

DEBT ADJUSTING BUSINESS

FRIDAY, SEPTEMBER 15, 1967

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE DISTRICT OF COLUMBIA,
SUBCOMMITTEE No. 5,
Washington, D.C.

The Subcommittee met, pursuant to adjournment, at 10:10 a.m., in Room 1310, Longworth House Office Building, Hon. B. F. Sisk, Chairman of the Subcommittee, presiding.

Present: Representatives Sisk (Chairman of the Subcommittee), Jacobs and Walker.

Also present: James T. Clark, Clerk; Hayden S. Garber, Counsel; Donald Tubridy, Minority Clerk and Leonard O. Hilder, Investigator.

Mr. SISK. Subcommittee No. 5 will come to order.

We will continue our hearings this morning on the matter of the debt adjustment business.

I want the record to show that our colleague from Michigan, Mr. Diggs, has permission to insert a statement on the matter under discussion. It may be impossible for him to appear in person, but without objection his statement will be incorporated in the record.

Mr. SISK. The first witness this morning will be the Barden Investment Management Corporation.

Mr. Holland.

STATEMENT OF ELLIOTT HOLLAND, GENERAL MANAGER, BARDEN INVESTMENT MANAGEMENT CORPORATION

Mr. HOLLAND. Mr. Scalise had to return to Iowa on a criminal matter.

Mr. SISK. Without objection, the statement by Mr. Scalise will be made a part of the record.

(The statement referred to follows:)

STATEMENT OF LAWRENCE F. SCALISE, ATTORNEY, BARDEN INVESTMENT MANAGEMENT CORPORATION

My name is Lawrence F. Scalise. I am an attorney practicing in Des Moines, Iowa. I am here at the request of Barden Investment Management Corporation of Detroit.

I was Attorney General of Iowa in 1965 and 1966. I was very much interested in consumer protection and sought—successfully—the enactment of a bill in 1965 to provide it. Included in the bill as originally introduced were provisions for the regulation of debt management companies. Creditor interests opposed these provisions, and they were struck from the bill.

The consumer protection law, however, vested in the Attorney General broad powers of investigation and inquiry into practices suspected of violating that