

IN THE MATTER OF

QUICK WEIGHT LOSS CENTERS, INC., ET AL. (TEXAS)

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SECS. 5 AND 12 OF THE FEDERAL TRADE COMMISSION ACT*Docket C-3517. Complaint, Aug. 11, 1994--Decision, Aug. 11, 1994*

This consent order prohibits, among other things, the Texas commercial diet program company and its officers 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 Quick Weight Loss Centers, Inc., a Texas corporation (hereinafter, "QWLC-Tex."), Don K. Gearheart, individually and as an officer of said corporation, and Joyce A. Schuman, individually and as an officer of said corporation (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) Respondent QWLC-Tex. is a Texas corporation, formerly doing business, with its principal office and place of business located at 2900 Gateway, Suite 605, Irving, Texas.

(b) Respondent Don K. Gearheart is an officer of the corporate respondent. Individually or in concert with others, he formulates, directs, and controls the acts or practices of the corporate respondent, including the acts or practices alleged in this complaint. His principal

residence is located at 9520 East Pinnacle Pear Road, Scottsdale, Arizona.

(c) Respondent Joyce A. Schuman is an officer of the corporate respondent. Individually or in concert with others, she formulates, directs, and controls the acts or practices of the corporate respondent, including the acts or practices alleged in this complaint. Her principal residence is located at 2730 Sea Island Drive, Fort Lauderdale, Florida.

(d) Respondents have cooperated and acted together in carrying out the acts and practices alleged in this complaint.

PAR. 2. Respondents have advertised or otherwise promoted, offered for sale, and sold weight reduction and weight control programs and products, and have made them available to consumers at their weight loss centers. Respondents have offered for sale and sold diet programs of 800 to 1500 calories per day that include food, as "food" is defined in Section 15 of the Federal Trade Commission Act.

PAR. 3. In the course and conduct of their business, respondents have disseminated or have caused to be disseminated advertisements for weight reduction and weight control programs and products. Respondents have placed these advertisements with various media for the purpose of inducing consumers to purchase their programs and products. Respondents have further advertised their weight loss programs through the use of promotional materials, including pamphlets and brochures, given to customers and prospective customers at individual weight loss center locations.

PAR. 4. The acts and practices of respondents 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. Respondents' advertisements and promotional materials include, but are not necessarily limited to, the advertisements and promotional materials attached hereto as Exhibits A-M.

PAR. 6. The advertisements and promotional materials referred to in paragraph five, attached hereto as Exhibits A-F, contain the following statements:

- (a) "LOSE WEIGHT, KEEP IT OFF THE EASY WAY" (Exhibit A)
- (b) "WHAT MAKES A WEIGHT LOSS PROGRAM GREAT? ... Results should be long lasting & offer a lifetime solution to a weight problem ... GUESS WHAT ... We just described the QUICK WEIGHT LOSS PROGRAM." (Exhibit B)

- (c) "'Keeping the weight off has been no problem' ... LONG * LASTING RESULTS" (Exhibit C)
- (d) "'I lost 60 lbs. and have learned to keep it off. It's been over 3 years now and I still look and feel great.'" (Exhibit D)
- (e) "'Reaching my goal was the greatest day of my life.'" (Exhibit E)
- (f) "'Now that I have reached my goal I will be able to maintain my weight because I have learned to prepare great dietary meals and how to order in restaurants.'" (Exhibit F)

PAR. 7. Through the use of the statements contained in the advertisements referred to in paragraph six, and others in advertisements or promotional materials not specifically set forth herein, respondents have represented, directly or by implication, that:

- (a) QWLC-Tex. customers typically are successful in reaching their weight loss goals and maintaining their weight loss either long-term or permanently;
- (b) QWLC-Tex. customers typically are successful in maintaining their weight loss achieved under the QWLC-Tex. diet program; and
- (c) QWLC-Tex. customers typically are successful in reaching their weight loss goals.

PAR. 8. Through the use of the statements contained in the advertisements referred to in paragraph six, and others in advertisements or promotional materials not specifically set forth herein, respondents have represented, directly or by implication, that at the time they made the representations set forth in paragraph seven, respondents possessed and relied upon a reasonable basis that substantiated such representations.

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

PAR. 10. The advertisements referred to in paragraph five, attached hereto as Exhibits B-D and G-L contain the following statements:

- (a) "6 WEEKS FOR \$66" (Exhibits B, G)
- (b) "\$11.00 per week" (Exhibits C, D, H, I, J)
- (c) "FOR ONLY \$11" (Exhibit K)

(d) "COMPLETE WEIGHT LOSS PROGRAM FOR LESS THAN \$9 PER WEEK" (Exhibit L)

PAR. 11. Through the use of the statements contained in the advertisements referred to in paragraph ten, and others in advertisements or promotional materials not specifically set forth herein, respondents have represented, directly or by implication, that the advertised price is the only cost associated with losing weight on the QWLC-Tex. weight loss program.

PAR. 12. In truth and in fact, the advertised price is not the only cost associated with losing weight on the QWLC-Tex. weight loss program. There are substantial, additional mandatory expenses associated with participation in the QWLC-Tex. weight loss program. Therefore, respondents' representation as set forth in paragraph eleven was and is false and misleading.

PAR. 13. In advertising the price of the QWLC-Tex. weight loss program, respondents have failed to disclose to consumers the existence and amount of all mandatory expenses associated with participation in the QWLC-Tex. weight loss program. This fact would be material to consumers in their purchase or use decisions regarding the weight loss program. In light of respondents' representation as set forth in paragraph eleven that the quoted price represents the only cost associated with the QWLC-Tex. weight loss program, said failure to disclose was and is a deceptive practice.

PAR. 14. The advertisements referred to in paragraph five, attached hereto as Exhibits A, G-J, and M, contain the following statements:

- (a) "Lose 3-8 pounds a week" (Exhibits A, G)
- (b) "LOSE 30 LBS. IN 30 DAYS" (Exhibit G)
- (c) "LOSE 3-7 LBS. A WEEK ..." (Exhibit H)
- (d) "NOW YOU CAN LOSE 3-6 LBS. A WEEK ..." (Exhibits I, J)
- (e) "CALL, COME IN AND START TODAY ... BE 7 LBS. LIGHTER BY NEXT WEEK!" (Exhibit M)

PAR. 15. Through the use of the statements contained in the advertisements referred to in paragraph fourteen, and others in advertisements or promotional materials not specifically set forth herein, respondents have represented, directly or by implication, that consumers following the QWLC-Tex. weight loss program typically lose weight at an average rate of:

- i) Thirty pounds in thirty days; and
- ii) Three to eight pounds per week.

PAR. 16. The advertisements referred to in paragraph five, attached hereto as Exhibits B and K, contain the following statements:

- (a) "LOSE UP TO 7 LBS. PER WEEK" (Exhibit B)
- (b) "LOSE UP TO 6 lbs Per Week" (Exhibit K)

PAR. 17. Through the use of the statements contained in the advertisements referred to in paragraph sixteen, and others in advertisements or promotional materials not specifically set forth herein, respondents have represented, directly or by implication, that an appreciable number of consumers following the QWLC-TEX. weight loss program typically lose weight at an average rate of six to seven pounds per week.

PAR. 18. Through the use of the statements contained in the advertisements referred to in paragraphs fourteen and sixteen, and others in advertisements or promotional materials not specifically set forth herein, respondents have represented, directly or by implication, that at the time they made the representations set forth in paragraphs fifteen and seventeen, respondents possessed and relied upon a reasonable basis that substantiated such representations.

PAR. 19. In truth and in fact, at the time respondents made the representations set forth in paragraphs fifteen and seventeen, they did not possess and rely upon a reasonable basis that substantiated such representations. Therefore, respondents' representation as set forth in paragraph eighteen was and is false and misleading.

PAR. 20. In the course and conduct of their business, respondents have provided their customers with diet protocols that required said customers, *inter alia*, to come in to one of respondents' weight loss centers three to six times a week for monitoring of their progress, including weighing in. In the course of regularly ascertaining weight loss progress, respondents, in some instances, have been presented with weight loss results indicating that customers have been losing weight significantly in excess of their projected goals, which is an indication that they may not have been consuming all of the food prescribed by their diet protocol. Such conduct could, if not corrected promptly, result in health complications.

PAR. 21. When presented with the weight loss results described in paragraph twenty, respondents, on many occasions, have not disclosed to the customers that failing to follow the diet protocol and consume all of the calories prescribed could result in health complications. This fact would be material to customers in their purchase or use decisions regarding the weight loss program. In light of respondents' practice of monitoring customers, said failure to disclose was and is a deceptive practice.

PAR. 22. The advertisements and promotional materials referred to in paragraph five, attached hereto as Exhibit G, contain the following statements:

(a) "Medically supervised by weight loss specialists" (Exhibit G)

PAR. 23. Through the use of the statements referred to in paragraph twenty-two, and others in advertisements or promotional materials not specifically set forth herein, respondents have represented, directly or by implication, that customers who participate in QWLC-Tex. diet programs are monitored by health professionals.

PAR. 24. In truth and in fact, customers who participate in QWLC-Tex. diet programs are not monitored by health professionals. Therefore, respondents' representation as set forth in paragraph twenty-three was and is false and misleading.

PAR. 25. The acts and practices of respondents 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.

Complaint

118 F.T.C.

EXHIBIT A

OVERWEIGHT MEN, WOMEN AND TEENS

NEW YEAR'S RESOLUTION:

**LOSE WEIGHT,
KEEP IT OFF
THE EASY
WAY**



"69 Lbs. in only 23 weeks...
It was easy &
I was never hungry!"
Lilianne DeGrasse

**Call, Come In, or
Start today and
Receive one
MONTH FREE**

NO HUNGER • NO EXERCISE

Eat regular everyday food and lose 3-8 pounds a week. "It's safe, it's sensible and it's fast."
SAVE \$300 a month by not having to buy expensive pre-packaged foods.

Discover 24 Secrets to Get & Stay Slim • FREE CONSULTATION

CALL

PRESTON.....739-8077	DALLAS	FT. WORTH	S. ARLINGTON.....483-5061
RICHARDSON.....880-1896	239-SLIM	277-SLIM	MULEN.....348-1987
IRVING.....859-1300	for location nearest you		CAMP BOWIE.....783-8585
CARROLLTON.....323-9211			MURST.....294-2216
GRAND PRAIRIE.....602-0077			ARLINGTON.....548-1111
ME SOUTE.....613-5833			BEDFORD.....354-8665
DUNCANVILLE.....331-1700			MOCKINGBIRD.....823-2017
PLANO.....424-4121			

15 Convenient Locations

HOURS: MON. thru FRI. 9 a.m.-8 p.m. • SAT. 9 a.m.-1 p.m.
MAJOR CREDIT CARDS ACCEPTED

EXHIBIT A

000682

Dallas Morning News 2-6-77 Tuesday

EXHIBIT B

LOSE WEIGHT EATING 3 GOOD MEALS A DAY!

CALL, COME IN
START TODAY

RECEIVE
6 WEEKS **\$66.00**
FOR ONLY

WHAT MAKES A WEIGHT LOSS PROGRAM GREAT?*

- * Must be safe, easy and no special foods to buy
- * Must be flexible in all situations such as eating out in fast food outlets & restaurants
- * Results should be long lasting & offer a life time solution to a weight problem.
- * Must be affordable & Drug Free

GUESS WHAT... We just described the QUICK WEIGHT LOSS PROGRAM. Call now for your FREE consultation.

**LOSE UP TO 7
LBS. PER WEEK**

**QUICK
WEIGHT
LOSS
CENTERS**

BEFORE: 184 LBS.



SIZE 14

AFTER: 128 LBS.



SIZE 6

REMEMBER,
RESULTS LIKE THIS
CAN ONLY START
WHEN YOU DO!

**TAMI CUNNINGHAM LOST 56 LBS. & 8
DRESS SIZES & WAS NEVER HUNGRY
WHILE EATING 3 GREAT MEALS A DAY**

PRESTON..... 739-8077	MESQUITE..... 613-9833	CAMP BOWIE..... 763-8585
RICHARDSON..... 680-1686	DUNCANVILLE..... 331-1700	MURST..... 284-2216
IRVING..... 659-1300	PLANO..... 424-4121	ARLINGTON..... 548-1111
CARROLLTON..... 323-8211	S. ARLINGTON..... 483-5081	BECKFORD..... 354-8665
GRAND PRAIRIE..... 602-9077	MULEN..... 346-1987	MOCKINGBIRD..... 623-2017

18 LOCATIONS
*EXCLUDES PROFILING FEES & SUPPLEMENTS
* Min 6 wks Program
Major Credit Cards Accepted

TOLL FREE 1-800-366-LOSE

HOURS: MON-FRI. 9 AM-7 PM SAT. 10 AM-5 PM
RECEIVE 4 WEEKS OF THE WEIGHT LOSS PORTION OF THE PROGRAM

Oct 10

EXHIBIT B

October 10, 1990

000775
000718

Complaint

118 F.T.C.

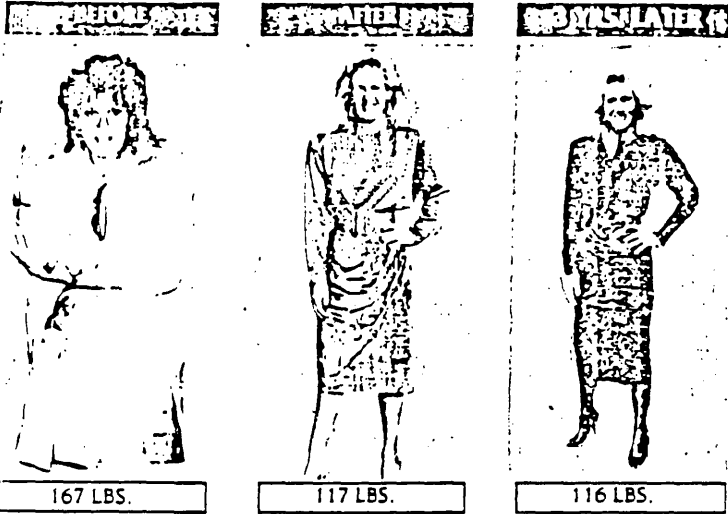
EXHIBIT C

May 5, 1991

JOIN THIS WEEK
LOSE UP TO 3-6 LBS. PER WEEK

ONLY \$11.00*
Service Fee

BEFORE **AFTER** **CONSULTANT**



167 LBS. 117 LBS. 116 LBS.

"Keeping the weight off has been no problem, I love wearing size 5" ...Wendy Manning
In our opinion this is the *safest, easiest and least expensive* weight loss program
available in all of Texas. -Management...Q.W.L.C.

EFFECTIVE • SAFE • LONG • LASTING RESULTS • EASY • PRIVATE COUNSELING •
INEXPENSIVE • NO PRE-PACKED FOODS TO BUY • FLEXIBLE • EAT-IN RESTAURANTS,
FAST FOOD OUTLETS OR AT HOME • PEOPLE PROVEN

- CALL OR DROP IN YOUR FREE CONSULTATION -
QUICK WEIGHT LOSS CENTERS

HULEN 346-1987	S. ARLINGTON 483-5081	CARROLLTON 323-9211
CAMP BOWE 763-8585	GRAND PRAIRIE 602-0077	DUNCANVILLE 331-1700
HURST 284-2218	IRVING 639-1300	PLANO 124-4121
BEDFORD 354-8663	PRESTON 739-8077	MESQUITE 613-5833
ARLINGTON 548-1111	MOCKINGBIRD 823-2017	RICHARDSON 680-1696

* Excludes of Profiling and Surveys
* In-Home & Mail-In are Available

WEIGHT LOSS VARIES WITH INDIVIDUALS

OPEN EVENINGS & SATURDAY 5:00-9:00 PM, Sat. 11-1 PM Major Credit Cards Accepted

IBIT C

000142

290

Complaint

EXHIBIT D

Tuesday, July 2, 1991 A-5

PERSONAL SUPERVISION

**"I TRIED THEM ALL!
AND NOTHING WORKED UNTIL QWLC.**
*I lost 60lbs and have learned to keep it off.
It's been over 3 years now and I still look and feel great."*
LEZIA PETRIZIO, Dallas, TX

ONLY \$11.00
ON PROGRAM BASIS

Call For Free Information

QUICK WEIGHT LOSS CENTERS

HULEN..... 346-1987	S. ARLINGTON... 483-5081	CARROLLTON... 323-9211
CAMP BOWIE... 763-8585	GRAND PRAIRIE 602-0077	DUNCANVILLE... 331-1700
HURST..... 284-2216	IRVING..... 659-1300	PLANO..... 424-4121
BEDFORD..... 354-8665	PRESTON..... 739-8077	MESQUITE..... 613-5833
ARLINGTON..... 548-1111	MOCKINGBIRD.. 823-2017	RICHARDSON... 680-1696

Weight loss varies with individual.
Exclusive of Resting and Symptom.

MAJOR CREDIT CARDS ACCEPTED - 24 HOURS SATISFACTION - PEOPLE PROVEN

EXHIBIT D

000139

Complaint

118 F.T.C.

EXHIBIT E

X-1111 1111

LOST 86 LBS & WENT FROM A SIZE 16 TO A SIZE 2

Announcing the 10 Day Program*

JOIN THIS WEEK FINAL WEEK!

Expires 4/21/90

FOR ONLY \$19

"I encourage everyone to start working on a new you! Today! What an improvement on my self-image. Reaching my goal was the greatest day of my life. I have never felt healthier. OWLC really works, and it's safe."
 Maria C. Barnes R.N.
 Garland, TX

**No Hunger • No Exercise
 No Pre-Packaged
 Food To Buy
 FAST • SAFE • EASY
 Call Today For Your FREE
 Consultation**

**REMEMBER, RESULTS START
 WHEN YOU DO!**

THE QUICK WEIGHT LOSS CENTERS

PRESTON.....	739-8077	S. ARLINGTON.....	483-5081
RICHARDSON.....	680-1696	HULEN.....	346-1987
IRVING.....	659-1300	CAMP BOWIE.....	763-8585
CARROLLTON.....	323-9211	HURST.....	284-2216
GRAND PRAIRIE.....	602-0077	ARLINGTON.....	548-1111
MESQUITE.....	613-5833	BEDFORD.....	354-8665
DUNCANVILLE.....	331-1700	MOCKINGBIRD.....	823-2017
PLANO.....	424-4121		

*Weight loss varies with the individual

Major Credit Cards Accepted
 WEEKDAYS 9 AM-8PM, SAT. TIL 1 PM

OPEN EVENINGS & SATURDAY
 Toll Free **1-800-366LOSE**

EXHIBIT E

000667

EXHIBIT F

Tuesday, April 30, 1991

The Dallas Morning News

WEIGHT LOSS THAT WORKS

BETTY STRATTON

LOST 30 LBS.

This program provides...
**GUIDANCE
ATTENTION
RESULTS**

MAJOR CREDIT CARDS
ACCEPTED
HOURS:
MON.-FRI. 9a.m.-7p.m.
SAT. 9a.m.-1p.m.

ENROLL NOW Receive ONE MONTH FREE*

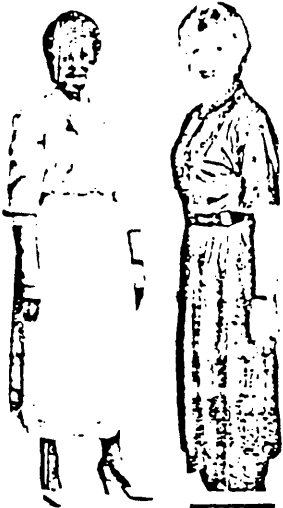
Must Have 30 lbs. to lose

"Now that I have reached my goal I will be able to maintain my weight because I have learned to prepare great dietary meals and how to order in restaurants."

QUICK WEIGHT LOSS CENTERS

PRESTON	739-8077
GARLAND	680-1696
IRVING	659-1300
CARROLLTON	323-9211
GRAND PRAIRIE	602-0077
MESQUITE	613-5633
DUNCANVILLE	331-1700
PLANO	424-4121
S. ARLINGTON	483-5081
HULEN	346-1987
CAMP BOWIE	763-8585
HURST	284-2216
ARLINGTON	548-1111
BEDFORD	354-8665
MOCKINGBIRD	823-2017

Exclusive of Supplements.



BEFORE
AFTER

CALL FOR A FREE CONSULTATION

EXHIBIT F

000111

EXHIBIT G

**LOSING 43 POUNDS
CHANGED MY LIFE!**

**LOSE 30 LBS. IN 30 DAYS
CALL OR COME IN TODAY**

**ENROLL NOW
SIX WEEKS
FOR
\$66**

Enroll now and receive 6 weeks of the weight loss portion of OWLC's Program for \$66.

Before 174 lbs. AFTER 131 lbs.

"Before coming to OWLC, I was unhappy with myself and had no self-esteem. My husband was unhappy because of how I felt about myself. Now, after losing 43 lbs., I feel great and my husband says it's much easier to live with me. I've changed my eating habits and have much more energy and feel healthier. Losing the weight was easy... no hunger, no exercise. The people at OWLC are very supportive and I couldn't have done it without them."
-DEBRA REMER

LOSE 3 TO 8 LBS. PER WEEK

- Medically supervised by weight loss specialists
- No hunger or exercising
- No pills or injections
- Special programs for kids
- Guaranteed results

FOR MEN, WOMEN AND CHILDREN

Call Today for Your FREE Consultation
QUICK WEIGHT LOSS CENTERS

Fourteen Convenient Metroplex Locations

DALLAS

PRESTON
RICHARDSON
IRVING
CARROLTON
MESQUITE
DUNCANVILLE
PLANO
MOCKINGBIRD/ABRAMS

CALL

Dallas
239-SLIM or 277-SLIM
for location nearest you

FORT WORTH

HULEN
CAMP BOWIE
HURST
ARLINGTON
BEDFORD
SOUTH ARLINGTON

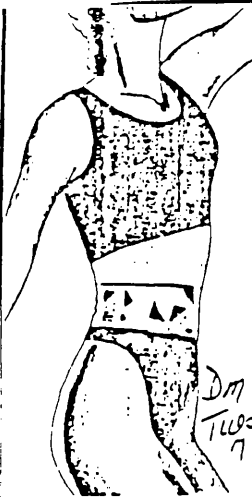
*RECEIVES BY PHONE AND SUPPLEMENTS MAJOR CREDIT CARDS ACCEPTED - Hours: Mon. thru Fri. 9am-5pm, Sat. 9am-1pm *Weight Loss Centers With The Network

EXHIBIT G

Tuesday A.M., June 27, 1989 / Fort Worth Star-Telegram / Section 4, Page 3

000315

EXHIBIT H



LOSE
3-7 LBS. A WEEK

\$11
PER WEEK*

*NEW PROGRAMS ONLY
6 WEEK MINIMUM PROGRAM
People Proven
Since 1979

**LOSE
WEIGHT
THE SAFE
HEALTHY
WAY**

*DMN
Tues
7-175*

*Weight Loss Varies with Individual

Lose 3 to 7 Lbs.* Per Week While Eating
Lots of Low Fat High Fiber Foods, Which
Recent Medical Studies Indicate May
Have A Preventative Effect On Major
Health Problems. . .

SAFE • EASY • NO HUNGER

SLIMPER WEEK

CALL TODAY FOR YOUR FREE CONSULTATION

QUICK WEIGHT LOSS CENTER

PRESTON	738-8077	S ARLINGTON	483-8081
RICHARDSON	680-1886	MULEN	348-1887
IRVING	658-1300	CAMP BOWIE	763-8585
CARROLLTON	323-8211	MURST	284-2216
GRAND PRAIRIE	802-0077	ARLINGTON	848-1111
MEADOWS	613-5833	BEDFORD	354-8665
DUNCANVILLE	331-1700	MOCKINGBIRD	823-2017
PLANO	474-4121		

WEEKDAYS 9 TO 7:00
SATURDAY TILL 1:00 P.M.

Toll Free 1-800-366-LOSE

* Stabilization & Maintenance Optional
* Excludes Protein & Supplements

000661

Complaint

118 F.T.C.

EXHIBIT I

9/30/90
PSC

NOW YOU CAN LOSE 3-6 LBS.

A WEEK FOR ONLY

\$11 per week

*Limited offer. New programs only. 6 week minimum program. Exclusive profiling & supplements.

LAST 4 DAYS!



HOURS:
MON-FRI
9 AM-7 PM
SAT
9 AM-1 PM

Major Credit Cards
Accepted

THE KAWAIGHT LOSS CENTER

Remember, Results Start When You Do.

PRESTON	739-8077	S. ARLINGTON	483-5081
RICHARDSON	680-1686	HULEN	346-1987
IRVING	658-1300	CAMP BOWIE	763-8585
CARROLLTON	323-9211	HURST	284-2216
GRAND PRAIRIE	602-0077	ARLINGTON	548-1111
MESQUITE	613-5833	BEDFORD	354-8665
DUNCANVILLE	331-1700	MOCKINGBIRD	823-2017
PLANO	424-4121		

TOLL FREE 1-800-366-LOSE

*exclusive of supplements & profiling

EXHIBIT I

000630

EXHIBIT J

**NOW YOU CAN LOSE
3-6* LBS. A WEEK
ONLY \$11 PER WEEK***

New Programs 6 Week Minimum

DTH
Trying 2/19/90



Before: 179 Lbs. After: 109 Lbs.

"My 15 Year Old Clothes Fit Again! After losing 70 lbs my back problems improved. I was tired of being fat. A friend recommended QWLC and the best thing I did was call. I lost 70 lbs with plenty to eat and learned how to eat right so I'll never gain weight again eating regular food, not prepackaged meals. On other weight loss programs I'd lose 20 lbs. but gain it back, stupid! But not with QWLC. Thanks to them I'm shopping for size 14's instead of 20's. It has been 17 years since I could get into a size 14. Thanks to QWLC."

Sherry Agrella

PERSONAL TOUCH COUNSELING
Receive one-to-one Personal Counseling from our own weight loss specialist. Behavior Education and Nutritional Guidance Teaches you to keep the Weight Off.

QUICK WEIGHT LOSS CENTERS

PRESTON.....	739-8077	S. ARLINGTON.....	483-5081
RICHARDSON.....	680-1896	HULEN.....	346-1987
IRVING.....	659-1300	CAMP BOWIE.....	763-6585
CARROLLTON.....	323-9211	MURST.....	284-2216
GRAND PRAIRIE.....	602-0077	ARLINGTON.....	548-1111
MESQUITE.....	613-5833	BEDFORD.....	354-8885
CUNCANVILLE.....	331-1700	MOCKINGBIRD.....	823-2017
PLANO.....	424-4121		

Call for FREE Consultation

1-800-366-LOSE

* Weight Loss Varies with individuals
* Excludes all Protein & Supplements
Open Evenings & Saturday Mon.-Fri. 8-7 pm Sat. 10-1
Major Credit Cards Accepted

000657

EXHIBIT K

LOSE UP TO 6 lbs Per Week*



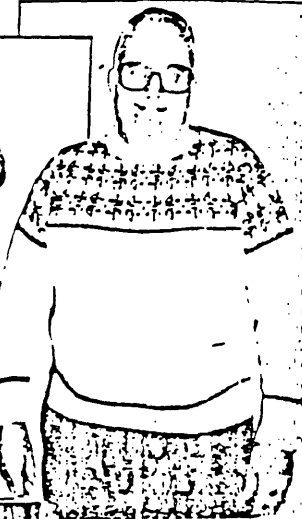
FOR ONLY \$11
2 WEEKS 20 MEALS 20 MEALS

"I hate to diet, but this plan is fantastic! The staff is extremely supportive and they never pointed a finger or critized me. I lost 83 lbs and 33 inches. My blood pressure is normal I feel like a million!"

Olin R. Heifner
Garland, Texas

No Hunger • No Exercise
No Pre-Packaged
Meals To Buy
FAST • SAFE • EASY

FINAL WEEK

BEFORE 264.5 lbs
AFTER 181.5 lbs

*Dr. H. Sunday
Aug 26, 1990.*

Call Today For Your FREE Consultation Remember, Results start when you do.



PRESTON	739-8077	S. ARLINGTON	483-5081
RICHARDSON	680-1695	HULEN	346-1987
IRVING	659-1300	CAMP BOWIE	763-8585
CARROLLTON	323-9211	MURST	284-2216
GRAND PRAIRIE	602-0077	ARLINGTON	548-1111
MESQUITE	613-5833	BEDFORD	354-8665
DUNCANVILLE	331-1700	MOCKINGBIRD	823-2017
PLANO	424-4121		

Major Credit Cards Accepted Excludes of Supplements & Profiling
WEEKDAYS 9 AM-7 PM, SAT. TIL 1 PM

OPEN EVENINGS & SATURDAY
1-800-366-LOSE

EXHIBIT L

Tuesday, April 2, 1991

The Dallas Morning News

COMPLETE WEIGHT LOSS PROGRAM
FOR LESS THAN \$9* PER WEEK
FINAL WEEK HELD OVER BY POPULAR DEMAND!

* Includes AT NO ADDITIONAL COST:

- Personalized Program
- Enrollment
- Unlimited Weight Loss as Fast or Slow as you want
- Unlimited Office Visits
- Professional Supervision
- Stabilization
- Maintenance
- Private One-on-One Counseling

"I lost 68 lbs. in 21 weeks. My daughters are physicians & they recommend this program."
Carmen Flores
 * Based on 1 year membership



CALL & DROP-IN FOR FREE CONSULTATION

QUICK WEIGHT LOSS CENTERS

PRESTON.....739-8077	DUNCANVILLE.....331-1700	ARLINGTON.....548-1111
RICHARDSON.....680-1696	PLANO.....424-4121	BEDFORD.....354-8665
IRVING.....659-1300	S. ARLINGTON.....483-5081	MOCKINGBIRD.....823-2017
CARROLLTON.....323-9211	HULEN.....346-1987	
GRAND PRAIRIE.....602-0077	CAMP BOWIE.....763-8585	
MESQUITE.....613-5833	HURST.....284-2216	

EXHIBIT L

000112

Complaint

118 F.T.C.

EXHIBIT M

The Dallas Morning News

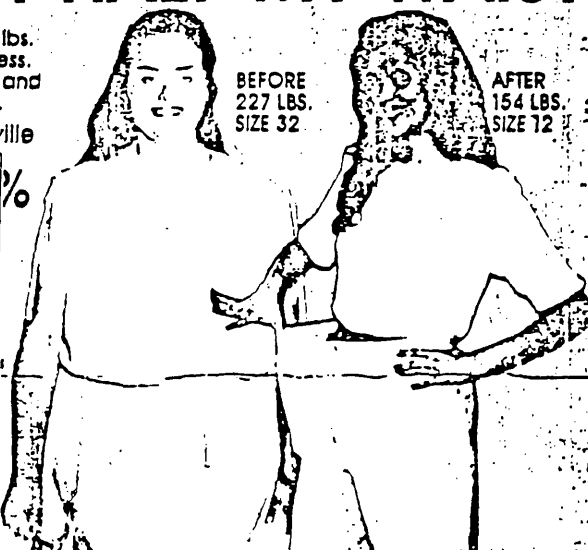
Monday, January 23, 1989

I LOST HALF MY WAIST

I used to be 227 lbs. and a size 32 dress. I dropped 73 lbs. and 10 dress sizes.

Sharon Somerville

BEFORE
227 LBS.
SIZE 32



AFTER
154 LBS.
SIZE 12

**ONE %
FREE*
MONTH**

*First time and returns only. Free return. Must have 30 or more lbs. to lose. Also special savings for 1 year or more.

- Guaranteed results
- No Hunger Pangs or Exercise
- Supervised by Nurse & Weight Loss Specialists
- No Pills or Injections
- No tasteless pre-packaged meals

CALL, COME IN AND START TODAY...BE 7 LBS. LIGHTER BY NEXT WEEK!

QUICK WEIGHT LOSS CENTERS

DALLAS	FORT WORTH
PRESTON 778-8077	HULEN 348-1987
RICHARDSON 840-1896	CAMP BOWIE 783-8585
IRVING 859-1300	HURST 284-2218
CARROLLTON 323-8211	ARLINGTON 848-1111
MESQUITE 813-5833	BEDFORD 354-8688
DUKANVILLE 331-1700	SOUTH ARLINGTON 483-5081
PLANO 424-4131	
MOCKINGBIRD/ABRAMS 823-2017	

At Major Credit Cards Accepted
Hours 9-7 Mon. to Fri. 9-12 Sat.
Specials vary, no same weight loss
 HOURS: MON. thru FRI. 8 a.m.-7 p.m., SAT. 9:00 a.m.-1:00 p.m.

EXHIBIT M

000339

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 Bureau of Consumer Protection 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, their attorneys, 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 had reason to believe that the respondents had 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 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings and enters the following order:

1. Respondent QWLC-Tex. is a corporation organized, existing and formerly doing business under and by virtue of the laws of the State of Texas, with its offices and principal place of business located at 2900 Gateway, Suite 605, Irving, Texas.
2. Respondent Don Gearheart is an individual with his principal residence located at 9520 East Pinnacle Pear Road, Scottsdale, Arizona.
3. Respondent Joyce A. Schuman is an individual with her principal residence located at 2730 Sea Island Drive, Fort Lauderdale, Florida.
4. The Federal Trade Commission has jurisdiction of the subject matter of the proceeding and of the respondents, 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 based on the expertise of professionals in the relevant area, that have been conducted and evaluated in an objective manner by persons qualified to do so, using procedures generally accepted in the profession 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 print media 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 respondents QWLC-Tex., a corporation, its successors and assigns, and its officers, and Don K. Gearheart, individually and as an officer of said corporation, and Joyce A. Schuman, individually and as an officer of said corporation, and respondents’ agents, representatives, and employees, directly or through any corporation, subsidiary, division, or other device, 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, respondents possess and rely 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 of respondents’ 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 respondents’ 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 respondents disclose, clearly and prominently, and in close proximity to such representation, the statement: "For many dieters, weight loss is temporary"; provided, further, that respondents shall not represent, directly or by implication, that the above-quoted statement does not apply to dieters in respondents' 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 on any weight loss program have successfully maintained weight loss, unless respondents disclose, 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 respondents' programs:

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

(b) The statement: "[Quick Weight Loss Centers] makes no claim that this [these] result[s] is [are] representative of all participants in the [Quick Weight Loss Centers] program."

provided, further, that compliance with the obligations of this paragraph I.C. in no way relieves respondents 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 respondents:

(1) Include, clearly and prominently, and in immediate conjunction with such representation, the statement: "Check at our centers 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, comply 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 respondents:

(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 point bold), lead-in (Times Roman 12 point), disclosures (Helvetica 14 point bold), acknowledgment language (Times Roman 12 point), 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

(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 respondents 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;
- (ii) Respondents must comply with both paragraph I.D. and paragraph I.C. of this order if respondents include 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";

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 respondents' weight loss programs if the weight loss success or weight loss maintenance success depicted in the advertisement is not representative of what participants of respondents' weight loss programs generally achieve, unless respondents disclose, 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 QWLC-Tex. customers in losing weight or maintaining achieved weight loss; provided, however, that the generally expected success for QWLC-Tex. customers 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;

provided, however, that:

(i) For endorsements or testimonials about weight loss success, respondents can satisfy the requirements of subparagraph I.E. (1) by accurately disclosing the generally expected success in the following phrase: "Quick Weight Loss Centers, Inc. participants 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 subparagraphs I.E. (1) or (2) herein, respondents may substitute a clear and prominent disclosure of the percentage of all of respondents'

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 respondents disclose, clearly and prominently, either:

(1) In close proximity to such representation, the existence and amount of all mandatory 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]"; or

(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. Failing to disclose over the telephone, for a period 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 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 and all mandatory costs or fees associated with participation in the program; provided, however, that respondents may satisfy this requirement by directing their weight loss centers to disclose the information, by providing the center personnel with suggested language to be used when responding to phone inquiries and by making their best efforts to ensure compliance with their directive to disclose price information over the telephone.

I. Representing, directly or by implication, that prospective participants in respondents, weight loss programs will reach a specified weight within a specified time period, unless at the time of

making such representation, respondents possess and rely upon competent and reliable scientific evidence substantiating the representation.

J. Representing, directly or by implication, the average or typical rate or speed at which any participant on any weight loss program has lost or will lose weight, unless at the time of making any such representation, respondents possess and rely upon competent and reliable scientific evidence that substantiates the representation.

K. 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 program protocol and eat all of the food recommended may involve the risk of developing serious health complications.

L. Representing, directly or by implication, that any weight loss program is supervised or monitored by health care professionals, unless such is the case, or otherwise misrepresenting, directly or by implication, the extent to which any weight loss program is supervised or monitored by health care professionals.

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

II.

It is further ordered, That respondents 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 corporation(s), the creation or dissolution of subsidiaries, or any other change in the corporation(s) that may affect compliance obligations arising out of this order.

III.

It is further ordered, That respondents Don K. Gearheart and Joyce A. Schuman shall promptly notify the Commission of the discontinuance of their present business or employment and of their affiliation with a new business or employment. In addition, for a

period of three (3) years from the service date of this order, the individual respondents shall promptly notify the Commission of each affiliation with a new business or employment whose activities relate to the advertising, promotion, offering for sale, or sale of any weight loss program. When so required under this paragraph, each such notice shall include the individual respondent's new business address and a statement of the nature of the business or employment in which the individual respondent is newly engaged, as well as a description of the individual respondent's duties and responsibilities in connection with the business or employment. The expiration of the notice provision of this paragraph shall not affect any other obligation arising under this order.

IV.

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

A. All materials possessed and relied upon to substantiate any such representation; and

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

V.

It is further ordered, That respondents shall distribute a copy of this order to each of their officers, agents, representatives, independent contractors and employees who are 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 three (3) years from the date of entry of this order, distribute same to all future such officers, agents, representatives, independent contractors and employees.

VI.

It is further ordered, That respondents 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 they have complied with this order.

IN THE MATTER OF

QUICK WEIGHT LOSS CENTERS, INC., ET AL. (GEORGIA)

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SECS. 5 AND 12 OF THE FEDERAL TRADE COMMISSION ACT*Docket C-3518. Complaint, Aug. 11, 1994--Decision, Aug. 11, 1994*

This consent order prohibits, among other things, the Georgia commercial diet program company and its 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 Quick Weight Loss Centers, Inc., a Georgia corporation (hereinafter, "QWLC-Ga."), and Don K. Gearheart, individually and as an officer of said corporation, (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) Respondent QWLC-GA. is a Georgia corporation, formerly doing business, with its principal office and place of business located at 1401 Johnson Ferry Road, Suite 276, Marietta, Georgia.

(b) Respondent Don K. Gearheart is an officer of the corporate respondent. Individually or in concert with others, he formulates, directs, and controls the acts or practices of the corporate respondent, including the acts or practices alleged in this complaint. His principal