



Pharmaceutical Formulations, Inc.

April 17, 2002

Secretary, Federal Trade Commission
600 Pennsylvania Ave., N.W.
Washington, D.C. 20580

Attn: Angela Floyd

Re: FTC Docket No. C-4038

Dear Ms. Floyd:

Reference is made to a letter of March 12, 2002 from Laura Koss of the Commission to James Ingram, President of our firm concerning the above docket. This letter requested a report from our firm on our compliance with the "Made in USA" order of February 27, 2002. Each part of the order is summarized below and is followed by our response.

Order I

It is ordered that PFI, in connection with the labeling and promotion of any non-prescription drug product containing an analgesic, shall not misrepresent the extent to which such product is made in the United States.

Beginning in April 2001, we started removing any "Made in USA" or similar statements from all of our analgesic labeling. These statements were removed whether or not the product and its components were made in the U.S. All affected labeling was revised by November 1, 2001.

In compliance with the order, every attempt was made to deplete the non-compliant finished goods inventory. A listing of the remaining balance is attached (Exhibit 1). These non-compliant finished goods as well as all non-compliant labeling have been destroyed.

No non-compliant finished goods have been shipped and no non-compliant promotional materials are in use as of the effective date of the order.

Order II

PFI shall, for five years, maintain and make available for copying labeling, promotional materials, etc. containing the representation.

PFI retains these affected documents and records in the normal course of doing business since they are required to be retained by the U.S. Food & Drug Administration. They will be made available for inspection and copying by the FTC as required.

Order III

PFI shall deliver a copy of the order to all current and future officers, directors and employees having responsibilities with respect to the order, and shall secure a statement acknowledging receipt of the order.

All officers, directors, and employees with responsibilities with respect to this order have been provided with a copy of the order. Signatures acknowledging receipt are attached (Exhibit 2). A listing of the employees is attached (Exhibit 3).

All future affected officers, directors, and employees will be provided with a copy of the order and will acknowledge such receipt.

Order IV

PFI shall notify the FTC at least 30 days prior to any change in the corporation that may affect compliance obligations under this order.

PFI has included this Order in its corporate files and agrees to notify the Commission prior to any corporate change that may affect its compliance obligations under this order.

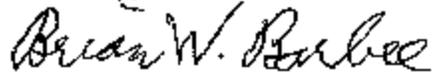
Order V

PFI shall, within 60 days of this order, file a report detailing the manner and form in which it has complied with the order.

This document serves as this requested compliance report.

If you have any questions or require additional information, please feel free to contact me.

Sincerely,



Brian Barbee,
V.P. of Scientific Affairs

BB/mp

cc: J. Ingram

Enc.

4-17-02


M. PATRICIA LEON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires May 15, 2006