

# FEDERAL TRADE COMMISSION DECISIONS

FINDINGS AND ORDERS, JULY 1, 1949, TO JUNE 30, 1950

IN THE MATTER OF

## JOE KATZ AND MARSHALL MALTZ<sup>1</sup> DOING BUSINESS AS J. & M. SALES CO.

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

*Docket 5559. Complaint, May 24, 1948—Decision, July 1, 1949*

Where an individual engaged in the interstate sale and distribution of watches and other merchandise to dealers, operators, and other purchasers; in advertising in periodicals of general circulation for operators of push cards, to whom, in answer to their inquiries, he sent a letter describing his card sales plan—

- (a) Furnished and supplied his customers with plans of merchandising which involved the operation of a lottery scheme in sales to the consuming public, including such typical push card deal as one providing that the customer who by chance selected from 72 feminine names displayed on the card, the name corresponding to that concealed under the card's master seal, received for the thirty-five cents, or for nothing, as determined by the accompanying number, one of the two more costly wrist watches sold therewith;

Thereby supplying to and placing the means of conducting lotteries in the hands of dealers, operators, and other purchasers, who sold his watches and other merchandise by means of said push card deal, whereby, whether the customer received a watch, other article, or nothing for the money he paid, was dependent wholly upon lot or chance, contrary to an established public policy of the United States Government and the public interest;

<sup>1</sup> The Commission on July 1, 1949, issued an order closing case without prejudice as to respondent Marshall Maltz, as follows:

"This matter came on to be heard in regular course upon motion, filed December 13, 1948, by counsel supporting the complaint, to close this case without prejudice as to the individual respondent Marshall Maltz, to which no answer has been filed by said respondent.

"The complaint herein, issued May 24, 1948, charges respondents, Joe Katz and Marshall Maltz, as individuals and partners, doing business as J. & M. Sales Co., with violation of Section 5 of the Federal Trade Commission Act through the use of lottery methods in the sale and distribution of watches and other merchandise. From the answers to said complaint filed by both respondents and from said motion to dismiss, it appears that said partnership was dissolved on March 1, 1948, that respondent Marshall Maltz has not since been connected therewith, and that Joe Katz is now carrying on the business formerly conducted by the partnership.

"Having duly considered the matter and being now fully advised in the premises:

"It is ordered, That the motion to close this case as to the respondent Marshall Maltz be, and it hereby is, granted without prejudice to the right of the Commission to reopen this proceeding or to take such further action at any time in the future as may be warranted by the then existing circumstances."

