CHELSEA: Wow.
 2 IGOR: So -- at this point.
 3 CHELSEA: That's huge. Okay, great. Well,
 4 yeah, we definitely want to make sure we keep that up
 5 properly so that way you can continue to grow and expand
 6 the company. If that's the size of the contracts, then
 7 that could mean a lot for your business. So it's good
 8 that we're getting you set up with this now.
 9 So the company, was it registered in [REDACTED]
 10 [REDACTED] at the [REDACTED] address?
 11 IGOR: Yes.
 12 CHELSEA: Okay, wonderful.
 13 IGOR: Yeah, the company was actually at [REDACTED]
 14 We relocated. We relocated office.
 15 CHELSEA: Okay.
 16 IGOR: But the company is registered at -- so
 17 it does not really matter probably. The company used to
 18 be at [REDACTED].
 19 CHELSEA: Okay.
 20 IGOR: But we just relocated. We expand the
 21 office.
 22 CHELSEA: Okay, perfect. So we'll make sure
 23 that that gets updated. And we have the new address
 24 listed here. Perfect. Okay, great.
 25 And then the commercial phone number, is it the

11

1 financial institution or a potential customer, you're
 2 already set up and you're showcasing your company in the
 3 best way. That way you can continue to grow and expand
 4 the company.
 5 In order for us to initiate the background
 6 check and to get the links and logins so that way you'll
 7 have the full access to self-report. That would be
 8 through a Credit Builder basic platform. We just roll
 9 this out to newer companies or companies who don't have
 10 the DUNS number just yet. This does retail at 899.
 11 However, it can be broken up into three payments over a
 12 60-day period. So each payment would only be 299.67 to
 13 get that processed and with a Visa, Master, Discover,
 14 American Express.
 15 IGOR: Okay. May I ask a question? You said
 16 that -- I received a couple days ago that we have already
 17 the Dun Bradstreet assigned a number for our company.
 18 CHELSEA: You do? Okay. Let me take a look.
 19 Sometimes it can happen, especially if you've been in
 20 business for a while. But it typically doesn't notify
 21 me. So let me check.
 22 Pause.)
 23 CHELSEA: Okay, all right. So I was able to
 24 find one. It has -- it needs the information updated.
 25 So we can just keep the same DUNS number and just get

10

1 [REDACTED]
 2 IGOR: That's correct.
 3 CHELSEA: Okay, perfect. And then the email
 4 that I reached you on, the [REDACTED] (inaudible) -- is that
 5 dot-com.
 6 IGOR: Inaudible) dot-com, mm-hmm.
 7 CHELSEA: That's the best email to get
 8 everything sent to as well?
 9 IGOR: Yes.
 10 CHELSEA: Okay, wonderful. So the application
 11 you submitted, typically, it would take 30 business days.
 12 But, again, it does leave your file incomplete. So you
 13 wouldn't even yet qualify for the full set of ratings.
 14 So we will initiate a background check so that way you
 15 have that completed report. That will only take --
 16 IGOR: Mm-hmm.
 17 CHELSEA: -- three to five business days. And
 18 then once that is completed, we typically start your
 19 scores and ratings in the mid-range. That way, you're
 20 not showing poor ratings right from the beginning. And
 21 then once the DUNS number is assigned to you, that's when
 22 we'll get links and logins sent to your email so that way
 23 we can start self-reporting your expenses, build up your
 24 scores and ratings in your file, so that way any time
 25 anyone's looking at your report, whether it be a

12

1 that updated for you. But the thing is is that your file
 2 is still incomplete because we wouldn't -- or we didn't
 3 initiate the background check. So right now, your file
 4 is in an incomplete status and your scores and ratings
 5 are saying not applicable. So we want to make sure that
 6 that background check gets done, so that way, we can have
 7 that completed for you.
 8 IGOR: Okay, okay.
 9 CHELSEA: And then -- and then for the payment
 10 history, you're only showcasing roughly \$700 and that's
 11 nowhere near what you've already spent. So the links and
 12 logins will be sent to you as soon as we get all of that
 13 processed with the first initial payment of the 299.67.
 14 IGOR: Okay.
 15 CHELSEA: All right.
 16 IGOR: So I should do this online?
 17 CHELSEA: Now, what kind of card do you want to
 18 use? We don't have this platform online. The one that
 19 we do have is \$1,499. So I want to make sure you can
 20 take advantage of the lower cost one since you'd be
 21 saving \$600 for essentially the same platform.
 22 IGOR: Okay. So what the total will be for
 23 that to start (inaudible)?
 24 CHELSEA: Yep. So the total would be --
 25 IGOR: Inaudible).



13

1 CHELSEA: Yeah. So the total would be 899, but
 2 if you want to break it up into payments, it would only
 3 be 299.67 and then plus any applicable tax.
 4 IGOR: Okay.
 5 CHELSEA: All right.
 6 IGOR: Is it 899 for the year or is it just for
 7 one?
 8 CHELSEA: It's all -- so it's going to cover
 9 you for 12 months. You can choose to renew it at the end
 10 of the year if you would like after the 12 months is
 11 done. So ultimately up to you.
 12 IGOR: All right. Okay.
 13 CHELSEA: Okay.
 14 IGOR: Okay. I'm going to -- okay. You going
 15 to take the card or call me back?
 16 CHELSEA: Yep. I take method of payment over
 17 the phone. I can get everything processed on my end, and
 18 then once that's completed, you'll receive the receipt
 19 and the links and logins to your email.
 20 IGOR: Okay.
 21 CHELSEA: All right.
 22 IGOR: Hold on one sec.
 23 CHELSEA: Okay.
 24 (Pause.)
 25 IGOR: Okay, go ahead.

14

1 CHELSEA: Okay.
 2 IGOR: American -- American Express.
 3 CHELSEA: All right.
 4 IGOR: And the card number [REDACTED].
 5 CHELSEA: Okay.
 6 IGOR: [REDACTED].
 7 CHELSEA: Okay.
 8 IGOR: [REDACTED].
 9 CHELSEA: And the expiration?
 10 IGOR: [REDACTED]
 11 CHELSEA: [REDACTED].
 12 IGOR: [REDACTED].
 13 CHELSEA: [REDACTED], okay, perfect. And then
 14 the billing address attached to the card, is it the
 15 updated address?
 16 IGOR: No, it's the previous address, [REDACTED]
 17 [REDACTED] [REDACTED] [REDACTED] [REDACTED]
 18 CHELSEA: Okay, perfect. And then do you want
 19 to have it paid in full or do you want to break it up
 20 into three payments?
 21 IGOR: I'd like to break it up into three
 22 payments.
 23 CHELSEA: Okay, perfect. So I'll get you set
 24 up with your Credit Builder Basic for the total of the
 25 899, but we're just going to process the American Express

15

1 for the 299.67, plus any tax today. Hang on to your
 2 receipt because it would be a potential tax writeoff at
 3 the end of the year.
 4 And we do have a partnership with LegalZoom.
 5 They're going to send you an email. You have additional
 6 benefits with them at no extra cost to you.
 7 IGOR: Mm-hmm.
 8 CHELSEA: And then you already have the DUNS
 9 number, so you're set with that. Give me three to five
 10 business days for the background check to be completed.
 11 And, again, once that's completed, it completes it for
 12 the lifetime of the business. So you'll be all set with
 13 that. You won't have to worry about that moving forward.
 14 Do I have your authorization to run your
 15 American Express ending in [REDACTED]?
 16 IGOR: I guess you're going to send me an email
 17 of this, no? Can you do that?
 18 CHELSEA: Yep. So you'll have the confirmation
 19 with that once I process the payment.
 20 IGOR: Okay.
 21 CHELSEA: So let's see here. And then I have
 22 your authorization to process that, correct?
 23 IGOR: Okay, yeah.
 24 CHELSEA: Yep, okay, perfect. All right. So
 25 you'll receive that receipt here in just a moment. And

16

1 then I will be back in contact with you as soon as we
 2 have the report completed to let you know that everything
 3 is squared away with that and then, of course, just feel
 4 free to give out the DUNS number any time you're being
 5 asked for it, okay?
 6 IGOR: Okay. Sounds good.
 7 CHELSEA: All right.
 8 IGOR: Thank you very much.
 9 CHELSEA: You're welcome. You have a great
 10 rest of your day.
 11 IGOR: You, too. Bye-bye.
 12 CHELSEA: Thank you. Bye.
 13 (The call was concluded.)
 14 (The recording was concluded.)
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1 CERTIFICATE OF TRANSCRIPTIONIST

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DATE: 4/20/2020 s/Elizabeth M. Farrell
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In the Matter of:

Dun & Bradstreet

April 20, 2020

FTC-00009660 [REDACTED]

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PAGES 1 THROUGH 18

FTC-00009660 [REDACTED]

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1 FEDERAL TRADE COMMISSION

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3 In the Matter of:)

4 Dun & Bradstreet) Matter No. 1723196

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1 P R O C E E D I N G S

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3 FTC-00009660

4 CHELSEA: Thank you for calling Dun &

5 Bradstreet. All calls are monitored. This is Chelsea.

6 MARK [REDACTED] Good morning, Chelsea. My name

7 is Mark [REDACTED] I'm returning your call. You left me

8 a voicemail.

9 CHELSEA: Hi. Yeah, thank you so much for

10 giving me a call back. Let me pull up your application.

11 So I was assigned to the application that you submitted

12 for the DUNS number.

13 MARK [REDACTED] Yes.

14 CHELSEA: So I just need to review the

15 information listed here so we can get everything set up

16 for you.

17 MARK [REDACTED] Thank you.

18 CHELSEA: Okay, you're welcome. So, Mark, you

19 are the CEO of the company. Is that correct?

20 MARK [REDACTED] Yes, I am.

21 CHELSEA: Okay. Is there anyone else that

22 should be listed on file or would it just be yourself?

23 MARK [REDACTED] Not today, maybe in a few

24 months. But as of right now --

25 CHELSEA: Okay.

5

1 MARK [REDACTED] -- it's just me.
 2 CHELSEA: All right, sounds good. So before I
 3 go any further into the application, what was the reason
 4 for requesting the DUNS number?
 5 MARK [REDACTED] Because most of my potential
 6 customers, they require a DUNS number.
 7 CHELSEA: Sure.
 8 MARK [REDACTED] That's one.
 9 CHELSEA: Okay.
 10 MARK [REDACTED] And that's on the commercial
 11 side. And then I'm also an Apple software developer.
 12 CHELSEA: Got it.
 13 MARK [REDACTED] You know, I can -- and then
 14 Apple requires that for enterprises.
 15 CHELSEA: Okay.
 16 MARK [REDACTED] And then, also, I'd like to go
 17 after government contracts, so they require a Dun
 18 Bradstreet number as well.
 19 CHELSEA: Yeah, absolutely. So you're doing
 20 everything, huh? Yeah, you're absolutely right, whereas
 21 as Apple and government, they do require the free DUNS
 22 number that we're getting you set up with now. Have you
 23 had a DUNS number before?
 24 MARK [REDACTED] No, ma'am.
 25 CHELSEA: No? Okay, perfect.

6

1 MARK [REDACTED] No.
 2 CHELSEA: So I'll make sure we get you set up
 3 properly, so that way you're able to do the things that
 4 you're looking for for the company. So what do you do
 5 specifically with this company or like what is the --
 6 what is the description that should be listed here?
 7 MARK [REDACTED] Yeah. So this is a -- the name
 8 of the company, you know, ends with [REDACTED]
 9 CHELSEA: Okay.
 10 MARK [REDACTED] And essentially it's a
 11 laboratory for ideas and innovation for technology
 12 applications focused on supply chain.
 13 CHELSEA: Okay, wonderful, all right. And then
 14 so I have supply chain and logistics technology
 15 consultants. So --
 16 MARK [REDACTED] Correct.
 17 CHELSEA: -- basically that sounds inaudible)
 18 what you just inaudible).
 19 MARK [REDACTED] It's kind of broad, but I kind
 20 -- it refers to --
 21 CHELSEA: Yeah.
 22 MARK [REDACTED] -- the industries I'm going
 23 after, yeah.
 24 CHELSEA: It's easier that way, for sure.
 25 Yeah, that was going to be my next question is, who

7

1 exactly would your customers be on the commercial side?
 2 MARK [REDACTED] Like consumer package goods
 3 companies, distributors, you know. When I say CPG, like
 4 Kellogg, Pepsi --
 5 CHELSEA: Oh.
 6 MARK [REDACTED] -- and then those kinds of
 7 companies. And then on the -- on the other side, it
 8 would be retailers like, you know, Walmart, Target,
 9 grocery stores. So anyone that kind of, you know,
 10 receives products, anyone that ships products, and
 11 everything that's in between.
 12 CHELSEA: Gotcha. Okay, perfect. Yeah. So
 13 Walmart, they require the free DUNS number as well. So
 14 if you ever are trying to do business with them, then
 15 you'll be all squared away with that, too. But it
 16 definitely makes sense as to why they may be asking for
 17 the DUNS number or if you're anticipating them to ask.
 18 Usually if you're going to be dealing with larger
 19 companies like that, they're going to come to us to
 20 review your information, make sure you're safe to deal
 21 with, you're financially stable, things of that nature.
 22 MARK [REDACTED] Correct.
 23 CHELSEA: So you have a set of seven scores and
 24 ratings attached to the DUNS number. That's usually what
 25 they're looking at. Those scores and ratings are mainly

8

1 driven off of your payment history. Have you invested
 2 money into the company so far? I know you're fairly new.
 3 MARK [REDACTED] Just -- just -- it's very
 4 new. I invested just enough to buy my first asset, which
 5 was --
 6 CHELSEA: Okay.
 7 MARK [REDACTED] -- you know, a computer for
 8 myself.
 9 CHELSEA: Inaudible).
 10 MARK [REDACTED] So that's all I've done.
 11 CHELSEA: All right.
 12 MARK [REDACTED] And so if you were to do a bank
 13 account check, then you'll see the money that's in there,
 14 which is my \$3,000.
 15 CHELSEA: Okay.
 16 MARK [REDACTED] That's about all I had --
 17 CHELSEA: All right.
 18 MARK [REDACTED] -- to put into the bank.
 19 CHELSEA: Sure, of course.
 20 MARK [REDACTED] But the -- but the bank that
 21 I've been using, I've been with this bank for, you know,
 22 since 1994, [REDACTED]
 23 CHELSEA: Mm-hmm.
 24 MARK [REDACTED] And they have my history.
 25 CHELSEA: Okay.

9

1 MARK [REDACTED] And if required, I can also put
 2 you guys in touch with my accountant --
 3 CHELSEA: Okay.
 4 MARK [REDACTED] -- that's been doing my books
 5 for personal stuff for like the last 20 years. So --
 6 CHELSEA: Awesome.
 7 MARK [REDACTED] Okay, great. Yeah, because I
 8 was going to say, you don't always have to have like
 9 credit cards and revolving lines of credit, things of
 10 that nature to build up your report. Even like with your
 11 accountant that you have, if you're paying for a web
 12 domain. That could also be a good expense to have added
 13 into your report to help build --
 14 MARK [REDACTED] Okay.
 15 CHELSEA: -- and impact your scores and
 16 ratings. And then if you ever need any credit, then it
 17 will help with your credit recommendation as well and
 18 companies can use that as a guide to determine how much
 19 credit to extend to you. But it sounds like it's more so
 20 a service-based business. So I'm sure that your expenses
 21 will stay fairly minimal. Sound about right?
 22 MARK [REDACTED] Yep, yep.
 23 CHELSEA: All right, perfect.
 24 MARK [REDACTED] I mean, at least for the
 25 foreseeable future, you know, unless a big opportunity

10

1 comes in and then I'll have to go get a line of credit --
 2 CHELSEA: Sure.
 3 MARK [REDACTED] -- to kind of invest and -- I
 4 don't see that happening like in the next three to six
 5 months.
 6 CHELSEA: Sure. Okay, perfect. So we'll make
 7 sure you get set up now, so that way when the time does
 8 come, you'll already be squared away with that and you're
 9 not having to scramble last minute to get all that
 10 information together. So that's perfect.
 11 So as you're making expenses, even cash
 12 expenses, let me know who you're making payments to so
 13 that way we can start submitting that into the report, so
 14 that when these customers are looking at your report or
 15 if a bank or a vendor is looking, they're able to see
 16 that information and you're not showing that you're
 17 basically just at a standstill with the business. They
 18 can see that you're actively doing business and making
 19 payments on time and you are financially stable and a
 20 credible company to get involved with.
 21 MARK [REDACTED] Okay.
 22 CHELSEA: Okay, perfect. So what is your
 23 projection for revenue for this year?
 24 MARK [REDACTED] For the balance of the year, I
 25 project about \$250,000.

11

1 CHELSEA: Okay, all right. All right. And
 2 then number of employees I have listed is one. So if
 3 that changes, then just let me know. We can always get
 4 that updated for you.
 5 MARK [REDACTED] Okay.
 6 CHELSEA: And the address is [REDACTED]
 7 [REDACTED] [REDACTED] [REDACTED] Is that the registered
 8 address?
 9 MARK [REDACTED] Correct.
 10 CHELSEA: Okay, perfect. And is this the best
 11 number to have listed on file as well?
 12 MARK [REDACTED] Yes.
 13 CHELSEA: Okay, awesome. All right. And then
 14 your email will [REDACTED]
 15 MARK [REDACTED] Yep.
 16 CHELSEA: Is that the email that you would like
 17 everything set up to? Awesome.
 18 MARK [REDACTED] Yep.
 19 CHELSEA: All right, perfect. So the
 20 application that you submitted, typically it would take
 21 up to 30 business days to receive, but what happens is it
 22 does leave the file incomplete. So you wouldn't yet
 23 qualify for all seven scores and ratings that are
 24 attached to the DUNS number. So since you're using this
 25 for commercial purposes -- and that's one reason, we want

12

1 to make sure at the very minimum you do have that
 2 completed report.
 3 So we will initiate a background check. We
 4 don't need any legal documents from you. We'll get all
 5 of that squared away over here. And then within three to
 6 five business days, once you confirm the company was
 7 registered and if there's been any lawsuits or
 8 bankruptcies, we complete your file for the lifetime of
 9 the company. Typically, we start your scores and ratings
 10 right from the start. So feel free to hand out the DUNS
 11 number to the potential clients that you may have. And,
 12 again, within three to six months, whenever you may be
 13 needing to seek some sort of funding or credit, you'll
 14 have that established already.
 15 MARK [REDACTED] So -- sorry.
 16 CHELSEA: (Inaudible)
 17 MARK [REDACTED] While you're doing all of that,
 18 so am I allowed to let potential clients know that the
 19 process is underway? That I've been given a number, but
 20 the background checks are still underway? Can I -- or
 21 should I not even mention that I -- that I have a number?
 22 CHELSEA: So you won't -- when you receive the
 23 DUNS number, the file will be completed. So you won't
 24 have to --
 25

3 (Pages 9 to 12)

13

1 MARK [REDACTED] Oh, okay.
 2 CHELSEA: It's not like you receive the DUNS
 3 number and then we initiate the background check. It all
 4 gets done at once. So that way --
 5 MARK [REDACTED] Okay, got it.
 6 CHELSEA: -- you're not having to run into
 7 situations like that. Yeah. So it makes it a lot
 8 easier. And, again, that only needs to be done once. So
 9 you'll be all squared away and then they'll be able to
 10 see that we have confirmed your background, your
 11 operations, you'll have the full set of scores, and then
 12 they can evaluate your company based off of that data.
 13 MARK [REDACTED] Okay.
 14 CHELSEA: So obviously, the more information
 15 you report, the better off you're going to be. So we
 16 will get the links and logins sent to your email, so that
 17 way we can self-report the expenses that you're going to
 18 have for the business. So the money that you've already
 19 spent -- and I would even try getting your accountant to
 20 add it in here if you're going to be having that
 21 individual help you with the business, too. That would
 22 be a good expense to have submitted into the report.
 23 MARK [REDACTED] Yep.
 24 CHELSEA: So back checks, your payment history
 25 and, of course, whatever expenses you're going to have

14

1 moving forward, send me that information so I can log it
 2 into your report and our trade team can begin calling
 3 those companies to build up the report as time goes on.
 4 In order --
 5 MARK [REDACTED] So post this call -- after this
 6 call, will you send me like a little email so I know what
 7 I need to send you?
 8 CHELSEA: Absolutely, of course. And I was
 9 assigned your application, so I'll be with you every step
 10 of the way. So what I'll do is I'll send you a list of
 11 trade references. We can go through that list together
 12 and see what you do have, get that information added in
 13 there first. And then, also, it just gives me an idea of
 14 what types of companies or industries to get set up with
 15 in the future, that will have a good impact to your
 16 report.
 17 And you don't even have to have a credit
 18 account set up, but at least salvage some sort of
 19 relationship, make payments, whether it be like Office
 20 Max or Staples, something like that. So that way we're
 21 continuing to build up the report. And when your clients
 22 are looking at it, you're showcasing your company in the
 23 best light. So I'll get all of that sent to the email
 24 address that we have listed here.
 25 In order for us to initiate the background

15

1 check and to get the links and logins so that way you
 2 have the full access to the report, that is through a
 3 Credit Builder Basic platform. We just roll this out to
 4 newer companies. This does retail at \$899 and then we do
 5 take debit, credit or e-check with the account number,
 6 routing number, whichever you prefer.
 7 MARK [REDACTED] I'll do the credit.
 8 CHELSEA: Okay.
 9 MARK [REDACTED] I'll do the credit card.
 10 CHELSEA: Okay. And then is it a Visa, Master,
 11 Discover, American Express?
 12 MARK [REDACTED] It is a Visa. Hold on one
 13 second. Let me --
 14 CHELSEA: Okay. Take your time.
 15 MARK [REDACTED] Let's see, I just got it.
 16 Okay. It's a -- it's a Visa.
 17 CHELSEA: Okay.
 18 MARK [REDACTED] You ready for the number?
 19 CHELSEA: Yeah.
 20 MARK [REDACTED] It's [REDACTED].
 21 CHELSEA: Okay.
 22 MARK [REDACTED] [REDACTED].
 23 CHELSEA: Okay. And the expiration?
 24 MARK [REDACTED] [REDACTED].
 25 CHELSEA: Okay, perfect. And the billing

16

1 address attached to the card, is it going to be the same
 2 one that's on the application?
 3 MARK [REDACTED] Correct.
 4 CHELSEA: Okay, perfect. All right. So we'll
 5 get you set up with the Credit Builder Basic. So the
 6 total amount's going to be the 899, no tax in your area,
 7 so you're all good with that. Hang on to your receipt
 8 because it could be a potential tax writeoff at the end
 9 of the year. And then we do have a partnership with
 10 LegalZoom and Redact-It, so you'll have additional
 11 benefits with those companies at no extra cost to you.
 12 MARK [REDACTED] Got it.
 13 CHELSEA: And then do I have your authorization
 14 to run the Visa ending in [REDACTED]?
 15 MARK [REDACTED] Yes.
 16 CHELSEA: Okay. So you'll receive that receipt
 17 here in just a moment. And I will be back in contact
 18 with you as soon as we get everything set up. I'll walk
 19 you through the report if you would like me to and, in a
 20 little bit, I'll send you the list of references. So
 21 that way, whenever you get a free moment or over the
 22 weekend, you can get a list together and then do some
 23 research. And once everything's assigned to you and you
 24 get the links and logins, you can just send that over to
 25 me. All right?

17

1 MARK [REDACTED] Yep, thank you so much.
 2 CHELSEA: You're very welcome. You have a
 3 great rest of your day. Enjoy your weekend, okay?
 4 MARK [REDACTED] Bye-bye.
 5 CHELSEA: Bye-bye.
 6 (The call was concluded.
 7 (The recording was concluded.
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In the Matter of:

Dun & Bradstreet

February 13, 2019

FTC-00009577

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FEDERAL TRADE COMMISSION

MATTER NO. 1723196

TITLE DUN & BRADSTREET

DATE RECORDED: DATE UNKNOWN
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PAGES 1 THROUGH 26

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P R O C E E D I N G S

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FTC-00009577

DAN [REDACTED] Dan.
PETREA DICKINSON: Hi, this is Petrea Dickinson (phonetic) with Dun & Bradstreet on a monitored line. Did you say this is Dan?
DAN [REDACTED] This is Dan. How are you?
PETREA DICKINSON: Doing great, Dan. How are you doing?
DAN [REDACTED] Good, good. Thanks for the call.
PETREA DICKINSON: Absolutely. I just wanted to give you a call so I could better assist you. Could I get your title?
DAN [REDACTED] Yeah, sure. So I'm the chief operations officer.
PETREA DICKINSON: Okay. And what's going on exactly? What brings you to chat?
DAN [REDACTED] So we are getting ramped up -- out of the last year, we've been [REDACTED] primarily, and we've just kind of entered the wholesale and retail market, and we had a great summer, great shows, a lot of press behind our brand, et cetera, et cetera. So, naturally, this has created kind of a demand for

5

1 our product now. And we're getting set up with some
 2 new accounts, for instance, like Neiman Marcus last
 3 call, and we're in the process of getting everything
 4 set up for [REDACTED] purposes.
 5 PETREA DICKINSON: Mm-hmm.
 6 DAN [REDACTED] And one of their requests
 7 was -- I just received an email earlier from the
 8 implementation team over at [REDACTED] and they
 9 were asking that, you know, we can complete your setup
 10 once we receive the following information from you,
 11 which is basically your DUNS number. I don't believe
 12 we ever set one up, so I know a little bit about DUNS.
 13 I just -- we never set it up. I didn't know if it was
 14 standard or needed to be done for every single, you
 15 know, corporation or company in the world, but maybe
 16 you can better assist me.
 17 PETREA DICKINSON: Absolutely. I can
 18 definitely help you with that, Dan. How familiar are
 19 you with your DUNS number and how other companies
 20 usually use it?
 21 DAN [REDACTED] I know it's pretty much a
 22 unique nine-digit number that identifies your
 23 businesses. That's pretty much -- I think it's got
 24 something to do with your credit file as well, but
 25 that's about all I know for DUNS.

6

1 PETREA DICKINSON: That's exactly right,
 2 Dan. So it's attached to your company's credit
 3 report, and this is usually where other companies are
 4 going to come when they want to do either a background
 5 or a credit check on the business.
 6 DAN [REDACTED] Oh, okay. So it's a credit
 7 -- so you can -- so you can actually run credit
 8 reports if you're looking to work with somebody?
 9 PETREA DICKINSON: Exactly, yep, and do a
 10 risk assessment, make sure that they're paying their
 11 bills on time, that there's nothing risky about doing
 12 business with them, like a bankruptcy or a lien or
 13 something like that.
 14 DAN [REDACTED] Oh, interesting. Okay, all
 15 right. That makes sense.
 16 PETREA DICKINSON: So if you're trying to
 17 set up [REDACTED] with -- are these customers that you're
 18 trying to do that with?
 19 DAN [REDACTED] Yeah, they're customers.
 20 This is all -- I mean, so we're -- we're in retail.
 21 We're nationwide in a few stores. However, we did,
 22 you know, paper purchase orders, and just now they're
 23 finally requesting [REDACTED] and then we just picked up a
 24 new customer, Neiman Marcus. They're requesting [REDACTED]
 25 So, you know, this is probably good that it happened

7

1 now because I would have needed to do it at some point
 2 or another anyway.
 3 PETREA DICKINSON: Absolutely. Absolutely.
 4 So we'll make sure that we get you set up the right
 5 way so that Neiman Marcus and anybody else who looks
 6 sees that you're a credible company and, you know,
 7 safe to do business with.
 8 DAN [REDACTED] Absolutely.
 9 PETREA DICKINSON: So let me just do a quick
 10 search to make sure you don't already have a DUNS
 11 number, Dan. What's the name of the company?
 12 DAN [REDACTED] Okay. So the IRS name is
 13 [REDACTED] -- so basically it's [REDACTED] with an [REDACTED]
 14 in front of it, like [REDACTED].
 15 PETREA DICKINSON: (Inaudible).
 16 DAN [REDACTED] [REDACTED]
 17 PETREA DICKINSON: Okay. And what state are
 18 you located in?
 19 DAN [REDACTED] We are in [REDACTED] and we're a
 20 registered company in the State of [REDACTED].
 21 PETREA [REDACTED] All right, perfect. Are
 22 you in [REDACTED] [REDACTED]?
 23 DAN [REDACTED] That's -- no, that was --
 24 are you finding the old address, [REDACTED]?
 25 PETREA DICKINSON: Let me just try --

8

1 DAN [REDACTED] We're in [REDACTED]
 2 [REDACTED] [REDACTED] We moved into that office in
 3 May.
 4 PETREA DICKINSON: Okay, so this one is on
 5 [REDACTED].
 6 DAN [REDACTED] Yeah, that's -- that's no
 7 longer -- that's -- that's not the correct one
 8 anymore. Do you have the capability of changing that?
 9 PETREA DICKINSON: Absolutely. We'll get
 10 everything all up-to-date and make sure that we get
 11 the report completed. It looks like you've already
 12 had eight inquiries, so other companies, you know,
 13 that have already requested a copy of the report from
 14 us.
 15 DAN [REDACTED] Hmm, okay.
 16 PETREA DICKINSON: So it's definitely good
 17 timing that you reached out to us today so that we can
 18 make sure we get it completed and everything is
 19 accurate and up-to-date.
 20 DAN [REDACTED] For sure.
 21 PETREA DICKINSON: So I know you said we
 22 need to update the address. And, then, what year did
 23 the company start?
 24 DAN [REDACTED] So the company was
 25 established in 2015, but we came to market last

1 August.
 2 PETREA DICKINSON: Oh, wow, congratulations.
 3 DAN [REDACTED] Thank you, thank you. Well,
 4 actually -- yeah, we came to -- when I say we came to
 5 market, we took our -- our website live, [REDACTED], in
 6 August, [REDACTED], [REDACTED], [REDACTED], [REDACTED]
 7 [REDACTED]...
 8 PETREA DICKINSON: Wow, that's fantastic.
 9 And what are you selling exactly?
 10 DAN [REDACTED] So if you go to
 11 [REDACTED], we are selling -- we're -- we're shoes.
 12 [REDACTED]
 13 [REDACTED]
 14 [REDACTED]
 15 PETREA DICKINSON: Sure.
 16 DAN [REDACTED] -- [REDACTED]
 17 [REDACTED]
 18 [REDACTED]
 19 [REDACTED]
 20 PETREA DICKINSON: Oh, wow. Very nice. So
 21 comfortable.
 22 DAN [REDACTED] Very comfortable,
 23 absolutely.
 24 PETREA DICKINSON: Very nice.
 25 DAN [REDACTED] Mm-hmm.

1 this year.
 2 PETREA DICKINSON: Half a million, okay.
 3 And it sounds like you are projected to grow. What
 4 are you projecting for 2019?
 5 DAN [REDACTED] Yes. 2019, we're projecting
 6 1.3.
 7 PETREA DICKINSON: That's fantastic. All
 8 right. And, so, the customers that are asking you to
 9 have the DUNS number, most of the time they just want
 10 to see that, you know, you're -- you're credible, that
 11 you're --
 12 DAN [REDACTED] Mm-hmm.
 13 PETREA DICKINSON: -- not (inaudible). You
 14 have seven scores and ratings behind that DUNS number.
 15 We just need to make sure that --
 16 DAN [REDACTED] Okay.
 17 PETREA DICKINSON: -- we get some financial
 18 strength into the file so that --
 19 DAN [REDACTED] Okay.
 20 PETREA DICKINSON: -- they can see that.
 21 Now --
 22 DAN [REDACTED] Okay.
 23 PETREA DICKINSON: -- with customers like
 24 Neiman Marcus, how much business are you typically
 25 doing with them, Dan?

1 PETREA DICKINSON: All right. So let me
 2 just run through here. How many current employees do
 3 you have, Dan?
 4 DAN [REDACTED] Okay, so employees as in
 5 like W-2 employees, because we have some independent
 6 contractors, like 1099 sale reps, so they're not
 7 considered. I'm an employee; my partner. So really
 8 just -- I mean -- I mean, you tell me how I answer
 9 this question best for the profile.
 10 PETREA DICKINSON: Well, it sounds like two,
 11 and then how many 1099 employees do you have?
 12 DAN [REDACTED] Yeah, so we have -- so if
 13 you're just looking for overall, so we have one, four
 14 -- about nine employees.
 15 PETREA DICKINSON: All right. And it looks
 16 like -- let's see, what are you projecting in sales
 17 for 2018?
 18 DAN [REDACTED] So for 2018, I believe we're
 19 projecting around half a million dollars. And you
 20 know what, give me a second, I -- I could be wrong on
 21 that. Hold on.
 22 PETREA DICKINSON: Okay.
 23 Yeah, keep that. Keep that, because for --
 24 for 2020, yeah, we -- we have projections for 2019 as
 25 well. So keep it at about half a million for -- for

1 DAN [REDACTED] So, I mean, these are --
 2 these are all opening orders to start, so, you know,
 3 we're in the range from, you know, \$30,000 to \$50,000
 4 orders to start.
 5 PETREA DICKINSON: Okay. All right, so we
 6 definitely need --
 7 DAN [REDACTED] And that would be the same
 8 (inaudible) --
 9 PETREA DICKINSON: Go ahead.
 10 DAN [REDACTED] -- no, no, go ahead. I'm
 11 sorry.
 12 PETREA DICKINSON: Well, I was just saying
 13 we definitely need to make sure that they see that,
 14 you know, they're not going to have empty shelf space
 15 or you're not going to miss an order, anything like
 16 that.
 17 DAN [REDACTED] Right. So this information
 18 you're asking me, is this like -- what -- where -- are
 19 you plugging this into our profile now and then, what,
 20 companies can see this or something like that? How
 21 does this work?
 22 PETREA DICKINSON: So we would never put
 23 anything about your customers or your vendors in the
 24 report --
 25 DAN [REDACTED] Right.

13

1 PETREA DICKINSON: -- but what we do need to
 2 do is get some payment history updated here --
 3 DAN [REDACTED] Mm-hmm.
 4 PETREA DICKINSON: -- because that's one of
 5 the main driving forces behind your scores and
 6 ratings.
 7 DAN [REDACTED] Sure.
 8 PETREA DICKINSON: (Inaudible) bills you pay
 9 and how well you pay them.
 10 DAN [REDACTED] Sure.
 11 PETREA DICKINSON: About how much would you
 12 say that you're spending in operating costs, just ball
 13 park, in a given month?
 14 DAN [REDACTED] Ball park in a given month,
 15 burn rate, is -- and I have this pulled up -- we are
 16 somewhere around \$20-, \$25,000.
 17 PETREA DICKINSON: Okay. So the problem
 18 right now, Dan, with your report is with business
 19 credit, those companies, they're not required by law
 20 to automatically report that information --
 21 DAN [REDACTED] Mm-hmm.
 22 PETREA DICKINSON: -- and they usually
 23 don't.
 24 DAN [REDACTED] Hmm.
 25 PETREA DICKINSON: So we don't have that

14

1 payment history, that financial strength --
 2 DAN [REDACTED] Sure.
 3 PETREA DICKINSON: -- in your file.
 4 DAN [REDACTED] Sure.
 5 PETREA DICKINSON: So what we need to do is
 6 set you up so that you can start reporting the names
 7 of those companies, and then what we do on our part --
 8 DAN [REDACTED] Okay.
 9 PETREA DICKINSON: -- is reach out to them,
 10 contact them, confirm that payment history going back
 11 one full year if we can --
 12 DAN [REDACTED] Okay, okay.
 13 PETREA DICKINSON: -- so we can start to
 14 move the scores and ratings in a positive direction.
 15 DAN [REDACTED] Okay. So I imagine -- am I
 16 going to have to create an online profile?
 17 PETREA DICKINSON: So we're going to send
 18 you the links and logins --
 19 DAN [REDACTED] Okay.
 20 PETREA DICKINSON: -- along with your
 21 receipt. Now, about --
 22 DAN [REDACTED] Okay.
 23 PETREA DICKINSON: -- how many vendors is
 24 that 20- to 25,000 spread out between? Is it 5, 25,
 25 105?

15

1 DAN [REDACTED] No, no. Like for instance,
 2 we're in [REDACTED] nationwide, and they paid us,
 3 I think it was \$114,000 in the last six months for our
 4 goods that we delivered to them. So, I mean, we -- we
 5 have payment history, for sure. I mean, country
 6 clubs, yacht clubs, other vendors, et cetera.
 7 So, I mean, it's just a matter of how do I
 8 show that and how do we strengthen this, and then
 9 also, how do I get the Dun & Bradstreet -- you know,
 10 how do I get a DUNS number expedited? I guess I have
 11 to go through this entire process in order to get that
 12 done first?
 13 PETREA DICKINSON: So you actually already
 14 have the DUNS number. It's just that it's attached to
 15 an incomplete credit file.
 16 DAN [REDACTED] Okay.
 17 PETREA DICKINSON: So what we need to do is
 18 get you set up so that you get a completed report.
 19 That's just going to mean that we confirm operations,
 20 make sure there are no lawsuits, liens, judgments --
 21 DAN [REDACTED] Yep, yep.
 22 PETREA DICKINSON: -- bankruptcies. And you
 23 don't have anything --
 24 DAN [REDACTED] Mm-hmm.
 25 PETREA DICKINSON: -- like that, right?

16

1 DAN [REDACTED] No, nothing like that, nope.
 2 PETREA DICKINSON: Okay. So and then we'll
 3 set you up so that you can add in the names of those
 4 suppliers so we can help you start to build the
 5 credit.
 6 DAN [REDACTED] Okay. How soon can I get my
 7 DUNS number?
 8 PETREA DICKINSON: So I'm going to give you
 9 your DUNS number here, and --
 10 DAN [REDACTED] Okay.
 11 PETREA DICKINSON: -- I'm also going to send
 12 you out the links and logins so that you'll --
 13 DAN [REDACTED] Great.
 14 PETREA DICKINSON: -- be able to log in to
 15 your profile, monitor all your scores.
 16 DAN [REDACTED] Perfect. Awesome.
 17 PETREA DICKINSON: You'll be able to see by
 18 industry who looks at the report. So you'll be able
 19 to control all of that moving forward.
 20 DAN [REDACTED] All right, perfect. I am
 21 ready for that when you are. I'll write it down and
 22 then you can send me an email like you said. That --
 23 that's great, too.
 24 PETREA DICKINSON: Absolutely. So your DUNS
 25 number is going to be [REDACTED]

17

1 DAN [REDACTED] I'm going to read that back
 2 to you. [REDACTED]
 3 PETREA DICKINSON: Correct. That'll be your
 4 DUNS number for the life of the business.
 5 DAN [REDACTED] Okay, very cool.
 6 PETREA DICKINSON: And then you can just let
 7 your customers who are asking for it, just let them
 8 know that you're working with Dun & Bradstreet and
 9 we're working to get it completed and to get some
 10 financial strength into the file.
 11 DAN [REDACTED] Okay.
 12 PETREA DICKINSON: So what we'll do is we'll
 13 set you up on the entry-level service. It's only
 14 \$1,499, and it's going to complete your report for the
 15 life of the business. What email address am I going
 16 to be sending your links to, Dan?
 17 DAN [REDACTED] Okay, it's the one that I
 18 gave you, the [REDACTED]. And then
 19 that -- what did you say it was, \$1,400 or \$1,499?
 20 PETREA DICKINSON: Yes, sir.
 21 DAN [REDACTED] That -- what is that, that's
 22 a -- a yearly due?
 23 PETREA DICKINSON: Correct, and it's going
 24 to complete your report for the lifetime of the
 25 business.

18

1 DAN [REDACTED] Completes it for lifetime of
 2 the business. Oh, so is this really only a one-time
 3 fee?
 4 PETREA DICKINSON: You don't have to do it
 5 every single year, but we do recommend that you do it
 6 at least every two years. After that, the information
 7 becomes outdated.
 8 DAN [REDACTED] All right, so basically
 9 update every 24 months if you want to stay current.
 10 All right. Okay, yeah, send me all those links. This
 11 way I can get this all set up, and I imagine there's a
 12 payment link and all that good stuff, right?
 13 PETREA DICKINSON: So, yeah, once we process
 14 the payment, I'll send you out the links.
 15 DAN [REDACTED] Okay.
 16 PETREA DICKINSON: And then --
 17 DAN [REDACTED] Oh, so you guys got to take
 18 the payment first. I got you.
 19 PETREA DICKINSON: Right, and we can use a
 20 Visa, MasterCard, American Express, or Discover.
 21 Usually, I just use the one that's going to give you
 22 the most points. Which one is that?
 23 DAN [REDACTED] Okay, okay. Give me a
 24 second. Let me get my -- let me get my wallet. I'm
 25 going to put you on hold for a minute, okay?

19

1 PETREA DICKINSON: Okay.
 2 (Brief hold.)
 3 DAN [REDACTED] Okay, you with me?
 4 PETREA DICKINSON: Yes, sir.
 5 DAN [REDACTED] Okay. All right, so this is
 6 going to be an American Express.
 7 PETREA DICKINSON: And, no, I do not need
 8 that CIV code. So you're going to get some links from
 9 -- or some emails, excuse me, from us right away.
 10 DAN [REDACTED] Okay.
 11 PETREA DICKINSON: You're going to get your
 12 receipt that you're going to want to save that for tax
 13 purposes.
 14 DAN [REDACTED] Yep.
 15 PETREA DICKINSON: And your login. And,
 16 then, the service is set to automatically renew next
 17 year at the then-current price. You're also going to
 18 get about 160 free legal documents from our partners
 19 at LegalZoom that you can use for the business if you
 20 want.
 21 DAN [REDACTED] Okay.
 22 PETREA DICKINSON: There is a --
 23 DAN [REDACTED] Okay.
 24 PETREA DICKINSON: Go ahead. Did you have a
 25 question?

20

1 DAN [REDACTED] No, no, go ahead. No, I'll
 2 -- I'll wait until you're done (inaudible).
 3 PETREA DICKINSON: Okay, all right. So
 4 there's a one-time activation fee. It's \$149, and
 5 then I would just need your permission to charge your
 6 American Express ending in XXXX for the CreditBuilder
 7 Plus, plus any applicable state tax.
 8 DAN [REDACTED] Okay, I got you. So I'm in
 9 sales, too. I said -- shame on me, I should have
 10 asked that up front. So one, the \$1,500, I know I
 11 asked you earlier, you said it completes you for the
 12 lifetime of the business, you don't have to update it,
 13 but you mentioned that it then automatically renews
 14 next year for that \$1,500 price.
 15 PETREA DICKINSON: It is set -- yeah, all
 16 the services are set to automatically renew. Did you
 17 want me to --
 18 DAN [REDACTED] Okay, does that -- is
 19 that -- so if it doesn't renew, that's -- so what I'm
 20 getting at is what am I paying the \$1,500 for every
 21 year if I don't have to update it every year? So what
 22 -- do you get what I'm saying?
 23 PETREA DICKINSON: I do. So, yeah, so
 24 the -- the issue is the payment history falls off
 25 every two years --

21

1 DAN [REDACTED] Mm-hmm.
 2 PETREA DICKINSON: -- so you're going to pay
 3 for -- from now until next year --
 4 DAN [REDACTED] Mm-hmm.
 5 PETREA DICKINSON: -- to add in those
 6 vendors and suppliers, and then we're going to contact
 7 them and confirm all of that. Then --
 8 DAN [REDACTED] Mm-hmm. So I can't -- so
 9 you guys don't have an option of where -- so I pay the
 10 \$1,500 one time today; we go ahead and get this set
 11 up; and then it's up to me what I want to do. So
 12 technically I don't have to pay \$1,500 every year,
 13 correct?
 14 PETREA DICKINSON: Correct. So, yeah, I can
 15 go ahead and put in a ticket for you so it will not
 16 automatically renew so that they reach out to you
 17 every year to find out what you want to do.
 18 DAN [REDACTED] Yeah, let's do that. Let's
 19 do that. I mean, I know it's a while away, and --
 20 and, you know, next year, I'm sure when I talk to
 21 them, I'll say, yeah, go ahead and just auto, but --
 22 but for now, just keep it for -- let's -- let's do
 23 this, let's get it set up.
 24 The 149 fee, are you -- are you -- I mean, I
 25 wish I would have asked about that or it was mentioned

22

1 as well. Do you have the capability of waiving that
 2 for first-time customers and something along those
 3 lines?
 4 PETREA DICKINSON: No, unfortunately, I
 5 don't.
 6 DAN [REDACTED] 149 setup fee. All right.
 7 And you're basically telling me there's no way --
 8 okay, I understand how this works. So, really,
 9 technically, with the number that I have, I can just
 10 give them the number but there's no information they
 11 can pull on us. So it's to our benefit to have this
 12 filled out and get this taken care of.
 13 PETREA DICKINSON: Absolutely.
 14 DAN [REDACTED] I understand that, but I
 15 don't want it renewed every year just -- at least for
 16 the first year we'll go -- you know, we'll go -- you
 17 know, we'll take it from here and we'll see exactly
 18 how many people are looking at it, how often they use
 19 it, et cetera. So --
 20 PETREA DICKINSON: Yep. And I'll send
 21 you over all my contact information, Dan, so you'll
 22 know -- if you have any questions, if you want to
 23 reach out to me, I'm here to help.
 24 DAN [REDACTED] Okay, so 1,649. And I
 25 really -- I haven't even talked to any of my -- my

23

1 other colleagues about this. I just figured I'd call
 2 right away and see, hey, how do I -- how do I go about
 3 getting this done.
 4 PETREA DICKINSON: Absolutely, especially if
 5 your customers are asking for it.
 6 DAN [REDACTED] Let me do this. Yeah, no, I
 7 get it, I get it.
 8 PETREA DICKINSON: So log in with them --
 9 DAN [REDACTED] Do you -- yep, yep. Okay,
 10 let me see here. All right, so it looks like you guys
 11 already charged that, okay, even though I didn't give
 12 you the verbal yes. Okay. Hmm, trying to get those
 13 sales in, huh?
 14 PETREA DICKINSON: Oh, I'm sorry. I thought
 15 you did give me the go-ahead. I apologize.
 16 DAN [REDACTED] No, no, I never gave you the
 17 verbal, and -- and if I didn't, I would have said let
 18 me talk to my partner and what's your contact
 19 information. I understand how important it is to get
 20 sales when you have them right at the fingertips. You
 21 also billed me to the wrong address as well, and I
 22 thought that was corrected. I still see the [REDACTED]
 23 [REDACTED] Street here billed to.
 24 PETREA DICKINSON: Correct. So I'm going
 25 to --

24

1 DAN [REDACTED] Is that a typo?
 2 PETREA DICKINSON: -- put in a ticket -- no,
 3 no, no. I'm going to put in a ticket --
 4 DAN [REDACTED] Okay.
 5 PETREA DICKINSON: -- so that we can get
 6 your address updated.
 7 DAN [REDACTED] Uh-huh.
 8 PETREA DICKINSON: When I send you my
 9 contact information, I'll give you a ticket number so
 10 you know --
 11 DAN [REDACTED] Okay, and --
 12 PETREA DICKINSON: -- what that --
 13 DAN [REDACTED] -- okay, and also do it --
 14 go ahead and put in a ticket for the renewal. I don't
 15 want this to be renewed unless I verbally agree to
 16 that.
 17 PETREA DICKINSON: Absolutely, and our
 18 billing team will call you to confirm that.
 19 DAN [REDACTED] All right. So, basically,
 20 what, it's 12 months from today?
 21 PETREA DICKINSON: Correct.
 22 DAN [REDACTED] Okay. Okey-doke. All
 23 right, so I just got three emails from you obviously.
 24 I got the order confirmation; I got the CreditBuilder.
 25 So the CreditBuilder is what I'm going to follow to go

25

1 ahead and -- and add references and all this good
 2 stuff and all that, right?
 3 PETREA DICKINSON: Exactly. And I'm going
 4 to send you my contact information in just a minute
 5 here, Dan. So if you --
 6 DAN [REDACTED] Okay.
 7 PETREA DICKINSON: -- have any questions,
 8 you'll know where to reach me. Okay?
 9 DAN [REDACTED] Okey-doke. I will be on the
 10 lookout for that. And what was your name?
 11 PETREA DICKINSON: My name is Petrea, P E T
 12 R E A.
 13 DAN [REDACTED] Okay. Okey-doke. All
 14 right, I'll be on the lookout for your email. Please
 15 send me your information.
 16 PETREA DICKINSON: Absolutely, Dan. I'll
 17 shoot it right over to you, and welcome to Dun
 18 Bradstreet.
 19 DAN [REDACTED] All right. Thank you so
 20 much. All right, thank you.
 21 PETREA DICKINSON: Thank you.
 22 DAN [REDACTED] Bye-bye.
 23 PETREA DICKINSON: Bye-bye.
 24 (The call was concluded.)
 25 (The recording was concluded.)

26

1 CERTIFICATE OF TRANSCRIPTIONIST
 2
 3
 4 I, Sara J. Vance, do hereby certify that the
 5 foregoing proceedings and/or conversations were
 6 transcribed by me via CD, videotape, audiotape or
 7 digital recording, and reduced to typewriting under my
 8 supervision; that I had no role in the recording of
 9 this material; and that it has been transcribed to the
 10 best of my ability given the quality and clarity of
 11 the recording media.
 12 I further certify that I am neither counsel
 13 for, related to, nor employed by any of the parties to
 14 the action in which these proceedings were
 15 transcribed; and further, that I am not a relative or
 16 employee of any attorney or counsel employed by the
 17 parties hereto, nor financially or otherwise
 18 interested in the outcome of the action.
 19
 20
 21 DATE: 2/12/2019 s/Sara J. Vance
 22 SARA J. VANCE, CERT
 23
 24
 25

**UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION**

COMMISSIONERS: **Lina M. Khan, Chair
Noah Joshua Phillips
Rebecca Kelly Slaughter
Christine S. Wilson**

In the Matter of

**DUN & BRADSTREET, INC., a corporation,
d/b/a D&B.**

DECISION AND ORDER

DOCKET NO. C-4761

DECISION

The Federal Trade Commission (“Commission”) initiated an investigation of certain acts and practices of the Respondent named in the caption. The Commission’s Bureau of Consumer Protection (“BCP”) prepared and furnished to Respondent a draft Complaint. BCP proposed to present the draft Complaint to the Commission for its consideration. If issued by the Commission, the draft Complaint would charge the Respondent with violations of the Federal Trade Commission Act.

Respondent and BCP thereafter executed an Agreement Containing Consent Order (“Consent Agreement”). The Consent Agreement includes: 1) statements by Respondent that, only for purposes of this action, it admits the facts necessary to establish jurisdiction; and 2) waivers and other provisions as required by the Commission’s Rules.

The Commission considered the matter and determined that it had reason to believe that Respondent has violated the Federal Trade Commission Act, and that a Complaint should issue stating its charges in that respect. The Commission accepted the executed Consent Agreement and placed it on the public record for a period of 30 days for the receipt and consideration of public comments. The Commission duly considered any comments received from interested persons pursuant to Section 2.34 of its Rules, 16 C.F.R. § 2.34. Now, in further conformity with the procedure prescribed in Rule 2.34, the Commission issues its Complaint, makes the following Findings, and issues the following Order:

Findings

1. The Respondent is Dun & Bradstreet, Inc., also doing business as D&B, a Delaware corporation with its principal office or place of business at 101 John F. Kennedy Parkway, Short Hills, NJ 07078.
2. The Commission has jurisdiction over the subject matter of this proceeding and over the Respondent, and the proceeding is in the public interest.

ORDER

Definitions

For purposes of this Order, the following definitions apply:

- A. **“Billing Information”** means any data that enables any person to access a customer's account, such as a credit card, checking, savings, share or similar account, or debit card.
- B. **“Business”** means any business or other entity, including nonprofits, cities, counties, municipalities, and other governmental entities.
- C. **“Charge,” “Charged,” or “Charging”** means any attempt to collect money or other consideration from a consumer, including causing Billing Information to be submitted for payment, including against the consumer's credit card, debit card, bank account, telephone bill, or other account.
- D. **“Clearly and Conspicuously”** means that a required disclosure is difficult to miss (i.e., easily noticeable) and easily understandable by ordinary consumers, including in all of the following ways:
 1. In any communication that is solely visual or solely audible, the disclosure must be made through the same means through which the communication is presented. In any communication made through both visual and audible means, such as a television advertisement, the disclosure must be presented simultaneously in both the visual and audible portions of the communication even if the representation requiring the disclosure (“triggering representation”) is made through only one means.
 2. A visual disclosure, by its size, contrast, location, the length of time it appears, and other characteristics, must stand out from any accompanying text or other visual elements so that it is easily noticed, read, and understood.
 3. An audible disclosure, including by telephone or streaming video, must be delivered in a volume, speed, and cadence sufficient for ordinary consumers to easily hear and understand it.

4. In any communication using an interactive electronic medium, such as the Internet or software, the disclosure must be unavoidable.
 5. The disclosure must use diction and syntax understandable to ordinary consumers and must appear in each language in which the triggering representation appears.
 6. The disclosure must comply with these requirements in each medium through which it is received, including all electronic devices and face-to-face communications.
 7. The disclosure must not be contradicted or mitigated by, or inconsistent with, anything else in the communication.
 8. When the representation or sales practice targets a specific audience, such as children, the elderly, or the terminally ill, "ordinary consumers" includes reasonable members of that group.
- E. "**Covered Product**" means all CreditBuilder Line Products, either sold alone or with other products or services as part of a combined or bundled package; any product or service that includes an option to submit or add the names of or information about a Business's vendors, suppliers, or other entities to that Business's own credit report or credit file; and any product or service that Respondent markets to Businesses as being designed to allow a Business to monitor its own credit report, including CreditMonitor.
 - F. "**CreditBuilder 2018**" means the CreditBuilder "basic" product in the form that Respondent began offering in January 2018 and includes subscriptions with an initial purchase date (prior to any renewals) from January 1, 2018 through April 30, 2020.
 - G. "**CreditMonitor Substitute Product**" means a CreditBuilder Line Product to which Respondent migrated Businesses that had purchased CreditMonitor, during a period when Respondent temporarily stopped offering CreditMonitor, and any subsequent CreditBuilder Line Product to which Respondent migrated any such Business.
 - H. "**CreditBuilder Line Product**" means CreditBuilder, CreditBuilder Basic, CreditBuilder Plus, CreditBuilder Premium, Credit Essentials, and Credit Essentials Plus, as well as any predecessor to, successor to, or variant of any of these products; and includes CreditBuilder 2018 as defined above.
 - I. "**Current Customer**" includes Businesses that are customers of Respondent as of the date of the entry of this Order, and does not include a Business that first purchased a product after the date of the entry of this Order. When specifically stated in this Order, Current Customer may be further limited to exclude a Business that first purchased a product on or after May 1, 2020.
 - J. "**Negative Option Feature**" means, in an offer or agreement to sell or provide any product or service, a provision under which the consumer's silence or failure to take

affirmative action to reject a product or service or to cancel the agreement is interpreted by the seller or provider as acceptance of the offer.

- K. **“Pro Rata Result”** means the dollar figure resulting from applying discount adjustments and term adjustments to the figure of \$399 for Refund Customers who are Current Customers, and to the figure of \$480 for Refund Customers who are former customers. For a Relevant Subscription Term during which a customer paid a discounted price, the discount adjustment shall be a multiplier equal to the price paid divided by the list price (e.g., if a customer paid \$800 for a product listed at \$1,000, the discount adjustment multiplier is .8). For a Relevant Subscription Term that is less than a one-year term, the term adjustment shall be a multiplier equal to the length of the Relevant Subscription Term divided by one year (e.g., if the Relevant Subscription Term is three months, the term adjustment multiplier is .25). The effects of the adjustment multipliers shall be cumulative (multiplied by each other) if a customer paid a discounted price for a Relevant Subscription Term of less than one year.
- L. **“Relevant Subscription Term”** means the Business’s current or most recent CreditBuilder Line Product subscription term.
- M. **“Respondent”** means Dun & Bradstreet, Inc., a corporation, doing business as D&B (“D&B”), and its successors and assigns.
- N. **“Trade Reference”** means a source, including a vendor, supplier, or other entity, that supplies Respondent (or that a Business represents could supply Respondent) with commercial payment information about a Business.
- O. **“Trade Reference Acceptance Percentage”** means the aggregate calculation of the number of all Businesses’ submissions of payment experiences from Trade References that have been added to Businesses’ own credit reports or credit files through the operation of any CreditBuilder Line Product, divided by the number of all Businesses’ attempted submissions of payment experiences from Trade References to be added to Businesses’ own credit reports through any CreditBuilder Line Product, expressed as a percentage. The divisor of this calculation shall not be reduced for multiple attempted submissions by a Business of a single Trade Reference or a single payment experience, nor shall the divisor be reduced for any attempted submissions that Respondent has automatically rejected for any reason.

Provisions

I. Prohibited Misrepresentations

IT IS ORDERED that Respondent, and Respondent’s officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with the advertising, promotion, offering for sale, or sale of, or the Charging for, any product, must not misrepresent, expressly or by implication:

- A. that using any product is likely to allow a Business to have its previously unreported commercial payment experiences added to the Business's credit report;
- B. that Respondent will actively assist a Business in adding unreported commercial payment experiences to the Business's credit report;
- C. that using any product is likely to help build and/or improve a Business's credit report;
- D. the ease with which information or payment experiences can be added to or will be included on a Business's credit report;
- E. that Respondent will accept identified vendors, suppliers, or other entities as Trade References (whether identified by the Business or by Respondent's agents or employees), including specifically identified entities, entities comparable to specifically identified entities, or specific types or categories of entities;
- F. that any product is needed for Respondent to initiate or conduct a background check on a Business, or to otherwise activate or establish the Business's credit report or credit file;
- G. that any product will provide a Business with a complete credit report or credit file including a full set of scores and ratings;
- H. that any product with a Negative Option Feature will be Charged at that product's list price at the time of renewal;
- I. an obligation on the part of a Business to affirmatively act in order to avoid Charges, including where a Charge will be assessed pursuant to the offer unless the consumer takes affirmative steps to prevent or stop such a Charge;
- J. that Respondent is collecting payment for or is renewing the same product that the Business purchased the prior term; or
- K. any other material fact about the price or features of any product, or concerning a Business's ability to have, monitor, maintain, build, or improve its own credit report or credit file.

II. Prohibitions Regarding Negative Option Feature

IT IS FURTHER ORDERED that Respondent, and Respondent's officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, are prohibited from using a Negative Option Feature:

- A. To renew an existing agreement with or Charge a Current Customer for (1) a CreditBuilder 2018 product or (2) a CreditMonitor Substitute Product, unless Respondent

receives the express consent of the customer to renew the product, and has complied with the Notification required by Section VII below.

- B. To renew an agreement with or Charge a Business for any Covered Product when Respondent has increased the list price of the product, unless Respondent first provides the Business with notice of such increase before the agreement is scheduled to renew, and gives the Business at least 30 days after such notice to cancel and avoid being Charged for the product.
1. Notice shall be provided by email. If Respondent does not have a working email for the Business, or if the emailed notice is returned as undeliverable, notice shall be provided by United States Postal Service, first class mail, postage pre-paid. If Respondent sends notice by United States Postal Service, Respondent must give the Business at least 30 days from the date of mailing to cancel and avoid being Charged for the product. If Respondent does not have a mailing address for the Business, or if a notice sent by United States Postal Service is returned as undeliverable, Respondent must receive the express consent of the Business before renewing the product at the increased price.
 2. The notice shall include the product's list price for the current term, the product's new list price, instructions on the procedure to cancel if the Business does not want to renew (as set forth in this Part B.3 below), and the deadline by which the Business must affirmatively act to avoid being Charged. The subject line of the email, and the front of the envelope for notice by United States Postal Service, shall read, without any additional language, "Price Increase Affecting Your Dun & Bradstreet [X] Product." Respondent shall insert the name of the specific Covered Product at issue where indicated by [X]. *Provided, however*, that if Respondent has increased the list price of the product but Respondent is providing the Business with a discount so that the Business will not pay any of the price increase, the notice shall also include the price that Respondent will Charge the Business, and the subject line of the email and the front of the envelope for notice by United States Postal Service shall read, without any additional language, "Price Information About Your Dun & Bradstreet [X] Product."
 3. Respondent shall provide a simple mechanism that the Business can easily use to cancel the product and avoid being Charged, including a telephone number and web form. Respondent must assure that all calls to this telephone number are answered during normal business hours. Respondent shall provide the telephone number and a link to the web form in the notice, and shall post it to an easily accessible location on the Internet.
- C. To renew an agreement with or Charge a Business for any Covered Product a Business purchased when Respondent has materially changed the product's feature or features in a manner that limits, reduces, or eliminates such feature or features.

- D. To substitute a different product for the Covered Product a Business purchased, provided that, this Part D does not apply and Parts B and C of this Section apply instead if:
1. Respondent renames or rebrands the Covered Product that the Business purchased, or
 2. Respondent eliminates and ceases to offer the Covered Product a Business purchased (the “Eliminated Product”), under the following conditions:
 - a. The list price of the substitute product is no higher than the list price of the Eliminated Product. For purposes of the calculation required by this condition, Respondent may not consider any introductory or discounted pricing of the substitute product.
 - b. The substitute product has every material feature of the Eliminated Product, and none of those features are limited or reduced in comparison to the Eliminated Product. Respondent may not use a combination of substitute products to meet this condition.
 - c. Respondent (i) provides the Business with prompt notice of such product substitution, and (ii) gives the Business at least 30 days after such notice to cancel and avoid being Charged for the substitute product. The notice shall be provided in the same manner as set forth in Part B.1. of this Section. If Respondent is required to send notice by United States Postal Service and does not have a mailing address for the Business, or if a notice sent by United States Postal Service is returned as undeliverable, Respondent must receive the express consent of the Business before Charging the Business for a substitute product.
 - d. The required notice shall identify the Eliminated Product and its list price; shall identify the substitute product, its list price and its features; and shall disclose that the Eliminated Product is no longer being offered. The notice shall also provide instructions on the procedure to cancel if the Business does not want to renew (as set forth in Part B.3 above), and the deadline by which the Business must affirmatively act to avoid being Charged. The subject line of the email, and the front of the envelope for notice by United States Postal Service, shall read, without any additional language, “Notice of Substitution of your [name of Eliminated Product] to a Different Product.”
 - e. If, at any time, Respondent reintroduces the Eliminated Product, Respondent shall revert the Business’s subscription back to a subscription to the Eliminated Product. For the first subscription term upon such reversion, Respondent shall charge the Business no more than the lowest of (i) the amount the Business paid for its most recent term of subscription to the Eliminated Product, or (ii) the amount the Business paid for its most recent term of subscription to any Covered Product, or (iii) the list price of the reintroduced Eliminated Product. In the event of such reversion, Respondent

shall provide notice to the Business of the reversion in a manner consistent with the terms of Parts D.2.c and d, above.

- E. For all oral offers for Covered Products, without obtaining express oral confirmation, before obtaining a Business's Billing Information, that the Business understands that the transaction includes a Negative Option Feature, and understands the specific affirmative steps the Business must take to prevent or stop further Charges. For such transactions, Respondent shall maintain for three (3) years from the date of each transaction an unedited voice recording of the entire transaction.

III. Required Disclosure: Aggregated Trade Reference Acceptance Percentage

IT IS FURTHER ORDERED that Respondent, and Respondent's officers, agents, and employees, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with the advertising, promotion, offering for sale, or sale of, or the Charging for, any CreditBuilder Line Product or bundled product that includes a CreditBuilder Line Product, must disclose, Clearly and Conspicuously, before obtaining the Business's Billing Information, the aggregated Trade Reference Acceptance Percentage for the preceding calendar year. Upon the start of a new calendar year, Respondent may continue to disclose the most recently available calendar year's percentage until Respondent has calculated the updated percentage for the preceding calendar year, *provided that* Respondent must begin disclosing the percentage for the preceding calendar year no later than April 1.

IV. Required Disclosure: Respondent Does Not Identify Ineligible Trade References And Reasons For Rejection

IT IS FURTHER ORDERED that Respondent, and Respondent's officers, agents, and employees, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with the advertising, promotion, offering for sale, or sale of, or the Charging for, any CreditBuilder Line Product or bundled product that includes a CreditBuilder Line Product, must disclose, Clearly and Conspicuously, before obtaining the Business's Billing Information:

- A. that although Respondent maintains lists of named entities that are ineligible to be added as Trade References through CreditBuilder Line Product submissions, Respondent will not disclose in advance of any Trade Reference payment experience submission whether such Trade Reference is ineligible; and
- B. that if Respondent rejects a Trade Reference payment experience submission, Respondent will not identify to the Business the specific reason for rejection of that submission.

Provided that, if Respondent changes its practices described in either Part A or Part B of this Section (or both of them), this Section shall require accurate disclosure of the resulting practice or practices.

V. Unfairness Relief: Dispute Investigation and Resolution

IT IS FURTHER ORDERED that Respondent, and Respondent's officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, shall, free of charge, provide Businesses with access to information gathered, collected or maintained by Respondent, other than Respondent's proprietary or derived scores, ratings, calculations, summaries, predictions and analyses, that Respondent reports about them, and shall, free of charge, provide such Businesses with reasonable means to dispute the accuracy of such information.

- A. If a Business notifies Respondent directly (by notifying a customer service representative or using an online process provided by Respondent) that it disputes the accuracy of information that Respondent reports about the Business, Respondent shall, free of charge, either delete the information from files gathered, collected, or maintained by Respondent, or conduct a reasonable reinvestigation to determine whether the disputed information is inaccurate. A reasonable reinvestigation must be responsive to the specific allegations, if any, in the Business's dispute.
- B. In conducting a reinvestigation, Respondent shall review and consider all relevant information, including, as applicable, information in Respondent's own files, publicly available information, information Respondent receives from vendors, suppliers or other entities, and information submitted by the disputing Business with respect to such disputed information. Respondent shall have no obligation to resolve disputes among other businesses as to billing or payments.
- C. If a Business notifies Respondent directly (by notifying a customer service representative or using an online process provided by Respondent) that it disputes any information that Respondent reports about the Business's basic identifying information, such as its name, address, or operating status (in business or out of business), Respondent shall complete its investigation within seven (7) business days from the date on which Respondent receives notice of the dispute from the Business. This seven-business-day period may be extended for not more than seven (7) additional business days if Respondent is unable to complete its investigation within seven business days despite reasonable efforts. For disputes about a Business's DUNS number (for instance, incorrect number reported or multiple DUNS assigned to the same Business), the time frames in this Part C shall be extended by seven (7) business days.
- D. If a Business notifies Respondent directly (by notifying a customer service representative or using an online process provided by Respondent) that it disputes any information that Respondent reports based on publicly available information, such as judgments and liens, or on payment experience information:
 1. For any disputed publicly available information, if requested by the Business, Respondent shall promptly identify to the disputing Business the open source

of the information, to the extent reasonably available, if not already provided to the Business;

2. For any disputed payment experience information that Respondent does not remove from the Business's record, if requested by the Business, Respondent shall, to the extent permitted by the source that reported the payment experience information, promptly provide the disputing Business with the name of such source and the date of the payment experience at issue; *provided, however*, that Respondent may include reasonable limits on the number of items that can be disputed at one time;
 3. Respondent shall complete its investigation within fourteen (14) business days from the date on which Respondent receives notice of the dispute from the Business. This fourteen-business-day period may be extended for not more than fourteen (14) additional business days if Respondent is unable to complete its investigation within fourteen (14) business days despite reasonable efforts; and
 4. If Respondent provides the disputing Business with additional details regarding the disputed information pursuant to this Part D, and asks the Business to confirm that it continues to dispute the information in light of the additional details, then (i) Respondent may defer any additional reinvestigation until the Business informs Respondent that it continues to dispute the information, and (ii) the time between when the additional details are provided to the Business and when the Business informs Respondent that it continues to dispute the information shall not be counted in determining the time periods and deadlines set forth in this Part D.
- E. If, after any reinvestigation required by Part C or D of this Section, an item of information is found to be inaccurate, or additionally as to payment experience information, cannot be verified, Respondent shall promptly adjust its records to correct, modify, or delete that item of information to the extent that Respondent has gathered, collected, or maintained that item of information. Respondent shall maintain systems such that: (i) to the extent Respondent's products provide credit reports, scores, or ratings that contain information that updates on a daily basis, the product is designed to display the result of the correction, modification, or deletion of such information within four (4) business days after the investigation is completed; and (ii) to the extent Respondent's products provide credit reports, scores, or ratings that contain information that updates on a periodic basis, the product is designed to display the result of the correction, modification, or deletion of such information no later than Respondent's next periodic issuance of the information or an update to the information.
- F. Following any deletion of payment experience information which is found to be inaccurate or the accuracy of which cannot be verified, Respondent shall furnish notification that the item has been deleted to any entity identified by the affected Business, if (1) the identified entity obtained information from Respondent about the

affected Business within a period beginning 60 days prior to notice of the dispute that resulted in deletion, and (2) the information obtained by the identified entity included or relied on the deleted information.

- G. Respondent shall maintain reasonable procedures designed to prevent the reoccurrence in a Business's credit file and credit reports of errors corrected pursuant to this Section.
- H. If Respondent removes any payment experience information from a Business's credit report pursuant to Part E of this Section, Respondent shall maintain reasonable procedures to prevent the reappearance of such information in the Business's file unless the source of the information confirms that the information is complete and accurate.
- I. Respondent shall provide notice to a disputing Business of the results of a reinvestigation under this Section not later than five (5) business days after the completion of the reinvestigation. Such notice shall include a statement that the reinvestigation is completed and provide the Business with free access to the information as revised as a result of the reinvestigation, other than Respondent's proprietary or derived scores, ratings, calculations, summaries, predictions and analyses, that Respondent reports about them.
- J. Notwithstanding anything to the contrary in this Section V, Respondent's responsibilities set forth in this Section V apply only to Respondent's own records and reports pertaining to a Business. Respondent has no obligation under this Section V to take any action to investigate, correct, modify, or delete information that is collected or maintained about a Business by Respondent's affiliates or partners, provided, however, that if a Business notifies Respondent directly (by notifying a customer service representative or using an online process provided by Respondent) that it disputes the accuracy of any such information, Respondent shall either (i) request that the affiliate or partner investigate the dispute or (ii) provide the Business with information sufficient for the Business to contact the affiliate or partner directly to dispute the accuracy of the information.

VI. Refunds to Customers

IT IS FURTHER ORDERED that Respondent shall issue refunds as follows:

- A. Within sixty (60) days after entry of this Order, Respondent shall provide refunds or attempt to provide refunds to all Refund Customers, as defined in this Section, who are not Current Customers, in the manner set forth in this Section. For Current Customers who receive notice pursuant to Parts A and B of Section VII, below, Respondent shall provide refunds or attempt to provide refunds within forty-five (45) days of receiving the Current Customer's notice of cancellation.

- B. Potential Refund Customers include all Current Customers and former customers of CreditBuilder Line Products who:
1. paid for at least one subscription to a CreditBuilder Line Product on or after April 27, 2015;
 2. were CreditBuilder Line Product customers before May 1, 2020;
 3. have not already received a full refund for the customer's Relevant Subscription Term; *and*,
 4. submitted one or more Trade Reference payment experience requests in the Relevant Subscription Term and,
 - i. for Businesses that submitted one or two Trade Reference payment experience requests in the Relevant Subscription Term, did not have all of the experiences accepted, verified, and added to their credit report, or
 - ii. for Businesses that submitted three or more Trade References in the Relevant Subscription Term, had fewer than three separate requested Trade Reference payment experiences accepted, verified, and added to their credit report.
 - iii. The calculation of the number of separate Trade Reference payment experiences accepted, verified, and added shall exclude any Trade Reference that already had an agreement with Respondent to automatically report commercial payment information to Respondent on a regular basis about Businesses, regardless of whether Respondent added payment experiences between that Trade Reference and the customer to the customer's credit report.

Provided, however, that if the requirements of VI.B.1-3 are met, the following shall also be Potential Refund Customers if they submitted no Trade Reference payment experience requests in the Relevant Subscription term: (a) CreditBuilder 2018 customers, and (b) Businesses that purchased or were Charged for a CreditMonitor Substitute Product.

- C. Potential Refund Customers, and their current contact information, must be identified to the extent such information is in Respondent's possession, custody or control, including from third parties. Potential Refund Customers include those identified at any time, including after Respondent's execution of the Agreement through the eligibility period, which runs for one (1) year after the issuance date of the Order.
- D. Refund Customers are (i) all Potential Refund Customers who are not Current Customers and (ii) Potential Refund Customers who are Current Customers and who timely cancel

their current CreditBuilder Line Product subscription pursuant to Section VII of this Order.

- E. For Refund Customers who are not Current Customers and who are first identified after Respondent first emails or mails Notices pursuant to Section VII, Respondent shall issue a refund or attempt to issue a refund within forty-five (45) days of their identification.
- F. For Refund Customers who are Current Customers, Respondent shall issue the amount of compensation calculated pursuant to Part G of this Section through a refund applied to the credit card or other method of payment Respondent has on file for the Refund Customer. Respondent shall provide such Current Customers, other than those who paid for a CreditBuilder 2018 product in the Relevant Subscription Term, with access to all functions of Respondent's CreditMonitor product through the end of the Current Customer's Relevant Subscription Term.
- G. For Refund Customers who are not Current Customers or for whom Respondent does not have a valid credit card or other method of payment on file, Respondent shall issue the amount of compensation calculated pursuant to Part H of this Section by sending a check by United States Postal Service, in accordance with the following instructions:
 - 1. For Refund Customers who are not Current Customers, Respondent shall include a letter in the form shown in Attachment D.
 - 2. The envelope containing the letter must be in the form shown in Attachment E.
 - 3. The face of each check must Clearly and Conspicuously state: "Please cash or deposit this check within 180 days or it may no longer be good." Respondent may void any checks that have not been negotiated after 187 days from the date the checks were originally mailed, subject to Part G.5. of this Section.
 - 4. The mailing must not include any other enclosures or marketing information, and shall not in any manner offer any products.
 - 5. The mailing must be sent by first-class mail, postage prepaid, address correction service requested with forwarding and return postage guaranteed. For any mailings returned as undeliverable, Respondent must use standard address search methodologies such as re-checking Respondent's own data and records and the Postal Service's National Change of Address database and re-mailing to the corrected address within fifteen (15) business days. Respondent may void any re-mailed checks that have not been negotiated after 187 days from the date the checks were re-mailed.
- H. The amount of compensation for each Refund Customer who paid for a CreditBuilder Line Product shall be calculated as follows:

1. For Refund Customers who paid for a CreditBuilder 2018 product in the Relevant Subscription Term, the amount of compensation is the total amount the Refund Customer paid Respondent for the Relevant Subscription Term for the CreditBuilder 2018 product.
 2. For Refund Customers who are Current Customers, other than those who paid for a CreditBuilder 2018 product in the Relevant Subscription Term, the amount of compensation for each Refund Customer is the total amount the Refund Customer paid Respondent for the Relevant Subscription Term for the CreditBuilder Line Product reduced by \$399, except that, as applicable, the compensation will instead be reduced by the *Pro Rata* Result.
 3. For Refund Customers who are former customers, other than those who paid for a CreditBuilder 2018 product in the Relevant Subscription Term, the amount of compensation for each Refund Customer is the total amount the Refund Customer paid Respondent for the Relevant Subscription Term for the CreditBuilder Line Product reduced by \$480, except that, as applicable, the compensation will instead be reduced by the *Pro Rata* Result.
 4. If a Refund Customer upgraded or otherwise moved from one CreditBuilder Line Product to another CreditBuilder Line Product during the Relevant Subscription Term and had a portion of a previous payment applied to the upgraded CreditBuilder Line Product subscription, the amount of compensation shall include the amount applied to the more recent subscription.
 5. If a Refund Customer already received a partial refund for its CreditBuilder Line Product in the Relevant Subscription Term, Respondent may reduce the compensation by the amount of the refund already provided. If requested by the Commission pursuant to I.2 below, Respondent must produce any refund records on which it relies to reduce compensation pursuant to this Part.
- I. Respondent must report on this refund program under penalty of perjury:
1. Respondent must submit a report at the conclusion of the program: summarizing its compliance, including the total number of, and dollar amounts for, Refund Customers, refunds made, refund checks mailed, and refund checks negotiated.
 2. If a representative of the Commission requests any information regarding the program, including any of the underlying customer data, Respondent must submit it within ten (10) business days of the request. Upon request by Respondent, this ten-business-day period may be extended for a reasonable number of days by the Commission's requesting representative, and such extension shall not be unreasonably withheld.
 3. Failure to provide required refunds or any requested information will be treated as a continuing failure to obey this Order.

VII. Notification to Current Customers of Covered Products that Automatically Renew

IT IS FURTHER ORDERED that Respondent shall, within sixty (60) days of entry of this Order, provide adequate and timely Notice of this Order by email (if Respondent has an email address for the customer) or United States Postal Service (if Respondent does not have an email address for the customer) to each Current Customer of a Covered Product that Respondent automatically renews, who paid or agreed to pay money to Respondent or Billing Information as a means of paying Respondent.

- A. For Current Customers who are Potential Refund Customers with a subscription to a CreditBuilder 2018 product, the Notice shall provide notice of this Order, information about the automatic renewal schedule or subscription end date of the product, and an opportunity to cancel their CreditBuilder 2018 subscription and receive a refund. The Notice shall be in the exact wording and format set forth in Attachment A. The subject line of the email and letter must read “**Option to cancel your CreditBuilder product and potential refund from Dun & Bradstreet.**” The Notice shall include or enclose (if by mail) only the information described in Part D of this Section, and shall not include any other message, attachment, or enclosure.
- B. For all other Current Customers who are Potential Refund Customers, the Notice shall provide notice of this Order, information about the automatic renewal schedule or subscription end date of their product, and an opportunity to cancel their subscription and receive a partial refund. The Notice shall be in the exact wording and format set forth in Attachment B. The subject line of the email and letter must read “**Option to cancel your CreditBuilder or Credit Essentials product and potential partial refund from Dun & Bradstreet.**” The Notice shall include or enclose (if by mail) only the information described in Part D of this Section, and shall not include any other message, attachment, or enclosure.
- C. For all other Current Customers that have a paid subscription to any Covered Product that automatically renews or would automatically renew absent the application of Section II.A of this Order, the Notice shall provide notice of this Order and information about the automatic renewal schedule or subscription end date of their Covered Product or Products. The Notice shall be in the exact wording and format set forth in Attachment C. The subject line of the email and letter must read “**Notice of lawsuit and information about your Dun & Bradstreet product or products.**” The Notice shall include or enclose (if by mail) only the information described in Part D of this Section, and shall not include any other message, attachment, or enclosure.
- D. The Notice shall include or enclose (if by mail) the following:
 1. a list of all paid subscriptions to Covered Products,
 2. a list of all paid subscriptions to any of Respondent’s other products that the customer has purchased from the same business unit responsible for Covered Products,

3. a brief description (in compliance with Section I of this Order) of each such product,
 4. the price the customer paid for each product in its current term,
 5. the current list price and, if different, renewal price, of each such product,
 6. the date each product is scheduled to automatically renew and, for products covered by Section II. A of this Order, the end date of the product subscription term and a disclosure that such product will not automatically renew, and
 7. a telephone number that the customer can call to obtain a complete list of Respondent's paid products to which the customer subscribes.
- E. Respondent must use reasonable means to attempt to determine whether each Notice sent by email pursuant to this Section was opened by the recipient. If Respondent has no indication that the recipient opened the email within twenty (20) business days after the date Respondent sent it, Respondent shall, within ten (10) additional business days, send the Notice (with enclosure) by United States Postal Service. Any deadline for the recipient to respond to the Notice shall run only from the last date that Respondent sent a Notice to the recipient.
- F. Notices sent by United States Postal Service pursuant to this Section shall be sent first-class mail, postage prepaid, address correction service requested with forwarding and return postage guaranteed. For Notices in the form of Attachment A or Attachment B, the front of the envelope shall read "**Option to cancel your CreditBuilder or Credit Essentials product and potential refund from Dun & Bradstreet.**" For Notices in the form of Attachment C, the front of the envelope shall read "**Notice of lawsuit and information about your Dun & Bradstreet product or products.**" For any mailings returned as undeliverable, Respondent must use standard address search methodologies such as re-checking Respondent's own data and records and the Postal Service's National Change of Address database and re-mail to the corrected address within fifteen (15) business days.
- G. Notwithstanding any other provision of this Order, Respondent shall, within thirty (30) days of a written request, provide the Commission with all records reasonably requested about each customer to whom a Notice is sent pursuant to this Section. In accordance with Section X below, Respondent shall implement systems and procedures designed to maintain all of the following records about each such customer, and in accordance with this Part G, the FTC may request any or all of them for any such customer: name; all known addresses, telephone numbers, and email addresses; whether Respondent has any indication that the customer opened the Notice email (and, if so, the form of such indication); the date or dates that Respondent sent a Notice; whether the customer canceled the CreditBuilder Line Product subscription; and copies of all communications with the customer that are made through the channels identified in the Notice and that

relate to the Notice, including webform submissions, recordings of telephone calls, and recordings of voicemail messages.

VIII. Acknowledgments of the Order

IT IS FURTHER ORDERED that Respondent obtain acknowledgments of receipt of this Order:

- A. Respondent, within 10 days after the effective date of this Order, must submit to the Commission an acknowledgment of receipt of this Order sworn under penalty of perjury.
- B. For 3 years after the issuance date of this Order, Respondent must deliver a copy of this Order to: (1) all principals, officers, directors, and LLC managers and members; (2) all employees having managerial responsibilities for any Covered Product subject to a Negative Option Feature, and all agents and representatives who participate in the sale of any Covered Product; and (3) any business entity resulting from any change in structure as set forth in the Provision titled Compliance Reports and Notices. Delivery must occur within 10 days after the effective date of this Order for current personnel. For all others, delivery must occur within 10 days of when they assume their responsibilities.
- C. From each individual or entity to which Respondent delivered a copy of this Order, Respondent must obtain, within 30 days, a signed and dated acknowledgment of receipt of this Order.

IX. Compliance Reports and Notices

IT IS FURTHER ORDERED that Respondent make timely submissions to the Commission:

- A. One year after the issuance date of this Order, Respondent must submit a compliance report, sworn under penalty of perjury, in which Respondent must: (1) identify the primary physical, postal, and email address and telephone number, as designated points of contact, which representatives of the Commission may use to communicate with Respondent; (2) identify all of Respondent's businesses by all of their names, telephone numbers, and physical, postal, email, and Internet addresses; (3) describe the activities of each business, including the goods and services offered and the means of advertising, marketing, and sales; (4) describe in detail whether and how Respondent is in compliance with each Provision of this Order, including a discussion of all of the changes Respondent made to comply with the Order; and (5) provide a copy of each Acknowledgment of the Order obtained pursuant to this Order, unless previously submitted to the Commission.
- B. For 10 years after the issuance date of this Order, Respondent must submit a compliance notice, sworn under penalty of perjury, within 14 days of any change in: (1) any designated point of contact; or (2) the structure of Respondent or any entity that

Respondent has any ownership interest in or controls directly or indirectly that may affect compliance obligations arising under this Order, including: creation, merger, sale, or dissolution of the entity or any subsidiary, parent, or affiliate that engages in any acts or practices subject to this Order.

- C. Respondent must submit notice of the filing of any bankruptcy petition, insolvency proceeding, or similar proceeding by or against Respondent within 14 days of its filing.
- D. Any submission to the Commission required by this Order to be sworn under penalty of perjury must be true and accurate and comply with 28 U.S.C. § 1746, such as by concluding: "I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on: " _____ " and supplying the date, signatory's full name, title (if applicable), and signature.
- E. Unless otherwise directed by a Commission representative in writing, all submissions to the Commission pursuant to this Order must be emailed to DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to: Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The subject line must begin: In re Dun & Bradstreet, Inc., [*plus the docket number*].

X. Recordkeeping

IT IS FURTHER ORDERED that Respondent must create certain records for 10 years after the issuance date of the Order, and retain each such record for 5 years, unless otherwise specified below. Specifically, Respondent must create and retain the following records:

- A. accounting records showing the revenues from the sale of all Covered Products sold, and, to the extent such records are created and maintained in the ordinary course of business, the costs incurred in generating those revenues, and resulting net profit or loss;
- B. personnel records showing, for each person providing services in relation to any aspect of the Order, whether as an employee or otherwise, that person's: name; addresses; telephone numbers; job title or position; dates of service; and (if applicable) the reason for termination;
- C. copies or records of all consumer complaints and refund requests for Covered Products made to customer service, whether received directly or indirectly, such as through a third party, and any response;
- D. all records necessary to demonstrate full compliance with each Provision of this Order, including all submissions to the Commission; and
- E. a copy of each unique advertisement or other marketing material for Covered Products making a representation subject to this Order.

XI. Compliance Monitoring

IT IS FURTHER ORDERED that, for the purpose of monitoring Respondent's compliance with this Order:

- A. Within 10 days of receipt of a written request from a representative of the Commission, Respondent must: submit additional compliance reports or other requested information, which must be sworn under penalty of perjury, and produce records for inspection and copying.
- B. For matters concerning this Order, representatives of the Commission are authorized to communicate directly with Respondent. Respondent must permit representatives of the Commission to interview anyone affiliated with Respondent who has agreed to such an interview. The interviewee may have counsel present.
- C. The Commission may use all other lawful means, including posing through its representatives as consumers, suppliers, or other individuals or entities, to Respondent or any individual or entity affiliated with Respondent, without the necessity of identification or prior notice. Nothing in this Order limits the Commission's lawful use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-1.

XII. Order Effective Dates

IT IS FURTHER ORDERED that this Order is final and effective upon the date of its publication on the Commission's website (ftc.gov) as a final order. This Order will terminate 20 years from the date of its issuance (which date may be stated at the end of this Order, near the Commission's seal), or 20 years from the most recent date that the United States or the Commission files a complaint (with or without an accompanying settlement) in federal court alleging any violation of this Order, whichever comes later; *provided, however*, that the filing of such a complaint will not affect the duration of:

- A. Any Provision in this Order that terminates in less than 20 years;
- B. This Order's application to any Respondent that is not named as a defendant in such complaint; and
- C. This Order if such complaint is filed after the Order has terminated pursuant to this Provision.

Provided, further, that if such complaint is dismissed or a federal court rules that the Respondent did not violate any Provision of the Order, and the dismissal or ruling is either not appealed or upheld on appeal, then the Order will terminate according to this Provision as though the complaint had never been filed, except that the Order will not terminate between the date such complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

By the Commission.

April J. Tabor
Secretary

SEAL:
ISSUED: April 6, 2022

ATTACHMENT A

[D&B letterhead]

Customer No: XXX-XX-XXX

Date

Re: **Option to cancel your CreditBuilder product and potential refund from Dun & Bradstreet**

Dear CreditBuilder Customer:

Our records show that you subscribed to our CreditBuilder product. We're writing to tell you that you can choose to cancel your CreditBuilder subscription and get a refund.

The Federal Trade Commission (FTC), the nation's consumer protection agency, recently filed a lawsuit against us. The FTC said we made misleading claims in our marketing of CreditBuilder and other products, including about your ability to add payment experiences to your credit report. We did not admit to these things, but to settle the lawsuit with the FTC, we're giving you the option to cancel your subscription and get a refund. Our records show the following CreditBuilder subscription is eligible for cancellation:

- [Description of the CreditBuilder subscription]
- You paid \$xx.xx for the current subscription term
- The current list price is \$xx.xx
- Your subscription ends on (Month, Day, Year)

If you want to cancel your subscription and get a refund, you must let us know within 30 days of the date on this letter by

- calling us at [toll free number],
- completing the online form at [web form URL], or
- returning the included Notice of Cancellation and Request for Refund form (Enclosure A) to us by mail at the address on the form.

If you cancel your subscription

- You'll get a refund of what you paid for your current subscription term.
- Within 45 days of the date we get your request to cancel, we'll issue a credit to the method of payment currently on file. (If the payment method we have on file is no longer valid, we will send you a check by mail.)
- You'll lose access to your CreditBuilder subscription.

- Cancelling your subscription will not affect your DUNS® number or your business's information, scores, or ratings.

If you want to keep your subscription, you don't have to do anything. If you keep your CreditBuilder subscription, we won't automatically renew it and charge you. But, we may contact you to ask if you want to renew it.

[Include the next section only if there WILL NOT be an enclosed list of paid subscriptions in addition to CreditBuilder 2018]

You may have other subscriptions with us. To get a list of products to which you subscribe, call us at [(XXX) XXX-XXXX].

[end of section]

[Include the next section only if there WILL be an enclosed list of paid subscriptions in addition to CreditBuilder 2018]

We've enclosed a list of other paid subscriptions you have, how much you paid for each, when it expires, if we'll automatically renew it, and when we'll charge you.

You may have other subscriptions not included in the list. To get a complete list of your subscriptions, call us at [(XXX) XXX-XXXX].

[end of section]

You can learn more about the FTC's lawsuit against Dun & Bradstreet at [www.ftc.gov/\[url\]](http://www.ftc.gov/[url]).

Enclosure A to Attachment A

Notice of Cancellation and Request for Refund

TO: [Address of Company]

Re: Cancellation Request for Customer No. XXX-XX-XXX

I am writing to request cancellation of my CreditBuilder subscription. Please refund my payment by issuing a credit to the method of payment currently on file.

Enclosure B to Attachment A

Your Current Subscriptions to Other Paid Products Not Eligible for Refund*

Subscription	Amount You Paid for this Term	Current List Price	Your Renewal Price	Date of Renewal or End of Term
Product 1 [description]	\$xx.xx	\$xx.xx	\$xx.xx	
Product 2 [description]	\$xx.xx	\$xx.xx	\$xx.xx	

If you see a price in the Your Renewal Price column, that means we will **automatically renew** that subscription on the date listed and we will charge you at the specified renewal price. You may contact us at [(XXX) XXX-XXXX] at any point before the date the product is scheduled to renew to request that we not renew your subscription at the end of the current term.

* You may have other subscriptions not included in this list. To get a list of products to which you subscribe, call us at [(XXX) XXX-XXXX].

ATTACHMENT B

[D&B letterhead]

Customer No: XXX-XX-XXX

Date

Re: **Option to cancel your CreditBuilder or Credit Essentials product and potential partial refund from Dun & Bradstreet**

Dear CreditBuilder or Credit Essentials Customer:

Our records show that you subscribed to our CreditBuilder or Credit Essentials products. We're writing to tell you that you can choose to cancel your CreditBuilder or Credit Essentials subscription and get a partial refund.

The Federal Trade Commission (FTC), the nation's consumer protection agency, recently filed a lawsuit against us. The FTC said we made misleading claims in our marketing of these products, including about your ability to add payment experiences to your credit report. We did not admit to these things, but to settle the lawsuit with the FTC, we're giving you the option to cancel your subscription and get a partial refund. Our records show the following CreditBuilder or Credit Essentials subscription is eligible for cancellation:

- [Description of the subscription]
- You paid \$xx.xx for the current subscription term
- The current list price is \$xx.xx
- Your subscription renews on (Month, Day, Year) at a renewal price of \$xx.xx. **[For CreditMonitor Substitute Product customers, replace this bullet with: Your subscription ends on (Month, Day, Year)]**

If you want to cancel your subscription and get a refund, you must let us know within 30 days of the date on this letter by

- calling us at [toll free number],
- completing the following form at [web form URL], or
- returning the included Notice of Cancellation and Request for Refund form (Enclosure A) to us by mail at the address on the form.

If you cancel your subscription

- You'll get a partial refund of what you paid for your current subscription term.

- Within 45 days of the date we get your request to cancel, we'll issue a credit to the method of payment currently on file. (If the payment method we have on file is no longer valid, we will send you a check by mail.)
- You'll keep your access to certain product features on our website for the remainder of your current term, including unlimited access to view your Dun & Bradstreet credit report. Learn more at [CreditMonitor product description URL].
- Cancelling your subscription will not affect your DUNS® number or your business's information, scores, or ratings.

If you want to keep your subscription, you don't have to do anything. **[Include the next sentence only for Credit Monitor Substitute Product customers:** If you keep your subscription, we won't automatically renew it and charge you. But, we may contact you to ask if you want to renew it.]

[Include the next section only if there WILL NOT be an enclosed list of paid subscriptions in addition to those listed above]

You may have other subscriptions with us. To get a list of products to which you subscribe, call us at [(XXX XXX-XXXX)].

[end of section]

[Include the next section only if there WILL be an enclosed list of paid subscriptions in addition to those listed above]

We've enclosed a list of other paid subscriptions you have, how much you paid for each, when it expires, if we'll automatically renew it, and when we'll charge you.

You may have other subscriptions not included in the list. To get a complete list of your subscriptions, call us at [(XXX) XXX-XXXX].

[end of section]

You can learn more about the FTC's lawsuit against Dun & Bradstreet at [www.ftc.gov/\[url\]](http://www.ftc.gov/[url]).

Enclosure A to Attachment B

Notice of Cancellation and Request for Partial Refund

TO: [Address of Company]

Re: Cancellation Request for Customer No. XXX-XX-XXX

I am writing to request cancellation of my (check the appropriate box)

CreditBuilder subscription

Credit Essentials subscription

Please partially refund my payment by issuing a credit to the method of payment currently on file.

Enclosure B to Attachment B

Your Current Subscriptions to Other Paid Products Not Eligible for Refund*

Subscription	Amount You Paid for this Term	Current List Price	Your Renewal Price	Date of Renewal or End of Term
Product 1 [description]	\$xx.xx	\$xx.xx	\$xx.xx	
Product 2 [description]	\$xx.xx	\$xx.xx	\$xx.xx	

If you see a price in the Your Renewal Price column, that means we will **automatically renew** that subscription on the date listed and we will charge you at the specified renewal price. You may contact us at [(XXX) XXX-XXXX] at any point before the date the product is scheduled to renew to request that we not renew your subscription at the end of the current term.

* You may have other subscriptions not included in this list. To get a complete list of your subscriptions, call us at [(XXX) XXX-XXXX].

ATTACHMENT C

[D&B letterhead]

Customer No: XXX-XX-XXX

Date

Re: **Notice of lawsuit and information about your Dun & Bradstreet product or products**

Dear Customer:

Our records show that you subscribed to our CreditBuilder, Credit Essentials, or CreditMonitor products. The Federal Trade Commission (FTC), the nation's consumer protection agency, recently filed a lawsuit against us. The FTC said we made misleading claims in our marketing of these products, including misleading claims about the automatic renewal of our products.

We did not admit to these things, but to settle the lawsuit with the FTC, we're giving customers information about products they currently subscribe to and information about the automatic renewal schedule of those products.

We've enclosed a list of paid subscriptions you have, how much you paid for each, when it expires, if we'll automatically renew it, and when we'll charge you.

You may have other subscriptions not included in the list. To get a complete list of your subscriptions, call us at [(XXX) XXX-XXXX].

You can learn more about the FTC's lawsuit against Dun & Bradstreet at [www.ftc.gov/\[url\]](http://www.ftc.gov/[url]).

Enclosure to Attachment C

Your Current Paid Subscriptions*

Subscription	Amount You Paid for this Term	Current List Price	Your Renewal Price	Date of Renewal or End of Term
Product 1 [description]	\$xx.xx	\$xx.xx	\$xx.xx	
Product 2 [description]	\$xx.xx	\$xx.xx	\$xx.xx	

If you see a price in the Your Renewal Price column, that means we will **automatically renew** that subscription on the date listed and we will charge you at the specified renewal price. You may contact us at [(XXX) XXX-XXXX] at any point before the date the product is scheduled to renew to request that we not renew your subscription at the end of the current term.

If you see "N/A" in the Your Renewal Price column, that means we won't automatically renew that subscription when the term is scheduled to end, and we won't charge you. We may contact you about renewing the subscription before it expires.

* You may have other subscriptions not included in this list. To get a list of products to which you subscribe, call us at [(XXX) XXX-XXXX].

ATTACHMENT D

[D&B letterhead]

Customer No: XXX-XX-XXX

Date

Re: **Refund check for CreditBuilder or Credit Essentials subscription from Dun & Bradstreet**

Dear Former CreditBuilder or Credit Essentials Customer:

Our records show that you subscribed to our CreditBuilder or Credit Essentials products. The Federal Trade Commission (FTC), the nation's consumer protection agency, recently filed a lawsuit against us. The FTC said our marketing of these products included misleading claims.

We did not admit to these things, but to settle the lawsuit with the FTC, we're giving you a refund. **We've enclosed a refund check for the amount you are entitled to receive.** Please cash or deposit the enclosed check within 180 days.

If you have any questions, please call [toll free number].

You can learn more about the FTC's lawsuit against Dun & Bradstreet at [www.ftc.gov/\[url\]](http://www.ftc.gov/[url]).

Sincerely,

Dun & Bradstreet

**ATTACHMENT E –
Envelope Template**

The envelope referenced at Section VI.G.2 must be in the following form, with the underlined text completed as directed:

Dun & Bradstreet, Inc.
101 John F. Kennedy Parkway
Short Hills, NJ 07078

FORWARDING AND RETURN POSTAGE GUARANTEED ADDRESS CORRECTION
SERVICE REQUESTED

[name and
mailing address of consumer,
including zip code]

**ABOUT YOUR PURCHASE OF CREDITBUILDER OR CREDIT ESSENTIALS
AND REFUND**



Office of the Secretary

UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

April 6, 2022

S and D Consolidated Services
info@sdconsolidatedservices.com

Re: *In the Matter of Dun & Bradstreet, Inc.*
File No. 172 3197

Dear S and D Consolidated Services:

We would like to thank you for commenting on the Federal Trade Commission's ("Commission" or "FTC") proposed consent order in the above-referenced proceeding. The Commission has placed your comment on the public record pursuant to Rule 4.9(b)(6)(ii) of the agency's Rules of Practice, 16 C.F.R. §4.9(b)(6)(ii). The Commission is committed to protecting small businesses from deceptive or other unlawful practices, and we appreciate your feedback on this matter.

According to our complaint against Dun & Bradstreet, Inc. ("D&B"), the company violated the FTC Act by engaging in deceptive practices in the sale of, and billing for, its CreditBuilder and related products that it has marketed directly to small and mid-sized businesses as a means to improve what D&B reports about them, and by engaging in unfair practices with respect to certain of its credit reporting practices.

Among other things, the proposed order prohibits D&B from making false or unsubstantiated claims that using D&B's product is likely to allow a business to have its previously unreported commercial payment experiences added to its credit report or is likely to help a business build or improve its credit report; requires D&B to make certain disclosures when offering CreditBuilder and related products; and sets out certain requirements related to D&B's product renewal and charging practices. Additionally, the proposed order sets out specific requirements for D&B to follow when a business (regardless of whether it is a D&B customer) disputes information that D&B reports about it.

In your comment, you state that after you purchased D&B's CreditBuilder product, D&B reported inaccurate information about your business and wrongly removed certain information from your credit report. You further state that D&B canceled your CreditBuilder subscription on its own accord and will not return your calls. As noted above, the proposed order against D&B addresses sales practices relating to CreditBuilder and specific requirements that D&B must follow when a business disputes information in its D&B credit report.

Having considered all the facts of this case and the comments submitted in response to the proposed order, the Commission has now determined that the public interest would best be served by issuing the Complaint and the Decision and Order in final form without any modifications. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>. The Commission thanks you again for your comment.

By direction of the Commission.

April J. Tabor
Secretary



Office of the Secretary

UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

April 6, 2022

Anonymous

Re: *In the Matter of Dun & Bradstreet, Inc.*
File No. 172 3197

Dear Anonymous:

We would like to thank you for commenting on the Federal Trade Commission's ("Commission" or "FTC") proposed order in the above-referenced proceeding. The Commission has placed your comment on the public record pursuant to Rule 4.9(b)(6)(ii) of the agency's Rules of Practice, 16 C.F.R. §4.9(b)(6)(ii). The Commission is committed to protecting small businesses from deceptive or other unlawful practices, and we appreciate your feedback on this matter.

According to our complaint against Dun & Bradstreet, Inc. ("D&B"), the company violated the FTC Act by engaging in deceptive practices in the sale of, and billing for, its CreditBuilder and related products that it has marketed directly to small and mid-sized businesses as a means to improve what D&B reports about them, and by engaging in unfair practices with respect to certain of its credit reporting practices.

Among other things, the proposed order prohibits D&B from making false or unsubstantiated claims that using D&B's product is likely to allow a business to have its previously unreported commercial payment experiences added to its credit report or is likely to help a business build or improve its credit report; requires D&B to make certain disclosures when offering CreditBuilder and related products; and sets out certain requirements related to D&B's product renewal and charging practices. Additionally, the proposed consent order sets out specific requirements for D&B to follow when a business (regardless of whether it is a D&B customer) disputes information that D&B reports about it.

We understand from your comment that you purchased D&B's Hoovers product and that D&B did not fulfill the promises that it made when selling that product to you. Although the proposed order does not specifically mention D&B's Hoovers product, it does prohibit D&B from misrepresenting any material fact about the price or features of any of its products.

Having considered all the facts of this case and the comments submitted in response to the proposed order, the Commission has now determined that the public interest would best be served by issuing the Complaint and the Decision and Order in final form without any modifications. The final Decision and Order and other relevant materials are available from the

Commission's website at <http://www.ftc.gov>. The Commission thanks you again for your comment.

By direction of the Commission.

April J. Tabor
Secretary



Office of the Secretary

UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

April 6, 2022

Mr. Grady Hedgespeth
Assistant Director, Office of Small Business Lending Markets
Consumer Financial Protection Bureau
1700 G Street NW
Washington D.C. 20552

Re: *In the Matter of Dun & Bradstreet, Inc.*
File No. 172 3197

Dear Assistant Director Hedgespeth:

We would like to thank you for commenting on the Federal Trade Commission's ("Commission" or "FTC") proposed consent order in the above-referenced proceeding. The Commission has placed your comment on the public record pursuant to Rule 4.9(b)(6)(ii) of the agency's Rules of Practice, 16 C.F.R. §4.9(b)(6)(ii). The Commission is committed to protecting small businesses from deceptive or other unlawful practices, and we appreciate your feedback on this matter.

According to our complaint against Dun & Bradstreet, Inc. ("D&B"), the company violated the FTC Act by engaging in deceptive practices in the sale of, and billing for, its CreditBuilder and related products that it has marketed directly to small and mid-sized businesses as a means to improve what D&B reports about them, and by engaging in unfair practices with respect to certain of its credit reporting practices.

Among other things, the proposed order prohibits D&B from making false or unsubstantiated claims that using D&B's product is likely to allow a business to have its previously unreported commercial payment experiences added to its credit report or is likely to help a business build or improve its credit report; requires D&B to make certain disclosures when offering CreditBuilder and related products; and sets out certain requirements related to D&B's product renewal and charging practices. Additionally, the proposed order sets out specific requirements for D&B to follow when a business (regardless of whether it is a D&B customer) disputes information that D&B reports about it.

In your comment, you note a number of important issues related to small business credit reporting. You further state that the CFPB looks forward to working with our agency to analyze data that the CFPB will collect pursuant to the congressional directive in Section 1071 of the Dodd-Frank Act, and to working with our agency and other partners to examine whether there are other unlawful practices occurring related to small business credit reporting.

We very much appreciate the CFPB's commitment to examining these issues and protecting the public. We look forward to working with the CFPB in the area of small business credit reporting, as our agencies work together in many other areas.

Having considered all the facts of this case and the comments submitted in response to the proposed consent order, the Commission has now determined that the public interest would best be served by issuing the Complaint and the Decision and Order in final form without any modifications. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>. The Commission thanks you again for your comment.

By direction of the Commission.

April J. Tabor
Secretary