

Complaint

121 F.T.C.

IN THE MATTER OF

N.W. AYER & SON, INC.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SECS. 5 AND 12 OF THE FEDERAL TRADE COMMISSION ACT*Docket C-3660. Complaint, May 31, 1996--Decision, May 31, 1996*

This consent order prohibits, among other things, the New York-based advertising agency from misrepresenting the absolute or comparative amount of cholesterol, total fat, saturated fat, or any other fatty acid in eggs or in any meat, dairy, or poultry product, and from misrepresenting the existence or results of any test or study.

*Appearances*For the Commission: *Theodore H. Hoppock.*For the respondent: *Bertrand M. Lanchner*, in-house counsel,
New York, N.Y.

COMPLAINT

The Federal Trade Commission, having reason to believe that N.W. Ayer & Son, Inc. d/b/a NW Ayer, Inc. ("respondent"), a corporation, has violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, alleges:

PARAGRAPH 1. Respondent is a Delaware corporation with its offices and principal place of business at 825 Eighth Avenue, New York, New York.

PAR. 2. Respondent, at all times relevant to this complaint, was an advertising agency of Egglan's Best, Inc., and prepared and disseminated advertisements to promote the sale of Egglan's Best eggs and other egg products to consumers. These products are "foods" within the meaning of Sections 12 and 15 of the Federal Trade Commission Act.

PAR. 3. The acts and practices of respondent alleged in this complaint have been in or affecting commerce, as "commerce" is defined in Section 4 of the Federal Trade Commission Act.

PAR. 4. Respondent has disseminated or has prepared for dissemination advertisements for Egglan's Best eggs, including but not necessarily limited to the attached Exhibits A-H. With the exception of Exhibit H, these advertisements were disseminated or prepared for dissemination by respondent following the Commission's issuance of the final consent order in Egglan's Best, Inc., Docket No. C-3520 (Aug. 15, 1994). These advertisements contain the following statements:

A. AUDIO: Imagine eating delicious, real, whole eggs without raising your serum cholesterol. People did. In clinical tests of Egglan's Best Eggs, they ate a dozen a week while keeping within the limits of the Surgeon General's low-fat diet. And though each egg contained 213 milligrams of cholesterol, 71% of the FDA's maximum daily value, their serum cholesterol didn't go up. Surprised? Try it yourself. Egglan's Best. You can eat real eggs again.

VIDEO SUPERSCRIPTS (running simultaneously with audio portion):

REAL WHOLE EGGS

WITHOUT RAISING CHOLESTEROL

CLINICAL TESTS

LOW-FAT DIET

213 MG. CHOLESTEROL

(71% MAXIMUM DAILY VALUE)

CHOLESTEROL DIDN'T GO UP

YOU CAN EAT REAL EGGS AGAIN.

Depictions of eggs being cooked in different ways, and of Egglan's Best carton.

[Exhibit A: "Supers" 30-Second Television]

B. AUDIO: Imagine eating delicious, real, whole eggs . . . and not raising your serum cholesterol. People did. In two clinical tests for Egglan's Best eggs. They ate a dozen a week while keeping within the limits of the Surgeon General's low-fat diet. Each egg contained the usual 213 milligrams of cholesterol, 71% of the FDA's maximum Daily Value, yet their serum cholesterol didn't go up. (Surprised?) Try it yourself. Egglan's Best. Limit your fat and enjoy real eggs again.

VIDEO SUPERSCRIPTS (similar to Exhibit A).

Depictions (similar to Exhibit A).

[Exhibit B: "Supers" Revised 30-Second Television]

C. If you love eggs but are concerned about cholesterol, you'll be interested in clinical tests done here at the Medical College of Pennsylvania. In these tests, people ate a dozen eggs a week for six weeks, and showed no increase in their serum cholesterol. The eggs tested here were Egglan's Best. Fresh, real, whole eggs, each with the usual 213 mg. of cholesterol, or 71% of the FDA's maximum daily value. Yet the people's cholesterol didn't go up. How? They ate these eggs as part of the Surgeon General's low-fat diet. Keeping within the limits of this diet,

they were able to enjoy what some of them hadn't in a long time. Fresh, delicious, real eggs. And since the eggs were Egglard's Best, they also enjoyed the benefit of over six times more Vitamin E. Egglard's Best come from hens fed a special all-vegetarian diet so unique it's patented. So limit your fat and enjoy your eggs. Egglard's Best. You can eat real eggs again.

[Exhibit C: "MCP/Tests" 60-Second Radio]

D. You'd love a thick, juicy steak . . . but you eat fish. You'd love two eggs over easy. . . and guess what? You can have them. Even if you're concerned about cholesterol. Just do what people did in clinical tests of Egglard's Best eggs. One . . . follow the low-fat diet recommended by the Surgeon General. And two . . . keeping within the fat limits of this diet, eat as many as 12 Egglard's Best eggs a week. The people tested did. And after six weeks of enjoying real, whole eggs with the usual 213 mg. of cholesterol each, or 71% of the FDA's maximum daily value, guess what? They showed no increase in their serum cholesterol! And since the eggs were Egglard's Best, they also enjoyed the benefit of over six times more Vitamin E. Egglard's Best eggs come from hens fed a special all-vegetarian diet so unique its patented. So limit your fat and enjoy your eggs. Egglard's Best. You can eat real eggs again.

[Exhibit D: "Juicy Steak" 60-Second Radio]

E. Tests show how you can eat real eggs again. (Even if you're concerned about cholesterol.) [Large, Bold Headline]

In clinical tests, people ate a dozen Egglard's Best eggs a week and showed no increase in their serum cholesterol.

How? Simply by enjoying these fresh, delicious eggs while staying within the fat limits recommended by the Surgeon General for all adults. Namely, a diet with less than 10% saturated fat, 30% total fat.

What makes the test results such astonishing news is that the eggs they ate were real, whole eggs. With the usual 213 mg. of cholesterol per egg, or 71% of the FDA's maximum Daily Value.

Imagine! A way to enjoy real, whole eggs again. And not increase your serum cholesterol!

To be sure you're getting the same fresh, delicious eggs used in the clinical tests, insist on Egglard's Best.

Then just limit you fat and enjoy your eggs. [Text]

Egglard's Best. You can eat real eggs again. [Large, Bold Tagline]

[Exhibit E: "Tests Show" Print FSI]

F. Tests now show how you can eat real eggs again. (Even if you're concerned about cholesterol.) [Large, Bold Headline]

In two clinical tests, people ate a dozen Egglard's Best a week and showed no increase in their serum cholesterol.

How? Simply by enjoying these fresh, delicious eggs while staying within the fat limits recommended by the Surgeon General for all adults. Namely, a diet with less than 10% saturated fat, 30% total fat.

And what may surprise you is that the eggs they ate were real, whole eggs. With the usual 213 mg. of cholesterol per egg, or 71% of the FDA's maximum Daily Value.

Imagine! A way to enjoy real, whole eggs again and not increase your serum cholesterol.

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What are you waiting for? Use the coupon below and save 50¢. [Text]
 EGGLAND'S BEST. Limit Your Fat And Enjoy Real Eggs Again. [Large, Bold Tagline]

[Exhibit F: "Tests Now Show" Revised Print FSI]

G. Tests show how you can eat real eggs again. (Even if you're concerned about cholesterol.) [Large, Bold Headline]

In clinical tests, people ate a dozen Egglan's Best eggs a week, and showed no increase in their serum cholesterol.

How? By including the eggs within the fat limits recommended by the Surgeon General for all adults. Namely, a diet with less than 10% saturated fat, 30% total fat.

And we're talking about fresh, delicious, real whole eggs! With the usual 213 mg. of cholesterol, or 71% of the FDA's maximum Daily Value.

Imagine a way to enjoy real whole eggs and not increase you serum cholesterol.

Egglan's Best. Limit your fat and enjoy real eggs again. [Large, Bold Tagline]

[Exhibit G: "Tests show how" half page Print FSI]

H. It's simple. When the hens eat better, you eat better, too. [Large, Bold Headline]

Introducing Egglan's Best. Premium eggs from hens fed a premium diet.

Unlike ordinary eggs, Egglan's Best are laid by hens that eat no animal fat. Just lots of healthy grains, extra Vitamin E and a little canola oil -- the oil lowest in saturated fat. [Text]

[Exhibit H: "It's Simple" Print FSI]

PAR. 5. Through the use of the statements contained in the advertisements referred to in paragraph four, including but not necessarily limited to the advertisements attached as Exhibits A-G, respondent has represented, directly or by implication, that:

A. Eating Egglan's Best eggs will not increase serum cholesterol.

B. Eating Egglan's Best eggs will not increase serum cholesterol as much as eating ordinary eggs.

PAR. 6. Through the use of the statements contained in the advertisements referred to in paragraph four, including but not necessarily limited to the advertisements attached as Exhibits A-G, respondent has represented, directly or by implication, that at the time it made the representations set forth in paragraph five, respondent possessed and relied upon a reasonable basis that substantiated such representations.

PAR. 7. In truth and in fact, at the time it made the representations set forth in paragraph five, respondent did not possess and rely upon a reasonable basis that substantiated such

representations. Therefore, the representation set forth in paragraph six was, and is, false and misleading.

PAR. 8. Through the use of the statements contained in the advertisements referred to in paragraph four, including but not necessarily limited to the advertisements attached as Exhibits A-G, respondent has represented, directly or by implication, that clinical studies have proven that adding twelve Egglan's Best eggs per week to a low-fat diet does not increase serum cholesterol.

PAR. 9. In truth and in fact, clinical studies have not proven that adding twelve Egglan's Best eggs per week to a low-fat diet does not increase serum cholesterol. Therefore, the representation set forth in paragraph eight was, and is, false and misleading.

PAR. 10. Through the use of the statements contained in the advertisements referred to in paragraph four, including but not necessarily limited to the advertisement attached as Exhibit H, respondent has represented, directly or by implication, that:

- A. Egglan's Best eggs are low in saturated fat.
- B. Egglan's Best eggs are lower in saturated fat than ordinary eggs.

PAR. 11. In truth and in fact:

- A. Egglan's Best eggs are not low in saturated fat.
- B. Egglan's Best eggs are not lower in saturated fat than ordinary eggs.

Therefore, the representations set forth in paragraph ten were, and are, false and misleading.

PAR. 12. Respondent knew or should have known that the representations set forth in paragraphs six, eight and ten were, and are, false and misleading.

PAR. 13. The acts and practices of respondent as alleged in this complaint constitute unfair or deceptive acts or practices and the making of false advertisements in or affecting commerce in violation of Sections 5(a) and 12 of the Federal Trade Commission Act.

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EXHIBIT A



NW Ayer Incorporated
 825 Eighth Avenue
 New York, NY 10019-7498
 212-474-5000
 Fax: 212-474-5400

EXHIBIT A

CLIENT	Egg•Land's Best	FACILITIES	TV
PRODUCT	Egg•Land's Best Eggs	DATE	October 11, 1994
TITLE	"Supers - Foam Split"	LENGTH	:30
NUMBER	ZAYA 4169 ** AS PRODUCED **		

VIDEO

AUDIO

(Music up and under throughout.)

CU HAND CRACKING AN EGG.

Annrc: Imagine eating delicious,

CU RAW EGG FALLING INTO FRYING PAN.
 TITLE: REAL WHOLE EGGS

real, whole eggs

CU WHOLE EGGS IN BOILING WATER.
 TITLE: WITHOUT RAISING CHOLESTEROL

without raising your serum
 cholesterol.

CU HARD BOILED EGG BEING SLICED.

People did.

CU PAN ACROSS EGG•LAND'S BEST EGGS PACKAGE.
 TITLE: CLINICAL TESTS

In clinical tests of Egg•Land's
 Best eggs,

PAN UP BASKET OF EGGS; HAND LIFTS ONE UP.

they ate a dozen a week

CU WHISK STIRRING EGGS.

while keeping within the limits

CU SLIDING SCRAMBLED EGG ONTO MUFFIN.
 TITLE: LOW-FAT DIET

of the Surgeon General's low-fat
 diet.

CU PAN OF OPEN PACKAGE OF EGGS.

And though each egg contained

CU POACHED EGG BEING LIFTED OUT OF WATER.
 TITLE: 213 MG. CHOLESTEROL

213 milligrams of cholesterol,

CU TOPPINGS BEING ADDED TO OMELET.
 TITLE: 213 MG. CHOLESTEROL
 (71% MAXIMUM DAILY VALUE)

71% of the FDA's

CU BAKED EGGS AND CROUTONS.
 TITLE: (SAME AS ABOVE)

maximum daily value,

CU FRIED EGGS IN PAN.
 TITLE: CHOLESTEROL DIDN'T GO UP

their serum cholesterol didn't
 go up.

CU EGGS AND TOAST ON PLATE.

Surprised? Try it yourself.

MS EGG•LAND'S BEST PACKAGE.
 TITLE: YOU CAN EAT REAL EGGS AGAIN.

Egg•Land's Best. You can eat
 real eggs again.

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EXHIBIT B

DEC-28-1994 11:21

EGGLAND'S BEST N.Y.

EXHIBIT B

Revise 12/94
On Air 01/95EGG.LAND'S BEST
CHOLESTEROL STRATEGY
:30 TV
"SUPERS"

VIDEO

EGG SHOTS. WITH SUPERS UNDERSCORING VO. COPY.

AUDIO

SFX: EGG CRACKING, PER VIDEO.
 MUSIC: UNDER THROUGHOUT
 VO: Imagine eating delicious, real, whole eggs...and not raising your serum cholesterol. People did. In two clinical tests for Egg.land's Best eggs. They ate a dozen a week while keeping within the limits of the Surgeon General's low-fat diet. Each egg contained the usual 213 milligrams of cholesterol, 71% of the FDA's maximum Daily Value, yet their serum cholesterol didn't go up. (Surprised?) Try it yourself. Egglend's Best. Limit your fat and enjoy real eggs again.

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EXHIBIT C



1877 Ayer Incorporated
 825 Eighth Avenue
 New York, NY 10019-7498
 212-474-5000
 Fax: 212-474-5400

EXHIBIT C

CLIENT	Egg•Land's Best	FACILITIES	Radio
PRODUCT	Egg•Land's Best Eggs	DATE	October 11, 1994
TITLE	"MCP/Tests"	LENGTH	:60
NUMBER	ZAYA 4165 ** AS PRODUCED **		

SFX: *FOOTSTEPS ECHOING ON A HARD FLOOR.*
Announcer: If you love eggs but are concerned about cholesterol, you'll be interested in clinical tests done here at the Medical College of Pennsylvania. In these tests, people ate a dozen eggs a week for six weeks, and showed no increase in their serum cholesterol.

SFX: *DOOR OPENING. FOOTSTEPS ON WOOD FLOOR.*
Announcer: The eggs tested here were Egg•Land's Best. Fresh, real, whole eggs, each with the usual 213 mg. of cholesterol, or 71% of the FDA's maximum daily value.

SFX: *FILE DRAWER OPENING.*
Announcer: Yet the people's cholesterol didn't go up. How?

SFX: *PAPERS RUSTLING.*
Announcer: They ate these eggs as part of the Surgeon General's low-fat diet. Keeping within the limits of this diet, they were able to enjoy what some of them hadn't in a long time. Fresh, delicious, real eggs. And since the eggs were Egg•Land's Best, they also enjoyed the benefit of over six times more Vitamin E. Egg•Land's Best come from hens fed a special all-vegetarian diet so unique it's patented. So limit your fat and enjoy your eggs.

Egg•Land's Best. You can eat real eggs again.

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EXHIBIT D

Ayer

NY Ayer Incorporated
 Worldwide Plaza
 825 Eighth Avenue
 New York, NY 10019-7498
 212-474-5000
 Fax: 212-474-5400

EXHIBIT D

CLIENT	Egg•Land's Best	FACILITIES	Radio
PRODUCT	Egg•Land's Best Eggs	DATE	October 11, 1994
TITLE	"Juicy Steak"	LENGTH	:60
NUMBER	ZAYA 4164 ** AS PRODUCED **		

Announcer: You'd love a thick, juicy steak...

SFX: *SIZZLE, SIZZLE*

Announcer: ... but you eat fish.

SFX: *UTENSILS AGAINST PLATE*

Announcer: You'd love two eggs over easy...

SFX: *EGGS CRACKING*

Announcer: ... and guess what?

SFX: *SIZZLE, SIZZLE*

Announcer: You can have them. Even if you're concerned about cholesterol. Just do what people did in clinical tests of Egg•Land's Best eggs. One... follow the low-fat diet recommended by the Surgeon General. And two... keeping within the fat limits of this diet, eat as many as 12 Egg•Land's Best eggs a week. The people tested did. And after six weeks of enjoying real, whole eggs with the usual 213 mg. of cholesterol each, or 71% of the FDA's maximum daily value, guess what? They showed no increase in their serum cholesterol! And since the eggs were Egg•Land's Best, they also enjoyed the benefit of over six times more Vitamin E. Egg•Land's Best eggs come from hens fed a special all-vegetarian diet so unique it's patented. So limit your fat and enjoy your eggs.

Egg•Land's Best. You can eat real eggs again.

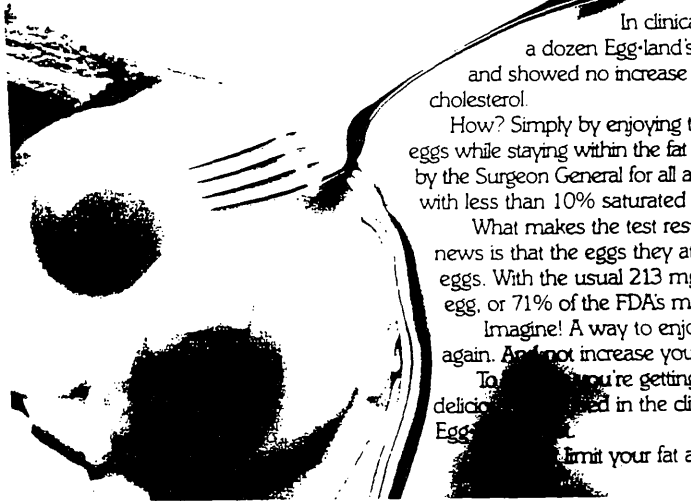
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EXHIBIT E

Tests show how you can eat real eggs again.

EXHIBIT E

(Even if you're concerned about cholesterol.)



In clinical tests, people ate a dozen Egg-land's Best® eggs a week and showed no increase in their serum cholesterol.

How? Simply by enjoying these fresh, delicious eggs while staying within the fat limits recommended by the Surgeon General for all adults. Namely, a diet with less than 10% saturated fat, 30% total fat.

What makes the test results such astonishing news is that the eggs they ate were real, whole eggs. With the usual 213 mg. of cholesterol per egg, or 71% of the FDA's maximum Daily Value.

Imagine! A way to enjoy real, whole eggs again. And not increase your serum cholesterol! To get the same fresh, delicious eggs used in the clinical tests, insist on Egg-land's Best®.

Limit your fat and enjoy your eggs.

Egg-land's Best.
You can eat real eggs again.

50¢

CONSUMER COUPON
This coupon is valid only for the purchase of one dozen Egg-land's Best® Eggs. It cannot be used for other purchases.

GROCER STORES ONLY
This coupon is valid only at participating grocery stores. It cannot be used at other retail outlets.

LIMIT ONE PER PERSON
This coupon is valid only for one use per person. It cannot be transferred.

NO CASH VALUE
This coupon has no cash value. It cannot be redeemed for cash.

GOOD FOR ONE DOZEN EGGS
This coupon is valid only for the purchase of one dozen Egg-land's Best® Eggs.

EXPIRES 12/31/98
This coupon is valid only through December 31, 1998.

MANUFACTURER'S COUPON EXPIRATION DATE 12/31/98

50¢

Save 50¢ on one dozen
Egg-land's Best® Eggs

Complaint

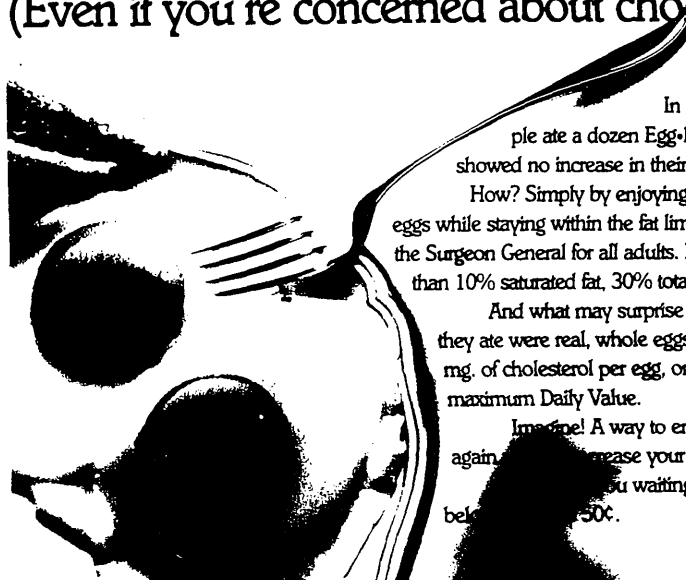
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EXHIBIT F

Tests now show how you can eat real eggs again.

(Even if you're concerned about cholesterol.)

EXHIBIT



In two clinical tests, people ate a dozen Egg-land's Best® a week and showed no increase in their serum cholesterol.

How? Simply by enjoying these fresh, delicious eggs while staying within the fat limits recommended by the Surgeon General for all adults. Namely, a diet with less than 10% saturated fat, 30% total fat.

And what may surprise you is that the eggs they ate were real, whole eggs. With the usual 213 mg. of cholesterol per egg, or 71% of the FDA's maximum Daily Value.

Imagine! A way to enjoy real, whole eggs again, and increase your serum cholesterol. Are you waiting for? Use the coupon below. Save 50¢.

EGG•LAND'S BEST.
Limit Your Fat
And Enjoy Real Eggs Again.

50¢

CONSUMER

EGG•LAND'S BEST

GROCER

00221

MANUFACTURER'S COUPON

Save 50¢ on one dozen
Egg-land's Best® Eggs



EGG•LAND'S BEST

50¢

EXPIRATION DATE 6-30-95

©1994 Egg-land's Best, Inc.

Complaint

EXHIBIT G

**Tests show how you can eat real eggs again
(Even if you're concerned
about cholesterol.)**



In clinical tests, people ate a dozen Egg-land's Best eggs a week, and showed no increase in their serum cholesterol.

How? By including the eggs within the fat limits recommended by the Surgeon General for all adults. Namely, a diet with less than 10% saturated fat, 30% total fat.

And we're talking about fresh, delicious, real, whole eggs! With the usual 213 mg. of cholesterol, or 71% of the FDA's maximum Daily Value.

Imagine a way to enjoy real whole eggs and not increase your serum cholesterol.

Egg-land's Best. Limit your fat and enjoy real eggs again

1,200,000 coupons for
Egg-land's Best Eggs
will appear in **VALASSIS INSERTS**
on Sunday, **February 26, 1995.**

Don't be caught short...
Order, stock and display extra cases of
Egg-land's Best Eggs
during this promotion.

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EXHIBIT H

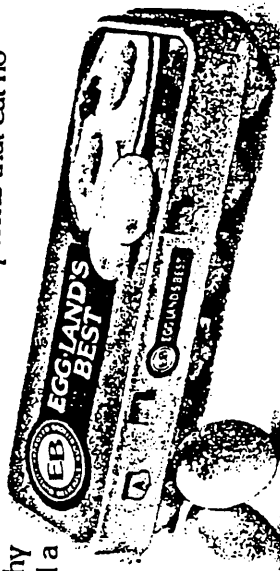
Exhibit H

It's simple. When the hens eat better, you eat better, too.

Introducing Egg-land's Best® Premium eggs from hens fed a premium diet.

Unlike ordinary eggs, Egg-land's Best are laid by hens that eat no animal fat. Just lots of healthy grains, extra Vitamin E and a little canola oil—the oil lowest in saturated fat.

Ask for them at one of the fine restaurants listed in this book. And find out just how good an egg can be.



Introducing Egg-land's Best.

© 1992 C.F.E.B.S., Inc.

UTAH MENU GUIDE AD -- RAN JULY 1992

CR-NAT-P20005
8" x 5"
Utah Menu Directory—July 1992

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondent named in the caption hereof, and the respondent having been furnished thereafter with a copy of a draft of complaint which the Bureau of Consumer Protection proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent with violation of the Federal Trade Commission Act; and

The respondent, its attorney, and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent of all the jurisdictional facts set forth in the complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that the law has been violated as alleged in such complaint, or that the facts as alleged in such complaint, other than jurisdictional facts, are true and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondent has violated the said Act, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of sixty (60) days now in further conformity with the procedure prescribed in Section 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings and enters the following order:

1. Respondent N.W. Ayer & Son, Inc., d/b/a/ NW Ayer, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 825 Eighth Avenue, in the City of New York, State of New York.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent, and the proceeding is in the public interest.

ORDER

DEFINITION

For purposes of this order, the phrase "covered food product" shall mean only eggs and any meat, dairy, or poultry product. For purposes of this definition, "meat product" shall include any food product for human consumption that is made in whole or in substantial part of the meat of cattle, sheep, swine, or goats; "dairy product" shall include any food product for human consumption that is made in whole or in substantial part from milk; and "poultry product" shall include any food product for human consumption that is made in whole or in substantial part of the meat of any fowl.

I.

It is ordered, That respondent N.W. Ayer & Son, Inc. d/b/a NW Ayer, Inc., a corporation, its successors and assigns, and its officers, agents, representatives and employees, directly or through any corporation, subsidiary, division or other device, in connection with the labeling, advertising, promotion, offering for sale, sale, or distribution of any covered food product in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from misrepresenting, in any manner, directly or by implication, through numerical or descriptive terms or any other means, the absolute or comparative amount of cholesterol, total fat, saturated fat or any other fatty acid in such covered food product. If any representation covered by this Part either directly or by implication conveys any nutrient content claim defined (for purposes of labeling) by any regulation promulgated by the Food and Drug Administration, or, if applicable, the United States Department of Agriculture, compliance with this Part shall be governed by the qualifying amount for such defined claim as set forth in such regulation.

II.

It is further ordered, That respondent N.W. Ayer & Son, Inc. d/b/a NW Ayer, Inc., its successors and assigns, and its officers, agents, representatives and employees, directly or through any

corporation, subsidiary, division or other device, in connection with the labeling, advertising, promotion, offering for sale, sale, or distribution of any covered food product in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from making any representation, in any manner, directly or by implication, about the absolute or comparative effect of such covered food product on serum cholesterol, whether or not such covered food product is consumed as part of an unrestricted diet or as part of any specific dietary regimen, unless at the time of making the representation, respondent possesses and relies upon competent and reliable scientific evidence substantiating such representation. For purposes of this order, "competent and reliable scientific evidence" shall mean tests, analyses, research, studies or other evidence based on the expertise of professionals in the relevant area, that has been conducted and evaluated in an objective manner by persons qualified to do so, using procedures generally accepted in the profession to yield accurate and reliable results.

III.

It is further ordered, That respondent N.W. Ayer & Son, Inc. d/b/a NW Ayer, Inc., its successors and assigns, and its officers, agents, representatives and employees, directly or through any corporation, subsidiary, division or other device, in connection with the labeling, advertising, promotion, offering for sale, sale, or distribution of any covered food product in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from making any representation, in any manner, directly or by implication, about the absolute or comparative health benefits of such covered food product, including but not limited to its effect on heart disease, unless at the time of making the representation, respondent possesses and relies upon competent and reliable scientific evidence substantiating such representation.

IV.

It is further ordered, That respondent N.W. Ayer & Son, Inc. d/b/a NW Ayer, Inc., its successors and assigns, and its officers, agents, representatives and employees, directly or through any corporation, subsidiary, division or other device, in connection with

the labeling, advertising, promotion, offering for sale, sale, or distribution of any covered food product in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from misrepresenting, in any manner, directly or by implication, the existence, contents, validity, results, conclusions or interpretations of any test or study.

V.

Nothing in this order shall prohibit respondent N.W. Ayer & Son, Inc. d/b/a NW Ayer, Inc., from making any representation that is specifically permitted in labeling for any product by regulations promulgated by the Food and Drug Administration pursuant to the Nutrition Labeling and Education Act of 1990, or by nutrition labeling regulations promulgated by the Department of Agriculture pursuant to the Federal Meat Inspection Act or the Poultry Products Inspection Act.

VI.

It is further ordered, That for five (5) years after the last date of dissemination of any representation covered by this order, respondent N.W. Ayer & Son, Inc. d/b/a NW Ayer, Inc., or its successors and assigns, shall maintain and upon request make available to the Federal Trade Commission for inspection and copying:

A. All materials that were relied upon in disseminating such representation; and

B. All tests, reports, studies, surveys, demonstrations or other evidence in their possession or control that contradict, qualify or call into question such representation, or the basis relied upon for such representation, including complaints from consumers and complaints or inquiries from governmental organizations.

VII.

It is further ordered, That respondent N.W. Ayer & Son, Inc. d/b/a NW Ayer, Inc., shall, within thirty (30) days after service upon it of this order, distribute a copy of the order to each of its operating divisions, each of its managerial employees, and each of its officers,

agents, representatives or employees engaged in the preparation or placement of advertising or other materials covered by this order and shall secure from each such person a signed statement acknowledging receipt of this order.

VIII.

It is further ordered, That respondent N.W. Ayer & Son, Inc. d/b/a NW Ayer, Inc., shall notify the Commission at least thirty (30) days prior to any proposed change in its corporate structure, including but not limited to dissolution, assignment or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries or affiliates, or any other corporate change that may affect compliance obligations arising out of this order.

IX.

It is further ordered, That respondent N.W. Ayer & Son, Inc. d/b/a NW Ayer, Inc., shall, within sixty (60) days after service of this order, and at such other times as the Federal Trade Commission may require, file with the Commission a report, in writing, setting forth in detail the manner and form in which it has complied with this order.

X.

This order will terminate on May 31, 2016, or twenty years from the most recent date that the United States or the Federal Trade Commission files a complaint (with or without an accompanying consent decree) in federal court alleging any violation of the order, whichever comes later; provided, however, that the filing of such a complaint will not affect the duration of:

- A. Any paragraph in this order that terminates in less than twenty years;
- B. This order's application to any respondent that is not named as a defendant in such complaint; and
- C. This order if such complaint is filed after the order has terminated pursuant to this paragraph.

Provided, further, that if such complaint is dismissed or a federal court rules that the respondent did not violate any provision of the order, and the dismissal or ruling is either not appealed or upheld on appeal, then the order will terminate according to this paragraph as though the complaint was never filed, except that the order will not terminate between the date such complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

IN THE MATTER OF

JOHNSON & COLLINS RESEARCH, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SEC. 5 OF THE FEDERAL TRADE COMMISSION ACT

Docket C-3661. Complaint, May 31, 1996--Decision, May 31, 1996

This consent order prohibits, among other things, a Minnesota-based company and its officer from misrepresenting the efficacy and results of their weight-loss products, and requires the respondents to disclose that such product consists primarily of a booklet or pamphlet containing information and advice on weight loss, and to possess competent and reliable scientific evidence to substantiate any future advertisements for weight-loss booklets or for other weight-loss products or programs.

Appearances

For the Commission: *Richard L. Cleland* and *C. Lee Peeler*.
For the respondents: *Peter Rosden*, Charlottesville, VA.

COMPLAINT

The Federal Trade Commission, having reason to believe that Johnson & Collins Research, Inc., a corporation, and Gregor A. von Ehrenfels, individually and as an officer of said corporation ("respondents"), have violated the Federal Trade Commission Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, alleges:

PARAGRAPH 1. Respondent Johnson & Collins Research, Inc. is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Minnesota. Its principal place of business is located at 5115 Excelsior Blvd., Minneapolis, MN.

Respondent Gregor A. von Ehrenfels is an officer of the corporate respondent. Individually, or in concert with others, he participates in and/or formulates, directs, and controls the acts and practices of the corporate respondent, including the acts and practices alleged in this complaint. His address is the same as that of the corporate respondent.

PAR. 2. Respondents have advertised, offered for sale, sold, and distributed weight-loss and body-shaping products, consisting primarily of booklets containing advice on dieting and exercise, to the public. Respondents have marketed these products under various names, including "TOTAL BODY RESHAPING SYSTEM" and "SUPER TOTAL BODY RESHAPING SYSTEM" (collectively, "TBRS").

PAR. 3. The acts and practices of respondents alleged in this complaint have been in or affecting commerce, as "commerce" is defined in Section 4 of the Federal Trade Commission Act.

PAR. 4. Respondents have disseminated or have caused to be disseminated advertisements for TBRS including but not necessarily limited to the attached Exhibits A through D. These advertisements contain the following statements:

A. NOW - IN ONLY 2 WEEKS you can start to have . . .
THINNER, FIRMER, LEGS & HIPS. . .
Slimmer Arms & Shoulders, a Smaller,
Tighter Waistline, and a Prettier Bust!

YES! IN AS LITTLE AS 14 DAYS, your entire body could suddenly start to take on a whole new shape! Plus you could be thinner and firmer than ever before. In fact, the all new TOTAL BODY RESHAPING SYSTEM (SUPER TBRS for short) is 100% Guaranteed to help give you a sleeker, sexier body . . . no matter what you look like right now! (And no matter what you've tried before!)

Too Fat - or Too Thin?

SUPER TBRS is NOT just another diet program. It's a total body improver designed to "reshape" you from head to toe. So if you're overweight, SUPER TBRS will help you melt and float away ugly fat leaving you with a firmer, more beautiful body.

* * * *

Stubborn Spots???

The SUPER TOTAL BODY RESHAPING SYSTEM shows you how to attack your own unique problem areas -- shaping and molding them -- tightening, firming, helping dissolve layer after layer of fat with each new day!

That means you can zero-in on your thighs, calves, hips, waist, arms, neck or another area that needs extra strong, extra fast treatment.

* * * *

Here's How it Works ...

The moment you put SUPER TBRS methods into action, you begin to burn-off excess calories and fatty deposits. So more of the food you eat is automatically converted into energy instead of fat. That's because SUPER TBRS helps you modify your caloric intake. At the same time, SUPER TBRS's 4 Special Shaping Actions™ let you stimulate muscle tone exactly where you need it ... WITH NO AEROBIC EXERCISE!

Plus, like many other girls, you'll know it's working because you'll feel it from the very first day and see results in the mirror as quickly as fourteen days!...

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But the best part is, SUPER TBRS tells you how to keep those improvements so your beautiful new body can stay that way -- and even continue to improve!...

Yet with SUPER TBRS there are ...

- NO dangerous diet pills to take
- NO chalky-tasting chemical powders
- NO silly heat suits or belts
- NO unhealthy crash diets
- NO long exhausting exercise

TBRS contains absolutely NOTHING chemical, internal, topical, or artificial like other products.

* * * *

Plus - YOU GET ALL THIS! The TBRS Master Manual, TBRS Food Tables & Personal Meal Planner, TBRS One-Year Progress Tracker, TBRS Motivational Audio Cassette, TBRS Ultra Weight Loss Formula, TBRS Ideal proportion chart & Tape Measure . . . The TOTAL BODY RESHAPING SYSTEM is arguably the most result-producing program of it's kind in the world today!.....

* * * *

When your package arrives, we want you to use it ... go ahead, let SUPER TBRS show you how to reshape, firm and beautify your body. Use it as much as you like to help solve your figure problems!
(Exhibit A; Sassy Magazine, August 1995)

B. "They Laughed When I Bought My Bikini,
But When I Walked On the Beach ... !"

I promised myself to finally do something about the way I looked. But I didn't want to go on some diet like my mom would use. Besides, I tried dieting before and nothing happened. I wanted something made for girls my age, something that really worked . . . fast!

* * * *

After being fat for so long, the Total Body Reshaping System finally gave me the body I always wanted!

How to Get the Body You Always Wanted ...

Now it's your turn! Because in as little as 14 days, your entire body could suddenly start to take on a whole new shape! Plus you could be thinner and firmer than ever before. In fact, the all new TOTAL BODY RESHAPING SYSTEM (TBRS™ for short) manual is 100% Guaranteed to give you a sleeker, sexier body that makes you stand out from other girls and gets you noticed -- no matter what you look like right now!

So if you're overweight, the TBR SYSTEM will help you melt and float away ugly fat . . .

Stubborn Spots???

The TOTAL BODY RESHAPING SYSTEM shows you how to attack your own unique problem spots -- shaping and molding them -- tightening, firming, helping dissolve layer after layer of fat with each new day!

* * * *

The moment you put the TBR System into action, it helps you burn off excess calories and fatty deposits. That means more of the food you eat is automatically converted into energy -- instead of fat. (It's sort of like *tricking* your body into

Complaint

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losing weight.) Next, TBRS modifies your caloric intake. At the same time, our *Special Shaping Actions* let you stimulate muscle tone exactly where you need it.

* * * *

(Exhibit B; Seventeen Magazine, September 1995)

(Exhibit D; YM Young & Modern Magazine, August 1995)

C. NOW - IN ONLY 2 WEEKS You Can Start to Have . . .

THINNER, FIRMER, LEGS & HIPS . . .

A Smaller, Tighter Waistline, A Flatter,
Tighter Stomach and a Prettier Bust!

YES! In as little as 14 days, your entire body could suddenly start to take on a whole new shape! Plus you could be thinner and firmer than ever before. In fact, the all new SUPER TOTAL BODY RESHAPING SYSTEM (TBRS for short) is 100% Guaranteed to give you a sleeker, sexier body . . . no matter what you look like right now!

Too Fat - or Too Thin?

SUPER TBRS is NOT just another weight-loss product. It's a total body improver designed to "reshape" you from head to toe. So if you're overweight, the SUPER TBR SYSTEM will help you melt and float away ugly fat (even cellulite!) leaving you with a firmer more beautiful body.
(Exhibit C; Teen Magazine, September 1995)

PAR. 5. Through the use of the statements contained in the advertisements referred to in paragraph four, including but not necessarily limited to the advertisements attached as Exhibits A through D, respondents have represented, directly or by implication, that users of TBRS are not required to consciously diet to lose weight.

PAR. 6. In truth and in fact, users of TBRS are required to consciously diet to lose weight. The product consists primarily of a booklet containing advice for reducing caloric intake and requires conscious dieting to lose weight. Therefore, the representation set forth in paragraph five was, and is, false and misleading.

PAR. 7. Through the use of the statements contained in the advertisements referred to in paragraph four, including but not necessarily limited to the advertisements attached as Exhibits A through D, respondents have represented, directly or by implication, that:

- A. TBRS is effective in causing fast and significant weight loss;
- B. TBRS is effective in significantly reducing body fat and cellulite;
- C. TBRS is effective in causing weight loss, fat reduction, and increased muscle tone in specific, desired areas of the body; and

D. TBRS is effective in burning excess calories, modifying caloric intake, and converting food into energy instead of fat.

PAR. 8. Through the use of statements contained in the advertisements referred to in paragraph four, including but not necessarily limited to the advertisements attached as Exhibits A through D, respondents have represented, directly or by implication, that at the time they made the representations set forth in paragraph seven, respondents possessed and relied upon a reasonable basis that substantiated such representations.

PAR. 9. In truth and in fact, at the time they made the representations set forth in paragraph seven, respondents did not possess and rely upon a reasonable basis that substantiated such representations. Therefore, the representation set forth in paragraph eight was, and is, false and misleading.

PAR. 10. In their advertising and sale of TBRS, respondents have represented that users of this product will achieve significant weight and fat loss. Respondents have failed to disclose adequately that this product consists primarily of booklets or pamphlets containing advice concerning techniques for reducing caloric intake and/or exercise, and that reducing caloric intake and/or increasing exercise is required to lose weight or fat. These facts would be material to consumers in their purchase or use decisions regarding the product. The failure to disclose these facts, in light of the representations made, was, and is, a deceptive practice.

PAR. 11. The acts and practices of respondents as alleged in this complaint constitute unfair or deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act.

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EXHIBIT A

NOW - IN ONLY 2 WEEKS THINNER, FIRMER

Slimmer Arms & Shoulders, a Smaller,

YES! IN AS LITTLE AS 14 DAYS, your entire body could suddenly start to take on a whole new shape! Plus you could be thinner and firmer than ever before. In fact, the *all new TOTAL BODY RESHAPING SYSTEM SUPER TBRS* (a short) is 100% Guaranteed to help give you a sleeker, sexier body that makes you stand out from other girls and gets you noticed - *no matter what you love like right now!* - And no matter what you've tried before!

Too Fat - or Too Thin?

SUPER TBRS is NOT just another diet program. It's a total body improver designed to "reshape" you from head to toe. So if you're overweight, *SUPER TBRS* will help you melt and float away ugly fat leaving you with a firmer, more beautiful body.

Or if you're on the skinny side - or just certain parts of you could use some eye catching curves - *SUPER TBRS* can help you add exciting new shape to your frame - in all the right places! And that's still only the beginning.

Stubborn Spots???

The *SUPER TOTAL BODY RESHAPING SYSTEM* shows you how to attack your own unique problem areas - shaping and molding them - tightening, firming, helping dissolve layer after layer of fat with each new day!

That means you can zero-in on your thighs, calves, hips, waist, arms, neck or another area that needs extra strong, extra fast treatment.

And since every girl's body is different, your results are unique for you! That means fluctuations in speed, shape, pounds and fat loss are **Guaranteed** to vary for each and every girl who uses *SUPER TBRS*. Yes! This is your opportunity to finally get your perfect body!

Here's How It Works...

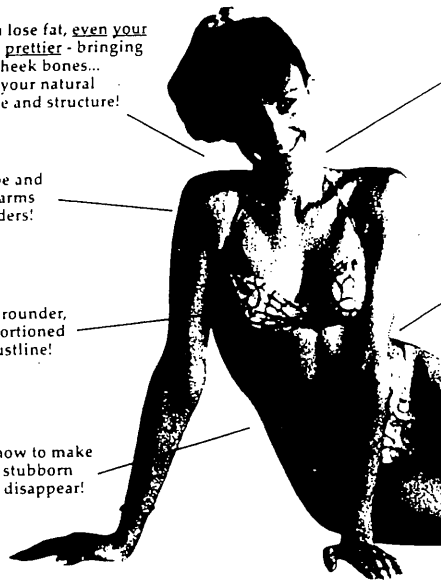
The moment you put *SUPER TBRS* methods into action, you begin to burn-off excess calories and fatty deposits. So more of the food you eat is automatically converted into energy instead of fat. That's because *SUPER TBRS* helps you modify your caloric intake. At the same time, *SUPER TBRS*'s 4

When you lose fat, **even your face looks prettier** - bringing out your cheek bones... accenting your natural beauty line and structure!

Firm, shape and tone your arms and shoulders!

A prettier, rounder, more proportioned looking bustline!

Discover how to make your most stubborn fat start to disappear!



Special Shaping Actions let you stimulate muscle tone exactly where you need it... with NO aerobic exercise!

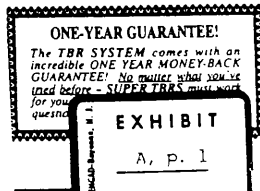
Plus, like many other girls, you'll know it's working because you'll feel it **from the very first day** and see results in the mirror as quickly as **fourteen days!** Plus, you can expect even better results the longer you use it! Even your face can look prettier - bringing out your cheek bones and accenting your natural beauty line and structure.

But the best part is, *SUPER TBRS* tells you how to keep those improvements so your beautiful new body can stay that way - *and even continue to improve!* That means now you can look your best all year long, wear the tastiest, sexiest, and look gorgeous! Yet with *SUPER TBRS* there are

- NO dangerous diet pills to take
- NO chalky-tasting chemical powders
- NO silly heat suits or belts
- NO unhealthy crash diets
- NO long exhausting exercise

Once you use the *SUPER TOTAL BODY RESHAPING SYSTEM* there is nothing else to buy - ever! Simply follow it faithfully and then...day-by-day, inch-by-inch you'll see and feel amazing changes start to take place - simply, safely, naturally.

FACT: *SUPER TBRS* is safe for all ages. There are NO side effects. *TBRS* contains absolutely NOTHING chemical, internal, topical or artificial like other products.



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Complaint

EXHIBIT A

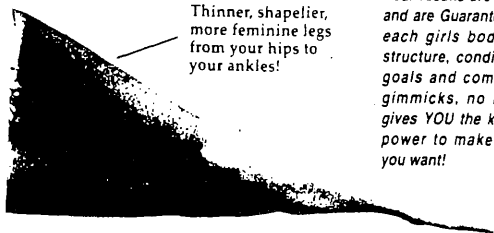
(S) you can start to have... ER, LEGS & HIPS... er, Tighter Waistline, and a Prettier Bust!

A more graceful, thinner looking neck and a more beautiful back!



A smaller, tighter waistline and smoother, firmer, more shapely hips!

Thinner, shapelier, more feminine legs from your hips to your ankles!



Super TBR5 is Safe and Healthy for girls of all ages! Your results are unique for you and are Guaranteed to vary for each girls body type, bone structure, condition, personal goals and commitment. No gimmicks, no fads. TBR5 gives YOU the knowledge and power to make the changes you want!

world today! Now just imagine what it could do for you...

You'll Hardly Believe Your Eyes!!!

The all new **SUPER TBR5** costs less than a new pair of jeans, but can ultimately improve your appearance one hundred times more! You may hardly believe your eyes when you look in the mirror! But maybe the best sign that you're growing sleeker and sexier is the looks from guys who never noticed you before...and the jealous looks from the competition!

Act Now and Get This ONE YEAR GUARANTEE!

Yes! **SUPER TBR5** must do everything exactly as we have promised or you don't pay a penny! And to prove it to you, we'll let you use it - *keep it* - for **ONE FULL YEAR!** That's how sure we are that **SUPER TBR5** will work for you.

When your package arrives, we want you to use it... go ahead, let **SUPER TBR5** show you how to reshape, firm and beautify your body. Use it as much as you like to help solve your figure problems!

Then - if you are not completely delighted with your new shape and appearance, if you don't look and feel absolutely sensational, simply return it for a complete and speedy refund. No hassles. No questions. No delays. Just your money back. You risk nothing.

So it's up to you. One month from today you could look no different than you do right now - or - you could look in the mirror and see a whole, new beautiful you blossoming before your eyes! You decide.

Fill in the Rush Coupon below and mail it now! Then see how great it feels to actually have a beautiful body instead of just wishing you did. We won't disappoint you!

© 1985 JCR, Inc.

FACT: Only **SUPER TBR5** gives you Special Shaping Actions that let you zero-in on your own special problem areas for new shape and tone.

FACT: **SUPER TBR5's** purpose is to dramatically change the way you look and show you how to stay that way for the rest of your life!

Plus - **YOU GET ALL THIS!** The **TBR5** Master Manual, **TBR5** Food Tables & Personal Meal Planner, **TBR5** One-Year Progress Tracker, **TBR5** Motivational Audio Cassette, **TBR5** Ultra Weight Loss Formula, **TBR5** Ideal proportion chart & Tape Measure, plus an incredible **ONE YEAR GUARANTEE!** The **TOTAL BODY RESHAPING SYSTEM** is arguably the most result-producing program of its kind in the

Mail this SPECIAL RUSH ORDER FORM TODAY for your ONE YEAR MONEY-BACK GUARANTEE!

Yes! I want to have a beautiful body. RUSH me the all new **SUPER TBR5 SYSTEM** immediately! I must be thrilled with the results or I get my money back! I am enclosing \$29.95 for the Complete System or \$49.95 (you save \$10.00) for Two Systems. Add \$5.00 for Shipping, Insurance & Handling. Canadian residents add \$10.00 per system.

Check here for Guaranteed Privacy. Yes! Send my **SUPER TBR5** in a plain, unmarked package. **NO COINS PLEASE!**

PLEASE: You must **PRINT VERY CLEARLY** on **TBR SYSTEM PERSONAL BODY TYPE AND PROBLEM SPOT FORM** your package is delivered to the right address. Use a 3 X 5 note card if you need to.

DIRECTIONS: Please put an X in the boxes that apply to your personal problem areas. Check off as many boxes as you like. Feel free to add any special notes or wishes on a separate piece of paper.



TBR to my beautiful body type:
 TYPE A - I am overweight. I need to lose pounds and inches - reshape my problem spots for a sleeker, more graceful and toned body.
 TYPE B - I am too skinny. I need more shape and curves in all the right places for a more eye-catching figure.

These are the parts of my body that need the most improvement:

- | | | | |
|-------------------------------------|--------------------------------------|--------------------------------------|---------------------------------------|
| <input type="checkbox"/> FACE | <input type="checkbox"/> WRISTS | <input type="checkbox"/> OUTER THIGH | <input type="checkbox"/> UPPER BACK |
| <input type="checkbox"/> CHEEKS | <input type="checkbox"/> HAIRS | <input type="checkbox"/> KNEE | <input type="checkbox"/> LOWER BACK |
| <input type="checkbox"/> NECK | <input type="checkbox"/> STOMACH | <input type="checkbox"/> CALVES | <input type="checkbox"/> BUTTOCKS |
| <input type="checkbox"/> SHOULDERS | <input type="checkbox"/> HIPS | <input type="checkbox"/> ANKLES | <input type="checkbox"/> BUST - BOOBY |
| <input type="checkbox"/> UPPER ARMS | <input type="checkbox"/> UPPER THIGH | <input type="checkbox"/> FEET | <input type="checkbox"/> BUST - SPINE |

Johnson & Collins Research
 Dept. SS-895, USPOB NR. 18348
 Mpls. MN 55416-0248

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EXHIBIT B

ADVERTISEMENT



"They Laughed When I Bought My Bikini, But When I Walked On the Beach...!"

WHY DID they stare me in awe? For a good laugh? I mean, I hadn't worn a bathing suit since I was 10.

And now, here I am, invited to a beach party. No way could I fit in a swimsuit. I felt so fat - and depressed.

But then, something inside me said, "Don't give up to everyone - you must - that I could look great too!" Right then and there, I promised myself to finally do something about the way I looked. But I didn't want to go on some diet like my mom would use. Besides, I tried dieting before and nothing happened. I wanted something made for girls my age - something that really worked - and would make me look great - for real!

That's when I heard about the Total Body Reshaping System. I knew that lots of other girls used it - and they looked great. Plus, I knew that it was totally safe and healthy for me too. So I went ahead and sent for it.

They sent it to me fast and I started to use it right away. After only 14 days I was excited about it. I did something kind of crazy. I went and bought my very first bikini! Everyone laughed - my family, my friends, even my best friend. But I didn't care. I was confident that the Total Body Reshaping System would give me the body I wanted. So I followed it everyday, exactly like it said. "Wow" - it worked!

What happened next was the most exciting moment of my life!

When I walked on the beach in my new bikini, guys - really cute guys - who never talked to me before suddenly wanted to meet me! Everyone crowded around me. "You look incredible!" "How'd you do it?" "What a body!" "What's your secret?" "She's beautiful!"

I couldn't believe it. It was like I was a whole new person. For the first time in my life I felt beautiful - even popular! After being fat for so long, the Total Body Reshaping System finally gave me the body I always wanted!

How to Get the Body You Always Wanted...

Now it's your turn! Because in a little as 14 days your entire body could suddenly start to take on a whole new shape! Plus you could be thinner and firmer than ever before. In fact, the all new TOTAL BODY RESHAPING SYSTEM - TBR'S - for women manual is 100% Guaranteed to give you a sleeker, sexier body that makes you stand out from other girls and gets you noticed - no matter what you look like right now!

So if you're overweight, the TBR SYSTEM will help you melt and Boil away ugly fat - leaving you with a firmer, more beautiful body. But that's only the beginning.

Stubborn Spots???

The TOTAL BODY RESHAPING SYSTEM shows you how to attack & ABOLISH your unique problem spots - shaping and molding them - tightening, firming, helping dissolve laser treated areas of fat with each new day.

That means you can zero in on your thighs, calves, hips, waist, arms, neck or another area that needs extra strong, extra fat treatment.

And since every girl's body is different, the TOTAL BODY RESHAPING SYSTEM lets you change the parts you don't like about you, so you end up with the perfect body for you!

Here's How It Works

The moment you put the TBR System into action, it helps you burn off excess calories and fatty deposits. That means more of the food you eat is automatically converted into energy - instead of fat. This sort of thing is doing your body amazing things! Next, TBR'S modifies your calorie intake. At the same time, our SPECIAL WEIGHT CONTROL system stimulates muscle tone exactly where you need it.

Plus, like many other girls, you'll know it's working because you'll feel it from the very first day and could see results in the mirror as quickly as fourteen days! Even so, you can look prettier - bringing out your cheekbones and accentuating your natural beauty line and structure.

But the best part is, TBR'S tells you how keep those improvements to your beautiful, new body, well stay that way. That means now you can look your best all year long, wear the fashions you love and look gorgeous! Yet with the TBR System, there's:

- NO dangerous diet pills to take
- NO chemical powders to mix
- NO oily heat suits or belts
- NO unhealthy crash diets
- NO long exhausting exercises

Once you use the TOTAL BODY RESHAPING SYSTEM there is nothing else to buy - ever. Simply read and follow it faithfully and then - day-by-day, inch-by-inch - you'll see and feel amazing changes start to take place. All your figure problems will suddenly start to disappear - simply, safely, naturally.

FACT: TBR'S is completely safe for all ages. There are NO side effects. It contains absolutely NOTHING chemical, internal, topical or artificial like other products.

FACT: TBR'S gives YOU the power to make the changes you want. Your results are unique for you and are Guaranteed to vary for each girl's body type, bone structure, condition, personal goals, and commitment!

FACT: No matter what you look like now, TBR'S can DRAMATICALLY change the way you look and show you how to stay that way for the rest of your life.

The TOTAL BODY RESHAPING SYSTEM costs less than a new station bike, an impressive appearance over hundreds times more. In fact, you'll hardly believe you've just altered your look in the mirror.

©1995 JCR Inc.

But maybe the best sign that you are growing sleeker and sexier is the looks from guys who don't notice you before - and the jealous looks from the competition!

Try It For 14 Days!

The TOTAL BODY RESHAPING SYSTEM must do everything exactly as we have promised - or you don't pay a penny! And to prove it to you, we'll let you try TBR'S in your home with a NO RISK 14 DAY TRIAL!

So when your package arrives, we want you to use it - go ahead, let the TBR SYSTEM start to reshape, firm and beautify your body. Use it as much as you like to help solve your "fat" problems!

Then, if you are not completely delighted with your new shape and appearance, it's our first week and feel absolutely sensational, simply return it for a complete and speedy refund. No hassles. No questions. No delays. Just your money back.

So it's up to you. One month from today, you could look no different than you do right now - or - you could look in the mirror and see a whole, new beautiful you blossoming before your eyes! You decide. Order TBR'S today! Then see how great it feels to actually have a beautiful body instead of just wishing you did.

100% MONEY BACK GUARANTEE! Try the TBR SYSTEM for 30 days to help you get the body you want. Then if you are not absolutely thrilled with the new you - simply return it for a full refund. No matter what you've tried before - TBR'S must work for you or you get your money back.

MAIL THIS SPECIAL RUSH ORDER FORM TODAY!

Yes! I want to have a beautiful body! Rush me the TBR System right now! I must be thrilled with the results or I get my money back. I am enclosing \$12.00 for one system or \$22.00 for two systems. Add \$3.00 for postage & handling. NO COINS PLEASE.

PLEASE! You must PRINT VERY CLEARLY so that your package is delivered to the right address.

Check here for Guaranteed Privacy. Yes! Send me my TBR System in a plain, unmarked package.

Name _____ Street _____ City _____ State _____

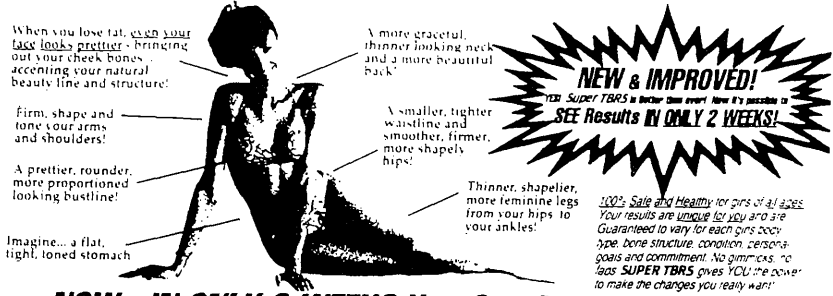


Johnson & Collins Research Dept S-995 USPOB NR 16346 Mpls MN 55416-0346

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Complaint

EXHIBIT C



NEW & IMPROVED!
 YOUR SUPER TBR'S is better than ever! Now it's possible to **SEE RESULTS IN ONLY 2 WEEKS!**

**NOW - IN ONLY 2 WEEKS You Can Start to Have...
 THINNER, FIRMER, LEGS & HIPS...
 A Smaller, Tighter Waistline, A Flatter, Tighter Stomach and a Prettier Bust!**

YES! In as little as 14 days, your entire body could suddenly start to take on a whole new shape! Plus you could be thinner and firmer than ever before. In fact, the all new **SUPER TOTAL BODY RESHAPING SYSTEM TBR'S** for women is 100% Guaranteed to give you a sleeker, sexier body that makes you stand out from other girls and gets you noticed - no matter what you look like right now!

Too Fat - or Too Thin?

SUPER TBR'S is NOT just another weight-loss product... It's a total body improver designed to "reshape" you from head to toe. So if you're overweight, the **SUPER TBR SYSTEM** will help you melt and float away ugly fat, even cellulite, leaving you with a firmer, more beautiful body. Or if you're on the skinny side - or just certain parts of you could use some extra curving curves - **SUPER TBR'S** can help you add existing new shape to your frame - in all the right places! And that's only the beginning.

Stubborn Spots???

The **SUPER TOTAL BODY RESHAPING SYSTEM** shows you how to attack your own unique problem spots - shaping and molding them - tightening, firming, helping dissolve (later after layer of fat wash each new day). That means you can zero-in on your thighs, calves, hips, waist, arms, neck or another area that needs extra strong, extra fast treatment. And since every girl's body is different, **SUPER TBR'S** lets you change the parts you don't like about you...so you end up with the perfect body for you!

Here's How it Works...

The moment you put **SUPER TBR'S** methods into action, you begin to burn-off excess calories and fatty deposits. No more of the food you eat is automatically converted into energy instead of fat. That's because **SUPER TBR'S** helps you modify your caloric intake. At the same time, **SUPER TBR'S**'s Special Shaping Actions let you stimulate muscle tone exactly where you need it... with NO aerobic exercise!

Plus, like many other girls, you'll know it's working because you'll feel it from that very first day and should see results in this **miracle** as quickly as **fourteen days!** Yes - you can look prettier - bringing out your cheek bones and accentuating your natural beauty line and structure. But the best part is **SUPER TBR'S** tells you how to keep those improvements so your beautiful new body can stay that way - and stay forever! That means how you can look your best all year long, wear the fashions you love and look gorgeous. Yet with **SUPER TBR'S** there are:

- NO dangerous diet pills to take
- NO chalky tasting chemical powders
- NO silly heat suits or belts
- NO unhealthy crash diets
- NO long exhausting exercise

Once you use **SUPER TBR'S** there is nothing else to buy - ever! Simply read and follow it faithfully and then - **day-by-day** - inch-by-inch you'll see and feel amazing changes starting to take place - simply, safely, naturally.

FACT: The **SUPER TBR'S** is safe for all ages. There are NO side effects. **TBR'S** contains absolutely NOTHING chemical, internal, topical or artificial like other products.

FACT: Only the **SUPER TBR'S** gives you Special Shaping Actions that let you zero-in on your own unique problem spots, firming and toning you!

FACT: The **SUPER TBR'S**'s purpose is to permanently change the way you look and show you how to stay that way for the rest of your life!

You'll Hardly Believe Your Eyes!!

The **SUPER TBR SYSTEM** costs less than a new haircut, but will improve your appearance one hundred times more! In fact, you'll hardly believe

your eyes when you look in the mirror! That's maybe the best sign that you're getting the sleeker and sexier of the looks from girls who aren't noticed you before - and the obvious looks that the competition!

ONE YEAR GUARANTEE!

Yes! The **SUPER TBR SYSTEM** must be working exactly as we have promised, or you don't pay a penny! And to prove it to you, we'll let you try it for **ONE FULL YEAR!** That's how sure we are that **TBR'S** will work for you.

When your package arrives, we want you to use it... go ahead, let **SUPER TBR'S** start to reshape, firm and beautify your body! Use it as much as you like to help solve your figure problems! Then - if you are not completely delighted with your new shape and appearance, if you don't look and feel absolutely sensational, simply return it for a complete and speedy refund. No hassles. No questions. No delays. Just your money back.

So it's up to you. One month from today, you could look no different than you do right now - or - you could look in the mirror and see a whole, new beautiful you blossoming before your eyes! You decide.

Fill in the Rush Coupon below and mail it now! Then see how great it feels to actually **have** a beautiful body instead of just wishing you did. We won't disappoint you!

Free Gift For You!

If you order **TBR'S** right now, we'll also send you a copy of **CHANGES!**, the ultimate in Total Self-Improvement absolutely FREE just for trying **TBR'S**. Act Now!



FULL ONE-YEAR GUARANTEE!
 The New **Super TBR'S** comes with an incredible **ONE YEAR MONEY-BACK GUARANTEE!** So better what you've tried before - **TBR'S** must work for you or you get your money back. No questions asked. You risk nothing.

100% SATISFACTION GUARANTEED OR YOUR MONEY BACK!

Yes! I want to have a beautiful body! RUSH me the all new **SUPER TBR SYSTEM** immediately! I must be thrilled with the results or I get my money back! I am enclosing \$11.00 for the complete system or \$25.00 for TWO systems and Add \$4.00 for postage & handling. **NO COINS PLEASE.** (Canadians must add \$3.00)

GUARANTEED PRIVACY: Yes! Send my **SUPER TBR'S** in a plain, unmarked package.

TBR SYSTEM PERSONAL BODY TYPE AND PROBLEM SPOT FORM

QUESTIONS: Please put an X in the boxes that apply to your personal problem areas. Check off as many boxes as you like. Feel free to add any special notes or wishes on a separate piece of paper.

This is my general body type:

TYPE A - I am overweight. I need to lose pounds and inches - reshape my problem spots for a sleeker, more graceful and toned body.

TYPE B - I am too skinny. I need more shape and curves in all the right places for a more eye-catching figure.

These are the parts of my body that need the most improvement:

<input type="checkbox"/> FACE	<input type="checkbox"/> WRISTS	<input type="checkbox"/> CROTCH THIGH	<input type="checkbox"/> LOWER BACK
<input type="checkbox"/> CHIN	<input type="checkbox"/> HANDS	<input type="checkbox"/> ANKLE	<input type="checkbox"/> LOWER BACK
<input type="checkbox"/> NECK	<input type="checkbox"/> STOMACH	<input type="checkbox"/> CALVES	<input type="checkbox"/> BUTTOCKS
<input type="checkbox"/> SHOULDER	<input type="checkbox"/> HIPS	<input type="checkbox"/> THIGHS	<input type="checkbox"/> BUTT EGG
<input type="checkbox"/> PREPARE	<input type="checkbox"/> INNER THIGH	<input type="checkbox"/> FEET	<input type="checkbox"/> BUST SPOT

Johnson & Collins Research
 Dept. T-995A, USPOB NR. 16346
 Mpls., MN 55416-0346

Complaint

121 F.T.C.

EXHIBIT D



"They Laughed When I Bought My Bikini, But When I Walked On the Beach...!"

WHEN DID they make me nervous? For a good laugh? I mean, I didn't want a bathing suit once I was fit!

And now, yes, I am invited to beach parties. No one could fit in a swimsuit. I felt so fat - and depressed!

But then something inside me said they were *Power to everyone - and me!* But I could look great too! Right then and there I promised myself to finally do something about the way I looked. But I didn't want to go on some diet like my mom would use. Besides, I tried dieting before, and nothing happened. I wanted something made for girls my age - something that really worked and would make me look great!

That's when I heard about the *Total Body Reshaping System*. I knew that just like other girls said it would look great. But I said that it was only age and health for me too. So I went ahead and got it!

I've got it to me fast and I started to see a right result. After only 3 days I was excited about it. I had something said of every. I went out tonight with my first friend. Everyone laughed. I was like a *my friends, even my mom!* But I didn't care. I was confident that the *Total Body Reshaping System* would give me the body I wanted. So I followed it everyday exactly like it said. "Wow," it worked!

What happened next was the most exciting moment of my life.

When I walked on the beach in my new bikini, guys - *real, nice guys* - who never talked to me before suddenly wanted to meet me. I was being crowded around me. "You look incredible. How do you do it?" "What's that?" "What's your secret?" "She's beautiful!"

I couldn't believe it. It was like I was a whole new person. For the first time in my life I felt beautiful - *even popular!* After being fat for so long, the *Total Body Reshaping System* finally gave me the body I always wanted!

How to Get the Body You Always Wanted...

Now it's *your turn!* Because in as little as 14 days, your entire body could suddenly start to take on a whole new shape! Plus you could be thinner and firmer than ever before. In fact, the *new TOTAL BODY RESHAPING SYSTEM - TBRSS* - for short - manual is 100% Guaranteed to give you a sleeker, sexier body that makes you stand out from other girls and gets you noticed - *no matter what you look like right now!*

So if you're overweight, the TBR SYSTEM will help you melt and float away ugly fat - leaving you with a firmer, more beautiful body. But that's only the beginning.

Stubborn Spots???

The *TOTAL BODY RESHAPING SYSTEM* shows you how to attack your own unique problem spots - shaping and slimming them. Tightening, firming, helps eliminate cellulite and get rid of it with our new fat...

That means you can *zero in* on your thighs, calves, hips, waist, arms, neck or another area that needs *extra strong, extra fast* treatment.

And since every girl's body is different, the *TOTAL BODY RESHAPING SYSTEM* lets you change the parts you don't like about you, so you end up with the perfect body for you!

Here's How It Works

The moment you put the TBR System into action, it helps you burn off excess calories and fat deposits. That means more of the food you eat is automatically converted into energy - instead of fat. It's sort of like *zapping* your body into losing weight. Next, TBRSS molts your *extra fat*. At the same time, your *Special Sculpting Cream* helps you stimulate muscle tone, exactly where you need it.

Plus, like many other girls, you'll know it's working because you'll feel it from the very first day and should see results in the mirror as quickly as *fourteen days!* Even your face can look prettier - bringing out your cheekbones and accentuating your natural, beautiful bone structure.

But the best part is, TBRSS tells you how keep those improvements so your beautiful, new body will stay *that way!* That means now you can look your best all year long - wear the fabulous you love and look gorgeous! Get with the TBR System there, too!

- NO dangerous diet pills to take
- NO chemical powders to mix
- NO diet fad diets or pills
- NO unhealthful or diets
- NO long, exhausting exercise!

Once you use the *TOTAL BODY RESHAPING SYSTEM* there is *nothing else to buy - ever!* Simply read and follow it faithfully and then - day by day, inch by inch - you'll see and feel amazing changes start to take place. All your figure problems will suddenly start to disappear - *simply, safely, naturally!*

FACT: TBRSS is completely safe for all ages. There are *NO* side effects. It contains *absolutely NO PHENOLS, chemical, internal, natural or artificial like other products!*

FACT: TBRSS gives YOU the power to make the changes you want. *Your results are unique for you and are Guaranteed to last!* For each girl's body type, bone structure, condition, personal goals and commitment!

FACT: No matter what you look like *right now*, TBRSS can *PERMANENTLY* change the way you look and show you how to stay that way for the rest of your life.

The *TOTAL BODY RESHAPING SYSTEM* costs less than a low market, but can improve your appearance (in thousands of ways more). In fact, you'll hardly believe your eyes when you look in the mirror.

©1995 JCR Inc

But maybe the best sign that you're growing sleeker and sexier is the looks from guys who never noticed you before - and the *fabulous* looks from the competition!

Try It For 14 Days!

The *TOTAL BODY RESHAPING SYSTEM* must do *everything* exactly as we have promised. If you don't pay a penny! And to prove it to you, we'll let you try TBRSS in your home with our **NO RISK 14 DAY TRIAL!**

So when your package arrives, *don't wait* - use it - go ahead, let the TBR SYSTEM start to reshape, firm and beautify your body. Use it as *much as you like* to help solve your figure problems!

Then - if you're not completely delighted with your new shape and appearance, if you don't want and feel absolutely sensational, simply return it for a complete and speedy refund. No hassles. No questions. No delays. Just your money back.

So it's up to you. One month from today, you could look no different than you do right now - or - you could look in the mirror and see a whole, new beautiful you blossoming before your eyes! You decide. Order TBRSS today! Then see how great it feels to actually *have* a beautiful body instead of just wishing you did.

100% MONEY BACK GUARANTEE!

Try the TBR SYSTEM for 30 days to help you get the body you want. Then if you are not absolutely thrilled with the new you - simply return it for a full refund. *No matter what you've tried before - TBRSS must work for you or you get your money back.*

MAIL THIS SPECIAL RUSHY ORDER FORM TODAY!

Yes! I want to have a beautiful body! Rush me the TBR System right now! I must be thrilled with the results or I get my money back. I am enclosing \$12.00 for the original TBR System or \$29.95 for the new Super TBR System with a One Year Guarantee! Add \$4.00 for postage & handling. **NO COINS PLEASE!**

PLEASE! You must PRINT VERY CLEARLY so that your package is delivered to the right address.

Check here for Guaranteed Privacy. Yes! Send me my TBR System in a plain, unmarked package.

Name _____
Street _____
City _____
State _____ Zip _____



Johnson & Collins Research
Dept. Y-895 USPOB NR 16346
Mpls. MN 55416-0346

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Consumer Protection proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act; and

The respondents, their attorneys, and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as alleged in such complaint, or that the facts as alleged in such complaint, other than jurisdictional facts, are true and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Act, and that a complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of sixty (60) days, now in further conformity with the procedure prescribed in Section 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings and enters the following order:

1. Respondent Johnson & Collins Research, Inc. is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Minnesota, with its office and principal place of business located at 5115 Excelsior Blvd., in the City of Minneapolis, State of Minnesota.

Respondent Gregor A. von Ehrenfels is an officer of said corporation. Individually or in concert with others, he participates in and/or formulates, directs, and controls the acts and practices of said corporation and his principal office and place of business are located at the above stated address.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

For purposes of this order;

1. "*Clearly and prominently*" shall mean as follows:

(a) In a television or videotape advertisement, the disclosure shall be presented simultaneously in both the audio and video portions of the advertisement. The audio disclosure shall be delivered in a volume and cadence and for a duration sufficient for an ordinary consumer to hear and comprehend it. The video disclosure shall be of a size and shade, and shall appear on the screen for a duration, sufficient for an ordinary consumer to read and comprehend it.

(b) In a print advertisement, the disclosure shall be in a type size, and in a location, that are sufficiently noticeable so that an ordinary consumer will see and read it, in print that contrasts with the background against which it appears. In multi-page documents, the disclosure shall appear on the cover or first page.

(c) In a radio advertisement, the disclosure shall be delivered in a volume and cadence sufficient for an ordinary consumer to hear and comprehend it.

2. "*Competent and reliable scientific evidence*" shall mean tests, analyses, research, studies, or other evidence based on the expertise of professionals in the relevant area, that has been conducted and evaluated in an objective manner by persons qualified to do so, using procedures generally accepted in the profession to yield accurate and reliable results.

3. "*Weight-loss product*" shall mean any product or program designed or used to prevent weight gain or to produce weight loss, reduction or elimination of fat, slimming, or caloric deficit in a user of the product or program.

I.

It is ordered, That respondents, Johnson & Collins Research, Inc., a corporation, its successors and assigns, and its officers; and Gregor A. von Ehrenfels, individually and as an officer of Johnson & Collins Research, Inc.; and respondents' agents, representatives and employees, directly or through any partnership, corporation, subsidiary, division or other device, in connection with the manufacturing, advertising, packaging, labeling, promotion, offering for sale, sale, or distribution of Total Body Reshaping System, Super Total Body Reshaping System, or any substantially similar product, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, in any manner, directly or by implication, that such product does not require dieting.

II.

It is further ordered, That respondents, Johnson & Collins Research, Inc., a corporation, its successors and assigns, and its officers; and Gregor A. von Ehrenfels, individually and as an officer of Johnson & Collins Research, Inc.; and respondents' agents, representatives and employees, directly or through any partnership, corporation, subsidiary, division or other device, in connection with the manufacturing, advertising, packaging, labeling, promotion, offering for sale, sale, or distribution of any weight-loss product, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, in any manner, directly or by implication, that:

- A. Such product is effective in causing fast and significant weight loss;
- B. Such product is effective in reducing body fat or cellulite;
- C. Such product is effective in causing weight loss, fat reduction, or increased muscle tone in specific, desired areas of the body;
- D. Such product is effective in burning excess calories, modifying caloric intake, or converting food into energy instead of fat; or
- E. Such product has any effect on users' weight, body size or shape, body measurements, or appetite,

unless, at the time of making such representation, respondents possess and rely upon competent and reliable scientific evidence that substantiates the representation.

III.

Nothing in Parts I and II of this order shall prohibit respondents from making representations which promote the sale of books and other publications, provided that, the advertising only purports to express the opinion of the author or to quote the contents of the publication; the advertising discloses the source of the statements quoted or derived from the contents of the publication; and the advertising discloses the author to be the source of the opinions expressed about the publication. This Part shall not apply, however, if the publication or its advertising is used to promote the sale of some other product as part of a commercial scheme.

IV.

It is further ordered, That respondents, Johnson & Collins Research, Inc., a corporation, its successors and assigns, and its officers; and Gregor A. von Ehrenfels, individually and as an officer of Johnson & Collins Research, Inc.; and respondents' agents, representatives and employees, directly or through any partnership, corporation, subsidiary, division or other device, in connection with the manufacturing, advertising, packaging, labeling, promotion, offering for sale, sale, or distribution of Total Body Reshaping System, Super Total Body Reshaping System, or any substantially similar product, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from making any representation, in any manner, directly or by implication, that any such product has any effect on weight or body size, unless respondents disclose, clearly and prominently, that such product consists primarily of a booklet or pamphlet containing information and advice on weight loss.

V.

It is further ordered, That respondents, Johnson & Collins Research, Inc., a corporation, its successors and assigns, and its

officers; and Gregor A. von Ehrenfels, individually and as an officer of Johnson & Collins Research, Inc.; and respondents' agents, representatives and employees, directly or through any partnership, corporation, subsidiary, division or other device, in connection with the manufacturing, advertising, packaging, labeling, promotion, offering for sale, sale, or distribution of any weight-loss product, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from making any representation, in any manner, directly or by implication, that any such weight-loss product has any effect on weight or body size, unless they disclose, clearly and prominently, that dieting and/or increasing exercise is required to lose weight; provided however, that this disclosure shall not be required if respondents possess and rely upon competent and reliable scientific evidence demonstrating that the weight-loss product is effective without either dieting or increasing exercise.

VI.

It is further ordered, That respondent, Johnson & Collins Research, Inc., shall:

A. Within thirty (30) days after service of this order, provide a copy of this order to each of respondent's current principals, officers, directors, and managers, and to all personnel, agents, and representatives having sales, advertising, or policy responsibility with respect to the subject matter of this order; and

B. For a period of five (5) years from the date of issuance of this order, provide a copy of this order to each of respondent's future principals, officers, directors, and managers, and to all personnel, agents, and representatives having sales, advertising, or policy responsibility with respect to the subject matter of this order who are associated with respondent or any subsidiary, successor, or assign, within three (3) days after the person assumes his or her responsibilities.

VII.

It is further ordered, That for five (5) years after the last date of dissemination of any representation covered by this order,

respondents, or their successors and assigns, shall maintain and upon request make available to the Federal Trade Commission or its staff for inspection and copying:

A. All materials that were relied upon in disseminating such representation; and

B. All tests, reports, studies, surveys, demonstrations or other evidence in their possession or control that contradict, qualify, or call into question such representation, or the basis relied upon for such representation, including complaints from consumers.

VIII.

It is further ordered, That respondent, Johnson & Collins Research, Inc., shall notify the Federal Trade Commission at least thirty (30) days prior to any proposed change in its corporate structure, including but not limited to dissolution, assignment, or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries or affiliates, the planned filing of a bankruptcy petition, or any other corporate change that may affect compliance obligations arising out of this order.

IX.

It is further ordered, That respondent, Gregor A. von Ehrenfels, shall, for a period of three (3) years from the date of issuance of this order, notify the Commission within thirty (30) days of the discontinuance of his present business or employment and of his affiliation with any new business or employment involving the advertising, offering for sale, sale, or distribution of any weight-loss product. Each notice of affiliation with any new business or employment shall include respondent's new business address and telephone number, current home address, and a statement describing the nature of the business or employment and his duties and responsibilities.

X.

This order will terminate on May 31, 2016, or twenty years from the most recent date that the United States or the Federal Trade

Commission files a complaint (with or without an accompanying consent decree) in federal court alleging any violation of the order, whichever comes later; provided, however, that the filing of such a complaint will not affect the duration of:

- A. Any paragraph in this order that terminates in less than twenty years;
- B. This order's application to any respondent that is not named as a defendant in such complaint; and
- C. This order if such complaint is filed after the order has terminated pursuant to this paragraph.

Provided further, that if such complaint is dismissed or a federal court rules that the respondent did not violate any provision of the order, and the dismissal or ruling is either not appealed or upheld on appeal, then the order will terminate according to this paragraph as though the complaint was never filed, except that the order will not terminate between the date such complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

XI.

It is further ordered, That respondents shall, within sixty (60) days after service of this order, and at such other times as the Federal Trade Commission may require, file with the Commission a report, in writing, setting forth in detail the manner and form in which they have complied with this order.

Complaint

121 F.T.C.

IN THE MATTER OF

CANCER TREATMENT CENTERS OF AMERICA, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SECS. 5 AND 12 OF THE FEDERAL TRADE COMMISSION ACT*Docket C-3662. Complaint, May 31, 1996--Decision, May 31, 1996*

This consent order requires, among other things, the Illinois-based company and two affiliated hospitals to substantiate future claims regarding the success or efficacy of their cancer treatments and to ensure that testimonials they use do not misrepresent the typical experience of their patients.

*Appearances*For the Commission: *Walter Gross, III.*For the respondents: *Stephen Durchslag* and *Michael Silbarium,*
Winston & Strawn, Washington, D.C.

COMPLAINT

The Federal Trade Commission, having reason to believe that Cancer Treatment Centers of America, Inc., a corporation, Midwestern Regional Medical Center, Inc., a corporation, and Memorial Medical Center and Cancer Institute, Inc., a corporation, ("respondents") have violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, alleges:

PARAGRAPH 1. Respondent Cancer Treatment Centers of America, Inc., is an Illinois corporation, with its principal office or place of business at 3455 Salt Creek Lane, Suite 200, Arlington, Illinois.

Respondent Midwestern Regional Medical Center, Inc., is an Illinois corporation, with its principal office or place of business at Shiloh Boulevard and Emmaus Avenue, Zion, Illinois.

Respondent Memorial Medical Center and Cancer Institute, Inc., is an Oklahoma corporation, with its principal office or place of business at 8181 South Lewis Avenue, Tulsa, Oklahoma.

PAR. 2. Individually or in concert with others, respondents have advertised, offered for sale and sold cancer treatments and related health care services under the trade name "Cancer Treatment Centers of America" ("CTCA").

PAR. 3. The acts and practices of respondents alleged in this complaint have been in or affecting commerce, as "commerce" is defined in Section 4 of the Federal Trade Commission Act.

PAR. 4. Respondents have disseminated or have caused to be disseminated advertising in the form of promotional brochures for CTCA, including but not necessarily limited to the attached Exhibit A. This brochure contained the following statement:

(a) "Statistically our five-year survivorship is among the highest documented."

PAR. 5. Through the use of the statement contained in the advertisement referred to in paragraph four, including but not necessarily limited to the statement in the advertisement attached as Exhibit A, respondents have represented, directly or by implication, that statistical evidence demonstrates that the five-year survivorship rate for cancer patients in respondents' hospitals is among the highest recorded rates of survivorship for cancer patients.

PAR. 6. Through the use of the statement contained in the promotional brochure referred to in paragraph four, including but not necessarily limited to the statement in the brochure attached as Exhibit A, respondents have represented, directly or by implication, that at the time they made the representation set forth in paragraph five, respondents possessed and relied upon a reasonable basis substantiating such representation.

PAR. 7. In truth and in fact, at the time they made the representation set forth in paragraph five, respondents did not possess and rely upon a reasonable basis substantiating such representation. Therefore, the representation set forth in paragraph six was, and is, false and misleading.

PAR. 8. Respondents have disseminated or have caused to be disseminated advertisements and promotional materials for CTCA, including but not necessarily limited to the attached Exhibits A-C. These advertisements and promotional materials contain the following statements:

Complaint

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(a) "The outlook has previously been bleak for people with certain forms of cancer, which resisted conventional types of treatment. Today, as a result of several treatments we were instrumental in pioneering, those cancers are beginning to yield.

Whole body hyperthermia is one such treatment. An approved medical procedure that raises the body's temperature to kill cancer cells without harming the normal cells that surround them, it is the product of years of meticulous research.

...

We felt certain that raising the body's temperature to the threshold of a cancer cell's viability could help us save lives." (Exhibit A)

(b) 'Cancer is not invincible. I Know'

I had what the doctors called a modified radical mastectomy at a local hospital near my home in Indiana, and it didn't work.

The cancer metastasized to the bone. The prognosis took just three words. "Less than poor." They told me to go home. There was really no hope. No options left.

Maybe so, but I wasn't ready to die yet, and found a place that wasn't ready to let me. Cancer Treatment Center of America.

...

For me the treatment was fractionated-dose chemotherapy combined with whole-body hyperthermia -- killing the cancer cells with heat, intense heat, something they pioneered way back in the 70's. . . .

That was more than a year ago. More than a year of living life to the hilt. And getting to watch my daughter grow up.

'Guess it all depends on where you go.'

Barbara Hladek, cancer patient, at home in Indiana with her daughter." (Exhibit B)

(c) "We Found A Way To Pin A Bullseye On Lung Cancer

[The American Cancer Society] . . . estimate[s] that 142,000 [of 155,000 new cases of lung cancer diagnosed each year] will end in death, many with severe complication of lung obstruction -- a problem we hope to change with our newest weapon brachytherapy.

...

Brachytherapy is a new addition to our comprehensive cancer treatment program. Helping even one of those 142,000 lives makes it so." [Exhibit C]

PAR. 9. Through the use of the statements contained in the advertisements and promotional materials referred to in paragraph eight, including but not necessarily limited to the statements in the advertisements and promotional materials attached as Exhibits A-C, respondents have represented, directly or by implication, that:

(a) Whole body hyperthermia is a treatment that is approved for treatment of cancer by an independent medical organization;

(b) Through whole body hyperthermia, respondents are able to treat successfully certain forms of cancer that were previously unresponsive to conventional types of cancer treatment; and

(c) Through brachytherapy, respondents may be able to improve the chances of survival for many lung cancer patients.

PAR. 10. In truth and in fact, whole body hyperthermia is not approved for treatment of cancer by an independent medical organization. Therefore, the representation set forth in paragraph nine (a) was, and is, false and misleading.

PAR. 11. Through the use of the statements contained in the advertisements referred to in paragraph eight, including but not necessarily limited to the statements in the advertisements attached as Exhibits A-C, respondents have represented, directly or by implication, that at the time they made the representations set forth in paragraph nine, respondents possessed and relied upon a reasonable basis substantiating such representations.

PAR. 12. In truth and in fact, at the time they made the representations set forth in paragraph nine, respondents did not possess and rely upon a reasonable basis substantiating such representations. Therefore, the representation set forth in paragraph eleven was, and is, false and misleading.

PAR. 13. Respondents have disseminated or have caused to be disseminated advertisements and promotional brochures for CTCA, including but not necessarily limited to the attached Exhibits D-F. These advertisements contain the following statements:

(a) "You Can Beat Cancer. I'm Living Proof

...

[Flossie Dishong] had to travel almost a thousand miles from her home in Indiana to discover she had an inoperable tumor. Flossie refused to accept that diagnosis, and continued her search.

That's when Flossie found Cancer Treatment Centers of America We found a way to treat her cancer as well as her pain.

You see, cases like hers are the kind we generally take -- whether the cancer was just discovered or the previous treatments have failed.

...

We've given these people another chance to live, time and time again.

...

We've helped many patients to know the joy of living life to the fullest again, of waking each morning to a cloudless sky with many silver linings." (Exhibit D).

(b) "IF SOMEONE TELLS YOU DYING OF CANCER IS INEVITABLE REMEMBER THIS FACE.

You're looking at Nancy Cockle. An elated Nancy Cockle.

Thirty-Eight. Mother of three. Registered nurse. Cancer in remission. Complete remission.

We can tell you that while she may feel like one in a million at this moment in her life, full of exuberance and plans for the future, which now include a farm in Nebraska, her case is by no means novel.

We make a habit out of conquering cancer.

...

One way we measure our success is by the number of trees we plant in the park next door. One tree for each of our cancer patients who is alive and well five years later.

We're saving a spot for Nancy's." (Exhibit E)

(c) "They Beat Cancer

Sam Alsbach, Lymphoma - 7 Year Survivor; Diane Casto, Breast Cancer - 10 Year Survivor; Chester Jermakowicz - Prostate and Bone Cancer - [illegible] Year Survivor; Norma Baith Breast cancer - 9 Year Survivor; Harlan Martin, Lymphoma - 6 Year Survivor; Katy Rouse, Breast Cancer, 6 Year Survivor; Ron Benzler, Colon Cancer - 9 Year Survivor; Ewald Ehresman, Lymphoma - 6 Year Survivor.

Six-year survivor. Seven-year survivor. Eight-year survivor. Nine. Ten. Eleven. And even more! They're just some of the battles with cancer we've fought, for brave people who came to us, often after treatment elsewhere. Often with the feeling that there was little reason to hope. They came away with new leases on life, like many other patients we've helped. It's a success story built on highly advanced, innovative, comprehensive treatment programs, a team approach, and a highly caring environment." (Exhibit F)

PAR. 14. Through the use of the statements contained in the advertisements referred to in paragraph thirteen, as well as the statements contained in the advertisement referred to in paragraph eight (b), including but not necessarily limited to the statements in the advertisements attached as Exhibits B and D-F, respondents have represented, directly or by implication, that testimonials from consumers appearing in advertisements for respondents' treatment centers reflect the typical and ordinary experience of members of the public who have undergone treatment at said treatment centers.

PAR. 15. Through the use of the statements contained in the advertisements referred to in paragraph thirteen, as well as the statements contained in the advertisement referred to in paragraph eight (b), including but not necessarily limited to the statements in the advertisements attached as Exhibits B and D-F, respondents have represented, directly or by implication, that at the time they made the representation set forth in paragraph fourteen, respondents possessed and relied upon a reasonable basis substantiating such representation.

PAR. 16. In truth and in fact, at the time they made the representation set forth in paragraph fourteen, respondents did not possess and rely upon a reasonable basis substantiating such

representation. Therefore, the representation set forth in paragraph fifteen was, and is, false and misleading.

PAR. 17. The acts and practices of respondents as alleged in this complaint constitute deceptive acts or practices in or affecting commerce in violation of Section 5 (a) and 12 of the Federal Trade Commission Act.

Complaint

121 F.T.C.

EXHIBIT A

*This tree
represents every tree growing in our Cancer Survivors' Arboretum,
a source of inspiration to cancer victims everywhere.
One tree is planted there for every patient of ours who has
survived for at least five years, the standard used by the
American Cancer Society to define the word "cure."
There is no more fitting symbol to commemorate all the battles won and all the lives
saved. The tree, the boy and his companion speak of the optimism of youth, of new
beginnings, soaring spirits, years of love and laughter and loyal friends, and the joy of
looking forward to life once again.
We have already planted more than a hundred trees.
Our goal is to plant a forest.*

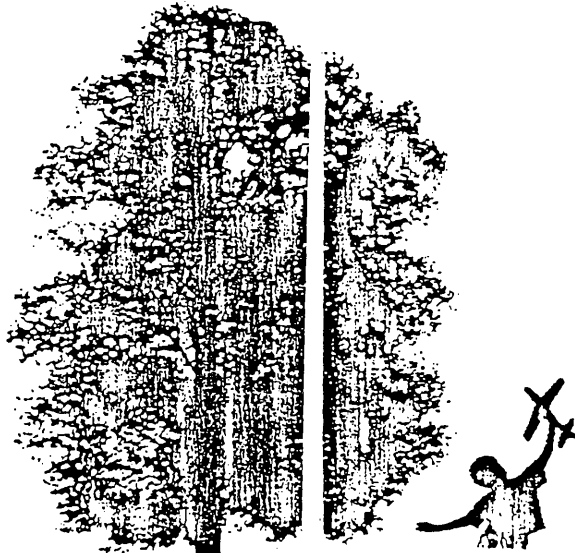


EXHIBIT A

EXHIBIT A

WHO WE ARE

To achieve our mission required creating an approach to treatment almost unheard of in the medical community and only dreamed of by the patient.

Assembling the finest professionals in oncology, tumor biology, immunology and other cancer specialties wasn't enough. Others have first-rate staffs, too. Our approach calls for the specialists on staff to work as a team, regularly sharing information and insights regarding each patient's case.

What's more, the patient is always present and participating—a partner in the planning. Until he or she fully understands each proposal, and agrees with it, no course of treatment begins. And because our oncology physicians are members of our staff exclusively, they are always close by, ready to provide immediate comfort and guidance.

Another difference in our approach—and benefit—is

ease of access. Since our patients come to us from all parts of the country, we go to great lengths to make the journey extra easy on them. Our travel staff makes arrangements for the patients and family members to visit one of our facilities. They're met at the airport and driven to our front door, and back to the airport as well. If the flight is delayed, the driver will wait with them. If it is cancelled, he'll make other arrangements on the spot and, if necessary, check them into a nearby hotel for the night.

The results that our approach to cancer treatment produces are best evidenced by the names you'll see on the last page—patients still alive at least five years after coming to us for treatment. Statistically, our five-year survivorship is among the highest documented.

We believe it is attributable to the comprehensive treatment program we offer, the kind that makes the life of every patient we work with the most important life in the world.

ACCREDITATION

Cancer Treatment Centers of America facilities, laboratories or programs have either received or are in the process of applying for accreditation, approval or certification from the Joint Commission on the Accreditation of Health Care Organizations, the American College of Surgeons, the Association of Community Cancer Centers and the College of American Pathology.



Complaint

121 F.T.C.

EXHIBIT A

CARING

*We have seen the cycle of discovery,
denial, shock, fear, anger, despair, helplessness—and
hope—played out many times.*

*This debilitating roller coaster ride of emotions is a
condition that must be addressed.*

*We believe doing so calls for a recognition of special
needs and support.*

*It requires compassion and comfort,
especially emotional and spiritual comfort, as well as
a great deal of the kind of care we specialize in,
Tender, loving care.*

Complaint

EXHIBIT A

OUR APPROACH

Cancer Treatment Centers of America uses what is called a multi-modality approach to treat cancer. That simply means we combine traditional therapies, primarily chemotherapy, radiation and surgery, with medicine's newest therapies—such in-

novative treatments as whole-body, local and regional hyperthermia, fractionated-dose chemotherapy and tumor vaccines.

Our objective is to provide our patients with options. Options that allow us to target the cancer as precisely as possible. Options that are tailored to its type and behavior. Options that result in the most effective available treatment or combination of treatments, old or new.

We also buttress the treatment plan selected with nutritional, psychological and pastoral support, all of which

have been proved to be biologically as well as emotionally beneficial in fighting cancer.

Our approach is as comprehensive as possible, because it offers us more ways to succeed and our patients more ways to survive.

Complaint

121 F.T.C.

EXHIBIT A

WINNING

Our objective is results.

*We believe there is no alternative except to win the
fight, to slow cancer's growth, to stop it,
to excise it, to give back the life it's taking for as long
as possible. By any means possible.*

*We also believe it is not enough to win once,
or twice, or merely now and then.*

*Again, the only option is to win repeatedly,
time after time after time.*

*For only being able to repeat and repeat and repeat
the outcome can we truly claim
victory over cancer.*

EXHIBIT A

TREATMENT

The outlook has previously been bleak for people with certain forms of cancer, which resisted conventional types of treatment. Today, as a result of several treatments we were instrumental in pioneering, those cancers are beginning to yield.

Whole-body hyperthermia is one such treatment. An approved medical procedure that raises the body's temperature to kill cancer cells without harming the normal cells that surround them; it is the product of years of meticulous research.

We knew, for instance, that the size of malignant tumors had been shown to decrease in patients running a fever. We also knew that the effectiveness of chemotherapy had been shown to increase during the presence of a fever. We felt certain that raising the body's temperature to the threshold of a cancer cell's viability could help us save lives. We acted on that belief as far back as 1978.

The treatment, which takes place in the sterile environment of a surgery

suite, calls for the patient's torso and limbs to be carefully wrapped in cotton insulating pads. Then, after being anesthetized, he or she is placed between thick rubber blankets through which very hot water is pumped. The temperature is slowly, carefully elevated to the point at which cancer cells begin to die—106 degrees Fahrenheit. It is held there for approximately two hours, during which vital signs are monitored continuously. The procedure is non-invasive and very safe when administered by specialists on our staff.

Cancer Treatment Centers of America has led the world in the development of whole-body hyperthermia. We have administered it more than 1,000 times since 1978. We have also led the way in the performance of clinical studies that seek to learn how much hyperthermia can increase the effect of chemotherapy and radiation on cancer.

We also perform local and regional hyperthermia. This method of utilizing heat to treat cancer makes it possible to target specific tumors or areas of the body very accurately with low-

power microwaves. We apply the precise amount of heat necessary—109 degrees or higher—to weaken and destroy the malignant cells and increase their vulnerability to radiation, chemotherapy and other methods of attack. Better yet, local and regional hyperthermia can be used with only a local anesthetic on either an inpatient or outpatient basis.

Unfortunately, not every cancer patient is a good candidate for hyperthermia. The type and severity of the cancer as well as the patient's medical history must be considered. Even his or her emotional and psychological well-being is taken into account. Results from extensive testing—diagnostic, laboratory and X-ray—also determine which patients may benefit most.

Patients who choose to have the treatment meet with our hyperthermia specialists to discuss possible risks as well as benefits. Mutual understanding and agreement are essential.



PLEASE CALL 1-800-FOR-HELP

Complaint

121 F.T.C.

EXHIBIT A

PATIENT RIGHTS

We believe

*the last word in the formulation of a patient's
treatment plan belongs to the patient alone.*

It is his or her inalienable right.

*The right to know the options and the expectations
for each, and then to decide.*

*Exercising that right can help greatly to improve the
chances for success.*

*For those reasons our team of doctors,
nurses and supporting staff works closely with both
patient and family to make sure
that the likely effects of possible treatment modalities
are clearly understood.*

*Only then can patients join with
their medical team in confidently choosing the most
prudent course of action.*

Complaint

EXHIBIT A

LABORATORY

Our fully accredited laboratory is one of the finest in the country. It's an asset that makes Cancer Treatment Centers of America stand above all other such organizations.

It gives us, for instance, the ability to perform highly sophisticated advanced assays that gauge the function of the immune system, a measurement tool not readily available at most hospitals. Three such tests—natural killer cell, mitogen stimulation, and T-suppressor assays—allow our oncology physician team to monitor the overall effect of the treatment as well as each patient's capacity to battle his or her cancer.

Most important of all, perhaps, is the ability our laboratory gives us to clone some patients' tumor cells, to "grow" them outside the patient's body. For some patients this means we can determine beforehand the

type of treatment—the kind of chemotherapy or the optimum amount of radiation that will be most effective.

This procedure, *in vitro* determination of chemosensitivity, allows us to determine in a glass or test tube (*in vitro*) which chemical or other agent will work best on the cells taken from the patient's body. How they react is carefully monitored and the agent that proves most effective is then selected as a possible treatment.

Another great advantage our laboratory affords us is assessment of the immune function, by which we can detect very early on which of the body's cells may become cancerous. The test, called a tumor marker panel, analyzes normal-appearing cells to detect "markers" on or in them that indicate a predisposition to cancer, or that cancer is already present in a very early stage of development.

Once cancer is positively identified, the lab's cancer specialists work to develop

both the most effective treatments for fighting it as well as methods of re-energizing the body's own natural defenses. Although impaired by the growth of the cancer, the immune system can be strengthened to help with the fight.

In addition, the laboratory houses a research and development section where, as a matter of course, new ideas are joined with new technology to find more effective ways to combat cancer. We are currently developing tumor vaccines, tumor-derived killer cells, and lymphokine-activated lymphocytes that may prove to be the breakthroughs we've been searching for.

The goal of this aggressive research program, the effort of every waking moment, is to find more new ways to arrest cancer and someday, a way to cure it and even prevent it.



PLEASE CALL 1-800-FOR-HELP

Complaint

121 F.T.C.

EXHIBIT A

FAMILY

We are family.

We think as one and we work as one.

*Equally important, we take pains to treat our
patients and their loved ones as family.*

*It is at the heart of the caring atmosphere our
patients experience.*

*It also creates a powerful
force that can help in their treatment, a
"we're in this together"
mentality that welds us all together in
the battle against cancer.*

Complaint

EXHIBIT A

SUPPORT SERVICES

"Comprehensive" means using every available weapon in the fight against cancer. Not only treatments and lab work, but support services as well.

One important area of support is the creation and maintenance of a positive mental attitude. Studies that examine the relationship between mind and body suggest that being positive helps the body fight disease. We provide an environment that makes it easier.

A team of psychologists, social and pastoral care counselors meets with patients regularly, in one-on-one and group sessions. The staff

also encourages unstructured, informal meetings among patients where they can speak frankly about their cancers, share ideas, and support one another emotionally.

Equally important is patient diet and nutrition, which bears directly on how well the immune system functions. Our first step, therefore, is to determine each patient's overall nutritional status. Vitamin, mineral and amino-acid levels are examined by the lab, as well as the levels of metals like copper, chromium, zinc and manganese. How individual cells absorb and process nutrients is also monitored.

The findings guide our team of nutritionists in developing an individualized diet program for each patient, one loaded with natural foods and vitamin and

mineral supplements, to help his or her immune system regain its natural cancer-fighting ability.

The National Academy of Sciences issued its dietary recommendations for reducing the risk of contracting cancer in 1982. They paralleled our own patient nutrition program in use since 1976. In the fight against cancer, "you are what you eat" is not a hackneyed expression. It is a valid aspect of modern care.



PLEASE CALL 1-800-FOR-HELP

Complaint

121 F.T.C.

EXHIBIT A

THE DIFFERENCE

*Cancer Treatment Centers of America
is a leader in innovative cancer treatment.*

*We were among the first to adopt a
comprehensive approach to treatment, to offer
programs for strengthening minds as well as bodies,
to place a premium on family involvement and
spiritual needs, and to encourage patients to play a
decision-making role in treatment selection.*

*As a result, we are now one of the most progressive
cancer treatment organizations in America. All
our resources have been dedicated to achieving that
result and will continue to be in order that we may
provide our patients with better treatment options
than they have ever had before.*

Complaint

EXHIBIT A

**INSTITUTIONAL REVIEW BOARD
FOR RESEARCH AND ETHICS**

Our strong commitment to clinical research requires an equally strong, highly qualified Institutional Review Board for Research and Ethics (IRBE) to guide our efforts in this area. To that end, we have assembled some of the brightest minds in medicine as the Scientific Advisory Board component of the IRBE.

Several of these very professors of medicine at this country's leading universi-

ties. Many have published extensively in the area of clinical oncology and have devoted major portions of their careers to cancer research.

We have also reached out to the communities where Cancer Treatment Centers of America has established cancer units and hospitals, enlisting the aid of community leaders and successful men and women from the ranks of business, the professions, and clergy. Together with the board's scientifically oriented members, they form a blue-ribbon panel tasked with developing guidelines and making recommendations for ethical research procedures.

Their charter is clear-cut, and based in part on the following principles which we consider sacred:

1. In all clinical research work with patients, the voluntary consent of the patient is essential.
2. The objective of the clinical research effort is to yield results capable of advancing the fight against cancer.
3. The objective of the clinical research involves all in necessary suffering and injury.
4. The degree of risk involved must never outweigh the potential benefits to be gained.
5. Studies should be undertaken only by qualified medical professionals.

The foregoing represents the unwavering allegiance of Cancer Treatment Centers of America to the highest ethical and technical standards of cancer research.



PLEASE CALL 1-800-5OR-HELP

Complaint

121 F.T.C.

EXHIBIT A

QUALITY OF LIFE

*We never forget**what it is like to have cancer, nor to put ourselves
in our patients' shoes.**Treatment modalities are therefore chosen
for more than their effectiveness in battling a
specific cancer:**They are also chosen to allow patients to live
life as normally as possible while being treated.**Life as free of nausea or hair loss or
siredness or depression as we can make it.**Life as our patients have always lived it—working,
raising their kids, going dancing,
whatever—interrupted as infrequently as possible by
treatments at the center.*

Complaint

EXHIBIT A

FINANCIAL MATTERS

Because changes occur frequently in the health insurance industry, Cancer Treatment Centers of America updates financial policies and procedures continuously to assure compliance with insurance carrier requirements.

Under the Clinical Case Management Department, there are strong pre-admission, pre-certification and utilization review programs. Medical criteria such as severity of illness and inter-

sity of service are constantly monitored throughout the hospital stay. Extended certifications are done as necessary, in conjunction with concurrent medical reviews.

To expedite the processing of insurance claims, Cancer Treatment Centers of America utilizes a state-of-the-art computerized billing system for both hospital and physician services. Claim accuracy and timeliness has been noticeably improved by an order-entry charge system and a central billing system for both hospital and physician services.

Financial counselors are individually assigned to patients in order to expedite

both hospital and physician claims. This establishes a close, positive relationship which makes dealing with financial matters a great deal easier for the patient.

The important thing to remember is at Cancer Treatment Centers of America we never forget the financial burden our patients face. Like the treatment options offered, we also think it's essential to provide financial options as well.



PLEASE CALL 1-800-FOR-HELP

Complaint

121 F.T.C.

EXHIBIT A

OUR TRAVEL PROGRAM

Our patients come to us from throughout the United States and from abroad as well. Since that can entail traveling great distances, we have established a program to make the journey easier—financially as well as emotionally.

We recognize that travel under trying circumstances can be most difficult. And that the cost to and from Cancer Treatment Centers

of America, or any other treatment facility for that matter, is usually not covered by insurance. For those reasons we have established a program designed to cut down on the strain and the expense of travel.

We will make all the arrangements every time you come for treatment. We will be at the airport when you arrive. We will take you back to the airport after each visit.

On your first visit, not only is your airfare paid for, but the airfare of a guest as well. Whomever you choose

to accompany you. He or she will also receive our VIP Card, good for three meals in our dining room every day. On subsequent visits you will continue to be reimbursed for your travel expenses, but not for those of a guest.

Our program covers travel within the continental United States only. For more information call 1-800-FOR-HELP.



PLEASE CALL 1-800-FOR-HELP

EXHIBIT A

MEMBERS OF OUR MEDICAL STAFF

Nowhere is our commitment to excellence more important than in the selection of our medical staff. Its members must be at the top of their profession. They must be doctors with exemplary qualifications in one or more cancer specialties, doctors who believe in the kind of close collaboration implicit in our teamwork approach to treatment, doctors who truly "feel" for the patients they treat... and they show it.

R. Michael Williams, MD, PhD
Senior Medical Director,
Cancer Treatment Centers of America.

Dr. Williams is a medical oncologist with subspecialties in microbiology and immunological therapy.

He received his Bachelor of Arts degree in 1969 from Yale College, his Master of Science degree in microbiology from Yale University in 1970, and his MD in 1974 from Harvard Medical School. He also received a PhD in immunology from Harvard University, after which he served his internship and residency at Peter Bent Brigham Hospital in Boston.

In 1976 he was appointed Assistant Professor of Medicine, Harvard Medical School, and joined the professional staff of the Sidney Farber Cancer Institute, Boston.

In 1979 he became Professor of Medicine and Chief of the Section of Medical Oncology at Northwestern University Medical School and

Northwestern Memorial Hospital. In 1987 Dr. Williams joined American International Hospital in Zion, Illinois, and subsequently Cancer Treatment Centers of America as Senior Medical Director and Chief Medical Officer.

Dr. Williams has also published extensively. Additionally, he is the founder and Chairman of the Cancer Consulting Group, a cancer information and referral service in Evanston, Illinois.

Ranulfo S. Sanchez, MD
Co-Medical Director,
Cancer Treatment Centers of America,
American International Hospital,
Zion, Illinois.

Dr. Sanchez is a general surgeon with a subspecialty in oncology.

He received his Bachelor of Arts degree in 1961 from the University of San Carlos at Cebu in the Philippines, and MD in 1966 from the Cebu Institute of Medicine. He interned and served two residency programs (in surgery and pathology) at St. John's Episcopal Hospital in Brooklyn, New York.

Upon completion of his training there, Dr. Sanchez practiced at St. John's Baptist Hospital and Flatbush General Hospital for the next twelve years. Then, in 1978, he joined the cancer program at American International Hospital in Zion, Illinois, where he later became Chief of Surgical Oncology.

Alfonso V. Mellijor, MD
Co-Medical Director,
Cancer Treatment Centers of America,
American International Hospital,
Zion, Illinois.

Dr. Mellijor is board certified in general surgery and surgical oncology.

He received his Bachelor of Science degree in 1966 from the University of San Carlos at Cebu in the Philippines, and his MD in 1972 from Cebu Institute of Medicine. He served his internship and surgical residency at St. John's Episcopal Hospital in Brooklyn, New York, as well as a fellowship in surgical oncology at the State University of New York.

Dr. Mellijor then joined St. John's and New York's Downstate Medical Center, where he practiced his medical specialties until 1980. At that time he became a member of the cancer program at American International Hospital in Zion, Illinois, where he was subsequently named Chief of Surgery.

Over...

Complaint

121 F.T.C.

EXHIBIT A

Robert D. Levin, MD
*Chief of Medical Oncology,
 Cancer Treatment Centers of America,
 American International Hospital,
 Zion, Illinois.*

Dr. Levin is board certified in internal medicine, hematology and medical oncology.

He received his Bachelor of Science degree in 1965 from the California Institute of Technology in Pasadena, and his MD in 1969 from the University of Chicago. He took his internship at the General Rose Memorial Hospital in Denver, Colorado, and his residency at Chicago's Northwestern Memorial Hospital. His specialties at Northwestern: internal medicine, hematology and oncology.

Subsequently, Dr. Levin became a member of the medical staff at Mt. Sinai Hospital in Chicago, as well as a consulting physician at several other area hospitals. In 1986, he joined the cancer program at American International Hospital in Zion, Illinois, as Chief of Medical Oncology.

Young D. Kim, MD
*Medical Director,
 Whole Body Hyperthermia Program,
 Cancer Treatment Centers of America,
 American International Hospital,
 Zion, Illinois.*

Dr. Kim did his undergraduate work at the Korean University in Seoul, South Korea, receiving his Bachelor of Science degree in 1961. His MD came from Korean University as well. In 1965 he served his internship at Mercy Hospital in Toledo, Ohio.

Graduate training in general surgery and anesthesia followed, the former at Medical College of Ohio in Toledo and the latter at New York's highly regarded Beth Israel Medical Center. Upon completion of his graduate work, Dr. Kim went back to Korean University where he joined the Department of Anesthesia as an instructor.

He then returned to the United States, entering private practice at Whitestone General Hospital in Whitestone, New York, before joining the cancer team at American International Hospital in Zion, Illinois in 1982.

Hans B. Nevinsky, MD
*Chairman of Medical Oncology,
 Cancer Treatment Centers of America,
 Memorial Medical Center & Cancer
 Institute, Tulsa, Oklahoma.*

Dr. Nevinsky holds an MD degree from Leopold Franzens University in Innsbruck, Austria, and a master of science degree from the Harvard University School of Public Health. His credentials also include a research fellowship in medicine at Harvard Medical School and a postdoctoral fellowship sponsored by the National Cancer Institute. He served as a research associate at Harvard and at Boston's Children Cancer Research Foundation, where he trained under the renowned cancer specialist, Dr. Sidney Farber.

Additionally, Dr. Nevinsky served as an assistant and research associate at Peter Bent Brigham Hospital in Boston and as Director of the Straus Oncology Center, L.A. West Memorial Hospital in Chicago. He also has held professorships in medicine and oncology at the University of Illinois, Chicago since 1970 and before his appointment as Chairman of Medical Oncology at Memorial Medical Center & Cancer Institute in Tulsa was Chairman of the Oncology Department at Charter Medical Center in Hawaiian Gardens, California.



PLEASE CALL 1-800-FOR-HEE

EXHIBIT A



"You Can Beat Cancer. I'm Living Proof."

Flossie Dishong was in terrible pain, and nobody knew why. She finally had to travel almost a thousand miles from her home in Indiana to be told she had inoperable cancer.

Fortunately, Flossie refused to accept that diagnosis. She came to us for a second opinion. To Cancer Treatment Centers of America. We found a way to treat her cancer, not just her pain.

You see, we specialize in treating cases others call "hopeless." They made up more than 90% of our admissions in 1989, and nearly the same last year. People fighting for a chance to live. We can't guarantee success in every case, but we make difficult cases our specialty.

We've helped people live life to the fullest once more. And we've done it without the horrible side effects of single-dose chemotherapies that can make other cancer treatments unbearable.

One reason we're certain, is our caring, love-filled environment. Another is the quality and the scope of our cancer treatment program.

It's as comprehensive as we can make it, utilizing the most advanced, innovative weapons known to medicine. It has to be, because the effectiveness of any cancer treatment program depends on a variety of factors and differs from patient to patient. While no one can offer a guarantee, we can offer our best effort and our extensive experience.

As for Flossie, that picture really is worth a thousand words, although she said it all in just fourteen:

"Never thought I'd be fishing with my husband again. I am one happy lady."

Complaint

121 F.T.C.

EXHIBIT B

"Cancer Is Not Invincible. I Know."

I had what the doctors called a modified radical mastectomy at a local hospital near my home in Indiana, and it didn't work.

The cancer metastasized to the bone. The prognosis took just three words: "Less than poor." They told me to go home. There was really no hope. No options left.

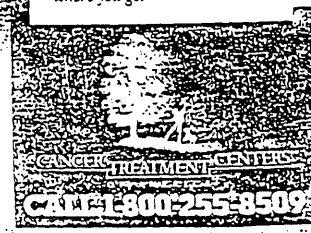
Maybe so, but I wasn't ready to die yet and found a place that wasn't ready to let me. Cancer Treatment Centers of America.

They gave me options, let me choose, and then fought like the dickens to save my life.

For me the treatment was fractionated-dose chemotherapy combined with whole-body hyperthermia—killing the cancer cells with heat, intense heat, something they pioneered way back in the 70's. It's part of what I believe is the most comprehensive cancer-fighting program there is, incorporating the most advanced thinking in the field.

That was more than a year ago. More than a year of living life to the hilt. And getting to watch my daughter grow up.

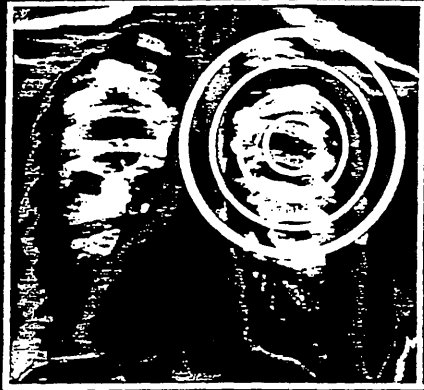
"Guess it all depends on where you go."



Barbara Hladik, cancer patient, at home in Indiana with her daughter.

EXHIBIT C

We Found A Way To Pin A Bullseye On Lung Cancer



According to the American Cancer Society, 155,000 new cases of lung cancer will be diagnosed this year.

They also estimate that 142,000 of them will end in death, many with severe complication of lung obstruction—a problem we hope to change with our newest weapon brachytherapy.

What sets it apart—makes it extraordinary—is pinpoint accuracy. It can hit a tumor dead-center. Bombard it. Without harming the healthy tissue that surrounds it.

The 'bomb' is a very high-dose radiation source, delivered to the target for a precise period in a precise amount and configuration, all of which is determined and monitored by computer. The pain is equally pre-

cise, guided to its location by a catheter with built in fiber-optics.

It's a quick, painless, out-patient procedure. In addition, brachytherapy can help those patients whose tumor has come back after surgery, radiation therapy or chemotherapy.

Brachytherapy is a new addition to our comprehensive cancer treatment program. Helping even one of those 142,000 lives makes it so.



CANCER TREATMENT CENTERS
OF AMERICA

CALL

1-800-553-0396

EXHIBIT C

Complaint

121 F.T.C.

EXHIBIT D



**"You Can
Beat Cancer.
I'm Living Proof."**

Flossie Dishong was in terrible pain, and nobody knew why. She finally had to travel almost a thousand miles from her home in Indiana to discover she had inoperable cancer. Flossie refused to accept that diagnosis, and continued her search. That's when Flossie found Cancer Treatment Centers of America at American International Hospital in Zion, Illinois. We found a way to treat her cancer as well as her pain. You see, cases like hers are the kind we generally take—whether the cancer was just discovered or the previous treatments have failed. These cases made up more than 90% of our admissions in 1989, and nearly the same in 1990.

We've given these people another chance to live, time and again. We've done it without the horrible side effects that sometimes make other cancer treatments unbearable. We've helped many patients to know the joy of living life to the fullest again, of waking each morning to a cloudless sky with many silver linings. The reason, we're certain, is the quality and the scope of our cancer treatment program. It's the most comprehensive available, utilizing the most advanced, innovative weapons known to medicine. What's more, we never forget that the lives of our patients matter just as much as our own, and that a caring, love-filled environment is excellent medicine. As for Flossie, that picture really is worth a thousand words, although she summed up her feelings just fine in fourteen.

"Never thought I'd be fishing with my husband again. I am one happy lady."

*Wanted to
have her
with me*

CANCER TREATMENT CENTERS
MEMBERSHIP
CALL 1-800-500-4410

Affiliate Hospitals
American International Hospital

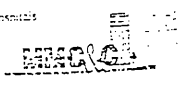


EXHIBIT E

IF SOMEONE TELLS YOU DYING OF CANCER IS INEVITABLE, REMEMBER THIS FACE.



PHOTO BY JIM HARRIS

You are looking at Nancy Cockle. An unrelated Nancy Cockle.

Thirty-Eight. Mother of three. Registered nurse. Cancer in remission. Complete remission.

We can tell you that while she may feel like one in a million at this moment in her life, full of exuberance and plans for the future, which now include a farm in Nebraska, her case is by no means novel.

We make a habit of conquering cancer.

It is, after all, our specialty. A holistic approach that makes American Interna-

tional Hospital quite unique. An integrated program that combines stress management, nutrition and traditional therapies with promising new treatments like whole-body hyperthermia and fractionated-dose chemotherapy.

One way we measure our success is by the number of trees we plant in the park next door. One tree for each of our cancer patients who's still alive and well five years later.

Last year alone, we planted seventy-three.

We're saving a spot for Nancy's.



American International Hospital Cancer program
Call 1-800-FOR-HELP



EXHIBIT F

They Beat Cancer.



Sam Alsbach
Eight-year survivor



Diane Casto
Eight-year survivor



Chester Jermakowicz
Positive treatment



Norma Baith
Eight-year survivor



Harlan Martin
Eight-year survivor



Katy Rouse
Eight-year survivor



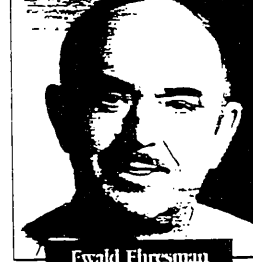
Ron Benzler
Eight-year survivor

Six-year survivor. Seven-year survivor. Eight-year survivor. Nine. Ten. Eleven. And even more!

They're just some of the families with cancer we've fought for brave people who came to us, often after treatment elsewhere. Often with the feeling that there was little reason to hope.

They came away with new leases on life, like many other patients we've helped.

It's a success story built on highly advanced, innovative, comprehensive treatment programs, a team approach, and a truly caring environment. This is a little of what it looks like.



Ewald Ehresman
Eight-year survivor



CALL 1-800-545-8259

© 1998 Cancer Treatment Centers, Inc. All rights reserved.

EXHIBIT F

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Consumer Protection proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act; and

The respondents, their attorneys, and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Act, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of sixty (60) days, now in further conformity with the procedure prescribed in Section 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings and enters the following order:

1. Respondent Cancer Treatment Centers of America, Inc., is an Illinois corporation, with its principal office or place of business at 3455 Salt Creek Lane, Suite 200, Arlington, Illinois.

2. Respondent Midwestern Regional Medical Center, Inc., is an Illinois corporation, with its principal office or place of business at Shiloh Boulevard and Emmaus Avenue, Zion, Illinois.

3. Respondent Memorial Medical Center and Cancer Institute, Inc. is an Oklahoma corporation, with its principal office or place of business at 8181 South Lewis Avenue, Tulsa, Oklahoma.

4. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of respondents, and the proceeding is in the public interest.

ORDER

DEFINITIONS

For the purposes of this order, the following definitions shall apply:

A. "*Competent and reliable scientific evidence*" shall mean tests, analyses, research, studies or other evidence based on the expertise of professionals in the relevant area that have been conducted and evaluated in an objective manner by persons qualified to do so, using procedures generally accepted in the profession to yield accurate and reliable results.

B. "*Cancer*" shall mean any of various malignant neoplasms characterized by the proliferation of anaplastic cells that tend to invade surrounding tissue and may metastasize to new body sites or the pathological condition characterized by such growths.

C. "*Independent organization or facility*" means any organization, association, or entity, whether or not for profit, which is not owned or controlled, directly or indirectly, by respondents, individually or collectively.

D. "*Endorsement*" means any advertising message (including verbal statements, demonstrations or depictions of the name, signature, likeness or other personal identifying characteristics of any individual or the name or seal of an organization) which message consumers are likely to believe reflects the opinions, beliefs, findings, or experience of a party other than the sponsoring advertiser.

I.

It is ordered, That respondents Cancer Treatment Centers of America, Inc., a corporation, Midwestern Regional Medical Center, Inc., a corporation, and Memorial Medical Center and Cancer Institute, Inc., a corporation, their successors or assigns, (hereinafter sometimes referred to as "respondents"), and respondents' officers, representatives, agents, and employees, directly or through any corporation, subsidiary, division, or other device, including franchisees or licensees, in connection with the advertising, promotion, offering for sale, or sale of products or services purporting to treat or cure disease, in or affecting commerce, as

"commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

A. Making any representation, directly or by implication, about either:

(1) The existence or content of statistical data that purports to document survivorship rates or cure rates for cancer patients in respondents' treatment facilities; or

(2) Cure rates or survivorship rates either for any of respondents' treatment facilities or for any treatment modality or modalities offered by respondents,

unless, at the time of making any such representation, respondents possess and rely upon competent and reliable evidence, which when appropriate must be competent and reliable scientific evidence, substantiating the representation.

B. Representing, directly or by implication, that any modality for the treatment or mitigation of cancer or its attendant symptoms is approved, endorsed or accepted by any independent organization or facility unless, at the time of making any such representation, respondents possess and rely upon competent and reliable evidence, which when appropriate must be competent and reliable scientific evidence, substantiating the representation.

C. Making any representation, directly or by implication, about the efficacy of any modality that purports to treat or mitigate cancer or its attendant symptoms, unless, at the time of making any such representation, respondents possess and rely upon competent and reliable scientific evidence substantiating the representation.

D. Representing, directly or by implication, that any endorsement of any of respondents' treatment programs that purport to mitigate or cure cancer represents the typical or ordinary experience of members of the public who use the program, unless:

(1) At the time of making such representation, respondents possess and rely upon competent and reliable scientific evidence, that substantiates such representation, or

(2) Respondents disclose clearly, prominently and in close proximity to the endorsement or testimonial either:

(a) What the generally expected results would be for users of such program, or

(b) The limited applicability of the endorser's experience to what consumers may generally expect to achieve, that is, that consumers should not expect to experience similar results.

E. Making any representation, directly or by implication, about the performance, safety or benefits of any modality that purports to treat or mitigate cancer, its attendant symptoms or attendant diseases, unless, at the time of making any such representation, respondents possess and rely upon competent and reliable scientific evidence substantiating the representation.

II.

It is further ordered, That respondents shall notify the Commission at least thirty (30) days prior to the effective date of any proposed change such as dissolution, assignment, or sale resulting in the emergence of a successor corporation(s), the creation or dissolution of subsidiaries, or any other change in the corporation(s) that may affect compliance obligations arising out of this order.

III.

It is further ordered, That for three (3) years after the last date of dissemination of any representation covered by this order, respondents, or their successors and assigns, shall maintain and upon request make available to the Federal Trade Commission for inspection and copying:

A. All materials that were relied upon in disseminating such representation; and

B. All tests, reports, studies, surveys, demonstrations or other evidence in their possession or control that contradict, qualify, or call into question such representation, or the basis relied upon for such representation, including complaints from consumers.

IV.

It is further ordered, That within ten (10) days from the date of service of this order, respondents shall distribute a copy of this order

to each of their officers, agents, representatives, independent contractors and employees who are involved in the preparation and placement of advertisements or promotional materials or who have any responsibilities with respect to the subject matter of this order; and, shall secure from each such person a signed statement acknowledging receipt of this order.

V.

This order will terminate on May 31, 2016, or twenty years from the most recent date that the United States or the Federal Trade Commission files a complaint (with or without an accompanying consent decree) in federal court alleging any violation of the order, whichever comes later; provided, however, that the filing of such a complaint will not affect the duration of:

- A. Any paragraph in this order that terminates in less than twenty years;
- B. This order's application to any respondent that is not named as a defendant in such complaint; and
- C. This order if such complaint is filed after the order has terminated pursuant to this paragraph.

Provided further, that if such complaint is dismissed or a federal court rules that the respondent did not violate any provision of the order, and the dismissal or ruling is either not appealed or upheld on appeal, then the order will terminate according to this paragraph as though the complaint was never filed, except that the order will not terminate between the date such complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

VI.

It is further ordered, That respondents shall, within sixty (60) days after the date of service 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.

Complaint

121 F.T.C.

IN THE MATTER OF

THE DIET WORKSHOP INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SECS. 5 AND 12 OF THE FEDERAL TRADE COMMISSION ACT*Docket C-3663. Complaint, June 3, 1996--Decision, June 3, 1996*

This consent order prohibits, among other things, the Massachusetts-based corporations from misrepresenting the results of any weight-loss program they offer, requires them to possess scientific data to substantiate any claims concerning weight-loss and maintenance, and mandates that they make certain disclosures regarding maintenance and other claims.

Appearances

For the Commission: *Gary Cooper and Andrew Caverly.*

For the respondents: *John Tifford, Brownstein & Zeidman,*
Washington, D.C.

COMPLAINT

The Federal Trade Commission, having reason to believe that The Diet Workshop, Inc. and The Diet Workshop of Boston, Inc., corporations (collectively referred to as "respondents"), have violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, alleges:

PARAGRAPH 1. Respondent The Diet Workshop, Inc. ("Diet Workshop") and respondent The Diet Workshop of Boston, Inc. ("Diet Workshop of Boston") are Massachusetts corporations, with their principal offices or places of business located at 1 University Office Park, 29 Sawyer Road, Waltham, Massachusetts.

PAR. 2. Respondents advertise, offer for sale, sell, and otherwise promote throughout much of the United States weight loss and weight maintenance services and products, and make them available to consumers at numerous Diet Workshop centers. These products include "food" within the meaning of Sections 12 and 15 of the Federal Trade Commission Act. Through centers owned by Diet

Workshop and Diet Workshop of Boston, franchised by Diet Workshop, and licensed by Diet Workshop to use the Diet Workshop trademark and the Diet Workshop weight loss and weight maintenance services and products, respondents are engaged, and have been engaged, in the sale and offering for sale of low calorie diet ("LCD") weight loss programs and weight maintenance programs to consumers.

PAR. 3. In the course and conduct of their businesses, respondents have disseminated or caused to be disseminated advertisements for weight loss and weight maintenance services and products. Respondents have placed, or have authorized the placement of, these advertisements with numerous newspapers, radio stations, and television stations for the purpose of inducing consumers to purchase their products and services. Respondents further advertise the Diet Workshop weight loss programs through the use of promotional materials, including pamphlets and brochures, that are mailed to customers and prospective customers or are given to them at individual Diet Workshop centers.

PAR. 4. The acts and practices of respondents alleged in this complaint have been in or affecting commerce, as "commerce" is defined in Section 4 of the Federal Trade Commission Act.

PAR. 5. Respondents' advertisements and promotional materials include, but are not necessarily limited to, the advertisements and promotional materials attached hereto as Exhibits A-R.

PAR. 6. The advertisements and promotional materials referred to in paragraph five, including but not necessarily limited to the attached Exhibits A-M and R, contain the following statements:

(a) For Weight Loss ... and Forever.

And if you've always wanted to be thin, THE DIET WORKSHOP has the weight-loss program that will help you reach your goal range and maintain it.

[Exhibit A]

(b) At the Diet Workshop, we care about your weight. Whether you have 5 pounds to lose, or 50, or more, we're ready to work with you and help you become the thin person you've always wanted to be.

...

The Diet Workshop's FLEXI-GROUPS can help you design a diet program that suits your lifestyle needs and helps you reach your Goal Range at a pace that's comfortable for you.

[Exhibit B]

(c) 1965 MINI-SKIRTS WERE IN. LBJ WAS PRESIDENT. I LOST 42 LBS. 1990 I'M STILL THIN!

Since 1965 THE DIET WORKSHOP has fit millions into the fashions of the day. In our 25th Anniversary Year, we still teach Healthy Eating Habits For Weight Loss and Forever!

...

LOSE WEIGHT!

...

Lois Lindauer, President and Maintainer For 25 Years! 24 Million Pounds Lost. Since 1965. Add Your Weight Loss to Our Losing Record!

[Exhibit C]

(d) 1969 TIE-DYE WAS COOL. MEN WALKED ON THE MOON. I LOST 54 LBS. 1990 I'M STILL THIN!

...

Karen Barnett, Maintainer For 21 Years!

[Exhibit D]

(e) 1974 DISCO WAS KING. MOOD RINGS WERE IN. I LOST 60 LBS. 1990 I'M STILL THIN!

...

Lauren Beckman, Maintainer For 16 Years!

[Exhibit E]

(f) In 1982, I lost 32 pounds. I'm still thin today. You can be thin, too!

...

Karen Martin, Maintainer for 8 years!

[Exhibit F]

(g) "Losing 216 pounds gave me back my self-respect and built up my confidence" - Terry Heinrich

...

Give DIET WORKSHOP a try ... you could be our next success story....

[Exhibit G]

(h) "After losing 31 lbs. in Diet Workshop's Quick Loss Program, my husband says I look better now than I did 10 years ago. Just like me, you can look better than ever and feel really good about yourself"

Kathie Mogensen

[Exhibits H and I]

(i) Join the millions who have learned how to become thin for life using Diet Workshop's nutritionally balanced weight-loss programs.

...

We want you to lose all the weight you want to once and for all. Whether you have 5, 50, 100 lbs. or more to lose, Diet Workshop is here to help you become the thin person you always wanted to be. Since 1965, we've helped millions of men and women like you become Diet Workshop weight-loss success stories

...

At Diet Workshop you'll not only lose weight, you'll gain control of your eating habits and acquire a new sense of achievement that will last you a lifetime.

[Exhibit J]

(j) Diet Workshop's Flexi-Groups offer you total flexibility to help you custom design a diet program that fits your lifestyle needs, so you can reach your goal range at a pace that's comfortable for you.

[Exhibit K]

(k) If you have ever lost weight only to regain it, you owe it to yourself to try the ultimate. The Diet Workshop's new Ultimate Flexi-Diet. It's the last diet you'll ever need. In a recent study, 3 out of 4 Diet Workshop graduates surveyed said they're still thin, some after more than 20 years

[Exhibit L]

(1) A Big Difference That's Permanent: Behavior Change.

...

By experiencing this behavior modification step, you are assured that your QUICK LOSS is permanent loss.

[Exhibit M]

(m) As member Kristen Campione says, "My mother lost 40 pounds and I've lost 56 pounds. In fact, our family has lost a total of 140 pounds at Diet Workshop." [Exhibit R]

PAR. 7. Through the use of the statements set forth in paragraph six, and others in advertisements and promotional materials not specifically set forth herein, respondents represent and have represented, directly or by implication, that most Diet Workshop customers:

- (a) Reach their weight loss goals; and
- (b) Maintain their weight loss either long-term or permanently.

PAR. 8. Through the use of the statements set forth in paragraph six, and others not specifically set forth herein, respondents represent and have represented, directly or by implication, that at the time they made the representations set forth in paragraph seven, respondents possessed and relied upon a reasonable basis that substantiated such representations.

PAR. 9. In truth and in fact, at the time they made the representations set forth in paragraph seven, respondents did not possess and rely upon a reasonable basis that substantiated such representations. Therefore, the representation set forth in paragraph eight was, and is, false and misleading.

PAR. 10. Through the use of the statements set forth in paragraph six (c)-(h) and (m), and others in advertisements and promotional materials not specifically set forth herein, respondents represent and have represented, directly or by implication, that testimonials from consumers appearing in the advertisements and promotional materials for Diet Workshop weight loss programs reflect the typical or ordinary experience of members of the public who have used the programs.

PAR. 11. Through the use of the statements set forth in paragraph six (c)-(h) and (m), and others not specifically set forth herein, respondents represent and have represented, directly or by implication, that at the time they made the representation set forth in paragraph ten, respondents possessed and relied upon a reasonable basis that substantiated such representation.

PAR. 12. In truth and in fact, at the time they made the representation set forth in paragraph ten, respondents did not possess and rely upon a reasonable basis that substantiated such representation. Therefore, the representation set forth in paragraph eleven was, and is, false and misleading.

PAR. 13. The advertisements and promotional materials referred to in paragraph five, including but not necessarily limited to the attached Exhibits H, I and N-Q, contain the following statements:

(a) Lose up to 20 lbs. for the summer!

...

Gain control and lose up to 20 lbs. in just 6 weeks.

[Exhibit H]

(b) Gain control and lose up to 20 pounds in just six weeks with Quick Loss.

[Exhibit I]

(c) LOSE UP TO 20 LBS. IN 6 WEEKS!

The Biggest Difference Of All! QUICK LOSS CLINICS have a distinct beginning and end. Six weekly visits and that's it! It is common for participants to lose as much as twenty pounds during a session!

[Exhibit N]

(d) LOSE UP TO 20 lbs. BY EASTER!

With the Energizer Diet

Quick Loss Sessions

6 Weekly Visits - That's It!

[Exhibit O]

(e) Do you think you could be 20 pounds thinner by Halloween? Well your answer could be, yes I can. If you call the Diet Workshop now and choose to lose the yes I can weight, with the Diet Workshop's Quick Loss clinics. Now here's how it works, the next Quick Loss clinic starts next week and continues on for six weekly visits. In those next six visits, before Halloween in fact, you could be 20 pounds thinner, with the kind of discipline and structured diet, only Quick Loss clinics can give Twenty pounds thinner, six weekly visits. Say, yes I can, to the next Quick Loss clinic and it will happen.

[Exhibit P]

(f) Structured for maximum results in just six weeks

...

Diet Workshop's Quick Loss program encourages Members to make a firm, intensive six week commitment to weight loss. Quick Loss Members motivate each

other by providing valuable insight and support. You'll remain enthusiastic and be rewarded for your efforts by a loss of up to 20 lbs. in 6 weeks.

[Exhibit Q]

PAR. 14. Through the use of the statements set forth in paragraph thirteen, and others in advertisements and promotional materials not specifically set forth herein, respondents represent and have represented, directly or by implication, that an appreciable number of customers on the Diet Workshop's Quick Loss program lose 20 pounds over a six week period.

PAR. 15. Through the use of the statements set forth in paragraph thirteen, and others not specifically set forth herein, respondents represent and have represented, directly or by implication, that at the time they made the representation set forth in paragraph fourteen, respondents possessed and relied upon a reasonable basis that substantiated such representation.

PAR. 16. In truth and in fact, at the time they made the representation set forth in paragraph fourteen, respondents did not possess and rely upon a reasonable basis that substantiated such representation. Therefore, the representation set forth in paragraph fifteen was, and is, false and misleading.

PAR. 17. In the course and conduct of their businesses, respondents provide their customers with diet instructions that require said customers, *inter alia*, to come in to one of respondents' weight loss program locations once a week for monitoring of their progress, including weighing in. In the course of regularly ascertaining their customers' weight loss progress, respondents, in some instances, are presented with weight loss results indicating that customers are losing weight significantly in excess of their projected goals, which is an indication that they may not be consuming all of the food prescribed by their diet instructions. Such conduct could, if not corrected promptly, result in health complications.

PAR. 18. When presented with the weight loss results described in paragraph seventeen, respondents on many occasions have not disclosed to the customers that failing to follow the diet instructions and consume all of the food prescribed could result in health complications. This fact would be material to consumers in their purchase and use decisions regarding respondents' weight loss programs. In light of respondents' practice of monitoring people on

the programs, said failure to disclose was, and is, a deceptive practice.

PAR. 19. In providing advertisements and promotional materials referred to in paragraph five to its individual franchisees or licensees, respondent Diet Workshop has furnished the means and instrumentalities to said franchisees or licensees to engage in the acts and practices alleged in paragraphs five through eighteen.

PAR. 20. The acts and practices of respondents as alleged in this complaint constitute deceptive acts or practices and the making of false advertisements in or affecting commerce in violation of Sections 5(a) and 12 of the Federal Trade Commission Act.

Complaint

EXHIBIT B

Exhibit B

Now You Can Be Thin With The Diet Workshop's Healthy, Nutritionally-Balanced Weight-Loss Programs! Choose The Program Designed For Your Special Needs.

At The Diet Workshop, we care if you want to lose weight. We'll help you find the program that's right for you. We'll help you work together with you and your family to become the thin person you've always wanted to be. We'll be there for you when you need it. We'll be there for you when you need it. We'll be there for you when you need it. We'll be there for you when you need it.

It'll meet you halfway on your weight loss journey. We'll help you find the program that's right for you. We'll help you work together with you and your family to become the thin person you've always wanted to be. We'll be there for you when you need it. We'll be there for you when you need it. We'll be there for you when you need it. We'll be there for you when you need it.

The Diet Workshop, Inc. is a registered trademark of The Diet Workshop, Inc. © 1998 The Diet Workshop, Inc. All rights reserved. The Diet Workshop, Inc. is a registered trademark of The Diet Workshop, Inc. © 1998 The Diet Workshop, Inc. All rights reserved.



The heart of The Diet Workshop is its FLEXI-GROUPS. These are on-going, weekly meetings focusing on diet, nutrition, behavior change, and exercise awareness.

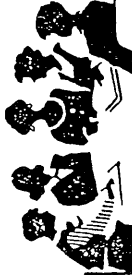
All our FLEXI-GROUPS are led by a professional dietitian. Each meeting includes a private weight-in and an informative lecture on a variety of dieting topics, such as eating in restaurants, handling stress, the importance of exercise, and family meal planning. Members follow The Diet Workshop's FLEXI-DIET, featuring a wide variety of foods of the world to make your dieting experience pleasant, easy and successful.

The Diet Workshop FLEXI-GROUPS can help you design a diet program that suits your lifestyle needs and helps you reach your goal range at a pace that's comfortable for you.



QUICK LOSS CLINICS.

Do you need a more structured diet and an intensive support system? If so, Quick Loss Clinics are for you.



Quick Loss Clinics are small discussion groups that feature safe, fast weight loss in only six weeks. Following a carefully-planned, balanced diet, you'll receive professional Moderator and group support. You'll learn eating habits that hinder your weight loss. Together, you'll develop ways to eliminate those habits — forever.

At Quick Loss Clinics, Members motivate each other by providing valuable insight and support. By making a firm six-week commitment to Quick Weight Loss, you'll remain enthusiastic and be rewarded for your efforts by a loss of up to 20 pounds.

The Diet Workshop, Inc. is a registered trademark of The Diet Workshop, Inc. © 1998 The Diet Workshop, Inc. All rights reserved. The Diet Workshop, Inc. is a registered trademark of The Diet Workshop, Inc. © 1998 The Diet Workshop, Inc. All rights reserved.

PERSON-TO-PERSON PROGRAMS.

Some people need one-on-one counseling to succeed at weight loss.

The Diet Workshop has a solution, the Person-to-Person Program, where you can meet with a Counselor on a weekly basis to design a weight-loss program that suits your special needs. Working with your Counselor, you'll learn how to handle specific situations that may be hindering your success. Whether they are dealing with the family, preparing meals for the family, or preparing for a busy social calendar, Person-to-Person can find the best solutions for you.



Person-to-Person features the individualized support so many of us need. Together you, the Client, and your Counselor create a personal diet program that's both easy to live with and conducive to healthy weight loss.

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Complaint

EXHIBIT C

Exhibit c

1965
MINI-SKIRTS WERE IN.
LBJ WAS PRESIDENT.
I LOST 42 LBS.

1990
I'M
STILL THIN!

Since 1965 THE DIET WORKSHOP has fit millions into the fashions of the day. In our 25th Anniversary Year, we still teach Healthy Eating Habits For Weight Loss and Forever!

LOSE WEIGHT!

With 5 STAR FLEX-DIET!

**1965 PRICE!
JUST \$3
TO JOIN!**
Save \$11
1/2 Off Total First
Week Fee!
March 25-31 Only!
There's a meeting every week near you! Call.

Lois Lindauer, President and Maintainer For 25 Years!

THE DIET WORKSHOP
24 Million Pounds Lost. Since 1965. Add Your Weight Loss to Our Losing Record!

Weight Losses May Vary

One-on-one diet counseling is also available in your area. Call us for a FREE consultation introducing our Person-to-Person™ program.

Replacement type for "C" ads in April:

April 22-28 Only!
With TDW Fitness Walking Program!

We work where you work.
Call us for more information on Workplace™ programs.

Ad size: 4 1/4" x 9" # 627-C

Complaint

121 F.T.C.

EXHIBIT D

Exhibit D

<p>1969 TIE-DYE WAS COOL. MEN WALKED ON THE MOON. I LOST 54 LBS.</p>	<p>1990 I'M STILL THIN!</p>
---	--

Since 1965 THE DIET WORKSHOP has fit millions into the fashions of the day. In our 25th Anniversary Year, we still teach Healthy Eating Habits For Weight Loss and Forever!

New! Quick & Easy Lo-Cal Recipes!

LOSE WEIGHT!

Save \$10!
JUST \$12 TO JOIN!
Feb. 4-17 Only!

There's a meeting every week near your Café.



Karen Barneth, Maintainer for 21 Years!



THE DIET WORKSHOP®
24 Million Pounds Lost Since 1965. Add your Weight Loss to Our Losing Record.

One-on-one diet counseling is also available in your area. Call us for a FREE consultation introducing our Person-to-Person™ program.

We work where you work. Call us for more information on Workplace™ programs.

Ad size: 4 1/4" x 9" # 625-C

Complaint

EXHIBIT E

Exhibit E

<p>1974 DISCO WAS KING. MOOD RINGS WERE IN. I LOST 60 LBS.</p>	<p>1990 I'M STILL THIN!</p>
---	--

Since 1965 THE DIET WORKSHOP has fit millions into the fashions of the day. In our 25th Anniversary Year, we still teach Healthy Eating Habits For Weight Loss and Forever!



LOSE WEIGHT!

With 5 STAR FLEXI-DIET!

Save \$10!
JOIN FOR JUST \$12!
March 4-17 Only!

There's a healthy way to eat every day!

Lowen Beckman Maintains Her 16 Years!

THE DIET WORKSHOP®

14 Million Pounds Lost Since 1965. Add your Weight Loss to Our Lasting Record.

One-on-one diet counseling is also available in your area. Call us for a FREE consultation introducing our Person-to-Person™ program.

We work where you work. Call us for more information on Workplace™ programs.

Ad size: 4 1/4" x 9" # 626-C

Complaint

121 F.T.C.

EXHIBIT F

Exhibit F

*In 1982, I lost 32 pounds.
I'm still thin today.
You can be thin, too!*

Karen Martin,
Maintainer for 8
years!

THE
PRE-SUMMER
SAVINGS PLAN
available at:

(Area Directors:
Insert your May
FLEXI-GROUP
schedule here)



* Or You may
take advantage
of our advertised
special the week
of May 6 and 13
and Join for Just
\$12, saving \$11
Off Total First
Week's Fee.

Call Now:

000-0000

 **THE DIET WORKSHOP**

EXHIBIT G

Exhibit G

“Losing 216 pounds gave me back my self-respect and built up my confidence.”

- Terry Heinrich



Let Workshop teaches you how to deal with real food, so you can live the rest of your life at your ideal body weight. We put the emphasis on changing your eating habits, not selling you food. We've got the program you can afford to live with. Give DIET WORKSHOP a try...you could be our next success story, just like Terry Heinrich.



JOIN NOW! PAY AS LITTLE AS \$6.00 A WEEK
SPECIAL SPRING BONUS GET ONE WEEK FREE
 FOR DETAILS CALL
1-800-488-DIET
(OFFER EXPIRES MAY 15TH)

*Patriot Ledger 4/28/93
page 3*

Complaint

121 F.T.C.

EXHIBIT H

Exhibit H

Boston Globe Magazine
Sunday, June 6, 1993

**diet workshop's
summer
slimdown**

**Lose up to 20 lbs. for the summer!
Hurry, next Quick•Loss starts the
week of June 6th!**

KATHIE MOGENSEN
TONAWANDA, NEW YORK

"After losing 31 lbs. in Diet Workshop's Quick Loss Program, my husband says I look better now than I did 10 years ago. Just like me, you can look better than ever and feel really good about yourself. Gain control and lose up to 20 lbs in just 6 weeks."

6 weekly visits **just \$69**
By Reservation Only

DIET WORKSHOP

1-800-488-DIET

*A \$14.00 Registration Fee may apply to first time members.

726

Complaint

EXHIBIT I

Exhibit I

After losing 31 pounds in Diet Workshop's Quick Loss Program, my husband says I look better than I did 10 years ago!

Just like me, you can look better than ever and feel really good about yourself. Gain control and lose up to 20 pounds in just six weeks with Quick Loss.

Kathie Mogensen

Kathie Mogensen, wife and mother, Tonawanda, New York, Quick Loss member

FINAL DAYS!

BE A QUICK LOSS SUCCESS STORY

LOSE UP TO 20 POUNDS BY MARCH

6 WEEKS FOR \$74.95

HURRY! Program Starts Week Of JAN. 25th BY RESERVATION ONLY!

Call 454-5800 or 1-800-735-DIET

SUNDAY, JANUARY 24, 1993

Complaint

121 F.T.C.

EXHIBIT J

Exhibit J

Join the millions who have learned how to become thin for life using Diet Workshop's nutritionally balanced weight-loss programs. Choose the plan that's right for you and start losing weight the Diet Workshop way. The Healthy Way To Success.

We want you to lose all the weight you want to once and for all. Whether you have 5, 50, 100 lbs. or more to lose, Diet Workshop is here to help you become the thin person you always wanted to be.

Since 1965, we've helped millions of men and women like you become Diet Workshop weight-loss success stories. Our medically proven methods for success use time-tested weight-loss tools and techniques for a sensible program of healthy nutrition, behavior modification and exercise that you can really live with — today and forever.

Achieving results is even faster and easier than you think. Each progressive weight-loss plan offers weekly support that includes monitored weigh-ins, nutritional counseling, a focus on behavior change and fitness plus convenient, optional D.W. Food choices. Best of all, Diet Workshop programs are led by professionally trained people who have personally achieved weight-loss with Diet Workshop. So you'll always receive the support you need from counselors who understand you best.

Unlike other diet services, Diet Workshop offers more than one weight-loss program. In fact, we offer four: Flexi-Group, Quick Loss, Workplace and Person to Person. Each specialized program offers unique features to best suit your individual tastes, needs and lifestyle and to ensure maximum results for you.

At Diet Workshop you'll not only lose weight, you'll gain control of your eating habits and acquire a new sense of achievement that will last you a lifetime.

Come on, take the first step. Join one of our easy-to-follow programs today and let us help you become our next Diet Workshop Success Story.



"Once you've lost weight with Diet Workshop there's nothing you can't accomplish within reason."
*Mavis Lindauer
Founder*

EXHIBIT K

Exhibit K

If you like variety in your diet, our popular Flexi•Group Program is perfect for you. Flexi•Groups are led by successful graduates who are professionally trained in weight control management.

Each friendly, motivational meeting includes a private weigh-in and an informative lecture on an array of dieting topics, such as how to order from a menu, handling daily stress, the joy of regular exercise, and healthy meal preparation tips.

Members follow Diet Workshop's Ultimate Flexi•Diet, the only diet available which color-codes foods, counts fat grams for you and gives extra incentives for exercise.

Diet Workshop's Flexi•Groups offer you total flexibility to help you custom design a diet program that fits your lifestyle needs, so you can reach your goal range at a pace that's comfortable for you.

Flexi•Group
P R O G R A M™



Complaint

121 F.T.C.

EXHIBIT L

Exhibit L

PRODUCT: THE DIET WORKSHOP
TITLE: "FLEXI-DIET"
PROGRAM: NEWS
STATION: WCVB



(MUSIC) LOIS LINDAUER: If you've ever lost weight



only to regain it.



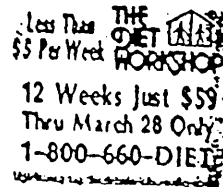
you owe it to yourself to try the ultimate.



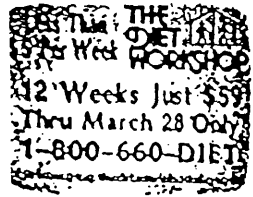
The Diet workshop's new Ultimate Flexi-Diet.



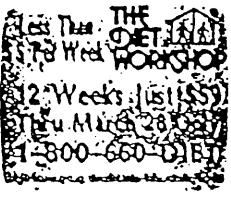
It's the last diet you'll ever need.



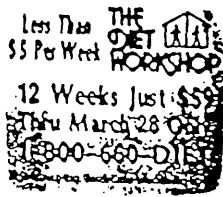
WOMAN ANCR: In a recent study.



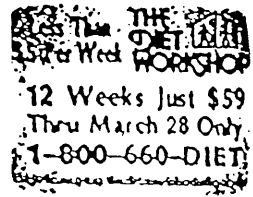
1 out of 4 Diet Workshop graduates surveyed said they're still thin.



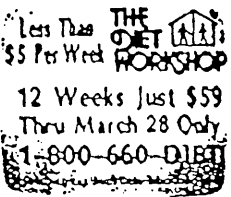
some after more than 20 years.



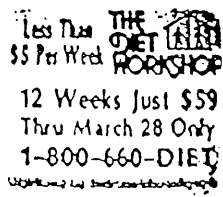
If that sounds good, then call 1-800-660-DIET now.



Get 12 weeks for just \$59. That's 1-800-660-DIET.



1-800-660 DIET to pay less than \$5 per week.



The Diet Workshop. Call now. (MUSIC OUT)

ALSO AVAILABLE IN COLOR VIDEO-TAPE CASSETTE

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EXHIBIT M

Exhibit M

One Big Difference Is The Small Group. Welcome to QJICK LOSS CLINICS, one of THE DIET WORK SHOP'S most innovative and successful weight loss programs. Unlike THE DIET WORKSHOP'S FLEXI GIGOLIPS, which are ongoing weekly meetings with an unlimited Membership, QJICK LOSS CLINICS offer a small, intimate group setting with a limit of 15 participants in each Clinic.

Another Big Difference: Your Moderator. Most weight loss programs feature an instructor who informs you on a variety of nutritional topics. With QJICK LOSS CLINICS, you get that and more: A *Abolitionist*. Who not only offers the most up to date nutritional advice, but who also guides you through a dieting experience that's personally tailored to you and your lifestyle.

A Big Difference That's Permanent: Behavior Change. QJICK LOSS CLINICS work well for two types of clients: those who want a large initial weight loss, and those who have a small amount of weight to lose. Both types of people are guaranteed to know one thing by the time they complete the session that they didn't know when they began. And that is the reason they gained those extra pounds.

That Leads To Quick Loss!!

Something special happens in this close knit atmosphere. Something that's called "small group power." You and the other participants have one special desire in common: to lose weight quickly and safely. Together, and individually, you will. Thanks to the fact that you'll share during six weekly visits, and the powerful strength and support that bond will bring.

Over the course of your six weekly QJICK LOSS CLINIC visits you and your Abolitionist will get to know each other well. Especially since she has successfully completed the same weight loss journey you'll be experiencing. By the end of the session, you'll not only have gained superior nutritional knowledge, you'll have made a good friend as well.

"I look and feel good and am having no trouble maintaining my lower weight."
Yanahle Kivetz
Franklin

"I lost 21 pounds in 6 weeks. I am confident that I will keep it off. My habit of eating portioning foods between meals has been broken for good."
Ed Keith
Sharon

"The concentration on special behavior techniques was crucial about I needed to solve my weight problem."
Maryann Markie
Stoughton

Your Moderator is professionally trained to employ behavior modification techniques that *change the way you feel about food*. Personal awareness is encouraged during each visit through discussion as well as specially designed journals that you keep throughout the whole session. By expertly entering this behavior modification step, you are assured that your QJICK LOSS is permanent loss.

Complaint

EXHIBIT N

Exhibit N

Even The Different Diets Are Different! Each QUICK LOSS CLINIC features a totally unique and different Diet. The reason varies in the space of life and convenience of health for interest however, is created for behavior change, and meet all the theory of behavior change, and meet all lifestyle needs. Here are just some of the Diets you may experience:

- The 'Energizer' Diet
- TAKE-IT-OFF-QUICK DIET
- BEACON HILL DIET
- Wild Weekend Diet
- Blitz-It-Off Diet
- Boston Lo-Carbo Diet

The Diets

From #1941638
The Diet Workshop, Inc., 1988

**LOSE UP TO 20 LBS.
IN 6 WEEKS!**

The Biggest Difference Of All! QUICK LOSS CLINICS have a distinct beginning and an end. Six weekly visits and that's all! It is common for participants to lose as much as 20 lbs. during a session! Each CLINIC is limited to 15 participants only and fills on a first call, first serve, reservation only basis. Payment is required to reserve your space. Credit cards and personal checks are accepted, of course.

For More Information, Call:

A Word About THE DIET WORKSHOP. Since 1965, we've been teaching healthy eating habits for weight loss and forever. Our research tells us that different people respond to different ways of losing weight. To meet these needs, THE DIET WORKSHOP has created three major divisions in addition to QUICK LOSS CLINICS:

- ELEXT GROUPS
- Corporate Weight Loss Programs
- WORKPLACE PROGRAM
- On-site Company Location
- Weekly Meetings
- PERSON TO PERSON
- One on one
- Private Counseling

**QUICK LOSS
CLINIC** a Division of THE DIET

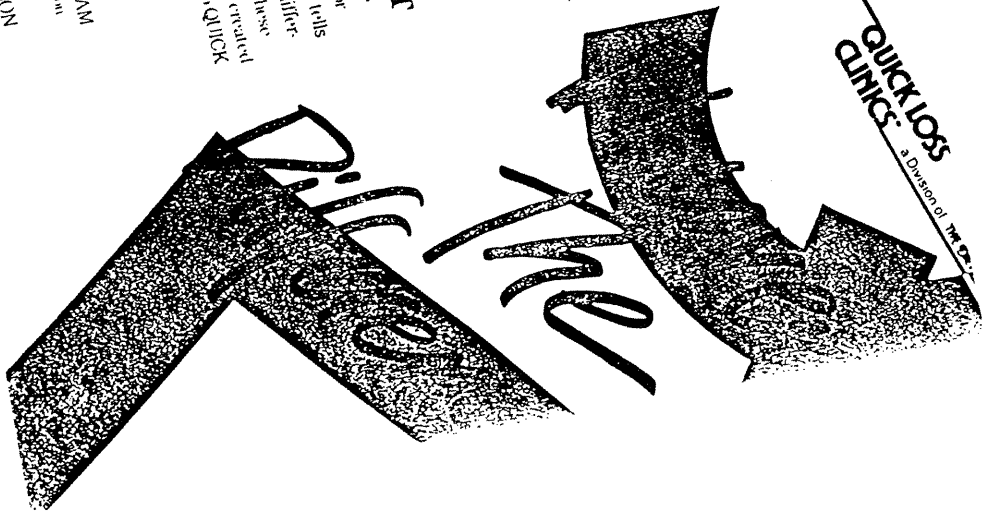



EXHIBIT O

Exhibit O

SUNDAY, MARCH 7, 1993 09E



CALL TODAY!

LOSE UP TO 20 lbs BY EASTER!

With the **Energizer Diet**

QUICK LOSS SESSIONS

- ◆ 6 Weekly Visits - That's It!
- ◆ Focus on behavior
- ◆ Support from same members every week
- ◆ Lot's of choices
- ◆ Easy to follow

Join For Just \$74.95

HURRY! Group Size Is Limited! **BY RESERVATION ONLY**

SIX-WEEK SESSION STARTS WEEK OF MARCH 8

CLASS SCHEDULE:	HUNTER HEIGHTS CENTRE	CALLECHABEL CENTRE	LIMON CENTRE
BEAVERCREEK CENTRE Beaver Creek Village, Fairfield Rd. (behind Heritage Rest area) Mon. 8:30 pm A Tues. 8:00 pm Wed. Noon A Thurs. 10:00 am & 7:15 pm Sat. 11:00 pm A NEW!	Imperial Heights Old Troy Pk Mon. 4:15 pm A, 8:30 pm A Tues. 7:00 pm Wed. 1:00 pm Thurs. 1:30 pm A NEW! 100 LB. LOSERS	(Globe entrance near Lake next to Club Community) Mon. 7:00 pm A NEW! Tues. 10:00 am NEW! Noon A, 7:00 pm NEW! Wed. 4:00 pm A Thurs. 8:00 pm A Fri. 8:00 pm A Sat. 8:00 pm A NEW!	1700th Village (across from the old Am.) Mon. 8:30 pm Tues. 7:15 pm NEW ONLY GROUP Wed. 7:15 pm Thurs. Noon A, 4:00 pm A NEW! 7 Sat. 11:00 am A NEW!
DAYTON HALL AREA CENTRE The Dayton Mall Shopping S. Springboro Pk. next to Clink Centers Mon. 8:30 pm A Tues. Noon A, 7:00 pm Wed. 8:00 am, 4:00 pm A, 7:30 pm Thurs. 8:00 pm NEW! Sat. 8:00 am NEW!	NEVEREERING TOWN & COUNTRY CENTRE Wood & Fairview Ave. Mon. 4:00 pm A, 8:30 pm A, 7:00 pm NEW! Tues. 10:45 pm A, Noon A, 8:30 pm A Wed. 8:00 am NEW!, 7:30 pm Thurs. 8:00 pm, 8:30 pm A, 7:00 pm A Fri. Noon A NEW! Sat. 8:45 am A, 10:00 am NEW!	SHIRAZ CENTRE 637 N. Mary's St. Mon. 8:15 pm A Wed. 8:00 pm A, 7:15 pm NEW! Thurs. 8:00 pm A, 7:15 pm NEW!	CLINIC CLINIQUE 1228 N. Monroe Drive (across from General Mass. Hosp.) Mon. 7:30 pm NEW! Tues. 8:00 pm A NEW! Wed. 8:00 pm Sat. 11:00 am A NEW!
RAINBOW CENTRE 8700 Dayton Fairview Ave. Mon. 7:00 pm Tues. 4:00 pm A, 8:30 pm A Wed. 8:00 am NEW!, 7:30 pm NEW! Thurs. Noon A, 8:00 pm A NEW! Fri. 8:00 am NEW! Sat. 10:15 am NEW!	OHIO GREEN COUNTRY CENTRE 8111 Poplar Rd. (across from Colonial Plaza) Mon. Noon A, 7:30 pm Tues. 8:00 pm Wed. 7:00 pm NEW! Thurs. 8:00 pm, 8:30 pm A NEW! Fri. Noon A NEW!, 4:00 pm A Sat. 8:15 am A	STILLWATER COUNTRY CENTRE (next to the red canopy) 8132 N. Main Street Mon. 8:30 am, 8:30 pm A, 7:30 pm Tues. 8:00 pm, 7:30 pm Thurs. 8:00 pm A, 7:15 pm Fri. 10:00 am A Sat. 8:30 am NEW!, 11:30 am A	BRONKHILL 600 Franklin Blvd. (across from 428 N. Wolf Creek Pike Sat. 8:00 pm Sun. 10:00 am
			WILSONVILLE 811 W. Jefferson Homecrest United Presby. Ch. Thurs. 7:30 pm
			NEWLEIGHAN Georgetown Federal Savings Bank 875 W. Main St. Tues. 8:00 pm

A QUICK LOSS Group is 1 hour. Regular Groups last 90 min.

Call 454-5800 or Toll Free 1-800-735-DIET



QUICK LOSS SESSIONS

Complaint

121 F.T.C.

EXHIBIT P

EXHIBIT P

**RADIO
TVREPORTS**

41 East 42nd Street New York, NY 10017 (212) 309-1400

RADIO COMMERCIAL TRANSCRIPT

92R49638

PROGRAM: NEWS 9-10-92

:60

STATION: WBMX (BOSTON)

1:00PM

THE DIET WORKSHOP

(MUSIC IN B.G.)

MALE ANNCR.: Do you think you could be 20 pounds thinner by Halloween? Well your answer could be, yes I can. If you call the Diet Workshop now and choose to lose the yes I can weight, with the Diet Workshop's Quick Loss clinics. Now here's how it works, the next Quick Loss clinic starts next week and continues on for six weekly visits. In those six visits, before halloween in fact, you could be 20 pounds thinner, with the kind of discipline and structured diet, only Quick Loss clinics can give. Personalized attention in a small group setting and real delicious foods that you can buy at the supermarket just like everyone else. Twenty pounds thinner, six weekly visits. Say, yes I can, to the next Quick Loss Clinic and it will happen. Starts next week for just \$75. By reservation only, so hurry. Call 1-800-488-DIET. 1-800-488-DIET. For the next Quick Loss Clinic at the Diet Workshop. That's 1-800-488-DIET to reserve space right now. In New Hampshire call 1-800-582-7188 for Quick Loss Clinics at the Diet Workshop.

(MUSIC OUT)

726

Complaint

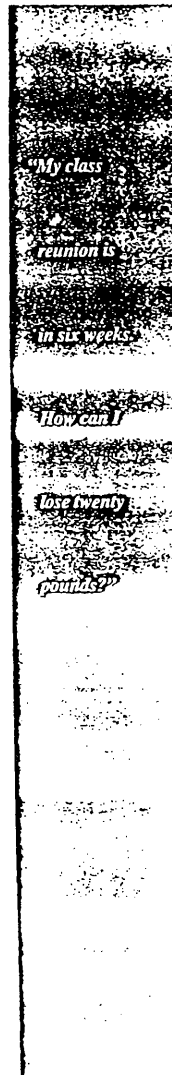
EXHIBIT Q

Exhibit Q

structured for maximum results in just six weeks

When you need to lose weight fast, Diet Workshop has the answer. Our Quick Loss Program offers maximum results in minimum time with smaller, more intimate discussion groups that focus on behavior change and promote healthy, fast, weight loss in only six weeks. Following a variety of nutritious, well-balanced diets that help maintain your interest, you and your group will work with a professional Moderator to focus on changing habits that hinder your weight loss. Together, you'll develop new strategies for healthy eating and exercise that will last you a lifetime.

Diet Workshop's Quick Loss program encourages Members to make a firm, intensive six-week commitment to weight loss. Quick Loss Members motivate each other by providing valuable insight and support. You'll remain enthusiastic and be rewarded for your efforts by a loss of up to 20 lbs. in 6 weeks.



Quick Loss®
P R O G R A M

Complaint

121 F.T.C.

EXHIBIT R

Exhibit R

Thanks To Diet Workshop My Mother And I Are Seeing Less Of Each Other.



Sometimes two can lose weight better than one. And it's especially true with Diet Workshop's Food and Fitness Plan.

As member Kristen Campione says, "My mother lost 40 pounds and I've lost 56 pounds. In fact, our family has lost a total of 140 pounds at Diet Workshop."

Our Food and Fitness Plan helps you to achieve

realistic, healthy weight loss without making unrealistic demands. You eat low-fat, real foods you like and follow a fitness program you can stick with. You can even dine in a restaurant to celebrate this and every Mother's Day.

And to give you a little extra incentive to get started, we're making a special offer to you and your family. So call us today.

**Mother's Day
Family
Special**

SAVE \$5 each
when you join together

Offer ends May 14

1-800-488-DIET

Cannot be combined with
other offers

DIET WORKSHOP®
The Right Weight. The Right Way.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft complaint which the Boston Regional Office proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act,

The respondents, their attorney, and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as alleged in such complaint, or that the facts as alleged in such complaint, other than jurisdictional facts, are true and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and determined that it had reason to believe that the respondents have violated the said Act, and that a complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of sixty (60) days, now in further conformity with the procedure prescribed in Section 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings and enters the following order:

1. Respondents The Diet Workshop, Inc. and The Diet Workshop of Boston, Inc. are corporations organized, existing and doing business under and by virtue of the laws of the Commonwealth of Massachusetts, with their offices and principal places of business located at 1 University Office Park, 29 Sawyer Road, Waltham, Massachusetts.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

DEFINITIONS

For the purposes of this order, the following definitions shall apply:

A. "*Competent and reliable scientific evidence*" shall mean those tests, analyses, research, studies, or other evidence based on the expertise of professionals in the relevant area that has been conducted and evaluated in an objective manner by persons qualified to do so, using procedures generally accepted in the relevant profession to yield accurate and reliable results;

B. "*Weight loss program*" shall mean any program designed to aid consumers in weight loss or weight maintenance;

C. A "*broadcast medium*" shall mean any radio or television broadcast, cablecast, home video or theatrical release;

D. For any order-required disclosure in a print medium to be made "*clearly and prominently*" or in a "*clear and prominent*" manner, it must be given both in the same type style and in: (1) twelve (12) point type where the representation that triggers the disclosure is given in twelve (12) point or larger type; or (2) the same type size as the representation that triggers the disclosure where that representation is given in a type size that is smaller than twelve (12) point type. For any order-required disclosure given orally in a broadcast medium to be made "*clearly and prominently*" or in a "*clear and prominent*" manner, the disclosure must be given at the same volume and in the same cadence as the representation that triggers the disclosure;

E. A "*short broadcast advertisement*" shall mean any advertisement of thirty seconds or less duration made in a broadcast medium.

I.

It is ordered, That respondents, The Diet Workshop, Inc. and The Diet Workshop of Boston, Inc., corporations, their successors and assigns, and their officers, and respondents' agents, representatives and employees, directly or through any corporation, subsidiary, division or other device, including franchisees or licensees, in

connection with the advertising, promotion, offering for sale, or sale of any weight loss program in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

A. Making any representation, directly or by implication, about the success of participants on any weight loss program in achieving or maintaining weight loss or weight control unless, at the time of making any such representation, respondents possess and rely upon competent and reliable scientific evidence substantiating the representation, provided, further, that for any representation that:

(1) Any weight loss achieved or maintained through the weight loss program is typical or representative of all or any subset of participants using the program, said evidence shall, at a minimum, be based on a representative sample of:

(a) All participants who have entered the program, where the representation relates to such persons; provided, however, that the required sample may exclude those participants who dropped out of the program within two weeks of their entrance, or who were unable to complete the program due to illness, pregnancy, or change of residence; or

(b) All participants who have completed a particular phase of the program or the entire program, where the representation only relates to such persons;

(2) Any weight loss is maintained long-term, said evidence shall, at a minimum, be based upon the experience of participants who were followed for a period of at least two years from their completion of the active maintenance phase of respondents' program or earlier termination, as applicable; and .

(3) Any weight loss is maintained permanently, said evidence shall, at a minimum, be based upon the experience of participants who were followed for a period of time after completing the program that is either:

(a) Generally recognized by experts in the field of treating obesity as being of sufficient length for predicting that weight loss will be permanent, or

(b) Demonstrated by competent and reliable survey evidence as being of sufficient duration to permit such a prediction.

B. Representing, directly or by implication, except through endorsements or testimonials referred to in paragraph I.E. herein, that participants of any weight loss program have successfully maintained weight loss, unless respondents disclose, clearly and prominently, and in close proximity to such representation, the statement: "For many dieters, weight loss is temporary."; provided, further, that respondents shall not represent, directly or by implication, that the above-quoted statement does not apply to dieters in respondents' weight loss program; provided, however, that a mere statement about the existence, design, or content of a maintenance program shall not, without more, be considered a representation that participants of any weight loss program have successfully maintained weight loss.

C. Representing, directly or by implication, except through short broadcast advertisements referred to in paragraph I.D. herein, and except through endorsements or testimonials referred to in paragraph I.E. herein, that participants of any weight loss program have successfully maintained weight loss, unless respondents disclose, clearly and prominently, and in close proximity to such representation, the following information:

(1) The average percentage of weight loss maintained by those participants;

(2) The duration over which the weight loss was maintained, measured from the date that participants ended the active weight loss phase of the program, provided, further, that if any portion of the time period covered includes participation in a maintenance program(s) that follows active weight loss, such fact must also be disclosed; and

(3) If the participant population referred to is not representative of the general participant population for respondents' programs:

(a) The proportion of the total participant population in respondents' programs that those participants represent, expressed in terms of a percentage or actual numbers of participants, or

(b) The statement: "Diet Workshop makes no claim that this [these] result[s] is [are] representative of all participants in the Diet Workshop program.";

Provided, further, that compliance with the obligations of this paragraph I.C. in no way relieves respondents of the requirement under paragraph I.A. of this order to substantiate any representation about the success of participants on any weight loss program in maintaining weight loss.

D. Representing, directly or by implication, in short broadcast advertisements, that participants of any weight loss program have successfully maintained weight loss, unless respondents:

(1) Include, clearly and prominently, and in immediate conjunction with such representation, the statement: "Check at our clinics for details about our maintenance record.";

(2) For a period of time beginning with the date of the first broadcast of any such advertisement and ending no sooner than thirty days after the last broadcast of such advertisement, comply with the following procedures upon the first presentation of any form asking for information from a potential client, but in any event before such person has entered into any agreement with respondents:

(a) Give to each potential client a separate document entitled "Maintenance Information," which shall include all the information required by paragraph I.B. and subparagraphs I.C.(1)-(3) of this order and shall be formatted in the exact type size and style as the example form below, and shall include the heading (Helvetica 14 pt. bold), lead-in (Times Roman 12 pt.), disclosures (Helvetica 14 pt. bold), acknowledgment language (Times Roman 12 pt.) and signature block therein; provided, further, that no information in addition to that required to be included in the document required by this subparagraph I.D.(2) shall be included therein:

MAINTENANCE INFORMATION

You may have seen our recent ad about maintenance success. Here's some additional information about our maintenance record.

[Disclosure of maintenance statistics goes hereXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXXX]

For many dieters, weight loss is temporary.

I have read this notice. _____
(Client Signature) (Date)

- (b) Require each potential client to sign such document; and
- (c) Give each client a copy of such document; and

Provided, however, that if any potential participant who does not then participate in the program refuses to sign or accept a copy of such document, respondents shall so indicate on such document and shall not, for that reason alone, be found in breach of this subparagraph I.D.(2); and

(3) Retain in each client file a copy of the signed maintenance notice required by this paragraph;

Provided, further, that:

(i) Compliance with the obligations of this paragraph I.D. in no way relieves respondents of the requirement under paragraph I.A. of this order to substantiate any representation about the success of participants on any weight loss program in maintaining weight loss; and

(ii) Respondents must comply with both paragraph I.D. and paragraph I.C. of this order if respondents include in any such short broadcast advertisement a representation about maintenance success that states a number or percentage, or uses descriptive terms that convey a quantitative measure such as "most of our customers maintain their weight loss long-term"; and

Provided, however, that the provisions of paragraph I.D. shall not apply to endorsements or testimonials referred to in paragraph I.E. herein.

E. Using any advertisement containing an endorsement or testimonial about weight loss success or weight loss maintenance success by a participant or participants of respondents' weight loss programs if the weight loss success or weight loss maintenance success depicted in the advertisement is not representative of what participants in respondents' weight loss programs generally achieve, unless respondents disclose, clearly and prominently, and in close proximity to the endorser's statement of his or her weight loss success or weight loss maintenance success:

(1) What the generally expected success would be for Diet Workshop customers in losing weight or maintaining achieved

weight loss; provided, however, that in determining the generally expected success for Diet Workshop customers respondents may exclude those customers who dropped out of the program within two weeks of their entrance or who were unable to complete the program due to illness, pregnancy, or change of residence; or

(2) One of the following statements:

- (a) "You should not expect to experience these results."
- (b) "This result is not typical. You may not do as well."
- (c) "This result is not typical. You may be less successful."
- (d) "_____ 's success is not typical. You may not do as well."
- (e) "_____ 's experience is not typical. You may achieve less."
- (f) "Results not typical."
- (g) "Results not typical of program participants.";

Provided, further, that if the endorsements or testimonials covered by this paragraph are made in a broadcast medium, any disclosure required by this paragraph must be communicated in a clear and prominent manner and in immediate conjunction with the representation that triggers the disclosure; and

Provided, however, that:

(i) For endorsements or testimonials about weight loss success, respondents can satisfy the requirements of subparagraph I.E.(1) by accurately disclosing the generally expected success in the following phrase: "Diet Workshop clients lose an average of ___ pounds over an average _____- week treatment period"; and

(ii) If the weight loss success or weight loss maintenance success depicted in the advertisement is representative of what participants of a group or subset clearly defined in the advertisement generally achieve, then, in lieu of the disclosures required in either subparagraph I.E. (1) or (2) herein, respondents may substitute a clear and prominent disclosure of the percentage of all of respondents' customers that the group or subset defined in the advertisement represents.

F. Representing, directly or by implication, the rate or speed at which participants or prospective participants in any weight loss program have lost or will lose weight, unless at the time of making

such representation, respondents possess and rely upon competent and reliable scientific evidence substantiating the representation.

G. Representing, directly or by implication, that participants or prospective participants in respondents' weight loss programs have reached or will reach a specified weight within a specified time period, unless at the time of making such representation, respondents possess and rely upon competent and reliable scientific evidence substantiating the representation.

H. Failing to disclose, clearly and prominently, either (1) to each participant who, after the first two weeks on the program, is experiencing average weekly weight loss that exceeds two percent (2%) of said participant's initial body weight, or three pounds, whichever is less, for at least two consecutive weeks, or (2) in writing to all participants, when they enter the program, that failure to follow the diet instructions and consume the total caloric intake recommended may involve the risk of developing serious health complications.

I. Misrepresenting, directly or by implication, the existence, contents, validity, results, conclusions, or interpretations of any test or study.

J. Misrepresenting, directly or by implication, the performance, efficacy, or benefits of any weight loss program or weight loss product.

II.

It is further ordered, That respondents shall notify the Commission at least thirty (30) days prior to the effective date of any proposed change in the corporate respondents such as dissolution, assignment, or sale resulting in the emergence of a successor corporation(s), the creation or dissolution of subsidiaries, or any other change in the corporations that may affect compliance obligations arising out of this order.

III.

It is further ordered, That for three (3) years after the last date of dissemination of any representation covered by this order, respondents, or their successors and assigns, shall maintain and upon

request make available to the Federal Trade Commission for inspection and copying:

A. All materials that were relied upon in disseminating such representation; and

B. All tests, reports, studies, surveys, demonstrations or other evidence in their possession or control that contradict, qualify, or call into question such representation, or the basis relied upon for such representation, including complaints from consumers.

IV.

It is further ordered, That respondents shall distribute a copy of this order to each of their officers, agents, representatives, independent contractors and employees, who is involved in the preparation and placement of advertisements or promotional materials or in communication with customers or prospective customers or who have any responsibilities with respect to the subject matter of this order; and, for a period of five (5) years from the date of entry of this order, distribute same to all future such officers, agents, representatives, independent contractors and employees.

V.

It is further ordered, That:

A. Respondents shall distribute a copy of this order to each of their franchisees and licensees and shall contractually bind them to comply with the prohibitions and affirmative requirements of this order; respondents may satisfy this contractual requirement by incorporating such order requirements into their current Operations Manuals or, if they do not have a current Operations Manual, by notifying their franchisees and licensees that failure to comply with the provisions of this order is at variance with respondents' methods, standards, and specifications for proper conduct of the franchisee's business under the franchise agreement; and

B. Respondents shall further make reasonable efforts to monitor their franchisees' and licensees' compliance with the order provisions; respondents may satisfy this requirement by: (1) taking reasonable steps to notify promptly any franchisee or licensee that respondents

determine is failing materially or repeatedly to comply with any order provision; (2) providing the Federal Trade Commission with the name and address of the franchisee or licensee and the nature of the noncompliance if the franchisee or licensee fails to comply promptly with the relevant order provision after being so notified; and (3) in cases where that franchisee's or licensee's conduct constitutes a material or repeated violation of the order, diligently pursuing reasonable and appropriate remedies available under their franchise or license agreements and applicable state law to bring about a cessation of that conduct by the franchisee or licensee;

Provided, however, that respondents' compliance with this Part shall constitute an affirmative defense to any civil penalty action arising from an act or practice of one of respondents' franchisees or licensees that violates this order where respondents: a) have not authorized, approved or ratified that conduct; b) have reported that conduct promptly to the Federal Trade Commission under this Part; and c) in cases where that franchisee's or licensee's conduct constitutes a material or repeated violation of the order, have diligently pursued reasonable and appropriate remedies available under the franchise or license agreement and applicable state law to bring about a cessation of that conduct by the franchisee or licensee.

VI.

This order will terminate on the third day of June, 2016, or twenty years from the most recent date that the United States or the Federal Trade Commission files a complaint (with or without an accompanying consent decree) in federal court alleging any violation of the order, whichever comes later; provided, however, that the filing of such a complaint will not affect the duration of:

A. Any paragraph in this order that terminates in less than twenty years;

B. This order's application to any respondent that is not named as a defendant in such complaint; and

C. This order if such complaint is filed after the order has terminated pursuant to this paragraph.

Provided further, that if such complaint is dismissed or a federal court rules that the respondents did not violate any provision of the order, and the dismissal or ruling is either not appealed or upheld on appeal, then the order will terminate according to this paragraph as though the complaint was never filed, except that the order will not terminate between the date such complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

VII.

It is further ordered, That respondents shall, within sixty (60) days after the date of service 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.