

IN THE MATTER OF

BEVERLY HILLS WEIGHT LOSS CLINICS
INTERNATIONAL, INC.

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

Docket C-3515. Complaint, Aug. 11, 1994--Decision, Aug. 11, 1994

This consent order prohibits, among other things, a commercial diet program company from misrepresenting the performance or safety of any diet program it offers in the future, and requires the respondent to possess competent and reliable scientific evidence to substantiate any future claims it makes about weight loss, weight loss maintenance, or rate of weight loss; to make a number of disclosures regarding maintenance success claims; and to disclose all mandatory fees.

Appearances

For the Commission: *Gary S. Cooper, Charles La Due and Richard F. Kelly.*

For the respondent: *Gary Buchman, Hassman & Rachstein, Boston, MA.*

COMPLAINT

The Federal Trade Commission, having reason to believe that Beverly Hills Weight Loss Clinics International, Inc., a corporation ("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 Beverly Hills Weight Loss Clinics International, Inc. ("Beverly Hills"), is a Virginia corporation, with its principal office or place of business at 200 Highpoint Avenue, Suite B-5, Portsmouth, Rhode Island.

PAR. 2. Respondent advertises, offers for sale, sells, and otherwise promotes throughout much of the eastern United States weight loss and weight maintenance services and products, and makes them available to consumers at numerous "Beverly Hills

Weight Loss Clinics” in many states. These products include “food” within the meaning of Sections 12 and 15 of the Federal Trade Commission Act. Through clinics owned by Beverly Hills, franchised by Beverly Hills, and licensed by Beverly Hills to use the Beverly Hills trademark and the Beverly Hills weight loss and weight maintenance services and products, respondent is engaged, and has been engaged, in the sale and offering for sale of low calorie diet (LCD) weight loss programs and weight maintenance programs to consumers.

PAR. 3. In the course and conduct of its business, respondent has disseminated or caused to be disseminated advertisements for weight loss and weight maintenance services and products. Respondent has placed, or has authorized the placement of, these advertisements with numerous newspapers, radio stations, and television stations for the purpose of inducing consumers to purchase its products and services. Respondent further advertises the Beverly Hills weight loss programs through the use of promotional materials, including pamphlets and brochures, given to customers and prospective customers at individual Beverly Hills Weight Loss Clinic locations.

PAR. 4. 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. 5. Respondent’s advertisements and promotional materials include, but are not necessarily limited to, the advertisements and promotional materials attached hereto as Exhibits A-X.

PAR. 6. The advertisements and promotional materials referred to in paragraph five, including but not necessarily limited to the attached Exhibits A-I, contain the following statements:

- (a) RESULTS!
BEVERLY HILLS GUARANTEES THEM.
Safe, fast, effective
Guaranteed results
[Exhibit A]
- (b) RESULTS
BEVERLY HILLS GUARANTEES THEM.
Lose Up To 7 Pounds And A Full Dress Size In One Week!
Weight Loss Guaranteed* for Life.
[Exhibit B]
- (c) FUN
BEVERLY HILLS MAKES WEIGHT LOSS FUN

- “And I Have Only 5 Pounds to Go.”
Weight Loss Guaranteed* for Life.
[Exhibit C]
- (d) It’s Real Food, Real Results!
At Beverly Hills, you eat the same food you serve your family. And you will lose 2 to 5 pounds each week. Our program helps you reach your goal weight and keep it off. Put your trust in the people who know--our clients. They’ve had proven results.
Kimberly Wiggins ... 44 ½ lbs. 57 ½ inches
[Exhibit D]
- (e) Laura L. Porter... lost 24 ¾ lbs. & 28 ½"
Although this is a true story, it is not an unusual story. It is something our counselors hear everyday. Why not let us help you get a new lease on life?
LOSING WEIGHT DOESN’T MAKE SENSE UNLESS YOU KEEP IT OFF!!!
BEVERLY HILLS *Weight Loss Clinics*
“Where Temporary Loss Is No Success”
[Exhibit E]
- (f) Beverly Hills says put your trust in the claims of people who know - our clients. They’ve had proven results. After all, aren’t they the ones you can really trust....
Steve Gaddy...100 Lbs. 68"
Beverly Kuch...46 Lbs. 41 ½"
[Exhibit F]
- (g) Some weight loss companies claim to be the best, based on a comparison test that everyone seems to be refuting. Others claim they’re best, based on a newspaper reporter’s opinion.
Beverly Hills says put your trust in the claims of people who know - our clients. They’ve had proven results. After all, aren’t they the ones you can really trust?
Francis Foster Lost 33 lbs.
Kathy Cooper Lost 68 lbs.
Debbie Rogers Lost 35 lbs.
Winnie Sutton Lost 42 ½ lbs.
[Exhibit G]
- (h) DREAMS DO COME TRUE
“I Lost 30 Pounds and I Feel Great.”
... Guaranteed. Lose 3-7 Pounds Per Week
[Exhibit H]
- (i) REVOLUTIONARY PROGRAM SHEDS THOUSANDS OF POUNDS.
“Beverly Hills Gave Me The Willpower.”
... Guaranteed. Lose 3-7 Pounds Per Week
[Exhibit I]

PAR. 7. Through the use of the statements set forth in paragraph six, and others in advertisements and promotional

materials not specifically set forth herein, respondent represents and has represented, directly or by implication, that Beverly Hills customers typically are successful in reaching their weight loss goals under the Beverly Hills weight loss programs.

PAR. 8. Through the use of the statements set forth in paragraph six, and others not specifically set forth herein, respondent represents and has represented, directly or by implication, that at the time it made the representation set forth in paragraph seven, respondent possessed and relied upon a reasonable basis that substantiated such representation.

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

PAR. 10. The advertisements and promotional materials referred to in paragraph five, including but not necessarily limited to the attached Exhibits J-P, contain the following statements:

- (a) THE FINAL SOLUTION To Your Weight Problem
LOSE WEIGHT FOREVER....
We do not consider weight loss successful unless its permanent. There is a reason why our method works to keep weight off where others fail. Come to the nearest clinic for a consultation and let us demonstrate our famous method of easy permanent weight control.
[Exhibit J]
- (b) GUARANTEED* WEIGHT LOSS FOR LIFE
... Beverly Hills guarantees weight loss forever! Not just for this year but for all the years to come
[Exhibit K]
- (c) LOSE WEIGHT QUICKLY & SAFELY
LET BEVERLY HILLS SHOW YOU THE WAY
BEVERLY HILLS *Weight Loss Clinics*
"Where Temporary Loss Is No Success"
[Exhibit L]
- (d) 8 DRESS SIZES & GAINED BACK NOTHING BUT SELF-ESTEEM
... I'm ELATED after going from a size 12 to a 4!! The best part though is I have kept my eight off now for 15 months ...
Debbie Jones 30 Lbs.
[Exhibit M]

- (e) We Have a Secret!
The secret to slimming down and staying slim....
It's called Guaranteed* Weight Loss For Life
"I have stayed slim for more than 1 ½ years"!
30 lbs. Denise Gillispie
[Exhibit N]
- (f) Carol Telly
Lost 22 lbs. & 25 inches three years ago. Still maintaining.
[Exhibit O]
- (g) "Since I became a Beverly Hills woman, I've lost 20 pounds, and I'll never gain them back!" - Jackie C.
Weight Loss Guaranteed for Life.*
[Exhibit P]

PAR. 11. Through the use of the statements set forth in paragraph ten, and others in advertisements and promotional materials not specifically set forth herein, respondent represents and has represented, directly or by implication, that:

- (a) Beverly Hills customers typically are successful in reaching their weight loss goals and maintaining their weight loss either long-term or permanently; and
- (b) Beverly Hills customers typically are successful in maintaining their weight loss achieved under the Beverly Hills weight loss programs.

PAR. 12. Through the use of the statements set forth in paragraph ten, and others not specifically set forth herein, respondent represents and has represented, directly or by implication, that at the time it made the representations set forth in paragraph eleven, respondent possessed and relied upon a reasonable basis that substantiated such representations.

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

PAR. 14. The advertisements and promotional materials referred to in paragraph five, including but not necessarily limited to the attached Exhibits D, E, H, I and L, contain the following statements:

- (a) And you will lose 2 to 5 pounds each week.
[Exhibit D]
- (b) LOSE 3-7 LBS. PER WEEK
[Exhibits E and L]
- (c) Guaranteed. Lose 3-7 Pounds Per Week.
[Exhibits H and I]

PAR. 15. Through the use of the statements set forth in paragraph fourteen, and others in advertisements and promotional materials not specifically set forth herein, respondent represents and has represented, directly or by implication, that customers on the Beverly Hills weight loss programs typically lose weight at an average rate of two to five or three to seven pounds per week.

PAR. 16. Through the use of the statements set forth in paragraph fourteen, and others not specifically set forth herein, respondent represents and has represented, directly or by implication, that at the time it made the representations set forth in paragraph fifteen, respondent possessed and relied upon a reasonable basis that substantiated such representations.

PAR. 17. In truth and in fact, at the time it made the representations set forth in paragraph fifteen, respondent did not possess and rely upon a reasonable basis that substantiated such representations. Therefore, the representation set forth in paragraph sixteen was, and is, false and misleading.

PAR. 18. In the routine course and conduct of its business, respondent states during initial sales presentations that consumers will typically reach their desired weight loss goals within the time frames computed for their programs by Beverly Hills Weight Loss Clinics' personnel.

PAR. 19. Through the use of the statements set forth in paragraph eighteen, and others not specifically set forth herein, respondent represents and has represented, directly or by implication, that at the time it made the representation set forth in paragraph

eighteen, respondent possessed and relied upon a reasonable basis that substantiated such representation.

PAR. 20. In truth and in fact, at the time it made the representation set forth in paragraph eighteen, respondent did not possess and rely upon a reasonable basis that substantiated such representation. Therefore, the representation set forth in paragraph nineteen was, and is, false and misleading.

PAR. 21. The advertisements and promotional materials referred to in paragraph five, including but not necessarily limited to the attached Exhibits Q and R, contain the following statements:

- (a) Only Beverly Hills Has A Totally Safe Weight Loss Program.
Our Diet Plan Is Complete.
We are the first major weight loss clinic to recognize the importance of adding Essential Fatty Acids as a dietary supplement. We call this wonderful product BEV-EFA. You'll call it miraculous. And only Beverly Hills offers it.
[Exhibit Q]
- (b) SCIENTIFIC ADVANCEMENT
BEV-EFA Makes Our Weight Loss Plan Complete.
This Beverly Hills supplement will help you prevent the problems that patients in other weight loss programs could experience.
Weight loss without Essential Fatty Acids supplementation may lead to such symptoms as: hair loss, skin changes, diarrhea, as well as possible metabolic effects. There is experimental evidence from animal studies that EFA deficiency may contribute to the development of cholesterol gallstones. By adding BEV-EFA to our weight loss supplement plan, you will be protecting yourself against the negative characteristics associated with weight loss. And ONLY Beverly Hills offers this marvelous dietary supplement.
[Exhibit R]

PAR. 22. Through the use of the statements set forth in paragraph twenty-one, and others in advertisements and promotional materials not specifically set forth herein, respondent represents and has represented, directly or by implication, that the Beverly Hills weight loss programs are safer than other weight loss programs that do not include essential fatty acid supplementation.

PAR. 23. Through the use of the statements set forth in paragraph twenty-one, and others not specifically set forth herein,

respondent represents and has represented, directly or by implication, that at the time it made the representation set forth in paragraph twenty-two, respondent possessed and relied upon a reasonable basis that substantiated such representation.

PAR. 24. In truth and in fact, at the time it made the representation set forth in paragraph twenty-two, respondent did not possess and rely upon a reasonable basis that substantiated such representation. Therefore, the representation set forth in paragraph twenty-three was, and is, false and misleading.

PAR. 25. In the course and conduct of its business, respondent provides its customers with diet instructions that require said customers, *inter alia*, to come in to one of respondent's weight loss clinics three times a week for monitoring of their progress, including weighing in. In the course of regularly ascertaining its customers' weight loss progress, respondent, in some instances, is presented with weight loss results indicating that customers are losing weight significantly in excess of their projected goals, which is an indication that they may not be consuming all of the food prescribed by their diet instructions. Such conduct could, if not corrected promptly, result in health complications.

PAR. 26. When presented with the weight loss results described in paragraph twenty-five, respondent on many occasions has not disclosed to the customers that failing to follow the diet instructions and consume all of the food prescribed could result in health complications. This fact would be material to consumers in their purchase and use decisions regarding respondent's weight loss programs. In light of respondent's practice of monitoring people on the programs, said failure to disclose was, and is, a deceptive practice.

PAR. 27. The advertisements referred to in paragraph five, including but not necessarily limited to the attached Exhibits D, F, K, M, N, O, R, S and T, contain the following statements:

- (a) Special 6 Weeks For \$69
 - lab included • 6 week minimum[Exhibit D]

- (b) Final Week!
Limited Special
\$10.00 per week
 - Lab included
 - Eat grocery store foods
 - 6 week minimum
 [Exhibit F]
- (c) 4 WEEKS ONLY \$49
[Exhibit K]
- (d) 8 WEEKS ONLY
\$99⁰⁰
Plus Pay Only \$1.00 For Complete Lab Test
[Exhibit M]
- (e) Get 5 weeks of weight loss for only \$59⁰⁰
[Exhibit N]
- (f) \$10 a week
medical fee included
6 week minimum
[Exhibit O]
- (g) 8 WEEKS OF WEIGHT LOSS
ONLY \$99⁰⁰ plus
Pay only \$1 for complete lab test
(First Time Visit Bonus)
[Exhibit R]
- (h) ONE LOW PRICE \$5⁰⁴
Program average weekly cost
[Exhibit S]
- (i) ONE LOW PRICE!
30 lb. Program Will Average
\$4³⁰ Per Week
[Exhibit T]

PAR. 28. Through the use of the statements set forth in paragraph twenty-seven, and others in advertisements not specifically set forth herein, respondent represents and has represented, directly or by implication, that the advertised price is the only cost associated with losing weight on the Beverly Hills weight loss programs.

PAR. 29. In truth and in fact, the advertised price is not the only cost associated with losing weight on the Beverly Hills weight loss

programs. There are substantial additional mandatory expenses associated with losing weight on the Beverly Hills weight loss programs that far exceed the advertised price. Therefore, the representation set forth in paragraph twenty-eight was, and is, false and misleading.

PAR. 30. In its advertising and sale of the Beverly Hills weight loss programs, respondent has represented that the advertised price is the only cost associated with losing weight on the Beverly Hills weight loss programs. Respondent has failed to disclose adequately to consumers the existence and amount of all mandatory expenses associated with participation in the Beverly Hills programs. This fact would be material to consumers in their purchase decisions regarding the programs. The failure to disclose this fact, in light of the representation made, was, and is, a deceptive practice.

PAR. 31. The advertisements referred to in paragraph five, including but not necessarily limited to the attached Exhibits U-X, contain the following statements:

- (a) 1st TIME PATIENTS ONLY
2 WEEKS FREE
[Exhibit U]
- (b) 2 FREE WEEKS
Call For An Appointment
First time members only. Must be 30 lbs. or more overweight.
[Exhibit V]
- (c) FREE! FREE! FREE!
FREE - 4 WEEK WEIGHT LOSS PROGRAM
[Exhibit W]
- (d) WANTED
20 persons to participate in a FREE WEIGHT LOSS PROGRAM. Must need to lose 30 pounds or more. In return, you will authorize BEVERLY HILLS to use photos and testimonials for advertising purposes. Complete details available in person only....
[Exhibit X]

PAR. 32. Through the use of the statements set forth in paragraph thirty-one, and others in advertisements not specifically set forth herein, respondent represents and has represented, directly or by

implication, that respondent's weight loss programs are being offered to consumers at no cost.

PAR. 33. In truth and in fact, the receipt of free weight loss services is contingent upon the purchase, at substantial expense to the consumer, of other goods or services that are mandatory for participation in the Beverly Hills weight loss programs. Therefore, the representation set forth in paragraph thirty-two was, and is, false and misleading.

PAR. 34. In advertising the free offer of weight loss services under the Beverly Hills weight loss programs, respondent represents and has represented that its weight loss programs are being offered to consumers at no cost. Respondent has failed to disclose adequately to consumers that the receipt of free weight loss services is contingent upon the purchase, at substantial expense to the consumer, of other goods or services that are mandatory for participation in the Beverly Hills weight loss programs. This fact would be material to consumers in their purchase decisions regarding the programs. The failure to disclose this fact, in light of the representation made, was, and is, a deceptive practice.

PAR. 35. In providing advertisements and promotional materials referred to in paragraph five to its individual franchised or licensed clinics for the purpose of inducing consumers to purchase its weight loss and weight maintenance services and products, respondent has furnished the means and instrumentalities to those clinics to engage in the acts and practices alleged in paragraphs five through thirty-four.

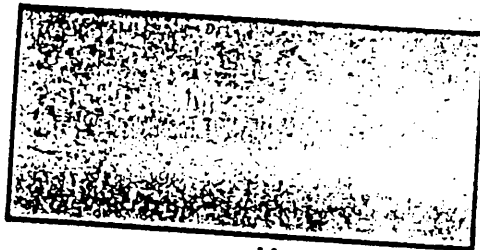
PAR. 36. The acts and practices of respondent as alleged in this complaint constitute deceptive acts or practices and the making of false advertisements in or affecting commerce in violation of Sections 5(a) and 12 of the Federal Trade Commission Act.

Commissioner Owen was recorded as voting in the affirmative, but dissenting as to the exception requiring full numerical disclosures involving quantitative weight loss maintenance claims in short radio and TV ads.

Beverly hills 3x7 7/22/1 p-324 coop

RESULTS!

**BEVERLY HILLS
GUARANTEES THEM.**



- Medically supervised
- Safe, fast, effective
- Long term maintenance
- Individual counseling
- Guaranteed results

Hurry Before Summer Ends!

BEVERLY HILLS
Weight Loss Clinics

CALL NOW

SALEM	389-1200
VINTON	981-9200
ROANOKE	362-7100
BLACKSBURG	951-2400
WYTHEVILLE	228-9111

*Offer does not include protein supplements.

EXHIBIT B

RESULTS

**BEVERLY HILLS
GUARANTEES THEM.**

**Lose Up To 7 Pounds And A Full Dress Size In
One Week! Weight Loss Guaranteed* for Life.**

(OFFER GOES HERE)

- 4 weeks of weight loss • 6 weeks of stabilization
- 52 weeks of maintenance • Labwork & medical fees included • 1 week of nutritional supplements

*Beverly Hills Weight Loss Clinics Are Medically Supervised!
Our Dietary Foods Comply With FDA Requirements!*

*Program details and requirements available at each clinic.
Each clinic independently owned and operated.

(CLINIC LOCATION AND PHONE NUMBER)

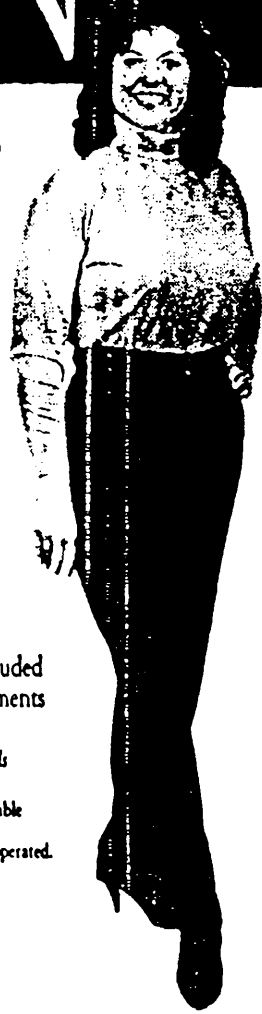


BEVERLY HILLS *Weight Loss Clinics*

You're going to love it from the very first minute.



EXHIBIT C



FUN

**BEVERLY HILLS
MAKES WEIGHT
LOSS FUN.**

**"And I Have Only
5 Pounds To Go."**

**Weight Loss Guaranteed*
for Life.**

(OFFER GOES HERE)

- 4 weeks of weight loss
- 6 weeks of stabilization
- 52 weeks of maintenance
- Labwork & medical fees included
- 1 week of nutritional supplements

*Beverly Hills Weight Loss Clinics Are
Medically Supervised! Our Dietary Foods
Comply With FDA Requirements!*

**Program details and requirements available
at each clinic.
Each clinic independently owned and operated.*

(CLINIC LOCATION
AND PHONE NUMBER)



You're going to love it from the very first minute.

213

Complaint

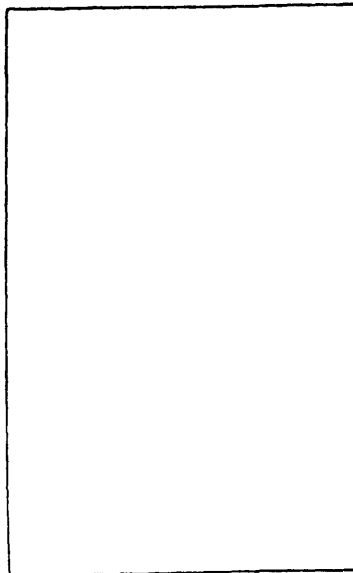
EXHIBIT D

RECORD OF ADVERTISING

00611

CLINIC _____ DATE/DAY 2-16-92
 (Ad appeared in paper)

DIRECTOR _____ WEATHER CONDITIONS _____



NEWSPAPER _____

CALLS _____

APPTS _____

SHOWS _____

COMMENTS: _____

AT BEVERLY HILLS

*It's Real Food,
Real Results!*

At Beverly Hills, you eat the same food you serve your family. And you will lose 2 to 5 pounds each week. Our program helps you reach your goal weight and keep it off.

Special
6 Weeks \$69
 For

* lab included • 6 week minimum

BEVERLY HILLS *Weight Loss Clinics*

You're going to love it from the very first minute. Product not included. As individuals vary in how weight loss.

Kimberly Wiggins
 W-4 NC
 64% lbs.
 57% inches

Put your trust in the people who know our clients. They've had proven results.

349 Jonestown Rd.
 Winston-Salem

659-1364

2-16-92



Exhibit D

Complaint

EXHIBIT E

GO LIKE AN ELEVATOR
THAT'S NOT WEIGHT
CONTROL!

Dr. Euble Fit

I had always been overweight. I tried "just cutting down" diets on my own with no success. I finally gave in when my husband was going to buy me a \$70 dress and the largest size in the store didn't fit. That's when I came to BHWLC. The staff gave me the support and encouragement I needed to stick with a diet. Now I know how to eat sensibly and how to cut down when I need or want to lose more. It's a great feeling to have people compliment me on how I look and to try on a size 10 pair of pants and have them fit a little loose!!!

Thanks BHWLC!

Signed *Laura L. Porter*

ALTHOUGH THIS IS A TRUE STORY, IT IS NOT AN UNUSUAL STORY. IT IS SOMETHING OUR COUNSELORS HEAR EVERYDAY. WHY NOT LET US HELP YOU GET A NEW LEASE ON LIFE?

**LOSING WEIGHT DOESN'T
MAKE SENSE UNLESS
YOU KEEP IT OFF!!!**

**CELEBRATION OF SUMMER
50% OFF Weight Loss Program**
This Offer Expires 6/23/89

- MEDICALLY SUPERVISED
- NO SHOTS. NO PILLS. NO EXERCISE
- EAT REGULAR, NUTRITIONALLY BALANCED MEALS
- LOSE 3-7 LBS. PER WEEK

PHONE TODAY
737-3511

BEVERLY HILLS
Towne Centre
(Next to Goody's)
Elizabethtown, Ky. *Weight Loss Clinics*

"Where Temporary Loss is No Success"

BEVERLY HILLS WEIGHT LOSS CLINICS INTERNATIONAL 229

213

Complaint

EXHIBIT F

LOCATION W.S.

DATE/DAY 9-22-91 ^{11:05 AM} + 9-23-91
(Ad appeared in paper)

DIRECTOR Georgia

WEATHER CONDITIONS

WINSTON-SALEM JOURNAL Sunday, September 22, 1991 PAGE A17

BEVERLY HILLS SAYS

Trust what our customers know!

Beverly Hills says put your trust in the claims of people who know — our clients. They've had proven results. After all, aren't they the ones you can really trust?

Final Week! Limited Special \$1000 per week

- Low cholesterol
- Low pressure
- Low blood sugar
- Low blood count



Steve Gaudy
W.S., NC
100 Lbs.
6'8"



Beverly Kuch
Clemmons, NC
46 Lbs.
4'10"

BEVERLY HILLS Weight Loss Clinics

You're going to love it from the very first minute.

Product not included. All individuals vary in their weight loss.

349 Jonestown Rd.
Winston-Salem
659-1364

NEWSPAPER _____

CALLS _____

APPTS _____

SHOWS _____

COMMENTS: _____



Complaint

118 F.T.C.

EXHIBIT G

*Trust what
our customers
know!*

Some weight loss companies claim to be the best, based on a comparison test that everyone seems to be refuting. Others claim they're the best, based on a newspaper reporter's opinion.

Beverly Hills says put your trust in the claims of people who know — our clients. They've had proven results. After all, aren't they the ones you can really trust?

Call Now For
FREE CONSULTATION

BEVERLY HILLS *Weight Loss Clinics*

**TOWNE CENTRE
ELIZABETH TOWN**
(NEXT TO GOODY'S)
737-3511

BARDSTOWN
127 REARDON ROAD
348-1797

Francis Foster
Lost 33 lbs.

Kathy Cooper
Lost 68 lbs.

Debbie Rogers
Lost 35 lbs.

Winnie Sutton
Lost 42 1/2 lbs.

Penny Lane 9/91

REVOLUTIONARY PROGRAM SHEDS THOUSANDS OF POUNDS.

003005

"Beverly Hills
Gave Me
The Willpower."

Gale Sova



- Revolutionary FLEX-LITE Five Phase System
- Medically Supervised & Approved
- Guaranteed. Lose 3-7 Pounds Per Week
- Private One-One Counseling & Support
- Eat Nutritionally Balanced Meals
- Lifestyle Maintenance Program

Each Clinic
Independently
Owned &
Operated


BEVERLY HILLS

Call Now For
Details

Weight Loss Clinics

(CLINIC LOCATION
AND
PHONE NUMBER)

OWN YOUR OWN FRANCHISE FOR INFORMATION 1-800-476-6996

Exhibit

Complaint

118 F.T.C.

EXHIBIT I

003003

DREAMS DO COME TRUE



"I Lost 30 Pounds and I Feel Great."

Lia Boudry

- Revolutionary FLEX-LITE Five Phase System
- Medically Supervised & Approved
- Guaranteed. Lose 3-7 Pounds Per Week
- Private One-One Counseling & Support
- Eat Nutritionally Balanced Meals
- Lifestyle Maintenance Program

Each Clinic
Independently
Owned &
Operated



BEVERLY HILLS

Weight Loss Clinics

Call Now For
Details

(CLINIC LOCATION
AND
PHONE NUMBER)

OWN YOUR OWN FRANCHISE FOR INFORMATION 1-800-476-6996

Exhibit 1

THE FINAL SOLUTION To Your Weight Problem

0061

LOSE WEIGHT FOREVER—Most people with a chronic weight problem are discouraged or soon will be. The discouragement comes from the numerous attempts to control their weight only to fail. After weeks and weeks of dieting and depriving themselves of food they enjoy, the dieting stops, the weight is regained and usually even more. This is called the Yo-Yo syndrome; who can blame a person for not wanting to try one more time.

BUT THERE IS AN ANSWER—IT'S BEVERLY HILLS WEIGHT LOSS CLINIC. We have enjoyed success time and time again with people who had all but given up hope. The reason is simple; all programs are not alike. We do not consider weight loss successful unless it's permanent. There is a reason why our method works to keep weight off where others fail. Come to the nearest clinic for a consultation and let us demonstrate our famous method of easy permanent weight control.

"I went from a size 12 to a size 6 in just 6 weeks!"
Denise Gillespie

**Lose Up To 7 Pounds
And A Full Dress
Size In Only 1 Week!**

737-3511
Towne Centre
(next to Goody's)
Elizabethtown



***FREE Consultation**
***FREE Medical Analysis**
***FREE 6 Weeks Stabilization**
***FREE 1-Year Maintenance**
***\$395 Value FREE**
with the purchase of a 6-week program
Expires Friday 10-5-90

EXHIBIT K

003009

Guaranteed*

WEIGHT LOSS FOR LIFE

THIS YEAR I RESOLVE TO MOVE TO BEVERLY HILLS.

Losing weight can be a dream come true with Beverly Hills. How do I know? Because many of my friends have lost weight the Beverly Hills way and they had a blast doing it! They've convinced me that Beverly Hills is the only program that has really worked. And, do you know what — Beverly Hills guarantees weight loss forever! Not just for this year but for all the years to come. You simply can't go wrong. I'm joining Beverly Hills today. You should, too! I can't wait to become the person I was meant to be.




BEVERLY HILLS

Weight Loss Clinics

* Program Details and Requirements Available
at Your Local Clinic.
Each Clinic Independently Owned & Operated

Breezewood 898-1773
Stafford 659-0455

© IN YOUR OWN FRANCHISE —
FCA INFORMATION 1-800-476-6996

4 WEEKS ONLY ^{\$}49

Exhibit K

003007

LOSE WEIGHT QUICKLY & SAFELY

"Insert testimonial here:
skcm cmdkvnc mckd
mxmckd m,cndjkkdmc
cxmxkds dkvc kc c,dkv v,ckl
cmxkxkmc.."

**LET
BEVERLY HILLS
SHOW YOU
THE WAY**



The Height a Person
Can Reach is Limited
Only By His Vision.

Dr. Eubie Pitt

- MEDICALLY SUPERVISED
- LOSE 3-7 LBS, PER WEEK
- NO SHOTS, NO PILLS, NO EXERCISE
- EAT REGULAR, NUTRITIONALLY BALANCED MEALS

CALL TODAY
000-0000
0000 Street City State



BEVERLY HILLS
Weight Loss Clinics



**1/2
OFF**

*Insert expiration
date of SPECIAL
here"

EACH CLINIC INDEPENDENTLY OWNED & OPERATED
"Where Temporary Loss Is No Success "

EXHIBIT M

8 DRESS SIZES & GAINED BACK NOTHING BUT SELF- ESTEEM!"

"After my doctor told me to lose weight or walk with a cane in 10 years, I went straight to Beverly Hills Weight Loss Clinic! I couldn't believe it. I was losing weight without powders, pills or shots & I'm **ELATED** after going from a size 12 to a 4!!

The best part though is I have kept my weight off now for 15 months & even after all this time, I can still count on the staff at Beverly Hills for counseling & support!"



Debbie Jones
30 Lbs.

Call today
737-3511
Towne Centre
(Next to
Goody's)
Elizabethtown

BEVERLY HILLS

Weight Loss Clinics

8 WEEKS ONLY

\$99⁰⁰

Plus Pay Only
\$1.00

For Complete
Lab Test

LIMITED TIME OFFER. FIRST TIME VISIT ONLY.

We Have a Secret!

*The secret to slimming down
and staying slim....*

It's called

Guaranteed* 

WEIGHT LOSS FOR LIFE



Get **5** weeks of
weight loss for only **\$59⁰⁰**
LIMITED TIME ONLY

There is no better time than **NOW** to start the Beverly Hills Weight Loss Program. You get **5 weeks** of weight loss for only \$59.00. That's right! And in 5 weeks you can lose up to 35 lbs. and 5 dress sizes.

"I have stayed
slim for more
than 1 1/2
years!"
30 lbs.

Denise
Gillespie

LOSE WEIGHT NOW

The Safest and Most Effective
Way Available!

737-3511


BEVERLY HILLS

Weight Loss Clinics

TOWNE CENTRE

Elizabethtown

*Program Details and Requirements at your local clinic.

For the best in local Sports Coverage read The News-Enterprise

118 F.T.C.

EXHIBIT O

DATE/DAY _____
(Ad appeared in paper)

WEATHER CONDITIONS _____

6-9-92

SHOWS _____

COMMENTS: _____



213

Complaint

EXHIBIT P

BEVERLY HILLS WOMEN

Look Great!

“Since I became a Beverly Hills woman, I’ve lost 20 pounds, and I’ll never gain them back!”

– Jackie C.

Take it from Jackie C. She lost 20 pounds and she looks as great as she feels. You can be a Beverly Hills woman and look great, too.

Our clinics are medically supervised. The program is safe, fast, and our dietary foods comply with FDA requirements.

Lose from 3 to 7 pounds and a full dress size in one week.

Weight Loss Guaranteed for Life.*



BEVERLY HILLS™

Weight Loss Clinics

You're going to love it from the very first minute.



Join today and enjoy these great benefits:

- 4 weeks of weight loss • 6 weeks of stabilization • 52 weeks of maintenance
- Labwork & medical fees included
- 1 week of nutritional supplements

*Call for Details and Requirements. Lifetime applies to Lifetime of Patients.
*Each clinic independently owned and operated.

(CLINIC LOCATION
AND PHONE NUMBER)

EXHIBIT Q

Only Beverly Hills Has A Totally Safe Weight Loss Program.

Our Diet Plan Is Complete.

We are the first major weight loss clinic to recognize the importance of adding Essential Fatty Acids as a dietary supplement. We call this wonderful product BEV-EFA. You'll call it miraculous. And only Beverly Hills offers it.

Our weight loss plan is medically supervised, and you can lose 2 to 5 pounds per week. There are no shots, and you eat regular, nutritionally balanced meals.

So join the weight loss program that's the best.

Call for this week's special
Towne Centre
Elizabethtown
737-3511



You're going to love it from the very first minute.



00020

NOV-10, 1990

SCIENTIFIC ADVANCEMENT

BEV-EFA

Makes Our Weight Loss Plan Complete

Beverly Hills is the first major weight loss clinic to recognize the importance of adding Essential Fatty Acids as a dietary supplement. We call this wonderful product BEV-EFA. You'll call it miraculous.

EFA -- Essential Fatty Acids supplementation is now a key feature of our weight loss program. And, like the entire Beverly Hills program, use of BEV-EFA will be under our medical supervision. This Beverly Hills supplement will help you prevent the problems that patients in other weight loss programs could experience.

Why you need BEV-EFA.

There is scientific and medical evidence that most reduced calorie diets do not contain adequate amounts of EFA, and

patients on low calorie diets risk EFA deficiency. Adequate intakes of essential fatty acids of the omega-6 and omega-3 families are a necessity for good health, and suggested levels of EFA intake have been recommended by the WORLD HEALTH ORGANIZATION.

Weight loss without Essential Fatty Acids supplementation may lead to such symptoms as: hair loss, skin changes, diarrhea, as well as possible metabolic effects. There is experimental evidence from animal studies that EFA deficiency may contribute to the development of cholesterol gallstones.

By adding BEV-EFA to our weight loss supplement plan, you will be protecting yourself against the negative characteristics associated with weight loss. And ONLY Beverly Hills offers this marvelous dietary supplement.

Our complete weight loss program is medically supervised, and now, with BEV-EFA you can lose 3 to 7 pounds per week safely and easily. There are no shots and, if you eat regular, nutritionally balanced meals.

The Beverly Hills Weight Loss Clinic program, now with BEV-EFA, can help you to enjoy the brand new you. That is our personal guarantee of your success!



COUPON

8 WEEKS OF WEIGHT LOSS

ONLY \$99.00

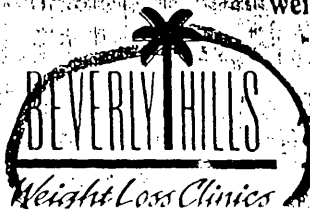
plus

Pay only \$1 for complete lab test

(First Time Visit Bonus)

Once again Beverly Hills Weight Loss Clinic is the **LEADER** in the weight loss industry.

CALL Today



37-3511

OWNE CENTRE

117 ARETH TOWN

348-1797

127 REARDON BLVD.

BARRISTOWN

Complaint

118 F.T.C.

EXHIBIT S

WEEK OF February 24, 1992
The News Enterprise

110201

CORPULENT • FLESHY • GROSS • HEAVY
OVERBLOWN • OVERWEIGHT • PORCINE • ROTUND
BEEFY • BULKY • CHUNKY • DUMPY
FULLBODIED • HEAVYSET • SQUAT • STOCKY
STUBBY • THICK • THICKSET • PAUNCHY
POTBELLED • BRAWNY • BURLY • HUSKY

OR

SLIM • SLENDER • LEAN • SHAPELY
ALLURING • LIVELY • ATTRACTIVE
TANTALIZING

If you would like to be described in the second group, shouldn't you be joining our group?

ONE LOW PRICE
 Program average \$5.04
 weekly cost

CALL NOW!
737-3511

REVERLY HILLS

Weight Loss Clinics
 Towne Centre, E. town

Program includes: Weight loss, medical analysis, stabilization, maintenance. Supplements not included. In Affordable.

BEVERLY HILLS WEIGHT LOSS CLINICS INTERNATIONAL 243

213

Complaint

EXHIBIT T

006138

CLINIC _____

DATE/DAY _____
(Ad appeared in paper)

DIRECTOR _____

WEATHER CONDITIONS _____
entzen Inc. in Greensboro

PI

June
Temple
lost 80% lbs.
and
114 inches

After

Before

Additional Product Not Included.
As Individuals Vary, So Does Weight Loss.

ONE LOW PRICE!
30 lb. Program Will Average
\$430 Per Week

- All Weight Loss
- 6 Weeks Stabilization
- 1 Year of Maintenance
- Medical Fees
- Starter Kit

BEVERLY HILLS
Weight Loss Clinics

349 Jonestown Road
659-1364

NEWSPAPER _____

6-28-92

CALLS _____

APPTS _____

SHOWS _____

COMMENTS: _____

BEVERLY HILLS
Weight Loss Clinics

Complaint

118 F.T.C.

EXHIBIT U

**BEVERLY HILLS
UNDERSTANDS**

"Insert Testimonial here.
Add address of
satisfied customer
and we will pay \$100
plus bonus if you
are successful. No
responsibility."

**LOSING
WEIGHT
IS MORE
THAN JUST A MATTER
OF WILLPOWER**

Many of our staff are former patients. They reflect
the extra measure of care and understanding which
comes only from first-hand knowledge. At Beverly
Hills we believe this can and does make all the
difference.

 For a free brochure —
that's where responses are
on record

Dr. Eugene Pitt

- MEDICALLY SUPERVISED
- LOSE 3-7 LBS PER WEEK
- NO PILLS
- NO SHOTS
- NO EXERCISE
- NUTRITIONALLY BALANCED MEALS

CALL
000-0000
0000 ADDRESS
CITY, STATE

**2 WEEKS
FREE**

SEE IT FIRST
AND EXTEND YOUR DATE.

BEVERLY HILLS
Weight Loss Clinics

EACH CLINIC
INDEPENDENTLY
OWNED AND
OPERATED

"Where Temporary Loss Is No Success"

213

Complaint

EXHIBIT V

006235

Which Seat Would You Rather See Disappear?



Start losing weight now at Beverly Hills, and you'll be sitting pretty down the road. Just head for The Hills — Beverly Hills — for a free consultation and complete details. Or, you can sit this one out.

COUPON 2 FREE WEEKS Call For An Appointment First time members only. Must be 30 lbs. or more overweight. Expires 5/92	COUPON Summer Shape-Up Plan Lose all the weight you want through 1st day of summer. Free lab. \$199⁰⁰ Expires 5/92
COUPON "The Works" One Low Price Expires 5/92	BEVERLY HILLS Weight Loss Clinics 737-3511 ELIZABETHTOWN Towne Center Mall (Next to Goody's) Supplements not included.



EXHIBIT W



PRESENT THIS COUPON AND RECEIVE

- * FREE CONSULTATION**
- * FREE - 4 WEEK WEIGHT LOSS PROGRAM**

Lose 3-7 pounds per week with our medically supervised program

- Eat regular foods
- No shots
- No Pills

GOOD AT STAFFORD LOCATION ONLY
CALL TODAY
703-659-0455

Lab fees and nutritional supplements not included in this offer.

EXPIRES JANUARY 10, 1990

EXHIBIT X

WANTED

20 persons to participate in a **FREE WEIGHT LOSS PROGRAM**. Must need to lose 30 pounds or more. In return, you will authorize **BEVERLY HILLS** to use photos and testimonials for advertising purposes.

Complete details available in person only at
BEVERLY HILLS WEIGHT LOSS CLINIC



Kroger Shopping Center
Scottsville Road
Call for Appointment
842-4095

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 complaint which the Boston Regional Office proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent with violation of the Federal Trade Commission Act,

The respondent, its attorney, and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent of all the jurisdictional facts set forth in the aforesaid draft 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 determined that it had reason to believe that the respondent has violated the 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 of its Rules, the Commission hereby makes the following jurisdictional findings and enters the following order:

1. Respondent Beverly Hills Weight Loss Clinics International, Inc. ("Beverly Hills"), is a Virginia corporation, with its office and principal place of business located at 200 Highpoint Avenue, Suite B-5, Portsmouth, Rhode Island.

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

DEFINITIONS

For the purposes of this order, the following definitions shall apply:

A. "*Competent and reliable scientific evidence*" shall mean those tests, analyses, research, studies, or other evidence conducted and evaluated in an objective manner by persons qualified to do so, using procedures generally accepted in the relevant profession or science to yield accurate and reliable results;

B. "*Weight loss program*" shall mean any program designed to aid consumers in weight loss or weight maintenance;

C. A "*broadcast medium*" shall mean any radio or television broadcast, cablecast, home video or theatrical release;

D. For any order-required disclosure in a print medium to be made "clearly and prominently" or in a "clear and prominent" manner, it must be given both in the same type style and in: (1) twelve point type where the representation that triggers the disclosure is given in twelve point or larger type; or (2) the same type size as the representation that triggers the disclosure where that representation is given in a type size that is smaller than twelve point type. For any order-required disclosure given orally in a broadcast medium to be made "clearly and prominently" or in a "clear and prominent" manner, the disclosure must be given at the same volume and in the same cadence as the representation that triggers the disclosure.

E. A "*short broadcast advertisement*" shall mean any advertisement of thirty seconds or less duration made in a broadcast medium.

I.

It is ordered, That respondent, Beverly Hills Weight Loss Clinics International, Inc., a corporation, its successors and assigns, and its officers, and respondent's agents, representatives and employees, directly or through any corporation, subsidiary, division or other

device, including franchisees or licensees, in connection with the advertising, promotion, offering for sale, or sale of any weight loss program in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

A. Making any representation, directly or by implication, about the success of participants on any weight loss program in achieving or maintaining weight loss or weight control unless, at the time of making any such representation, respondent possesses and relies upon competent and reliable scientific evidence substantiating the representation, provided, further, that for any representation that:

(1) Any weight loss achieved or maintained through the weight loss program is typical or representative of all or any subset of participants using the program, said evidence shall, at a minimum, be based on a representative sample of:

(a) All participants who have entered the program, where the representation relates to such persons; provided, however, that the required sample may exclude those participants who dropped out of the program within two weeks of their entrance, or who were unable to complete the program due to illness, pregnancy, or change of residence; or

(b) All participants who have completed a particular phase of the program or the entire program, where the representation only relates to such persons;

(2) Any weight loss is maintained long-term, said evidence shall, at a minimum, be based upon the experience of participants who were followed for a period of at least two years from their completion of the active maintenance phase of respondent's program or earlier termination, as applicable; and

(3) Any weight loss is maintained permanently, said evidence shall, at a minimum, be based upon the experience of participants who were followed for a period of time after completing the program that is either:

(a) Generally recognized by experts in the field of treating obesity as being of sufficient length for predicting that weight loss will be permanent, or

(b) Demonstrated by competent and reliable survey evidence as being of sufficient duration to permit such a prediction.

B. Representing, directly or by implication, except through endorsements or testimonials referred to in paragraph I.E. herein, that participants of any weight loss program have successfully maintained weight loss, unless respondent discloses, clearly and prominently, and in close proximity to such representation, the statement: "For many dieters, weight loss is temporary."; provided, further, that respondent shall not represent, directly or by implication, that the above-quoted statement does not apply to dieters in respondent's weight loss program; provided, however, that a mere statement about the existence, design, or content of a maintenance program shall not, without more, be considered a representation that participants of any weight loss program have successfully maintained weight loss.

C. Representing, directly or by implication, except through short broadcast advertisements referred to in paragraph I.D. herein, and except through endorsements or testimonials referred to in paragraph I.E. herein, that participants of any weight loss program have successfully maintained weight loss, unless respondent discloses, clearly and prominently, and in close proximity to such representation, the following information:

(1) The average percentage of weight loss maintained by those participants;

(2) The duration over which the weight loss was maintained, measured from the date that participants ended the active weight loss phase of the program, provided, further, that if any portion of the time period covered includes participation in a maintenance program(s) that follows active weight loss, such fact must also be disclosed; and

(3) If the participant population referred to is not representative of the general participant population for respondent's programs:

(a) The proportion of the total participant population in respondent's programs that those participants represent, expressed in terms of a percentage or actual numbers of participants, or

(b) The statement: "Beverly Hills makes no claim that this [these] result[s] is [are] representative of all participants in the Beverly Hills program.";

provided, further, that compliance with the obligations of this paragraph I.C. in no way relieves respondent of the requirement under paragraph I.A. of this order to substantiate any representation about the success of participants on any weight loss program in maintaining weight loss.

D. Representing, directly or by implication, in short broadcast advertisements, that participants of any weight loss program have successfully maintained weight loss, unless respondent:

(1) Includes, clearly and prominently, and in immediate conjunction with such representation, the statement: "Check at our clinics for details about our maintenance record.";

(2) For a period of time beginning with the date of the first broadcast of any such advertisement and ending no sooner than thirty days after the last broadcast of such advertisement, complies with the following procedures upon the first presentation of any form asking for information from a potential client, but in any event before such person has entered into any agreement with respondent:

(a) Give to each potential client a separate document entitled "Maintenance Information," which shall include all the information required by paragraph I.B. and subparagraphs I.C.(1)-(3) of this order and shall be formatted in the exact type size and style as the example form below, and shall include the heading (Helvetica 14 pt. bold), lead-in (Times Roman 12 pt.), disclosures (Helvetica 14 pt. bold), acknowledgment language (Times Roman 12 pt.) and signature block therein; provided, further, that no information in addition to that required to be included in the document required by this subparagraph I.D.(2) shall be included therein:

MAINTENANCE INFORMATION

You may have seen our recent ad about maintenance success. Here's some additional information about our maintenance record.

[Disclosure of maintenance statistics goes
hereXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXX]
For many dieters, weight loss is temporary.

I have read this notice. _____
(Client Signature) (Date)

- (b) Require each potential client to sign such document; and
- (c) Give each client a copy of such document; and

provided, however, that if any potential participant who does not then participate in the program refuses to sign or accept a copy of such document, respondent shall so indicate on such document and shall not, for that reason alone, be found in breach of this subparagraph I.D.(2); and

(3) Retain in each client file a copy of the signed maintenance notice required by this paragraph; provided, further, that:

(i) Compliance with the obligations of this paragraph I.D. in no way relieves respondent of the requirement under paragraph I.A. of this order to substantiate any representation about the success of participants on any weight loss program in maintaining weight loss; and

(ii) Respondent must comply with both paragraph I.D. and paragraph I.C. of this order if respondent includes in any such short broadcast advertisement a representation about maintenance success that states a number or percentage, or uses descriptive terms that convey a quantitative measure such as "most of our customers maintain their weight loss long-term"; and

provided, however, that the provisions of paragraph I.D. shall not apply to endorsements or testimonials referred to in paragraph I.E. herein.

E. Using any advertisement containing an endorsement or testimonial about weight loss success or weight loss maintenance success by a participant or participants of respondent's weight loss programs

if the weight loss success or weight loss maintenance success depicted in the advertisement is not representative of what participants in respondent's weight loss programs generally achieve, unless respondent discloses, clearly and prominently, and in close proximity to the endorser's statement of his or her weight loss success or weight loss maintenance success:

(1) What the generally expected success would be for Beverly Hills customers in losing weight or maintaining achieved weight loss; provided, however, that in determining the generally expected success for Beverly Hills customers respondent may exclude those customers who dropped out of the program within two weeks of their entrance or who were unable to complete the program due to illness, pregnancy, or change of residence; or

(2) One of the following statements:

- (a) "You should not expect to experience these results."
- (b) "This result is not typical. You may not do as well."
- (c) "This result is not typical. You may be less successful."
- (d) "_____'s success is not typical. You may not do as well."
- (e) "_____'s experience is not typical. You may achieve less."
- (f) "Results not typical."
- (g) "Results not typical of program participants.";

provided, further, that if the endorsements or testimonials covered by this paragraph are made in a broadcast medium, any disclosure required by this paragraph must be communicated in a clear and prominent manner and in immediate conjunction with the representation that triggers the disclosure; and

provided, however, that:

(i) For endorsements or testimonials about weight loss success, respondent can satisfy the requirements of subparagraph I.E.(1) by accurately disclosing the generally expected success in the following phrase: "Beverly Hills clients lose an average of ____ pounds over an average ____ - week treatment period"; and

(ii) If the weight loss success or weight loss maintenance success depicted in the advertisement is representative of what participants of a group or subset clearly defined in the advertisement generally

achieve, then, in lieu of the disclosures required in either subparagraph I.E.(1) or (2) herein, respondent may substitute a clear and prominent disclosure of the percentage of all of respondent's customers that the group or subset defined in the advertisement represents.

F. Representing, directly or by implication, that the price at which any weight loss program can be purchased is the only cost associated with losing weight on that program, unless such is the case.

G. Representing, directly or by implication, the price at which any weight loss program can be purchased, unless respondent discloses, clearly and prominently, either:

(1) In close proximity to such representation, the existence and amount of all mandatory costs or fees associated with the program offered; or

(2) In immediate conjunction with such representation, one of the following statements:

(a) "Plus the cost of [list of products or services that participants must purchase at additional cost]."

(b) "Purchase of [list of products or services that participants must purchase at additional cost] required.";

provided, further, that in broadcast media, if the representation that triggers any disclosure required by this paragraph is oral, the required disclosure must also be made orally.

H. Representing, directly or by implication, that any weight loss program or service can be obtained for free, unless respondent discloses, clearly and prominently, either (1) in close proximity to such representation, the existence and amount of all mandatory fees associated with the free offer; or (2) in immediate conjunction with such representation, the following statement: "You must pay for [list of products or services that participants must purchase at additional cost] to take advantage of this free offer."; provided, further, that in broadcast media, if the representation that triggers the disclosure is oral, the disclosures required by either (1) or (2) of this paragraph must also be made orally.

I. Failing to disclose over the telephone, for a period of time beginning with the date of any advertisement of the price at which any weight loss program can be purchased and ending no sooner than 180 days after the last dissemination of any such advertisement, to consumers who inquire about the cost of any weight loss program, or are told about the cost of any weight loss program, the existence and amount of any mandatory costs or fees associated with participation in the program; provided, however, that respondent may satisfy this requirement by directing its weight loss centers to disclose the information, by providing the center personnel with suggested language to be used when responding to telephone inquiries and by making its best efforts to ensure compliance with its directive to disclose price information over the telephone.

J. Representing, directly or by implication, the average or typical rate or speed at which participants or prospective participants in any weight loss program have lost or will lose weight, unless at the time of making such representation, respondent possesses and relies upon competent and reliable scientific evidence substantiating the representation.

K. Representing, directly or by implication, that participants or prospective participants in respondent's weight loss programs have reached or will reach a specified weight within a specified time period, unless at the time of making such representation, respondent possesses and relies upon competent and reliable scientific evidence substantiating the representation.

L. Making comparisons between the efficacy of respondent's weight loss program(s) and the efficacy of any other weight loss and/or diet program(s), unless at the time of making such representation, respondent possesses and relies upon a competent and reliable scientific study or survey substantiating the representation.

M. Making comparisons between the safety of respondent's weight loss program(s) and the safety of any other weight loss and/or diet program(s), unless at the time of making such representation, respondent possesses and relies upon competent and reliable scientific evidence substantiating the representation.

N. Failing to disclose, clearly and prominently, either (1) to each participant who, after the first two weeks on the program, is experiencing average weekly weight loss that exceeds two percent (2%) of said participant's initial body weight, or three pounds, whichever is less, for at least two consecutive weeks, or (2) in writing

to all participants, when they enter the program, that failure to follow the diet instructions and consume the total caloric intake recommended may involve the risk of developing serious health complications.

O. Misrepresenting, directly or by implication, the existence, contents, validity, results, conclusions, or interpretations of any test or study.

P. Misrepresenting, directly or by implication, the performance, efficacy, or safety of any weight loss program or weight loss product.

II.

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

III.

It is further ordered, That for three (3) years after the last date of dissemination of any representation covered by this order, respondent, or its successors and assigns, shall maintain and upon request make available to the Federal Trade Commission for inspection and copying:

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

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

IV.

It is further ordered, That respondent shall distribute a copy of this order to each of its officers, agents, representatives, independent contractors and employees, who is involved in the preparation and

placement of advertisements or promotional materials or in communication with customers or prospective customers or who have any responsibilities with respect to the subject matter of this order; and, for a period of five (5) years from the date of entry of this order, distribute same to all future such officers, agents, representatives, independent contractors and employees.

V.

It is further ordered, That:

A. Respondent shall distribute a copy of this order to each of its franchisees and licensees and shall contractually bind them to comply with the prohibitions and affirmative requirements of this order; respondent may satisfy this contractual requirement by incorporating such order requirements into its current Operations Manual; and

B. Respondent shall further make reasonable efforts to monitor its franchisees' and licensees' compliance with the order provisions; respondent may satisfy this requirement by: (1) taking reasonable steps to notify promptly any franchisee or licensee that respondent determines is failing materially or repeatedly to comply with any order provision; (2) providing the Federal Trade Commission with the name and address of the franchisee or licensee and the nature of the noncompliance if the franchisee or licensee fails to comply promptly with the relevant order provision after being so notified; and (3) in cases where that franchisee's or licensee's conduct constitutes a material or repeated violation of the order, diligently pursuing reasonable and appropriate remedies available under its franchise or license agreement and applicable state law to bring about a cessation of that conduct by the franchisee or licensee.

VI.

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

IN THE MATTER OF

DOCTORS MEDICAL WEIGHT LOSS CENTERS, INC., ET AL.

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

Docket C-3516. Complaint, Aug. 11, 1994--Decision, Aug. 11, 1994

This consent order prohibits, among other things, the Florida commercial diet program companies and their officer from misrepresenting the performance or safety of any diet program they offer in the future, and requires the respondents to possess competent and reliable scientific evidence to substantiate any future claims they make about weight loss, weight loss maintenance, or rate of weight loss; to make a number of disclosures regarding maintenance success claims; and to disclose all mandatory fees.

Appearances

For the Commission: *Eric Bash, Matthew Daynard and Richard F. Kelly.*

For the respondents: *Gabriel Imperato, Broad & Cassell, Fort Lauderdale, FL.*

COMPLAINT

The Federal Trade Commission, having reason to believe that Doctors Medical Weight Loss Centers, Inc. ("DMWLC"), Doctors Weight Loss Centers, Inc. ("DWLC"), and Joyce A. Schuman, individually and as an officer of said corporations (hereinafter, collectively, "respondents"), have 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. (a) Respondents DMWLC and DWLC are Florida corporations, formerly doing business, with their principal offices and places of business located at 5479 A North Federal Highway, Fort Lauderdale, Florida.

(b) Respondent Joyce A. Schuman is an officer of the corporate respondents. Individually or in concert with others, she formulates, directs, and controls the acts or practices of the corporate