

Complaint

119 F.T.C.

IN THE MATTER OF

GORAYEB SEMINARS, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF  
SEC. 5 OF THE FEDERAL TRADE COMMISSION ACT*Docket C-3561. Complaint, March. 3, 1995--Decision, March. 3, 1995*

This consent order prohibits, among other things, two New Jersey-based companies and their officer from making any representation about the relative or absolute performance or efficacy of any smoking cessation or weight loss program, unless they possess and rely upon competent and reliable scientific evidence to substantiate the representation.

*Appearances*For the Commission: *Matthew Daynard.*For the respondents: *Dan Schwartz, Bryan Cave, Washington, D.C.*

## COMPLAINT

The Federal Trade Commission, having reason to believe that Gorayeb Seminars, Inc. ("GSI"), a corporation, and Gorayeb Learning Systems, Inc. ("GLS"), a corporation, and Ronald Gorayeb, individually and as an officer of said corporations ("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. Respondent Gorayeb Seminars, Inc., is a New Jersey corporation, with its principal office or place of business at 101 Roundhill Drive, Rockaway, New Jersey.

Respondent Gorayeb Learning Systems, Inc., is a New Jersey corporation, with its principal office or place of business at 101 Roundhill Drive, Rockaway, New Jersey.

Respondent Ronald B. Gorayeb is the President, Secretary, and sole Director and Shareholder of the corporate respondents. Individually or in concert with others, he formulates, directs and controls the acts and practices of the corporate respondents, including

the acts and practices alleged in this complaint. His principal office or place of business is the same as that of the corporate respondents.

PAR. 2. Respondents have advertised, offered for sale, and sold seminars for smoking cessation and weight loss known as "The Gorayeb Method," and other stop-smoking and weight-loss seminars, to consumers. The Gorayeb Method seminar is a single-session, group hypnosis session, two hours in length, provided to consumers by respondent Ronald Gorayeb at various sites throughout the United States.

PAR. 3. 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. 4. Respondents have disseminated or have caused to be disseminated advertisements for The Gorayeb Method seminar for smoking cessation and weight loss, including but not necessarily limited to the attached Exhibits A and B. These advertisements contain the following statements:

A. "THE GORAYEB SEMINARS - NO. 1 IN RESULTS. STOP SMOKING IN TWO HOURS... No cravings, No Irritability, No weight gain...WRITTEN GUARANTEE... That's right, regardless of your past experience with trying to stop, YOU WILL STOP SMOKING TONIGHT PERMANENTLY, Without Cravings and without withdrawal. You will experience two hypnotic sessions this evening, after which any desire or craving for cigarettes will simply be gone. With the Gorayeb Method of Clinical Hypnosis, you enter a deep, focused state of hypnosis where you are relaxed, alert and ALWAYS IN CONTROL. But will it work for me- Whether you are a chronic chain smoker or a casual smoker, you will leave this seminar as a NON-SMOKER. Thousands have before you, and with no withdrawal, no irritability, no weight gain. Our WRITTEN GUARANTEE. If for any reason you ever start smoking again, you'll be admitted to any Gorayeb Stop Smoking Seminar free of charge. Ronald B. Gorayeb, Certified Hypnotherapist. The Gorayeb Method of Hypnosis has worked for thousands. It will work for you too! Try it!" (Exhibit A)

B. "THE GORAYEB SEMINARS - NO. 1 IN RESULTS. LOSE WEIGHT WITH HYPNOSIS QUICKLY SAFELY WITHOUT HUNGER. WRITTEN GUARANTEE. That's right. You can LOSE THE WEIGHT YOU'VE BEEN WANTING TO-and keep it off permanently, without hunger, without dieting, without willpower. Using the power of hypnosis, you will lose unwanted cravings, eliminate the addiction to sweets and break the impulsive/compulsive eating habit-once and for all. With the Gorayeb Method of Clinical Hypnosis, there is NO SLEEP or LOSS OF CONTROL. You are awake and aware. Everyone who attends will be hypnotized. You'll leave refreshed-feeling good. But will it work for me- You can expect results ranging from 30-60 lbs. in 3 months to 120 lbs. in one year. No willpower, no hunger, no dieting - JUST SUCCESS. Thousands have

succeeded before you and you will too! Remember, diets don't work. You diet, lose weight and 6 months later it's all back. The only real answer for true behavior modification is the utilization of the subconscious mind. Our Written Guarantee: You will lose all the weight you've been wanting to. If you don't, or if you ever want a reinforcement, you'll be admitted to any Gorayeb Weight Loss Seminar free of charge. STOP HAVING WEIGHT AS AN ISSUE IN YOUR LIFE - Join us and become the winner you've always wanted to be. Ronald B. Gorayeb Certified Hypnotherapist. The Gorayeb Method of Hypnosis has worked for thousands. It will work for you too! Try it!" (Exhibit B)

PAR. 5. Through the use of statements contained in the advertisements referred to in paragraph four, including but not necessarily limited to the advertisement attached as Exhibit A, respondents have represented, directly or by implication, that:

A. Participants who attend respondents' single-session group hypnosis seminar are cured of smoking addiction and permanently abstain from smoking cigarettes.

B. Participants who attend respondents' single-session group hypnosis seminar are cured of smoking addiction without experiencing withdrawal, anxiety or weight gain.

C. Thousands of consumers have permanently quit smoking as a result of attending respondents' single-session, group hypnosis seminar.

PAR. 6. Through the use of the statements in the advertisements referred to in paragraph four, including but not necessarily limited to the advertisement attached as Exhibit A, respondents have represented, directly or by implication, that at the time they made the representations set forth in paragraph five, respondents possessed and relied upon a reasonable basis that substantiated such representations.

PAR. 7. In truth and in fact, at the time that they made the representations set forth in paragraph five, respondents did not possess and rely upon a reasonable basis that substantiated such representations. Therefore, the representation set forth in paragraph six was, and is, false and misleading.

PAR. 8. Through the use of statements contained in the advertisements referred to in paragraph four, including but not necessarily limited to the advertisement attached as Exhibit B, respondents have represented, directly or by implication, that:

A. Participants who attend respondents' single-session group hypnosis seminar achieve and maintain weight loss.

B. Thousands of consumers have achieved and maintained weight loss as a result of attending respondents' single-session group hypnosis seminar.

C. Respondents' single-session group hypnosis seminar is more efficacious for weight loss and weight-loss maintenance than other weight-loss methods.

PAR. 9. Through the use of the statements in the advertisements referred to in paragraph four, including but not necessarily limited to the advertisement attached as Exhibit B, respondents have represented, directly or by implication, that at the time they made the representations set forth in paragraph eight, respondents possessed and relied upon a reasonable basis that substantiated such representations.

PAR. 10. In truth and in fact, at the time that they made the representations set forth in paragraph eight, respondents did not possess and rely upon a reasonable basis that substantiated such representations. Therefore, the representation set forth in paragraph nine was, and is, false and misleading.

PAR. 11. The acts and practices of respondents as alleged in this complaint constitute unfair or deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act.

## EXHIBIT A

**CLIP AD FOR BONUS**

**STOP SMOKING**

**In Two Hours**

**No Cravings**

**No Irritability**

**No Weight Gain**

***Written Guarantee***

That's right, regardless of your past experience with trying to stop, **YOU WILL STOP SMOKING TONIGHT PERMANENTLY** without cravings, and without withdrawal.

You will experience two hypnotic sessions this evening, after which any desire or craving for cigarettes will simply be gone

With the Goryayeb Method of Clinical Hypnosis, you enter a deep, focused state of hypnosis where you are relaxed, alert and **ALWAYS IN CONTROL.**

But will it work for me... Whether you are a chronic chain smoker or recent smoker, you will leave this seminar as a **NON-SMOKER**. Thousands have, before you, and with no withdrawal, no irritability, no weight gain.

**CLIP AD FOR BONUS**

**THE GORAYEB SEMINARS - #1 IN RESULTS**

**ONLY \$39.99 COMPLETE**

Register at door 6:30 pm - 7:00 pm  
Cash, Check, Visa/MC, Amex

**Our WRITTEN GUARANTEE:** If for any reason you ever start smoking again, you'll be admitted to any Goryayeb Stop Smoking Seminar free of charge.

Ronald B. Goryayeb  
Certified Hypnotherapist  
The Goryayeb Method  
of Hypnosis has  
worked for thousands.  
It will work for you too! Try it!

Presented by Goryayeb Seminars, Inc.  
1-800-766-7123

**YOU WILL STOP SMOKING TONIGHT GUARANTEED**

**BONUS FOR AD CLIP**

© CORAYEB SEMINARS, INC. 1993

EXHIBIT A

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EXHIBIT B

**THE GORAYEB SEMINARS - NO. 1 IN RESULTS**

# LOSE WEIGHT WITH HYPNOSIS

**QUICKLY  
SAFELY  
WITHOUT HUNGER  
WRITTEN GUARANTEE**

**ONLY \$3999<sup>COMPLETE</sup>**

That's right. You can **LOSE THE WEIGHT YOU'VE BEEN WANTING TO** - and keep it off permanently, without hunger, without dieting, without willpower.

Using the power of hypnosis, you will lose unwanted cravings, eliminate the addiction to sweets and break the impulsive/compulsive eating habit - once and for all.

**With the Gorayeb Method of Clinical Hypnosis, there is NO SLEEP or LOSS OF CONTROL.** You are awake and aware. Everyone who attends will be hypnotized. You'll leave refreshed - feeling good.

But will it work for me? You can expect results ranging from 30-60 lbs. in 3 months or 120 lbs. in one year. No willpower, no hunger, no dieting - **JUST SUCCESS**. Thousands have succeeded before you and you will too!

**Register at door 6:00 pm - 7:00 pm**  
Cash, Check, Visa, MC, AMEX

**Remember, diets don't work.** You diet, lose weight and 6 months later it's all back. The only real answer for true behavior modification is the utilization of the subconscious mind.

**Our WRITTEN GUARANTEE:** You will lose all the weight you've been wanting to. If you don't, or if you ever want a reinforcement, you'll be admitted to any Gorayeb Weight Loss Seminar free of charge.

Ronald B. Gorayeb  
Certified Hypnotherapist  
The Gorayeb Method of Hypnosis has worked for thousands. It will work for you too! Try it!

**STOP HAVING WEIGHT AS AN ISSUE IN YOUR LIFE.** Join us and become the winner you've always wanted to be.  
Presented by Gorayeb Seminars, Inc.  
1-800-786-7123

**YOU WILL LOSE WEIGHT GUARANTEED**  
©Gorayeb, 1992

**CUP AD FOR BONUS**

## 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 attorney, 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 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 have violated the said Act, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of sixty (60) days, and having duly considered the comments received, 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 Gorayeb Seminars, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the state of New Jersey, with its offices and principal place of business at 101 Roundhill Drive, Rockaway, New Jersey.

Respondent Gorayeb Learning Systems, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the state of New Jersey, with its offices and principal place of business at 101 Roundhill Drive, Rockaway, New Jersey.

Respondent Ronald B. Gorayeb is the sole director and shareholder of the corporate respondents. He formulates, directs, and controls the acts and practices of the corporate respondents, and his

principal office and place of business is the same as that of the corporate respondents.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

### ORDER

#### DEFINITION

For the purposes of this order, "*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 has 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.

#### I.

*It is ordered*, That respondents Gorayeb Seminars, Inc., a corporation, Gorayeb Learning Systems, Inc., a corporation, their successors and assigns, and their officers, and Ronald B. Gorayeb, individually and as an officer of said corporations, 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 smoking cessation or weight loss program, including any such program that uses hypnosis, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

A. Representing, directly or by implication, that participants who attend respondents' single-session group hypnosis seminar are cured of smoking addiction without experiencing withdrawal, anxiety, weight gain, or other side effects, unless, at the time of making any such representation, respondents possess and rely upon competent and reliable scientific evidence substantiating the representation.

B. Making any representation, directly or by implication, about the relative or absolute performance or efficacy of any smoking cessation program or weight loss program, unless, at the time of

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

C. Misrepresenting, directly or by implication, the performance or efficacy of any smoking cessation program or weight loss program.

## II.

*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 that were relied upon in disseminating 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.

## III.

*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 that may affect compliance obligations arising out of this order.

## IV.

*It is further ordered,* That the individual respondent named herein shall promptly notify the Commission of the discontinuance of his present business or of his affiliation with the corporate respondent. In addition, for a period of three (3) years from the date of service of this order, the respondent shall promptly notify the Commission of each affiliation with a new business or employment that involves a

smoking cessation program or a weight loss program. Each such notice shall include the respondent's new business address and a statement of the nature of the business or employment in which the respondent is newly engaged as well as a description of the 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.

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; 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.

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119 F.T.C.

IN THE MATTER OF

LOUIS BASS, INC.

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

*Docket C-3562. Complaint, March 13, 1995--Decision, March 13, 1995*

This consent order prohibits, among other things, a Wisconsin corporation, doing business as Crestwood Company, from making false or unsubstantiated performance claims about any communication aid it offers in the future, and from making representations concerning the efficacy of the communication devices in enabling individuals with disabilities to communicate through facilitated communication, unless the respondent possesses competent and reliable scientific evidence to substantiate the representation.

#### *Appearances*

For the Commission: *Jeffrey Klurfeld, Kerry O'Brien and Erika Wodinsky.*

For the respondent: *David Meany, Michael, Best & Friedrich,*  
Milwaukee, WI.

#### COMPLAINT

The Federal Trade Commission, having reason to believe that Louis Bass, Inc. (d/b/a Crestwood Company), 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 Louis Bass, Inc. (d/b/a Crestwood Company), is a Wisconsin corporation, with its principal office or place of business at 6625 North Sidney Place, Glendale, Wisconsin.

PAR. 2. Respondent has advertised, offered for sale, sold, and distributed communication aids for individuals with disabilities, including the "Crestalk" and the "Canon Communicator." These products are "devices" within the meaning of Sections 12 and 15 of the Federal Trade Commission Act.