

Introduction

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I am going to make a very bold statement, and I guarantee that once you read the ensuing story, you will agree with my audacious declaration. *Publishers Clearing House was the most loved company in U.S. history. And also the most hated.*

I started working at PCH as a young, eager, utterly naïve twenty-one year old kid just out of college. I'd never even heard of Publishers Clearing House at the time and had no idea what I was in for. But I was about to embark on the journey of a lifetime. I ended up working at PCH for thirty years and became an integral player in virtually all of the company's major decisions and activities, for better or for worse. I was Vice President of Marketing during our enormously successful years, and my final role was as Senior Vice President. I was also one of a handful of officers of the company before retiring at a relatively young age. I didn't always agree with senior management but was known for my honesty, integrity, and objectivity – and that's how I have presented this account, including the positive and negative sides of PCH.

I lived through both “the love” and “the hate” firsthand, as well as extraordinary growth, the sudden devastating downslide, and the resulting intense battle to survive. The story of Publishers Clearing House has never been told before, and I am sure you will find it to be a captivating and fun-filled tale.

The Founding Mertz Family

PCH began as a small mom-and-pop business in the basement of the founding father's home but it quickly outgrew its home-based operation.

Although Harold Mertz had great plans for his small company, he never imagined it would become one of the most profitable private companies in America... not even in his wildest dreams.

Fortunately, Mr. Mertz was astute enough to hire an incredibly talented management team when the business started to grow, and it was these eccentric and playful executives that made *Publishers Clearing House* a household name and one of the top five most recognizable companies in the country.

It is also noteworthy that amidst PCH's spectacular notoriety, good and bad, the founding Mertz family was quietly becoming one of the top twenty most philanthropic families in America – giving almost \$1 billion over their lifetime. Not bad for a company started by one man in the basement of his home with his wife and daughter helping.

The Love

The love for Publishers Clearing House by the general public and the media at large can be measured by the unprecedented amount of free favorable publicity directed at PCH, the popular Prize Patrol, and our colorful contest winners. This positive publicity appeared far and wide – on television, in print, and in film – and included praiseworthy news reports, good-natured parodies, amusing jokes, fun cartoons, light-hearted interviews of our contest winners, and frequent chronicles of the legendary Prize Patrol.

There is no doubt that Publishers Clearing House is now a part of American pop culture and no denying the company's widespread renown. The list of television shows that embraced PCH is incredibly long and includes the best-of-the-best, like *Seinfeld*, *Cheers*, *Letterman*, *Leno*, *Saturday Night Live*, *Oprah*, and many more. In addition, there was a time when our good name was constantly in the news, including local coverage, network news, and nationally aired programs such as *Dateline NBC*, *48 Hours*, and *Behind Closed Doors with Joan Lunden*. Plus, PCH and the Prize Patrol have been the subject of an unending parade of comic strips that have been enjoyed by millions of consumers around the country.

I will share some of the best parodies, jokes, and cartoons in this book. And, of course, the PCH legacy would not be complete without tales of our millionaire contest winners, their winning moments, and Prize Patrol adventures. The most memorable of these will also be shared, including the alluring account of the gorgeous eighteen-year old gal (shown on the cover) who answered her door dripping wet, wrapped only in a towel.

My personal favorite parody is an alternate ending that featured Publishers Clearing House in the final episode of *Cheers*, one of the most adored television sitcoms ever. Very few people know about this delightful other ending which was filmed but never aired. I know you'll enjoy hearing which beloved character from Boston's most famous bar was surprised by the Prize Patrol and won the big prize.

In today's world, the peak of the "PCH mania" is gone. But the legacy lingers on, as can be found in many media events just over this past year. Here are a few relevant examples.

For his new late-night show on TBS, talk show host Conan O'Brien impersonates the PCH Prize Patrol in some of his commercials.

The real Prize Patrol makes a surprise appearance on the new CBS daytime show, "*The Talk*," with hosts Sharon Osbourne and other female personalities.

Comedian Jerry Seinfeld tells a well-received joke referencing PCH at a celebrity-filled party at the Obama White House honoring Sir Paul McCartney.

These recent examples prove America still remembers Publishers Clearing House.

The Hate

At the pinnacle of PCH's success, an incident sparked by an addicted sweepstakes consumer ignited an avalanche of lawsuits and negative publicity. This turned the tides against PCH and the entire sweepstakes industry.

We were sued by virtually every one of the fifty state Attorneys General and faced dozens of additional lawsuits as well. There aren't

many other companies, if any, that have been subjected to that many lawsuits. Besides Publishers Clearing House, I know of only one other industry that has been involved in this many legal disputes – the tobacco companies – and we all know their product kills.

The PCH management team battled the Attorneys General, lawyers, and politicians for four long, damaging years. It was like we were caught in quicksand, and every time a settlement was near, we were dragged back in. What other company has negotiated a national class action settlement, approved by a federal judge, only to find the agreement made matters worse, bringing on even more lawsuits? This nationally approved settlement offered refunds to 43 million American households, the largest class action group in United States history, but to the shock of PCH management and our advisors, even that didn't satisfy the appetite of the Attorneys General and politicians. You'll hear both sides of the legal argument in the ensuing chapters.

As if the lawsuits weren't troubling enough, the news media seemed to relish showing the misery and despair of elderly consumers who were addicted to sweepstakes. The very same news reporters who had previously embraced the heart-warming winning moments of our big contest winners, and who had fought to go on a Prize Patrol adventure, had no second thoughts about jumping on the bandwagon to report negative and damaging stories about PCH. One example, and there were many, was an elderly widow who was so obsessed with sweepstakes that she defiantly moved away from her family who objected to her addiction. Other distressing accounts of addicted sweepstakes consumers are documented as well.

The end result of the negative publicity and countless lawsuits was inconceivable as the entire direct marketing industry, including PCH, was brought to its knees. There would, in fact, be very few survivors.

My Personal Story

This book, however, is not just the account of a remarkable one-of-a-kind company. It is also about my own personal thirty-year journey at Publishers Clearing House, starting fresh out of college all the way to my retirement. And it includes the gamut of every conceivable emotion.

On the positive side, it reveals tremendous levels of satisfaction from my dreamlike success, deep appreciation for an unexpected act of kindness from our CEO, riotous and contagious laughter resulting from senior management's mischievous pranks, and complete joy in watching my young twin daughters running up and down the PCH hallways.

On the other end of the emotional spectrum, it includes unending frustration over our legal quagmire, embarrassment from the hurtful news stories, profound sadness when one of our own apparently took his life, extreme panic at being in the midst of an anthrax scare at our Port Washington headquarters, and intense fear and rage as I sat in my office while my identical twin brother was in one of the World Trade Center's Twin Towers on that infamous day.

I considered PCH my second home and came to know everyone who worked there, from the very top level to the cleaning crew. In addition to my own experience at this captivating company, this book includes stories, memories, and revelations from dozens of former PCH employees, including secretaries, clerks, managers, directors, vice presidents, and former presidents. Some of the employees who contributed to this book worked twenty, thirty, and forty years for PCH. One colleague was even there the very first day the business started and worked for the company's founder for almost fifty years.

So sit back and enjoy the ride as you travel with me from the founding years of PCH through the ups and downs to where PCH is today.