

IN THE MATTER OF
RONNIE RAY DOING BUSINESS AS RONNIE RAY'S NATIONAL
HEALTH STUDIOS

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

Docket C-2592. Complaint, Nov. 4, 1974 — Decision, Nov. 4, 1974

Consent order requiring a Dallas, Tex., operator of a physical fitness and/or health clubs, among other things to cease making false weight and inch loss claims for their "body wrap." In addition, respondents are required to disclose to prospective enrollees the nature of their "body wrap" and that results are temporary unless a required diet is followed.

Appearances

For the Commission: *Jim B. Brookshire.*

For the respondent: *L. Lynn Elliott, Thompson & Elliott, Dallas, Tex.*

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 Ronnie Ray, an individual trading and doing business as Ronnie Ray's National Health Studios, hereinafter sometimes referred to as respondent, has violated the provisions of said Act, and it appearing to the Commission that a

proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Ronnie Ray is an individual, trading and doing business as Ronnie Ray's National Health Studios, organized, existing and doing business under and by virtue of the laws of the State of Texas, with its principal office and place of business located at 4420 Lovers Lane, Dallas, Texas.

PAR. 2. Respondent is now, and for some time last past has been engaged in the operation of physical fitness and/or health clubs, and in the advertising, offering for sale, and sale of memberships and/or related services to the public in said physical fitness and/or health clubs.

PAR. 3. In the course and conduct of his business as aforesaid, respondent has disseminated, and caused the dissemination of certain advertisements concerning the said memberships and/or related services by various means in commerce, as "commerce" is defined in the Federal Trade Commission Act, including but not limited to newspapers of general circulation for the purpose of inducing, and which were likely to induce, directly or indirectly, the purchase of said memberships and/or related services; and has disseminated and caused the dissemination of advertisements concerning said product by various means, including but not limited to newspapers of general circulation for the purpose of inducing and which were likely to induce, directly or indirectly, the purchase of said memberships and related services in commerce as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. Typical and illustrative of said statements and representations in said advertisements disseminated as aforesaid, but not all inclusive thereof, are the following:

INCHES OFF FAST

Now! Your way to an instant new figure
You can be Bikini Slim in Only 60 minutes
Introducing ONE HOUR European "Quick Figure"
LOSE up to 15 inches in just one hour during your first treatment * * *

It's easy as 1. You spend 5 minutes in the whirlpool mineral spa. 2. Then you are ever so carefully wrapped with our exclusive tape wrap, moistened with the European "Quick Figure" solution. 3. You do nothing but relax, nap or read a book for one hour while you are inched away * * * from the woman you are to the woman you want to be.

PAR. 5. By and through the use of said advertisements, and others of similar import and meaning, but not expressly set out herein, and by oral statements and representations made by salesmen, agents, and representatives, respondent has represented, and is now representing, directly or by implication, that:

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1. In some short period of time, users of this service are likely to achieve a substantial reduction in body size or weight.
2. Respondent's program will slenderize, beautify, and proportion peoples' figures without these people having to diet.
3. Respondent's "body wrap" will tone and firm human tissue, including muscles, and/or induce weight loss or loss of inches.
4. Patrons can lose up to fifteen inches in one visit to respondent's health club or can attain other stated changes in body size, configuration or weight by means of a "body wrap."
5. Patrons will lose inches or weight permanently by means of the "body" program.

PAR. 6. In truth and in fact:

1. Few, if any, members are likely to achieve a permanent specified reduction in body size or in weight by means of a "body wrap."
2. Respondent's "body wrap" will not slenderize, beautify and proportion peoples' figures permanently unless these people adhere to a diet.
3. Respondent's "body wrap" will not tone and firm human tissue, including muscles, or induce permanent weight loss or loss of inches.
4. Patrons cannot lose up to 15 inches in one visit to respondent's salons, nor are other stated changes in body size, configuration or weight possible in specified periods of time by means of a "body wrap."
5. Any loss of inches or weight is only temporary in nature.

Therefore, the statements and representations as set forth in Paragraphs Four and Five hereof were, and are, false, misleading or deceptive.

PAR. 7. In the course and conduct of his aforesaid business, and at all times mentioned herein, respondent has been, and is now, in substantial competition in commerce with corporations, firms, and individuals in the sale of memberships and related services in physical fitness and/or health clubs, said memberships and services being of the same general kind and nature as those sold by respondent.

PAR. 8. The use by respondent of the aforesaid false, misleading and deceptive statements and representations, has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were and are true, and into the purchase of health club memberships and/or related services by reason of said erroneous and mistaken belief.

PAR. 9. The acts and practices of the respondent as set forth above were, and are, all to the prejudice and injury of the public and of respondent's competitors, and constituted, and now constitute, unfair

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methods of competition in commerce in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondent named in the caption hereof, and the respondent having been furnished thereafter with a copy of a draft of the complaint which the Dallas Regional Office proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent with violation of the Federal Trade Commission Act; and

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

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondent has violated the said Act, and that complaint should issue stating its charges in that respect, and having thereunder accepted the executed consent agreement and placed such agreement on the public record for a period of sixty (60) days, now in further conformity with the procedure prescribed in Section 2.34(b) of its rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent, Ronnie Ray, is an individual doing business as Ronnie Ray's National Health Studios with his principal place of business located at 4420 Lovers Lane, Dallas, Texas.
2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent and the proceeding is in the public interest.

ORDER

It is ordered, That proposed respondent, Ronnie Ray, individually and doing business as Ronnie Ray's National Health Studios, and proposed respondent's agents, representatives and employees, directly or through any corporate or other device, in connection with the offering

for sale, sale or distribution of physical fitness and/or health clubs memberships and related services, do forthwith cease and desist from:

1. Representing, directly or by implication:

A. That any person participating in respondent's "body wrap" program will achieve a permanent specified reduction in body size or weight.

B. That respondent's "body wrap" will, in any manner, slenderize, beautify and proportion persons' figures or aid in reducing body weight unless respondent discloses in conjunction therewith that such program includes a required diet.

C. That respondent's "body wrap" program will (1) tone and firm human tissue, including muscles, (2) induce weight loss or loss of inches by any means; unless such representation is fully substantiated by controlled scientific tests conducted by independent experts, and the results are available for inspection by the general public.

D. That respondent's "body wrap" program will remove up to 15 inches in a single visit or produce any other stated change in body size, configuration or weight by means of a "body wrap."

E. That patrons will lose inches or weight permanently as a result of the "body wrap" program.

2. Failing to disclose clearly, conspicuously, completely, and accurately, both orally and in writing, before selling any person a "body wrap:"

A. The nature of respondent's "body wrap" programs and equipment.

B. That any loss of inches or weight is merely temporary in nature and will reappear unless such person follows a required diet.

It is further ordered, That respondent shall forthwith deliver a copy of this order to cease and desist to all present and future employees, instructors or other persons engaged in the offering for sale, or sale of respondent's services, or in any aspect of preparation, creation or placing of advertising.

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

It is further ordered, That in the event that respondent merges with another corporation or transfers all or a substantial part of its business or assets to any other corporation or to any other person, respondent shall require said successor or transferee to file promptly with the Commission a written agreement to be bound by the terms of this order provided that if respondent wishes to present to the Commission any reasons why said order should not apply in its present form to said successor or transferee, it shall submit to the Commission a written statement setting forth said reasons prior to the consummation of said succession or transfer.

It is further ordered, That proposed respondent notify the Commission at least 30 days prior to any proposed change in proposed respondent such as incorporation, assignment or sale resulting in the emergence of a successor, or any other change in the proposed respondent which may affect compliance obligations arising out of the order.

It is further ordered, That the proposed respondent herein, shall within sixty (60) days after service upon him of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which he has complied with this order.

IN THE MATTER OF

S-H-S MOTOR SALES CORPORATION, ET AL.

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

Docket C-2593. Complaint, Nov. 4, 1974 - Decision, Nov. 4, 1974

Consent order requiring a Kansas City, Mo., dealer of new and used cars, trucks and other products, among other things to cease disseminating advertisements wherein false, misleading or deceptive statements are made concerning guarantees or warranties.