Mr. MORGAN. Yes, sir. I am in favor of each and every one of the bills because we have made an honest effort in the cases that we have purchased, to try to determine that the people understood what happened.

Senator TYDINGS. Do you think that those bills would actually hurt any legitimate person in the home improvement business?

Mr. MORGAN. No, sir; but I don't think they are going to be the answer to your problem.

Senator TYDINGS. Do you think that the holder-in-due-course doctrine proposal in those bills would harm any legitimate operator?

Mr. MORGAN. I would be more afraid of that proposal as harming a legitimate operation than affecting us, for example, if you call us legitimate.

Senator TYDINGS. Are you willing to endorse that proposal?

Mr. MORGAN. I prefer, of course—I am glad you asked me this. This is the point of the bill which I prefer the type of legislation which Senator Morse introduced by putting a much greater duty on a purchaser of the paper to protect the consumer. I think that you will do much better with this than merely vitiating the holder-in-due-course theory, because fraud in and of itself vitiates a deed of trust or a note or whatever is signed. The holder has no standing anyway.

But, I think if you place, as Senator Morse attempted to do with the certificate of completion, that, plus something even greater, putting a greater obligation on the purchaser of this commercial paper, then you will give the consumer some protection.

But, by merely knocking out the holder-in-due-course concept, I don't think this is going to provide the protection.

Senator TYDINGS. Now, Mr. Morgan, are you or are you not in favor of the bills which I have introduced?

Mr. MORGAN. Yes, sir; I am.

Senator TYDINGS. And including the one which vitiates the holder-in-due-course doctrine?

Mr. MORGAN. I would prefer the other. I think this will do some good.

Senator TYDINGS. Would you go so far as to advise your——

Mr. MORGAN. Advise what, sir?

Senator TYDINGS. I was going to say, would you advise your clients, the Atlas——

Mr. MORGAN. They are here and I think you will find that they also are in favor of these bills, because if you set the legal rate of interest that will be allowed in this type of transaction, it will do away with all questions about overcharge and interest, and the cancellation provision, I think, is an excellent provision.

We are not interested in buying paper that won't pay, Senator.

Senator TYDINGS. Fine. Thank you very much, Mr. Morgan, for being with us.

Mr. Theodore Blumenfeld.

Mr. BLUMENFELD. Yes, sir.

Senator TYDINGS. We are delighted to welcome you before the subcommittee, Mr. Blumenfeld.

Would you give us your address, where you reside, where you work?