
IN THE MATTER OF
THE NEW YOU, INC., ET AL
CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT

Docket C-2671. Complaint, June 2, 1975--Decision, June 2, 1975

Consent order requiring a Hollywood, Fla., promoter of an inherently dangerous process or treatment, involving application of a caustic chemical solution of the faces and other parts of the bodies of customers, among other things to cease misrepresenting the safety, efficacy and cost of the treatments; to clearly and conspicuously disclose the health hazards involved in the application of the process or treatment as well as the limited efficacy of the treatment; to use a licensed medical practitioner to examine, diagnose, advise, select or mentally prepare prospective patients, to supervise and direct administrations or applications of the treatment, and to provide post-operative advice or care for the patients; and to require prospective patients to consult with and obtain a certificate from an independent physician prior to treatment.

Appearances

For the Commission: *Robert L. Osteen, Jr.*

For the respondents: *Alfred E. Johnson*, Fort Lauderdale Fla.

Complaint

85 F.T.C.

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 The New You, Inc., a corporation doing business as The New You, and The New You Clinic de Facial, and Robert M. Neadel, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated Sections 5 and 12 of said Act, and it appearing to the Commission that a proceeding by it in respect thereto would be in the public interest, hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. Respondent The New You, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Florida with its office and principal place of business located at 1601 Harrison St., Hollywood, Fla.

Respondent Robert M. Neadel is an individual and an officer of the corporate respondent. He formulates, directs and controls the acts and practices of the corporate respondent including the acts and practices hereinafter set forth. His address is the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for-sometime last past have been engaged in the operation of The New You and The New You Clinic de Facial. Respondents advertise, offer for sale, and sell to the general public a medical process called The New You system (hereinafter sometimes referred to as respondents' treatment) which involves the application of a certain caustic chemical solution to the face, or various other parts of the bodies of their clients for the purported purpose of removing or diminishing manifestations of aging such as wrinkles, lines, folds and spots and undesirable features such as blemishes, large pores, and acne marks by peeling the upper layers of skin from the treated areas. After the solution is applied to the patient's skin, bandages are then applied to the treated areas and are allowed to remain for several days; after which time, the bandages are removed and the upper layers of skin, destroyed by the process, are peeled away.

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. §§ 55(c) and (e).

PAR. 4. In the course and conduct of their business as aforesaid, respondents advertise in newspapers of general circulation which are distributed by mail in states other than the state in which they are printed. In addition, advertising materials, contracts and agreements, business correspondence, monies and other documents travel by mail

between respondents' place of business and the residences of prospective patients. 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) of the Federal Trade Commission Act, 15 U.S.C. § 52(a)(1). Further, respondents' advertisements have the purpose of inducing, or are likely to induce, directly or indirectly, the purchase in commerce of The New You treatment, within the meaning of Section 12(a)(2) of said Act, 15 U.S.C. § 52(a)(2).

PAR. 5. In the course and conduct of their business, and for the purpose of inducing the purchase of The New You treatment, respondents have made and are now making numerous statements and representations in advertisements inserted in newspapers of general circulation and in other promotional materials and sales presentations. Typical of the statements and representations contained in said advertising, promotional literature and during sales presentations, but not all inclusive, are the following:

Let us take at least 15 years off your face.

This is a unique regenerative process.

This special youth process has brought new glow and happiness to thousands throughout the world.

Now there's a new way to do something wonderful, positive, and permanent about your prematurely aged face. Now there's The New You, the dawn of a brighter day.

The New You is a system of facial rejuvenation that can literally take you back 10, 15 or even 20 years in appearance.

The New You is not cosmetic. It is not surgical. It is regeneration.

Your next 10 days will be spent in our modern clinic, where you'll be pampered 'round the clock. During that time, the years will be painlessly disappearing from your face to be miraculously replaced by youthfully glowing new skin.

We apply a special formulated solution to your skin and cover it with a mask.

During the next week and a half, lines and folds around the eyes, and wrinkles on the cheeks and forehead, diminish or disappear.

Give us 10 days of your time and we'll take at least 10 years off your face.

And the years stay off. So if we take 15 years from your appearance, you'll continue to look about 15 years younger than you really are.

Then for the next 10 days or so you simply relax at The New You facilities while the formula does its quiet work.

First understand that there's no cutting, no scraping, no machines, no abrasives, no creams, no exercises.

PAR. 6. Through the use of the above statements and representations, and others of similar import and meaning but not expressly set out herein, respondents have represented directly or by implication that:

1. Respondents' treatment is not medical or surgical in nature.

2. Respondents' treatment is generally painless and involves no abrasives or caustic chemicals.
3. Potential discomfort is virtually non-existent as one can relax without emotional or physical distress during the treatment.
4. The application of the respondents' treatment is a safe procedure free from possible serious side effects or complications.
5. Respondents' treatment will eliminate or significantly diminish acne marks, big pores, deep lines, deep wrinkles and sagging or redundant folds of skin.
6. Respondents' treatment will produce or result in new, soft, fresh, clear, healthy, fine-textured skin.
7. Respondents' treatment is clinically recommended or can be beneficial to all kinds of people.
8. Respondents' personnel are competently trained and qualified to:
(a) examine, advise, and mentally prepare patients to undergo the treatment; (b) determine whether each patient is a proper subject for treatment; (c) administer or perform treatment without the direction and supervision of a licensed medical practitioner; and (d) provide post-operative advice and care for patients.
9. Respondents' treatment is complete in 10 days.
10. As a result of respondents' treatment, patients will appear 15 years younger than their chronological age.
11. Respondents represent that the treatment is unique, that the process is new or special, that it involves a secret formula, that it is available only through the respondents, and that these factors justify the high price of the treatment.

PAR. 7. In truth and in fact:

1. The treatment involves application of a caustic 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.
2. The treatment involves caustic chemicals and creams which burn the upper layers of skin to create peeling and is in fact painful in many cases.
3. The pain associated with the said treatment 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.

4. The treatment has a number of inherent dangers to the human body:

a. *Systemic Toxic Reaction (Poisoning)*. The chemical used in The New You 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. Persons with kidney infections are particularly susceptible to adverse phenol reaction.

b. *Infection*. Like any other serious burn covering a large surface of the body, the danger of infection through the burned area is ever present during the process and for some time afterward. The "powder mask," worn for a week after the initial treatment is in reality a medical step to attempt to prevent infection.

c. *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.

d. *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.

5. Only certain limited conditions, such as fine lines 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 eliminated or significantly diminished by the treatment.

6. As a result of the treatment, a number of undesirable changes in the skin may occur, necessitating the continual use of cosmetics or medical techniques to protect the skin, or treat or camouflage its condition, including but not limited to:

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

b. *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.

c. *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.

d. *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.

e. *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.

7. Favorable results cannot be achieved unless rigorous criteria for patient selection are followed, including but not limited to:

a. *Sex.* Most 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.

b. *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.

c. *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.

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

8. Because of its serious medical nature, respondents who are not and do not employ professionally trained or licensed personnel are not qualified to deal with the complex physical, mental, and emotional factors involved in the treatment.

9. 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.

10. Treated persons cannot reasonably expect that their appearance will be altered by more than a year or two from their actual chronological age, even with the best results obtained by a professional plastic surgeon.

11. There is nothing unique about the respondents' treatment. 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 for a fraction of the respondents' price.

Therefore, representations referred to in Paragraph Five are false, misleading and deceptive.

PAR. 8. In the course and conduct of their business, respondents, directly or through agents, have represented in advertisements, during oral sales presentations, and at other times and places, the asserted advantages of their treatment, as hereinbefore described. In no case have respondents disclosed:

1. The treatment is chemical skin peeling, a serious medical procedure known as chemosurgery.

2. The treatment involves the 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 treatment 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. The treatment has a number of known inherent dangers, including: (1) poisoning of a person's entire system by the acid absorbed through the skin, which can be a serious, even fatal illness; (b) infection; (c) blindness, if the acid gets into a patient's eyes; (d) permanent scarring; and (e) other complications resulting from the traumatic nature of the procedure or the medications used.

5. A number of undesirable changes in the skin 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; and (g) other traumatic skin reactions.

6. 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.

7. 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 is more likely to be worsened since the risks of undesirable side effects and skin changes described above are greater.

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

9. 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.

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

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

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

13. 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.

14. Although a treatment of this serious nature is usually performed in a hospital, respondents apply and administer the treatment at a clinic, which they own or operate.

15. 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 must restrict public activities, avoid direct or reflected sunlight and use heavy cosmetics and sun screens.

16. 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 the natural aging processes begin all over again after the treatment.

17. Chemical skin peeling is available from qualified plastic surgeons under closely controlled hospital conditions in metropolitan areas across the country at substantially lower cost.

The disadvantages, consequences and dangers described in the above paragraph have occurred or existed, or to a reasonable medical certainty can be expected to occur or exist, and respondents knew, or had reason to know, that they could be expected to occur or exist.

Therefore, the failure to disclose the material facts referred to in Paragraph Eight is false and misleading and the acts and practices referred to in said paragraph are unfair and deceptive.

PAR. 9. In the course and conduct of their business, the respondents have been, and are now, using persons other than a licensed medical practitioner who is familiar with 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, to examine, diagnose, advise, select, or mentally prepare prospective patients for The New You treatment, to administer or apply the treatment without supervision or direction, or to provide post-operative advice or care for them.

The use by the respondents of the aforesaid practices is an unfair act or practice and an act of unfair competition within the intent and meaning of Section 5 of the Federal Trade Commission Act.

PAR. 10. Therefore the advertisements, representations, acts and practices referred to hereinabove are false, misleading, unfair and deceptive.

PAR. 11. 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 New You 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, at lower prices.

PAR. 12. 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 Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Atlanta Regional Office proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act; and

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

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 has reason to believe that the respondents have violated the said Act, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of sixty (60) days, 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 The New You, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Florida, with its office and principal place of business located at 1601 Harrison St., Hollywood, Fla.

2. Respondent Robert M. Neadel is an individual and officer of the said corporation. He formulates, directs and controls the policies, acts and practices of said corporation, and his principal office and place of business is located at the above address.

3. 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

It is ordered, That respondents The New You, Inc., a corporation, doing business as The New You Clinic de Facial or any other trade name or names, its successors and assigns, and Robert M. Neadel, individually and as an officer of said corporation (hereinafter sometimes referred to as "respondents"), and respondents' officers, agents, representatives and employees, directly or through any corporation, subsidiary, division or other device, in connection with the advertising, offering for sale, sale, or dispensing of The New You treatment (hereinafter sometimes referred to as respondents' treatment) or any similar cosmetic chemosurgical process of face lifting or skin peeling, which involves the topical application of a caustic chemical solution containing carbolic acid (also known as phenol) or other substances on the face, neck, arms, hands or other parts of the human body for the purpose of inducing superficial skin burns, the result of which is the peeling or removal of the outer layers of skin, in commerce, as "commerce" is defined in the Federal Trade Commission Act, or by the United States mails within the meaning of Section 12(a)(1) of the Federal Trade Commission Act, do forthwith cease and desist from:

- A. Representing directly or by implication that:

1. Respondents' treatment or process is solely a cosmetic process, not a medical process, or does not involve chemical surgery.
 2. Respondents' treatment or process is painless or involves no abrasives or caustic chemicals.
 3. Potential discomfort is virtually non-existent as one can relax without emotional or physical distress during the treatment.
 4. Respondents' treatment is safe or free from possible serious side effects or complications.
 5. Respondents' treatment or process will remove or significantly reduce acne scars, big pores, deep lines, deep wrinkles, or sagging, redundant folds of skin.
 6. Respondents' treatment will produce or result in new soft, fresh, clear, healthy, fine-textured skin.
 7. Respondents' process can be clinically recommended to or safely or successfully performed on men, young people, elderly people, or dark-skinned people.
 8. Respondents' personnel are competently trained and qualified to:
 - (a) examine, advise, and mentally prepare patients to undergo the treatment;
 - (b) determine whether each patient is a proper subject for treatment;
 - (c) administer or perform treatment without direction and supervision of a licensed medical practitioner; and
 - (d) provide post-operative advice and care for patients.
 9. Respondents' treatment is complete within any specified period of time.
 10. Respondents' treatment will cause clients to appear any specified number of years younger than their actual chronological age.
 11. Respondents' process is unique, new or special in the following or other ways:
 - a. That it involves a secret formula or secret solution;
 - b. That it or similar processes are only available through respondents; and
 - c. That it is not available through qualified plastic surgeons under more closely controlled hospital conditions in metropolitan areas across the country at a substantially lower cost.
- B. Failing or refusing to make clear and conspicuous disclosures in all advertising and in all oral sales presentations, that:
1. The treatment is chemical skin-peeling, a serious medical procedure known as chemosurgery.
 2. The treatment involves the 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 treatment 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. The treatment has a number of known inherent dangers, including: (a) poisoning of a person's entire system by the acid absorbed through the skin, which can be a serious, even fatal illness; (b) infection; (c) blindness, if the acid gets into a patient's eyes; (d) permanent scarring; and (e) other complications resulting from the traumatic nature of the procedure or the medications used.

5. A number of undesirable changes in the skin 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; and (g) other traumatic skin reactions.

6. 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.

7. 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 is more likely to be worsened since the risks of undesirable side effects and skin changes described above are greater.

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

9. 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.

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

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

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

13. 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.

14. Although a treatment of this serious nature is usually performed in a hospital, respondents' treatment is given at a clinic, which they own or operate.

15. 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 must restrict public activities, avoid direct or reflected sunlight and use heavy cosmetics and sun screens.

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

17. Chemical skin-peeling is available from qualified plastic surgeons under closely controlled hospital conditions in metropolitan areas across the country at substantially lower cost.

Respondents shall set forth the above disclosures separately and conspicuously from the balance of each advertisement and each presentation used in connection with the advertising, offering for sale, sale, or dispensing of respondents' cosmetic 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 under closely controlled medical conditions. (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 or in mitigation thereof, 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.

It is further ordered, That respondents:

1. Recall and retrieve, from each and every 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 A of this order or which fail to make the disclosures required by Paragraph B.

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

3. 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 the cancellation of their license or franchise for failure to do so; and that respondents cancel the license or franchise of any licensee or franchisee that fails to abide by the terms of this order.

It is further ordered, That respondents:

1. 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 respondents' process, an information sheet which shall be furnished to the prospective patient and which contains nothing but the disclosures, numbered 1 to 17, set forth in Paragraph B. 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 two (2) years.

2. Require that each such prospective patient, after receipt of the information sheet described above and before he or she signs any contract for respondents' treatment, 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:

- a. Understands what respondents' treatment is and the conditions under which it will be performed;
- b. Has explained to the prospective patient the nature of the treatment, its dangers, discomforts, limitations, and alternatives;
- c. Has conducted or has examined the results of tests appropriate to determine prospective patient's physical fitness to undergo respondents' treatment and has discussed these results with the prospective patient; and
- d. 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 and approximate time of the

consultation, and respondent shall retain all such certificates for three (3) years.

It is further ordered, That no contract for respondents' process shall become binding on the patient prior to forty-eight hours after the patient has consulted with the physician who will direct and supervise the performing of the treatment and inspected and approved the treatment and recuperation facilities, and that:

1. 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 mailing or delivering a notice of cancellation to the respondents' place of business prior to the end of this period.

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

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

4. 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.

It is further ordered, That respondents cease and desist from the following unfair practice:

1. Failing or refusing to use 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, to examine, diagnose, advise, select, or mentally prepare all prospective patients for chemical skin-peeling, to supervise and direct all administrations or applications of the treatment, and to provide post-operative advice or care for all such patients.

It is further ordered, That respondents maintain at all times in the future, for a period of not less than three (3) years, complete business records relative to the manner and form of their continuing compliance with the above terms and provisions of this order.

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.

It is further ordered, That the individual respondent named herein promptly notify the Commission of the discontinuance of his present

Order

85 F.T.C.

business or employment, and of his affiliation with a new business or employment, in the event of such discontinuance or affiliation. Such notice shall include respondents' 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 the respondents herein shall within sixty (60) days after service upon them of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which they have complied with this order.
