

IN THE MATTER OF

BEVERLY HILLS WEIGHT LOSS CLINICS
INTERNATIONAL, INC.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SECS. 5 AND 12 OF THE FEDERAL TRADE COMMISSION ACT

Docket C-3515. Complaint, Aug. 11, 1994--Decision, Aug. 11, 1994

This consent order prohibits, among other things, a commercial diet program company from misrepresenting the performance or safety of any diet program it offers in the future, and requires the respondent to possess competent and reliable scientific evidence to substantiate any future claims it makes about weight loss, weight loss maintenance, or rate of weight loss; to make a number of disclosures regarding maintenance success claims; and to disclose all mandatory fees.

Appearances

For the Commission: *Gary S. Cooper, Charles La Due and Richard F. Kelly.*

For the respondent: *Gary Buchman, Hassman & Rachstein, Boston, MA.*

COMPLAINT

The Federal Trade Commission, having reason to believe that Beverly Hills Weight Loss Clinics International, Inc., a corporation (“respondent”), 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 Beverly Hills Weight Loss Clinics International, Inc. (“Beverly Hills”), is a Virginia corporation, with its principal office or place of business at 200 Highpoint Avenue, Suite B-5, Portsmouth, Rhode Island.

PAR. 2. Respondent advertises, offers for sale, sells, and otherwise promotes throughout much of the eastern United States weight loss and weight maintenance services and products, and makes them available to consumers at numerous “Beverly Hills

Weight Loss Clinics” in many states. These products include “food” within the meaning of Sections 12 and 15 of the Federal Trade Commission Act. Through clinics owned by Beverly Hills, franchised by Beverly Hills, and licensed by Beverly Hills to use the Beverly Hills trademark and the Beverly Hills weight loss and weight maintenance services and products, respondent is engaged, and has 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 its business, respondent has disseminated or caused to be disseminated advertisements for weight loss and weight maintenance services and products. Respondent has placed, or has authorized the placement of, these advertisements with numerous newspapers, radio stations, and television stations for the purpose of inducing consumers to purchase its products and services. Respondent further advertises the Beverly Hills weight loss programs through the use of promotional materials, including pamphlets and brochures, given to customers and prospective customers at individual Beverly Hills Weight Loss Clinic locations.

PAR. 4. 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. 5. Respondent’s advertisements and promotional materials include, but are not necessarily limited to, the advertisements and promotional materials attached hereto as Exhibits A-X.

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

- (a) RESULTS!
BEVERLY HILLS GUARANTEES THEM.
Safe, fast, effective
Guaranteed results
[Exhibit A]
- (b) RESULTS
BEVERLY HILLS GUARANTEES THEM.
Lose Up To 7 Pounds And A Full Dress Size In One Week!
Weight Loss Guaranteed* for Life.
[Exhibit B]
- (c) FUN
BEVERLY HILLS MAKES WEIGHT LOSS FUN

- “And I Have Only 5 Pounds to Go.”
 Weight Loss Guaranteed* for Life.
 [Exhibit C]
- (d) It’s Real Food, Real Results!
 At Beverly Hills, you eat the same food you serve your family. And you will lose 2 to 5 pounds each week. Our program helps you reach your goal weight and keep it off. Put your trust in the people who know--our clients. They’ve had proven results.
 Kimberly Wiggins ... 44 ½ lbs. 57 ½ inches
 [Exhibit D]
- (e) Laura L. Porter... lost 24 ¾ lbs. & 28 ½"
 Although this is a true story, it is not an unusual story. It is something our counselors hear everyday. Why not let us help you get a new lease on life?
 LOSING WEIGHT DOESN’T MAKE SENSE UNLESS YOU KEEP IT OFF!!!
 BEVERLY HILLS *Weight Loss Clinics*
 “Where Temporary Loss Is No Success”
 [Exhibit E]
- (f) Beverly Hills says put your trust in the claims of people who know - our clients. They’ve had proven results. After all, aren’t they the ones you can really trust...
 Steve Gaddy...100 Lbs. 68"
 Beverly Kuch...46 Lbs. 41 ½"
 [Exhibit F]
- (g) Some weight loss companies claim to be the best, based on a comparison test that everyone seems to be refuting. Others claim they’re best, based on a newspaper reporter’s opinion.
 Beverly Hills says put your trust in the claims of people who know - our clients. They’ve had proven results. After all, aren’t they the ones you can really trust?
 Francis Foster Lost 33 lbs.
 Kathy Cooper Lost 68 lbs.
 Debbie Rogers Lost 35 lbs.
 Winnie Sutton Lost 42 ½ lbs.
 [Exhibit G]
- (h) DREAMS DO COME TRUE
 “I Lost 30 Pounds and I Feel Great.”
 ... Guaranteed. Lose 3-7 Pounds Per Week
 [Exhibit H]
- (i) REVOLUTIONARY PROGRAM SHEDS THOUSANDS OF POUNDS.
 “Beverly Hills Gave Me The Willpower.”
 ... Guaranteed. Lose 3-7 Pounds Per Week
 [Exhibit I]

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, respondent represents and has represented, directly or by implication, that Beverly Hills customers typically are successful in reaching their weight loss goals under the Beverly Hills weight loss programs.

PAR. 8. Through the use of the statements set forth in paragraph six, and others not specifically set forth herein, respondent represents and has represented, directly or by implication, that at the time it made the representation set forth in paragraph seven, respondent possessed and relied upon a reasonable basis that substantiated such representation.

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

PAR. 10. The advertisements and promotional materials referred to in paragraph five, including but not necessarily limited to the attached Exhibits J-P, contain the following statements:

- (a) THE FINAL SOLUTION To Your Weight Problem
LOSE WEIGHT FOREVER....
We do not consider weight loss successful unless its permanent. There is a reason why our method works to keep weight off where others fail. Come to the nearest clinic for a consultation and let us demonstrate our famous method of easy permanent weight control.
[Exhibit J]
- (b) GUARANTEED* WEIGHT LOSS FOR LIFE
... Beverly Hills guarantees weight loss forever! Not just for this year but for all the years to come
[Exhibit K]
- (c) LOSE WEIGHT QUICKLY & SAFELY
LET BEVERLY HILLS SHOW YOU THE WAY
BEVERLY HILLS *Weight Loss Clinics*
"Where Temporary Loss Is No Success"
[Exhibit L]
- (d) 8 DRESS SIZES & GAINED BACK NOTHING BUT SELF-ESTEEM
... I'm ELATED after going from a size 12 to a 4!! The best part though is I have kept my eight off now for 15 months ...
Debbie Jones 30 Lbs.
[Exhibit M]

- (e) We Have a Secret!
The secret to slimming down and staying slim....
It's called Guaranteed* Weight Loss For Life
"I have stayed slim for more than 1 ½ years"!
30 lbs. Denise Gillispie
[Exhibit N]
- (f) Carol Telly
Lost 22 lbs. & 25 inches three years ago. Still maintaining.
[Exhibit O]
- (g) "Since I became a Beverly Hills woman, I've lost 20 pounds, and I'll never gain them back!" - Jackie C.
Weight Loss Guaranteed for Life.*
[Exhibit P]

PAR. 11. Through the use of the statements set forth in paragraph ten, and others in advertisements and promotional materials not specifically set forth herein, respondent represents and has represented, directly or by implication, that:

- (a) Beverly Hills customers typically are successful in reaching their weight loss goals and maintaining their weight loss either long-term or permanently; and
- (b) Beverly Hills customers typically are successful in maintaining their weight loss achieved under the Beverly Hills weight loss programs.

PAR. 12. Through the use of the statements set forth in paragraph ten, and others not specifically set forth herein, respondent represents and has represented, directly or by implication, that at the time it made the representations set forth in paragraph eleven, respondent possessed and relied upon a reasonable basis that substantiated such representations.

PAR. 13. In truth and in fact, at the time it made the representations set forth in paragraph eleven, respondent did not possess and rely upon a reasonable basis that substantiated such representations. Therefore, the representation set forth in paragraph twelve was, and is, false and misleading.

PAR. 14. The advertisements and promotional materials referred to in paragraph five, including but not necessarily limited to the attached Exhibits D, E, H, I and L, contain the following statements:

- (a) And you will lose 2 to 5 pounds each week.
[Exhibit D]
- (b) LOSE 3-7 LBS. PER WEEK
[Exhibits E and L]
- (c) Guaranteed. Lose 3-7 Pounds Per Week.
[Exhibits H and I]

PAR. 15. Through the use of the statements set forth in paragraph fourteen, and others in advertisements and promotional materials not specifically set forth herein, respondent represents and has represented, directly or by implication, that customers on the Beverly Hills weight loss programs typically lose weight at an average rate of two to five or three to seven pounds per week.

PAR. 16. Through the use of the statements set forth in paragraph fourteen, and others not specifically set forth herein, respondent represents and has represented, directly or by implication, that at the time it made the representations set forth in paragraph fifteen, respondent possessed and relied upon a reasonable basis that substantiated such representations.

PAR. 17. In truth and in fact, at the time it made the representations set forth in paragraph fifteen, respondent did not possess and rely upon a reasonable basis that substantiated such representations. Therefore, the representation set forth in paragraph sixteen was, and is, false and misleading.

PAR. 18. In the routine course and conduct of its business, respondent states during initial sales presentations that consumers will typically reach their desired weight loss goals within the time frames computed for their programs by Beverly Hills Weight Loss Clinics' personnel.

PAR. 19. Through the use of the statements set forth in paragraph eighteen, and others not specifically set forth herein, respondent represents and has represented, directly or by implication, that at the time it made the representation set forth in paragraph

eighteen, respondent possessed and relied upon a reasonable basis that substantiated such representation.

PAR. 20. In truth and in fact, at the time it made the representation set forth in paragraph eighteen, respondent did not possess and rely upon a reasonable basis that substantiated such representation. Therefore, the representation set forth in paragraph nineteen was, and is, false and misleading.

PAR. 21. The advertisements and promotional materials referred to in paragraph five, including but not necessarily limited to the attached Exhibits Q and R, contain the following statements:

- (a) Only Beverly Hills Has A Totally Safe Weight Loss Program.
Our Diet Plan Is Complete.
We are the first major weight loss clinic to recognize the importance of adding Essential Fatty Acids as a dietary supplement. We call this wonderful product BEV-EFA. You'll call it miraculous. And only Beverly Hills offers it.
[Exhibit Q]
- (b) SCIENTIFIC ADVANCEMENT
BEV-EFA Makes Our Weight Loss Plan Complete.
This Beverly Hills supplement will help you prevent the problems that patients in other weight loss programs could experience.
Weight loss without Essential Fatty Acids supplementation may lead to such symptoms as: hair loss, skin changes, diarrhea, as well as possible metabolic effects. There is experimental evidence from animal studies that EFA deficiency may contribute to the development of cholesterol gallstones. By adding BEV-EFA to our weight loss supplement plan, you will be protecting yourself against the negative characteristics associated with weight loss. And ONLY Beverly Hills offers this marvelous dietary supplement.
[Exhibit R]

PAR. 22. Through the use of the statements set forth in paragraph twenty-one, and others in advertisements and promotional materials not specifically set forth herein, respondent represents and has represented, directly or by implication, that the Beverly Hills weight loss programs are safer than other weight loss programs that do not include essential fatty acid supplementation.

PAR. 23. Through the use of the statements set forth in paragraph twenty-one, and others not specifically set forth herein,

respondent represents and has represented, directly or by implication, that at the time it made the representation set forth in paragraph twenty-two, respondent possessed and relied upon a reasonable basis that substantiated such representation.

PAR. 24. In truth and in fact, at the time it made the representation set forth in paragraph twenty-two, respondent did not possess and rely upon a reasonable basis that substantiated such representation. Therefore, the representation set forth in paragraph twenty-three was, and is, false and misleading.

PAR. 25. In the course and conduct of its business, respondent provides its customers with diet instructions that require said customers, *inter alia*, to come in to one of respondent's weight loss clinics three times a week for monitoring of their progress, including weighing in. In the course of regularly ascertaining its customers' weight loss progress, respondent, in some instances, is 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. 26. When presented with the weight loss results described in paragraph twenty-five, respondent on many occasions has 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 respondent's weight loss programs. In light of respondent's practice of monitoring people on the programs, said failure to disclose was, and is, a deceptive practice.

PAR. 27. The advertisements referred to in paragraph five, including but not necessarily limited to the attached Exhibits D, F, K, M, N, O, R, S and T, contain the following statements:

- (a) Special 6 Weeks For \$69
 - lab included • 6 week minimum[Exhibit D]

- (b) Final Week!
 Limited Special
 \$10.00 per week
 - Lab included
 - Eat grocery store foods
 - 6 week minimum
 [Exhibit F]
- (c) 4 WEEKS ONLY \$49
 [Exhibit K]
- (d) 8 WEEKS ONLY
 \$99⁰⁰
 Plus Pay Only \$1.00 For Complete Lab Test
 [Exhibit M]
- (e) Get 5 weeks of weight loss for only \$59⁰⁰
 [Exhibit N]
- (f) \$10 a week
 medical fee included
 6 week minimum
 [Exhibit O]
- (g) 8 WEEKS OF WEIGHT LOSS
 ONLY \$99⁰⁰ plus
 Pay only \$1 for complete lab test
 (First Time Visit Bonus)
 [Exhibit R]
- (h) ONE LOW PRICE \$5⁰⁴
 Program average weekly cost
 [Exhibit S]
- (i) ONE LOW PRICE!
 30 lb. Program Will Average
 \$4³⁰ Per Week
 [Exhibit T]

PAR. 28. Through the use of the statements set forth in paragraph twenty-seven, and others in advertisements not specifically set forth herein, respondent represents and has represented, directly or by implication, that the advertised price is the only cost associated with losing weight on the Beverly Hills weight loss programs.

PAR. 29. In truth and in fact, the advertised price is not the only cost associated with losing weight on the Beverly Hills weight loss

programs. There are substantial additional mandatory expenses associated with losing weight on the Beverly Hills weight loss programs that far exceed the advertised price. Therefore, the representation set forth in paragraph twenty-eight was, and is, false and misleading.

PAR. 30. In its advertising and sale of the Beverly Hills weight loss programs, respondent has represented that the advertised price is the only cost associated with losing weight on the Beverly Hills weight loss programs. Respondent has failed to disclose adequately to consumers the existence and amount of all mandatory expenses associated with participation in the Beverly Hills programs. This fact would be material to consumers in their purchase decisions regarding the programs. The failure to disclose this fact, in light of the representation made, was, and is, a deceptive practice.

PAR. 31. The advertisements referred to in paragraph five, including but not necessarily limited to the attached Exhibits U-X, contain the following statements:

- (a) 1st TIME PATIENTS ONLY
2 WEEKS FREE
[Exhibit U]
- (b) 2 FREE WEEKS
Call For An Appointment
First time members only. Must be 30 lbs. or more overweight.
[Exhibit V]
- (c) FREE! FREE! FREE!
FREE - 4 WEEK WEIGHT LOSS PROGRAM
[Exhibit W]
- (d) WANTED
20 persons to participate in a FREE WEIGHT LOSS PROGRAM. Must need to lose 30 pounds or more. In return, you will authorize BEVERLY HILLS to use photos and testimonials for advertising purposes. Complete details available in person only....
[Exhibit X]

PAR. 32. Through the use of the statements set forth in paragraph thirty-one, and others in advertisements not specifically set forth herein, respondent represents and has represented, directly or by

implication, that respondent's weight loss programs are being offered to consumers at no cost.

PAR. 33. In truth and in fact, the receipt of free weight loss services is contingent upon the purchase, at substantial expense to the consumer, of other goods or services that are mandatory for participation in the Beverly Hills weight loss programs. Therefore, the representation set forth in paragraph thirty-two was, and is, false and misleading.

PAR. 34. In advertising the free offer of weight loss services under the Beverly Hills weight loss programs, respondent represents and has represented that its weight loss programs are being offered to consumers at no cost. Respondent has failed to disclose adequately to consumers that the receipt of free weight loss services is contingent upon the purchase, at substantial expense to the consumer, of other goods or services that are mandatory for participation in the Beverly Hills weight loss programs. This fact would be material to consumers in their purchase decisions regarding the programs. The failure to disclose this fact, in light of the representation made, was, and is, a deceptive practice.

PAR. 35. In providing advertisements and promotional materials referred to in paragraph five to its individual franchised or licensed clinics for the purpose of inducing consumers to purchase its weight loss and weight maintenance services and products, respondent has furnished the means and instrumentalities to those clinics to engage in the acts and practices alleged in paragraphs five through thirty-four.

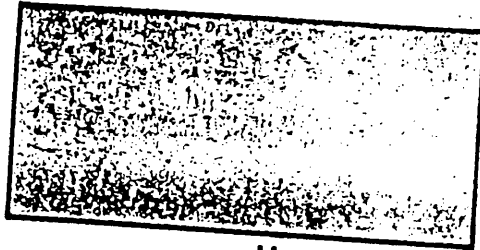
PAR. 36. The acts and practices of respondent as alleged in this complaint constitute deceptive acts or practices and the making of false advertisements in or affecting commerce in violation of Sections 5(a) and 12 of the Federal Trade Commission Act.

Commissioner Owen was recorded as voting in the affirmative, but dissenting as to the exception requiring full numerical disclosures involving quantitative weight loss maintenance claims in short radio and TV ads.

Beverly hills 3x7 7/22/71 p-324 coop

RESULTS!

**BEVERLY HILLS
GUARANTEES THEM.**



- Medically supervised
- Safe, fast, effective
- Long term maintenance
- Individual counseling
- Guaranteed results

Hurry Before Summer Ends!

BEVERLY HILLS

Weight Loss Clinics

CALL NOW

SALEM	389-1200
VINTON	981-9200
ROANOKE	362-7100
BLACKSBURG	951-2400
WYTHEVILLE	228-9111

*Offer does not include protein supplements.

EXHIBIT B

RESULTS



**BEVERLY HILLS
GUARANTEES THEM.**

**Lose Up To 7 Pounds And A Full Dress Size In
One Week! Weight Loss Guaranteed* for Life.**

(OFFER GOES HERE)

- 4 weeks of weight loss • 6 weeks of stabilization
- 52 weeks of maintenance • Labwork & medical fees included • 1 week of nutritional supplements

*Beverly Hills Weight Loss Clinics Are Medically Supervised!
Our Dietary Foods Comply With FDA Requirements!*

*Program details and requirements available at each clinic
Each clinic independently owned and operated.

(CLINIC LOCATION AND PHONE NUMBER)

BEVERLY HILLS *Weight Loss Clinics*

You're going to love it from the very first minute.

EXHIBIT C

FUN

**BEVERLY HILLS
MAKES WEIGHT
LOSS FUN.**

**"And I Have Only
5 Pounds To Go."**

**Weight Loss Guaranteed*
for Life.**

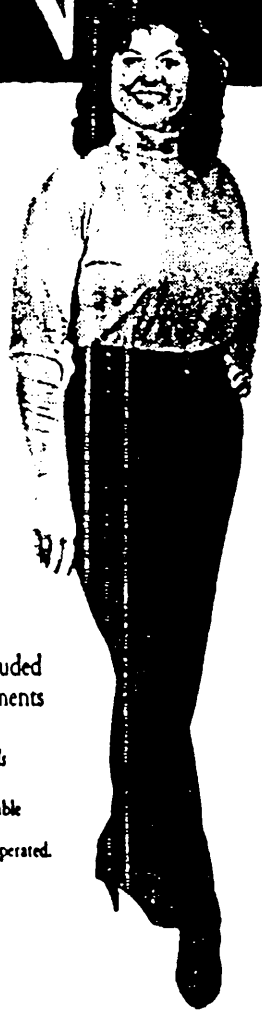
(OFFER GOES HERE)


- 4 weeks of weight loss
- 6 weeks of stabilization
- 52 weeks of maintenance
- Labwork & medical fees included
- 1 week of nutritional supplements

*Beverly Hills Weight Loss Clinics Are
Medically Supervised! Our Dietary Foods
Comply With FDA Requirements!*

*Program details and requirements available
at each clinic.
Each clinic independently owned and operated.

(CLINIC LOCATION
AND PHONE NUMBER)





BEVERLY HILLS *Weight Loss
Clinics*

You're going to love it from the very first minute.

213

Complaint

EXHIBIT D

RECORD OF ADVERTISING

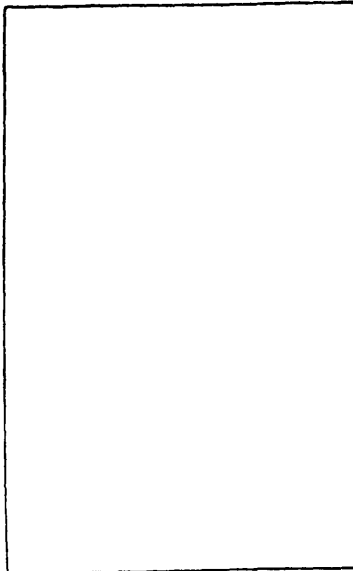
00611

CLINIC _____

DATE/DAY 2-16-92
(Ad appeared in paper)

DIRECTOR _____

WEATHER CONDITIONS _____



NEWSPAPER _____

AT BEVERLY HILLS

*It's Real Food,
Real Results!*

At Beverly Hills, you eat the same food you serve your family. And you will lose 2 to 5 pounds each week. Our program helps you reach your goal weight and keep it off.

Special
6 Weeks **\$69**
For

* lab included * 6 week minimum

Put your trust in the people who know our clients. They've had proven results.

349 Jonestown Rd.
Winston-Salem
659-1364

BEVERLY HILLS *Weight Loss Clinics*

You're going to love it from the very first minute. Product not included. An individual may or may not lose weight.

CALLS _____

2-16-92

APPTS _____

SHOWS _____

COMMENTS: _____



Complaint

EXHIBIT E



GO
LIKE AN ELEVATOR
THAT'S NOT WEIGHT
CONTROL!

Dr. Euble FIT

I had always been overweight. I tried "just cutting down" diets on my own with no success. I finally gave in when my husband was going to buy me a \$70 dress and the largest size in the store didn't fit. That's when I came to BHWLC. The staff gave me the support and encouragement I needed to stick with a diet. Now I know how to eat sensibly and how to cut down when I need or want to lose more. It's a great feeling to have people compliment me on how I look and to try on a size 10 pair of pants and have them fit a little loose!!!



Laura L. Porter of E'town, Ky.
lost 24 3/4 lbs. & 29 1/2"

Thanks BHWLC!

Signed *Laura L. Porter*

ALTHOUGH THIS IS A TRUE STORY, IT IS NOT AN UNUSUAL STORY. IT IS SOMETHING OUR COUNSELORS HEAR EVERYDAY. WHY NOT LET US HELP YOU GET A NEW LEASE ON LIFE?

LOSING WEIGHT DOESN'T
MAKE SENSE UNLESS
YOU KEEP IT OFF!!!

CELEBRATION OF SUMMER
50% OFF Weight Loss Program
This Offer Expires 6/23/89

- MEDICALLY SUPERVISED
- NO SHOTS. NO PILLS. NO EXERCISE
- EAT REGULAR, NUTRITIONALLY BALANCED MEALS
- LOSE 3-7 LBS. PER WEEK

PHONE TODAY
737-3511

Towne Centre
(Next to Goody's)
Elizabethtown, Ky.

BEVERLY HILLS
Weight Loss Clinics

"Where Temporary Loss is No Success"

BEVERLY HILLS WEIGHT LOSS CLINICS INTERNATIONAL 229

213

Complaint

EXHIBIT F

CLINIC W.S.

DATE/DAY 9-22-91 ^{11:03 AM} + 9-23-91
(Ad appeared in paper)

DIRECTOR Georgia

WEATHER CONDITIONS

WINSTON-SALEM JOURNAL Sunday, September 22, 1991 PAGE A17

BEVERLY HILLS SAYS

Trust what our customers know!

Beverly Hills says put your trust in the claims of people who know — our clients. They've had proven results. After all, aren't they the ones you can really trust?

Final Week! Limited Special \$1000 per week

- Low overhead
- Low priority care
- No time constraints

 Steve Gasky W.S., NC 100 Lbs. 68"	 Beverly Kuch Clemmons, NC 46 Lbs. 41"
--	---

BEVERLY HILLS Weight Loss Clinics

349 Jonestown Rd.
Winston-Salem
659-1364

Product not included. An individual may not have bright skin.

You're going to love it from the very first minute.

NEWSPAPER _____

CALLS _____

APPTS _____

SHOWS _____

COMMENTS: _____



EXHIBIT G

Trust what our customers know!

Some weight loss companies claim to be the best, based on a comparison test that everyone seems to be refuting. Others claim they're the best, based on a newspaper reporter's opinion.

Beverly Hills says put your trust in the claims of people who know — our clients. They've had proven results. After all, aren't they the ones you can really trust?

Francis Foster Lost 33 lbs.	Kathy Cooper Lost 68 lbs.
Debbie Rogers Lost 35 lbs.	Winnie Sutton Lost 42 1/2 lbs.

Call Now For
FREE CONSULTATION

BEVERLY HILLS *Weight Loss Clinics*

**TOWNE CENTRE
ELIZABETHTOWN**
(NEXT TO GOODY'S)
737-3511

BARDSTOWN
127 REARDON ROAD
348-1797

00621

Pennsylvania 9/91

003005

REVOLUTIONARY PROGRAM SHEDS THOUSANDS OF POUNDS.

"Beverly Hills Gave Me The Willpower."

Gale Sova



- Revolutionary FLEX-LITE Five Phase System
- Medically Supervised & Approved
- Guaranteed. Lose 3-7 Pounds Per Week
- Private One-One Counseling & Support
- Eat Nutritionally Balanced Meals
- Lifestyle Maintenance Program

Each Clinic
Independently
Owned &
Operated


BEVERLY HILLS

Call Now For
Details

Weight Loss Clinics

(CLINIC LOCATION
AND
PHONE NUMBER)


OWN YOUR OWN FRANCHISE FOR INFORMATION 1-800-476-6996

Exhibit

EXHIBIT I

003003

DREAMS DO COME TRUE



"I Lost 30 Pounds and I Feel Great."

Lisa Ruddle

- Revolutionary FLEX-LITE Five Phase System
- Medically Supervised & Approved
- Guaranteed. Lose 3-7 Pounds Per Week
- Private One-One Counseling & Support
- Eat Nutritionally Balanced Meals
- Lifestyle Maintenance Program

Each Clinic Independently Owned & Operated

BEVERLY HILLS

Weight Loss Clinics

(CLINIC LOCATION AND PHONE NUMBER)

Call Now For Details

OWN YOUR OWN FRANCHISE FOR INFORMATION 1-800-476-6996

THE FINAL SOLUTION To Your Weight Problem

0061

LOSE WEIGHT FOREVER—Most people with a chronic weight problem are discouraged or soon will be. The discouragement comes from the numerous attempts to control their weight, only to fail. After weeks and weeks of dieting and depriving themselves of food they enjoy, the dieting stops, the weight is regained and usually even more. This is called the Yo-Yo syndrome; who can blame a person for not wanting to try one more time.

BUT THERE IS AN ANSWER—IT'S THE BEVERLY HILLS WEIGHT LOSS CLINIC. We have enjoyed success time and time again with people who had all but given up hope. The reason is simple; all programs are not alike. We do not consider weight loss successful unless it's permanent. There is a reason why our method works to keep weight off where others fail. Come to the nearest clinic for a consultation and let us demonstrate our famous method of easy permanent weight control.

"I went from a size 12 to a size 8 in just 6 weeks!"
Denise Gillespie



**Lose Up To 7 Pounds
And A Full Dress
Size In Only 1 Week!**

737-3511
Towne Centre
(next to Goody's)
Elizabeth town



- *FREE Consultation
- *FREE Medical Analysis
- *FREE 6 Weeks Stabilization
- *FREE 1-Year Maintenance
- *\$395 Value FREE with the purchase of 6 weeks
- Expires Friday 10-5-90

EXHIBIT K

003009

Guaranteed

WEIGHT LOSS FOR LIFE

**THIS YEAR I RESOLVE
TO MOVE TO BEVERLY HILLS.**

Losing weight can be a dream come true with Beverly Hills. How do I know? Because many of my friends have lost weight the Beverly Hills way and they had a blast doing it! They've convinced me that Beverly Hills is the **only** program that has really worked. And, do you know what — Beverly Hills **guarantees** weight loss forever! Not just for this year but for all the years to come. You simply can't go wrong. I'm joining Beverly Hills today. You should, too! I can't wait to become the person I was meant to be.



BEVERLY HILLS

Weight Loss Clinics

Breezewood 898-1773
Stafford 659-0455

* Program Details and Requirements Available at Your Local Clinic.
Each Clinic Independently Owned & Operated

© /N YOUR OWN FRANCHISE —
FCR INFORMATION 1-800-476-6996

4 WEEKS ONLY ^S49

Exhibit K

003007

LOSE WEIGHT QUICKLY & SAFELY

*"Insert testimonial here:
skcm cmdkvc mckd
mxmckd m,cndjkdmdc
cxmxkds dkvc kc c,dkv v,ckl
cmxkxkmc.."*

LET BEVERLY HILLS SHOW YOU THE WAY

Insert Photo Here

Mary Smith of City, State
lost 56 lbs and 111"

The Height a Person Can Reach is Limited Only By His Vision.

Dr. Eubie Pitt

- MEDICALLY SUPERVISED
- LOSE 3-7 LBS, PER WEEK
- NO SHOTS, NO PILLS, NO EXERCISE
- EAT REGULAR, NUTRITIONALLY BALANCED MEALS

CALL TODAY 000-0000
0000 Street City State

1/2 OFF

EACH CLINIC INDEPENDENTLY OWNED & OPERATED
"Where Temporary Loss Is No Success"

Insert expiration date of SPECIAL here

EXHIBIT M

8 DRESS SIZES & GAINED BACK NOTHING BUT SELF-ESTEEM!"

"After my doctor told me to lose weight or walk with a cane in 10 years, I went straight to Beverly Hills Weight Loss Clinic! I couldn't believe it. I was losing weight without powders, pills or shots & I'm **ELATED** after going from a size 12 to a 4!!

The best part though is I have kept my weight off now for 15 months & even after all this time, I can still count on the staff at Beverly Hills for counseling & support!"



Debbie Jones
30 Lbs.

Call today
737-3511
Towne Centre
(Next to
Goody's)
Elizabethtown



8 WEEKS ONLY

\$99⁰⁰

Plus Pay Only
\$1⁰⁰
For Complete
Lab Test

LIMITED TIME OFFER. FIRST TIME VISIT ONLY.

We Have a Secret!

*The secret to slimming down
and staying slim....*

It's called

Guaranteed*

WEIGHT LOSS FOR LIFE



Get **5** weeks of
weight loss for only **\$59⁰⁰**
LIMITED TIME ONLY

There is no better time than **NOW** to start the Beverly Hills Weight Loss Program. You get **5 weeks** of weight loss for only \$59.00. That's right! And in 5 weeks you can lose up to 35 lbs. and 5 dress sizes.

*"I have stayed
slim for more
than 1 1/2
years!"
30 lbs.*

Denise
Gillespie

LOSE WEIGHT NOW

The Safest and Most Effective
Way Available!

737-3511



Weight Loss Clinics

TOWNE CENTRE
Elizabethtown

*Program Details and Requirements at your local clinic.

For the best in local Sports Coverage read The News-Enterprise

Complaint

118 F.T.C.

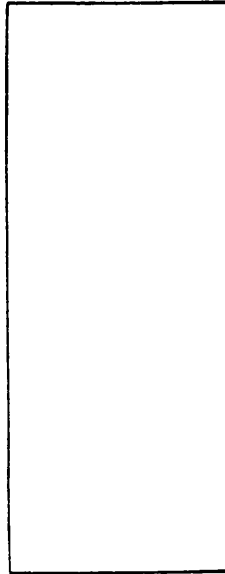
EXHIBIT O

CLINIC _____

DATE/DAY _____
(Ad appeared in paper)

DIRECTOR _____

WEATHER CONDITIONS _____



Beverly Hills Says:

Weigh Your Options

- Real Grocery Store Foods
- Travel, Dine-Out
- Nurse on Staff
- Private Counseling
- Locally Owned

\$10 a week
medical fee included
6 week minimum

FINAL WEEK

BEVERLY HILLS *Weight Loss Clinics*

Call Today
659-1364

*Product not included; as individuals vary, so does weight loss.

NEWSPAPER _____

CALLS _____

APPTS _____

SHOWS _____

COMMENTS: _____



6-9-92

BEVERLY HILLS WOMEN

Look Great!


“Since I became a Beverly Hills woman, I’ve lost 20 pounds, and I’ll never gain them back!”
- Jackie C.

Take it from Jackie C. She lost 20 pounds and she looks as great as she feels. You can be a Beverly Hills woman and look great, too.

Our clinics are medically supervised. The program is safe, fast, and our dietary foods comply with FDA requirements.

Lose from 3 to 7 pounds and a full dress size in one week.

Weight Loss Guaranteed for Life.*



Join today and enjoy these great benefits:

- 4 weeks of weight loss • 6 weeks of stabilization • 52 weeks of maintenance
- Labwork & medical fees included
- 1 week of nutritional supplements

*Call for Details and Requirements. Lifetime applies to Lifetime of Patient.
*Each clinic independently owned and operated.

BEVERLY HILLS™ Weight Loss Clinics

(CLINIC LOCATION AND PHONE NUMBER)

You're going to love it from the very first minute.

EXHIBIT Q

Only Beverly Hills Has A Totally Safe Weight Loss Program.

Our Diet Plan Is Complete.

We are the first major weight loss clinic to recognize the importance of adding Essential Fatty Acids as a dietary supplement. We call this wonderful product BEV-EFA. You'll call it miraculous. And only Beverly Hills offers it.

Our weight loss plan is medically supervised, and you can lose 2 to 5 pounds per week. There are no shots, and you eat regular, nutritionally balanced meals.

So join the weight loss program that's the best.

Call for this week's special
Towne Centre
Elizabethtown
737-3511



You are going to love it from the very first minute.



00020

NOV-10, 1990

EXHIBIT R

SCIENTIFIC ADVANCEMENT

BEV-EFA
Makes Our Weight Loss Plan
Complete.

Beverly Hills is the first major weight loss clinic to recognize the importance of adding Essential Fatty Acids as a dietary supplement. We call this wonderful product BEV-EFA. You'll call it miraculous.

EFA -- Essential Fatty Acids supplementation is now a key feature of our weight loss program. And, like the entire Beverly Hills program, use of BEV-EFA will be under our medical supervision. This Beverly Hills supplement will help you prevent the problems that patients in other weight loss programs could experience.



Why you need BEV-EFA.

There is scientific and medical evidence that most reduced calorie diets do not contain adequate amounts of EFA, and

patients on low-calorie diets risk EFA deficiency. Adequate intakes of essential fatty acids of the omega-6 and omega-3 families are a necessity for good health, and suggested levels of EFA intake have been recommended by the WORLD HEALTH ORGANIZATION.

Weight loss without Essential Fatty Acids supplementation may lead to such symptoms as: hair loss, skin changes, diarrhea, as well as possible metabolic effects. There is experimental evidence from animal studies that EFA deficiency may contribute to the development of cholesterol gallstones.

By adding BEV-EFA to our weight loss supplement plan, you will be protecting yourself against the negative characteristics associated with weight loss. And ONLY Beverly Hills offers this marvelous dietary supplement.

Our complete weight loss program is medically supervised, and now, with BEV-EFA you can lose 3 to 7 pounds per week safely and easily. There are no shots and if you eat regular, nutritionally balanced meals.

The Beverly Hills Weight Loss Clinic program, now with BEV-EFA, can help you to enjoy the brand new you. That is our personal guarantee of your success!

COUPON

8 WEEKS OF WEIGHT LOSS

ONLY \$99.00 plus

Pay only \$1 for complete lab test
 (First Time Visit Bonus)

LIMITED TIME OFFER

Once again Beverly Hills Weight Loss Clinics is the **LEADER** in the weight loss industry.



CALL Today

737-3511
 OWNE CENTRE
 117 ARETH TOWN

348-1797
 127 REARDON BLVD.
 BARRISTOWN

Exhibit

Complaint

118 F.T.C.

EXHIBIT S

WEEK OF February 24, 1992
The News Enterprise

1102011

CORPULENT • FLESHY • GROSS • HEAVY
OVERBLOWN • OVERWEIGHT • PORCINE • ROTUND
BEEFY • BULKY • CHUNKY • DUMPY
FULLBODIED • HEAVYSET • SQUAT • STOCKY
STUBBY • THICK • THICKSET • PAUNCHY
POTBELLED • BRAWNY • BURLY • HUSKY

OR

SLIM • SLENDER • LEAN • SHAPELY
ALLURING • LIVELY • ATTRACTIVE
TANTALIZING

If you would like to be described in the second group, shouldn't you be joining our group?

ONE LOW PRICE
 Program average \$5.04 weekly cost

CALL NOW!
737-3511

REVERLY HILLS

Weight Loss Clinics
 Towne Centre, E town

Program includes: Weight loss, medical analysis, stabilization, maintenance. Supplements not included. (In Affordable)



BEVERLY HILLS WEIGHT LOSS CLINICS INTERNATIONAL 243

213

Complaint

EXHIBIT T

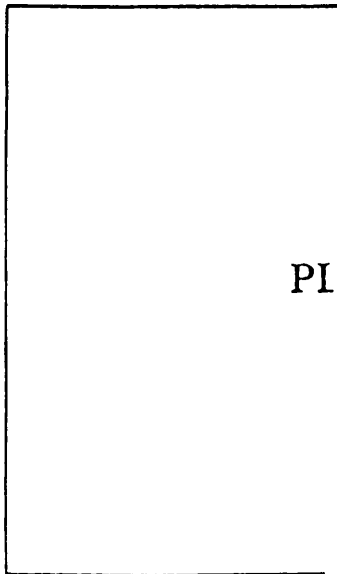
006138

CLINIC _____

DATE/DAY _____
(Ad appeared in paper)

DIRECTOR _____

WEATHER CONDITIONS _____
entzen Inc. in Greensboro



PI

ONE LOW PRICE!
30 lb. Program Will Average

\$430 Per Week

- All Weight Loss
- 6 Weeks Stabilization
- 1 Year of Maintenance
- Medical Fees
- Starter Kit

BEVERLY HILLS
Weight Loss Clinics

349 Jonestown Road
659-1364

June
Temps
for 80° F. Ex.
and
114 inches

Additional Product Not Included.
As Individual Vary, So Does Weight Loss.

NEWSPAPER _____

6-28-92

CALLS _____

APPTS _____

SHOWS _____

COMMENTS: _____



EXHIBIT U

BEVERLY HILLS UNDERSTANDS


"Insert Testimonial here. Add address of recipient (include zip code) by all channels. Enclosed envelope supplied"

Insert Photo Here

Mary Smith of City, State
Not 50 lbs and 100"

LOSING WEIGHT IS MORE THAN JUST A MATTER OF WILLPOWER

Many of our staff are former patients. They reflect the extra measure of care and understanding which comes only from first-hand knowledge. At Beverly Hills we believe this can and does make all the difference.



For a free brochure -
put your response on
this card

Dr. Eugene Pitt

- MEDICALLY SUPERVISED
- LOSE 3-7 LBS PER WEEK
- NO PILLS
- NO SHOTS
- NUTRITIONALLY BALANCED MEALS
- NO EXERCISE

CALL 000-0000
0000 ADDRESS
CITY, STATE

2 WEEKS FREE

SEE IT TODAY AND EXPIRATION DATE.

EACH CLINIC INDEPENDENTLY OWNED AND OPERATED

-Where Temporary Loss Is No Success-

213

Complaint

EXHIBIT V

006235

Which Seat Would You Rather See Disappear?



Start losing weight now at Beverly Hills, and you'll be sitting pretty down the road. Just head for The Hills — Beverly Hills — for a free consultation and complete details. Or, you can sit this one out.

<p>COUPON</p> <p>2 FREE WEEKS</p> <p>Call For An Appointment</p> <p>First time members only. Must be 30 lbs. or more overweight.</p> <p>Expires 5/92</p>	<p>COUPON</p> <p>Summer Shape-Up Plan</p> <p>Lose all the weight you want through 1st day of summer. Free lab.</p> <p>\$199⁰⁰</p> <p>Expires 5/92</p>
<p>COUPON</p> <p>"The Works" One Low Price</p> <p>Expires 5/92</p>	<p>BEVERLY HILLS <i>Weight Loss Clinics</i></p> <p>737-3511</p> <p>ELIZABETHTOWN Towne Center Mall (Next to Goody's)</p> <p><small>Supplements not included.</small></p>



EXHIBIT W



PRESENT THIS COUPON AND RECEIVE

*** FREE CONSULTATION
* FREE - 4 WEEK WEIGHT
LOSS PROGRAM**

Lose 3-7 pounds per week with our medically supervised program

- Eat regular foods
- No shots
- No Pills

**GOOD AT STAFFORD LOCATION ONLY
CALL TODAY
703-659-0455**

Lab fees and nutritional supplements not included in this offer.

EXPIRES JANUARY 10, 1990

213

Complaint

EXHIBIT X

WANTED

20 persons to participate in a **FREE WEIGHT LOSS PROGRAM**. Must need to lose 30 pounds or more. In return, you will authorize **BEVERLY HILLS** to use photos and testimonials for advertising purposes. Complete details available in person only at **BEVERLY HILLS WEIGHT LOSS CLINIC**

**BEVERLY HILLS**
Weight Loss Clinics

Kroger Shopping Center
Scottsville Road
Call for Appointment
842-4095

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 complaint which the Boston Regional Office 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,

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 aforesaid draft 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, 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 respondent has violated the 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 makes the following jurisdictional findings and enters the following order:

1. Respondent Beverly Hills Weight Loss Clinics International, Inc. ("Beverly Hills"), is a Virginia corporation, with its office and principal place of business located at 200 Highpoint Avenue, Suite B-5, Portsmouth, Rhode Island.

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

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 conducted and evaluated in an objective manner by persons qualified to do so, using procedures generally accepted in the relevant profession or science 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 point type where the representation that triggers the disclosure is given in twelve 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 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 respondent, Beverly Hills Weight Loss Clinics International, Inc., a corporation, its successors and assigns, and its officers, and respondent's 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, respondent possesses and relies 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 respondent's 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 respondent discloses, clearly and prominently, and in close proximity to such representation, the statement: "For many dieters, weight loss is temporary."; provided, further, that respondent shall not represent, directly or by implication, that the above-quoted statement does not apply to dieters in respondent's 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 respondent discloses, 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 respondent's programs:

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

(b) The statement: “Beverly Hills makes no claim that this [these] result[s] is [are] representative of all participants in the Beverly Hills program.”;

provided, further, that compliance with the obligations of this paragraph I.C. in no way relieves respondent 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 respondent:

(1) Includes, 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, complies 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 respondent:

(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 XXXXXXXXXXXXXXXXXXXXXXXXXX] 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, respondent 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 respondent 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) Respondent must comply with both paragraph I.D. and paragraph I.C. of this order if respondent includes 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 respondent's weight loss programs

if the weight loss success or weight loss maintenance success depicted in the advertisement is not representative of what participants in respondent's weight loss programs generally achieve, unless respondent discloses, 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 Beverly Hills customers in losing weight or maintaining achieved weight loss; provided, however, that in determining the generally expected success for Beverly Hills customers respondent 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, respondent can satisfy the requirements of subparagraph I.E.(1) by accurately disclosing the generally expected success in the following phrase: "Beverly Hills 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, respondent may substitute a clear and prominent disclosure of the percentage of all of respondent's customers that the group or subset defined in the advertisement represents.

F. Representing, directly or by implication, that the price at which any weight loss program can be purchased is the only cost associated with losing weight on that program, unless such is the case.

G. Representing, directly or by implication, the price at which any weight loss program can be purchased, unless respondent discloses, clearly and prominently, either:

(1) In close proximity to such representation, the existence and amount of all mandatory costs or fees associated with the program offered; or

(2) In immediate conjunction with such representation, one of the following statements:

(a) "Plus the cost of [list of products or services that participants must purchase at additional cost]."

(b) "Purchase of [list of products or services that participants must purchase at additional cost] required.";

provided, further, that in broadcast media, if the representation that triggers any disclosure required by this paragraph is oral, the required disclosure must also be made orally.

H. Representing, directly or by implication, that any weight loss program or service can be obtained for free, unless respondent discloses, clearly and prominently, either (1) in close proximity to such representation, the existence and amount of all mandatory fees associated with the free offer; or (2) in immediate conjunction with such representation, the following statement: "You must pay for [list of products or services that participants must purchase at additional cost] to take advantage of this free offer."; provided, further, that in broadcast media, if the representation that triggers the disclosure is oral, the disclosures required by either (1) or (2) of this paragraph must also be made orally.

I. Failing to disclose over the telephone, for a period of time beginning with the date of any advertisement of the price at which any weight loss program can be purchased and ending no sooner than 180 days after the last dissemination of any such advertisement, to consumers who inquire about the cost of any weight loss program, or are told about the cost of any weight loss program, the existence and amount of any mandatory costs or fees associated with participation in the program; provided, however, that respondent may satisfy this requirement by directing its weight loss centers to disclose the information, by providing the center personnel with suggested language to be used when responding to telephone inquiries and by making its best efforts to ensure compliance with its directive to disclose price information over the telephone.

J. Representing, directly or by implication, the average or typical 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, respondent possesses and relies upon competent and reliable scientific evidence substantiating the representation.

K. Representing, directly or by implication, that participants or prospective participants in respondent's weight loss programs have reached or will reach a specified weight within a specified time period, unless at the time of making such representation, respondent possesses and relies upon competent and reliable scientific evidence substantiating the representation.

L. Making comparisons between the efficacy of respondent's weight loss program(s) and the efficacy of any other weight loss and/or diet program(s), unless at the time of making such representation, respondent possesses and relies upon a competent and reliable scientific study or survey substantiating the representation.

M. Making comparisons between the safety of respondent's weight loss program(s) and the safety of any other weight loss and/or diet program(s), unless at the time of making such representation, respondent possesses and relies upon competent and reliable scientific evidence substantiating the representation.

N. 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.

O. Misrepresenting, directly or by implication, the existence, contents, validity, results, conclusions, or interpretations of any test or study.

P. Misrepresenting, directly or by implication, the performance, efficacy, or safety of any weight loss program or weight loss product.

II.

It is further ordered, That respondent shall notify the Commission at least thirty (30) days prior to the effective date of any proposed change in the corporate respondent such as dissolution, assignment, or sale resulting in the emergence of a successor corporations, the creation or dissolution of subsidiaries, or any other change in the corporation 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, respondent, 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 its 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 respondent shall distribute a copy of this order to each of its 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. Respondent shall distribute a copy of this order to each of its franchisees and licensees and shall contractually bind them to comply with the prohibitions and affirmative requirements of this order; respondent may satisfy this contractual requirement by incorporating such order requirements into its current Operations Manual; and

B. Respondent shall further make reasonable efforts to monitor its franchisees' and licensees' compliance with the order provisions; respondent may satisfy this requirement by: (1) taking reasonable steps to notify promptly any franchisee or licensee that respondent determines 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 its franchise or license agreement and applicable state law to bring about a cessation of that conduct by the franchisee or licensee.

VI.

It is further ordered, That respondent 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 it has complied with this order.

IN THE MATTER OF

DOCTORS MEDICAL WEIGHT LOSS CENTERS, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SECS. 5 AND 12 OF THE FEDERAL TRADE COMMISSION ACT

Docket C-3516. Complaint, Aug. 11, 1994--Decision, Aug. 11, 1994

This consent order prohibits, among other things, the Florida commercial diet program companies and their officer from misrepresenting the performance or safety of any diet program they offer in the future, and requires the respondents to possess competent and reliable scientific evidence to substantiate any future claims they make about weight loss, weight loss maintenance, or rate of weight loss; to make a number of disclosures regarding maintenance success claims; and to disclose all mandatory fees.

Appearances

For the Commission: *Eric Bash, Matthew Daynard and Richard F. Kelly.*

For the respondents: *Gabriel Imperato, Broad & Cassell, Fort Lauderdale, FL.*

COMPLAINT

The Federal Trade Commission, having reason to believe that Doctors Medical Weight Loss Centers, Inc. ("DMWLC"), Doctors Weight Loss Centers, Inc. ("DWLC"), and Joyce A. Schuman, individually and as an officer of said corporations (hereinafter, collectively, "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. (a) Respondents DMWLC and DWLC are Florida corporations, formerly doing business, with their principal offices and places of business located at 5479 A North Federal Highway, Fort Lauderdale, Florida.

(b) Respondent Joyce A. Schuman is an officer of the corporate respondents. Individually or in concert with others, she formulates, directs, and controls the acts or practices of the corporate

respondents, including the acts or practices alleged in this complaint. Her principal residence is located at 2730 Sea Island Drive, Fort Lauderdale, Florida.

(c) Respondents have cooperated and acted together in carrying out the acts and practices alleged in this complaint.

PAR. 2. Respondents have advertised or otherwise promoted, offered for sale, and sold, weight reduction and weight control programs and products, and have made them available to consumers at their weight loss centers. Respondents have offered for sale and sold diet programs of 800 to 1500 calories per day, that include food, as "food" is defined in Section 15 of the Federal Trade Commission Act.

PAR. 3. In the course and conduct of their business, respondents have disseminated or have caused to be disseminated advertisements for weight reduction and weight control programs and products. Respondents have placed these advertisements with various media for the purpose of inducing consumers to purchase their programs and products. Respondents have further advertised their weight loss programs through the use of promotional materials, including pamphlets and brochures, given to customers and prospective customers at individual weight loss center locations.

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-O.

PAR. 6. The advertisements and promotional materials referred to in paragraph five, attached hereto as Exhibits A-J, contain the following statements:

- (a) "Permanent Weight Loss" (Exhibit A)
- (b) "Lose 3-8 pounds per week, safely, economically, and permanently with professional supervision." (Exhibit B)
- (c) "WHAT MAKES A WEIGHT LOSS PROGRAM GREAT? ... Results should be long lasting & offer a lifetime solution to a weight problem ... GUESS WHAT! ... We just described the DOCTORS WEIGHT LOSS PROGRAM." (Exhibits C-E)
- (d) "Doctors Weight Loss Advantage You Keep The Weight Off" (Exhibit F)
- (e) "The best way to lose weight and keep it off" (Exhibit G)
- (f) "TAKE IT OFF ... AND KEEP IT OFF!" (Exhibit H)

(g) "WHAT MAKES OUR PROGRAM THE BEST? ... LONG-LASTING RESULTS ... '3 years later and I'm still slim, trim, healthy. It's no problem staying a size 5'" (Exhibit I)

(h) "I reached my goal and lost 30 lbs. in just 10 weeks." (Exhibit J)

PAR. 7. Through the use of the statements contained in the advertisements referred to in paragraph six, and others in advertisements or promotional materials not specifically set forth herein, respondents have represented, directly or by implication, that:

(a) DMWLC/DWLC customers typically are successful in reaching their weight loss goals and maintaining their weight loss either long-term or permanently;

(b) DMWLC/DWLC customers typically are successful in maintaining their weight loss achieved under the DMWLC/DWLC diet program; and

(c) DMWLC/DWLC customers typically are successful in reaching their weight loss goals.

PAR. 8. Through the use of the statements contained in the advertisements referred to in paragraph six, and others in advertisements or promotional materials not specifically set forth herein, 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 respondents made the representations set forth in paragraph seven, they did not possess and rely upon a reasonable basis that substantiated such representations. Therefore, respondents, representation as set forth in paragraph eight was and is false and misleading.

PAR. 10. The advertisements referred to in paragraph five, attached hereto as Exhibits A, C, D-F, and J-N contain the following statements:

(a) "\$11 PER WEEK" (Exhibits A, F, J, L-N)

(b) "\$15 PER WEEK" (Exhibit C)

(c) "\$8 PER WEEK" (Exhibits D and E)

(d) "\$9 PER WEEK" (Exhibit K)

PAR. 11. Through the use of the statements contained in the advertisements referred to in paragraph ten, and others in advertisements or promotional materials not specifically set forth herein, respondents have represented, directly or by implication, that the advertised price is the only cost associated with losing weight on the DMWLC/DWLC weight loss program.

PAR. 12. In truth and in fact, the advertised price is not the only cost associated with losing weight on the DMWLC/DWLC weight loss program. There are substantial, additional mandatory expenses associated with participation in the DMWLC/DWLC weight loss program. Therefore, respondents' representation as set forth in paragraph eleven was and is false and misleading.

PAR. 13. In advertising the price of the DMWLC/DWLC weight loss program, respondents have failed to disclose to consumers the existence and amount of all mandatory expenses associated with participation in the DMWLC/DWLC weight loss program. This fact would be material to consumers in their purchase or use decisions regarding the weight loss program. In light of respondents' representation as set forth in paragraph eleven that the quoted price represents the only cost associated with the DMWLC/DWLC weight loss program, said failure to disclose was and is a deceptive practice.

PAR. 14. The advertisements referred to in paragraph five, attached hereto as Exhibits B, L, M, and N, contain the following statements:

- (a) "Lose 3-8 pounds per week, safely, economically, and permanently with professional supervision." (Exhibit B)
- (b) "START TODAY BE 30 LBS. LIGHTER IN 30 DAYS!" (Exhibit L)
- (c) "LOSE 3 TO 7 LBS. A Week" (Exhibit M)
- (d) "LOSE 3-6 LBS. A WEEK" (Exhibit N)

PAR. 15. Through the use of the statements contained in the advertisements referred to in paragraph fourteen, and others in advertisements or promotional materials not specifically set forth herein, respondents have represented, directly or by implication, that consumers following the DMWLC/DWLC weight loss program typically lose weight at an average rate of:

- (a) Thirty pounds in thirty days; and
- (b) Three to eight pounds per week.

PAR. 16. The advertisements referred to in paragraph five, attached hereto as Exhibits C-E and N contain the following statements:

- (a) "LOSE UP TO 7 LBS PER WEEK" (Exhibits C, D)
- (b) "LOSE UP TO 6 LBS. PER WEEK" (Exhibit E)
- (c) "Up to 6 lbs. per week weight loss" (Exhibit N)

PAR. 17. Through the use of the statements contained in the advertisements referred to in paragraph sixteen, and others in advertisements or promotional materials not specifically set forth herein, respondents have represented, directly or by implication, that an appreciable number of consumers following the DMWLC/DWLC weight loss program typically lose weight at an average rate of six to seven pounds per week.

PAR. 18. Through the use of the statements contained in the advertisements referred to in paragraphs fourteen and sixteen, and others in advertisements or promotional materials not specifically set forth herein, respondents have represented, directly or by implication, that at the time they made the representations set forth in paragraphs fifteen and seventeen, respondents possessed and relied upon a reasonable basis that substantiated such representations.

PAR. 19. In truth and in fact, at the time respondents made the representations set forth in paragraphs fifteen and seventeen, they did not possess and rely upon a reasonable basis that substantiated such representations. Therefore, respondents' representation as set forth in paragraph eighteen was and is false and misleading.

PAR. 20. In the routine course and conduct of their business, respondents have provided their customers with diet protocols that required said customers, *inter alia*, to come in to one of respondents' weight loss centers three to six times a week for monitoring of their progress, including weighing in. In the course of regularly ascertaining weight loss progress, respondents, in some instances, have been presented with weight loss results indicating that customers have been losing weight significantly in excess of their projected goals, which is an indication that they may not have been consuming all of the food prescribed by their diet protocol. Such conduct could, if not corrected promptly, result in health complications.

PAR. 21. When presented with the weight loss results described in paragraph twenty, respondents, on many occasions, have not

disclosed to the customers that failing to follow the diet protocol and consume all of the calories prescribed could result in health complications. This fact would be material to customers in their purchase or use decisions regarding the weight loss program. In light of respondents' practice of monitoring customers, said failure to disclose was and is a deceptive practice.

PAR. 22. 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.

Commissioner Owen was recorded as voting in the affirmative, but dissenting as to the exception requiring full numerical disclosures involving quantitative weight loss maintenance claims in short radio and TV ads.

EXHIBIT A

BRO MONDAY, JUNE 18, 1990. THE MIAMI HERALD 3C

"FOR THE FIRST TIME EVER!
I WEAR A SIZE 8 AFTER
LOSING 56 LBS."



Before
178
Lbs.

"And my doctor is amazed! At last I'm off all blood pressure medication and my cholesterol improved. I spent enormous amounts of money on every other weight loss program but to no avail. At D.Q.W.L. I learned how to eat right, lose weight and keep it off. Everyone comments on the New me!"

Lila Nikla
Homestead

Fast! Safe!
Permanent Weight Loss



After
122
Lbs.

The Doctors NEW Weight Loss Program Easier Simpler & Faster Than Ever! Learn how to lose weight and keep it off living in today's "Real World", eating Real Food, even Fast Food from McDonalds, Wendys and lots more. Lose weight more easily than you ever thought possible.

Lose weight while eating real food that you buy at the supermarket and prepare yourself.
For your convenience — delicious fresh frozen meals at low supermarket prices.
One on One Personal Supervision thru out. Learn what to eat & how to order while eating at McDonald's, Denny's, Red Lobster, etc... and still lose weight & stay thin for life.

ONLY \$11* per week
6 wk. minimum

Permanent Weight Loss Tapes
Now Available. Open To The Public.
CALL TO SEE HOW EASY IT IS!

DOCTORS WEIGHT LOSS CENTERS

DADE

- Kendall 271-8110
- Westchoster/Tamiami..... 551-1121
- Cutler Ridge 255-0008
- North Miami Beach 653-5227
- Hialeah 557-4993
- Brickell 372-0057
- Aventura 935-0286
- Homestead..... 245-4227

BROWARD

- Weston/Pembroke Pines 432-9247
- Pompano/Deerfield 426-9773
- Ft. Lauderdale 563-4699
- Coral Springs 753-5000
- Plantation 749-0995
- Hollywood 961-5033

PALM BEACH

- Boca Raton 479-4446
- Delray/Boca 272-5454
- North Palm Beach..... 863-5337
- West Palm Beach..... 478-1446
- Lake Worth 968-2221
- Stuart..... 287-0066

*Weight Loss Varies With The Individual
*Excludes Medical Fees/Supplements. New clients only
WEEKDAYS 8 AM-8 PM — SAT. TILL 1 PM
Major credit cards accepted

Complaint

118 F.T.C.

EXHIBIT B

**Small Business Owners
UNLOCK YOUR BUSINESS POTENTIAL!!**

With over 20 years experience operating & managing small businesses, I am available on a Full/Part Time basis to assist you in the following areas:

- * Accounting
- * Marketing
- * Controlling Inventory
- * Solving Problems
- * Computerizing
- * Planning
- * Managing Scheduling
- * Purchasing
- * Training

Invest in a call to Dan at TMCS, Inc., 792-4698, to discuss unlocking your business potential.

DO YOU KNOW...**Being Overweight is Hazardous To Your...
WEALTH?**

You know that being overweight hurts your health. Did you know it hurts your wealth as well? Heavy people are hired less, fired more, paid and promoted less - all because of stereotypes and appearance.

With today's economy, you can't afford not to look your best. Lose 3-8 pounds per week, safely, economically, and permanently with professional supervision. Don't let an expanding waistline cut into your bottom line!

Call now for free consultation

DOCTORS WEIGHT LOSS CENTERS!

Fl. Laud. 563-4699	Pompano 426-9773
Hollywood... 961-5053	Cr. Spg. 753-5000
Plantation... 749-0995	Weston 432-9247
Boca Raton... 479-4446	Delray Beach .. 272-5454

For other locations, call 1-800-940-SLIM

**6% DISCOUNT**

**On All Travel including
Amtrak - SR. Citizen Coupon Booklets
Cruises - Tours - Hotels Etc.**

Not applicable to airline tickets - and special promotional offers

**Investor
convert
to bond**

Federal Reserve c
interest rates to 5

Money

Steadily sliding interest rates, cut another point to 5½ percent week by the Federal Reserve, have prompted income-oriented small investors to shift billions of dollars from low-yielding money-market to bond mutual funds paying 8 percent or more, according to a survey gathered for *Money* magazine's Small Investor Index.

Since mid-December, the Federal Reserve has cut the discount rate — which it charges on loans to banks — three times. During that period, money funds have shrunk from an average yield of 7.4 percent to 5.9 percent. Most analysts expect yields to drop another half-point during the next six weeks.

While some of the cash outflow from money funds has gone to stocks, income-oriented small investors have rushed into bond funds that still pay 8 percent or more. In March, for instance, the Investment Company Institute reports that investors redeemed \$973 million from money funds and added a net \$4.4 billion to

EXHIBIT C

6E Sun-Sentinel, Wednesday, September 19, 1990

WHAT MAKES A WEIGHT LOSS PROGRAM GREAT?*

"I LOST 43 LBS. IN JUST 15 WEEKS"

"I needed HELP! I couldn't do it on my own. It was easy to follow and I wasn't hungry. The nice part was I could eat regular food & still lose!"

...JEAN HALL

LOSE UP TO 7 LBS PER WEEK

BEFORE 167 LBS. **AFTER 124 LBS.**

- * Must be safe, easy and no special foods to buy
- * Must be flexible in all situations such as eating out in fast food outlets & restaurants
- * Results should be long lasting & offer a life time solution to a weight problem.
- * Must be affordable & Drug Free

GUESS WHAT!... We just described the DOCTORS WEIGHT LOSS PROGRAM. Call now for you FREE consultation.

LAST CHANCE ! FINAL DAYS !

\$15 PER WEEK*
EXP. 9/22/90
New Programs Only

DOCTORS WEIGHT LOSS CENTERS

DADE	BROWARD	PALM BEACH
• Cutler Ridge 255-0008	• Weston/Pompano Beach 432-8247	• Boca Raton 478-4448
• N. Miami Beach 453-8227	• Pompano/Lighthouse Pt. 426-8773	• Delray Beach 272-4464
• Mialeah 557-4993	• Ft. Lauderdale 543-4899	• N. Palm Beach 963-8337
• Brickell 373-0087	• Coral Springs 733-3000	• W. Palm Beach 478-1448
• Kendall 271-8118	• Plantation 748-0995	• Lake Worth 968-8221
• Westchester/Tamiami 541-1121	• Hollywood 941-8033	• Stuart 287-8888

*EXCLUDES MEDICAL FEES/SUPPLEMENTS. (6 wk. min.)

Se Habla Espanol TOLL FREE - 1-800-940-SLIM

Major Credit Cards Accepted HOURS: MON.-FRI. 9 A.M.-7 P.M. SAT. 'TIL 1 P.M.

...his money with interest. This money will be spent without creating a new single job." It recognized that some countries at nationalized their mines had run into difficulties. The copper mining industry in Zambia, where the ANC leadership spent many years in exile, nearly collapsed after nationalization. The paper went on to say that nationalization could stampede killed whites into emigrating and that there would be "serious prob-

OVERWEIGHT MEN, WOMEN AND TEENS
I LOST 82 LBS.
...IT WAS EASY
ONLY \$8 PER WEEK*



WHAT MAKES A WEIGHT LOSS PROGRAM GREAT?*

- Must be safe, easy and no special foods to buy
- Must be flexible in all situations such as eating out in fast food outlets & restaurants
- Results should be long lasting & offer a life time solution to a weight problem
- Must be affordable & Drug Free

GUESS WHAT... We just described the DOCTORS WEIGHT LOSS PROGRAM. Call now for you FREE consultation.
LOSE UP TO 7 LBS. PER WEEK

DOCTORS WEIGHT LOSS CENTER

• Cedar Ridge... 355-028	• Weston-Panhandle Plaza... 432-3247	• Boca Raton... 478-4444
• Hialeah... 557-9923	• Hollywood... 981-5023	• Delray Beach... 272-5454
• Orland... 377-8257	• Ft. Lauderdale... 563-4693	• W. Palm Beach... 478-1446
• Pompano... 771-8110	• Coral Springs... 753-5220	• Lake Worth... 969-2221
• Westchester Gardens... 551-1121	• Plantation... 748-8995	• Stuart... 287-0266
• North Adams Beach... 633-5227	• Pompano-Leprosaria Pl... 428-8773	

WL Loss Varies On Individual Based on purchase of 1 yr. Membership So Flexible! Excepted Major Credit Cards Accepted



1 LB. MAINE LOBSTER
Mon. & Tues. \$7.99

MIAMI 869 S.W. 107th Ave. 227-2722
 S. MIAMI 6272 S. Dixie Hwy. 665-1288

FOR LOCATIONS IN BROWARD CALL 748-8404

Specials not available for take-out... MCVASA

ABSOLUTE AUCTION
 BY ORDER OF DEVELOPER
TWO NEW LUXURY HOMES
SIX LAKEFRONT LOTS
THE HUNT
 Lake Worth, FL.

11:00 A.M. Sat. March 16th

All six lots to be sold to the highest bidder without minimums or reserves.

Call for detailed brochure

NATIONAL AUCTION SALES COMPANY

Auctioneers & Brokers & Consultants
 1125 NORTH OCEAN BLVD. SUITE 100
 BOYTON BEACH, FLORIDA 33488
 (407) 364-7004

OFF SEASON SALE!

Add Beautiful Living Space.

- Highly Insulated
- Available in Different Colors
- Wood Paneling Inside

Awnings, Shutters, Accordion Screen Enclosures, Roofs, Roll Up Panama Shutters




EXHIBIT E

is aren't

■ The acoustics: "The acoustics are good, the production is fabulous, the theater is fabulous. It's just that it's freezing and there are no bathrooms." — Maxine Adler of Palm Beach.

■ The bathrooms: "Awful. They should have one or two extra ones in here. We've been in this line for a long time and we're not even moving." — Sylvia Feiner of Boca Raton.

(Theater designers had vowed that there would be enough restrooms and that there would be little or no waiting time.)

■ Getting to the theater and parking: "It was no problem," said Valentina Sosa, who is here on vacation from Caracas, Venezuela.

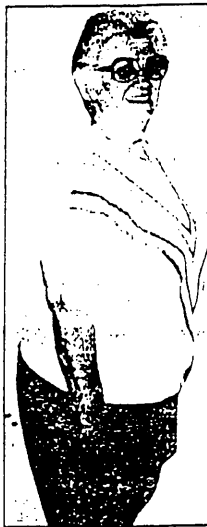
sales tax in 1982.

So, Mayhue and supporters went after money from sources that did not hinge on public approval. They persuaded state, county, city, and downtown officials to kick in \$27 million cash, plus \$5 million worth of land. The rest of the money is coming from private donations and a \$6 million loan.

Even so, the arts center stands \$9 million in the red, thanks to overruns and a \$3.2 million shortage in fund-raising.

Staff Writer Tad Woofle contributed to this report.

OVERWEIGHT MEN, WOMEN AND TEENS
I LOST 82 LBS.
...IT WAS EASY



BETTY PARDO
BEFORE 232 LBS.
FT. LAUDERDALE

BETTY PARDO
AFTER 150 LBS.

FINAL DAYS!
ONLY \$8 PER WEEK

WHAT MAKES A WEIGHT LOSS PROGRAM GREAT?*

- * Must be safe, easy and no special foods to buy
- * Must be flexible in all situations such as eating out in fast food outlets & restaurants
- * Results should be long lasting & offer a life time solution to a weight problem
- * Must be affordable & Drug Free

GUESS WHAT...
 We just described the **DOCTORS WEIGHT LOSS PROGRAM**. Call now for your **FREE CONSULTATION**.
LOSE UP TO 6 LBS. PER WEEK

DOCTORS WEIGHT LOSS CENTERS

- | | | |
|--------------------------------------|---|--------------------------------|
| • Cutler Ridge _____ 255-0008 | • Weston/Pembroke Pines _____ 432-9247 | • Boca Raton _____ 479-4446 |
| • Hialeah _____ 557-4993 | • Hollywood _____ 961-5033 | • Delray Beach _____ 272-5454 |
| • Brickell _____ 372-0057 | • Ft. Lauderdale _____ 563-4639 | • W. Palm Beach _____ 478-1446 |
| • Kendall _____ 271-8110 | • Coral Springs _____ 753-5000 | • Lake Worth _____ 969-2221 |
| • Westchester/Tamiami _____ 551-1121 | • Plantation _____ 749-0995 | • Stuart _____ 287-0066 |
| • North Miami Beach _____ 653-5227 | • Pompano/Lighthouse Pl. _____ 426-9773 | |

Major Credit Cards Accepted • *Based On Purchase of 1 Year Membership • Weight Loss Varies With Individual

AL WINTER CLEARANCE

through Sunday, March 3rd

nal

EXHIBIT F

"NOW AVAILABLE" CHOOSE YOUR OWN WEIGHT LOSS PROGRAM


TIRED OF BUYING EXPENSIVE DIET FOOD AT JENNY CRAIG & NUTRI SYSTEM?

PROGRAM #1

- No special Food To Buy
- Eat Real Restaurant & Supermarket food
- One On One Personal Supervision Throughout

PROGRAM #2

For Your Convenience Doctors Weight loss Approved Delicious Fresh Frozen Meals Are Now Available At Low, Low Supermarket Prices! So Why Buy Expensive diet Meals At Other Weight Loss Centers?



"I came to D.W.L.C. when I had lost all hope of losing the weight on my own. I started a diet program based on real food with simple doses of good nutritional guidance. The ease & freedom provided by my supervisor, the results have been amazing. My friends, relatives and my doctor don't believe it. (I've even been told to have the picture on my Doctor's license removed because the people wouldn't believe it's real)"

-Jan Miller


Doctors Weight Loss Advantage

You Keep The Weight OFF!

Any Weight Loss Is Bound To Fail Unless you Learn To Live And Eat In Today's Real World, Eating Fast Food Like McDonalds, Wendys And At Restaurants Like Dennys, Red Lobster, Etc.....

\$11 Per Week

New Program Only *Excludes Tax



DOCTORS WEIGHT LOSS CENTERS Call Or Drop In For Free Consultation

FLORIDA		BROWARD	
•Coral Ridge 255-0008	•Bricell 372-0057	•Pompano/Light. Pt. 426-9773	•Plantation 749-0995
•N. Miami Beach 653-5227	•Kendall 271-8110	•Ft. Lauderdale 563-6699	•Hollywood 941-5033
•Hialeah 557-4995	•Westchester/Tamiami 551-1121	•Coral Springs 753-5000	•Weston/Pembroke Pines 432-9347

*Excludes Medical Fees/Supplements & Week Min.
Se Habla Espanol • 18 Locations

Weekdays 9 AM-7 PM, Sat. Till 1 PM **MAJOR CREDIT CARDS ACCEPTED** **OPEN EVENINGS & SATURDAY TOLL-FREE 1-800-940-SLIM**

259

Complaint

EXHIBIT G



Margy Masbaum, left, with bachelor/Fort Lauderdale Commissioner Cary Keno and Tara Cannon.



Chris Doone visits with bachelor Chuck Schmidt at the recent fund-raiser held at Stan's.

END OF SUMMER CLEARANCE
 TAKE AN **ADDITIONAL 25% OFF**
 Sale Ends Oct. 19
 already reduced sale items now 30% to 50% OFF

the tree house
 a children's boutique
 4721 N. Ocean Drive
 Sea Ranch, Center
 Ft. Lauderdale

SPECIAL SALE RACK
 \$5, \$10, \$15, \$20...
 Values to \$88

HRS: MON.-SAT.
 9:30-5:30
 (305) 781-0181

Special Advertising Section

ALL NEW!
HERBAL BALANCE Weight Control Program NOW AVAILABLE
 Lose weight with us or at home!

LOSE WEIGHT NO EXPENSIVE FOOD TO BUY!
 Eat at any restaurant you choose... share home cooked meals with your family while losing all the weight you want. The best way to lose weight and keep it off with no expensive prepackaged foods to buy.

DOCTORS WEIGHT LOSS CENTERS
Free Consultation and Evaluation

50% OFF NEW PROGRAMS
 Supplements/Herbalbalance Formula:Extra

Call or Drop In For A Free Consultation

FT. LAUDERDALE ... 563-4699 HOLLYWOOD ... 961-3033
 PLANTATION 749-0995 BOCA RATON 479-4446
 CORAL SP. 753-5000 DELRAY 272-5454

DADE/PALM BCH. CALL TOLL FREE 1-800-940-SLIM
 MAJOR CREDIT CARDS ACCEPTED • PEOPLE PROVEN

Sherry Bishop
 "I'm maintaining my figure with HERBAL BALANCE"

CRUI
 ABOVE
 FLOP
 INSPECT

Inter
 Design
 by
Bo
 COMM

EXHIBIT H

200 S. Andrews Ave.

Mention Ad For Free Beverage w/Lunch

525-7656

TAKE IT OFF . . . AND KEEP IT OFF!

Introducing The New Fast Track Program

SPRING SPECIAL

2 FOR 1

BRING A FRIEND AND SAVE
OR COME ALONE AND SAVE 50%

Discover the easy, fast, one-to-one approach to weight loss!

At Doctors Weight Loss Centers we offer an alternative to those group meetings that may cause you embarrassment and make you feel uncomfortable. When you're trying to lose weight, the last thing you need is an audience.

In our private one-on-one consultation you will receive the support and guidance you need from our staff.



CALL FOR FREE INFORMATION AND BROCHURE

DOCTORS WEIGHT LOSS CENTERS

- | | | |
|--|--------------------------------|--------------------------------------|
| • Hollywood 961-5033 | • Boca Raton 479-4446 | • Cutler Ridge 255-0008 |
| • Plantation 749-0995 | • Delray Beach 272-5454 | • N. Miami Bch 653-5227 |
| • Weston Pembroke 432-9247 | • W. Palm Beach 478-1446 | • Hialeah 557-4993 |
| • Pompano/Lighthouse Pt. 426-9773 | • Lake Worth 669-2221 | • Brickell 372-0057 |
| • Ft. Lauderdale 563-4699 | • Stuart 287-0066 | • Kendall 271-8110 |
| • Coral Springs 753-5000 | | • Westchester/Tamiami 551-1121 |

*Weight Lose Varies With Individual
Major Credit Cards Accepted

4

259

Complaint

EXHIBIT I

BRO - TUESDAY, NOVEMBER 6, 1990, THE MIAMI HERALD D-17A

FREE WEIGHT LOSS!

Purchase any program by Nov. 10 and receive a gift certificate for the same program FREE! Offer limited to first 25 enrollments this week.

BEFORE



167 LBS.

AFTER



117 LBS.

LATER (3 YRS.)



116 LBS.

WHAT MAKES OUR PROGRAM

- EFFECTIVE
- SAFE
- LONG LASTING RESULTS
- EASY

THE BEST?

- PRIVATE COUNSELING
- INEXPENSIVE - NO PRE-PACKAGED FOODS TO BUY

"3 yrs. later and I'm still slim, trim, & healthy. It's no problem staying a size 5 ... Wendy Manning, Hollywood"

- FLEXIBLE - EAT-IN RESTAURANTS, FAST FOOD OUTLETS OR AT HOME
- DOCTOR APPROVED
- PEOPLE PROVEN

CALL OR DROP IN FOR FREE CONSULTATION

DOCTORS WEIGHT LOSS CENTERS

DADE	BROWARD	PALM BEACH
• Cutler Ridge..... 255-0008	• Weston/Pembroke Pines 432-9247	• Boca Raton..... 478-4446
• North Miami Beach..... 653-5227	• Pompano/Lighthouse Pt. 426-9773	• Delray Beach..... 272-5484
• Hialeah..... 557-4993	• Ft. Lauderdale..... 563-4899	• W. Palm Beach..... 478-1446
• Brickell..... 372-0057	• Coral Springs..... 753-5000	• Lake Worth..... 969-2221
• Kendall..... 271-8110	• Plantation..... 749-0895	• Stuen..... 287-0066
• Westchester/Tamiami..... 551-1121	• Hollywood..... 981-6033	

SE HABLA ESPAÑOL Major Credit Cards Accepted 24 HOURS: MON-FRI: 9 A.M.-7 P.M. SAT: 11:30 P.M.

Exhibit I

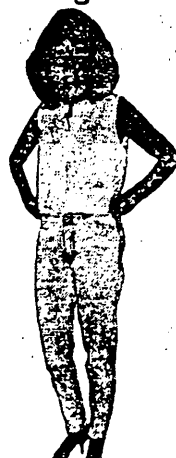
EXHIBIT J

SUNDAY, JUNE 24, 1990, THE MIAMI HERALD • 11A

"I WAS NEVER HUNGRY It Really Works. I'm Living Proof!"



143 Lbs.



113 Lbs.

I didn't know if I could do it, but I had nothing to worry about. I never felt hungry or deprived. I only felt encouraged, especially when I reached my goal and lost 30 lbs. in just 10 weeks. **Kim M. Young**

Miami

Any weight loss is bound to fail unless you learn to eat at fast food outlets and today's restaurants.

DOCTORS WEIGHT LOSS CENTERS "NEW" 4 PART PROGRAM

1. Lose weight while eating real food that you buy at the supermarket and prepare yourself.
2. Learn what to eat & how to order while eating at McDonald's, Denny's, Red Lobster, etc... and still lose weight & stay thin for life.
3. For your convenience - delicious fresh frozen meals at low, supermarket prices.
4. One on One Personal Supervision thru out.

EASE INTO SUMMER
with a brand new figure
Permanent Weight Loss Tapes
Now Available To The Public.
Call To See HOW EASY IT IS!



DADE	BROWARD	PALM BEACH
• Coral Gables 753-0028	• Boynton Beach 437-8777	• Boca Raton 475-4446
• Ft. Lauderdale 553-3227	• Pompano Beach 476-1773	• Delray Beach 375-5656
• Hollywood 557-4993	• Ft. Lauderdale 563-4699	• Ft. Palm Beach 853-3333
• Miramar 372-0557	• Coral Springs 753-3000	• Ft. Palm Beach 416-1446
• Opa-Locka 271-6118	• Plantation 378-9975	• Lake Worth 943-2271
• South Beach 561-1121	• Hollywood 961-5833	• Delray 237-0266

Major Credit Cards Accepted
911 (24hrs) 9 AM-7 PM
*18 week minimum includes medical supervision

* 20 lbs loss

259

Complaint

EXHIBIT K

The News Monday, July 8, 1991 A7

Designer Labels
 Joan Vass • Bettine Riedel
 Gene Ewing/Bis • Nancy Heller
 Nicole Miller
50% OFF
 entire inventory
 (excluding dress dresses)
ALEXANDRAS
 Harbor Bay Plaza, Stuart • 786-5042

Sail the Incomparable "SAGAFJORD"
 at Our **UNBEATABLE** Prices
Caribbean Cruise - 13 Days
 Oct. 17 - Oct. 30 Roundtrip Ft. Lauderdale
 Ship's Reg Bahamas
Call TERRY - 286-0777
ADVENTURES UNLIMITED TRAVEL
 Monterey Shopping Plaza • Stuart

"Lost 55 Lbs."

"I LOST WEIGHT SO FAST AND I WASN'T HUNGRY"
 People now say "You look 20 years younger. How did you do it? Answer: DOCTORS WEIGHT LOSS CENTERS Regia Alvarez • No. Miami"
\$14 ~~to~~ \$9 PER WEEK
 on program basis EXPIRES SATURDAY
Call For Free Information & Evaluation
DOCTORS WEIGHT LOSS CENTERS
 • STUART 287-0066 • WEST PALM BEACH 478-1446
 • BOCA RATON 479-4446 • LAKE WORTH 969-2221
 • DELRAY/BOCA 672-5454
17 LOCATIONS
 WEIGHT LOSS VARIES WITH INDIVIDUAL
 Credit Cards Accepted • Doctor Approved • People Proven

STORM SHUTTERS
 Family Owned & Operated
 Serving The Treasure Coast Since 1979


<p>HURRICANE STORM PANELS</p> <ul style="list-style-type: none"> • Strong • Economical • Easy Installation • Easy Storage • Custom Colors • Available in Additional Colors <p>Reg. \$189⁰⁰</p>  <p>Cover a 6' sliding</p>	<p>"DO IT YOURSELVERS" SPECIALS</p> <p>PANELS - 2.32' (12" wide)</p> <p>TOP HEADER - 2.48'</p> <p>ANGLE - 2.90'</p>	<p>BAHAMA SHUTTERS</p> <ul style="list-style-type: none"> • Folds & Locks • Allow Privacy • Attractive New Look For Your Home • Many Colors <table border="1"> <tr> <td>WINDOW</td> <td>REG.</td> <td>SALE</td> </tr> <tr> <td>37x39</td> <td>\$228⁰⁰</td> <td>\$190⁰⁰</td> </tr> <tr> <td>74x51</td> <td>\$493⁰⁰</td> <td>\$411⁰⁰</td> </tr> </table> <p>ALUMINUM FOLD-DOWN SHUTTERS</p>	WINDOW	REG.	SALE	37x39	\$228 ⁰⁰	\$190 ⁰⁰	74x51	\$493 ⁰⁰	\$411 ⁰⁰
WINDOW	REG.	SALE									
37x39	\$228 ⁰⁰	\$190 ⁰⁰									
74x51	\$493 ⁰⁰	\$411 ⁰⁰									

Exhibit K

EXHIBIT L

10A Sun-Sentinel, Monday, June 11, 1990

ATTENTION OVERWEIGHT MEN & WOMEN

HOW TO LOSE WEIGHT AND STAY THIN IN TODAY'S REAL WORLD!

LEARN HOW TO EAT AT McDONALD'S, WENDY'S, PIZZA HUT, DENNY'S RED LOBSTER, ETC...

ONLY \$11* PER WEEK

Minimum 6 wk. Program

START TODAY BE 30 LBS. LIGHTER IN 30 DAYS!

Before: 138 1/2 Lbs. After Weight Loss: 114 Lbs. Lost 24 lbs.

Any weight loss is bound to fail unless you learn to eat at fast food outlets and today's restaurants.

DOCTORS WEIGHT LOSS CENTERS HAVE A 4 PART PROGRAM

1. Lose weight while eating real food that you buy at the supermarket and prepare yourself
2. Learn what to eat & how to order while eating at McDonald's, Denny's, Red Lobster, etc... and still lose weight & stay thin for life.
3. For your convenience - delicious fresh frozen meals at low supermarket prices.
4. One on One Personal Supervision thru out

"My husband keeps telling me how good I look. I had low blood sugar before I started DOCTORS WEIGHT LOSS CENTERS. But now I feel great!"

Jolanta Gawlik
Riviera Beach, FL

CALL TODAY FOR YOUR FREE CONSULTATION

DOCTORS WEIGHT LOSS CENTERS

DADE	BROWARD	PALM BEACH
• Aventura _____ 335-0286	• Pembroke Pines/Davie ... 432-8247	• Boca Raton _____ 478-4448
• Homestead _____ 245-4227	• Pompano/Deerfield _____ 428-8773	• Delray Beach _____ 272-5454
• Cutler Ridge _____ 255-0008	• Ft. Lauderdale _____ 563-4699	• N. Palm Beach _____ 863-5337
• N. Miami Bch. _____ 653-5227	• Coral Springs _____ 753-5000	• W. Palm Beach _____ 478-1446
• Hialeah _____ 557-4993	• Plantation _____ 748-0995	• Lake Worth _____ 968-2221
• Brickell _____ 372-0057	• Hollywood _____ 961-5033	• Stuart _____ 237-0086
• Kendall _____ 271-8110	Major Credit Cards Accepted	Se Habla Espanol
• Westchester/Tamiami ... 551-1121		

EXCLUDES MEDICAL FEES/SUPPLEMENTS

20 CONVENIENT LOCATIONS **CALL FREE 1-800-940-SLIM**

MON-FRI 9 AM - 7 PM SAT. TIL 6 PM

EXHIBIT M

PRO MONDAY, AUGUST 6, 1990, THE MIAMI HERALD 3C

LOSE 3 up to 7 lbs. A WEEK for Only \$11* Per WEEK

LOST 25 LBS. IN 8 WEEKS!

"I feel better about myself & physically feel wonderful."
 ...Kathy Goehi



LOSE 3-7+ LBS. A Week
 for only
\$11 per WEEK*

*Limited Offer For New Programs Only
 Exp. 8/11/90

Lose all the weight you want while learning to live and eat in today's modern world of fast food outlets, Denny's, Red Lobster, Pizza Hut, restaurants, convenience stores, etc.

PROGRAMS FOR MEN, WOMEN, AND TEENS
CALL or DROP-IN for FREE CONSULTATION

DOCTORS WEIGHT LOSS CENTERS

DADE	BROWARD	PALM BEACH
• Corlier Ridge 255-0008	• Weston/Pembroke Pines 432-8247	• Boca Raton 473-4446
• North Miami Beach 633-3227	• Pompano/Light House Pt. 426-9773	• Delray Beach 272-5454
• Hialeah 557-4933	• Ft. Lauderdale 563-4699	• Ft. Palm Beach 863-5337
• Brickell 772-0057	• Coral Springs 753-5000	• W. Palm Beach 478-1646
• Kendall 271-8110	• Plantation 768-0955	• Lake Worth 569-2221
• Westchester/Tamiami 551-1121	• Hollywood 961-5033	• Stuart 287-6066

EXCLUDES MEDICAL FEES/SUPPLEMENTS \$8 week minimum

Se Habla Español **TOLL FREE 1-800-940-SLIM**

Hours: MON-FRI 9 A.M. - 7 P.M. SAT 10 A.M. - 1 P.M.

EXHIBIT N

Sun-Sentinel, Tuesday, July 31, 1990 9E

NO MORE EXPENSIVE DIET FOOD TO BUY!

BEFORE



REVOLUTIONARY NEW WAY TO LOSE WEIGHT YOU DO IT YOUR WAY!

AFTER



PROGRAM #1
No special foods to buy. You eat restaurant food or supermarket food you prepare at home. One on one personal supervision throughout. Up to 6 lbs. per week weight loss.

PROGRAM #2
For your convenience, now available, at your supermarket delicious money saving, fresh frozen meals 100% compatible with the Doctors Weight Loss Program. There's no need to buy expensive diet meals at other weight loss centers ever again!

LOSE 3-6* LBS. A WEEK for only \$11 PER WEEK*

*Limited Offer for New Program only Expires 8/4/90

When I started I had high blood pressure and my cholesterol was 269. In just two months my cholesterol had dropped to 173 and my blood pressure is very good.

Luella Holmes.

DOCTORS WEIGHT LOSS ADVANTAGE:
Lose the weight you want, inexpensively, and do it your way. You'll take the weight off and learn to keep it off while learning to live and eat in today's modern world eating at fast food outlets, convenience stores, and restaurants.

DOCTORS WEIGHT LOSS CENTERS

DADE	BROWARD	PALM BEACH
<ul style="list-style-type: none"> ● Cutler Ridge _____ 253-0008 ● Ft. Miami Beach _____ 533-9277 ● Hialeah _____ 557-4893 ● Brickell _____ 372-0057 ● Kendall _____ 271-4116 ● Westchester/Tamiami _____ 551-1121 	<ul style="list-style-type: none"> ● Weston/Pembroke Pines _____ 432-8247 ● Pompano/Brighton, FL _____ 426-8772 ● Ft. Lauderdale _____ 543-4899 ● Coral Springs _____ 753-5000 ● Plantation _____ 749-0995 ● Hollywood _____ 961-8033 	<ul style="list-style-type: none"> ● Boca Raton _____ 478-4448 ● Delray Beach _____ 272-5454 ● Ft. Palm Beach _____ 863-8337 ● W. Palm Beach _____ 478-1448 ● Lake Worth _____ 908-2221 ● Stuart _____ 287-0028

*DOES NOT INCLUDE MEDICAL FEES/SUPPLEMENTS (10 min.)

TOLL FREE 1-800-940-SLIM

HOURS: MON-FRI 9A.M. - 7P.M. SAT & SUN 10A.M. - 6P.M.

Exhibit N

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 had 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. Respondents DMWLC and DWLC are corporations organized, existing and formerly doing business under and by virtue of the laws of the State of Florida, with their offices and principal place of business located at 5479 A North Federal Highway, Fort Lauderdale, Florida.

2. Respondent Joyce A. Schuman is an individual with her principal residence located at 2730 Sea Island Drive, Fort Lauderdale, Florida.

3. The Federal Trade Commission has jurisdiction of the subject matter of the 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 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. “*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 print media 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 point type where the representation that triggers the disclosure is given in twelve 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 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 DMWLC, a corporation, DWLC, a corporation, their successors and assigns, and their officers, and Joyce A. Schuman, individually and as an officer of said corporations, and respondents, agents, representatives, and employees, directly or through any corporation, subsidiary, division, or other device, 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 of respondents’ 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 on 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: “[Doctors Medical Weight Loss Centers/Doctors Weight Loss Centers] makes no claim that this [these] result[s] is [are] representative of all participants in the [Doctors Medical Weight Loss Centers/Doctors Weight Loss Centers] 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 centers 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.E. 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 point bold), lead-in (Times Roman 12 point), disclosures (Helvetica 14 point bold), acknowledgment language (Times Roman 12 point), 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
hereXXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXXXX]
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

(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;
- (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";

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 of 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 DMWLC/DWLC customers in losing weight or maintaining achieved weight loss; provided, however, that the generally expected success for DMWLC/DWLC customers 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;

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: "Doctors Medical Weight Loss Centers, Inc./Doctors Weight Loss Centers, Inc., participants 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 subparagraphs 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, that the price at which any weight loss program can be purchased is the only cost associated with losing weight on that program, unless such is the case.

G. Representing, directly or by implication, the price at which any weight loss program can be purchased, unless respondents disclose, clearly and prominently, either:

(1) In close proximity to such representation, the existence and amount of all mandatory fees associated with the program offered; or

(2) In immediate conjunction with such representation, one of the following statements:

(a) "Plus the cost of [list of products or services that participants must purchase at additional cost]"; or

(b) "Purchase of [list of products or services that participants must purchase at additional cost] required";

provided, further, that in broadcast media, if the representation that triggers any disclosure required by this paragraph is oral, the required disclosure must also be made orally.

H. Failing to disclose over the telephone, for a period beginning with the date of any advertisement of the price at which any weight loss program can be purchased and ending no sooner than 180 days after the last dissemination of such advertisement, to consumers who inquire about the cost of any weight loss program, or are told about the cost of any weight loss program, the existence and amount of any and all mandatory costs or fees associated with participation in the program; provided, however, that respondents may satisfy this requirement by directing their weight loss centers to disclose the information, by providing the center personnel with suggested language to be used when responding to phone inquiries and by making their best efforts to ensure compliance with their directive to disclose price information over the telephone.

I. Representing, directly or by implication, that prospective participants in respondents' weight loss programs 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.

J. Representing, directly or by implication, the average or typical rate or speed at which any participant on any weight loss program has lost or will lose weight, unless at the time of making any such representation, respondents possess and rely upon competent and reliable scientific evidence that substantiates the representation.

K. 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 program protocol and eat all of the food recommended may involve the risk of developing serious health complications.

L. Misrepresenting, directly or by implication, the performance, efficacy, or safety of any weight loss program.

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 corporations, 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 respondent Joyce A. Schuman shall promptly notify the Commission of the discontinuance of her present business or employment and of her affiliation with a new business or employment. In addition, for a period of three (3) years from the service date of this order, the individual respondent shall promptly notify the Commission of each affiliation with a new business or employment whose activities relate to the advertising, promotion, offering for sale, or sale of any weight loss program. When so required under this paragraph, each such notice shall include the

individual respondent's new business address and a statement of the nature of the business or employment in which the individual respondent is newly engaged, as well as a description of the individual respondent's duties and responsibilities in connection with the business or employment. The expiration of the notice provision of this paragraph shall not affect any other obligation arising under this order.

IV.

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 possessed and relied upon to substantiate any 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.

V.

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 are 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 three (3) years from the date of entry of this order, distribute same to all future such officers, agents, representatives, independent contractors and employees.

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.

IN THE MATTER OF

QUICK WEIGHT LOSS CENTERS, INC., ET AL. (TEXAS)

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SECS. 5 AND 12 OF THE FEDERAL TRADE COMMISSION ACT

Docket C-3517. Complaint, Aug. 11, 1994--Decision, Aug. 11, 1994

This consent order prohibits, among other things, the Texas commercial diet program company and its officers from misrepresenting the performance or safety of any diet program they offer in the future, and requires the respondents to possess competent and reliable scientific evidence to substantiate any future claims they make about weight loss, weight loss maintenance, or rate of weight loss; to make a number of disclosures regarding maintenance success claims; and to disclose all mandatory fees.

Appearances

For the Commission: *Eric Bash, Matthew Daynard and Richard F. Kelly.*

For the respondents: *Gabriel Imperato, Broad & Cassell, Fort Lauderdale, FL.*

COMPLAINT

The Federal Trade Commission, having reason to believe that Quick Weight Loss Centers, Inc., a Texas corporation (hereinafter, "QWLC-Tex."), Don K. Gearheart, individually and as an officer of said corporation, and Joyce A. Schuman, individually and as an officer of said corporation (hereinafter, collectively, "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. (a) Respondent QWLC-Tex. is a Texas corporation, formerly doing business, with its principal office and place of business located at 2900 Gateway, Suite 605, Irving, Texas.

(b) Respondent Don K. Gearheart is an officer of the corporate respondent. Individually or in concert with others, he formulates, directs, and controls the acts or practices of the corporate respondent, including the acts or practices alleged in this complaint. His principal

residence is located at 9520 East Pinnacle Pear Road, Scottsdale, Arizona.

(c) Respondent Joyce A. Schuman is an officer of the corporate respondent. Individually or in concert with others, she formulates, directs, and controls the acts or practices of the corporate respondent, including the acts or practices alleged in this complaint. Her principal residence is located at 2730 Sea Island Drive, Fort Lauderdale, Florida.

(d) Respondents have cooperated and acted together in carrying out the acts and practices alleged in this complaint.

PAR. 2. Respondents have advertised or otherwise promoted, offered for sale, and sold weight reduction and weight control programs and products, and have made them available to consumers at their weight loss centers. Respondents have offered for sale and sold diet programs of 800 to 1500 calories per day that include food, as "food" is defined in Section 15 of the Federal Trade Commission Act.

PAR. 3. In the course and conduct of their business, respondents have disseminated or have caused to be disseminated advertisements for weight reduction and weight control programs and products. Respondents have placed these advertisements with various media for the purpose of inducing consumers to purchase their programs and products. Respondents have further advertised their weight loss programs through the use of promotional materials, including pamphlets and brochures, given to customers and prospective customers at individual weight loss center locations.

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-M.

PAR. 6. The advertisements and promotional materials referred to in paragraph five, attached hereto as Exhibits A-F, contain the following statements:

- (a) "LOSE WEIGHT, KEEP IT OFF THE EASY WAY" (Exhibit A)
- (b) "WHAT MAKES A WEIGHT LOSS PROGRAM GREAT? ... Results should be long lasting & offer a lifetime solution to a weight problem ... GUESS WHAT ... We just described the QUICK WEIGHT LOSS PROGRAM." (Exhibit B)

- (c) “‘Keeping the weight off has been no problem’ ... LONG * LASTING RESULTS” (Exhibit C)
- (d) “‘I lost 60 lbs. and have learned to keep it off. It’s been over 3 years now and I still look and feel great.’” (Exhibit D)
- (e) “‘Reaching my goal was the greatest day of my life.’” (Exhibit E)
- (f) “‘Now that I have reached my goal I will be able to maintain my weight because I have learned to prepare great dietary meals and how to order in restaurants.’” (Exhibit F)

PAR. 7. Through the use of the statements contained in the advertisements referred to in paragraph six, and others in advertisements or promotional materials not specifically set forth herein, respondents have represented, directly or by implication, that:

- (a) QWLC-Tex. customers typically are successful in reaching their weight loss goals and maintaining their weight loss either long-term or permanently;
- (b) QWLC-Tex. customers typically are successful in maintaining their weight loss achieved under the QWLC-Tex. diet program; and
- (c) QWLC-Tex. customers typically are successful in reaching their weight loss goals.

PAR. 8. Through the use of the statements contained in the advertisements referred to in paragraph six, and others in advertisements or promotional materials not specifically set forth herein, 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 respondents made the representations set forth in paragraph seven, they did not possess and rely upon a reasonable basis that substantiated such representations. Therefore, respondents’ representation as set forth in paragraph eight was and is false and misleading.

PAR. 10. The advertisements referred to in paragraph five, attached hereto as Exhibits B-D and G-L contain the following statements:

- (a) “6 WEEKS FOR \$66” (Exhibits B, G)
- (b) “\$11.00 per week” (Exhibits C, D, H, I, J)
- (c) “FOR ONLY \$11” (Exhibit K)

(d) "COMPLETE WEIGHT LOSS PROGRAM FOR LESS THAN \$9 PER WEEK" (Exhibit L)

PAR. 11. Through the use of the statements contained in the advertisements referred to in paragraph ten, and others in advertisements or promotional materials not specifically set forth herein, respondents have represented, directly or by implication, that the advertised price is the only cost associated with losing weight on the QWLC-Tex. weight loss program.

PAR. 12. In truth and in fact, the advertised price is not the only cost associated with losing weight on the QWLC-Tex. weight loss program. There are substantial, additional mandatory expenses associated with participation in the QWLC-Tex. weight loss program. Therefore, respondents' representation as set forth in paragraph eleven was and is false and misleading.

PAR. 13. In advertising the price of the QWLC-Tex. weight loss program, respondents have failed to disclose to consumers the existence and amount of all mandatory expenses associated with participation in the QWLC-Tex. weight loss program. This fact would be material to consumers in their purchase or use decisions regarding the weight loss program. In light of respondents' representation as set forth in paragraph eleven that the quoted price represents the only cost associated with the QWLC-Tex. weight loss program, said failure to disclose was and is a deceptive practice.

PAR. 14. The advertisements referred to in paragraph five, attached hereto as Exhibits A, G-J, and M, contain the following statements:

- (a) "Lose 3-8 pounds a week" (Exhibits A, G)
- (b) "LOSE 30 LBS. IN 30 DAYS" (Exhibit G)
- (c) "LOSE 3-7 LBS. A WEEK ..." (Exhibit H)
- (d) "NOW YOU CAN LOSE 3-6 LBS. A WEEK ..." (Exhibits I, J)
- (e) "CALL, COME IN AND START TODAY ... BE 7 LBS. LIGHTER BY NEXT WEEK!" (Exhibit M)

PAR. 15. Through the use of the statements contained in the advertisements referred to in paragraph fourteen, and others in advertisements or promotional materials not specifically set forth herein, respondents have represented, directly or by implication, that consumers following the QWLC-Tex. weight loss program typically lose weight at an average rate of:

- i) Thirty pounds in thirty days; and
- ii) Three to eight pounds per week.

PAR. 16. The advertisements referred to in paragraph five, attached hereto as Exhibits B and K, contain the following statements:

- (a) "LOSE UP TO 7 LBS. PER WEEK" (Exhibit B)
- (b) "LOSE UP TO 6 lbs Per Week" (Exhibit K)

PAR. 17. Through the use of the statements contained in the advertisements referred to in paragraph sixteen, and others in advertisements or promotional materials not specifically set forth herein, respondents have represented, directly or by implication, that an appreciable number of consumers following the QWLC-Tex. weight loss program typically lose weight at an average rate of six to seven pounds per week.

PAR. 18. Through the use of the statements contained in the advertisements referred to in paragraphs fourteen and sixteen, and others in advertisements or promotional materials not specifically set forth herein, respondents have represented, directly or by implication, that at the time they made the representations set forth in paragraphs fifteen and seventeen, respondents possessed and relied upon a reasonable basis that substantiated such representations.

PAR. 19. In truth and in fact, at the time respondents made the representations set forth in paragraphs fifteen and seventeen, they did not possess and rely upon a reasonable basis that substantiated such representations. Therefore, respondents' representation as set forth in paragraph eighteen was and is false and misleading.

PAR. 20. In the course and conduct of their business, respondents have provided their customers with diet protocols that required said customers, *inter alia*, to come in to one of respondents' weight loss centers three to six times a week for monitoring of their progress, including weighing in. In the course of regularly ascertaining weight loss progress, respondents, in some instances, have been presented with weight loss results indicating that customers have been losing weight significantly in excess of their projected goals, which is an indication that they may not have been consuming all of the food prescribed by their diet protocol. Such conduct could, if not corrected promptly, result in health complications.

PAR. 21. When presented with the weight loss results described in paragraph twenty, respondents, on many occasions, have not disclosed to the customers that failing to follow the diet protocol and consume all of the calories prescribed could result in health complications. This fact would be material to customers in their purchase or use decisions regarding the weight loss program. In light of respondents' practice of monitoring customers, said failure to disclose was and is a deceptive practice.

PAR. 22. The advertisements and promotional materials referred to in paragraph five, attached hereto as Exhibit G, contain the following statements:

- (a) "Medically supervised by weight loss specialists" (Exhibit G)

PAR. 23. Through the use of the statements referred to in paragraph twenty-two, and others in advertisements or promotional materials not specifically set forth herein, respondents have represented, directly or by implication, that customers who participate in QWLC-Tex. diet programs are monitored by health professionals.

PAR. 24. In truth and in fact, customers who participate in QWLC-Tex. diet programs are not monitored by health professionals. Therefore, respondents' representation as set forth in paragraph twenty-three was and is false and misleading.

PAR. 25. 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.

Commissioner Owen was recorded as voting in the affirmative, but dissenting as to the exception requiring full numerical disclosures involving quantitative weight loss maintenance claims in short radio and TV ads.

EXHIBIT A

OVERWEIGHT MEN, WOMEN AND TEENS

NEW YEAR'S RESOLUTION:

**LOSE WEIGHT,
KEEP IT OFF
THE EASY
WAY**

"69 Lbs. in only 23 weeks...
It was easy &
I was never hungry!"
Lilianne DeGrasse

Call, Come In, or Start Today, and Receive One MONTH FREE

NO HUNGER • NO EXERCISE
Eat regular everyday food and lose 3-8 pounds a week. "It's safe, it's sensible and it's fast."
SAVE \$300 a month by not having to buy expensive pre-packaged foods.

LOSE WEIGHT FAST GUARANTEED

Discover 24 Secrets to Get & Stay Slim • FREE CONSULTATION

PRESTON.....739-8077	CALL	S. ARLINGTON.....483-5061
RICHARDSON.....680-1896	DALLAS FT. WORTH	MULEN.....346-1887
IRVING.....639-1300	239-SLIM 277-SLIM	CAMP BOWE.....783-8585
CARROLLTON.....323-9211	for location nearest you	MURST.....294-2216
GRAND PRAIRIE.....662-0677	<small>*Weight Loss comes with the consultation</small>	ARLINGTON.....548-1111
ME SQUIRE.....613-5833		BEDFORD.....354-8685
DUNCANVILLE.....331-1700		MOCKINGBIRD.....823-2017
PLANO.....424-4121		

15 Convenient Locations
HOURS: MON. thru FRI. 9 a.m.-8 p.m. • SAT. 9 a.m.-1 p.m.
MAJOR CREDIT CARDS ACCEPTED

EXHIBIT A

000682

Dallas Morning News 2-6-77 Tuesday

EXHIBIT B

**LOSE WEIGHT
EATING 3 GOOD MEALS A DAY!**

**CALL, COME IN
START TODAY**

RECEIVE
6 WEEKS **\$6600**
FOR ONLY

**WHAT MAKES A
WEIGHT
LOSS PROGRAM
GREAT?***

- * Must be safe, easy and no special foods to buy
- * Must be flexible in all situations such as eating out in fast food outlets & restaurants
- * Results should be long lasting & offer a life time solution to a weight problem.
- * Must be affordable & Drug Free

GUESS WHAT. . . We just described the QUICK WEIGHT LOSS PROGRAM. Call now for your FREE consultation.

**LOSE UP TO 7
LBS. PER WEEK**

**QUICK
WEIGHT
LOSS
CENTERS**

BEFORE: 184 LBS. **AFTER: 128 LBS.**



REMEMBER,
RESULTS LIKE THIS
CAN ONLY START
WHEN YOU DO!



**TAMI CUNNINGHAM LOST 56 LBS. & 8
DRESS SIZES & WAS NEVER HUNGRY
WHILE EATING 3 GREAT MEALS A DAY**

PRESTON _____ 739-8077	MESQUITE _____ 813-9833	CAMP BOWIE _____ 763-8585
RICHARDSON _____ 680-1686	DUNCANVILLE _____ 331-1700	MURST _____ 284-2216
IRVING _____ 659-1300	PLANO _____ 424-4121	ARLINGTON _____ 548-1111
CARROLLTON _____ 323-8211	S. ARLINGTON _____ 483-5081	BEDFORD _____ 354-8665
GRAND PRAIRIE _____ 602-9077	MULEN _____ 346-1987	MOCKINGBIRD _____ 623-2017

18 LOCATIONS
*EXCLUDES PROFILING FEES & SUPPLEMENTS **TOLL FREE 1-800-366-LOSE**
* Min 6 wk Program HOURS: MON-FRI. 9 AM-7 PM SAT. 10-1 PM
Master Charge Cards Accepted RECEIVE 4 WEEKS OF THE WEIGHT LOSS PORTION OF THE PROGRAM

Oct 10

EXHIBIT B

October 10, 1990

000718
000718

EXHIBIT C

May 5, 1991

JOIN THIS WEEK

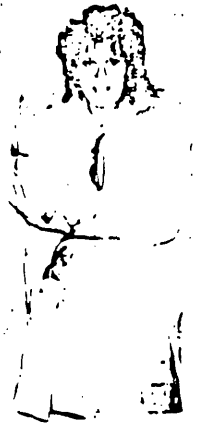
LOSE UP TO 3-6 LBS. PER WEEK

ONLY

\$11.00*


Per Service Fee

BEFORE




167 LBS.

AFTER



117 LBS.

CONSULTATION



116 LBS.

*Keeping the weight off has been no problem, I love wearing size 5" ...Wendy Manning
 In our opinion this is the *safest, easiest and least expensive* weight loss program
 available in all of Texas. -Management...Q.W.L.C.

EFFECTIVE • SAFE • LONG • LASTING RESULTS • EASY • PRIVATE COUNSELING •
 INEXPENSIVE • NO PRE-PACKED FOODS TO BUY • FLEXIBLE • EAT-IN RESTAURANTS,
 FAST FOOD OUTLETS OR AT HOME • PEOPLE PROVEN

- CALL OR DROP IN YOUR FREE CONSULTATION -
QUICK WEIGHT LOSS CENTERS

HULEN _____ 346-1987	S. ARLINGTON _____ 483-5081	CARROLLTON _____ 323-9211
CAMP BOWE _____ 763-8585	GRAND PRAIRIE _____ 602-0077	DUNCANVILLE _____ 331-1700
HURST _____ 284-2218	IRVING _____ 639-1300	PLANO _____ 124-4121
BEDFORD _____ 354-8663	PRESTON _____ 739-8077	MESQUITE _____ 613-5833
ARLINGTON _____ 548-1111	MOCKINGBIRD _____ 823-2017	RICHARDSON _____ 680-1696

*Excludes of Profits and Supplements
 *Practitioner & Medication Available

• WEIGHT LOSS VARIES WITH INDIVIDUALS

OPEN EVENINGS & SATURDAY 11:00-1:00 P.M. Fri. 9-11 P.M. Sat. 11-1 P.M. Major Credit Cards Accepted

IBIT C

000142

Complaint

EXHIBIT D

Tuesday, July 2, 1991 A-5

PERSONAL SUPERVISION

**"I TRIED THEM ALL!
AND NOTHING WORKED UNTIL QWLC.
I lost 60lbs and have learned to keep it off.
It's been over 3 years now and I still look and feel great."**

LEZIA PETRIZIO, Dallas, TX

ONLY \$1100
ON PROGRAM BASIS

Call For Free Information

QUICK WEIGHT LOSS CENTERS

HULEN..... 346-1987	S. ARLINGTON... 483-5081	CARROLLTON... 323-9211
CAMP BOWIE... 763-8585	GRAND PRAIRIE 602-0077	DUNCANVILLE... 331-1700
HURST..... 284-2216	IRVING..... 659-1300	PLANO 424-4121
BEDFORD 354-8665	PRESTON..... 739-8077	MESQUITE 613-5833
ARLINGTON..... 548-1111	MOCKINGBIRD.. 823-2017	RICHARDSON... 680-1696

Weight loss varies with individual. Excludes all medical and pharmaceuticals.

MAJOR CREDIT CARDS ACCEPTED - 24 HOURS SATISFACTION - PEOPLE PROVEN

EXHIBIT D

000139

EXHIBIT E

1/11/90

LOST 86 LBS & WENT FROM A SIZE 6 TO A SIZE 2

Announcing the 10 Day Program*

JOIN THIS WEEK FINAL WEEK!
Expires 4/21/90

FOR ONLY \$19

"I encourage everyone to start working on a new you! Today! What an improvement on my self-image. Reaching my goal was the greatest day of my life. I have never felt healthier. OWLC really works, and it's safe." Maria C. Barnes R.N. Garland, TX

**No Hunger • No Exercise
No Pre-Packaged Food To Buy
FAST • SAFE • EASY
Call Today For Your FREE Consultation**

REMEMBER, RESULTS START WHEN YOU DO!

THE QUICK WEIGHT LOSS CENTERS

PRESTON.....	739-8077	S. ARLINGTON.....	483-5081
RICHARDSON.....	680-1696	HULEN.....	346-1987
IRVING.....	659-1300	CAMP BOWIE.....	763-8585
CARROLLTON.....	323-9211	HURST.....	284-2216
GRAND PRAIRIE.....	602-0077	ARLINGTON.....	548-1111
MESQUITE.....	613-5833	BEDFORD.....	354-8665
DUNCANVILLE.....	331-1700	MOCKINGBIRD.....	823-2017
PLANO.....	424-4121		

*Weight loss varies with the individual

Major Credit Cards Accepted
WEEKDAYS 9 AM-8PM, SAT. TIL 1 PM

OPEN EVENINGS & SATURDAY
Toll Free **1-800-366LOSE**

EXHIBIT F

Tuesday, April 30, 1991 *The Dallas Morning News*

WEIGHT LOSS THAT WORKS

BETTY STRATTON

LOST 30 LBS.



BEFORE **AFTER**

ENROLL NOW Receive ONE MONTH FREE*

Must Have 30 lbs. to lose

"Now that I have reached my goal I will be able to maintain my weight because I have learned to prepare great dietary meals and how to order in restaurants."

QUICK WEIGHT LOSS CENTERS

PRESTON	739-8077
GARLAND	680-1696
IRVING	659-1300
CARROLLTON.....	323-9211
GRAND PRAIRIE	602-0077
MESQUITE.....	613-5633
DUNCANVILLE.....	331-1700
PLANO.....	424-4121
S. ARLINGTON.....	483-5081
HULEN.....	346-1987
CAMP BOWIE.....	763-8585
HURST.....	284-2216
ARLINGTON.....	548-1111
BEDFORD.....	354-8665
MOCKINGBIRD.....	823-2017

Exclusive of Supplements.

This program provides...
GUIDANCE
ATTENTION
RESULTS

MAJOR CREDIT CARDS
ACCEPTED
HOURS:
MON.-FRI. 9a.m.-7p.m.
SAT. 9a.m.-1p.m.

CALL FOR A FREE CONSULTATION

LOSING 43 POUNDS CHANGED MY LIFE!



LOSE 30 LBS IN 30 DAYS
CALL OR COME IN TODAY



**ENROLL NOW
SIX WEEKS
FOR
\$66**

Enroll now and receive 6 weeks of the weight loss portion of OWLC's Program for \$66.

Before 174 lbs.

AFTER 131 lbs.

"Before coming to OWLC, I was unhappy with myself and had no self-esteem. My husband was unhappy because of how I felt about myself. Now, after losing 43 lbs., I feel great and my husband says it's much easier to live with me. I've changed my eating habits and have much more energy and feel healthier. Losing the weight was easy... no hunger, no exercise. The people at OWLC are very supportive and I couldn't have done it without them."

-DEBRA REMER

LOSE 3 TO 8 LBS. PER WEEK

- Medically supervised by weight loss specialists
- No hunger or exercising
- No pills or injections
- Special programs for kids
- Guaranteed results

FOR MEN, WOMEN AND CHILDREN

Call Today for Your FREE Consultation
QUICK WEIGHT LOSS CENTERS

Fourteen Convenient Metroplex Locations

<p>DALLAS</p> <p>PRESTON RICHARDSON IRVING CARROLTON MESQUITE DUNCANVILLE PLANO MOCKINGBIRD/ABRAMS</p>	<p>CALL</p> <p>Dallas Ft. Worth</p> <p>239-SLIM or 277-SLIM for location nearest you</p>	<p>FORT WORTH</p> <p>HULEN CAMP BOWIE HURST ARLINGTON BEDFORD SOUTH ARLINGTON</p>
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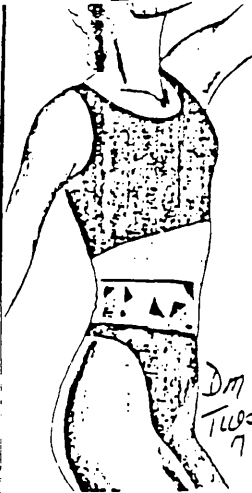
*RECEIVES BY PREPAID AND SUPPLEMENTARY MAJOR CREDIT CARDS ACCEPTED - Hours: Mon. thru Fri. 9am-5pm, Sat. 9am-1pm **Weight Loss Centers With The Infrared

EXHIBIT G

Tuesday A.M., June 27, 1989 / Fort Worth Star-Telegram / Section 4, Page 3

000315

EXHIBIT H



*DMN
Tues
7-17-90*

LOSE
3-7 LBS. A WEEK

\$ 11

PER WEEK*

*NEW PROGRAMS ONLY
6 WEEK MINIMUM PROGRAM

People Proven
Since 1979

LOSE
WEIGHT
THE SAFE
HEALTHY
WAY

*Weight Loss Varies with Individual

Lose 3 to 7 Lbs.* Per Week While Eating Lots of Low Fat High Fiber Foods, Which Recent Medical Studies Indicate May Have A Preventative Effect On Major Health Problems...

SAFE • EASY • NO HUNGER

11 PER WEEK

CALL TODAY FOR YOUR FREE CONSULTATION

QUICK WEIGHT LOSS CENTER

PRESTON	738-8077	S ARLINGTON	483-8081
RICHARDSON	680-1686	MULEN	346-1887
IRVING	659-1300	CAMP BOWIE	763-8585
CARROLLTON	323-8211	MURST	294-2216
GRAND PRAIRIE	802-0077	ARLINGTON	848-1111
MEADOWS	613-5833	BEDFORD	354-8665
DUNCANVILLE	331-1700	MOCKINGBIRD	823-2017
PLANO	424-4121		

WEEKDAYS 9 TO 7:00
SATURDAY TILL 1:00 P.M.

Toll Free 1-800-366-LOSE

*Stabilization & Maintenance Optional
**Exercise of Protein & Supplements

000661

EXHIBIT I

9/30/90
PSC

NOW YOU CAN LOSE 3-6 LBS. A WEEK FOR ONLY


\$11 per week

*Limited offer. New programs only. 6 week minimum program. Exclusive profiling & supplements.

LAST 4 DAYS!

HOURS:
MON-FRI
9 AM-7 PM
SAT
9 AM-1 PM

Major Credit Cards Accepted



WALKAWRIGHT LOSS CENTER

Remember, Results Start When You Do.

PRESTON	738-8077	S. ARLINGTON	483-5081
RICHARDSON	680-1696	HULEN	346-1987
IRVING	658-1300	CAMP BOWIE	763-8565
CARROLLTON	323-8211	HURST	284-2216
GRAND PRAIRIE	602-0077	ARLINGTON	548-1111
MESQUITE	613-5833	BEDFORD	354-8665
DUNCANVILLE	321-1700	MOCKINGBIRD	823-2017
PLANO	424-4121		

*exclusive of supplements & profiling


TOLL FREE 1-800-366-LOSE

*September
October 30, 1990*


**NOW YOU CAN LOSE
3-6* LBS. A WEEK
ONLY \$11 PER WEEK***

New Programs 6 Week Minimum

DTH



179 lbs



109 lbs

Before: 179 Lbs. After 109 Lbs.

*My 15 Year Old Clothes Fit Again! After losing 70 lbs. my back problems improved. I was tired of being fat. A friend recommended QWLC and the best thing I did was call. I lost 70 lbs. with plenty to eat and learned how to eat right so I'll never gain weight again eating regular food, not prepackaged meals. On other weight loss programs I'd lose 20 lbs. but gain it back, stupid! But not with QWLC. Thanks to them I'm shopping for size 14's instead of 20's. It has been 17 years since I could get into a size 14. Thanks to QWLC.

Sherry Agreale

PERSONAL TOUCH COUNSELING

Receive one-to-one Personal Counseling from our own weight loss specialist. Behavior Education and Nutritional Guidance Teaches you to keep the Weight Off.

QUICK WEIGHT LOSS CENTERS

PRESTON.....	735-8077	S. ARLINGTON.....	483-5081
RICHARDSON.....	680-1896	HULEN.....	346-1987
IRVING.....	659-1300	CAMP BOWIE.....	763-6585
CARROLLTON.....	323-9211	HURST.....	284-2216
GRAND PRAIRIE.....	602-0077	ARLINGTON.....	548-1111
MESQUITE.....	613-5833	BEDFORD.....	354-8885
CUNNINGHAMVILLE.....	331-1700	MOCKINGBIRD.....	823-2017
PLANO.....	424-4121		

Call for **FREE** Consultation **1-800-366-LOSE**

* Weight Loss Varies with Individuals Open Evenings & Saturday Mon.-Fri. 8-7 pm Sat. 10-1
* Excludes all Printing & Subscriptions Major Credit Cards Accepted

000657

EXHIBIT K

LOSE UP TO 6 lbs Per Week*

**FOR ONLY
\$11**

FINAL WEEK

BEFORE 264.5 lbs

AFTER 181.5 lbs

Cost of your 20 meals for 2 weeks

"I hate to diet, but this plan is fantastic! The staff is extremely supportive and they never pointed a finger or criticized me. I lost 83 lbs and 33 inches. My blood pressure is normal I feel like a million!"

Olin R. Heifner
Garland, Texas

**No Hunger • No Exercise
No Pre-Packaged
Meals To Buy**

FAST • SAFE • EASY

*Dr. H. Sunday
Aug 26, 1990.*

Call Today For Your FREE Consultation Remember, Results start when you do.

PRESTON 739-8077

RICHARDSON 680-1696

IRVING 659-1300

CARROLLTON 323-9211

GRAND PRAIRIE 602-0077

MESQUITE 613-5833

DUNCANVILLE 331-1700

PLANO 424-4121

S. ARLINGTON 483-5081

HULEN 346-1987

CAMP BOWIE 763-8585

HURST 284-2216

ARLINGTON 548-1111

BEDFORD 354-8665

MOCKINGBIRD 823-2017

Major Credit Cards Accepted Excludes of Supplements & Profiling

OPEN EVENINGS & SATURDAY

1-800-366-LOSE

WEEKDAYS 9 AM-7 PM, SAT. TIL 1 PM

Tuesday, April 2, 1991

Star-Bulletin Morning News

COMPLETE WEIGHT LOSS PROGRAM

FOR LESS THAN \$9* PER WEEK

FINAL WEEK HELD OVER BY POPULAR DEMAND!


* Includes AT NO ADDITIONAL COST:

- Personalized Program
- Enrollment
- Unlimited Weight Loss as Fast or Slow as you want
- Unlimited Office Visits
- Professional Supervision
- Stabilization
- Maintenance
- Private One-on-One Counseling

"I lost 68 lbs. in 21 weeks. My daughters are physicians & they recommend this program."

Carmen Flores

* Based on 1 year membership



CALL & DROP-IN FOR FREE CONSULTATION

QUICK WEIGHT LOSS CENTERS

PRESTON.....739-8077	DUNCANVILLE.....331-1700	ARLINGTON.....548-1111
RICHARDSON.....680-1696	PLANO.....424-4121	BEDFORD.....354-8665
IRVING.....659-1300	S. ARLINGTON.....483-5081	MOCKINGBIRD.....823-2017
CARROLLTON.....323-9211	HULEN.....346-1987	
GRAND PRAIRIE.....602-0077	CAMP BOWIE.....763-8585	
MESQUITE.....613-5833	HURST.....284-2216	

EXHIBIT M

The Dallas Morning News Monday, January 23, 1989

I LOST HALF MY WAIST

I used to be 227 lbs. and a size 32 dress. I dropped 73 lbs. and 10 dress sizes.
 Sharon Somerville

BEFORE
227 LBS.
SIZE 32



AFTER
154 LBS.
SIZE 12



ONE % FREE* MONTH

*For all new and returning customers who enroll within 30 days of the start of the year. Also special savings for new members.

- Guaranteed results
- No Hunger Pangs or Exercise
- Supervised by Nurse & Weight Loss Specialists
- No Pills or Injections
- No tasteless pre-packaged meals

CALL, COME IN AND START TODAY...BE 7 LBS. LIGHTER BY NEXT WEEK!

QUICK WEIGHT LOSS CENTERS

DALLAS		FORT WORTH	
PRESTON	778-8077	HULEN	348-1987
RICHARDSON	840-1886	CAMP BOWIE	783-8585
IRVING	859-1300	HURST	284-2218
CARROLLTON	323-8211	ARLINGTON	848-1111
MESQUITE	813-5833	BEDFORD	354-8688
DUKCANVILLE	331-1700	SOUTH ARLINGTON	483-5081
PLANO	424-4131		
MOCKINGBIRD/ABRAMS 823-2017			

At Major Credit Card Acceptance
 Hours: MON. - FRI. 8 a.m. - 7 p.m., SAT. 9:00 a.m. - 1:00 p.m.

EXHIBIT M

000339

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 had 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 QWLC-Tex. is a corporation organized, existing and formerly doing business under and by virtue of the laws of the State of Texas, with its offices and principal place of business located at 2900 Gateway, Suite 605, Irving, Texas.
2. Respondent Don Gearheart is an individual with his principal residence located at 9520 East Pinnacle Pear Road, Scottsdale, Arizona.
3. Respondent Joyce A. Schuman is an individual with her principal residence located at 2730 Sea Island Drive, Fort Lauderdale, Florida.
4. The Federal Trade Commission has jurisdiction of the subject matter of the 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 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. “*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 print media 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 point type where the representation that triggers the disclosure is given in twelve 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 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 QWLC-Tex., a corporation, its successors and assigns, and its officers, and Don K. Gearheart, individually and as an officer of said corporation, and Joyce A. Schuman, individually and as an officer of said corporation, and respondents’ agents, representatives, and employees, directly or through any corporation, subsidiary, division, or other device, 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 of respondents’ 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 on 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: "[Quick Weight Loss Centers] makes no claim that this [these] result[s] is [are] representative of all participants in the [Quick Weight Loss Centers] 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 centers 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 point bold), lead-in (Times Roman 12 point), disclosures (Helvetica 14 point bold), acknowledgment language (Times Roman 12 point), 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
hereXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXX
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
- (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;
 - (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";

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 of 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 QWLC-Tex. customers in losing weight or maintaining achieved weight loss; provided, however, that the generally expected success for QWLC-Tex. customers 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;

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: "Quick Weight Loss Centers, Inc. participants 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 subparagraphs 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, that the price at which any weight loss program can be purchased is the only cost associated with losing weight on that program, unless such is the case.

G. Representing, directly or by implication, the price at which any weight loss program can be purchased, unless respondents disclose, clearly and prominently, either:

(1) In close proximity to such representation, the existence and amount of all mandatory fees associated with the program offered; or

(2) In immediate conjunction with such representation, one of the following statements:

(a) “Plus the cost of [list of products or services that participants must purchase at additional cost]”; or

(b) “Purchase of [list of products or services that participants must purchase at additional cost] required”;

provided, further, that in broadcast media, if the representation that triggers any disclosure required by this paragraph is oral, the required disclosure must also be made orally.

H. Failing to disclose over the telephone, for a period beginning with the date of any advertisement of the price at which any weight loss program can be purchased and ending no sooner than 180 days after the last dissemination of such advertisement, to consumers who inquire about the cost of any weight loss program, or are told about the cost of any weight loss program, the existence and amount of any and all mandatory costs or fees associated with participation in the program; provided, however, that respondents may satisfy this requirement by directing their weight loss centers to disclose the information, by providing the center personnel with suggested language to be used when responding to phone inquiries and by making their best efforts to ensure compliance with their directive to disclose price information over the telephone.

I. Representing, directly or by implication, that prospective participants in respondents, weight loss programs 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.

J. Representing, directly or by implication, the average or typical rate or speed at which any participant on any weight loss program has lost or will lose weight, unless at the time of making any such representation, respondents possess and rely upon competent and reliable scientific evidence that substantiates the representation.

K. 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 program protocol and eat all of the food recommended may involve the risk of developing serious health complications.

L. Representing, directly or by implication, that any weight loss program is supervised or monitored by health care professionals, unless such is the case, or otherwise misrepresenting, directly or by implication, the extent to which any weight loss program is supervised or monitored by health care professionals.

M. Misrepresenting, directly or by implication, the performance, efficacy, or safety of any weight loss program.

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 respondent 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 respondents Don K. Gearheart and Joyce A. Schuman shall promptly notify the Commission of the discontinuance of their present business or employment and of their affiliation with a new business or employment. In addition, for a

period of three (3) years from the service date of this order, the individual respondents shall promptly notify the Commission of each affiliation with a new business or employment whose activities relate to the advertising, promotion, offering for sale, or sale of any weight loss program. When so required under this paragraph, each such notice shall include the individual respondent's new business address and a statement of the nature of the business or employment in which the individual respondent is newly engaged, as well as a description of the individual respondent's duties and responsibilities in connection with the business or employment. The expiration of the notice provision of this paragraph shall not affect any other obligation arising under this order.

IV.

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 possessed and relied upon to substantiate any 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.

V.

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 are 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 three (3) years from the date of entry of this order, distribute same to all future such officers, agents, representatives, independent contractors and employees.

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.

IN THE MATTER OF

QUICK WEIGHT LOSS CENTERS, INC., ET AL. (GEORGIA)

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SECS. 5 AND 12 OF THE FEDERAL TRADE COMMISSION ACT

Docket C-3518. Complaint, Aug. 11, 1994--Decision, Aug. 11, 1994

This consent order prohibits, among other things, the Georgia commercial diet program company and its officer from misrepresenting the performance or safety of any diet program they offer in the future, and requires the respondents to possess competent and reliable scientific evidence to substantiate any future claims they make about weight loss, weight loss maintenance, or rate of weight loss; to make a number of disclosures regarding maintenance success claims; and to disclose all mandatory fees.

Appearances

For the Commission: *Eric Bash, Matthew Daynard and Richard F. Kelly.*

For the respondents: *Gabriel Imperato, Broad & Cassell, Fort Lauderdale, FL.*

COMPLAINT

The Federal Trade Commission, having reason to believe that Quick Weight Loss Centers, Inc., a Georgia corporation (hereinafter, "QWLC-Ga."), and Don K. Gearheart, individually and as an officer of said corporation, (hereinafter, collectively, "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. (a) Respondent QWLC-GA. is a Georgia corporation, formerly doing business, with its principal office and place of business located at 1401 Johnson Ferry Road, Suite 276, Marietta, Georgia.

(b) Respondent Don K. Gearheart is an officer of the corporate respondent. Individually or in concert with others, he formulates, directs, and controls the acts or practices of the corporate respondent, including the acts or practices alleged in this complaint. His principal

residence is located at 9520 East Pinnacle Pear Road, Scottsdale, Arizona.

(c) Respondents have cooperated and acted together in carrying out the acts and practices alleged in this complaint.

PAR. 2. Respondents have advertised or otherwise promoted, offered for sale, and sold weight reduction and weight control programs and products, and have made them available to consumers at their weight loss centers. Respondents have offered for sale and sold diet programs of 800 to 1500 calories per day that include food, as “food” is defined in Section 15 of the Federal Trade Commission Act.

PAR. 3. In the course and conduct of their business, respondents have disseminated or have caused to be disseminated advertisements for weight reduction and weight control programs and products. Respondents have placed these advertisements with various media for the purpose of inducing consumers to purchase their programs and products. Respondents have further advertised their weight loss programs through the use of promotional materials, including pamphlets and brochures, given to customers and prospective customers at individual weight loss center locations.

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-E.

PAR. 6. The advertisements and promotional materials referred to in paragraph five, attached hereto as Exhibits A-C, contain the following statements:

- (a) “The only way to lose weight and keep it off.” (Exhibit A)
- (b) “WHAT MAKES A WEIGHT LOSS PROGRAM GREAT? ... Results should be long lasting & offer a lifetime solution to a weight problem ... GUESS WHAT! ... We just described the QUICK WEIGHT LOSS PROGRAM.” (Exhibit B)
- (c) ““Now that I have reached my goal I will be able to maintain my weight....” (Exhibit C)

PAR. 7. Through the use of the statements contained in the advertisements referred to in paragraph six, and others in advertise-

ments or promotional materials not specifically set forth herein, respondents have represented, directly or by implication, that:

(a) QWLC-GA. customers typically are successful in reaching their weight loss goals and maintaining their weight loss either long-term or permanently;

(b) QWLC-GA. customers typically are successful in maintaining their weight loss achieved under the QWLC-GA. diet program; and

(c) QWLC-GA. customers typically are successful in reaching their weight loss goals.

PAR. 8. Through the use of the statements contained in the advertisements referred to in paragraph six, and others in advertisements or promotional materials not specifically set forth herein, 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 respondents made the representations set forth in paragraph seven, they did not possess and rely upon a reasonable basis that substantiated such representations. Therefore, respondents' representation as set forth in paragraph eight was and is false and misleading.

PAR. 10. The advertisements referred to in paragraph five, attached hereto as Exhibits B-E, contain the following statements:

- (a) "SIX WEEKS \$66" (Exhibit B)
- (b) "\$12 PER WEEK" (Exhibits C, D)
- (c) "ONLY \$11 PER WEEK" (Exhibits E)

PAR. 11. Through the use of the statements contained in the advertisements referred to in paragraph ten, and others in advertisements or promotional materials not specifically set forth herein, respondents have represented, directly or by implication, that the advertised price is the only cost associated with losing weight on the QWLC-GA. weight loss program.

PAR. 12. In truth and in fact, the advertised price is not the only cost associated with losing weight on the weight loss program. There are substantial, additional mandatory expenses associated with participation in the QWLC-GA. weight loss program. Therefore,

respondents' representation as set forth in paragraph eleven was and is false and misleading.

PAR. 13. In advertising the price of the QWLC-GA. weight loss program, respondents have failed to disclose to consumers the existence and amount of all mandatory expenses associated with participation in the QWLC-GA. weight loss program. This fact would be material to consumers in their purchase or use decisions regarding the weight loss program. In light of respondents' representation as set forth in paragraph eleven that the quoted price represents the only cost associated with the QWLC-GA. weight loss program, said failure to disclose was and is a deceptive practice.

PAR. 14. The advertisement referred to in paragraph five, attached hereto as Exhibit B, contains the following statements:

(a) **"LOSE UP TO 6 LBS PER WEEK"**

PAR. 15. Through the use of the statements contained in the advertisements referred to in paragraph fourteen, and others in advertisements or promotional materials not specifically set forth herein, respondents have represented, directly or by implication, that an appreciable number of consumers following the QWLC-GA. weight loss program typically lose weight at an average rate of six pounds per week.

PAR. 16. Through the use of the statements contained in the advertisements referred to in paragraph fourteen, and others in advertisements or promotional materials not specifically set forth herein, respondents have represented, directly or by implication, that at the time they made the representation set forth in paragraph fifteen, respondents possessed and relied upon a reasonable basis that substantiated such representation.

PAR. 17. In truth and in fact, at the time respondents made the representation set forth in paragraph fifteen, they did not possess and rely upon a reasonable basis that substantiated such representation. Therefore, respondents' representation as set forth in paragraph sixteen was and is false and misleading.

PAR. 18. In the routine course and conduct of their business, respondents have provided their customers with diet protocols that required said customers, *inter alia*, to come in to one of respondents' weight loss centers three to six times a week for monitoring of their progress, including weighing in. In the course of regularly

ascertaining weight loss progress, respondents, in some instances, have been presented with weight loss results indicating that customers have been losing weight significantly in excess of their projected goals, which is an indication that they may not have been consuming all of the food prescribed by their diet protocol. Such conduct could, if not corrected promptly, result in health complications.

PAR. 19. When presented with the weight loss results described in paragraph eighteen, respondents, on many occasions, have not disclosed to the customers that failing to follow the diet protocol and consume all of the calories prescribed could result in health complications. This fact would be material to customers in their purchase or use decisions regarding the weight loss program. In light of respondents' practice of monitoring customers, said failure to disclose was and is a deceptive practice.

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.

EXHIBIT A

1-20-91
Sunday

SPECIAL OFFER
ENROLL NOW
RECEIVE
ONE MONTH
FREE
MUST HAVE 20 LBS. TO LOSE
OTHER SAVINGS
FOR SMALLER LOSSES

NO GIMMICKS!

WEIGHT LOSS
Eat at any restaurant you choose
share home cooked meals
with your family
while losing all
the weight you want
the only way to
lose weight and
keep it off.

**QUICK WEIGHT
LOSS CENTERS**

CAROL LYLES
Lost 90 lbs.
and 14 Dress
Sizes

Before
Size 24
Now
Size 10

BUCKHEAD/MIDTOWN 358-9827
SANDY SPRINGS 238-7877
DUNWOODY 988-8900
EAST COBB 988-8900
SOUTHLAKE 988-8988
ROSWELL 988-8881
STONE MOUNTAIN 238-7348
MARIETTA 888-0131
LILBURN/GWINNETT 278-1331

CALL FOR A FREE CONSULTATION

MAJOR CREDIT CARDS ACCEPTED
MON-FRI 9 A.M.-7 P.M.
SAT 9:30 A.M.-1:30 P.M.

EXHIBIT B

WHAT MAKES A WEIGHT LOSS PROGRAM GREAT?*

10/01/90

"I LOST 43 LBS. IN JUST 15 WEEKS"

"I needed HELP! I couldn't do it on my own. It was easy to follow and I wasn't hungry. The nice part was I could eat regular food & still lose!"

...JEAN HALL

LOSE UP TO 6 LBS PER WEEK

BEFORE 167 LBS.

AFTER 26 LBS.

- * Must be safe, easy and no special foods to buy
- * Must be flexible in all situations such as eating out in fast food outlets & restaurants
- * Results should be long lasting & offer a life time solution to a weight problem.
- * Must be affordable & Drug Free

GUESS WHAT! . . . We just described the QUICK WEIGHT LOSS PROGRAM. Call now for your FREE consultation.

START TODAY SIX WEEKS \$66*

QUICK WEIGHT LOSS CENTERS

BUCKHEAD/MIDTOWN 355-3627	ROSWELL 998-6851
SANDY SPRINGS 256-7877	STONE MOUNTAIN 299-7349
DUNWOODY 988-9300	MARIETTA 858-0131
EAST COBB 988-9300	LILBURN/GWINNETT 279-1331
SOUTHLAKE 988-9266	

Hours: 9a.m.-7 p.m. Daily, Sat. 9 a.m.-1 p.m.

*New Enrollments Only Exclusive Of Profiling & Supplements

10-3-90

Tues 5-29-91

Roswell Neighbor

Roswell Neighbor 5-29-91

WEIGHT LOSS THAT WORKS

BETTY STRATTON
Tipton, GA

LOST 30 LBS.

This program provides...
GUIDANCE ATTENTION RESULTS

MAJOR CREDIT CARDS ACCEPTED
HOURS:
MON.-FRI. 9a.m.-7p.m.
SAT. 9a.m.-1p.m.

LOW, LOW SERVICE FEES \$12 PER WEEK*
on a program basis

"Now that I have reached my goal I will be able to maintain my weight because I have learned to prepare great dietary meals and how to order in restaurants."

QUICK WEIGHT LOSS CENTERS

Roswell 998-5851
Sandy Springs 258-7877
Buckhead/Midtown 355-3627
Marietta 858-0131


For Other Locations
Call 509-8400

*New Clients Only. Not Valid With Other Offer. Excludes of Supplements and Prescriptions.

CALL FOR A FREE CONSULTATION

EXHIBIT D

LOSING WEIGHT MAKES SENSE WHEN YOU KEEP IT OFF.
Mother & Daughter
Lost 99 Lbs in 15 Weeks
 "This weight loss program has changed our eating habits."



LOSE ALL THE WEIGHT YOU CAN
Low, Low Service Fees
Only \$12* Per Week.
 On a program basis
 Call for a **FREE** consultation
QUICK WEIGHT LOSS CENTERS

Sandy Springs 256-7877
 5920 Roswell Rd.
 Parkside Center

Buckhead 355-3627
 2221 Peachtree Rd.

Roswell 998-5851
 1355 Old Alabama Road

Atlanta Jewish Times

I lost 56 lbs. & now weigh 128 lbs. ...Tami Cunningham, daughter

I lost 43 lbs. & now weigh 124 lbs. ...Jean Hall, mother

*Exclusive of supplements and profiling

Atlanta Jewish Times
Holiday Inn
BUCKHEAD
231-1234 3340 Peachtree Rd. N.E. Atlanta

We're Kosher

Recycle This Paper, PLEASE!

PRESENT COUPON AT TIME OF SITTING

LOSE WEIGHT

ONLY
\$11* *12-26-90*
PER
WEEK



FINAL DAYS

Tammie Cunningham
BEFORE 184 LBS.

- NO GIMMICKS
- FABULOUS RESULTS
- ONE TO ONE SUPERVISION
- NO FASTING OR LIQUID PROTEIN PROGRAMS
- NO STRENUOUS EXERCISE
- FAST & SAFE! WEIGHT LOSS!

CALL FOR FREE
CONSULTATION



Tammie Cunningham
AFTER 128 LBS.

QUICK WEIGHT LOSS CENTERS

BUCKHEAD/MIDTOWN 355-3627	ROSWELL 998-8851
SANDY SPRINGS 256-7877	STONE MOUNTAIN 298-7349
DUNWOODY 988-8300	MARIETTA 858-0131
EAST COBB 988-9300	LILBURN/GWINNETT 278-1331
SOUTHLAKE 988-9266	

Hours: 9am-7pm Daily Sat. 9am-1pm.

*New Enrollments only. 6 week minimum. Exclusive of prettling & supplements.

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 had 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 QWLC-GA. is a corporation organized, existing and formerly doing business under and by virtue of the laws of the State of Georgia, with its offices and principal place of business located at 1401 Johnson Ferry Road, Suite 276, Marietta, Georgia.

2. Respondent Don Gearheart is an individual with his principal residence located at 9520 East Pinnacle Pear Road, Scottsdale, Arizona.

3. The Federal Trade Commission has jurisdiction of the subject matter of the 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 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. “*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 print media 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 point type where the representation that triggers the disclosure is given in twelve 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 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 QWLC-Ga., a corporation, its successors and assigns, and its officers, and Don K. Gearheart, individually and as an officer of said corporation, and respondents’ agents, representatives, and employees, directly or through any corporation, subsidiary, division, or other device, 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 of respondents' 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 on 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: "[Quick Weight Loss Centers] makes no claim that this [these] result[s] is [are] representative of all participants in the [Quick Weight Loss Centers] 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 centers 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 point bold), lead-in (Times Roman 12 point), disclosures (Helvetica 14 point bold), acknowledgment language (Times Roman 12 point), 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
hereXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXX]

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

(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;

(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”;

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 of 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 QWLC-Ga. customers in losing weight or maintaining achieved weight loss; provided, however, that the generally expected success for QWLC-GA. customers 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;

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: “Quick Weight Loss Centers, Inc. participants 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 subparagraphs 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, that the price at which any weight loss program can be purchased is the only cost associated with losing weight on that program, unless such is the case.

G. Representing, directly or by implication, the price at which any weight loss program can be purchased, unless respondents disclose, clearly and prominently, either:

- (1) In close proximity to such representation, the existence and amount of all mandatory fees associated with the program offered; or
- (2) In immediate conjunction with such representation, one of the following statements:

(a) “Plus the cost of [list of products or services that participants must purchase at additional cost]”; or

(b) “Purchase of [list of products or services that participants must purchase at additional cost] required”;

provided, further, that in broadcast media, if the representation that triggers any disclosure required by this paragraph is oral, the required disclosure must also be made orally.

H. Failing to disclose over the telephone, for a period beginning with the date of any advertisement of the price at which any weight loss program can be purchased and ending no sooner than 180 days after the last dissemination of such advertisement, to consumers who inquire about the cost of any weight loss program, or are told about the cost of any weight loss program, the existence and amount of any and all mandatory costs or fees associated with participation in the program; provided, however, that respondents may satisfy this requirement by directing their weight loss centers to disclose the information, by providing the center personnel with suggested language to be used when responding to phone inquiries and by making their best efforts to ensure compliance with their directive to disclose price information over the telephone.

I. Representing, directly or by implication, that prospective participants in respondents’ weight loss programs 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.

J. Representing, directly or by implication, the average or typical rate or speed at which any participant on any weight loss program has lost or will lose weight, unless at the time of making any such representation, respondents possess and rely upon competent and reliable scientific evidence that substantiates the representation.

K. 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 program protocol and eat all of the food recommended may involve the risk of developing serious health complications.

L. Misrepresenting, directly or by implication, the performance, efficacy, or safety of any weight loss program.

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 respondent 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 respondent Don K. Gearheart shall promptly notify the Commission of the discontinuance of his present business or employment and of his affiliation with a new business or employment. In addition, for a period of three (3) years from the service date of this order, the individual respondent shall promptly notify the Commission of each affiliation with a new business or employment whose activities relate to the advertising, promotion, offering for sale, or sale of any weight loss program. When so required under this paragraph, each such notice shall include the individual respondent's new business address and a statement of the nature of the business or employment in which the individual respondent is newly engaged, as well as a description of the individual respondent's duties and responsibilities in connection with the business or employment. The expiration of the notice provision of this paragraph shall not affect any other obligation arising under this order.

IV.

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 possessed and relied upon to substantiate any 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.

V.

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 are 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 three (3) years from the date of entry of this order, distribute same to all future such officers, agents, representatives, independent contractors and employees.

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.

Commissioner Owen was recorded as voting in the affirmative, but dissenting as to the exception requiring full numerical disclosures involving quantitative weight loss maintenance claims in short radio and TV ads.