

IN THE MATTER OF
MILTON GOLDENBERG ET AL.

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

Docket 4907. Complaint, Feb. 12, 1943—Decision, Apr. 29, 1943

Where three individuals, engaged in interstate sale and distribution of post cards which were intended for use by creditors and collection agencies in obtaining information concerning debtors, some of which displayed trade name "Golden Distributors," and, captioned "Final Notice," advised the recipient that "We have on hand a prepaid package for the party whose name appears on other side of card. Due to change or error of address and lack of identification we cannot make delivery * * *" and, under "Consignee Must Be Identified," "Fill in all spaces below Or Package will Not Be Delivered," provided for name and address of the addressee and that of his employer and bank—

Making use of a plan under which they placed code numbers on said cards, identifying the particular customer, purchasers addressed the cards to the persons concerning whom information was sought, stamped them, and returned them to individuals in question for mailing; and said individuals, in turn, sent such cards as were filled out and returned to them, to the customers identified by the aforesaid code numbers, and to each of those who returned a card with information sent a common or ordinary pen point;

- (a) Falsely represented through said cards, and placed in the hands of their customers means of falsely representing, that persons concerning whom information was sought were consignees of prepaid packages of more than trivial value, which were in said individuals' hands in the usual course of their business, and that delivery could not be made by reason of change of, or error in, the address of the consignee and lack of identification; and
- (b) Represented directly and by implication of trade name "Golden Distributors," that said individuals were in some capacity connected with the transportation and delivery of goods;

The facts being said various representations were false; the packages to which the cards referred were those made up by said individuals containing aforesaid pen points; and the scheme in question was merely an attempt to obtain information by subterfuge; and

Where said individuals, engaged as aforesaid, making use of name "Golden Sales Agency" on similar cards which, similarly planned to secure by subterfuge debtor's name and address and that of his employer, captioned "To INTRODUCE OUR PENS TO YOU," advised addressee that "We will mail one to you absolutely FREE OF CHARGE AND WITHOUT ANY OBLIGATION ON YOUR PART, provided you show it to your friends and fellow employees where you work. In order to avoid any duplication, name of employer must be given * * *"; and stated "Coupon void if not mailed in 30 days. Not Transferable"; making use of a plan similar to that hereinbefore described—

- (c) Falsely represented and placed in the hands of their customers means of falsely representing, directly and by implication, to persons concerning whom information was sought, that the pens were something other than common or ordinary pen points and were such that the recipients' friends might be

interested in the purchase thereof; and that their proposal was made to introduce such pens to prospective customers; and

(d) Represented through use of the name "Golden Sales Agency," that they were in the business of selling and distributing goods;

The facts being the whole scheme was merely a subterfuge for obtaining information; the pen points concerned were readily obtainable at retail at a penny or two; and the cards in question had no connection with sale and distribution of pens or other goods;

With effect of misleading, and tendency and capacity to mislead and deceive, many persons to whom the cards were sent into the erroneous belief that such representations were true, and of thereby causing such persons to give information which they would not otherwise have supplied:

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

Mr. Randolph W. Branch for the Commission.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said act, the Federal Trade Commission, having reason to believe that Milton Goldenberg, an individual, also known as Milton Golden, Natalie Goldenberg, an individual, also known as Natalie Golden, and Leonard Goldenberg, an individual, also known as Leonard Golden, hereinafter referred to as respondents, have violated the provisions of said act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. Respondents, Milton Goldenberg, Natalie Goldenberg, and Leonard Goldenberg are individuals, who, prior to about August 15, 1942, maintained an office and principal place of business at 2857 Sedgwick Avenue, city and State of New York. In conducting their business, respondents traded under the names The Golden Skip Tracing Agency, Golden Sales Agency, and Golden Distributors.

PAR. 2. During a period commencing on or about April 1, 1941, and ending on or about August 15, 1942, respondents were engaged in the business of distributing and selling post cards, designed and intended to be used by creditors and collection agencies in obtaining information concerning debtors.

Respondents caused the said post cards to be transported from their aforesaid place of business in the State of New York to purchasers thereof in various other States of the United States and in the District of Columbia. During the period mentioned above, respondents maintained a course of trade in said post cards in commerce between

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and among the various States of the United States and in the District of Columbia.

PAR. 3. The said cards sold and distributed by respondents, when using the name "Golden Distributors," were in the form exemplified by a photostatic copy thereof marked "Exhibit A," attached hereto, and by this reference incorporated herein and made a part hereof; when using the name "Golden Sales Agency" the cards were in the form exemplified by a photostatic copy thereof marked "Exhibit B," attached hereto, and by this reference incorporated herein and made a part hereof.

PAR. 4. In the space for "Package Reference No." on the cards exemplified by Exhibit A, when they were delivered to purchasers thereof, respondents placed numbers, which were their code numbers and identified their customers to them, and after the words "Charge" and "Dept." the words "None" and "Unclaimed."

Respondents' purchasers addressed the cards to the persons concerning whom information was sought at their last known addresses, attached the postage necessary for their delivery to such persons, and caused the cards to be delivered to respondents in New York City. Respondents then deposited the individual cards in the United States mail.

Such of the return cards as were filled out and mailed were received by respondents, the customers identified by the code numbers and sent by them to the proper customers.

Respondents sent to each of the persons who returned the cards a common or ordinary pen point.

PAR. 5. By means of the aforesaid cards, respondents have falsely represented, and placed in the hands of their customers means of falsely representing directly and by implication, to persons concerning whom information was sought, that such persons were consignees of packages sent by someone other than respondents and in the hands of respondents in the usual course of their business; that such shipments had involved transportation charges which had been prepaid by the consignors; that the packages were of more than trivial value and that delivery could not be made by reason of change of or error in the address of the consignee and lack of identification.

PAR. 6. Through the use of the name "Golden Distributors" respondents have represented, directly and by implication, that they were in some capacity connected with the movement and transportation of goods and their delivery to the proper consignees.

PAR. 7. The said representations were false and misleading. In truth and in fact respondents' business had, so far as the recipients of said cards were concerned, nothing whatever to do with the movement or transportation of goods or their delivery to the proper consignees.

The persons with respect to whom the said cards were intended to elicit information were not consignees of packages sent by others than respondents and in the hands of respondents. The packages to which the cards referred were those made up by respondents containing the pen points referred to in paragraph 4 hereof. The whole scheme was merely an attempt to obtain information by subterfuge.

PAR. 8. In the space opposite "No." on the cards exemplified by Exhibit B, when they were delivered to purchasers thereof, respondents placed numbers which were their code numbers and identified their customers to them. The cards were used and handled to all intents and purposes as were the "Golden Distributors" cards, as set forth in paragraph 4 hereof.

PAR. 9. By means of the aforesaid cards, respondents falsely represented, and placed in the hands of their customers means of falsely representing, directly and by implication, to persons concerning whom information was sought, that the pens were something other than common or ordinary pen points and were of such a character that the recipients' fellow employees and friends might be interested in the purchase thereof and that respondents' proposal was made in order to introduce them to prospective purchasers.

PAR. 10. Through the use of the name "Golden Sales Agency" respondents represented, directly and by implication, that they were in the business of selling and distributing goods.

PAR. 11. The said representations were false and misleading. In truth and in fact, the pens sent by respondents to those who returned the reply cards were common or ordinary pen points. Such pen points were readily obtainable at retail for a penny or two, were not of such character as to be of any possible interest to the persons to whom they might be exhibited, and were not sent to the recipients of the cards as a method of getting their merits before possible purchasers. The said cards had no connection with the sale and distribution of pens or other goods. The whole scheme was merely a deceit or subterfuge for obtaining information.

PAR. 12. The use, as hereinabove set forth, of the foregoing false and misleading statements and representations has had the tendency and capacity to, and has, misled and deceived many persons to whom the said cards were sent into the erroneous and mistaken belief that said statements and representations were true, and by reason thereof has caused them to give information which they would not otherwise have supplied.

PAR. 13. The aforesaid acts and practices of respondents, as herein alleged, are all to the prejudice and injury of the public and constitute unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

Exhibits

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EXHIBIT A

Final Notice

●

We have on hand a prepaid package for the party whose name appears on other side of card.

Due to change or error of address and lack of identification we cannot make delivery.

Package will be sent to proper party with No Charges if you will fill in and return the attached reply card.

GOLDEN DISTRIBUTORS

2857 Sedgwick Avenue

New York, N. Y.

No Postage Required on

Attached Reply Card

Please Answer Promptly

Please Mail Promptly

GOLDEN DISTRIBUTORS

New York, N. Y.

Package Reference Number

Dept. Unclaimed.

Checked by _____

Charges. None.

We have on hand a package for

Name _____

Address _____

which we are unable to deliver due to change or error of address and lack of identification.

Consignee Must Be Identified

Fill in all spaces below

Or Package Will Not Be Delivered

Deliver the above package to:

Name _____

Residence _____

City _____

Employer _____

Address _____

Bank _____

Address _____

Package will be sent only to person intended for, at their address, and not in care of anyone else.

No Postage Necessary

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Exhibits

GOLDEN DISTRIBUTORS

2857 Sedgwick Avenue

New York, N. Y.

Place
1 Cent
Stamp
Here

Postmaster: Please
forward if necessary.

Reply Card

Place
1 Cent
Stamp
Here

GOLDEN DISTRIBUTORS

2857 SEDGWICK AVENUE

NEW YORK, N. Y.

Exhibits

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EXHIBIT B**To Introduce Our
Pens to You**

We will mail one to you absolutely Free of Charge and Without any Obligation on Your Part, provided you show it to your friends and fellow employees where you work.

In order to avoid any duplication, name of employer must be given.

You must act promptly, as a limited supply of pens will be distributed in this manner. Yours will be sent to you Parcel Post Prepaid as soon as this card is returned.

Important—Mail Early**Free Coupon**

No. _____

This will certify that _____ is entitled to One Pen Absolutely Free of Charge and Without any Obligation, when filled and returned to Golden Sales Agency, N. Y., N. Y.

Name_____
Address_____
City_____
State_____
Employed by_____
Address

Coupon void if not mailed in 30 days. Not Transferable.

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Exhibits

GOLDEN SALES AGENCY
2857 Sedgwick Avenue
New York, N. Y.

Place
1 Cent
Stamp
Here

Postmaster: Please
forward if necessary.

Reply Card

Place
1 Cent
Stamp
Here

GOLDEN SALES AGENCY
2857 SEDGWICK AVENUE
NEW YORK, N. Y.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission, on February 12, 1943, issued and subsequently served its complaint in this proceeding upon the respondents, Milton Goldenberg, also known as Milton Golden, Natalie Goldenberg, also known as Natalie Golden, and Leonard Goldenberg, also known as Leonard Golden, charging them with the use of unfair and deceptive acts and practices in commerce in violation of the provisions of that act. Subsequently, the respondents filed their answers to the complaint, in which answers they admitted all of the material allegations of fact in the complaint and waived all intervening procedure and further hearing as to the facts. Thereafter, the proceeding regularly came on for final hearing before the Commission on the complaint and the answers thereto, and the Commission, having duly considered the matter and being now 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. The respondents, Milton Goldenberg, Natalie Goldenberg, and Leonard Goldenberg, are individuals, who, prior to about August 15, 1942, maintained an office and principal place of business at 2857 Sedgwick Avenue, city and State of New York. In conducting their business, respondents traded under the names The Golden Skip Tracing Agency, Golden Sales Agency, and Golden Distributors.

PAR. 2. During a period commencing on or about April 1, 1941, and ending on or about August 15, 1942, respondents were engaged in the business of distributing and selling post cards designed and intended to be used by creditors and collection agencies in obtaining information concerning debtors.

Respondents caused these post cards to be transported from their place of business in the State of New York to purchasers thereof in various other States of the United States and in the District of Columbia. During the period mentioned above, respondents maintained a course of trade in their post cards in commerce between and among the various States of the United States and in the District of Columbia.

PAR. 3. The cards sold and distributed by respondents when using the name "Golden Distributors" were in the form exemplified by a copy thereof marked "Exhibit A," attached hereto and by this reference incorporated herein and made a part hereof. When using the

name "Golden Sales Agency," the cards were in the form exemplified by a copy thereof marked "Exhibit B," attached hereto and by this reference incorporated herein and made a part hereof.

PAR. 4. In the space for "Package Reference No." on the cards exemplified by Exhibit A, when they were delivered to purchasers thereof, respondents placed numbers, which were their code numbers and identified their customers to them; and after the words "Charge" and "Dept.," the words "None" and "Unclaimed."

Respondents' purchasers addressed the cards to the persons concerning whom information was sought, at their last known addresses; attached the postage necessary for their delivery to such persons, and caused the cards to be delivered to respondents in New York City. Respondents then deposited the individual cards in the United States mail.

Such of the return cards as were filled out and mailed were received by respondents, the customers identified by the code numbers, and the cards sent by them to the proper customers.

Respondents sent to each of the persons who returned the cards a common or ordinary pen point.

PAR. 5. By means of the aforesaid cards, respondents have falsely represented, and placed in the hands of their customers means of falsely representing, directly and by implication, to persons concerning whom information was sought that such persons were consignees of packages sent by someone other than respondents and in the hands of respondents in the usual course of their business; that such shipments had involved transportation charges which had been prepaid by the consignors; that the packages were of more than trivial value; and that delivery could not be made by reason of change of or error in the address of the consignee and lack of identification.

PAR. 6. Through the use of the name "Golden Distributors," respondents have represented, directly and by implication, that they were in some capacity connected with the movement and transportation of goods and their delivery to the proper consignees.

PAR. 7. These representations were false and misleading. In truth and in fact, respondents' business had, so far as the recipients of such cards were concerned, nothing whatever to do with the movement or transportation of goods or their delivery to the proper consignees. The persons with respect to whom the cards were intended to elicit information were not consignees of packages sent by others than respondents and in the hands of respondents. The packages to which the cards referred were those made up by respondents containing the

pen points referred to in paragraph 4 hereof. The whole scheme was merely an attempt to obtain information by subterfuge.

PAR. 8. In the space opposite "No." on the cards exemplified by Exhibit B, when they were delivered to purchasers thereof, respondents placed numbers which were their code numbers and identified their customers to them. The cards were used and handled, to all intents and purposes, as were the "Golden Distributors" cards, as set forth in paragraph 4 hereof.

PAR. 9. By means of the aforesaid cards, respondents falsely represented, and placed in the hands of their customers means of falsely representing, directly and by implication, to persons concerning whom information was sought that the pens were something other than common or ordinary pen points and were of such a character that the recipients' fellow employees and friends might be interested in the purchase thereof, and that respondents' proposal was made in order to introduce them to prospective purchasers.

PAR. 10. Through the use of the name "Golden Sales Agency," respondents represented, directly and by implication, that they were in the business of selling and distributing goods.

PAR. 11. These representations were false and misleading. In truth and in fact, the pens sent by respondents to those who returned the reply cards were common or ordinary pen points. Such pen points were readily obtainable at retail for a penny or two, were not of such a character as to be of any possible interest to the persons to whom they might be exhibited, and were not sent to the recipients of the cards as a method of getting their merits before possible purchasers. Such cards had no connection with the sale and distribution of pens or other goods. The whole scheme was merely a deceit or subterfuge for obtaining information.

PAR. 12. The use, as hereinabove set forth, of the foregoing false and misleading statements and representations has had the tendency and capacity to, and has, misled and deceived many persons to whom the cards were sent into the erroneous and mistaken belief that such statements and representations were true, and by reason thereof has caused such persons to give information which they would not otherwise have supplied.

CONCLUSION

The aforesaid acts and practices of respondents, as herein found, are all to the prejudice and injury of the public, and constitute unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

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Exhibits

EXHIBIT A

Card addressed to person from whom information was sought:

Final Notice

We have on hand a prepaid package for the party whose name appears on other side of card.

Due to change or error of address and lack of identification we cannot make delivery.

Package will be sent to proper party with No Charges if you will fill in and return the attached reply card.

GOLDEN DISTRIBUTORS

2857 Sedgwick Avenue

New York, N. Y.

No Postage Required on

Attached Reply Card

Please Answer Promptly

Reply card to be filled out and returned by such person:

Please Mail Promptly

GOLDEN DISTRIBUTORS

New York, N. Y.

Dept. UNCLAIMED.

Package Reference Number 5819
--

Checked by _____

Charges. NONE.

We have on hand a package for
 Name _____

Address _____

which we are unable to deliver due to change or error of address and lack of identification.

Consignee Must Be Identified

Fill in all spaces below

Or Package will Not Be Delivered

Deliver the above package to:

Name _____

Residence _____

City _____

Employer _____

Address _____

Bank _____

Address _____

Package will be sent only to person intended for, at their address, and not in care of anyone else.

No Postage Necessary

Order

36 F. T. C.

EXHIBIT B

Card addressed to person from whom information was sought:

To Introduce Our
Pens to You

We will mail one to you absolutely Free of Charge and Without Any Obligation on Your Part, provided you show it to your friends and fellow employees where you work.

In order to avoid any duplication, name of employer must be given.

You must act promptly, as a limited supply of pens will be distributed in this manner. Yours will be sent to you Parcel Post Prepaid as soon as this card is returned.

Reply card to be filled out and returned by such person:

Important—Mail Early	FREE Coupon		No. _____
	This will certify that _____ is entitled to One Pen Absolutely Free of Charge and Without Any Obligation, when filled and returned to Golden Sales Agency, N. Y., N. Y.		
	_____		_____
	Name	Address	
	_____		_____
	City	State	
	_____		_____
	Employed by	Address	
Coupon void if not mailed in 30 days. Not transferable.			

ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission and the answers of respondents, in which answers respondents admit all of the material allegations of fact in the complaint and waive all intervening procedure and further hearing as to the facts, and the Commission having made its findings as to the facts and its conclusion that the respondents have violated the provisions of the Federal Trade Commission Act.

It is ordered, That the respondents, Milton Goldenberg, also known as Milton Golden, Natalie Goldenberg, also known as Natalie Golden, and Leonard Goldenberg, also known as Leonard Golden, individually,

and trading as Golden Distributors and as Golden Sales Agency, or trading under any other name, and their agents, representatives, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale, and distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act, of respondents' post cards or any other printed or written material of a substantially similar nature, do forthwith cease and desist from:

1. Using the words "Golden Distributors," or any other word or words of similar import, to designate, describe, or refer to respondents' business; or otherwise representing, directly or by implication, that respondents are connected in any capacity with the movement or transportation of goods or shipments, or with the delivery of goods or shipments to the consignees thereof.

2. Representing, directly or by implication, that persons concerning whom information is sought through respondents' post cards or other material are or may be consignees of goods or packages in the hands of respondents, or that the information sought through such means is for the purpose of enabling respondents to make delivery of goods or packages to such persons.

3. Using the words "Golden Sales Agency," or any other word or words of similar import, to designate, describe, or refer to respondents' business; or otherwise representing, directly or by implication, that respondents are engaged in the business of selling or distributing goods or merchandise.

4. Using, or supplying to others for use, post cards or other material which represent, directly or by implication, that they are for the purpose of introducing respondents' pens or any other merchandise to the public.

5. Using, or supplying to others for use, post cards or other material which represent, directly or by implication, that respondents' business is other than that of obtaining information for use in the collection of debts, or that the information sought through such post cards or other material is for any purpose other than for use in the collection of debts.

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

IN THE MATTER OF

MILTON IRWIN, DR. WALTER G. BERG, AND DR. DAVID
W. MILLS, TRADING AS ASSOCIATED LABORATORIESCOMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION
OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 20, 1914*Docket 4722. Complaint, Mar. 6, 1942—Decision, Apr. 30, 1943*

Where three individuals, engaged in the manufacture and interstate sale and distribution of their "Gordon Detoxifier" which (1) was designed for cleansing the intestines, converting ordinary hydrant water into a temperature and pressure that might be safely introduced into the body; (2) included provisions for the mixing of air with water and the addition of ozone if desired; and (3) included arrangements by which the waste matter might be observed and specimens subjected to detailed examination; selling such device usually only to chiropractors and osteopaths, though directing part of their advertising to the public to cause it to visit chiropractor purchasers for treatment, and also supplying purchasers with advertising for distribution to the public; by means of advertisements in periodicals, booklets, pamphlets, circulars, and other advertising material, directly and by implication—

- (a) Represented that their device would thoroughly and harmlessly cleanse both the large and small intestines and massage and strengthen their tissues; that the injection of oxygen into the intestinal tract by means of such device would destroy the anaerobic germs; and that it would purify the blood stream, reduce high blood pressure, and reveal to the patient which foods should be avoided in order to insure maximum efficiency in digestion;
- (b) Represented that the device served to lessen the burden borne by the liver and kidneys; relieved sinus and antrum complications; that its use resulted in the reestablishment of a normal peristalsis or natural muscular activity of the intestines and assisted in preventing hardening of the arteries; that most ailments originate in the small intestines; and that the introduction of ozone into the body by means of said device accelerated the healing process and stimulated recovery; and
- (c) Represented that constipation, headache, and a large number of other specified ailments and conditions, including appendicitis, asthma, excessive fatigue, high and low blood pressure, kidney, bladder and liver complications, lumbago, nervousness, rheumatism, sinus trouble, and ulcers of the stomach and bowels were almost invariably caused by intestinal toxemia, and that their device constituted an effective treatment therefor;

The facts being that their device, notwithstanding certain refinements and conveniences, had no therapeutic value in excess of that possessed by the ordinary enema; neither their device nor any enema, by reason of the body physiology, is capable of cleansing the small intestine; and forced regurgitation from the large to the small bowel, if possible, would be inadvisable because of the dangerous potentialities; injection of oxygen would not ordinarily destroy the anaerobic germs, which, in any event, it is not always desirable to do; introduction of ozone—having no therapeutic value under such conditions and possibly irritating—would not accelerate healing or