

Complaint

121 F.T.C.

IN THE MATTER OF

WLAR CO., ET AL.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SEC. 5 OF THE FEDERAL TRADE COMMISSION ACT*Docket C-3641. Complaint, Feb. 21, 1996--Decision, Feb. 21, 1996*

This consent order prohibits, among other things, a Virginia-based corporation and its officer from making unsubstantiated representations for their weight-loss booklets, products or program. The consent order requires the respondents to provide, in future advertisements, a disclosure statement that the products consist solely of a booklet or pamphlet containing information and advice on weight-loss.

*Appearances*For the Commission: *Richard Cleland and C. Lee Peeler.*For the respondents: *Randall Shaheen, Arnold & Porter,*
Washington, D.C.

COMPLAINT

The Federal Trade Commission, having reason to believe that WLAR Co., a corporation, and Michael K. Craig, individually and as an officer of said corporation ("respondents"), have violated the Federal Trade Commission Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, alleges:

PARAGRAPH 1. Respondent WLAR Co. is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Delaware. Its principal place of business is located at 5622 Columbia Pike #106, Falls Church, VA.

Respondent Michael K. Craig is or was at relevant times herein the sole owner, officer, and employee of the corporate respondent. Individually, or in concert with others, he participated in and/or formulated, directed, and controlled the acts and practices of the corporate respondent, including the acts and practices alleged in this complaint. His address is the same as that of the corporate respondent.

PAR. 2. Respondents have advertised, offered for sale, sold, and distributed weight-loss and body-shaping products, consisting of booklets containing advice on dieting and exercise, to the public. Respondents have marketed these products under various names, including "Swedish 19," "Body Maker," "BM Program," "New Shape," and "Swedish System."

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

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

A. Swedish 19:

Get the look that boys really notice!

You can have a cute body!

Now you, too can have the cute, foxy body you've always wanted -- the kind of body that really gets you noticed. And it can happen faster than you think!

You can have a narrower waist, thinner hips, legs and thighs, and a firmer behind. That's right -- no matter what you look like right now, just a few short weeks from today you could have a body that's thinner, firmer and cuter than you ever thought possible! JUST FOLLOW THE EASY INSTRUCTIONS IN THE SWEDISH 19 GUIDE!

No matter how many times you've tried and failed before, this time you really can do it. Finally, here's something that really works!

How Swedish 19 works

Swedish 19 will quickly show you how to lose weight while eating the foods you like -- including those snacks you love so much. It's not a diet -- so there's no list of things you have to eat. No list of things you can't eat, either. But when you use Swedish 19, you'll end up eating less (but still enough to keep you healthy.) Pretty soon, all those extra pounds will be gone for good.

Swedish 19 will help you control your appetite before meals and avoid over-eating -- even when you're dying to have a snack! And before you know it, you'll have a whole new set of eating habits, be thin, and stay thin -- with nothing more to buy. This is not like those diet pills you have to keep buying over and over again!

And -- if you're too skinny and just dying to get some curves -- you can make your body cuter and foxier -- adding shape and curves in all the right places!

Made for a teenage girl's body

Swedish 19 was designed especially for a teenage girl's body. It's the safest, most natural way to lose weight we could find for you. It's a safe, healthy way to lose weight. And it works. Show it to your doctor -- we're sure he'll agree!

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Here's more good news. You never have to do any long boring exercises -- and you won't need to! When you use Swedish 19 you'll just feel like being more active all the time. You'll burn up calories while you're having fun!

It works!

Just days after you get Swedish 19, you can be eating less, feeling more active, and really happy about the changes starting to take place.

* * * *

Try to imagine how gorgeous you'll look. How your body can be really slim, trim and firm. Really picture it in your mind. It can happen to you!

You can do it!

The best part is -- you'll be sooo. . . proud of yourself when you find out you really can have a cute body. It's not your fault you haven't lost weight -- it's those worthless diets that don't work!

* * * *

Get a totally cute body - - or your money back!

Swedish 19 has worked for thousands of girls. And we're so sure it'll work for you, too, that we want you to try it for a whole month at no risk.

Go ahead -- really use it as much as you want. Let it help you slim down, shape up and beautify your body.

* * * *

Here's all you've got to do. Fill out the coupon and send it in with \$12 right away. We'll send you Swedish 19 fast. (The package won't say who it's from or what's inside.)

* * * *

(Exhibit A)

B. Swedish System:

New! How you can...

Get the shape that boys really notice!

You can have a cute body!

Now you, too can have the cute, foxy body you've always wanted - the kind of body that really gets you noticed. And it can happen faster than you think!

Swedish girls are famous for their beautiful bodies. And the awesome Swedish System will quickly and easily show you how to get rid of excess, flabby fat - while adding shape and curves in all the right places!

You can have a narrower waist, thinner hips, legs and thighs, and a firmer behind. Yes - just a few short weeks from today you could have a body that's thinner, firmer and cuter than you ever thought possible!

No matter how many times you've tried and failed before, this time you really can do it. Finally, here's something that really works!

How the Swedish System works

When you use the Swedish System, you still get to eat the same foods you've been eating - including those snacks you love so much. It's not a diet - so there's no list of things you have to eat. No list of things you can't eat, either. But when you use the Swedish System, you'll end up eating less (but still enough to keep you healthy.) Pretty soon, all those extra pounds will be gone for good.

If you're overweight, the Swedish System will help you control your appetite before meals and avoid over-eating - even when you're dying to have a snack! And before you know it, you'll have a whole new set of eating habits, be thin, and stay

thin - with nothing more to buy. This is not like those diet pills you have to keep buying over and over again!

Or - if you're too skinny and just dying to get some curves - you can make your body shapelier and foxier - adding shape and curves in all the right places!

Made for a teenage girl's body

The Swedish System was designed especially for a teenage girl's body. It's the safest, most natural weight loss product we could find for you. . . .

Here's more good news. You never have to do any long boring exercises - and you won't need to! When you use the Swedish System you'll just feel like being more active all the time. You'll burn up calories while you're having fun!

It works!

Just days after you start using the Swedish System, you can be eating less, feeling more active, and really happy about the changes starting to take place. Just follow the easy directions in the Swedish System guide.

* * * *

Can you see it? Try to imagine how gorgeous you'll look. How every part of your body can be slim, trim and firm. Really picture it in your mind. It can happen to you!

You can do it!

The best part is - you'll be sooo. . . proud of yourself when you find out you really can have a cute body. It's not your fault you haven't lost weight - it's those worthless diets that don't work! Now you really can make your dreams come true. Definitely!

* * * *

Try it for a whole month!

This system has worked for thousands of girls. And now we've made it even better! We're so sure it'll work for you, too, that we want you try it for a whole month at no risk.

* * * *

(Exhibit B)

C. BM Program:

Get the body that gets the boys

How to lose weight fast and look great

You can have the cute, thin body you've always wanted -- the kind of body that really gets boys' attention. And lose weight fast from your waist, butt, hips and thighs -- so you're thin everywhere. You can do it without going on the usual kind of diet -- thanks to a special new discovery called the BM Program.

A great new body

You'll lose fat from every part of your body. Want a narrow waist? No problem. Firm behind? You got it. Slim hips? Sure. Thin legs? Of course. The BM Program's extra fast action will work on every part of your body. So -- no matter what parts of your body are too big right now -- you'll have the great body you want fast and easy.

It doesn't matter whether you need to lose ten, twenty, even forty pounds or more. You can get them off and keep them off for good. . . .

Every square inch of your body can be trim and firm. . . .

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At last, here's something that really works. No matter how many times you've tried and failed to lose weight before, now you can do it. Just follow the easy directions in the BM Program guide.

Why diets don't work

You know what all those diets are like. You're supposed to have half a grapefruit for lunch and nothing else. But if you had the willpower to eat just that, you wouldn't have a weight problem now, would you?

* * * *

But it's not your fault. The big problem with diets is that they leave you hungry, and you can only hold out for so long. Heavy exercise just makes you tired and hungry. And diet pills can be dangerous.

It's new

The BM Program is totally different from anything you've ever tried before. Don't confuse this program with any other one. Here's why it's different. It helps you fight hunger and change your eating habits so you eat less -- without getting hungry. There's no "diet" or list of things you have to eat. No forbidden foods, either. No calorie-counting. You can keep on eating your favorite foods -- even snacks. But you'll end up eating less. You just won't feel like pigging out. And, best of all, those extra pounds that make you look ugly will go away fast!

It works

Even if you've tried everything else and failed, the BM Program is the last weight loss solution you'll ever need. It really works.

BM can help you to 1) stop gaining weight, 2) lose weight by getting rid of body fat and best of all 3) help you stay slim and trim.

BM works fast, too. You'll start changing your eating habits the first day -- giving you results you can start to notice in just a couple of weeks. And although not everyone loses weight at the same speed, the results will be absolutely amazing.

This program is so powerful that you have to be careful not to lose weight too fast. If that happens, just stop using it for a day or two. BM is safe and natural. There are no drugs or anything artificial.

* * * *

Here's proof

How well does the BM Program work? We had 100 girls try it. Desperate girls who had tried almost everything else, and who had given up hope. And -- guess what? Only two of them asked for their money back. Just two out of 100.

So we're 98% sure that it'll work for you. . . .

Hard to believe it could be so easy? Of course it is. That's what those other girls thought before they tried it. Boy, were they surprised!

It's the best

We've checked out over a dozen weight loss systems and this one's the best one we found. Just give it a try and we know you'll agree.

* * * *

(Exhibit C)

D. New Shape:

New! How you can...

Get the cute shape that boys like and girls envy!

* * * *

The perfect body

Now you, too, can have the kind of body that boys like and girls envy; thin, shapely legs and thighs, firm behind, narrow waist, and foxy, exciting curves in all the right places. . . .

No matter how many times you've tried and failed before, now you can really do it -- thanks to an excellent new discovery that can really work for you

Extra help for special areas

New Shape™ does more than just help you get rid of excess fat. It helps you add shape and firmness too. It's a total shape-up system that you can customize to your own special needs Whether you're too fat or too skinny, New Shape can help you get the kind of body you've always wanted. It really works.

This system was designed especially for teenage girls and is made to fit your lifestyle. So you can still have snacks and go out for hamburgers with your friends.

Works twice as fast

The New Shape System works twice as well -- and twice as fast -- because it combines two powerful factors. Yet it's completely natural and safe for girls of all ages. With no dangerous crash diets, no drugs, and no special foods.

It's easy and safe (no drugs!)

You won't find a faster, easier, safer way to slim down and shape up your body. We know -- because we've tried pretty much everything there is. Don't confuse New Shape with any other product or company.

* * * *

Order the New Shape System. You'll get it fast -- in a plain, unmarked package Use it as much as you need to get the body you want We've helped thousands of girls just like you -- and we know we can help you, too.

* * * *

(Exhibit D)

E. Body Maker:

HOW YOU CAN HAVE A FIRM, FOXY,
THINNER BODY - in just a few weeks!

THE BODY YOU'VE ALWAYS WANTED!

You can have the cute, foxy body you've always wanted -- the kind of body that really gets guy's attention. And you can look that way sooner than you think!

Just a few short weeks from today you could have a body that's thinner, firmer and cuter than you ever imagined -- thanks to an awesome new discovery.

Body Maker™ helps you lose weight from every part of your body. You can have a narrower waist, thinner hips, legs and thighs, and a firmer behind -- and add shape, firmness and curves in all the right places!

No matter how many times you've tried and failed before, now the awesome new Body Maker can quickly and easily show you how to get a body that's cuter and foxier than you ever thought possible! Finally, here's something that really works!

HOW BODY MAKER WORKS

With Body Maker, you still get to eat the foods you like -- including those snacks you love so much. It's not a diet -- so there's no list of things you have to eat. No list of things you can't eat, either. But when you follow the Body Maker program, you'll end up eating less (but still enough to keep you healthy.) You just

won't feel like pigging out! And pretty soon, all those extra pounds will be gone for good.

Body Maker will help you cut down on your appetite before meals and avoid over-eating -- even when you're dying to have a snack! And before you know it, you'll have a whole new set of eating habits, be thin, and stay thin -- with nothing more to buy. This is not like those diet pills you have to keep buying over and over again!

MADE ESPECIALLY FOR TEENAGE GIRLS

Body Maker was created especially for a teenage girl's body. It's the safest, healthiest way to lose weight we've ever seen. And it works! . . .

Here's more good news. You never have to do any exercises -- and you won't need to! With Body Maker you'll just feel like being more active all the time!

IT WORKS!

Just days after you get Body Maker, you can be eating less, feeling more active, and really happy about the changes starting to take place.

* * * *

It's not your fault you haven't lost weight -- it's those worthless diets that don't work!

* * * *

Body Maker has worked for thousands of girls . . .

Go ahead -- really use it as much as you want. Let it help you slim down, shape up and beautify your body.

* * * *

(The Package won't say who it's from or what's inside.)

* * * *

(Exhibit E)

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

A. BM Program, New Shape, and Body Maker are new weight-loss discoveries; and

B. Users of Swedish 19, Swedish System, BM Program, New Shape, and Body Maker are not required to consciously diet to lose weight.

PAR. 6. In truth and in fact:

A. BM Program, New Shape, and Body Maker are not new weight-loss discoveries; and

B. Users of Swedish 19, Swedish System, BM Program, New Shape, and Body Maker are required to consciously diet to lose weight. These products are booklets containing advice for reducing caloric intake and require conscious dieting to lose weight.

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

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

A. Swedish 19, Swedish System, BM Program, New Shape, and Body Maker cause fast and easy weight loss;

B. Swedish 19, Swedish System, BM Program, New Shape, and Body Maker are more effective than other products or programs in controlling appetite and causing weight loss;

C. Purchasers of Swedish 19, Swedish System, BM Program, New Shape, and Body Maker are successful in controlling appetite, losing weight, and reducing body fat;

D. Swedish 19, Swedish System, BM Program, and Body Maker cause users to develop a new set of eating habits, thereby reducing caloric intake and causing significant and long-term or permanent weight loss; and

E. Thousands of girls have successfully lost weight by using Swedish 19, Swedish System, New Shape, and Body Maker.

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

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

PAR. 10. In their advertising and sale of Swedish 19, Swedish System, BM Program, New Shape, and Body Maker, respondents have represented that these products will reduce appetite and result in significant weight loss. Respondents have failed to disclose adequately that these products consist only of booklets or pamphlets containing advice concerning techniques for reducing caloric intake and/or exercise, and that reducing caloric intake and/or increasing exercise is required to lose weight. These facts would be material to consumers in their purchase or use decisions regarding the products. The failure to disclose these facts, in light of the representations made, was, and is, a deceptive practice.

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

Chairman Pitofsky recused.

EXHIBIT A

Get the look that boys really notice!

You can have a cute body!

Now, you, too can have the cute, foxy body you've always wanted -- the kind of body that really gets you noticed. And it can happen faster than you think!

You can have a narrower waist, thinner hips, legs and thighs, and a firmer behind. That's right -- no matter what you look like right now, just a few short weeks from today you could have a body that's thinner, firmer and cuter than you ever thought possible! **JUST FOLLOW THE EASY INSTRUCTIONS IN THE SWEDISH 19 GUIDE!**

No matter how many times you've tried and failed before, this time you really can do it. Finally, here's something that really works!

How Swedish 19 works

Swedish 19 will quickly show you how to lose weight while eating the foods you like -- including those snacks you love so much. It's not a diet -- so there's no list of things you have to eat. No list of things you can't eat, either. But when you use Swedish 19, you'll end up eating less (but still enough to keep you healthy.) Pretty soon, all those extra pounds will be gone for good.

Swedish 19 will help you control your appetite before meals and avoid over-eating -- even when you're dying to have a snack! And before you know it, you'll have a whole new set of eating habits, be thin, and stay thin -- with nothing more to buy. This is not like those diet pills you have to keep buying over and over again!

And -- if you're too skinny and just dying to get some curves -- you can make your body cuter and fatter -- adding shape and curves in all the right places!

Made for a teenage girl's body

Swedish 19 was designed especially for a teenage girl's body. It's the safest, most natural way to lose weight we could find for you. It's a safe, healthy way to lose weight. And it works. Show it to your doctor -- we're sure he'll agree!

Here's more good news. You never have to do any long boring exercises -- and you won't need it! When you use Swedish 19 you'll just feel like being more active all the time. You'll burn up calories while you're having fun!

It works!

Just days after you get Swedish 19, you can be eating less, feeling more active, and really happy about the changes starting to take place.

Before you know it, you'll be going to the mall to get that cute bikini you always wished you could wear. And when you look in the mirror, you won't believe how good you

look! Can you see it? Try to imagine how gorgeous you'll look. How your body can be really slim, trim and firm. Really picture it in your mind. It can happen to you!

You can do it!

The best part is -- you'll be sooooo proud of yourself when you find out you really can have a cute body. It's not your fault you haven't lost weight -- it's those worthless diets that don't work! Now you really can make your dreams come true. Definitely!

Your high school years are supposed to be the happiest time of your life. Make sure you don't miss out on all those special moments -- the beach, parties, school dances, the prom.

Sure -- once you look so good, all those guys that never noticed you before might start asking you out. But don't just do this for the guys. Do it for yourself. You deserve it!

Get a totally cute body -- or your money back!

Swedish 19 has worked for thousands of girls. And we're so sure it'll work for you, too, that we want you to try it for a whole month at no risk.

Go ahead -- really use it as much as you want. Let it help you slim down, shape up and beautify your body.

Then -- if you feel you haven't changed enough -- if you don't have the awesome body you've always wanted -- just send everything back to us and we'll give you your money back. We don't want your money unless you get the body you want!

Do it now!

Here's all you've got to do. Fill out the coupon and send it in with \$12 right away. We'll send you Swedish 19 fast! (The package won't say who it's from or what's inside.)

So don't wait. If you put it off you might forget, and miss out on the cute body you want, and all the good times you deserve.

Do it now. You'll be so glad you did.

P.S.: Wanna get a cute body even faster? We've put together some really easy, fun exercises you can do in just 15 minutes a day. Use them with Swedish 19 and you'll get terrific results super-fast! They're yours for just \$3 extra when you get Swedish 19. Good deal!

Plus -- we'll even throw in a...

FREE Gift!

You'll also get a chart to keep track of your weight loss absolutely FREE, just for ordering Swedish 19.

Hurry up and be the first one at your school to get that cute body! Make this the best year of your life!

© 1995 Swedish 19. Coupon good! Send \$12 with your name and address to Swedish 19, P.O. Box 2245, Kensington, MD 20891.



FREE 30-DAY TRIAL!

Swedish 19 3-S
 Nicholson Lane
 P.O. Box 2245
 Kensington, MD 20891-2245

Good! I want a totally cute body. Send me Swedish 19 fast! Money back guarantee. Here's

\$12 for just Swedish 19
 \$15 for Swedish 19 plus exercises

PRINT
 Name _____
 Address _____
 City _____ State _____ Zip _____

BODY GOALS SURVEY FORM
 (Answer only if you want to)

I'm overweight and want a thinner body... or
 I'm too skinny and want more shape & curves

I want to change: (Check as many as you want)

Arms Waist Thighs
 Stomach Butt Legs
 Chest Hips Other _____



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EXHIBIT B

New! How you can ...

Get the shape that boys really notice!

You can have a cute body!

Now you, too can have the cute, sexy body you've always wanted - the kind of body that really gets you noticed. And it can happen faster than you think!

Swedish girls are famous for their beautiful bodies. And the awesome Swedish System will quickly and easily show you how to get rid of excess, flabby fat - while adding shape and curves in all the right places!

You can have a narrower waist, thinner hips, legs and thighs, and a firmer behind. Yes - just a few short weeks from today you could have a body that's thinner, firmer and cuter than you ever thought possible!

No matter how many times you've tried and failed before, this time you really can do it. Finally, here's something that really works!

How the Swedish System works

When you use the Swedish System, you still get to eat the same foods you've been eating - including those snacks you love so much. It's not a diet - so there's no list of things you have to eat. No list of things you can't eat, either. But when you use the Swedish System, you'll end up eating less (but still enough to keep you healthy.) Pretty soon, all those extra pounds will be gone for good!

If you're overweight, the Swedish System will help you control your appetite before meals and avoid over-eating - even when you're dying to have a snack! And before you know it, you'll have a whole new set of eating habits, be thin, and stay thin - with nothing more to buy. This is not like those diet pills you have to keep buying over and over again!

Or - if you're too skinny and just dying to get some curves - you can make your body shapelier and fatter - adding shape and curves in all the right places!

Made for a teenage girl's body

The Swedish System was designed especially for a teenage girl's body. It's the safest, most natural weight loss product we could find for you. It won't hurt or harm your body in any way. Everything in the Swedish System is healthy for you. Show it to your doctor - we're sure he'll agree!

Here's more good news. You never have to do any long boring exercises - and you won't need to! When you use the Swedish System you'll just feel like being more active all the time. You'll burn up calories while you're having fun!

It works! Just days after you start using the Swedish System, you can be eating less, feeling more active, and really happy about the changes starting to take place. Just follow the easy directions in the Swedish System guide.

Before you know it, you'll be going to the mall to get that cute bikini you always wished you could wear. And when you look in the mirror, you won't believe how good you look!

Can you see it? Try to imagine how



gorgeous you'll look. How every part of your body can be slim, trim and firm. Really picture it in your mind. It can happen to you!

You can do it!

The best part is - you'll be sooo... proud of yourself when you find out you really can have a cute body. It's not your fault you haven't lost weight - it's those worthless diets that don't work! Now you really can make your dreams come true. Definitely!

The new school year is just starting. Your high school years are supposed to be the happiest time of your life. Make sure you don't miss out on all those special moments - the beach, parties, school dances, the prom.

Sure - once you look so good, all those guys that never noticed you before might start

asking you out. But don't just do this for the guys. Do it for yourself. You deserve it! Try it for a whole month!

This system has worked for thousands of girls. And now we've made it even better! We're so sure it'll work for you, too, that we want you to try it for a whole month at no risk.

Go ahead - really use it as much as you want. Let it help you slim down, shape up and beautify your body.

Then - if you feel you haven't changed enough - if you don't have the awesome body you've always wanted - just send back the Swedish System and we'll give you your money back. We don't want your money unless you get the body you want!

Do it now!

Here's all you've got to do. Fill out the coupon and send it in with \$12 right away. We'll send you the Swedish System fast. (The package won't say who it's from or what's inside.)

So don't wait. If you put it off you might forget, and miss out on the cute body you want, and all the good times you deserve.

Do it now. You'll be so glad you did.

P.S.: Wanna get a cute body even faster? We've put together some really easy, fun exercises you can do in just 15 minutes a day. Use them with the Swedish System and you'll get terrific results super-fast! They're yours for just \$3 extra when you get the Swedish System. Good deal!

Plus - we'll even throw in a . . .

FREE Gift!

You'll also get a chart to keep track of your weight loss absolutely FREE, just for ordering the Swedish System.

Hurry up and be the first one at your school to get that cute body! Make this the best year of your life!

30-Day Trial Coupon

Swedish System 1-S
 Nicholson Lane
 P.O. Box 2245
 Gaithersburg, MD 20878-2245

Wow! I want a totally cute body. Send me the Swedish System fast! Money back guarantee. Here's

\$12 for just the Swedish System
 \$15 for the Swedish System plus exercises

PRINT
 Name _____
 Address _____
 City _____ State _____ Zip _____

Body Goals Survey Form
 (Answer only if you want to)

I'm overweight and want a thinner body... or
 I'm too skinny and want more shape & curves

I want to change: (Check as many as you want)

Arms Waist Thighs
 Stomach Butt Legs
 Chest Hips Other _____

EXHIBIT
B

EXHIBIT C

Get the body that gets the boys

How to lose weight fast and look great

You can have the cute, thin body you've always wanted - the kind of body that really gets boys' attention. And lose weight fast from your waist, butt, hips and thighs - so you're thin everywhere. You can do it without going on the usual kind of diet - thanks to a special new discovery called the BM Program.

A great new body

You'll lose fat from every part of your body. Want a narrow waist? No problem. Firm behind? You got it. Slim hips? Sure. Thin legs? Of course. The BM Program's extra fast action will work on every part of your body. So - no matter what parts of your body are too big right now - you'll have the great body you want fast and easy.

It doesn't matter whether you need to lose ten, twenty, even forty pounds or more. You can get them off and keep them off for good. And get the look that really gets you noticed.

Every square inch of your body can be trim and firm. Your body will have a great new shape. You'll look great in shorts, a miniskirt, or a bikini. You'll be able to wear the kinds of clothes that show off your new thin body - instead of trying to find clothes to hide it. Even your face will look prettier as you lose extra weight.

At last, here's something that really works. No matter how many times you've tried and failed to lose weight before, now you can do it. Just follow the easy directions in the BM Program guide.

Why diets don't work

You know what all those diets are like. You're supposed to have half a grapefruit for lunch and nothing else. But if you had the willpower to eat just that, you wouldn't have a weight problem now, would you?

So you cheat on your diet. And end up feeling fat and guilty.

But it's not your fault. The big problem with diets is that they leave you hungry, and you can only hold out for so long. Heavy exercise just makes you tired and hungry. And diet pills can be dangerous.

It's new

The BM Program is totally different from anything you've ever tried before. Don't confuse this program with any other one. Here's why it's different. It helps you fight hunger and change your eating habits so you eat less - without getting hungry. There's no "diet" or list of things you have to eat. No forbidden foods,

either. No calorie-counting. You can keep on eating your favorite foods - even snacks. But you'll end up eating less. You just won't feel like pigging out. And, best of all, those extra pounds that make you look ugly will go away fast!

It works

Even if you've tried everything else and failed, the BM Program is the last weight loss solution you'll ever need. It really works.

BM can help you to 1) stop gaining weight, 2) lose weight by getting rid of body fat and 3) help you stay slim and trim. BM works fast, too. You'll start changing your eating habits the first day - giving you results you can start to notice in just a couple of weeks. And although not everyone loses weight at the same speed, the results will be absolutely amazing.

This program is so powerful that you have to be careful not to lose weight too fast. If that happens, just stop using it for a day or two. BM is safe and natural. There are no drugs or anything artificial.

What makes BM extra special is that it was originally developed especially for actresses and models. They need to get and keep a great-looking body fast. But you don't have to be an actress or model to have a slim body that gets you noticed. Very soon all the cute boys will start paying lots of attention to you - instead of the other girls.

Here's proof

How well does the BM Program work? We had 100 girls try it. Desperate girls who had tried almost everything else, and who had given up hope. And - guess what? Only two of them asked for their money back. Just two out of 100.

So we're 98% sure that it'll work for you. And if for any reason it doesn't, you'll get your money back. So you've got nothing to lose by giving it a try.

Hard to believe it could be so easy? Of course it is. That's what those other girls thought before they tried it. Boy, were they surprised!

It's the best

We've checked out over a dozen weight loss systems and this one's the best one we found.

Just give it a try and we know you'll agree. You know what it's like being ignored at a school dance. Or being too embarrassed to be seen in a bikini. You deserve better than that.

Now it's your turn to look great. Your turn to get all the cute boys' attention. Your turn to



have some fun.

You can't get the BM Program in stores. They don't have it yet. But you don't have to wait. You can get it by mail right now.

Send in the coupon with \$12 now and you'll get it right away, in a plain package. And pretty soon you'll have the great-looking body you've always wanted.

Give yourself a chance. You'll be glad you did.

Do it now - before some other girl does and gets all the boys' attention.

FREE bonus gift

P.S.: Order now and you'll also get a special chart to keep track of your weight loss, absolutely FREE.

BM Program	2-W
Twinbrook Center	
P.O. Box 727	
Rockville, MD 20848-0727	
Hey! I know what kind of body I want. Send me the BM Program in a plain package right away. Here's \$12. Money back guarantee.	
PRINT Name _____	
Address _____	
City _____	State _____ Zip _____

EXHIBIT

EXHIBIT D

New! How you can ...

Get the cute shape that boys like and girls envy!

There's a girl in every school who is so beautiful -- so foxy -- that all the boys just can't keep their eyes off her. A girl who's surrounded by cute guys wherever she goes. A girl that can have any guy she wants. Very soon, that girl could be you!

The perfect body

Now you, too, can have the kind of body that boys like and girls envy: thin, shapely legs and thighs, firm behind, narrow waist, and foxy, exciting curves in all the right places. With THAT kind of body you'll look great in shorts or a miniskirt, and totally awesome in that cute little two-piece swimsuit that you always wished you could wear.

No matter how many times you've tried and failed before, now you can really do it -- thanks to an excellent new discovery that can really work for you. Just think -- only a few short weeks from today you could have a whole new look!

Extra help for special areas

New Shape™ does more than just help you get rid of excess fat. It helps you add shape and firmness too. It's a total shape-up system that you can customize to your own special needs. So you can work on your legs, waist, butt, hips, thighs and other problem parts of your body to make them shapelier, firmer, tighter and more beautiful. You can change your flabby, embarrassing features -- but keep your good parts. Whether you're too fat or too skinny, New Shape can help you get the kind of body you've always wanted. It really works.

This system was designed especially for teenage girls and is made to fit your lifestyle. So you can still have snacks and go out for hamburgers with your friends.

Works twice as fast

The New Shape System works twice as well -- and twice as fast -- because it combines two powerful factors. Yet it's completely natural and safe for girls of all ages. With no dangerous crash diets, no drugs, and no special foods.

It's easy and safe (no drugs!)

You won't find a faster, easier, safer way to slim down and shape up your body. We know -- because we've tried pretty much everything there is. Don't confuse



bikini. You can make the other girls envy you. You can get that cute boy to really notice you in school (and hopefully ask you out!) You can have all the fun you've been missing out on -- and you deserve it!

You can do it. You really can make your dream come true.

Here's all you have to do: Order the New Shape System. You'll get it fast -- in a plain, unmarked package. Try it out for a week, a month, even two months. Use it as much as you need to get the body you want. Then take a look in the mirror. You'll look sooo... cute and foxy you won't believe your eyes! And you can stay that way, too, with nothing more to buy.

We guarantee it

But if you feel you haven't changed enough -- if you don't think you look like a total babe -- just send everything back to us and you'll get your money back right away. We guarantee New Shape because it really works. We've helped thousands of girls just like you -- and we know we can help you, too.

Do it now!

So don't just think about having a beautiful body. Don't just dream about what it would be like. If you put it off until tomorrow, you might never do it. Do something about it now -- and make your dream come true. Don't wait until some other girl starts going out with that guy you've got your eye on. Do it now. Just send in the coupon with \$12 today, and get the kind of body you really want. You'll be so glad you did.

FREE bonus gift

You'll also get an extra free bonus -- a special surprise gift that can help you get a more beautiful body even faster. This free gift is available only while supplies last. Get it before we run out!

©1991 NS
Coupon good? No problem! Just send your name and address with \$12 to New Shape, P.O. Box 2245, Kensington, MD 20891.

You'll love having handsome hunks fight over you!

New Shape with any other product or company.

And, best of all, you'll start working on your own special problem areas right away -- to give them the special attention they need and help you get the cute, foxy shape you really want.

You know what it's like being laughed at in gym class or being ignored at a party. Why put up with it when you don't have to? **It really works**

You can look beautiful in that special party dress. You can look awesome in a

New Shape 3-N
 Nicholson Lane
 P.O. Box 2245
 Kensington, MD 20891-2245
 Yes! I definitely want to look like a babe. Send me the New Shape System in a plain package right away. Here's \$12. Money back guaranteed.
 PRINT Name _____
 Address _____
 City _____ State _____ Zip _____



EXHIBIT E

HOW YOU CAN HAVE A FIRM, FOXY, THINNER BODY - in just a few weeks!

THE BODY YOU'VE ALWAYS WANTED!

You can have the cute, foxy body you've always wanted -- the kind of body that really gets guys' attention. And you can look that way sooner than you think!

Just a few short weeks from today you could have a body that's thinner, firmer and cuter than you ever imagined -- thanks to an awesome new discovery.

Body Maker™ helps you lose weight from every part of your body. You can have a narrower waist, thinner hips, legs and thighs, and a firmer behind -- and add shape, firmness and curves in all the right places!

No matter how many times you've tried and failed before, now the awesome new Body Maker can quickly and easily show you how to get a body that's cuter and foxier than you ever thought possible! Finally, here's something that really works!

HOW BODY MAKER WORKS

With Body Maker, you still get to eat the foods you like -- including those snacks you love so much. It's not a diet -- so there's no list of things you have to eat. No list of things you can't eat, either. But when you follow the Body Maker program, you'll end up eating less (but still enough to keep you healthy.) You just won't feel like pigging out! And pretty soon, all those extra pounds will be gone for good.

Body Maker will help you cut down on your appetite before meals and avoid over-eating -- even when you're dying to have a snack! And before you know it, you'll have a whole new set of eating habits, be thin, and stay thin -- with nothing more to buy. This is not like those diet pills you have to keep buying over and over again!

MADE ESPECIALLY FOR TEENAGE GIRLS

Body Maker was created especially for a teenage girl's body. It's the safest, healthiest way to lose weight we've ever seen. And it works! Show it to your doctor -- we're sure he'll agree!

Here's more good news. You never have to do any exercises -- and you won't need to! With Body Maker you'll just feel like being more active all the time!

IT WORKS!

Just days after you get Body Maker, you can be eating less, feeling more active, and really happy about the changes starting to take place.



"I tried your product, and it worked." -- Anna, age 16, California (That's her picture, above!)

Before you know it, you'll be going to the mall to get that cute bikini you always wished you could wear. And when you look in the mirror, you won't believe how good you look!

Can you see it? Try to imagine how gorgeous you'll look. How every part of your body can be slimmer, trimmer and cuter than you ever thought possible. Really picture it in your mind. It can happen to you!

YOU'LL FEEL GOOD ABOUT YOURSELF!

The best part is -- you'll be so proud of yourself when you find out you really can lose weight. It's not your fault you haven't lost weight -- it's those worthless diets that don't work! Now you really can make your dreams come true. Absolutely!

Your high school years are supposed to be the happiest time of your life. Make sure you don't miss out on all those special moments -- the beach, pool parties, the prom.

Sure -- once you look so good, all those guys that never noticed you before will start asking you out. But don't just do this for the guys. Do it for yourself. You

deserve it!

TRY IT FOR 30 DAYS

Body Maker has worked for thousands of girls. And we're so sure it'll work for you, too, that we want you to try it for a whole month at no risk.

Go ahead -- really use it as much as you want. Let it help you slim down, shape up and beautify your body.

Then -- if you feel you haven't changed enough -- if you don't have the awesome body you've always wanted -- just send back Body Maker and we'll give you your money back. We don't want your money unless you get the body you want!

DO IT NOW!

Here's all you've got to do. Fill out the coupon and send it in with \$12 right away. We'll send you Body Maker fast. (The package won't say who it's from or what's inside.)

So don't wait. If you put it off you might forget, and miss out on the cute body you want, and all the good times you deserve.

Do it now. You'll be so glad you did.

P.S.: Want a cute body even faster? We've put together some really easy, fun exercises that you can do in just 15 minutes a day. Use them with Body Maker for extra-fast results! They're just \$3 extra when you get Body Maker. Good deal!

Plus -- we'll even throw in a...

FREE GIFT!

You'll also get a chart to keep track of your weight loss absolutely free, just for ordering Body Maker.

Hurry up and be the first one at your school to get that cute body! Coupon gone? No problem! Just send \$12 to Body Maker, P.O. Box 727, Rockville, MD, 20848.

FREE 30-DAY TRIAL COUPON

Body Maker 12-WN
Years Mill Road
P.O. Box 727
Rockville, MD, 20848-0727

Yes! I want a totally cute body. Send me Body Maker right away! Money back guarantee. Here's:
 \$12 for Body Maker and free bonus
 \$15 for Body Maker, free bonus, and exercises

PRINT Name _____

Address _____

City _____ State _____ Zip _____

PERSONAL BODY GOALS FORM

(Answer only if you want to)

I weigh _____ pounds. I WANT to weigh _____

These are the parts of my body I want to change (Check as many as you want)

Face Arms Hips

Neck Waist Thighs

Chest Butt Legs

©1991 Body-Maker

May 1991 EXHIBIT

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

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Act, and that a complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of sixty (60) days, and having duly considered the comments received, 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 WLAR Co. is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 5622 Columbia Pike #106, in the City of Falls Church, State of Virginia.

Respondent Michael K. Craig is or was at relevant times herein the sole owner, officer, and employee of said corporation. Individually or in concert with others, he participated in and/or formulated, directed, and controlled the acts and practices of said corporation and his address is the same as that of said corporation.

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

ORDER

For purposes of this order:

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

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

(b) In a print advertisement, the disclosure shall be in close proximity to the representation that triggers the disclosure and given in at least twelve (12) point type.

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

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

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

I.

It is ordered, That respondents, WLAR Co., a corporation, its successors and assigns, and its officers; and Michael K. Craig, individually and as an officer of WLAR Co.; and respondents' agents,

representatives and employees, directly or through any partnership, corporation, subsidiary, division or other device, in connection with the manufacturing, advertising, packaging, labeling, promotion, offering for sale, sale, or distribution of Swedish 19, Swedish System, BM Program, New Shape, Body Maker, or any substantially similar product, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, in any manner, directly or by implication, that:

- A. Such product is new or is a new weight-loss discovery; or
- B. Such product does not require dieting.

II.

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

- A. Such product causes fast or easy weight loss;
- B. Such product is more effective than other products or programs in controlling appetite or causing weight loss;
- C. Purchasers of such products are successful in controlling appetite, losing weight, or reducing body fat;
- D. Such product causes users to develop a new set of eating habits, thereby reducing caloric intake and causing significant and long-term or permanent weight loss; or
- E. Such product has any effect on users' weight, body size or shape, body measurements, or appetite,

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

III.

It is further ordered, That respondents, WLAR Co., a corporation, its successors and assigns, and its officers; and Michael K. Craig, individually and as an officer of WLAR Co.; and respondents' agents, representatives and employees, directly or through any partnership, corporation, subsidiary, division or other device, in connection with the manufacturing, advertising, packaging, labeling, promotion, offering for sale, sale, or distribution of any weight-loss product, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, in any manner, directly or by implication, that such product has been used successfully by any number of persons unless, at the time of making such representation, respondents possess and rely upon competent and reliable evidence, which when appropriate must be competent and reliable scientific evidence, that substantiates the representation.

IV.

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

V.

It is further ordered, That respondents, WLAR Co., a corporation, its successors and assigns, and its officers; and Michael K. Craig, individually and as an officer of WLAR Co.; and respondents' agents, representatives and employees, directly or through any partnership, corporation, subsidiary, division or other device, in connection with the manufacturing, advertising, packaging, labeling, promotion, offering for sale, sale, or distribution of Swedish 19, Swedish System,

BM Program, New Shape, Body Maker, or any substantially similar product, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from making any representation, in any manner, directly or by implication, that any such product has any effect on weight or body size, unless respondents disclose, clearly and prominently, and in close proximity to such representation, that such product consists solely of a booklet or pamphlet containing information and advice on weight loss.

VI.

It is further ordered, That respondents, WLAR Co., a corporation, its successors and assigns, and its officers; and Michael K. Craig, individually and as an officer of WLAR Co.; and respondents' agents, representatives and employees, directly or through any partnership, corporation, subsidiary, division or other device, in connection with the manufacturing, advertising, packaging, labeling, promotion, offering for sale, sale, or distribution of any weight-loss product, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from making any representation, in any manner, directly or by implication, that any such weight-loss product has any effect on weight or body size, unless they disclose, clearly and prominently, and in close proximity to such representation, that diet and/or increasing exercise is required to lose weight; provided however, that this disclosure shall not be required if respondents possess and rely upon competent and reliable scientific evidence demonstrating that the weight-loss product is effective without either dieting or increasing exercise.

VII.

It is further ordered, That respondent, WLAR Co., shall:

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

B. For a period of five (5) years from the date of issuance of this order, provide a copy of this order to each of respondent's future

principals, officers, directors, and managers, and to all personnel, agents, and representatives having sales, advertising, or policy responsibility with respect to the subject matter of this order who are associated with respondent or any subsidiary, successor, or assign, within three (3) days after the person assumes his or her responsibilities.

VIII.

It is further ordered, That for five (5) years after the last date of dissemination of any representation covered by this order, respondents, or their successors and assigns, shall maintain and upon request make available to the Federal Trade Commission or its staff for inspection and copying:

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

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

IX.

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

X.

It is further ordered, That respondent, Michael K. Craig, shall, for a period of three (3) years from the date of issuance of this order, notify the Commission within thirty (30) days of the discontinuance of his present business or employment and of his affiliation with any new business or employment involving the advertising, offering for

sale, sale, or distribution of any weight-loss product. Each notice of affiliation with any new business or employment shall include respondent's new business address and telephone number, current home address, and a statement describing the nature of the business or employment and his duties and responsibilities.

XI.

This order will terminate on February 21, 2016, or twenty years from the most recent date that the United States or the Federal Trade Commission files a complaint (with or without an accompanying consent decree) in federal court alleging any violation of the order, whichever comes later; provided, however, that the filing of such a complaint will not affect the duration of:

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

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

XII.

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

Chairman Pitofsky recused.

IN THE MATTER OF

GOOD NEWS PRODUCTS, INC.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SECS. 5 AND 12 OF THE FEDERAL TRADE COMMISSION ACT*Docket C-3642. Complaint, Feb. 22, 1996--Decision, Feb. 22, 1996*

This consent order prohibits, among other things, a Michigan corporation from misrepresenting the fat or nutrient content of eggs or products containing egg yolks. In addition, the consent order prohibits the respondent from making health claims regarding such products unless it possesses reliable scientific evidence to substantiate the claims.

*Appearances*For the Commission: *Phoebe Morse* and *Kristie Ann Wood*.For the respondent: *David Vander Haagen, Foster, Swift, Collins & Smith*, Lansing, MI.

COMPLAINT

The Federal Trade Commission, having reason to believe that Good News Products, Inc. ("Good News Products"), a corporation, hereinafter sometimes referred to as 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 Good News Products, Inc. is a Michigan corporation with its offices and principal place of business at East Washington & M-40, Hamilton, Michigan.

PAR. 2. Respondent has advertised, labeled, offered for sale, sold, and distributed Good News Eggs to consumers. These eggs are "foods" within the meaning of Sections 12 and 15 of the Federal Trade Commission Act.

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

PAR. 4. Respondent has disseminated or has caused to be disseminated advertisements for Good News Eggs, including but not necessarily limited to the attached Exhibits A-G. These advertisements contain the following statements:

A. IF YOU EAT EGGS, HERE'S IMPORTANT NEWS. INTRODUCING, GOOD NEWS EGGS. GOOD NEWS EGGS COME FROM HENS FED A SPECIAL DIET LOW IN SATURATED FAT. THE RESULT IS AN EGG THAT'S LOWER IN SATURATED FAT. . . . IT'S THE BEST NEWS YET FOR PEOPLE WHO LOVE EGGS.

[Exhibit A (Radio: untitled)]

B. Romeo: How do I love thee - let me count the ways. I love thee for thy shape - so round, yet firm and fragile. I love thee for thy good taste and unparalleled versatility. But what I don't care for is your . . .

Announcer: Introducing - Good News Eggs. . . . Good News Eggs are from hens fed a special diet naturally low in saturated fat. So Good News Eggs are lower in saturated fat - and higher in Omega 3's. And that's good news for egg lovers everywhere. . . . Good News Eggs - for today's healthier lifestyle.

[Exhibit B (Radio: "Good News Eggs does Shakespibit.")]

C. If You Love Eggs, We've Got Good News

Introducing, Good News Eggs. Fresh, delicious, 100% real eggs with a difference. The difference is, Good News Eggs come from hens fed a unique, all natural diet, low in saturated fats. And that means our eggs are consistently premium eggs.

Clinical Tests Prove It

Eating a diet that's lower in saturated fat is beneficial to your health. Because Good News Eggs are naturally higher in Omega 3, you can enjoy them as part of your lower fat diet and know you're eating right.

[Exhibit C (Print: "If You Love Eggs")]

D. The Good News Egg:

Questions and Answers

...

How is the Good News Egg different?

Our egg is lower in fat than a regular egg. The Good News Egg has only one gram of saturated fat, half as much as a regular egg. The total fat is 20% lower than a regular egg.

...

What else is different about the Good News Egg?

It is five times higher in Omega 3, an essential part of a balanced diet.

What is Omega 3?

Omega 3 fatty acids are polyunsaturated fat - one of the three forms of fat: saturated, monounsaturated and polyunsaturated.

Isn't polyunsaturated the "good" fat?

It is saturated fat that has been linked to heart disease and high blood cholesterol. In contrast, the Omega 3 polyunsaturates have been shown to have positive effects on arteriosclerosis [sic], high blood pressure, rheumatoid arthritis and high blood cholesterol levels.

...

What else does Omega 3 do?

It has been shown to lower blood pressure, and to have anti-inflammatory effects. But the most exciting research shows that Omega 3 may lower blood cholesterol levels.

How does Omega 3 work?

It looks like Omega 3 inhibits the rise in blood lipids, or fat, that occurs after eating. Current thinking emphasizes the level of fat in the blood as the important risk factor for atherosclerosis [sic], or hardening of the arteries. Omega 3 slowed the development of atherosclerotic [sic] plaque in animal studies, even in a high-fat, high cholesterol diet.

Isn't the cholesterol in eggs a problem?

All shell eggs are lower in cholesterol than 40 years ago -- 20% lower. Today's egg has only 213 milligrams of cholesterol. In addition, recent studies have shown dietary cholesterol to have less effect on cholesterol in the blood than previously thought. More important is the level of saturated fat in the diet. And the Good News Egg has only one gram of saturated fat.

...

How much Omega 3 is there in a Good News Egg?

One egg provides a minimum of 220 milligrams of Omega 3, more than five times the level found in a regular egg. Good News Eggs may have up to 300 milligrams of Omega 3.

[Exhibit D (Print: Questions and Answers)]

E. GOOD NEWS FOR PEOPLE WHO LOVE EGGS

Good News Eggs come from hens fed a consistent diet that's low in saturated fats. This low-fat diet produces an egg 50% lower in saturated fat than normal eggs.... Clinical tests have shown that feeding chickens a better diet will improve the egg. Our chickens are fed a consistent diet of all natural ingredients including flax, canola and vitamin E. So, enjoy Good News Eggs as part of a low-fat diet. It's a 100% real egg you can feel good about eating!

[Exhibit E (Point-of-purchase: Tear-off sheet)]

F. The Good News Eggs: Facts and Figures

...

Good News Eggs HAVE

...

- only one gram of saturated fat
- 20% less fat overall
- between 220 and 300 milligrams of Omega 3

Good News Hens

- eat a diet high in Omega 3 and low in saturated fat so they lay a better egg
- are fed an all-natural diet, including flax, canola, and Vitamin E
- naturally lay eggs lower in fat and higher in Omega 3 than regular eggs

[Exhibit F (Print: Facts and Figures)]

G. THE GOOD NEWS EGGS: Questions and Answers

...

How is the Good News Egg different?

The Good News Egg has only one gram of saturated fat. The total fat is 20% lower than a regular egg.

...

Isn't the cholesterol in eggs a problem?

All shell eggs are lower in cholesterol than 40 years ago -- 20% lower. Today's egg has only 213 milligrams of cholesterol. In addition, recent studies have shown dietary cholesterol to have less effect on cholesterol in the blood than previously thought. More important is the level of saturated fat in the diet. And the Good News Egg has only one gram of saturated fat.

[Exhibit G (Print: Questions and Answers)(revised)]

PAR. 5. Through the use of the statements contained in the advertisements referred to in paragraph four, including but not necessarily limited to the advertisements attached as Exhibits A-G, respondent has represented, directly or by implication, that Good News Eggs are significantly lower in saturated fat than ordinary eggs.

PAR. 6. In truth and in fact Good News Eggs are not significantly lower in saturated fat than ordinary eggs. Good News Eggs have approximately the same amount of saturated fat as ordinary eggs. Therefore, the representation set forth in paragraph five was, and is, false and misleading.

PAR. 7. Through the use of the statements contained in the advertisements referred to in paragraph four, including but not necessarily limited to the advertisements attached as Exhibits D, F and G, respondent has represented, directly or by implication, that Good News Eggs are significantly lower in total fat than ordinary eggs.

PAR. 8. In truth and in fact Good News Eggs are not significantly lower in total fat than ordinary eggs. Good News Eggs have approximately the same amount of total fat as ordinary eggs. Therefore, the representation set forth in paragraph seven was, and is, false and misleading.

PAR. 9. Through the use of the statements contained in the advertisements referred to in paragraph four, including but not necessarily limited to the advertisement attached as Exhibit D, respondent has represented, directly or by implication, that:

A. The omega 3 fatty acids in Good News Eggs will have a positive effect on risk factors for heart disease, such as atherosclerosis, high blood cholesterol levels and high blood pressure, and on rheumatoid arthritis.

B. The omega 3 fatty acids in Good News Eggs may decrease blood cholesterol.

PAR. 10. Through the use of the statements contained in the advertisements referred to in paragraph four, including but not necessarily limited to the advertisement attached as Exhibit D, respondent has represented, directly or by implication, that at the time it made the representations set forth in paragraph nine, respondent possessed and relied upon a reasonable basis that substantiated such representations.

PAR. 11. In truth and in fact, at the time it made the representations set forth in paragraph nine, respondent did not possess and rely upon a reasonable basis that substantiated such representations. Therefore, the representation set forth in paragraph ten was, and is, false and misleading.

PAR. 12. Through the use of the statements contained in the advertisements referred to in paragraph four, including but not necessarily limited to the advertisements attached as Exhibits D and G, respondent has represented, directly or by implication, that, because Good News Eggs are lower in saturated fat than ordinary eggs, they will increase blood cholesterol levels less than ordinary eggs.

PAR. 13. Through the use of the statements contained in the advertisements referred to in paragraph four, including but not necessarily limited to the advertisements attached as Exhibits D and G, respondent has represented, directly or by implication, that at the time it made the representation set forth in paragraph twelve, respondent possessed and relied upon a reasonable basis that substantiated such representation.

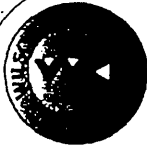
PAR. 14. In truth and in fact, at the time it made the representation set forth in paragraph twelve, respondent did not possess and rely upon a reasonable basis that substantiated such representation. Therefore, the representation set forth in paragraph thirteen was, and is, false and misleading.

PAR. 15. The acts and practices of respondent as alleged in this complaint constitute unfair or deceptive acts or practices and the making of false advertisements in or affecting commerce in violation of Sections 5(a) and 12 of the Federal Trade Commission Act.

Complaint

121 F.T.C.

EXHIBIT A



350 E. Michigan, Suite 16
Kalamazoo, Michigan 49007
(616) 344-5569/FAX 344-5668

1666 Newport Blvd., Suite 146
Costa Mesa, California 92627
(714) 953-7160

Date: 3/19/93
Client: Good News Eggs
Length: :30
Copy:
Music:
Producer:
Talent:

WBAP - Dallas

SCRIPT

IF YOU EAT EGGS, HERE'S IMPORTANT NEWS. INTRODUCING, GOOD NEWS EGGS. GOOD NEWS EGGS COME FROM HENS FED A SPECIAL DIET LOW IN SATURATED FAT. THE RESULT IS AN EGG THAT'S LOWER IN SATURATED FAT. ONE HUNDRED PERCENT REAL EGGS IN THE SHELL...NOT PROCESSED AND POURED OUT OF A CARTON LIKE EGG SUBSTITUTES. SO GO AHEAD...POACH 'EM, HARD BOIL 'EM, SUNNYSIDE UP 'EM. ANYTHING YOU DO WITH EGGS WILL BE BETTER WITH GOOD NEWS EGGS. LOOK FOR THE BRIGHT YELLOW AND RED LABEL ON THE TRADITIONAL WHITE CARTON IN YOUR FAVORITE GROCER'S DAIRY CASE. GOOD NEWS EGGS. IT'S THE BEST NEWS YET FOR PEOPLE WHO LOVE EGGS.

EXHIBIT A

ADVERTISING • MARKETING • PUBLIC RELATIONS • FILM AND VIDEO PRODUCTION

119

Complaint

EXHIBIT B

#4 - :30 seconds

ROMEO: Good News Eggs does Shakespeare.
(romantic) How do I love thee –
let me count the ways.
I love thee for thy shape –
so round, yet firm and fragile.
I love thee for thy good taste
and unparalleled versatility.

(fed-up) But what I don't care for is your . . .

ANNC.: Introducing - Good News Eggs. Real California fresh
in-the-shell eggs. Good News Eggs are from hens fed
a special diet naturally low in saturated fat. So Good
News Eggs are lower in saturated fat – and higher in
Omega 3's. And that's good news for egg lovers
everywhere.

ROMEO: Now... get thee to a gro-cer-ee.

ANNC.: Good News Eggs - for today's healthier lifestyle.

Complaint

121 F.T.C.

EXHIBIT C

If You Love Eggs, We've Got Good News™

Introducing, Good News Eggs. Fresh, delicious, 100% real eggs with a difference. The difference is, Good News Eggs come from hens fed a unique, all natural diet, low in saturated fats. And that means our eggs are consistently premium eggs.

Clinical Tests Prove It

Eating a diet that's lower in saturated fat is beneficial to your health. Because Good News Eggs are naturally higher in Omega 3, you can enjoy them as part of your lower fat

diet and know you're eating right.* It's a better egg for today's life-style.

Good News Eggs. Try them for yourself. It's the best news yet for people who love eggs.

*See your nutritionist



MAGAZINE/NEWSPAPER ADVERTISEMENT

EXHIBIT C

Complaint

EXHIBIT D



P.O. BOX 186
HAMILTON, MI 49419

**The Good News Egg:
Questions and Answers**

What are Good News Eggs?

Good News Eggs are all-natural, real eggs in the shell. Unlike liquid eggs and egg substitutes, Good News Eggs haven't been processed, treated or added to.

Do they look the same as regular eggs?

The only difference is in the yolk, which is slightly lighter in color.

Do they taste the same as regular eggs?

Yes. Some people say they taste better.

Do they cook the same as regular eggs?

Yes. Their performance in cooking and baking is identical to regular eggs.

Is the Good News Egg low in cholesterol?

No. The dietary cholesterol is the same as in regular eggs.

How is the Good News Egg different?

Our egg is lower in fat than a regular egg. The Good News Egg has only one gram of saturated fat, half as much as a regular egg. The total fat is 20% lower than a regular egg.

Does that mean there are fewer calories?

Yes. The Good News Egg has ten fewer calories than a regular egg, only 70.

What else is different about the Good News Egg?

It is five times higher in Omega 3, an essential part of a balanced diet.

What is Omega 3?

Omega 3 fatty acids are polyunsaturated fat -- one of the three forms of fat: saturated, monounsaturated and polyunsaturated.

Isn't polyunsaturated the "good" fat?

It is saturated fat that has been linked to heart disease and high blood cholesterol. In contrast, the Omega 3 polyunsaturates have been shown to have positive effects on arteriosclerosis, high blood pressure, rheumatoid arthritis and high blood cholesterol levels.

Is fat an essential part of the diet?

Of course. It is the high-fat diet that puts us at risk for heart disease and other ailments. Experts recommend a balanced diet, with not more than 30% of our daily calories coming from fat.

Should we eat all three forms of fat?

Yes. The 30% should be evenly balanced across the three, and the polyunsaturates, Omega 6 and Omega 3, should be evenly balanced.

more

EXHIBIT D

Complaint

121 F.T.C.

EXHIBIT E

Good News™ For People Who Love Eggs



- Higher in Omega 3
- Less saturated fat



A DIVISION OF GOOD NEWS PRODUCTS

See reverse side for **IMPORTANT INFORMATION**

Good News™ For People Who Love Eggs

Good News Eggs come from hens fed a consistent diet that's low in saturated fats. This low-fat diet produces an egg 50% lower in saturated fat than normal eggs. And, this unique process makes our eggs naturally higher in Omega 3's, a fatty acid that is an essential part of a healthy diet. University studies have shown the North American diet to be low in Omega 3's. Now, Good News Eggs are a source of Omega 3's, having five times more than regular eggs and each one containing over 220 mg of Omega 3. Other important sources of Omega 3's are marine fish and canola oil.

Clinical tests have shown that feeding chickens a better diet will improve the egg. Our chickens are fed a consistent diet of all natural ingredients including flax, canola and vitamin E. So, enjoy Good News Eggs as part of a low-fat diet.* It's a 100% real egg you can feel good about eating!

*Consult your physician or nutritionist about the benefits of Omega 3.

EXHIBIT E

EXHIBIT F



P.O. BOX 186
HAMILTON, MI 49419

**The Good News Egg:
Facts and Figures**

Good News Eggs ARE NOT

- low cholesterol
- a liquid egg substitute
- processed or treated

Good News Eggs ARE

- real eggs in the shell
- higher in Omega 3
- lower in fat

Good News Eggs DO

- come in an egg carton
- look and taste the same as regular eggs
- cook and bake the same as regular eggs
- last as long as regular eggs in your refrigerator
- provide an inexpensive source for the essential Omega 3

Good News Eggs DO NOT

- have fish oil in them
- come in an easy-pour carton

Good News Eggs HAVE

- 10 fewer calories than regular eggs
- only one gram of saturated fat
- 20% less fat overall
- between 220 and 300 milligrams of Omega 3

Good News Hens

- eat a diet high in Omega 3 and low in saturated fat so they lay a better egg
- are fed an all-natural diet, including flax, canola, and Vitamin E
- naturally lay eggs lower in fat and higher in Omega 3 than regular eggs

All shell eggs

- are good for you and your family
- are relatively low in fat
- are an economical source of protein and other nutrients

Good News Eggs

- are premium shell eggs with a little more of something we need, and a little less of something we don't
- can be part of a low-fat, healthy diet
- will make you feel good about eating eggs

Complaint

121 F.T.C.

EXHIBIT G



The Good News Egg:
Questions and Answers

What are Good News Eggs?

Good News Eggs are all-natural, real eggs in the shell. Unlike liquid eggs and egg substitutes, Good News Eggs haven't been processed, treated or added to.

Do they look the same as regular eggs?

The only difference is in the yolk, which is slightly lighter in color.

Do they taste the same as regular eggs?

Yes. Some people say they taste better.

Do they cook the same as regular eggs?

Yes. Their performance in cooking and baking is identical to regular eggs.

Is the Good News Egg low in cholesterol?

No. The dietary cholesterol is the same as in regular eggs.

How is the Good News Egg different?

The Good News Egg has only one gram of saturated fat. The total fat is 20% lower than a regular egg.

Does that mean there are fewer calories?

Yes. The Good News Egg has ten fewer calories than a regular egg, only 70.

What else is different about the Good News Egg?

It is five times higher in Omega 3, an essential part of a balanced diet.

What is Omega 3?

Omega 3 fatty acids are polyunsaturated fat -- one of the three forms of fat: saturated, monounsaturated and polyunsaturated.

Is fat an essential part of the diet?

Of course. Experts recommend a balanced diet, with not more than 30% of our daily calories coming from fat.

Should we eat all three forms of fat?

Yes. The 30% should be evenly balanced across the three, and the polyunsaturates, Omega 6 and Omega 3, should be evenly balanced.

-more-

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondent named in the caption hereof, and the respondent having been furnished thereafter with a copy of a draft of complaint which the 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; and

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

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondent has violated the said Act, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of sixty (60) days, and having duly considered the comment filed thereafter by interested persons pursuant to Section 2.34 of its Rules, 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 Good News Products, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Michigan, with its offices and principal place of business located at East Washington & M-40, Hamilton, MI.
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

I.

It is ordered, That respondent Good News Products, 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, in connection with the labeling, advertising, promotion, offering for sale, sale, or distribution of eggs or any food containing egg yolk in or affecting commerce, as "food" and "commerce" are defined in the Federal Trade Commission Act, do forthwith cease and desist from misrepresenting, in any manner, directly or by implication, through numerical or descriptive terms or any other means, the absolute or comparative amount of total fat, saturated fat or any other nutrient or ingredient in such food.

II.

It is further ordered, That respondent Good News Products, 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, in connection with the labeling, advertising, promotion, offering for sale, sale, or distribution of eggs or any food containing egg yolk in or affecting commerce, as "food" and "commerce" are defined in the Federal Trade Commission Act, do forthwith cease and desist from making any representation, in any manner, directly or by implication:

A. About the absolute or comparative effect of such food on heart disease or heart disease risk factors;

B. About the absolute or comparative effect of such food on serum cholesterol; and

C. About the absolute or comparative health benefits of such food;

unless at the time of making such representation, respondent possesses and relies upon competent and reliable scientific evidence substantiating the representation. For purposes of this order, "competent and reliable scientific evidence" shall mean tests,

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

III.

Nothing in this order shall prohibit respondent from making any representation that is specifically permitted in labeling for eggs or any food containing egg yolk by regulations promulgated by the Food and Drug Administration pursuant to the Nutrition Labeling and Education Act of 1990.

IV.

It is further ordered, That for five (5) 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 their possession or control that contradict, qualify or call into question such representation, or the basis relied upon for such representation, including complaints from consumers and complaints or inquiries from governmental organizations.

V.

It is further ordered, That respondent shall, within thirty (30) days after service upon it of this order, distribute a copy of the order to each of the respondent's operating divisions, to each of its licensees, to each of its managerial employees, and to each of its officers, agents, representatives or employees engaged in the preparation or placement of advertising or other materials covered by this order and shall secure from each such person a signed statement acknowledging receipt of this order.

VI.

It is further ordered, That respondent, or its successors and assigns, shall promptly terminate its licensing agreement with any licensee if respondent has actual knowledge or knowledge fairly implied on the basis of objective circumstances that such licensee is engaging in acts or practices that respondent is prohibited from engaging in under Parts I and II of this order, unless such licensee immediately ceases engaging in such acts or practices.

VII.

It is further ordered, That respondent, its successors and assigns, shall notify the Commission at least thirty (30) days prior to any proposed change in the corporate respondent, including but not limited to dissolution, assignment or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries or affiliates, or any other corporate change that may affect compliance obligations arising out of this order.

VIII.

It is further ordered, That this order will terminate on February 22, 2016, or twenty years from the most recent date that the United States or the Federal Trade Commission files a complaint (with or without an accompanying consent decree) in federal court alleging any violation of the order, whichever comes later; provided, however, that the filing of such a complaint will not affect the duration of:

A. Any paragraph in this order that terminates in less than twenty years;

B. This order if such complaint is filed after the order has terminated pursuant to this paragraph.

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

for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

IX.

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

IN THE MATTER OF

DILLARD DEPARTMENT STORES, INC.

Docket 9269. Interlocutory Order (Summary), March 7, 1996

ORDER

On February 12, 1996, complaint counsel moved that the Commission dismiss the complaint in this matter based on a change in law. The central allegation in the complaint is that Dillard violated Section 133 of the Truth in Lending Act, 15 U.S.C. 1643, and Section 226.12(b) of Regulation Z, 12 CFR 226.12(b), by placing "unreasonable burdens" on cardholders who make claims of unauthorized use. Unauthorized use of a credit card occurs when a card is used without the authority of the cardholder, such as use after a card has been lost or stolen. The complaint alleges that Dillard imposed unreasonable burdens by conducting investigations of claims of unauthorized use in which cardholders were required to: (1) complete an affidavit; (2) have the affidavit notarized; (3) swear that they do not know who made the unauthorized charges, or identify and testify against the person who did; (4) file police or postal reports; or (5) appear in person at a Dillard store to answer questions about the asserted unauthorized use.

Congress "has specifically designated the Federal Reserve Board and staff as the primary source for interpretation of truth-in-lending law." *Ford Motor Credit Co. v. Milhollin*, 444 U.S. 555, 556 (1980). Because the standard for investigation of claims of unauthorized use in the amended Federal Reserve Board Official Staff Commentary appears to differ from the standard reflected in the complaint in this proceeding, the Commission concludes that it is not in the public interest to continue to prosecute the complaint against Dillard.

Accordingly, *It is ordered,* That this matter be, and it hereby is, dismissed.

