

IN THE MATTER OF

GLADYS H. PEISER

COMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION
OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914*Docket 5012. Complaint, July 20, 1943—Decision, Sept. 21, 1943*

Where an individual, engaged in interstate sale and distribution of form letters and envelopes for use of creditors and collection agencies in obtaining information concerning debtors, and which, calling for such information as the address and employer of the person concerning whom information was desired, and employer's address, set forth under name "Globe Inheritance Bureau" such matter as "Searchers for Title Companies," "Unknown and Missing Heirs Located," "Estate Counsellors," "Representatives in Principal Cities," and such statements as "We have been requested to contact the above party and our files indicate that you may be able to assist us"; "Can you supply us with any information, or refer us to some relative or friend who can assist us?"; "The matter about which we are inquiring is of utmost importance to this party and your early reply will be appreciated"; "Please fill in the questions below and return same to us in the enclosed envelope";

Making use of a scheme under which purchaser-customers inserted in said form letters names and last known addresses of persons concerning whom information was sought, placed them in stamped envelopes addressed to persons believed to have desired information, together with reply envelopes addressed to said "Globe Inheritance Bureau," at 401 Land Title Building, Philadelphia, Pa., and deposited them in the mails or returned them to said individual, who received and sent to customers, identified by means of code numbers, such form letters as were filled out and returned by recipients—

- (a) Falsely represented, and placed in the hands of her customers means of falsely representing, directly and by implication, to those from whom information was sought, that "Globe Inheritance Bureau" had representatives in principal cities, acted as counsellor to those in charge of estates, was engaged in the business of locating heirs to estates or to interests therein, and of acting as an examiner or searcher for title insurance companies, and that the persons concerning whom information was sought had or might have interests in estates or lands which would be of financial benefit to them; and
- (b) Falsely represented, through use of name "Globe Inheritance Bureau," that her said business bore some relation to estates and to the rights and interests of heirs thereto; when in fact said name was merely a disguise for the true nature of said business, and the sole purpose of the letters and envelopes was to facilitate collection of alleged delinquent accounts by her customers;

With effect of misleading and deceiving many persons to whom said letters were sent into the mistaken belief that said statements were true, thereby inducing them to give information which they would not otherwise have supplied, and in many instances to incur expense for postage in connection therewith:

Complaint

Held, That such acts and practices, under the circumstances set forth, were all to the prejudice and injury of the public, and constituted unfair and deceptive acts and practices in commerce.

Mr. Randolph W. Branch for the Commission.

Mr. LeRoy Comanor, of Philadelphia, Pa., for respondent.

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 Gladys H. Peiser, an individual, hereinafter referred to as respondent, has 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. Respondent, Gladys H. Peiser, is an individual, trading under the name Globe Inheritance Bureau, with an office and principal place of business at Room 401, Land Title Building, Broad and Chestnut Streets, Philadelphia, Pa.

PAR. 2. Respondent is now, and has been for more than 2 years last past, engaged in the business of selling form letters and envelopes designed and intended to be used by creditors and collection agencies in obtaining information concerning debtors.

Respondent causes the said envelopes and letters to be transported from her aforesaid place of business in the State of Pennsylvania to purchasers thereof in various States of the United States. Said respondent maintains, and at all times mentioned herein has maintained, a course of trade in said articles in commerce between and among the various States of the United States.

PAR. 3. The said letters sold and distributed by respondent are in the form exemplified by a copy thereof, marked "Exhibit A," attached hereto, and by this reference incorporated herein and made a part hereof.¹

PAR. 4. Each customer of respondent is given a code number which identifies the customer of her.

Said customers insert in the space opposite the word "Subject" in the said form letters the names and last known addresses of the persons concerning whom information is sought, and address them to persons who are believed to have the desired information. The letters are then placed in stamped envelopes, purchased from respondent,

¹ Exhibit published in the findings at p 446.

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together with reply envelopes, also purchased from respondent, addressed to:

Globe Inheritance Bureau
401 Land Title Building
Philadelphia, Pa.

File No.

The customer's code number is placed both upon the reply envelopes and upon the form letters.

Said customers thereafter either place the filled envelopes, which are addressed to the persons of whom the inquiry is made, in the United States mails, or return them to respondent who mails them.

Such of the form letters as are filled out and mailed by the recipients thereof are received by respondent, the customers identified by means of the code numbers, and the form letters sent to the customers so identified.

PAR. 5. By means of the aforesaid letters and envelopes, respondent has falsely represented and placed in the hands of her customers means of falsely representing, directly and by implication, to those from whom information is sought, that Globe Inheritance Bureau has representatives in principal cities, acts as counsellor to those in charge of estates, is engaged in the business of locating heirs to estates, or to interests therein, and of acting as an examiner or searcher for title insurance companies, and that the persons concerning whom information is sought have or may have interests in estates or lands which will be of financial benefit to them.

The said representations are false and misleading. In truth and in fact respondent in conducting the business called Globe Inheritance Bureau does not have representatives in cities other than Philadelphia, Pa. She does not act as counsellor to those in charge of estates and is not engaged in the business of locating heirs to estates or to interests therein. She does not make examinations or searches for title insurance companies. She has no knowledge of any interests in estates or land to which the persons concerning whom information is sought may be entitled.

PAR. 6. Through the use of the name "Globe Inheritance Bureau" respondent has represented, directly and by implication, that her said business bears some relation to estates and to the rights and interests of heirs thereto.

Said representation is false and misleading. In truth and in fact respondent's said business has nothing whatever to do with estates or the rights or interests of persons therein, and the said name is merely a disguise for the true nature of the business.

PAR. 7. The sole purpose of the said letters and envelopes is to secure information in order to facilitate the collection of alleged delinquent accounts by respondent's customers.

PAR. 8. The use as hereinabove set forth of the foregoing false and misleading statements, representations and designation has had the capacity to mislead, and has misled, many persons to whom said letters were sent into the erroneous and mistaken belief that said statements, representations and designation were true, and by reason thereof to give information which they would not otherwise have supplied, and in many instances to incur expense for postage in connection therewith.

PAR. 9. The aforesaid acts and practices of respondent, 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.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER

Pursuant to the provisions of the Federal Trade Commission Act the Federal Trade Commission on July 20, 1943, issued and subsequently served its complaint in this proceeding upon the respondent, Gladys H. Peiser, an individual, charging her with the use of unfair and deceptive acts and practices in commerce in violation of the provisions of said act. After the issuance of said complaint and the filing of respondent's answer, the Commission by order entered herein granted respondent's request for permission to withdraw said answer and to substitute therefor an answer admitting all the material allegations of fact set forth in said complaint, and waiving all intervening procedure and further hearing as to said facts, which substitute answer was duly filed in the office of the Commission. Thereafter this proceeding regularly came on for final hearing before the commission on the said complaint and substitute answer, 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

PARAGRAPHS 1. Respondent, Gladys H. Peiser, is an individual, who traded under the name Globe Inheritance Bureau, with an office and principal place of business at Room 401, Land Title Building, Broad and Chestnut Streets, Philadelphia, Pa.

PAR. 2. Respondent was for more than 2 years prior to August 1943 engaged in the business of selling form letters and envelopes

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designed and intended to be used by creditors and collection agencies in obtaining information concerning debtors.

Respondent caused the said envelopes and letters to be transported from her aforesaid place of business in the State of Pennsylvania to purchasers thereof in various States of the United States. Said respondent maintained a course of trade in said articles in commerce between and among the various States of the United States.

PAR. 3. The said letters sold and distributed by respondent 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.

PAR. 4. Each customer of respondent was given a code number which identified the customers to her.

Said customers inserted in the space opposite the word "Subject" in the said form letters the names and last known addresses of the persons concerning whom information was sought and addressed them to persons who were believed to have the desired information. The letters were then placed in stamped envelopes, purchased from respondent, together with reply envelopes, also purchased from respondent, addressed to:

Globe Inheritance Bureau
401 Land Title Building
Philadelphia, Pa.

File No.

The customer's code number was placed both upon the reply envelopes and upon the form letters.

Said customers thereafter either placed the filled envelopes, which were addressed to the persons of whom the inquiry was made, in the United States mails or returned them to respondent, who mailed them.

Such of the form letters as were filled out and mailed by the recipients thereof were received by respondent, the customers identified by means of the code numbers and the form letters sent to the customers so identified.

PAR. 5. By means of the aforesaid letters and envelopes, respondent falsely represented and placed in the hands of her customers means of falsely representing, directly and by implication, to those from whom information was sought that Globe Inheritance Bureau had representatives in principal cities, acted as counsellor to those in charge of estates, was engaged in the business of locating heirs to estates, or to interests therein, and of acting as an examiner or searcher for title insurance companies, and that the persons concerning whom information was sought had or might have interests in estates or lands which would be of financial benefit to them.

The said representations were false and misleading. In truth and in fact respondent in conducting the business called Globe Inheritance Bureau did not have representatives in cities other than Philadelphia, Pa. She did not act as counsellor to those in charge of estates and was not engaged in the business of locating heirs to estates or to interests therein. She did not make examinations or searches for title insurance companies. She had no knowledge of any interests in estates or land to which the persons concerning whom information was sought might be entitled.

PAR. 6. Through the use of the name "Globe Inheritance Bureau" respondent represented, directly and by implication, that her said business bore some relation to estates and to the rights and interests of heirs thereto.

Said representation was false and misleading. In truth and in fact respondent's said business had nothing whatever to do with estates or the rights or interests of persons therein, and the said name was merely a disguise for the true nature of the business.

PAR. 7. The sole purpose of the said letters and envelopes was to secure information in order to facilitate the collection of alleged delinquent accounts by respondent's customers.

PAR. 8. The use as hereinabove set forth of the foregoing false and misleading statements, representations and designation had the capacity to mislead, and misled, many persons to whom said letters were sent into the erroneous and mistaken belief that said statements, representations and designation were true, and by reason thereof to give information which they would not otherwise have supplied, and in many instances to incur expense for postage in connection therewith.

CONCLUSION

The acts and practices of respondent, as herein found, were all to the prejudice and injury of the public, and constituted unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

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EXHIBIT A

Searches for
Title CompaniesUnknown & Missing
Heirs Located

Estate Counsellors

GLOBE INHERITANCE BUREAU
Land Title Building, Philadelphia
Representatives in Principal Cities

File No.

TO: SUBJECT:

We have been requested to contact the above party and our files indicate that you may be able to assist us.

Can you supply us with any information, or refer us to some relative or friend who can assist us?

The matter about which we are inquiring is of utmost importance to this party and your early reply will be appreciated.

Please fill in the question below and return same to use in the enclosed envelope.

Yours very truly,

GLOBE INHERITANCE BUREAU.
By:

FULL NAME OF SUBJECT

Age
Height
Present Address
One Former Address
Name of Employer
Address of EmployerDate of Birth
Occupation

KINDLY FILL IN AS MANY ANSWERS AS POSSIBLE

ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission and the answer of respondent, in which answer respondent admits all the material allegations of fact set forth in the complaint and states that she waives all intervening procedure and further hearing as to the facts, and the Commission having made its findings as to the facts and conclusion that the respondent has violated the provisions of the Federal Trade Commission Act.

It is ordered, That the respondent, Gladys H. Peiser, individually, and trading as Globe Inheritance Bureau, or trading under any other name, and her agents, representatives, and employees, directly or through any corporate or other device, in connection with the

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Order

offering for sale, sale and distribution of respondent's form letters and envelopes in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using the words "Globe Inheritance Bureau," or any other word or words of similar import, to designate, describe or refer to respondent's business; or otherwise representing, directly or by implication, that respondent's business bears any relation to estates, or to the rights or interests of heirs therein.

2. Representing, directly or by implication, that respondent has representatives in principal cities.

3. Representing, directly or by implication, that respondent acts as counsellor to those in charge of estates, or that respondent is engaged in the business of locating heirs to estates or interests therein.

4. Representing, directly or by implication, that respondent acts as examiner or searcher for title insurance companies.

5. Representing, directly or by implication, that persons concerning whom information is sought through respondent's form letters have or may have any interest in estates or any other property.

6. Selling or distributing form letters or envelopes which represent, directly or by implication, that respondent's business is other than that of obtaining information to be used in the collection of debts; or which represent, directly or by implication, that the information sought through such letters is for any purpose other than for use in the collection of debts.

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

IN THE MATTER OF
BEATRICE KORNSTEIN, TRADING AS NATURE SEED
COMPANY

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

Docket 4926. Complaint, Mar. 9, 1943—Decision, Sept. 27, 1943

Where an individual, engaged in interstate sale and distribution of her "Nature Seed" medicinal preparation; through such statements in advertisements thereof in newspapers, circulars and other advertising media, as "Women! A Doctor's Period Medicine—The good old Reliable Remedy. DOUBLE STRENGTH"; "Warning: These pills should not be taken in cases of pregnancy. * * * nausea, * * * or other possible signs of appendicitis. * * *"; and "Nature Seed: 'Natures Best Remedy' Period Pills—The action of these pills is such that they tend to increase menstruation when there is delay due to cold feet, nutritional lack of iron or functional inactivity * * *";

(a) Represented, directly and indirectly, that her said preparation was a doctor's prescription for delayed, unnatural, or suppressed menstruation and that it constituted a competent and adequate treatment for such conditions, regardless of their cause; and that it was of double strength and was safe and harmless in use;

(b) Represented thereby and through use of trade name "Nature Seed Company" that it was composed wholly of ingredients derived from nature;

The facts being it was not such a treatment or doctor's prescription; ingredients were not entirely derived from nature or in their natural state; lacking an established standard for comparison, it could not be said to be double strength; and it was not safe and harmless, in that prescribed use thereof might cause serious and irreparable injury to health; and

(c) Failed to reveal facts material in the light of said representations, or with respect to consequences which might result from use of preparation under prescribed or customary conditions, in that directions for use thereof provided for the administration of a laxative, potentially dangerous when taken by persons suffering from symptoms of appendicitis, and use thereof might result in gastrointestinal disturbances, leading to uterine hemorrhage, and, where used to interfere with pregnancy, might cause uterine infection, and septicemia;

With tendency and capacity to mislead and deceive a substantial portion of the purchasing public into the mistaken belief that said statements were true, thereby causing such public to purchase substantial quantities of product in question:

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

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

Mr. William L. Taggart for the Commission.

Mr. George Landesman, of New York City, for respondent.