

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

*Docket C-2548. Complaint, Sept. 17, 1974—Decision, Sept. 17, 1974*

Consent order requiring a Denver, Colo., seller and licensor of a medical process involving the chemical peeling of the skin, among other things to cease misrepresenting the safety and results of its medical treatment to remove facial wrinkles and blemishes. Further, respondent must devote 15 percent of its advertising or oral presentations to disclosure of the inherent dangers involved in the treatment. In addition, the order requires the firm to recall all material not in conformity with the order and to require each patient to get approval from a physician before signing a contract. The firm must also allow purchasers a 48-hour cooling-off period after consultation with Forever Young's physician and inspection of the treatment and recuperation facilities, and allow full refunds to all purchasers exercising this right.

*Appearances*

For the Commission: *Gregory L. Colvin.*

For the respondents: *Steven R. Frank, Tooze, Kerr & Peterson,*  
Portland, Ore., and *Bernard E. Newby, Newby & Newby,* Vancouver,  
Wash.

## COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that Forever Young, Inc., a corporation, and Ralph J. Phillipps, individually and as an officer, and Ethel R. Jones, individually, hereinafter sometimes referred to as respondents, have violated the provisions of Sections 5 and 12 of said Act, and it appearing that a proceeding by it in respect thereof would be in the public interest, hereby issued its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Forever Young, Inc. (hereinafter referred to as "Forever Young") is a corporation organized, existing and doing business under and by virtue of the laws of the State of Colorado, with its office and principal place of business located at 1111 South Colorado Boulevard #205, Denver, Colo.

Ralph J. Phillipps is an individual and officer of Forever Young. He formulates, directs, and controls the policies, acts and practices of Forever Young, including the acts and practices hereinafter set forth. His address is the same as that of Forever Young.

Respondent Ethel R. Jones holds the Forever Young sales license in the Portland, Ore., metropolitan area. Her address is 414 Lexington Way, Vancouver, Wash.

PAR. 2. Respondents advertise, offer for sale and sell to the general public a medical process called the Forever Young treatment, which is a chemical peeling of the skin on the face and neck for cosmetic purposes. The treatment involves the application of a chemical solution which peels off the outer layers of the skin, producing an alteration in skin appearance as the skin heals. The purported purpose of this treatment is to remove manifestations of aging such as wrinkles, lines, folds, and spots, and undesirable features such as blemishes, large pores, and acne marks, in order to make a person appear younger or more attractive. Forever Young, Inc., grants licenses for the purpose of selling the treatment. According to available information there are presently licensees in Hawaii, Calif., Wash., Colo., Va. and Ore.

PAR. 3. Respondents' medical treatment constitutes either a drug or a cosmetic, or both, as defined in Sections 15(c) and (e) of the Federal Trade Commission Act, 15 U.S.C. Sections 55(c) and (e).

PAR. 4. In the course and conduct of their business, respondents transport patients from patients' homes in numerous States of the United States to Colorado for application of the Forever Young treat-

ment and Forever Young, Inc. maintains licensees as agents in several States of the United States for the purpose of soliciting such patients. In addition, advertising materials, contracts, business correspondence, monies and other documents travel between respondents' headquarters in Colorado and licensees and patients in other States of the United States. In the further course and conduct of their business, respondents, directly and through licensees, promote the Forever Young treatment by advertising in newspapers of interstate circulation, in interstate radio broadcasts, and in promotional literature mailed to prospective customers. By virtue of these activities, respondents have maintained a substantial business in commerce, as "commerce" is used in Section 5 of the Federal Trade Commission Act. Also, respondents have disseminated and caused to be disseminated advertisements by United States mails, and in commerce by other means, within the meaning of Section 12(a)(1), 15 U.S.C. Section 52(a)(1), of the Federal Trade Commission Act. Further, respondents' advertisements have the purpose of inducing or are likely to induce, directly or indirectly, the purchase, in commerce, of the Forever Young treatment, within the meaning of Section 12(a)(2), 15 U.S.C., Section 52 (a)(2), of said Act.

PAR. 5. In the aforesaid advertisements, during oral sales presentations, and at other times and places, respondents have made and are now making numerous representations and have engaged and are now engaging in other acts and practices as described in Paragraphs Six to Eighteen following.

PAR. 6. *The Nature of the Treatment.* Respondents represent the treatment, without any further description, as a technique of facial regeneration which does not involve surgery or abrasions, implying by this and other representations that the treatment is merely a cosmetic process. *In fact*, the treatment involves application of an abrasive chemical solution (containing phenol, also known as carbolic acid) to the skin, causing a second-degree burn which peels off the outer layers of the skin and produces a change in skin appearance solely by the body's own wound-healing processes. This treatment is known as chemosurgery and is a serious medical procedure.

PAR. 7. *Pain.* Respondents advertise the treatment without mentioning the subject of pain or discomfort. One of their brochures represents that the client should not have any pain during the recuperation period and another represents that clients can read, sew, or write letters during that time. In fact, the pain associated with the process can be so severe that respondents' patients are always sedated or anesthetized during the application of acid and may require medication for days, weeks, or months afterward to reduce pain and other discomforts, such

as itching and burning. During the treatment, many patients experience such discomforts as the eyes swelling shut and difficulties breathing, and swallowing.

PAR. 8. *Safety: Systemic Dangers.* Respondents represent that the treatment is safe. *In fact*, the process has, in addition to the pain described above, a number of inherent dangers to the entire body, which respondents do not disclose, including but not limited to:

1. *Systemic toxic reaction (poisoning).* The chemical used in the Forever Young treatment, phenol, is toxic to kidneys, liver, and other organs of the body when present in sufficient quantities. Phenol can be absorbed through the skin during the treatment in quantities sufficient to cause serious and even fatal illness in some people. One patient died during the Forever Young treatment from this cause. Persons with kidney infections are particularly susceptible to adverse phenol reaction. Yet, Forever Young does perform the treatment on persons with kidney infections. Furthermore, Forever Young does not provide the personnel, facilities, equipment or techniques adequate to prevent or minimize the effects of a systemic toxic reaction.

2. *Infection.* Like any other serious burn covering a large surface of the body, the danger of infection through the burned area is everpresent during the process and for some time afterward. The "powder mask," worn for over a week after the initial treatment, which respondents represent to be a cosmetic technique, is in reality a medical step to attempt to prevent infection.

3. *The eyes.* If the acid gets in a patient's eyes, serious permanent damage can result, including blindness; therefore, a great deal of medical skill is required and adequate precautions must be taken to prevent such an occurrence and minimize the harm if this does happen.

4. *Other systemic complications.* Since phenol skin-peeling is a serious, traumatic medical procedure and involves use of sedatives and other medications, clients are exposed to numerous other dangers, including heart disease and allergic reactions, which accompany procedures of this type. If patients are not properly prepared, physically, mentally and emotionally, with special emphasis on full disclosure of all that the process entails, these dangers are heightened and the prospects for improvement diminished.

PAR. 9. *Safety: Adverse Effects on Skin.* In addition to representing the treatment as safe, respondents represent that the result will be new, fresh and clear. *In fact*, there are a number of undesirable changes in the skin which may occur, none of which respondents adequately disclose, necessitating the continual use of cosmetic or medical techniques to protect, treat, or camouflage the skin, including but not limited to:

1. *Scarring.* Various types of visible scars may appear after the treatment and remain indefinitely.

2. *Pigmentation changes.* The treatment almost always produces changes in the color of the treated area, which may persist indefinitely, such as a lighter overall color, mottling (dark areas alternating with light areas), and lines of demarcation between treated and untreated areas.

3. *Redness.* The extreme redness of the skin, which occurs mainly during the healing process, may persist for a long time. Also, there may be a tendency, persisting indefinitely, for the treated skin to flush (suddenly appear red) during times of overheating, overexertion or emotional stress.

4. *Sensitivity to sunlight.* During the healing process and for an indefinite period afterward, the treated skin may react abnormally to exposure to sunlight, including severe sunburn, mottling, and other pigmentation changes.

5. *Other skin reactions.* The treated skin may be affected by other problems associated with the traumatic impact of chemical skin-peeling, such as increased or coarsened hair growth requiring further medical attention.

PAR. 10. *Treatment of the Neck.* Respondents represent that their treatment is performed on the neck as well as the face, implying that the neck will look younger or more attractive as a result, and in some advertisements they directly represent that the process is clinically recommended for the neck. *In fact*, almost unanimously plastic surgeons refuse to perform chemical skin-peeling on the neck, for several reasons:

1. Because the skin is thin on the neck, and because movements of breathing, swallowing and turning cannot be stopped, the acid may burn deeply or unevenly, creating a danger, to an even higher degree, of the same adverse effects as may occur when facial skin is treated, including systemic toxic reaction, infection, other systemic complications, severe pain, scarring, uneven pigmentation, red flushing, sensitivity to sunlight, and various traumatic skin reactions.

2. Chemical skin-peeling can induce other adverse effects specific to the neck area, such as interference with breathing, suffocation and claustrophobia.

3. In almost all cases, the neck does not appear younger nor does it benefit in any other way by chemical skin-peeling. The most common sign of aging in the neck area, which is a stringy or "turkey-neck" condition of the skin, and underlying tissues, is not improved by the

process. Given the high risk of adverse effects, the neck is more likely to be worsened by the treatment than improved.

PAR. 11. *Positive Results Obtained.* Respondents represent that the treatment is recommended for many undesirable skin conditions, including acne marks, big pores, lines on face and neck, and lines and folds around the eyes. In addition, they imply that the treatment is as effective as or superior to surgical cutting or abrasive techniques of plastic surgery. *In fact*, only certain limited conditions and minor aspects of aging, such as fine wrinkles and some skin blemishes, can be affected by the process, and only in carefully selected persons. Acne scars, big pores, deep lines, deep wrinkles, and sagging or redundant folds of skin are not removed or significantly reduced by the process, yet some of these conditions may be improved by other techniques of plastic surgery, such as dermabrasion or surgical face-lift.

PAR. 12. *Patient Selection.* Respondents represent that the treatment is clinically recommended for men and women, young and old, implying by this and other representations that all kinds of people can benefit from the treatment. *In fact*, favorable results cannot be achieved unless rigorous criteria for patient selection are followed, including but not limited to:

1. *Sex.* Men should not undergo the treatment because of difficulties associated with beard growth and the necessity for wearing cosmetics to protect the skin and camouflage its condition. Yet respondents do perform the treatment on men.

2. *Age.* A young person whose skin has not matured should not go through the treatment nor should an elderly person who cannot stand the physical strain. Yet respondents have treated clients from 28 to 76 years of age.

3. *Type of skin.* The treatment should only be performed on certain limited types of skin, and definitely not on dark-skinned persons because of the probability of drastic pigmentation changes. Yet respondents have treated Black persons, Orientals and native Hawaiians.

4. *Other factors.* People who are not in the proper physical, mental, and emotional health should not undergo this treatment.

PAR. 13. *Standard of Medical Care.*

1. *Exercise of patient selection.* Respondents represent that patients are selected on the basis of a personal interview, or consultation, by a professional counselor at respondents' local office. *In fact*, the Forever Young representatives who examine and advise prospective patients are merely local sales license holders who are not professionally trained or professionally accountable.

2. *Competence of personnel.* Respondents represent that the entire process is done by a highly qualified doctor and techniques, and by medical specialists. *In fact*, the only licensed medical practitioner involved in the process is the osteopath who applies the acid to the skin. All the other personnel are either attendants employed by the nursing homes or laypeople, not licensed or trained professionally, hired by Forever Young to assist during the treatment or recuperation. In addition, the local Forever Young representative, who is not licensed or trained professionally, is often consulted by patients for further medical advice and care when problems develop after they return home. Given the serious medical nature of this treatment and the complex physical, mental, and emotional factors involved, a licensed medical practitioner familiar with such techniques of plastic surgery must, and only such a person is qualified to: (1) examine, diagnose, advise, and mentally prepare each patient to undergo chemical skin-peeling, (2) determine whether a patient is a proper subject for the treatment, and (3) provide post-operative advice and care for patients.

PAR. 14. *Medical Facilities.* Respondents represent that the treatment is given at the Forever Young clinic. *In fact*, Forever Young does not own or operate a clinic, but only rents space on a temporary basis in a Denver nursing home for each patient's treatment and recuperation. A treatment of this serious nature is usually performed in a hospital, yet respondents use a facility which is inadequately equipped and staffed to handle the treatment and possible complications.

PAR. 15. *The Healing Process.* Respondents represent that the process is complete in eleven or twelve days. *In fact*, a period lasting weeks or months, the duration of which cannot be accurately predicted, is required before the skin is healed. During this time, a treated person has an extremely red face, may suffer various discomforts, and must restrict public activities, avoid direct or reflected sunlight and use heavy cosmetics to shield and camouflage the skin.

PAR. 16. *Youthful Appearance Achieved.* Respondents represent that patients will appear younger by 15, 20 or 25 years after the treatment. *In fact*, the process can treat only certain aspects of aging skin; many people's appearances are not improved, but worsened by the treatment, and, even taken as a subjective estimate of how much younger a person could look, these claims are highly exaggerated.

PAR. 17. *Duration of Benefit.* Respondents' representations, including the name of the company itself, state and imply that the more youthful appearance achieved through the treatment is of permanent duration. *In fact*, a significant portion of any benefit received is due to swelling of underlying tissues during the healing process, and this

swelling recedes after six to eighteen months. In any case, natural aging processes begin all over again after the treatment.

PAR. 18. *Availability of Treatment.* Respondents imply in their advertising and directly represent orally that the treatment is unique in several ways, creating the impression, for instance, that the process is new or special, that it involves a secret formula, that it is only available in Denver, and that these factors justify the price of \$2,500 for the treatment. *In fact*, there is nothing unique about the Forever Young treatment except its low standard of care in selecting and treating patients. The process is not new or secret, but is performed by qualified plastic surgeons under more closely controlled hospital conditions in metropolitan areas across the country, including local communities where most Forever Young clients reside, for a fraction of the Forever Young price.

PAR. 19. Therefore the advertisements, representations, acts and practices referred to hereinabove are false, misleading, unfair and deceptive.

PAR. 20. The use by respondents of the aforesaid false, misleading, unfair and deceptive representations, acts and practices has the capacity and tendency to mislead consumers into the mistaken belief that said representations are true and to unfairly influence consumers, with the result that consumers are induced to undergo the Forever Young treatment and be subjected to severe pain, discomfort, inconvenience of traveling, exorbitant charges, and risks of disease or disfigurement, without being afforded reasonable opportunity to comprehend and consider the seriousness of the treatment or to compare facial improvement treatments available from other sources under more closely controlled medical conditions, in their own communities and at lower prices.

PAR. 21. The respondents' acts and practices alleged herein, including the dissemination of false advertisements, are all to the prejudice and injury of the public and constitute unfair and deceptive acts and practices in commerce in violation of Sections 5 and 12 of the Federal Trade Commission Act.

#### DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereto with violation of the Federal Trade Commission Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents 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 complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's rules; and

The Commission having considered the agreement and having provisionally accepted same, and the agreement containing consent order having thereupon been placed on the public record for a period of sixty (60) days, now in further conformity with the procedure prescribed in Section 2.34(b) of its rules, the Commission hereby issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Forever Young, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the state of Colorado, with its office and principal place of business located at 1111 South Colorado Boulevard #205, Denver, Colo.

Respondent Ralph J. Phillipps is an individual and officer of Forever Young. He formulates, directs, and controls the policies, acts and practices of Forever Young, including the acts and practices hereinafter set forth. His address is the same as that of Forever Young.

Respondent Ethel R. Jones holds the Forever Young sales license in the Portland, Oregon, metropolitan area. Her address is 414 Lexington Way, Vancouver, Wash.

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

I. *It is ordered*, That respondents Forever Young, Inc., a corporation, its successors and assigns, and its officers, and Ralph J. Phillipps, individually and as an officer of said corporation, and Ethel R. Jones, individually, and respondents' agents, representatives and employees, directly or through any corporation, subsidiary, division, or other device, or through any franchisees or licensees, in connection with the offering for sale, sale, or dispensing of any chemical skin-peeling treatment or any similar process, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

A. Representing in writing, orally, visually, or in any other manner, directly or by implication, that:

1. Said process is solely a cosmetic process.
2. Said process is not a medical process.
3. Said process does not involve surgery.
4. Said process involves no abrasive chemicals.
5. Said process is painless or involves only minor discomfort.
6. Said process is safe.
7. The result of said process is a new, fresh or clear appearance.
8. Said process can be safely or successfully performed on the neck.
9. Said process is comparable or superior to other techniques of plastic surgery.
10. Said process can remove or significantly reduce acne scars, big pores, deep lines, deep wrinkles, or sagging, redundant folds of skin.
11. Said process can be safely or successfully performed on many different kinds of people.
12. Said process can be safely or successfully performed on men, young people, elderly people, or dark-skinned people.
13. Patients for said process are carefully selected.
14. Patients for said process are interviewed, examined, diagnosed, advised, or selected by a professional counselor or like person.
15. Said treatment is given at a clinic.
16. Said process is performed entirely by qualified medical personnel.
17. Said process is complete within any specified period of time.
18. Said process will cause patients to appear any number of years younger than their actual age.
19. Any more youthful appearance achieved through said process is of permanent duration.
20. Said process is unique in any one or more of several ways, including:
  - a. that it is new or special,
  - b. that it involves a secret formula or secret solution,
  - c. that said process is only available in Denver or only through respondents,
  - d. that said process is not available in a prospective patient's own state or local community.

B. Advertising, offering for sale, selling, or in any manner dispensing chemical skin-peeling or any other like process, unless respondents make clear and conspicuous disclosures in all advertising, including oral sales presentations, that:

1. Said process is chemical skin-peeling, a serious medical procedure known as chemosurgery.

2. Chemical skin-peeling involves application of an acid called phenol to the skin, causing a second-degree burn which peels off the outer layers of the skin and produces a change in skin appearance solely by the body's own wound-healing reactions.

3. The pain associated with the process can be very severe; thus patients are sedated or anesthetized during the application of acid. This pain, as well as other discomforts, such as burning, itching, and swollen shut eyes, may persist for days or weeks afterward, requiring medication to control.

4. Chemical skin-peeling has a number of known possible inherent dangers, including: (a) poisoning of a person's entire system by the acid absorbed through the skin, which can be serious, even fatal, illness; (b) infection; (c) blindness, if the acid gets in a patient's eyes; (d) other complications resulting from the traumatic nature of the procedure or the medications used.

5. Respondents do not provide the personnel, facilities, equipment, or techniques on the premises adequate to prevent or minimize the above-described side effects.

6. A number of undesirable changes in the skin often result from chemical skin-peeling, necessitating the continual use of cosmetics or medical techniques to protect, treat, or camouflage the skin. These may include: (a) permanent scarring; (b) changes in overall color of the treated area; (c) mottling; (d) a line of demarcation at the edge of the treated area; (e) extreme redness; (f) abnormal sensitivity to sunlight; (g) other traumatic skin reactions.

7. The most common sign of aging in the neck area, which is a stringy or "turkey-neck" condition of the skin and underlying tissues, is not improved by chemical skin-peeling.

8. Almost all plastic surgeons refuse to perform chemical skin-peeling on the neck because the neck is not likely to be improved by the process and may be worsened.

9. Only minor aspects of skin appearance, such as fine wrinkles and some skin blemishes, can be treated by the process.

10. Acne scars, big pores, deep lines, deep wrinkles, and sagging or redundant folds of skin are not removed or significantly reduced by the process, yet some of these conditions may be improved by other techniques of plastic surgery, such as dermabrasion or surgical face-lift.

11. Men are not advised to undergo the process because of difficulties associated with beard growth and the necessity for continual use of cosmetics.

12. A young person whose skin has not matured should not undergo the process, because of the risk of permanent skin damage.

13. Dark-skinned persons should not undergo the process because of the probability of drastic pigmentation changes.

14. Only certain kinds of people with certain types of skin have a reasonable chance of receiving favorable results and avoiding adverse effects from chemical skin-peeling, and only a licensed medical practitioner familiar with such techniques of plastic surgery and able to evaluate complex physical, mental and emotional factors is qualified to examine, diagnose, advise, select, or mentally prepare patients for chemical skin-peeling, and only such a professional person can provide post-operative advice and care for patients.

15. Respondents' sales representatives, franchisees, or licensees are not qualified as indicated above to examine, diagnose, advise, select, or mentally prepare patients for chemical skin-peeling or provide patients with the proper medical advice or care if complications develop after treatment.

16. Although a treatment of this serious nature is usually performed in a hospital, respondents only rent space on a temporary basis in a nursing home for each patient's treatment and recuperation.

17. It may be weeks or months after the treatment before the skin is healed, during which time a treated person has an extremely red face, may suffer various discomforts, and may have to restrict public activities, avoid direct or reflected sunlight and use heavy cosmetics and sun screens.

18. If a more youthful appearance is achieved through the treatment, the result may not last more than a year or two, since part of the benefit is due to temporary swelling and since natural aging processes begin all over again after the treatment.

19. Chemical skin-peeling is available from qualified plastic surgeons under closely controlled hospital conditions in metropolitan areas across the country, and they may charge substantially less.

Respondents shall set forth the above disclosures separately and conspicuously from the balance of each advertisement or presentation used in connection with the advertising, offering for sale, sale, or dispensing of said process, and shall devote no less than fifteen percent of each advertisement or presentation to such disclosures. *Provided however*, That in advertisements which consist of less than forty-eight column inches in newspapers or periodicals, and in radio or television advertisements with a running time of two minutes or less, respondents may substitute the following statement, in lieu of the above requirements:

WARNING: This is a medical procedure—basically a chemical burn which peels skin away. It is extremely painful, takes a long time to heal, and exposes a person to risks of poisoning, infection, permanent scarring, and other medical complications. If performed on the neck, the process may make it look worse. Many signs of aging are not improved by this process, and the benefit, if any, is mainly temporary. Only certain kinds of people can benefit from this process, and they should be diagnosed, selected, treated, and continually cared for by a qualified doctor. Closely controlled medical conditions are not presently provided on the premises. (Statement required by order of the Federal Trade Commission.)

Respondents shall set forth the above disclosure separately and conspicuously from the balance of each advertisement, stating nothing to the contrary thereto, and shall devote no less than fifteen percent of each advertisement to such disclosure, and if such disclosure is made in print, it shall be in at least eleven-point type.

C. Disseminating or causing to be disseminated by United States mails, or by any means in commerce, as "commerce" is defined in the Federal Trade Commission Act, any advertisement which contains any of the representations prohibited in Paragraph A above, or which fails to make the disclosures required by Paragraph B above.

D. Disseminating or causing to be disseminated, by any means, for the purpose of inducing, or which is likely to induce, directly or indirectly, the purchase of any such process, in commerce, as "commerce" is defined in the Federal Trade Commission Act, any advertisement which contains any of the representations prohibited in Paragraph A above, or which fails to make the disclosures required by Paragraph B above.

II. *It is further ordered*, That respondents Forever Young, Inc. and Ralph J. Phillipps:

A. Recall and retrieve, from each and every franchisee, licensee, and sales representative, all advertisements and materials upon which advertisements or oral sales presentations are based, which contain any of the representations prohibited by Paragraph I-A of this order or which fail to make the disclosures required by Paragraph I-B.

B. Deliver a copy of this order to each present and every future franchisee, licensee, and sales representative, and upon each licensed medical practitioner associated with respondents or their licensees, and obtain written acknowledgement of the receipt thereof.

C. Obtain from each present and future franchisee, licensee, or sales representative an agreement in writing (a) to abide by the terms of this order, and (b) to cancellation of their license or franchise for failure to do so.

D. Cancel the license or franchise of any licensee or franchisee that fails to abide by the terms of this order.

III. *It is further ordered*, That respondents:

A. Provide prospective and present patients, as soon as possible after initial sales contact is made with such person and before such person signs any document relating to said process, an information sheet which shall be furnished to the patient and which contains nothing but the disclosures, numbered 1 to 19, set forth in Paragraph I-B above. Respondents shall allow these persons ample, uninterrupted opportunity to read and consider the contents of this information sheet. Respondents shall retain a copy of this information sheet, after it is signed and dated by the person, for a period of three years.

B. Require that each such prospective patient, after receipt of the information sheet described above and before he or she signs any contract for said process, consult with a licensed physician, who is not in any way associated with or recommended by the respondents, regarding the nature of chemical skin-peeling, its dangers, discomforts, limitations, and alternatives. Respondents shall obtain from each prospective patient a certificate, signed by the physician who was thus consulted, specifying that the physician:

1. Understands what said process is;
2. Has explained to the prospective patient the nature of the treatment, its dangers, discomforts, limitations, and alternatives;

3. Has conducted or has examined the results of tests appropriate to determine the prospective patient's physical fitness to undergo said process and has discussed these results with the prospective patient; and

4. Has reviewed appropriate aspects of the prospective patient's medical history and has discussed these aspects with the prospective patient.

This certificate shall specify the date of the consultation, and respondents shall retain all such certificates for three years.

IV. *It is further ordered*, That no contract for said process shall become binding on the patient prior to forty-eight hours after the patient has consulted with the physician who will perform the treatment and has inspected the treatment and recuperation facilities, and that:

A. Respondents shall clearly and conspicuously disclose, orally prior to the time of sale, and in writing on any contract, promissory note or other instrument signed by the patient, that the purchaser may rescind or cancel any obligation incurred, with return of all monies paid, by placing in the mail or delivering a notice of cancellation to respondents' headquarters office prior to the end of this period.

B. Respondents shall provide a separate and clearly understandable form which the purchaser may use as a notice of cancellation.

C. Respondents shall return to such patient, within forty-eight hours after receipt of notice of cancellation, all monies paid.

D. Respondents shall not negotiate any contract, promissory note, or other instrument of indebtedness to a finance company or other third party prior to the time the patient is treated.

E. A patient may waive the forty-eight hour waiting period and be treated earlier, but only after sixteen hours have passed since the patient's consultation with the physician who will perform the treatment and since the patient's inspection of the aforementioned facilities.

V. *It is further ordered*, That respondents cease and desist from using any person other than a licensed medical practitioner, who is familiar with such techniques of plastic surgery, who is operating within the limits of his or her profession, and who is qualified to evaluate complex physical, mental and emotional factors: (1) to examine, diagnose, advise, select, or mentally prepare prospective patients for chemical skin-peeling, (2) to treat such patients, or (3) to provide post-operative advice or care for them.

VI. *It is further ordered*, That respondents maintain at all times in the future, complete business records relative to the manner and form

of their continuing compliance with the above terms and provisions of this order. Each record shall be retained by respondents for three years after such record is made.

VII. *It is further ordered*, That the corporate respondent notify the Commission at least thirty (30) days prior to any proposed change in said respondent, such as dissolution, assignment, or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries, licensees, or franchisees, or any other change in the corporation which may affect compliance obligations arising out of this order.

VIII. *It is further ordered*, That the individual respondents named herein promptly notify the Commission of the discontinuance of his or her present business or employment, and of his or her affiliation with a new business or employment, in the event of such discontinuance or affiliation. Such notice shall include respondent's current business address and a statement as to the nature of the business or employment in which he or she is engaged as well as a description of his or her duties and responsibilities.

IX. *It is further ordered*, That the respondents herein shall within sixty (60) days after service upon them of this order file with the Commission a report, in writing, signed by such respondents, setting forth in detail the manner and form of their compliance with this order.

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IN THE MATTER OF

SUNSET POOLS EAST, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF THE  
FEDERAL TRADE COMMISSION AND TRUTH IN LENDING ACTS

*Docket C-2549. Complaint, Sept. 17, 1974—Decision, Sept. 17, 1974*

Consent order requiring an Upland, Calif., seller of swimming pools, among other things to cease neglecting to inform credit customers of their right to a three-day cooling-off period during which they may cancel their contract; and making any physical changes to or performing any work or services on customers' property prior to the