

Modifying Order

124 F.T.C.

IN THE MATTER OF

COOPER INDUSTRIES, INC.

MODIFYING ORDER IN REGARD TO ALLEGED VIOLATION OF
SEC. 7 OF THE CLAYTON ACT AND SEC. 5 OF THE
FEDERAL TRADE COMMISSION ACT*Docket C-3469. Consent Order, Oct. 26, 1993--Modifying Order, Dec. 15, 1997*

This order reopens a 1993 consent order -- that required the respondent to divest certain assets and to license certain technology for manufacturing industrial fuses -- and this order modifies the consent order by setting aside provisions of the consent order which required Cooper to license and divest low-voltage industrial fuse technology that it gained in its acquisition of Brush Fuses, Inc.; and by substituting a provision requiring prior Commission approval of certain acquisitions with a provision requiring prior notification.

ORDER REOPENING AND MODIFYING ORDER

I. THE COMPLAINT AND ORDER

On August 15, 1997, Cooper Industries, Inc. ("Cooper"), the respondent named in the above-referenced consent order ("order") issued by the Commission on October 26, 1993, filed its Petition to Reopen and Vacate Consent Order ("Petition"). Cooper asks that the Commission reopen and vacate the order pursuant to Section 5(b) of the Federal Trade Commission Act ("FTC" Act), 15 U.S.C. 45(b), and Section 2.51 of the Commission's Rules of Practice and Procedure, 16 CFR 2.51, based on changed facts and the public interest and consistent with the Statement of Federal Trade Commission Policy Concerning Prior Approval And Prior Notice Provisions, issued on June 21, 1995 ("Prior Approval Policy Statement").¹ The thirty-day public comment period on Cooper's Petition ended on September 15, 1997. No comments were received.

The Commission has determined to grant, in part, Cooper's Petition by reopening the order and modifying it to set aside the requirements of paragraph II through VII, but to deny the request to vacate the order. Rather, the Commission has determined to substitute for the prior approval requirement of paragraph VIII the prior notification and waiting period requirements of Section 7A of the Clayton Act, 15 U.S.C. 18a, commonly referred to as the Hart-Scott-Rodino ("HSR") Act, for all non-HSR reportable

¹ 60 Fed. Reg. 39745-47 (Aug. 3, 1995); 4 Trade Reg. Rep. (CCH) ¶ 13,241.

acquisitions otherwise meeting the specifications of paragraphs VIII and IX. This modification therefore eliminates the need for the separate prior notification requirement of paragraph IX, and the Commission has determined to set aside that paragraph.

The complaint in this matter alleges that Cooper's agreement to acquire the Fusegear Group, including Brush Fuses, Inc. ("Brush"), from BTR plc violated Section 5 of the FTC Act, and that the acquisition of the Fusegear Group, including Brush, would violate Section 5 of the FTC Act and Section 7 of the Clayton Act, 15 U.S.C. 18, by lessening competition and tending to create a monopoly in the market for low voltage industrial fuses ("LVI Fuses") in the United States.

The resulting order became final on October 29, 1993.² Paragraph III of the order requires Cooper to grant a license within twelve months to a licensee, who has received prior approval by the Commission, to obtain and use the LVI Fuse Technology and Know-how to manufacture any and all types of LVI Fuses that had been manufactured by or for Brush and sold within the United States within the last three years prior to the acquisition of Brush by Cooper ("License"). Paragraph II orders Cooper to divest the Brush Assets to the licensee, but only to the extent the licensee chooses to acquire those assets. Paragraphs IV and V contain additional requirements related to maintaining the Brush Assets pending divestiture and to an interim supply agreement. Paragraph VI provides for the appointment of a trustee should Cooper fail to grant the License and divest within the requisite period, and paragraph VII specifies Cooper's notification and reporting obligations. The purpose of the License and divestiture is to remedy the lessening of competition in the LVI Fuse market and to assist the licensee to manufacture, distribute, and sell a full line of LVI Fuses.³ Cooper failed to grant the License within the time required, and the Commission approved the appointment of a trustee, on February 12, 1996. The trustee also failed to grant the License before his term expired on February 15, 1997.

II. THE PETITION

In its Petition, Cooper describes its and the trustee's efforts to license and asserts, with supporting affidavits,⁴ that despite these efforts, a licensee for the LVI Fuse Technology and Know-how has

² 116 FTC 1243 (1993).

³ Order ¶¶ II and III.A.

⁴ Affidavits of James R. Deen, Associate General Counsel, and Homer Blalock, Trustee.

not been found. Cooper believes that the value of the License and related assets now is reduced to such an extent that "no willing buyer is likely to come forward."⁵ It also asserts that the prior approval and prior notice requirements of the order are "unique" and that "there is no 'credible risk' that Cooper will undertake an anticompetitive and unreportable transaction." Cooper further argues that the *de minimis* nature of less than \$3.5 million sales specified in paragraph IX is *prima facie* evidence of the Commission's lack of concern about such acquisitions and that, therefore, such prior notification is unnecessary.

III. STANDARD FOR REOPENING AND MODIFYING FINAL ORDERS

Section 5(b) of the FTC Act, 15 U.S.C. 45(b), provides that the Commission shall reopen an order to consider whether it should be modified if the respondent "makes a satisfactory showing that changed conditions of law or fact" so require. A satisfactory showing sufficient to require reopening is made when a request to reopen identifies significant changes in circumstances and shows that the changes eliminate the need for the order or make continued application of it inequitable or harmful to competition. S. Rep. No. 96-500, 96th Cong., 2d Sess. 9 (1979) (significant changes or changes causing unfair disadvantage); Louisiana-Pacific Corp., Docket No. C-2956, Letter to John C. Hart (June 5, 1986) at 4. (unpublished) ("Hart Letter").⁶

Section 5(b) also provides that the Commission may modify an order when, although changed circumstances would not require reopening, the Commission determines that the public interest so requires. Respondents are therefore invited in petitions to reopen to show how the public interest warrants the requested modification. Hart Letter at 5.; 16 CFR 2.51. In such a case, the respondent must demonstrate as a threshold matter some affirmative need to modify the order.⁷ For example, it may be in the public interest to modify an order "to relieve any impediment to effective competition that may result from the order. *Damon Corp.*, 101 FTC 689, 692 (1983). Once such a showing of need is made, the Commission will balance the reasons favoring the requested modification against any reasons not to make the modification. Damon Letter at 2. The Commission also

⁵ Petition at 11.

⁶ See also *United States v. Louisiana-Pacific Corp.*, 967 F.2d 1372, 1376-77 (9th Cir. 1992) ("A decision to reopen does not necessarily entail a decision to modify the order. Reopening may occur even where the petition itself does not plead facts requiring modification.").

⁷ Letter to Joel E. Hoffman, *Damon Corp.*, C-2916 [1979-1983 Transfer Binder] Trade Reg. Rep. (CCH) ¶ 22,207 at 22,585 (March 29, 1983) ("Damon Letter").

will consider whether the particular modification sought is appropriate to remedy the identified harm. *Id.* at 4.

The language of Section 5(b) plainly anticipates that the burden is on the petitioner to make a "satisfactory showing" of changed conditions to obtain reopening of the order. The legislative history also makes it clear that the petitioner has the burden of showing, other than by conclusory statements, why an order should be modified. The Commission "may properly decline to reopen an order if a request is merely conclusory or otherwise fails to set forth specific facts demonstrating in detail the nature of the changed conditions and the reasons why these conditions require the requested modification of the order." S. Rep. No. 96-500, 96th Cong., 1st Sess. 9-10 (1979); *see also* Rule 2.51(b) (requiring affidavits in support of petitions to reopen and modify). If the Commission determines that the petitioner has made the required showing, the Commission must reopen the order to consider whether modification is required and, if so, the nature and extent of the modification. The Commission is not required to reopen the order, however, if the petitioner fails to meet its burden of making the satisfactory showing required by the statute. The petitioner's burden is not a light one given the public interest in repose and the finality of Commission orders.⁸

IV. REOPENING AND MODIFYING THE ORDER IS IN THE PUBLIC INTEREST

As Cooper described in its Petition, supported by the required affidavits, it and the trustee seemingly have done all that is possible to grant the License. Immediately after the order became final, Cooper notified all those companies thought to be likely potential acquirers of the License that the License was available. The availability of the License also was widely advertised, first by Cooper and then by the trustee. Although both Cooper and the trustee received serious inquiries, each of the initially interested parties declined to pursue the License after performing a more detailed evaluation. Cooper asserts that now, more than four years since the order became final, the value of the License and related assets is reduced to such an extent that "no willing buyer is likely to come forward."⁹

Although the fact that the passage of time has reduced the value of the assets was foreseeable and thus does not constitute the change

⁸ *See Federated Department Stores, Inc. v. Moitie*, 425 U.S. 394 (1981) (strong public interest considerations support repose and finality).

⁹ Petition at 11.

in fact necessary to justify reopening the order, it would be futile to continue to require Cooper to grant a License and inequitable to require it to keep paying a trustee to attempt the same. Accordingly, Cooper has demonstrated an affirmative need to reopen the order.

In balancing whether Cooper has demonstrated that the reasons to set aside the licensing, divestiture, and related requirements outweigh the need to continue to impose these obligations on Cooper, the Commission notes that the purpose of the order was to increase competition by granting a License to a licensee to manufacture, distribute, and sell a full line of LVI Fuses. Such a licensee could not be found, and the evidence indicates that the value of the License is now so reduced that such a licensee will not be found, regardless of the additional effort. The diligent attempts of the trustee to market the License demonstrate that further attempts to license, even at no minimum price, are likely to be fruitless.¹⁰ Because there is no need to continue to require Cooper either to attempt to grant a License or to maintain the Brush Assets (as it has since those assets were acquired), the divestiture obligations of the order should be set aside.

V. PRIOR APPROVAL POLICY STATEMENT

In its Petition, Cooper also asks the Commission to vacate the prior approval and prior notification provisions of paragraphs VIII and IX. Paragraph VIII and paragraph IX together prohibit Cooper, for ten years, from making any acquisition of interests in or assets of specified entities without either the prior approval of the Commission or HSR-type prior notification. The value of the acquired entity's sales of LVI Fuses in each of the three years preceding such acquisition determines whether prior approval or prior notification is required. Cooper contends that these prior approval and prior notice requirements are unique and asserts that prior approval is unwarranted because "there is no 'credible risk' that Cooper will undertake an anticompetitive and unreportable transaction."¹¹ It adds that the *de minimis* level of sales that triggers paragraph IX's prior notification provision is *prima facie* evidence that the Commission was particularly unconcerned about such acquisitions, and, therefore, that prior notification also is unwarranted.¹²

¹⁰ The respondent made the same showing in *Promodes, S.A.*, Docket No. 9228, in which the trustee accomplished divestiture of only some of the supermarkets to be divested. Order Granting Request to Reopen and Modify, 117 FTC 37 (1994).

¹¹ Petition at 14.

¹² *Id.*

The Commission, in its Prior Approval Policy Statement, "concluded that a general policy of requiring prior approval is no longer needed," citing the availability of the premerger notification and waiting period requirements of the HSR Act to protect the public interest in effective merger law enforcement. Prior Approval Policy Statement at 2. The Commission announced that it will "henceforth rely on the HSR process as its principal means of learning about and reviewing mergers by companies as to which the Commission had previously found a reason to believe that the companies had engaged or attempted to engage in an illegal merger." As a general matter, "Commission orders in such cases will not include prior approval or prior notification requirements." *Id.*

The Commission stated that it will continue to fashion remedies as needed in the public interest, including ordering narrow prior approval or prior notification requirements in certain limited circumstances. The Commission said in its Prior Approval Policy Statement that "a narrow prior approval provision may be used where there is a credible risk that a company that engaged or attempted to engage in an anticompetitive merger would, but for the provision, attempt the same or approximately the same merger." The Commission also said that "a narrow prior notification provision may be used where there is a credible risk that a company that engaged or attempted to engage in an anticompetitive merger would, but for an order, engage in an otherwise unreportable anticompetitive merger." *Id.* at 3. As explained in the Prior Approval Policy Statement, the need for a prior notification requirement will depend on circumstances such as the structural characteristics of the relevant markets, the size and other characteristics of the relevant markets, the size and other characteristics of the market participants, and other relevant factors.

The Commission also announced, in its Prior Approval Policy Statement, its intention "to initiate a process for reviewing the retention or modification of these existing requirements" and invited respondents subject to such requirements "to submit a request to reopen the order." *Id.* at 4. The Commission determined that, "when a petition is filed to reopen and modify an order pursuant to . . . [the Prior Approval Policy Statement], the Commission will apply a rebuttable presumption that the public interest requires reopening of the order and modification of the prior approval requirement consistent with the policy announced" in the Statement. *Id.*

The presumption is that setting aside the prior approval requirement of paragraph VIII is in the public interest. The record contains no evidence suggesting that this matter presents the limited circumstances identified in the Prior Approval Policy Statement as appropriate for retaining a narrow prior approval provision, *i.e.*, a credible risk that, but for the prior approval provision, the respondent would attempt the same or approximately the same merger.

Prior notification, however, is appropriate for acquisitions that fall below the HSR threshold for the relevant market because the acquisition in this matter was just such a non-reportable acquisition, acquisitions of LVI Fuses from other producers are still possible, and, thus, a credible risk exists that Cooper could engage in future anticompetitive acquisitions that would not be subject to the premerger notification and waiting period requirements of the HSR Act. Cooper argues that the *de minimis* level of acquisitions requiring paragraph IX prior notification shows that the Commission has no concern for such acquisitions, but Cooper has presented no facts to support that assertion. Although such small acquisitions may not have required prior approval, they raise potential antitrust concerns sufficient to require prior notification. Accordingly, prior notification should be required for all acquisitions and may now be incorporated in one paragraph.

Accordingly, *It is ordered*, that this matter be, and it hereby is, reopened; and

It is further ordered, That the order be, and it hereby is, modified to set aside paragraphs II through VII and paragraph IX, as of the effective date of this order; and

It is further ordered, that paragraph VIII of the order be, and it hereby is, modified, as of the effective date of this order, to read as follows:

It is further ordered, That for ten (10) years from the date this order becomes final, respondent shall not, without prior notification to the Commission, directly or indirectly, through subsidiaries, partnerships, or otherwise:

A. Acquire any stock, share capital, equity or other interest in any concern, corporate or non-corporate, which manufactures (either directly or indirectly), and sells the Relevant Product (other than sales to subsidiaries or divisions of the concern) in or into the United States; or

B. Acquire any assets used for, or previously used for (and still suitable for use for) the manufacture and sale in or into the United States of the Relevant Product from any concern, corporate or non-corporate, except in the ordinary course of business.

On the anniversary of the date on which this order becomes final, and on every anniversary thereafter for the following nine (9) years, Cooper shall file with the Commission a verified written report of its compliance with paragraph VIII of the order.

The prior notifications required by this paragraph VIII shall be given on the Notification and Report Form set forth in the Appendix to Part 803 of Title 16 of the Code of Federal Regulations, as amended (hereinafter referred to as "the Notification"), and shall be prepared and transmitted in accordance with the requirements of that part, except that no filing fee will be required for any such notification, notification shall be filed with the Secretary of the Commission, notification need not be made to the United States Department of Justice, and notification is required only of respondent and not of any other party to the transaction. Respondent shall provide the Notification to the Commission at least thirty (30) days prior to consummating any such transaction (hereinafter referred to as the "first waiting period"). If, within the first waiting period, representatives of the Commission make a written request for additional information, respondent shall not consummate the transaction until twenty (20) days after substantially complying with such request for additional information. Early termination of the waiting periods in this paragraph may be requested and, where appropriate, granted by letter from the Bureau of Competition. Notwithstanding, prior notification shall not be required by this paragraph for a transaction for which notification is required to be made, and has been made, pursuant to Section 7A of the Clayton Act, 15 U.S.C. 18a.

Commissioner Starek concurring in the result only.

Complaint

124 F.T.C.

IN THE MATTER OF

WEIGHT WATCHERS INTERNATIONAL, INC.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SECS. 5 AND 12 OF THE FEDERAL TRADE COMMISSION ACT*Docket 9261. Complaint, Sept 24, 1993--Decision, Dec. 24, 1997*

This consent order requires, among other things, the New York-based corporation to provide certain types of evidence to substantiate future weight loss and weight loss maintenance claims; requires disclosure statements regarding the actual maintenance experience of the customers; and requires in some instances that testimonials concerning weight loss or maintenance success contain a statement reflecting the generally expected success for program participants or indicate that dieters should not expect to experience similar results.

Appearances

For the Commission: *Ronald Waldman* and *Michael Bloom*.

For the respondent: *Keith Pugh* and *Edward Henneberry*, *Howrey & Simon*, Washington, D.C. and *Robert Hollweg*, Woodbury, N.Y.

COMPLAINT

The Federal Trade Commission, having reason to believe that Weight Watchers International, Inc., a corporation (hereinafter "Weight Watchers" or "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 Weight Watchers International, Inc. is a Virginia corporation, with its principal office or place of business at 500 N. Broadway, Jericho, New York.

PAR. 2. Respondent has advertised, offered for sale, and sold weight loss and weight maintenance services and products, including 1000 to 1500 calorie-a-day weight loss programs which it makes available to consumers at numerous company-owned and franchised "Weight Watchers" centers nationwide.

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 the Weight Watchers weight loss program, including but not necessarily limited to the attached Exhibits 1 through 21.

SUCCESS CLAIMS

PAR. 5. The advertisements referred to in paragraph four, including but not necessarily limited to the attached Exhibits 1 through 17, contain the following statements:

(a) Quick, successful weight loss. [Exhibit 1]

(b) The feelings of success cultivated during the early weeks of the Program foster the self-efficacy needed to see weight-loss goals to fruition. Therefore, Weight Watchers members not only lose weight successfully, they learn the necessary skills to keep it off for a lifetime. Through the cultivation of healthy eating and exercise habits, and the implementation of strategies for dealing with challenging weightless situations, our members learn to make proper weight management a lifelong habit. [Exhibit 2]

(c) Our program not only helps you slim down, it helps you stay that way. You'll learn how to eliminate the habits that have contributed to unwanted weight gain and replace them with constructive ones

Weight Watchers has already helped more than 30 million people around the world lose weight. In our At Work program you, too, will shed pounds with our medically approved program Explores food-related behavior patterns and helps you establish healthy eating and exercise habits so that you not only lose weight but also maintain the loss

At each At Work Program meeting you will receive additional weight-loss tools that make it easier to reach and maintain your goal weight. . . . Most importantly, you'll be setting the foundation for a lifetime of successful weight management, joining the tens of thousands of people who have reached and maintained their goal weights through our program. [Exhibit 3]

(d) As a Weight Watchers member, you'll discover an infinite number of choices. Best of all, you'll find that you control your diet; your diet does not control you. And when you've reached the weight you want, we'll show you how to stay there for the rest of your life. . . .

At Weight Watchers, you will lose weight at the pace that is best for you on a diet of foods you'll be able to eat for the rest of your life. [Exhibit 4]

(e) We pride ourselves on providing a state-of-the-art Program that works.... That's why the Weight Watchers program is a safe and healthy route to permanent weight loss. . . .

We're sure you'll agree that the Weight Watchers program is an investment in the future. The new knowledge, attitudes, and values you develop will last a lifetime for a slimmer, happier, healthier you. [Exhibit 5]

(f) Lose fast with results that last. [Exhibit 6]

(g) Its [sic] our most livable, effective way to lose weight ever. So hurry and join Weight Watchers. That way you'll learn how to lose weight and maintain it for a lifetime. [Exhibit 7]

(h) HUNGRY FOR A WEIGHT LOSS PROGRAM THAT REALLY WORKS? WEIGHT WATCHERS WORKS FOR A LIFETIME [Exhibit 8]

(i) Trusting a weight loss program.

Weight Watchers has been in business for 27 years. We don't rely on fads or gimmicks--just a safe, sensible approach to weight loss, based on sound nutrition, that works. And with our new 1991 Personal Choice Program, you decide the plan that's best for your lifestyle. You eat real food . . . and set your own pace. With the support you need to lose the weight and keep it off--all for just \$10 a week. [Exhibit 9]

(j) Our Unique Four-Way Approach to Weight Loss

The new Quick Success program--it's not a diet, it's a total weight-loss package. Using our proven four-way approach, you'll progress toward one ultimate goal--permanent weight loss. Here's how it works . . . [Exhibit 10]

(k) If you're having a hard time losing weight, chances are the problem isn't lack of willpower. It's what you're forced to eat.

That's why our Personal Choice Program works so well: You get a wide variety of delicious real foods, including treats like pizza and chocolate cake. What's more, you can choose the foods you like. We'll show you how.

With a Program this flexible, we know you'll find the power within you to lose weight. And there's a Weight Watcher's meeting near you to help. [Exhibit 11]

(l) Mary Mach, Lost 91 lbs./maintained for 16 years.

IT WORKS! [Exhibit 12]

(m) Jeanie Darnell Lost 77 lbs./maintained for 2 years.

IT WORKS! [Exhibit 13]

(n) I can't believe it. I ate pizza with my kids, the same meals I cooked for my family, and even had a snack with my coffee. And you know what? I lost every single pound I wanted to. . . .

What's more, because I can live with this program, I stuck to it and reached my goal. [Exhibit 14]

(o) Tracy Burgess, before. Tracy Burgess, after. . . .

Want proven results? Join Weight Watchers today. [Exhibit 15]

(p) [W]e've helped millions and millions of people lose weight. And learn how to keep it off, year after year after year. [Exhibit 16]

(q) If it's a smaller figure you're after, we've got one. With this terrific offer, it's a great time for you to join Weight Watchers and get one of your own.

You'll learn how to eat real foods right away. Handle real-life challenges. And develop permanent habits that won't just help you reach your goal weight. They'll help keep you there.

So take advantage of our great offer today. While your smaller figure may last forever, ours won't. So hurry and join Weight Watchers today. [Exhibit 17]

PAR. 6. Through the use of the statements and depictions contained in the advertisements referred to in paragraph five, including but not necessarily limited to the statements and depictions in the advertisements attached as Exhibits 1 through 17, respondent has represented, directly or by implication, that:

(a) Weight Watchers customers typically are successful in reaching their weight loss goals;

(b) Weight Watchers customers typically are successful in maintaining their weight loss achieved under the Weight Watchers diet program; and

(c) Overweight or obese Weight Watchers customers typically are successful in reaching their weight loss goals and maintaining their weight loss either long-term or permanently.

PAR. 7. Through the use of the statements and depictions contained in the advertisements referred to in paragraph five, including but not necessarily limited to the statements and depictions in the advertisements attached as Exhibits 1 through 15, respondent has represented, directly or by implication, that at the time it made the representations set forth in paragraph six, respondent possessed and relied upon a reasonable basis that substantiated those representations.

PAR. 8. In truth and in fact, at the time it made the representations set forth in paragraph six, respondent did not possess and rely upon a reasonable basis that substantiated those representations. Therefore, the representation set forth in paragraph seven was, and is, false and misleading.

20% FASTER WEIGHT LOSS CLAIMS

PAR. 9. The advertisements referred to in paragraph four, including but not necessarily limited to the attached Exhibits 18 through 21, contain the following statements:

(a) GREAT SAVINGS ON FASTER WEIGHT LOSS.
PROVEN-EFFECTIVE, TOO!

Research proved it! Last year's Quick Success Program melted pounds 20% faster than before. And this year's New 1989 Quick Success Program is even better, thanks to an easier-to-use food plan, an expanded and simplified optional exercise plan and that wonderful meeting experience . . . Come prove to yourself what we already know -- this is the program you can count on [Exhibit 18]

(b) Last year alone, this proven effective program [the "Quick Success Program"] helped millions of members take off weight over 20% faster than ever. This year, it's even easier. [Exhibit 19]

(c) THE PROVEN-EFFECTIVE WAY TO LOSE WEIGHT FASTER.
Research proved last year's Quick Success Program melted pounds 20% faster than before. And now it's even easier to lose weight that fast! [Exhibit 20]

(d) Learn about our fastest-ever weight loss program!

Research proves our Quick Success Program works 20% faster than before. And this year, it's new and even better, with a revised, easier-to-follow food plan and an expanded optional exercise plan. [Exhibit 21]

PAR. 10. Through the use of the statements and depictions contained in the advertisements referred to in paragraph nine, including but not necessarily limited to the statements and depictions in the advertisements attached as Exhibits 18 through 21, respondent has represented, directly or by implication, that:

(a) Participants in Weight Watchers' 1988 "Quick Success" weight loss program lost weight 20% faster than participants in weight Watchers' prior weight loss program;

(b) Participants in Weight Watchers' 1989 "Quick Success" weight loss program lost weight as fast or faster than participants in Weight Watchers' 1988 "Quick Success" weight loss program; and

(c) Participants in Weight Watchers' 1989 "Quick Success" weight loss program lost weight 20%, or more than 20%, faster than participants in Weight Watchers' 1987 weight loss program.

PAR. 11. In truth and in fact:

(a) Participants in Weight Watchers' 1988 "Quick Success" weight loss program did not lose weight 20% faster than participants in Weight Watchers' prior weight loss program;

(b) Participants in Weight Watchers' 1989 "Quick Success" weight loss program did not lose weight as fast or faster than participants in Weight Watchers' 1988 "Quick Success" weight loss program; and

(c) Participants in Weight Watchers' 1989 "Quick Success" weight loss program did not lose weight 20%, or more than 20%, faster than participants in Weight Watchers' 1987 weight loss program.

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

PAR. 12. Through the use of the statements and depictions contained in the advertisements referred to in paragraph nine, including but not necessarily limited to the statements and depictions in the advertisements attached as Exhibits 18 through 21, respondent has represented, directly or by implication, that at the time it made the representations set forth in paragraph ten, respondent possessed and

relied upon a reasonable basis that substantiated those representations.

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

PAR. 14. Through the use of the statements and depictions contained in the advertisements referred to in paragraph nine, including but not necessarily limited to the statements and depictions in the advertisements attached as Exhibits 18 through 21, respondent has represented, directly or by implication, that competent and reliable scientific evidence has proven that participants in Weight Watchers' 1988 "Quick Success" weight loss program lost weight 20% faster than participants in Weight Watchers' prior weight loss program.

PAR. 15. In truth and in fact, competent and reliable scientific evidence has not proven that participants in Weight Watchers' 1988 "Quick Success" weight loss program lost weight 20% faster than in Weight Watchers' prior weight loss program. Therefore, the representation set forth in paragraph fourteen was and is false and misleading.

COMPARATIVE PROGRAM CLAIMS

PAR. 16. The advertisements referred to in paragraph four, including but not necessarily limited to the attached Exhibits 3 and 5, contain the following statements:

(a) We've adapted our proven weight-loss method--the world's most successful--to fit the high-pressure life-styles and hectic schedules of today's workplace. (Exhibit 3]

(b) We provide the most effective weight-loss methods and support for you to be successful, but you make it happen. [Exhibit 5]

PAR. 17. Through the use of the statements and depictions contained in the advertisements referred to in paragraph sixteen, including but not necessarily limited to the statements and depictions in the advertisements attached as Exhibits 3 and 5, respondent has represented, directly or by implication, that Weight Watchers weight loss programs are superior to other weight loss programs in enabling participants to achieve and maintain weight loss.

PAR. 18. Through the use of the statements and depictions contained in the advertisements referred to in paragraph sixteen, including but not necessarily limited to the statements and depictions in the advertisements attached as Exhibits 3 and 5, respondent has represented, directly or by implication, that at the time it made the representation set forth in paragraph seventeen, respondent possessed and relied upon a reasonable basis that substantiated that representation.

PAR. 19. In truth and in fact, at the time it made the representation set forth in paragraph seventeen, respondent did not possess and rely upon a reasonable basis that substantiated those representations. Therefore, the representation set forth in paragraph eighteen was, and is, false and misleading.

PAR. 20. In providing advertisements referred to in paragraph four to its individual franchisees for the purpose of inducing consumers to purchase its weight loss services and products, respondent has furnished the means and instrumentalities to those franchisees to engage in the acts and practices alleged in paragraphs four through nineteen.

PAR. 21 The acts and practices of respondent 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.

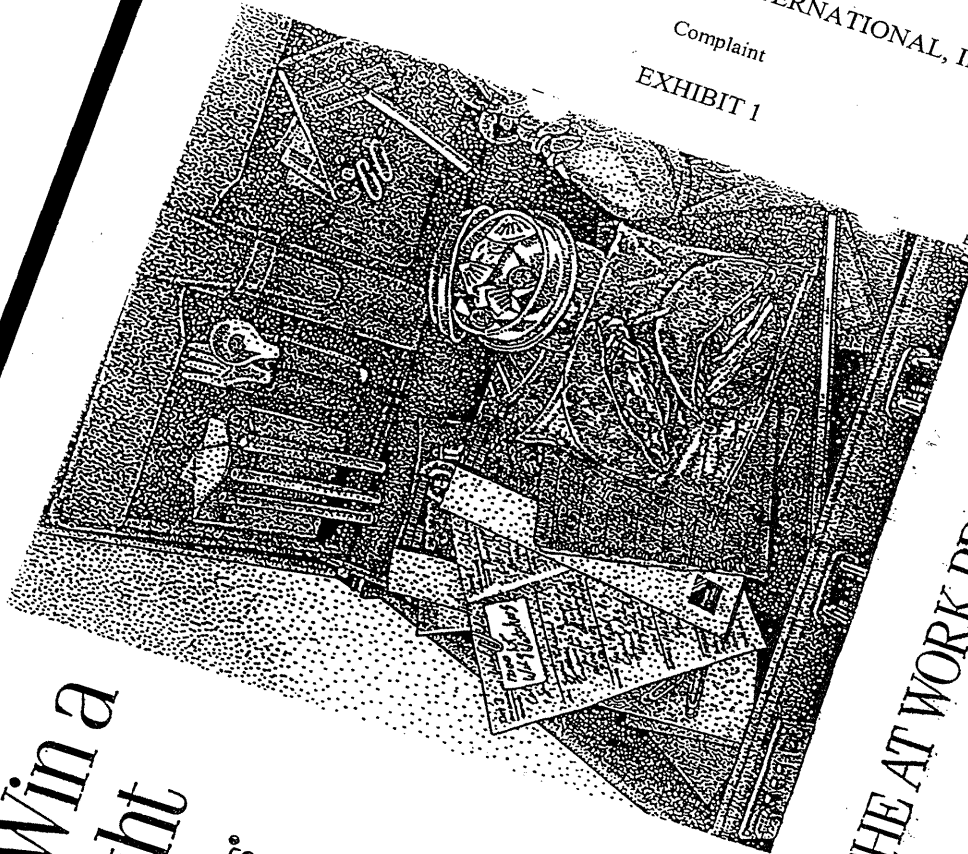


EXHIBIT 1

How to Win a Food Fight

Join Weight Watchers®
At Work Program®
Here. Where You Are.

- Quick, successful weight loss
- Group support
- Weekly on-site meetings
- Confidential weigh-ins

Look for our posters.



THE AT WORK PROGRAM®
© 1997 Weight Watchers International, Inc. All rights reserved.

EXHIBIT 2

Weight Watchers has a weight-loss service to meet everyone's needs. As a based on provide self, healthy, and success weight loss.

• Our national group services — neighbors and in our communities — help us share the same weight-loss concerns.

• Our convenient "At Home" Program — groups of fellow workers who meet right at their workplaces.

• Our exclusive "Inner Circle" — providing loss of personal attention to small groups of 8 to 12 members who share the same weight-loss concerns.

**WEIGHT WATCHERS
LINK IN THE
HEALTH-CARE SYSTEM**

Weight Watchers provides low-cost weight loss implemented at the community level by specially trained staff members. Our team spirit, support, and encouragement that can best be achieved in a group working through weight loss challenges together.

Weight Watchers welcomes any man, woman, or child (10 years or older) with at least 10 pounds to lose. While we are especially skilled at handling people with 40 pounds or more to lose, we are equally skilled at helping people with 10 pounds or less to lose. Our Program is informative, inspirational, and fun, and we have established an excellent reputation with your patients.

We recommend that every member seek her/his physician's approval before beginning our weight-loss Program, and ask your support by encouraging their participation and recognizing their progress. Our Program is designed to complement, not compete with, your medical/nutritional expertise. We have a weight-loss Program you can recommend with confidence.

Weight Watchers — the source for sensible weight loss.

EXHIBIT 2

Quick Success Program

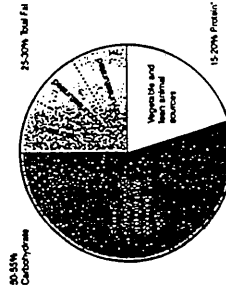
Safe, Healthy, and Effective Weight Loss

Over the long term, our members average a one-half to one kilogram loss per week, with long-term success occurring in the first 12 weeks of our new Quick Success Program. Members lose 20% more weight than ever before. Additionally, our Exercise Plan works in conjunction with our Food Plan to help members lose weight and dispose of excess fat from their body.

Long-Term Life-Style Changes

The feelings of success cultivated during the early weeks of the Program foster the self-efficacy needed to see weight-loss goals to fruition. Therefore, Weight Watchers members not only lose weight successfully, they learn the necessary skills to maintain the weight loss. This includes the adoption of healthy eating and exercise habits, and the implementation of strategies for dealing with challenging weight-loss situations. Our members learn to make proper weight management a lifelong habit.

FIGURE 2
Macronutrient Distribution of the Quick Success Food Plan (1,200 Kilo-calories)



*Reference 65 grams of protein which provides 17% of kilocalories from a 2,200 kilocalorie diet and 20% of kilocalories from a 1,200 kilocalorie diet.

Reshaping behavior through the Quick Success Self-Discovery Plan. The necessary for the overweight individual to develop, strengthen, and maintain a strong motivation to lose weight cannot be achieved through a simple diet. Weight loss results will not be long-lasting. Using behavior modification and cognitive restructuring techniques, the Self-Discovery Plan promotes positive attitudes and actions. Delivered through a self-instructing module, this program helps members change their eating and exercise behavior and develop more positive self images. Through this Plan, members may work on such challenges as binge eating, self-dealing thoughts, and eating eating.

Providing Inspiration through our Group Support System. Of all associated concerns, the most important is the lack of support. The Quick Success Program, the hallmark of the Weight Watchers organization, is the core of our weight-loss Program. It is achieved through weekly meetings with a trained staff member. Our Program, and fellow members who share the same weight-loss concerns. In this warm, supportive, and trusting environment, members learn the skills and build the confidence they need to successfully follow the Program. Not only do members lose weight, increasing participant adherence and, subsequently, weight loss.

FIGURE 1
Average Daily Nutrient Supply for Women Following the Weight 5 Food Plan

Kilo-calories	1,200
Protein	65 grams
Carbohydrates	255 grams
Calories	1,200 milligrams
Iron	12 milligrams
Vitamin A	2,000 I.U.
Vitamin C	57 milligrams
Calcium	14 milligrams
Cholesterol	1.7 milligrams
Sodium	2,000 milligrams

Note: Member values for fiber are not according to individual food choices, nutrient values for the diet and "weight food Plan" are from above.

APPROACH TO WEIGHT LOSS

The philosophy of the Weight Watchers program encompasses a multidisciplinary approach to weight loss via the Quick Success Program. This comprehensive intervention program consists of the following four components:

• **Self-Discovery Plan.** This Food Plan is a healthy eating plan based on a variety of readily available, wholesome foods. Nutritional adequacy is attained through proper food selection that may be adjusted to individual ethnic habits and preferences, cost, and availability. Calorie-bald progressively, starting at approximately 1,000 kilocalories per day for women on the first week and building to approximately 1,200 kilocalories by the fifth week. Macro-nutrient intakes are as follows:

• **Protein.** 65 grams (25.5% total fat, and 50.5% carbohydrate breakdown shown in Figure 2)

• **Total Fat.** 25.5% (25.5% total fat, and 50.5% carbohydrate breakdown shown in Figure 2)

• **Carbohydrate.** 255 grams (55.5% total carbohydrate breakdown shown in Figure 2)

• **Cholesterol.** 1.7 milligrams

• **Sodium.** 2,000 milligrams

• **Iron.** 12 milligrams

• **Vitamin A.** 2,000 I.U.

• **Vitamin C.** 57 milligrams

• **Calcium.** 14 milligrams

increasing caloric output through the Quick Success Program. When exercise is used in conjunction with diet for weight loss, a higher percentage of net weight lost will be adipose tissue. In addition, the inclusion of an exercise prescription will succeed, and also offers physical benefits. The Quick Success Exercise Plan allows Weight Watchers members, from the sedentary to the more active, the opportunity to benefit from increased physical activity at any or all of four levels of exertion. Members may choose from one of the following: Stationary Bicycling, Outdoor Bicycling, and Swimming, at low to moderate levels (60-80% of age predicted maximum heart rate) in order to provide optimal calorie- and fat-burning benefits. The program stress on building into our gentle, prudent approach to increasing physical activity in order to provide an enjoyable path to a more active life-style. Our Exercise Plan meets guidelines for the exercise component of the 1996 Physical Activity Guidelines for Americans: 1,500 to 3,000 minutes per week for men and from 1,500 to 3,000 minutes per week for women.

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Complaint

EXHIBIT 3

Let Weight Watchers Work For You Where You Work!

You'd like to lose weight, but there's just not enough time to commit to a program that will help you succeed. Right? Wrong! The Weight Watchers At Work Program[®] was designed with the needs of busy working people in mind.

We've adapted our proven weight-loss method—the world's most successful—to fit the high-pressure lifestyles and hectic schedules of today's workplace. And now, in cooperation with your employer, our expertise is available to you right where you work.

The At Work Program offers unparalleled convenience.

Getting to At Work Program meetings couldn't be easier or more convenient. Meetings are held on company premises during your lunch break or before or after hours. So the usual deterrents—meetings, children, errands, exhaustion, lack of time—don't get in the way of your attendance.

The At Work Program understands your needs.

We designed our program to accommodate the unique needs of working people. During our meetings, we'll show you how to:

- Cope with coffee breaks and candy machines.
- Brown bag with flair.
- Beat the after-work syndrome.
- Manage stress and maintain motivation.
- Take time out for yourself.

The At Work Program is more than a diet.

The At Work Program is much more than a diet. It's a program that fits your lifestyle rather than requiring that you change it. Designed by a group of prominent medical, exercise, nutrition and psychological professionals, every facet of The At Work Program is geared to the special needs of working people who want to lose weight safely and effectively.

Our program not only helps you slim down, it helps you stay that way. You'll learn how to eliminate the habits that have contributed to unwanted weight gain and replace them with constructive ones. This doesn't mean you have to give up the foods you love. Our flexible food plan still has room for cheeseburgers, French fries, chocolate layer cake and other foods many people mistakenly think they have to give up. In fact, with the Weight Watchers[®] Program, no one will even know you're on a diet.



The At Work Program starts with success.

Weight Watchers has already helped more than 30 million people around the world lose weight. In our At Work Program you, too, will shed pounds with our medically approved program comprising the following:

- **FOOD PLAN**—Promotes faster yet safe weight loss through portion control and an exchange system that enables you to eat the everyday foods you love—at work, at home and on the go.
- **EXERCISE PLAN**—Helps you slim down, firm up and feel good with a choice of five optional inch-shaving activities and four levels of participation tailored to your needs and preferences.
- **SELF-DISCOVERY PLAN**—Explores food-related behavior patterns and helps you establish healthy eating and exercise habits so that you not only lose weight but also maintain the loss.
- **GROUP LEARNING AND SUPPORT**—You'll get up-to-the-minute information about weight-related issues in an atmosphere of mutual support, inspiration and motivation that will help you and your co-workers stay on the road to successful weight control.



The At Work Program continues with success.

At each At Work Program meeting you will receive additional weight-loss tools that make it easier to reach and maintain your goal weight. You'll learn that weight loss and delicious food go hand in hand and that eating well does not mean denying yourself the rewards you want for hard work. Most importantly, you'll be setting the foundation for a lifetime of successful weight management. Joining the tens of thousands of people who have reached and maintained their goal weights through our program.



The At Work Program means privacy and personal choice.

At Work Program members are weighed each week—in privacy. You're free to tell anyone you want how much weight you've lost and how proud you are, but we won't tell anyone without your consent. The same goes for meeting participation. You can actively participate or just sit back and learn from the experiences of your leader and fellow members.



The At Work Program leaders care.

Genuine caring is one of the factors that helps At Work Program members succeed. Our leaders know how it feels to want to lose weight because they are all Weight Watchers success stories who themselves have met and maintained their weight-loss goals on our program. Their own experience makes them keenly aware of what you are experiencing, and you'll find that you benefit from their knowledge.

Why Weight Watchers?

Nothing succeeds like success, goes the old saying. And Weight Watchers has helped more people succeed at weight loss than any other weight-loss organization in the world.

Weight Watchers is the acknowledged leader among weight-loss and -control programs, bringing over a quarter century of knowledge and experience to members the world over. We pride ourselves on providing a state-of-the-art Program that works. Plus, our Program is regularly updated by experts in the fields of medicine, nutrition, exercise, physiology, and psychology who are at the forefront of new developments in the weight-loss field. With prudent cholesterol, sodium, and simple sugar values, our nutritional parameters meet with guidelines sanctioned by the American Heart Association and Canadian Heart Foundation, the American and Canadian Cancer Societies, and the American and Canadian Diabetics Associations. That's why the Weight Watchers program is a safe and healthy route to permanent weight loss.

Our Program contains a four-way approach: a Food Plan, an Exercise Plan, the Self-Discovery Plan®, and a Group Support System. These four facets of our Program mesh together to provide you with a personalized and enjoyable weight-loss experience, as well as a new way of thinking and living. We provide the most effective weight-loss methods and support for you to be successful, but you make it happen.

We're sure you'll agree that the Weight Watchers program is an investment in the future. The new knowledge, attitudes, and values you develop will last a lifetime for a slimmer, happier, healthier you.

Good Nutrition and Weight Loss:

The Vital Link

Some people might think good nutrition and weight loss have little in common. Nothing could be further from the truth. Permanent weight loss is best achieved through good nutrition, which is what the Weight Watchers program offers.

Our Program embodies the three basic elements of good nutrition: balance, moderation, and variety. These three elements are critical to staying healthy

EXHIBIT 6

BURRELLES *EXHIBIT 6*

9314212

"The only milk shakes I drink are the ones I want to."
Stephanie Fein, Director of Weight Watchers in N.J.

No special foods only
Eat normally with family and friends
Lose fast with results that last
Cost less than \$9 a week

FREE REGISTRATION
SAVE \$19: Pay only \$9 for your first meeting.

Weight Watchers
THE NEW BASIC & EXERCISE PROGRAM

Over 400 weekly meetings to meet your busy schedule.

<p>ATLANTIC COUNTY</p> <p>ABSECON Presbyterian Church 208 New Jerusalem Tues. 6:30 P.M. & 7:30 P.M.</p> <p>ATLANTIC CITY Catholic Presbytery Catholic Church 9 So. Collins Ave. Following Hall Wed. 8:00 P.M.</p> <p>BRIGHTFIRE American Legion 3218 Brigantine Ave. Thurs. 7:30 P.M.</p> <p>EDGE HARBOR CITY Knights of Columbus 243 St. Louis Ave. Thurs. 7:30 P.M.</p> <p>HAMMONTRE Women's Civic Club Broadway & Liberty St. Mon. 5:15 P.M. & 7:30 P.M. Tues. 4:30 A.M.</p> <p>LIRWOOD Seaview Baptist Church 2025 Shore Road (Opp. Myrtle Ave.) Mon. 7:30 P.M.</p> <p>LONGPORT Church of the Epiphany 2801 Ventnor Ave. Tues. 7:30 P.M.</p> <p>MAYS LANDING Mays Landing Rre Company 750 West Mt. St. Wed. 7:30 P.M.</p>	<p>SMITHFIELD United Methodist Church 205 Northfield Avenue 68 East Road Main Floor-Hse Dyke Room Wed. 4:00 P.M. Thurs. 6:30 P.M.</p> <p>SMITHVILLE United Methodist Church Moss Hill Rd. & Rt. 9 Mon. 7:30 P.M.</p> <p>SOMERS POINT American Legion First St. & Parsonage Ave. Wed. 8:30 A.M.</p> <p>SOMERS POINT Shore Memorial Hospital New York & Sunny Aves. (5th Floor) Wed. 7:00 P.M.</p> <p>VENTNOR Ventnor Community Church Ventnor & Victoria Aves. Mon. 7:30 P.M. Fri. 9:30 A.M.</p> <p>CAPE MAY COUNTY CAPE MAY Knights Club 1111 Beach Drive Next to Golden Eagle Hotel Mon. 7:30 A.M.</p>	<p>CAPE MAY COURTHOUSE First United Methodist Church Memorial Hall Church St. & Rt. 9 Thurs. 7:30 P.M.</p> <p>OCEAN CITY St. Peter's United Methodist Church Rt. 9, & Center Ave. Thurs. 6:15 P.M. & 7:30 P.M.</p> <p>PALMERMANHAMMORA The Second Cape May Baptist Church 600 St. Shore Road (Rear Bldg. behind church downstairs) Thurs. 9:30 A.M.</p> <p>SEA ISLE CITY Masonic Lodge John F. Kennedy Bldg. & First Rd. Wed. 7:30 P.M.</p> <p>VILLAS/CHINA St. Mark's Home Assoc. Knights of Columbus 324 Bratwater Rd. Tues. 7:30 P.M.</p> <p>VILLAS Lower West Recreation Center 2600 Bayshore Rd. Roodin Pk. 4th Floor Tues. 10:30 A.M.</p> <p>WILDWOOD (NORTH) St. Simon's by the Sea 25th & Center Wed. 9:30 A.M. & 7:30 P.M.</p> <p>CUMBERLAND COUNTY BRIDGETON Bridgeton Civic Club University & Fayette Ave. Tues. 9:30 A.M.</p>	<p>Wed. 7:30 P.M.</p> <p>BRIDGETON UPPER DEERFIELD Upper Deerfield Fire Dept. #1 Route 77 & 540 Thurs. 7:30 P.M.</p> <p>MILLVILLE Marville Public Library 210 Buck St. Mon. 7:00 P.M. & Thurs. 8:30 A.M.</p> <p>VINELAND YMCA, 1159 East Lands Ave. Tues. 5:15 P.M. & 7:30 P.M., Wed. 8:30 A.M., Thurs. 4:30 P.M. & 7:30 P.M., Sat. 10:00 A.M. & Sun. 10:00 A.M.</p> <p>CUMBERLAND COUNTY BRIDGETON Bridgeton Civic Club University & Fayette Ave. Tues. 9:30 A.M. Wed. 7:30 P.M.</p> <p>BRIDGETON/ UPPER DEERFIELD Upper Deerfield Fire Dept. #1 Route 77 & 540 Thurs. 7:30 P.M.</p> <p>MILLVILLE Marville Public Library 210 Buck St. Mon. 7:00 P.M. & Thurs. 9:30 A.M.</p> <p>VINELAND YMCA, 1159 East Lands Ave. Tues. 5:15 P.M. & 7:30 P.M., Wed. 9:30 A.M., Thurs. 4:30 P.M. & 7:30 P.M., Sat. 10:00 A.M. & Sun. 10:00 A.M.</p>
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For Holiday schedules and locations, or other information, please call
The Connection 1-800-333-3000

Weight Watchers - We really fit your style

EXHIBIT 7

EXHIBIT 7

COURIER-STANDARD
ENTERPRISE

FORT PLAIN, NY
WEEKLY 4,778

OCT 10 1990

226 BURRELLE'S OF

Weight Watchers®

Safe, sensible weight loss for 27 years.

Introducing 2 for 1 Special

Join by October 27, Share the cost.
Pay only \$14.50 each.



Come alone or bring a friend. It's that simple. What's also simple is the food plan itself. It's our most liveable, effective way to lose weight ever. So hurry and join Weight Watchers. That way you'll learn how to lose weight and maintain it for a lifetime.

Ask about our Slimming Savings Special!
3 Ways to Win: Slim down, Save money and Special Prizes!

Join for **FAST & FLEXIBLE PROGRAM™**
Half Price
Save \$14.50

<p>AMSTERDAM Horace J. Inman, Sr. Citizens Ctr. 53 Guy Park Avenue Thursday 6:30 pm</p>	<p>GLOVERSVILLE American Legion Hall 200 N. Main Street Wednesday 5:30 pm Thursday 9:00 am</p>
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Ask about our prepayment savings and our AT WORK Program™
FOR MORE INFORMATION, CALL
1-800-338-8838

Offer good October 7th through October 27th, 1990. Fee for subsequent weeks \$10. Offer valid at participating locations only. Cannot be combined with other discounts or special rates. Weight Watchers and Fast and Flexible are registered trademarks of WEIGHT WATCHERS INTERNATIONAL, INC. © 1990 WEIGHT WATCHERS INTERNATIONAL, INC.

Complaint

124 F.T.C.

EXHIBIT 8

EXHIBIT 8

HUNGRY
OR A WEIGHT LOSS
PROGRAM
THAT REALLY
WORKS?

WEIGHT WATCHERS®
WORKS FOR A LIFETIME

JOIN NOW
FOR
\$10
LIMITED TIME

ETT
United Methodist Church
Ain
10:00 a.m., 3:30 p.m.
and 6:00 p.m. for members with annual \$100 on
lectures are scheduled to 30 minutes
night 30 minutes before meeting

Registration	\$20
Weekly Fee	\$10*
YOU SAVE \$20	
Offer Expires Sept. 21, 1991	

Registration	\$20
Weekly Fee	\$15*
YOU SAVE \$18	
Offer Expires Sept. 21, 1991	

(Tuesdays)

Weight Watchers
Safe, sensible weight loss for 27 years

Valid through Dec. 31, 1991. Valid at locations in
the U.S. only. Not valid with any other special rate or offer.
*Some clubs for \$14. Some \$16. Weekly Fee \$4.
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Club and Personal Choice are registered trademarks
Weight Watchers International, Inc.

214/369-2341
CALL 4-4 MONDAY-FRIDAY
FOR EAST TEXAS MEETING
INFORMATION PLEASE
CALL COLLECT

WW I

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Complaint

EXHIBIT 9

Y: 12-21-90 4-2000 NOTES MARTIN 010 01007107 27 0

KEYES MARTIN
Advertising, Direct Marketing, Sales Promotion.

EXHIBIT 9

Copy

Date: 12/21/90 By

Client: Weight Watchers

Job #: WWS-235

Medium: Newspapers

235 - 4 X 10.5

Size: 235A - 3 X 10.5

235B - 6 X 18

Approval: _____

Pg. 1 of 2

Weight Watchers
January Kick-off ad

(Headline)
Trusting a weight loss program

(Copy)
Weight Watchers has been in business for 27 years. We don't rely on fads or gimmicks--just a safe, sensible approach to weight loss, based on sound nutrition, that works. And with our new 1991 Personal Choice Program, you decide the plan that's best for your lifestyle. You eat real food....and set your own pace. With the support you need to lose the weight and keep it off--all for just \$10 a week.

(Caption)
Stephanie Fein
President, Weight Watchers in New Jersey, at goal weight for 13 years

(Offer copy)
FREE Registration
Pay only \$10 for 1st meeting.
Save \$19

(Logo)
Weight Watchers
Safe, sensible weight loss for 27 years.

Complaint

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EXHIBIT 10

OUR UNIQUE FOUR-WAY APPROACH TO WEIGHT LOSS

The new Quick Success program—it's not a diet, it's a total weight-loss package. Using our proven four-way approach, you'll progress toward one ultimate goal—permanent weight loss. Here's how it works . . .

1. Our FOOD PLAN promotes safe weight loss through a variety of nutritious and satisfying foods. Plus
 - It's easy to follow — guiding you with simple Menu Planners.
 - It fits your life-style — providing you with a "spending allowance" of extra calories, plus plans for dining out, celebrating special occasions, and more!

Our EXERCISE PLAN helps you slim down, firm up, and feel good. It offers

 - Five "figure-slimming" activities — walking, walking-jogging, stationary bicycling, outdoor bicycling, and swimming, plus special firming and toning exercises.
 - Four levels of participation — including one that's just right for you!
3. Our SELF-DISCOVERY PLAN® helps you put your Food and Exercise Plans into action. It helps you
 - Discover your food-related behavior patterns through self-tests and quizzes.
 - Learn new skills to help you develop healthy eating and exercise habits.
 - Look and feel your best while you slim down.
4. Our unique GROUP SUPPORT system is the key that has helped millions of people lose weight. It brings you
 - A sense of belonging, cultivated by the caring and interaction from your weekly meeting.
 - Team spirit, sparked by the pursuit of a common goal.
 - Inspiration and motivation to get you through the week—and ultimately to your goal!

Food Plan + Exercise Plan + Self-Discovery Plan + Group Support = the Quick Success program, which can mean permanent weight loss!

EXHIBIT 10

The Weight Watchers program has been developed under the guidance and direction of a group of scientists and physicians who have helped make it the safest and most successful weight loss program in the world.

W. Henry Sobel, M.D.
Medical Consultant — Former Director of the National Institutes of Health and of the Institute of Human Nutrition at Columbia University.

William D. McArdle, Ph.D.
Exercise Consultant — Professor of Physical Education and an Exercise Physiologist at Queens College of the City University of New York.

Ronne Kabetznick, Ph.D.
Psychological Consultant — Social Psychologist with a specialty in the behavioral aspects of weight management.

Leif G. Perucco, Ph.D.
Vice President — International background in food research and development at the University of Stirling in Scotland, the University of Wisconsin, and with the H.J. Heinz Company.

Nema Frye, M.S., R.D./L.D.
Nutritionist with expertise in Sports and Cardiovascular Nutrition, Preventive Medicine, and Workplace Health Promotion programs.

Judy Marshal, M.B.A., R.D.
Nutritionist with expertise in international nutrition and weight control.

Mary Grace Sucholik, R.D.
Nutritionist with expertise in communications and nutrition.

Arlene Davis
Exercise specialist with expertise in exercise for women and the overweight population.

Reve T. Frankle, MSPH, Ed.D., R.D.
Nutrition Consultant — Formerly Director of Nutrition for Weight Watchers International.

Barbara Ecker Gordon, M.S., R.D.
Nutrition Consultant — Formerly Chief, Technical Services for Weight Watchers International.

Weight Watchers
25 ANNIVERSARY

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Printed in U.S.A.

EXHIBIT 11

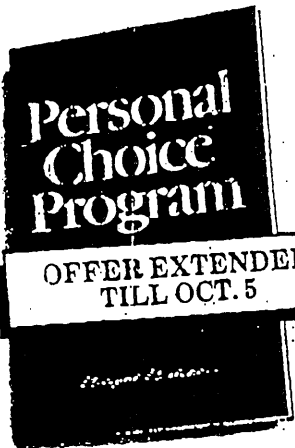
EXHIBIT 11

NEWSPAPER, Long Island, N.Y. 7/24/77

PART II S.

The Weight Loss Plan For People Who Like To Eat.

ASK ABOUT OUR **FREE** FAST START OPTION!



If you're having a hard time losing weight, chances are the problem isn't lack of willpower. It's what you're forced to eat.

That's why our Personal Choice® Program works so well: You get a wide variety of delicious real foods, including treats like pizza and chocolate cake. What's more, you can choose the foods you like. We'll show you how.

With a Program this flexible, we know you'll find the power within you to lose weight. And there's a Weight Watchers meeting near you to help. Join now for \$11.00, a \$17.00 savings.

CALL 595-1300 TODAY!

Weight Watchers

You've Got It In You To Get It Off You!

To bring Weight Watchers to your workplace call 818-698-1300

Individual weight loss may vary. For subsequent weeks \$10. Cannot be combined with any other offer. Offer valid September 1st through September 30th 1977. Offer valid in participating areas only. Offer not available for AT WORK or COMMUNITY MEETINGS. © 1977 Weight Watchers International, Inc. All rights reserved. WEIGHT WATCHERS and PERSONAL CHOICE are registered trademarks of Weight Watchers International, Inc.

JOIN NOW FOR JUST **\$11.00**

Call (516) 595-1300 For Information
WEIGHT WATCHERS SCHEDULE OF MEETINGS

BAY SHORE CENTER

South Shore Mall (Intersecting between
Meady & Woodhull)
Sun - 11:30 a.m.
Mon - 8 a.m., 10 a.m., 8 p.m., 7 p.m.
Tue - 10 a.m., 12:30 p.m., 8 p.m., 7 p.m.
Wed - 10 a.m., 12:30 p.m., 8 p.m., 7 p.m.
Thu - 10 a.m., 12:30 p.m., 8 p.m., 7 p.m.
Fri - 10 a.m., 8 p.m., 7 p.m.
Sat - 8 a.m., 11:30 a.m.

BRIDGEHAMPTON

Old Post Square & Main Street
Mon - 10 a.m.
Tue - 8:30 a.m.

COMMACK CENTER

Marine Shopping Center
Jencks Turnpike

HAMPTON BAYS

United Methodist Church
1841 W. Montauk Hwy. (Parish Hall)
Wed - 8:00 p.m.

HUNTINGTON CENTER

Wald Wharfen Mall
Box 110 Huntington Station
(East of Midway - New York Ave. Exit)
Mon - 10 a.m., 8 p.m., 7 p.m.
Tue - 10 a.m., 12 Noon, 8 p.m., 7 p.m.
Wed - 10 a.m., 8:30 p.m., 7 p.m.
Thu - 10 a.m., 8 p.m., 7 p.m.
Fri - 10 a.m., 8:15 p.m., 8:30 p.m. (near the Beach 20th)
Sat - 9 a.m.

LAKE RONKONKOMA CENTER

Park Plaza Shopping Center
Hempstead Ave.
Mon - 10 a.m., 8 p.m.
Tue - 10 a.m., 7 p.m.

RIVERHEAD

Temple Israel
1400 Northville Turnpike
Mon - 9:30 a.m.
Wed - 7 p.m.

SAYVILLE CENTER

Grand Union Shopping Center
Northwest Highway (225th) and 41st Street
Sun - 1 p.m.
Mon - 10 a.m., 7 p.m.
Tue - 10 a.m., 7 p.m.
Wed - 10 a.m., 8 p.m., 7 p.m.
Thu - 10 a.m., 7 p.m.
Fri - 8 p.m.
Sat - 10 a.m.

SHELTER ISLAND

at the Shelter Island Library
Thu - 8:00

SMITHTOWN CENTER

