

IN THE MATTER OF
RADUMAC MINERAL COMPANY AND A. YODER, TRADING
AS RADUMAC MINERAL COMPANY

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

Docket 2149. Complaint, Sept. 14, 1935¹—Decision, Sept. 15, 1936

Where an individual dealing through corporate entity, and, following dissolution thereof, under corporate name, in a liquid produced by "dripping off" into containers water poured four or five days theretofore over soil from his "mine", and in sale of his said so-called "Radumac", bottled, through dealers in drugs and medicines for resale to public, and direct to those desiring to purchase remedies for treatment of ailments, diseases, and conditions for which said product was advertised by him through pamphlets, circulars, and other printed matter—

- (a) Represented that same would cure or was beneficial in treatment of a large number of ailments and conditions including anemia, arthritis, high or low blood pressure, indigestion, rheumatism, kidney troubles, and many others specified;
- (b) Represented that it "does wonders", and "heals, penetrates and prevents germs", and that it "will aid in assisting in the elimination" of the diseases, ailments, afflictions, and conditions set out, and that it was a health tonic and would prevent many serious diseases; and
- (c) Represented that it contained the essential mineral elements for building new body tissues, and that all but four elements contained in the body were found therein, and that use thereof would supply minerals needed in body where there was a mineral deficiency therein;

Facts being that it would neither prevent nor cure nor be beneficial in treatment of all or any of the various diseases specified, excepting one or two percent of anemia cases, and inflamed or sore throat, and feet in certain cases, in which by reason of iron salts content, it might be of some value and soothing, and it did not possess therapeutic efficacy represented and implied in prevention, treatment, or cure of said diseases, etc., for which recommended, and would not do wonders, or heal or penetrate or prevent germs, and said various statements and representations were false;

With effect of misleading and deceiving many persons afflicted with said various diseases, etc., and of causing a substantial portion thereof to believe that said representations and implications were true and by reason thereof to buy the same, and of thereby unfairly diverting trade to him from competitors who truthfully represent their products; to their substantial injury and that of the public:

¹ Amended.

Held, That such acts and practices were to the prejudice of the public and competitors and constituted unfair methods of competition.

Before *Mr. W. W. Sheppard*, trial examiner.

Mr. Edw. W. Thomerson for the Commission.

Brown & Springstun, of Detroit, Mich., for respondents.

AMENDED COMPLAINT

Whereas the Federal Trade Commission did, herefore, to wit, on January 15, 1934, issue its complaint herein charging the Radumac Mineral Company, a corporation, respondent herein, with using unfair methods of competition in commerce as "commerce" is defined in the Act of Congress approved September 26, 1914, entitled "An Act to create a Federal Trade Commission, to define its powers and duties, and for other purposes"; and *Whereas*, subsequent to the issuance and service of said complaint it has appeared to the said Commission that one A. Yoder, an individual trading as the Radumac Mineral Company, should have been named as a respondent with the said Radumac Mineral Company, a corporation;

Now, therefore, pursuant to the provisions of an Act of Congress approved September 26, 1914, entitled, "An Act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," the Federal Trade Commission, having reason to believe that the Radumac Mineral Company, a corporation, and A. Yoder, an individual trading as the Radumac Mineral Company, hereinafter referred to as respondents, have been and are using unfair methods of competition in commerce as "commerce" is defined in said act, and it appearing to the said Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its amended complaint, stating its charges in that respect as follows:

PARAGRAPH 1. Respondent, A. Yoder, has been for several years last past, and now is engaged in the manufacture, and sale in commerce among and between the various States of the United States, of a product variously denominated by him as Radiumac or Radumac, with his principal place of business in the city of Los Angeles, State of California.

In 1931 he caused to be incorporated under the laws of the State of California the Radiumac Mineral Company, Limited, which name was subsequently changed to Radumac Mineral Company, with its principal place of business in the city of Los Angeles, State of California, in order that he might have a corporate instrumentality, by and through which he could establish and maintain such business and the policy and practices described in paragraph 2 hereof.

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Respondent, A. Yoder, is sole and exclusive owner of respondent, Radumac Mineral Company, and controls and directs its business and all of its affairs, using it as the medium under whose name he causes his product Radumac or Radiumac to be advertised and offered for sale.

Respondent, A. Yoder, operated said business by and through the instrumentality above mentioned for a period of time, and subsequently abandoned the use of this corporate instrumentality and began to conduct the business under the trade name, Radumac Mineral Company, and is now and has for more than one year last past so conducted said business.

In the course and conduct of such business, respondents have been and now are engaged in competition in interstate commerce with individuals, partnerships, and corporations selling in such commerce similar commodities or products, or any products offered for sale or sold for the treatment or cure of, or for use in, the various diseases or conditions hereinafter described in paragraph 2, for which Radumac is offered for sale or sold. It has been and is the practice of respondents, when sold, to cause such product to be transported to purchasers thereof, located in the various other States of the United States than in the State of California.

PAR. 2. It has been and is the practice of respondents to offer for sale and sell said product by means of false and misleading statements and representations in circulars distributed or caused to be distributed among purchasers or prospective purchasers in the various States of the United States.

In large and conspicuous words respondents have caused and cause to appear on the first page of one of said circulars concerning Radumac the following legend:

RADUMAC
DOES WONDERS
Contains No Radium,
Heals, Penetrates
and
Prevents Germs.

On the bottom of such circular appears the following:

The medical world recognizes the medicinal value of these health giving anhydrous salt properties.

The circular contains representations such as the following:

While Radumac is an excellent aid in assisting in the elimination of the following diseases and troubles, it is a much better health tonic and if used regularly will prevent a great many serious diseases. We highly recommend

to all who are troubled either chronically or occasionally with any of these diseases that they use Radumac as a tonic at least once a day but always take three times daily according to directions when any of the symptoms of these diseases occur.

The diseases referred to are specifically set forth in a paragraph entitled:

Diseased Conditions in which Radumac has been found useful.

Under the subhead in such circular "Diseased Conditions in which Radumac has been found useful", appears the following list of diseases and conditions.

Anemia—Run-down Condition; Acne-Eczema; Bed-wetting (Enuresis); Bleeding; Blood-pressure, High or Low; Blood—poor, impoverished, thin; Boils; Burns; Carbuncles; Chilblains; Children—Defective, stunted, puny, ill-nourished, backward; Coldsore, fever, blisters, Convalescence; Cough; Crackling, squeaking, stiff joints; Dermatitis; Eczema; Epistaxis (Nose bleed); Feet (sore, sensitive, swollen), Corns; Hemorrhoids; Hemorrhage, Herpes, Hypertension; Infection; Ingrowing toenails; Insect bites; Intestinal indigestion, indigestion, irritation, gas soreness, ulcers; Kidneys; Leucorrhea; Liver diseases; Malnutrition; Mouth—sore mouth, ulcers; Mucous colitis; Nervousness; Neuralgia; Obesity; Ovarian trouble; Open sores; Piles, hemorrhoids; Pimples; Polyuria; Prickly heat, chafing; Pyorrhea; Rheumatism, Neuritis, Neuralgia, Stomach troubles; Sunburn; Teeth—loose, sore, etc.; Throat—sore; tonsillitis, etc.; Women's diseases; Worms; Wounds, cuts, bruises.

The circular also contains false representations to the effect that all the essential minerals for building new body tissues and all but four of the elements contained in the body are found in Radumac.

The circular also contains false representations to the effect that Radumac will restore any of the lost and needed minerals in which the body may be deficient when individuals feel tired, run-down, without energy, appetite or digestion.

In another circular distributed by respondents among prospective purchasers in various States of the United States in addition to a representation made in large and conspicuous letters to the effect that "The Miracle Radumac Does Wonders" there are other false representations to the effect that Radumac "heals, penetrates and prevents diseases", a representation also appearing in other circulars distributed by respondents. There is also a representation in the aforesaid circular as follows:

"Nature's gift to mankind for all blood ailments" and also a representation to the effect that Radumac is for "first aid in your home and automobile". On the second page of such circular there are representations to the effect that Radumac is for internal use in any—

Stomach trouble of the liver, kidney, bladder, gastritis, weak bladder and kidneys, rheumatism, neuritis, arthritis, pyorrhea, inflamed tonsils, sinus

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trouble, catarrh, asthma, eczema, pimples, skin eruptions, carbuncles, ulcers, boils, high and low blood pressure, pleurisy, neuralgia, lung trouble,

There is on page two of such circular also a representation that impure blood is the cause of all of the ailments hereinabove mentioned, accompanied by the injunction "Clean out the source". Again the respondents represent in such circular on page two:

Radumac will positively purify your blood and increase the circulation, forcing the organs of your body to function correctly.

Respondents also falsely offer Radumac for external use in case of—

Ulcers, asthma, wounds, bruises, insect bites, hemorrhage, piles, fistula, athlete's foot, bleeding gums, loose teeth, sore throat, tonsillitis, burns, scalds, and the prospective purchaser is also assured in such circular that Radumac stops toothache in just one minute. Respondents falsely represent that all of the mineral elements required by nature for the proper functioning of human organs are in Radumac so that individuals using Radumac are using—

The prescription of the Creator who designed your body and gave you life.

In truth and in fact the product offered for sale and sold by respondents as Radumac does not contain all but four of the elements in the human body nor all of the essential minerals, has not furnished, cannot and does not furnish the necessary minerals for the remineralization of the body when the individual is suffering from a mineral deficiency or mineral deficiencies. Radumac has not accomplished, cannot and does not accomplish any of the beneficial results attributed to it by respondents in the advertising matter above described, is neither a remedy for nor a cure of any of the conditions hereinabove mentioned and is neither useful for the treatment of them or any of them, nor does it possess therapeutic value or exercise any therapeutic effect upon such diseases or any of them.

PAR. 3. Individuals, partnerships, and corporations are, and have been for more than one year last past, offering for sale and selling in interstate commerce truthfully advertised and described medical preparations or compounds as cures of or remedies for, or for treatment of, the diseases for which Radumac is falsely advertised.

PAR. 4. The false and misleading statements and representations of respondents described in paragraph 2 hereof have had and have, and each of them has had and has the capacity and tendency to mislead and deceive that portion of the purchasing public afflicted with one or more of the diseases or conditions described in the circular of respondents mentioned in paragraph 2 hereof into the belief that by use of Radumac their diseases or conditions can be cured or greatly

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relieved and benefited, and to induce the purchase of such product in reliance on such erroneous belief.

PAR. 5. The above and foregoing practices of respondents have had and have, and each of them has had and has the capacity and tendency to divert trade to respondents from competitors offering for sale and selling in interstate commerce preparations, compounds and products truthfully described and designated as useful or helpful in the treatment of the aforesaid diseases or conditions.

PAR. 6. The above and foregoing practices of respondents are all to the prejudice of the public and of respondents' competitors, and have been and are unfair methods of competition in violation of the provisions of Section 5 of an Act of Congress approved September 26, 1914, entitled "An Act to create a Federal Trade Commission, to define its powers and duties, and for other purposes."

REPORT, FINDINGS AS TO THE FACTS, AND ORDER

Pursuant to the provisions of an Act of Congress approved September 26, 1914, entitled "An Act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," the Federal Trade Commission, on January 15, 1934, issued its complaint against the Radumac Mineral Company, a corporation, charging it with the use of unfair methods of competition in commerce in violation of the provisions of said act. Thereafter, and on January 29, 1934, an answer to said complaint was filed by A. Yoder, an individual trading as the Radumac Mineral Company, wherein he stated that the Radumac Mineral Company, a corporation, was no longer in existence, its charter having been cancelled under the laws of the State of California, and that Radumac Mineral Company was a trade name used by him in the conduct of the business formerly operated under the name of Radumac Mineral Company, a corporation. Whereupon the Federal Trade Commission, on September 14, 1935, issued its amended complaint in this proceeding against Radumac Mineral Company, a corporation, and A. Yoder, an individual, trading as the Radumac Mineral Company. No answer was filed to said amended complaint by either of said respondents, and thereafter testimony and evidence in support of the allegations of said amended complaint were introduced by Edw. W. Thomerson, attorney for the Commission, before W. W. Sheppard, an examiner of the Commission, theretofore duly designated by it, and said testimony and evidence were duly recorded and filed in the office of the Commission. Thereafter the proceeding regularly came on for final hearing before the Commission on said amended complaint, testimony and evidence, and brief in support of the complaint, no brief having been filed by either of said respondents and

oral argument having been waived; and the Commission having duly considered the record and being fully advised in the premises, finds that this proceeding is in the interest of the public, and makes this its findings as to the facts and its conclusion drawn therefrom.

FINDINGS AS TO THE FACTS

PARAGRAPH 1. Respondent A. Yoder is an individual trading as the Radumac Mineral Company, with his office and principal place of business located in the city of Los Angeles, State of California. Respondent A. Yoder is engaged in the business of offering for sale and selling a remedial preparation under the name "Radumac". Respondent A. Yoder caused Radumac Mineral Company, a corporation, to be organized under the laws of the State of California in the year 1932, and operated the business through said corporate entity until the corporation was no longer in existence because of the cancellation of its charter under the laws of the State of California in the year 1933. Since the cancellation of the charter of said corporation, the respondent A. Yoder has operated under the trade name "Radumac Mineral Company".

Respondent A. Yoder markets his said product through dealers in drugs and medicines for resale to the public, and by sales direct to persons desiring to purchase remedies for treatment of the ailments, diseases and conditions for which the respondent advertises said product.

Respondent A. Yoder offers for sale and sells said preparation in interstate commerce, and makes sales in many of the States of the United States other than the State of California, and when sales are made respondent A. Yoder causes said preparation to be transported from his place of business in the city of Los Angeles, in the State of California, to the purchasers thereof.

Respondent A. Yoder is in substantial competition in commerce between and among the several States of the United States and in the District of Columbia with individuals, firms, and corporations who are engaged in said commerce in the business of offering for sale and selling remedies, preparations, and products similar to and for use for the same purposes as those for which the respondent A. Yoder advertises and sells his said preparation.

PAR. 2. The preparation "Radumac", offered for sale and sold by the respondent A. Yoder as above set out, is in liquid form and is produced by pouring water over certain soil secured by the respondent A. Yoder from his "mine". The water is allowed to remain in the soil for four or five days when it is "dripped off" in containers, bottled and is ready for sale as "Radumac". An analysis

used by the respondent A. Yoder in connection with the sale of said preparation shows the preparation to be composed of the following:

Silica Oxide, .93 grains per gallon; Total Solids, 6337.00 grains per gallon; Free Sulphuric Acid, 936.90 grains per gallon; Aluminum Sulphate, 62.69 grains per gallon; Ferric Sulphate, 2045.00 grains per gallon; Calcium Sulphate, 209.90 grains per gallon; Magnesium Sulphate, 637.50 grains per gallon; Sodium Phosphate, 33.92 grains per gallon.

PAR. 3. Respondent A. Yoder, in the course and conduct of his business, advertises his said preparation through pamphlets, circulars, and other printed matter. In said advertising matter respondent A. Yoder represents and implies that said preparation will prevent or cure, or is beneficial in the treatment of, many of the diseases, ailments, afflictions, and conditions which may be present or exist in the human body.

Among the diseases, ailments, afflictions, and conditions named by respondent A. Yoder in said advertising matter which his preparation will cure, or is beneficial in the treatment of, are the following: anemia, acne-eczema, arthritis, asthma, enuresis, high or low blood pressure, poor, impoverished or thin blood, boils, burns, carbuncles, chilblains, coldsores, fever, blisters, coughs, cracking, squeaking or stiff joints, dermatosis, epistaxis, sore, sensitive or swollen feet, corns, hemorrhoids, hemorrhage, herpes, hypopepsia, infections, ingrowing toenails, insect bites, intestinal indigestion, indigestion, gas soreness, ulcers of the digestive organs, kidney troubles, leucorrhea, liver diseases, malnutrition, mouth ulcers, mucous colitis, nervousness, neuralgia, neuritis, obesity, ovarian trouble, open sores, piles and hemorrhoids, pimples, polyuria, prickly heat and chafing, pyorrhea, rheumatism, stomach troubles, sunburn, loose or sore teeth, sore throat, tonsilitis, women's diseases, worms, wounds, cuts and bruises, liver, kidney and bladder troubles, gastritis, weak bladder or kidneys, sinus trouble, catarrh, skin eruptions, pleurisy, lung troubles, fistula, athlete's foot, bleeding gums, and scalds.

In this connection, the respondent represents that said preparation "does wonders"; "heals, penetrates and prevents germs"; that it "will aid in assisting in the elimination" of the diseases, ailments, afflictions and conditions above set out; that the preparation contains the essential mineral elements for building new body tissues; that all but four elements contained in the body are found in said preparation; that the use of said preparation will restore any lost and needed minerals in which the body may be deficient; and that the preparation is a health tonic and will prevent many serious diseases.

In truth and in fact said preparation of respondent A. Yoder will not prevent or cure, nor is it beneficial in the treatment of, all, or

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any of, the diseases, ailments, afflictions and conditions, above set out, except that in one or two per cent of the anemia cases the preparation might be of some value because of its iron salts content, and for the same reason might be soothing to an inflamed or sore throat, and soothing to sore feet where caused from too much walking, a lack of care, or from excessive sweating.

In truth and in fact said preparation does not do wonders, heal, penetrate or prevent germs; it will not aid in the elimination of the diseases, ailments, afflictions and conditions above enumerated; it does not contain the essential mineral elements for building new body tissues; it does not contain all of the elements found in the body except four; its use will not restore to the body any lost or needed minerals, and said preparation is not a health tonic and will not prevent serious diseases. In truth and in fact said preparation does not possess the therapeutic efficacy represented and implied by the respondent A. Yoder in the prevention, treatment or cure of the diseases, ailments, afflictions, and conditions for which it is recommended.

PAR. 4. The representations and implications of the respondent A. Yoder, hereinabove set out, are false and misleading and have the tendency and capacity to and do mislead and deceive many persons affected with the diseases, ailments, afflictions and conditions about which said representations and implications are made, and cause a substantial portion of such persons to believe that said representations and implications are true and that said preparation will prevent or cure, or is beneficial in the treatment of, said diseases, ailments, afflictions, and conditions and that said preparation possesses the therapeutic efficacy represented and implied by the respondent A. Yoder; and cause a substantial portion of such persons, because of such erroneous belief, to purchase said preparation of the respondent A. Yoder, thereby unfairly diverting trade to him from his competitors who truthfully represent their products, to the substantial injury of said competitors in said commerce and to the injury of the public.

CONCLUSION

The aforesaid acts and practices of the respondent A. Yoder are to the prejudice of the public and of respondent's competitors, and constitute unfair methods of competition in commerce, within the intent and meaning of Section 5 of the Act of Congress approved September 26, 1914, entitled "An Act to create a Federal Trade Commission, to define its powers and duties, and for other purposes."

ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission, testimony and evidence taken before W. W. Sheppard, an examiner of the Commission theretofore duly designated by it, in support of the allegations of said complaint and in opposition thereto, brief in support of the complaint, no brief having been filed by the respondent and oral argument having been waived, and the Commission having made its findings as to the facts and its conclusion that the said respondent has violated the provisions of an Act of Congress approved September 26, 1914, entitled "An Act to create a Federal Trade Commission, to define its powers and duties, and for other purposes."

It is ordered, That the respondent A. Yoder, an individual trading as the Radumac Mineral Company, his representatives, agents, and employees, in connection with the offering for sale, sale, and distribution of that certain preparation now sold by the said respondent under the name "Radumac", or any liquid, powder or other preparation, under whatever name sold, composed of similar ingredients and possessing therapeutic properties similar to the preparation now known as and sold by the said respondent under the name "Radumac", in interstate commerce or in the District of Columbia, do forthwith cease and desist from representing:

1. That said preparation will prevent or cure, or is beneficial in the treatment of, the following diseases, ailments, afflictions and conditions: anemia, acne—eczema, arthritis, asthma, enuresis, high or low blood pressure, poor, impoverished or thin blood, boils, burns, carbuncles, chilblains, coldsores, fever, blisters, coughs, cracking, squeaking or stiff joints, dermatosis, epistaxis, corns, hemorrhoids, hemorrhage, herpes, hypopepsia, infections, ingrowing toenails, insect bites, intestinal indigestion, indigestion, gas soreness, ulcers of the digestive organs, kidney troubles, leucorrhea, liver diseases, malnutrition, mouth ulcers, mucous colitis, nervousness, neuralgia, neuritis, obesity, ovarian trouble, open sores, piles and hemorrhoids, pimples, polyuria, prickly heat and chafing, pyorrhea, rheumatism, stomach troubles, sunburn, loose or sore teeth, women's diseases, worms, wounds, cuts and bruises, liver, kidney and bladder troubles, gastritis, weak bladder or kidneys, sinus trouble, catarrh, skin eruptions, pleurisy and lung troubles, fistula, athlete's foot, bleeding gums and scalds;

2. That said preparation does wonders, heals, prevents germs or that it is a health tonic and will prevent disease;

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3. That the preparation contains essential mineral elements for building new body tissues; or that all but four of the elements in the human body are found in said preparation; or that the use of said preparation will supply the minerals needed where there is a mineral deficiency in the body.

It is further ordered, That the respondent shall, within 60 days after service upon him of this order, file with the Commission a report in writing setting forth in detail the manner and form in which he has complied with this order.

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IN THE MATTER OF

CHARLES A. SARETSKY

COMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION
OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914*Docket 2805. Complaint, May 15, 1936—Decision, Sept. 15, 1936*

Where an individual engaged as jobber and converter of interlinings for ultimate use in manufacture of garments, and in sale thereof to purchasers in various States and in District of Columbia—

Supplied to customer garment manufacturers for their use labels containing legend that "This garment is interlined with Lambs' Wool Filling", or "with 100% Lambs' Wool Filling", or "with 100% Wool Filling", or "With Wool Filling", as case might be, notwithstanding fact his said interlinings were not thus composed, but were made up in part of wool or reworked wool, adulterated with a large percentage of cotton, and cloth to which filling was attached was of cotton entirely;

With effect of misleading and deceiving purchasers of aforesaid products and of finished garments to which such tags or labels were attached by manufacturers thereof, into erroneous belief that said individual's product was in fact composed of lambs' wool or wool, as on said labels set forth, and into purchase of said products in such erroneous beliefs, and with effect of placing in hands of manufacturers, fabricators, jobbers, dealers, and retailers of finished garments composed in part of his said products, a means of misleading and deceiving the purchasing and consuming public and of unfairly diverting trade thereby to him from competitors among whom there are dealers and fabricators of similar filling or interlinings who do not in anywise thus designate their products as "Lambs' Wool", etc., or use language of like import, but truthfully represent the character and quality thereof and do not misrepresent the same; to the substantial injury of competition in commerce:

Held, That such acts and practices, under the conditions and circumstances set forth, were to the prejudice of the public and competitors and constituted unfair methods of competition.

Before *Mr. John L. Hornor* and *Mr. W. W. Sheppard*, trial examiners.

Mr. James M. Hammond for the Commission.

COMPLAINT

Pursuant to the provisions of an Act of Congress, approved September 26, 1914, entitled "An Act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," the Federal Trade Commission having reason to believe that Charles A. Saretsky, an individual, is using unfair methods of competition in commerce, as "commerce" is defined in said act, and it appearing