

IN THE MATTER OF
NORDICTRACK, INC.

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

Docket C-3675. Complaint, June 17, 1996--Decision, June 17, 1996

This consent order prohibits, among other things, a Minnesota-based manufacturer of exercise equipment from misrepresenting the benefits, efficacy, or performance of such products in promoting weight loss or weight maintenance, and requires the respondent to possess reliable evidence to substantiate such claims in the future.

Appearances

For the Commission: *Kerry O'Brien, Linda Badger and Jeffrey Klurfeld.*

For the respondent: *Pamela Deese, Robins, Kaplan, Miller & Ciresi, Washington, D.C.*

COMPLAINT

The Federal Trade Commission, having reason to believe that NordicTrack, 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 NordicTrack, Inc. is a Minnesota corporation, with its principal office or place of business at 104 Peavey Road, Chaska, Minnesota.

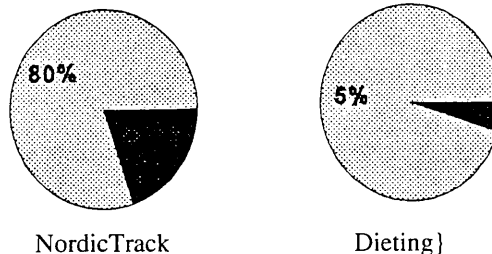
PAR. 2. Respondent has manufactured, advertised, labelled, offered for sale, sold, and distributed various exercise equipment to consumers, including its cross-country ski exercisers.

PAR. 3. 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. 4. Respondent has disseminated or has caused to be disseminated advertisements for its cross-country ski exerciser,

including but not necessarily limited to the attached Exhibits A-E. These advertisements contain the following statements and depictions:

- A. NordicTrack simply gives you a better work-out in less time and that makes losing weight easy. Here's proof. In a recent survey, people who purchased their NordicTrack to lose weight, said they lost an average of 17 pounds, {depicting a woman exercising on a NordicTrack losing weight as she continues to use the machine}
 {on screen: Lost an Average of 17 lbs. Individual results vary.}
 and what's more, 80% said they kept it off for at least one year. Now that is true success especially when you compare that to diets where only 5% keep the weight off after a year.
 {on screen: Weight off for one year



But even more impressive is how easy it is to attain those benefits for yourself. . . .

. . . .

A lot of people use NordicTrack to lose weight. If that's your fitness goal, then be sure and stay with us because when we come back you'll learn about NordicTrack's incredible, proven weight loss program ...

. . . .

. . . you will get results. That's something you really can't get from diet centers or ordinary exercise machines. But you can with NordicTrack. Just look at these statistics. Seven of every 10 people who bought NordicTrack to lose weight, lost an average of 17 pounds.

{on screen: 7 in 10 lost 17 lbs! Individual results vary.}

. . . And if you're really concerned about losing weight, this statistic is really impressive. 80% of those who lost weight using NordicTrack kept it off for one year or more.

{on screen: 80% kept the weight off for over one year. Study of owners who purchased NordicTrack to lose weight}

You too can lose weight because NordicTrack is a proven formula for taking weight off and keeping it off. (Exhibit A: infomercial)

- B. In fact, research shows that of those who bought a NordicTrack to lose weight, 7 in 10 lost an average of 17 pounds. And 80% of them kept it off for over a year. (Exhibit B: print ad) (emphasis in original)
- C. Diets alone don't work.

Diets don't keep the weight off. But studies reveal that 8 in 10 people who bought a NordicTrack for weight control lost an average of 17 pounds. And after a year, they still kept it off!

Our calorie-blazing workout is the best way to lose and keep off the weight (and waist).

The easy way to melt pounds away.

NordicTrack's *patented flywheel and one-way clutch system* provides a smooth workout that takes as little as 20 to 30 minutes, 3 times a week.

(Exhibit C: print ad)

- D. NordicTrack: Fastest way to melt your winter fat. ... And it takes as few as 20 minutes, three times a week. Lose weight fast with "The World's Best Aerobic Exerciser®." ... That's why NordicTrack users recently lost an average of 18 lbs. - in just 12 weeks. (Exhibit D: print ad) (emphasis in original)

- E. HOW 20 MINUTES CAN CHANGE YOUR LIFE.

NordicTrack gives you more of a workout in less time than any other in-home exerciser. It's the best way to get the exercise you need to enjoy a long, healthy life. It's the only way to get the total-body workout that has changed the way America exercises. And all it takes is 20 minutes, three times a week.

....

When you begin your regular NordicTrack workouts, you'll be proud of how fast you achieve your goals.

- If weight loss is your goal, research shows that on average, people can lose 18 pounds in just 12 weeks with NordicTrack.

(Exhibit E: print ad)

PAR. 5. Through the use of the statements and depictions contained in the advertisements referred to in paragraph four, including but not necessarily limited to the advertisements attached as Exhibits A-E, respondent has represented, directly or by implication, that:

- A. Seventy or eighty percent of those who purchased a NordicTrack cross-country ski exerciser to lose weight lost an average of seventeen pounds;
- B. Eighty percent of those who purchased a NordicTrack cross-country ski exerciser to lose weight and lost weight using it maintained all of their weight loss for at least a year;
- C. Eighty percent of those who purchased a NordicTrack cross-country ski exerciser to lose weight maintained all of their weight loss for at least a year;
- D. Consumers who use NordicTrack cross-country ski exercisers for twenty minutes a day, three times per week, lose an average of eighteen pounds in twelve weeks.

PAR. 6. Through the use of the statements and depictions contained in the advertisements referred to in paragraph four, including but not necessarily limited to the advertisements attached as Exhibits A-E, respondent has represented, directly or by implication, that at the time it made the representations set forth in paragraph five, respondent possessed and relied upon a reasonable basis that substantiated such representations.

PAR. 7. In truth and in fact, at the time it made the representations set forth in paragraph five, respondent did not possess and rely upon a reasonable basis that substantiated such representations. Respondent based its success rate claims on studies which suffered from various methodological flaws. The results of the studies reflect the experiences of only a highly selected population of purchasers who were able to integrate the NordicTrack cross-country ski exerciser into their regular, weekly, exercise regime. One such study involved putting thirty-eight participants through a rigorous twelve-week exercise program. Respondent based weight-loss claims on the average weight loss experienced by the twenty participants (53%) able to complete the program. The studies also failed to take into account changes in the dietary habits of purchasers. Furthermore, the studies were based on self-reported body weights, unadjusted for bias, which may yield inaccurate results. As a result of these methodological flaws, respondent's studies did not constitute a reasonable basis that substantiated the representations set forth in paragraph five. Therefore, the representation set forth in paragraph six was, and is, false and misleading.

PAR. 8. Through the use of the statements and depictions contained in the advertisements referred to in paragraph four, including but not necessarily limited to the advertisements attached as Exhibits A-E, respondent has represented, directly or by implication, that competent and reliable research or studies prove the representations set forth in paragraph five.

PAR. 9. In truth and in fact, competent and reliable research or studies do not prove the representations set forth in paragraph five. Therefore, the representation set forth in paragraph eight was, and is, false and misleading.

PAR. 10. Through the use of the statements and depictions contained in the advertisements referred to in paragraph four, including but not necessarily limited to the advertisement attached as Exhibit A, respondent has represented, directly or by implication, that

only five percent of those who lose weight on diets keep the weight off after a year.

PAR. 11. Through the use of the statements and depictions contained in the advertisements referred to in paragraph four, including but not necessarily limited to the advertisement attached as Exhibit A, respondent has represented, directly or by implication, that at the time it made the representation set forth in paragraph ten, respondent possessed and relied upon a reasonable basis that substantiated such representation.

PAR. 12. In truth and in fact, at the time it made the representation set forth in paragraph ten, respondent did not possess and rely upon a reasonable basis that substantiated such representation. Therefore, the representation set forth in paragraph eleven was, and is, false and misleading.

PAR. 13. The acts and practices of respondent 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

NordicTrack Infomercial
"Change Your Life With NordicTrack" 28:30

ANNOUNCER: The following is a paid advertisement, presented by NordicTrack, Incorporated.

KAY TAYLOR, Nordictrack owner: I feel healthy. I feel full of energy. I feel like everybody should have one. (laughs)

JACKIE CASHION, Nordictrack owner: After the workout you can feel your arms, your upper back, your lower back, your hips, legs, abdomen, everything. It's really a whole body workout, and you just can't get that with any other kind of machine.

MIKE HORSFALL, Nordictrack owner: NordicTrack has helped me stick with a fitness program. And if I can do it, you can do it.

ANNOUNCER: What do all these, and 3 million people like them have in common? What makes them healthier and happier than they've ever been? The answer is NordicTrack, the world's best aerobic exercise machine. All across America, people have discovered that NordicTrack is the key to taking control of their lives. Today, you'll learn how you can dramatically improve your life, and how you can benefit from finding the NordicTrack body inside you. You'll discover how NordicTrack is the best way to lose weight, shape your body, condition your heart, and increase your energy so you'll look and feel your best. NordicTrack -- America's leading fitness company, with the machine that's been featured in Shape, Men's Health, Fitness, USA Today Magazine, and featured in

leading publications everywhere. The superior choice recommended by Consumer's Digest, the Made in America Foundation, and the American Fitness Association. And used by people like you everywhere, who have changed their lives for the better.

BOB SEAGREN: Hi I'm Bob Seagren. And today, NordicTrack and I would like to invite you to learn more about the world's best aerobic exerciser, why it's so effective, and how it can change your life too.

You know, a few years ago, around 26 to be exact, I didn't have much trouble staying in shape. A couple of decades and a few pounds later, staying fit wasn't quite so easy. So I began looking for the best aerobic exercise anywhere. And a couple of years ago, I found it. In fact, I like it so much, I went on television to talk about it: "Once I tried NordicTrack, I was hooked. Its total body motion relaxed my muscles and helped me release pent up tension. And mentally, I felt better." {scenes from "Inside Track to Fitness"} That was two years ago. At the time, almost a million people had already discovered that NordicTrack could change their lives. Since then, nearly 2 million more have gotten on track, and changed their lives with the benefits of NordicTrack. Benefits like proven weight loss, and faster cardiovascular conditioning. Because the NordicTrack workout actually burns more calories with less effort. That's why NordicTrack users get better results with a machine they also love to use. But you don't have to be a cross-country skier or even an athlete to enjoy the benefits of NordicTrack. You just need a desire to change your life.

For eighteen years now, people just like you have been using NordicTrack because it works. And today, we'll talk with some of these people about the changes they've made in their lives when they took that first step onto a NordicTrack. We'll also visit with the father of aerobic exercise, Dr. Kenneth Cooper. When we come back, they'll explain why NordicTrack is the world's best aerobic exercise machine, and how easy it can be for you to improve the way you look and feel, and get your life on the right track.

DRAMATIZATION: When Brian first joined the company, I thought, "He's cute. Kinda chunky, but cute."

Gwen was the first person I met when I started my new job. And she had a nice personality, but she didn't really look like my type.

Then I began to notice a difference in Brian. He was looking -- great. I could tell he was losing weight, but it was more than that.

Yeah, I had dropped some pounds. But so had Gwen. And she looked TERRIFIC. He was just so full of life. It's like he found his secret. Um -- I wanted to know more about it. And more about him, too.

So I finally asked her what she had been doing, because whatever it was, it was working.

It was NordicTrack. (both laugh.)

I lost 15 pounds in just two months.

Now I'm a size 8, and I'm loving my new life.

Our new life.

Our new life.

BOB SEAGREN: NordicTrack; not only can it change your shape it can change your life.

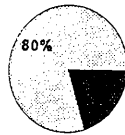
You know, NordicTrack works far more effectively than other exercise equipment, because only NordicTrack accurately simulates the best aerobic exercise in the world -- cross-country skiing. On a NordicTrack, you can burn up to 1,100 calories an hour because it works on all your muscle groups, both lower and upper body, unlike ordinary exercisers. In fact, four separate studies have proven that NordicTrack burns more calories, up to 51% more than stationary bicycles. Up to 39% more than shuffle-type skiers, up to 61% more than stairsteppers. And, at normal exercise levels, up to 32% more calories than ordinary treadmills.

NordicTrack simply gives you a better work-out in less time and that makes losing weight easy. Here's proof. In a recent survey, people who purchased their NordicTrack to lose weight, said they lost an average of 17 pounds, {depicting a woman exercising on a NordicTrack losing weight as she continues to use the machine}

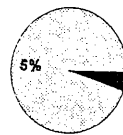
{on screen: Lost an Average of 17 lbs. Individual results vary.}

and what's more, 80% said they kept it off for at least one year. Now that is true success especially when you compare that to diets where only 5% keep the weight off after a year.

{on screen: Weight off for one year}



NordicTrack



Dieting}

But even more impressive is how easy it is to attain those benefits for yourself. That's why I'm talking with NordicTrack owners who perhaps just like you are looking for a better way to get in shape and stay that way for life. People like Diane Hall. Hi Diane.

DIANE HALL, NordicTrack owner: Hi Bob.

BOB SEAGREN: Diane, how did you become a NordicTrack owner?

DIANE HALL: My husband and I knew we needed to get into some sort of fitness program. We saw the show on TV, so we called for the free tape, and watched that, and we were sold.

BOB SEAGREN: What do you like most about NordicTrack?

DIANE HALL: I think the biggest surprise was that I lost 20 pounds without any dieting at all. I think that's a wonderful benefit.

BOB SEAGREN: And now let's hear what some other people have to say about the world's best aerobic exercisers.

KAY TAYLOR: It's actually fun. I mean it doesn't get boring to me, and I can just work at it, and I know what it's doing, because I can feel it.

MIKE HORSFALL: Having the NordicTrack there, and because it's fun to use, it has kept me on some sort of exercise regime which is even more important the older you get.

CHAR STUART, Nordictrack owner: Its making me a healthier person. And I truly believe it is. It's just very easy to use.

BOB SEAGREN: You know the NordicTrack really is easy to use. You just step on the wooden skis. Your feet fit comfortably into the toe cuffs, and you'll begin walking. It's a nice, natural gliding motion, as you shift your weight from side to side. Your hips rest comfortably against a contoured pad. And when you're ready, just add your arms. They'll swing in a smooth, natural unrestricted arc -- it's really as easy as that. The NordicTrack is not jarring like some machines. It's all low impact. So it won't damage your ligaments or joints. And like Diane and millions of other users have discovered, NordicTrack makes a regular exercise routine easy, because in as little as 20 minutes three times/week, you can get the world's best total body workout right in the comfort of home. No wonder 7 out of 10 owners still use their NordicTracks regularly, 5 years after buying them. That's right, 7 out of 10, and here's why.

JACKIE CASHION: NordicTrack is the machine that you can use for the rest of your life. Um, it's low impact, and it gives you a really good workout. You don't have to worry about hurting yourself.

MIKE HORSFALL: I tend to not be motivated by things that aren't very much fun, and NordicTrack is fun.

CHAR STUART: It's so convenient, it makes you not mind exercising.

BOB SEAGREN: It's obvious by now that NordicTrack is incredibly effective. Study after study rates it as the best aerobic exercise machine in the world. That's because research has proven that cross-country skiing is the world's most effective exercise, and NordicTrack simulates it best. And while there are other exercise machines on the market only NordicTrack's legendary flywheel design, and its patented upper arm exerciser, give you the smooth, total body motion of cross-country skiing. That's what makes NordicTrack a NordicTrack.

You won't get it with a stairstepper; you won't get it with a bike, or a treadmill. You only get it with NordicTrack.

You know, getting fit isn't just about changing the way you look, it's also about changing the way you feel. You can feel healthier. You can feel more energetic. All it takes is a few minutes, three times a week. And, one simple phone call.

BARBARA at Nordictrack: Hi, here at NordicTrack, we get thousands of calls everyday from people wanting to feel better, look better, and take control of their lives. And everyday we give them the help it takes to achieve those goals. Because when you buy a NordicTrack, you're not only getting the world's best aerobic exercise machine, you're also getting the help and support of a company that's been a recognized leader in aerobic conditioning for more than 18 years. So if you're not sure how to use your equipment, need help planning a fitness program, or have other questions for our fitness counselors, just call our toll-free support line. We're there to help you succeed. It takes as little as 20 minutes/day, 3 times/week. And you'll be on your way to success. And your NordicTrack body.

ANNOUNCER: Call our toll-free number on your screen now, and we'll send you absolutely free, this 30 minute video, plus this 16 page brochure with information on how to achieve your individual fitness goals with any one of our 7 NordicTrack models. Every NordicTrack is backed by our two year limited warranty, and lifetime assurance program. Call now, and learn how easy it is to own a NordicTrack with our new easy-pay plan.

BARBARA AT NORDICTRACK: You can take control, and improve your life. It's as easy as picking up the phone, and calling the number on your screen now. Get on the right track; the track to better health, because you can change your life.

BOB SEAGREN: Cross-country skiing -- fluid, natural, and because it uses all the body's major muscle groups, the best aerobic exercise in the world.

Hi, I'm Bob Seagren. Aerobic exercise has been popular for years, because it's recognized everywhere as the best way to lose fat, get your heart in shape, and control your weight. But not all aerobic exercise is created equal. That's why we spoke with Dr. Ken Cooper, of the Cooper Aerobics Institute in Dallas, Texas. Dr. Cooper's pioneering research, and promotion of aerobic conditioning, has earned him the recognition as the founder of the modern aerobics movement. Let's hear what the man who literally wrote the book on aerobics has to say about the best aerobic exerciser in the world.

DR. KENNETH COOPER: Why is cross-country skiing so good? Any exercise that involves the arms and legs gives you synergistic effect. What does that mean? One plus one equals three. Any time you can combine the arms and legs into the activity, you get more benefit in a shorter period of time. So I'm safe in saying that the best aerobic activity, bar none, is cross-country skiing. Alright, if that is true, how does it relate to something like the NordicTrack? Well, the answer is that we can't all go out and cross-country ski; it's not readily available, but these new devices like the NordicTrack so simulate cross-country skiing that the results are almost the same. I've been promoting NordicTrack for years and years. And always complimentary because it's a good device.

BOB SEAGREN: As you can see, aerobic exercise is an important way to improve your life. But as we've just discovered, not all aerobic exercise is created equal. And the same holds true for aerobic exercise equipment. You see, stationary bicycles mainly work the thigh and hamstrings. Treadmills work the upper and lower leg area, but neglect the upper body. And stairsteppers miss this important area, too.

Only NordicTrack includes all the muscle groups used in cross-country skiing. Ankles, and achilles tendons. Calf muscles. Hamstrings. Thighs. And the gluteus muscles. But unlike others, NordicTrack also works and tones the muscles of the back, abdomen, shoulders, biceps, triceps, and pectorals. By working the muscles above your waist, NordicTrack increases your body's oxygen consumption dramatically. That's why you'll burn more calories on a NordicTrack than with ordinary equipment. Up to 51% more than stationary bicycles, 32% more than ordinary treadmills at normal exercise levels. And up to 61% more than stairsteppers.

With ordinary exercise equipment, you'll have to work longer, harder, or both just to achieve the same aerobic benefits as 20 minutes on a NordicTrack. This total body approach has another positive benefit to keeping your workout on track. NordicTrack feels less stressful because your workout is spread across more muscles. In three separate head-to-head tests, NordicTrack was consistently rated as feeling more comfortable to use and less stressful than other exercisers.

And quite honestly, if you're like me, that means you're more likely to stick with it. So if you're going to invest money, invest in the machine that gives you proven results, NordicTrack.

TIFFANY WAGGONER, NordicTrack owner: I know absolutely that I'm stronger than I've been in a very long time.

KAY TAYLOR: I lost 10 pounds since I started with my NordicTrack.

JACKIE CASHION: You have not a lot of time, and you want to get a good workout. NordicTrack's the best.

BOB SEAGREN: Here's another reason NordicTrack is superior to ordinary exercise equipment. It's a low impact, non-jarring workout, that's easy on your joints and ligaments. Unlike the strain your knees take on a stairstepper, or the pounding your back and hips take on a treadmill. All of which explains why the NordicTrack is preferred 6 to 1 over ordinary equipment. And, why people like Clem Birch have gotten on track to a better life. Hi Clem.

CLEM BIRCH, NordicTrack owner: Hi Bob, how are ya?

BOB SEAGREN: Good. Clem, what made you buy a NordicTrack?

CLEM BIRCH: Well, actually, my doctor recommended that I buy it. After my second heart attack, he said, get a NordicTrack.

BOB SEAGREN: Why did your doctor recommended NordicTrack?

CLEM BIRCH: Well, first thing he told me was that he himself used one, three times/week. And he told me it was the most efficient way for me to exercise that would be easiest on my bones and body structure.

BOB SEAGREN: Clem, what would you say to someone considering buying a NordicTrack?

CLEM BIRCH: I'd say the same thing my doctor said, go get a NordicTrack, it is really the best exercise machine on the street.

BOB SEAGREN: Has using the NordicTrack changed your life?

CLEM BIRCH: Yeah, it's changed my life. It lets me live it everyday.

BOB SEAGREN: Clem, thank you very much. You know it's a story we hear time and time again. That's because NordicTrack is the better way to get your heart in shape.

Recent University and clinical research concluded that NordicTrack conditions your cardiovascular system 24% more efficiently than exercise bikes, 32% better than treadmills, and over 35% more than stairsteppers.

Research shows that in 12 weeks, NordicTrack users were able to decrease their blood pressure 12%. With results like this, isn't it time you decided to change your life -- with NordicTrack.

A lot of people use NordicTrack to lose weight. If that's your fitness goal, then be sure and stay with us because when we come back you'll learn about NordicTrack's incredible, proven weight loss program with the satisfaction guarantee. Stay tuned.

DRAMATIZATION: I turned 40 today. 40. I used to dread the thought of it. I used to think whoever said life begins at 40 was nuts. And then about a year ago, I went in for a physical. The doctor said I had problems. High cholesterol. High blood pressure. Weight. Stress. You get the idea. Said I was a walking time bomb -- that had better do something now about getting into shape.

Hey, it wasn't like I hadn't tried. You know, the health club, jogging, but there was always an excuse, and nothing seemed to work, and I never had the time. Then I discovered NordicTrack. Just 20 minutes, 3 times a week at home. Easy. And right at home. And my blood pressure - down. Cholesterol - down. And you know what? I've kept my weight off. And more importantly, I feel just great. So that person who said life begins at 40, well, they were right. Thanks, NordicTrack.

BARBARA at Nordictrack: Satisfied owners write us all the time, telling us about how much they love their NordicTrack. Some of them have been in use for as long as 15 years. The fact that a NordicTrack will last so long shouldn't be a surprise. You see, each NordicTrack is built by hand, right here in the United States, by people who take pride in making your machine solid and durable, as well as beautiful. This level of craftsmanship is unsurpassed in the fitness equipment industry. It's what sets NordicTrack apart from the rest. So when you buy one of our machines, you get not only the world's best aerobic exerciser, you also get the commitment and support of a company that's been helping people achieve better health for years. That's why now more than 3 million people use a NordicTrack. It's built to last, by the company that invented the aerobic cross-country ski exerciser.

ANNOUNCER: Call our toll-free number on our screen now. And we'll send you absolutely free this 30 minute video, plus this 16 page brochure with information on how to achieve your individual fitness goals with any one of our seven NordicTrack models. Every NordicTrack is backed by our 2-year limited warranty, and lifetime assurance program. Call now, and let our affordable new easy pay plan put you on track, so call now.

BARBARA at Nordictrack: Just 20 minutes a day, 3 times a week, and you'll be on your way to discovering the NordicTrack body inside you. Start by calling the number on your screen now. We'll send you your free NordicTrack brochure and video, and help you get on the right track, the track to better health and a better life. Call now.

BOB SEAGREN: Inside everybody is a better body, a NordicTrack body. Millions of people have discovered it, they've experienced how good it feels to be toned, and alert, instead of overweight and sluggish. And you can discover, too, just how easy it is to attain your NordicTrack body, thanks to the world's best aerobic exerciser. When I was in training for the Olympics back in the late 60's, keeping weight off wasn't a concern. But losing weight is something just about all of us face at one point in our lives. And while diet plays an important role, research proves over and over that a consistent aerobic exercise program is the key to success.

As we've learned, there is absolutely no better aerobic exercise than cross-country skiing. We've also learned that only NordicTrack, with its legendary flywheel design, realistically simulates the fluid motion of cross-country skiing, giving you a total body toning and conditioning workout. That's why the makers of NordicTrack can confidently offer you this: it's called the proven weight loss program, and your satisfaction is guaranteed. Here's how it works:

Call to order a NordicTrack. Use it for 30 minutes, 4-5 times a week, and you can say good bye to 10 pounds in 60 days. That's right, 10 pounds in 60 days. If you're not completely satisfied, return your machine, and NordicTrack will refund the purchase price in full. Your satisfaction is guaranteed. And you will get results. That's something you really can't get from diet centers or ordinary exercise machines. But you can with NordicTrack. Just look at these statistics. Seven of every 10 people who bought NordicTrack to lose weight, lost an average of 17 pounds.

{on screen: 7 in 10 lost 17 lbs! Individual results vary.}.

That's because NordicTrack uses all the body's major muscle groups, burning more fat and calories with less effort. This also makes for faster cardiovascular

conditioning. And if you're really concerned about losing weight, this statistic is really impressive. 80% of those who lost weight using NordicTrack kept it off for one year or more.

{on screen: 80% kept the weight off for over one year. Study of owners who purchased NordicTrack to lose weight}

You too can lose weight because NordicTrack is a proven formula for taking weight off and keeping it off.

Looking better, feeling better, that's what NordicTrack is all about. It's a way to take control of your life and become a happier, healthier person.

Better health is something everybody's talking about these days. There are lots of programs and equipment that claim to help. But why do more than 11,000 doctors recommend NordicTrack to their patients? Well, to answer that question, we interviewed Dr. Ken Cooper, of the Cooper Aerobics Institute in Dallas, Texas.

DR. KENNETH COOPER: For years I asked people what motivates them to continue exercising. Nearly all the people come back with the same answer: it makes me feel good. They are less depressed, they are less (?). They have an improved self image, a much more positive attitude towards life, and fewer somatic complaints. You're different psychologically when you're fit. And time is a big factor as far as exercise is concerned, people tell me they don't have the time, they don't have the place, they don't have the energy, they don't have the equipment, they don't have the money, whatever it may be, so if we could make sometime efficient, and you get more benefit in a short period of time, the Americans want to hear that. And that's the advantages of the equipment such as a NordicTrack that incorporates the arms and legs of the activity. You get more benefit in a shorter period of time.

BOB SEAGREN: Two years ago when I discovered this remarkable exerciser, I went on TV to talk about it. At that time, over a million people were using NordicTrack, with its legendary flywheel, patented upper arm exerciser, hand built durability, and beauty. The only machine that accurately simulates cross-country skiing, the world's best aerobic exercise. Since that show two years ago, nearly 2 million more have gotten on track. Today we have somebody who has changed his life for the better, John Kirk. Hi John.

JOHN KIRK, NordicTrack owner: Hello, Bob.

BOB SEAGREN: Please sit down. John, what motivated you to buy a NordicTrack?

JOHN KIRK: The fact that I had gotten obese. I went to a company physical, and my doctor told me those very same words.

BOB SEAGREN: Have you lost weight with the NordicTrack?

JOHN KIRK: Yes, I have. I was able to take off 57 pounds, and I've managed to keep it off for two years now.

BOB SEAGREN: What would you say to someone considering buying a NordicTrack?

JOHN KIRK: Well, I would say don't compromise with anything but a NordicTrack.

BOB SEAGREN: John, thanks for being with us.

JOHN KIRK: You're welcome, Bob.

DRAMATIZATION: Dear NordicTrack: 11 years ago, my husband and I realized we had to do something about the way we looked and felt. Frank had high blood pressure. I needed to lose some weight. Our doctor recommended we buy

NordicTrack, and we did. I can't imagine living these past 11 years without it. Frank's blood pressure is down, and both of us lost weight. The real miracle is how we feel. All the things that we love to do that we never even considered before NordicTrack. And now that we're grandparents, we need our extra energy more than ever. It's also a real pleasure to realize that someone still makes a product that lasts. Frank always talks about how solid and smooth it still is. I just like how the wood looks, so beautiful. So, even though I had wanted to write and thank you for a long time, the real reason for this letter is that I wish to order a NordicTrack for my daughter. She wants to lose a few pounds, and feel like her old active self again. You see, she just gave us a beautiful new grandson. Take it from me, nobody's going to need that extra energy more than her.

BOB SEAGREN, NordicTrack truly is the world's best aerobic exerciser. It works muscles that bikes, stairsteppers, and treadmills miss entirely. It burns more calories, up to 1100 per hour. Burns fat faster. Conditions your heart faster. Yet it's low impact, and feels more comfortable to use. And because it's easy to get results, you'll stick with it. Remember, after 5 years, 7 in 10 NordicTrack owners still use their machines regularly. They changed their lives, you can too.

With NordicTrack, you'll get the legendary flywheel, adjustable resistance for both legs and arms, to tailor your workout. And, unlike most other fitness equipment made of plastic and aluminum, the NordicTrack is constructed of wood and steel for strength and durability. You also get optional features such as: independently calibrated upper and lower body resistance; adjustable elevation to vary the intensity of your workout. Computerized electronics to monitor your progress. Carved ski tips with brass accents. And authentic ski grips, for a more realistic simulation of cross-country skiing. Wheels, for portability. Folding for easy storage. The beautiful craftsmanship of a quality product handmade in America. And a 3 point lifetime assurance program that includes your in-home trial, a two-year limited warranty, and a toll free customer hotline. Prices are very affordable, starting at just \$339.95, less than what you'd pay for a year at a typical health club, and half the price of most treadmills. Only NordicTrack offers proven results.

If you want to lose weight, reduce stress, increase your energy and stamina, or simply feel better, give us a call, and see how easy it is to get on track for live.

BARBARA at Nordictrack: Hi I'm Barbara, here at NordicTrack. For the best aerobic workout, for convenience and affordability, you just can't do better than NordicTrack. But don't take my word for it, every year we get thousands of letters from happy NordicTrack owners. Here's what some of the them say:

ROBERT PENZA, NordicTrack owner: Dear NordicTrack. I have used bikes and rowers, and they did not compare to the total body workout I get from my NordicTrack.

DIANE BURKE, NordicTrack owner: My husband and I are very big fans of our NordicTrack. It has changed our lives. It's great for relieving stress, and the NordicTracks keep me from feeling old.

GERALD P. MCKENNA, NordicTrack owner: I'm 72 years young, and have been "tracking" since 1980.

BARBARA at Nordictrack: At NordicTrack, we don't just make machines, we make a difference in people's lives, and we'd like to make a difference in yours.

ANNOUNCER: Call our toll-free number on your screen now, and we'll send you absolutely free this 30-minute video, plus this 16-page brochure with information

on how to achieve your individual fitness goals with any one of our seven NordicTrack models. And of course, every NordicTrack is backed by our two-year limited warranty, and lifetime assurance program.

BARBARA at Nordictrack: Haven't you put off owning a NordicTrack long enough? Call now.

ANNOUNCER: There's a NordicTrack model to fit every fitness goal and budget. Our new easy pay plan is the affordable way to own a genuine NordicTrack for as little as \$19.95/month.

MICHELLE ANDERSON, NordicTrack owner: What would I tell people about NordicTrack? I'd tell them that it's the best there is. The best exercise, the best investment, for the best you.

JOHN KIKTA, NordicTrack owner: I changed my life with NordicTrack. Now I can play harder, work harder, and just enjoy life more.

ANN PRICE, NordicTrack owner: I changed my life in just 20 minutes a day, three times a week, with NordicTrack.

DONALD BLACK, M.D., NordicTrack owner: I changed my life thanks to NordicTrack. And you can change your life, too.

ANNOUNCER: NordicTrack would like to thank Olympic gold medalist Bob Seagren, Dr. Kenneth Cooper, these fine publications, and our valued NordicTrack owners.

The preceding program was a paid advertisement by NordicTrack Incorporated.

907

Complaint

EXHIBIT B

Get Weight Off and Keep it Off with a NordicTrack...

America's most efficient, total-body workout.

Diets Alone Don't Work.

When you eat less, your body automatically slows its metabolism to burn fewer calories. You lose some weight, but you feel tired, grumpy and hungry. As the body strives to regain its "normal" balance, you splurge — and gain it all back. Discouraged, you begin the cycle again.

The Key To Maintaining Weight Loss.

It's simple. Eat sensible meals, but don't starve. Exercise on a NordicTrack at least 20 minutes a day three times a week. That's it. Regular workouts with the highly efficient NordicTrack speeds up your body's metabolism and makes it possible for you to get weight off and keep it off.

In fact, research shows that of those who bought a NordicTrack to lose weight, 7 in 10 lost an average of 17 pounds. And 80% of them kept it off for over a year.

NordicTrack: The World's Best Aerobic Exerciser*.

Fitness experts agree that cross-country skiing is the world's best aerobic exercise. And the NordicTrack patented flywheel and one-way clutch mechanism simulates the smooth, total-body action of cross-country skiing to give you the world's best aerobic workout. Better than walking, running or any other in-home exerciser. With a NordicTrack exerciser, you'll work more muscle groups and burn more fat in less time than with an exercise bike, treadmill or stepper. And burn up to 1,100 calories per hour, according to research.



Ask about
our weight-loss
guarantee.

30-day
in-home
trial

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A CML Company

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Home Magazine

EXHIBIT B

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121 F.T.C.

EXHIBIT C



NordicTrack removes love handles... *fast!*



Why it takes your arms and legs to remove your love handles.

A NordicTrack® exerciser works all major muscle groups at the same time. Which means you can melt away more fat in less time than with ordinary exercises.

In fact, NordicTrack burns more fat than stairsteppers, exercise bikes and treadmills. It even burns up to 1,100 calories per hour. And unlike those lower-body exercisers, NordicTrack tones your whole body (including your love handles).

30-day in-home trial!

NordicTrack
A CMI Company

We're Changing the Shape of America™

Diets alone don't work.

Diets don't keep the weight off. But studies reveal that 8 in 10 people who bought a NordicTrack for weight control lost an average of 17 pounds. And after a year, they still kept it off.

Our calorie-blasting workout is the best way to lose and keep off the weight (and waist).

The easy way to melt pounds away.

NordicTrack's patented flywheel and one-way clutch system provides a smooth workout that takes as little as 20 to 30 minutes, 3 times a week.

Handle your love handles with NordicTrack

Call 1-800-441-7891 Ext. 18744

FREE Information

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EXHIBIT C

NORDICTRACK, INC.

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EXHIBIT D

NordicTrack: Fastest way to melt your winter fat.



This Year Get In Shape For Good!
30-day in-home trial!

You'll burn more fat in less time than with stairsteppers, exercise bikes or treadmills.
During winter, fat builds up and pounds add up. And don't use enough of your muscles to effectively burn the fat. But the NordicTrack® exercise works every major muscle group in your body. That's why research shows you'll burn more fat than with any treadmill exercise. NordicTrack burns your body faster.

Hard on fat, easy on your body.
Our patented *flexed and free way* closed system can do your limbs motion that's also shown that NordicTrack stairsteppers are used than exercise bikes. Our total body workout spreads the effort across your entire body, so no muscle gets strained. And it takes as few as 20 minutes, three times a week.

Lose weight fast with "The World's Best Aerobic Exercise".
NordicTrack has simulated cross-country skiing, which fitness experts agree is the best aerobic workout, but none. That's why NordicTrack users actually lose an average of 10 lbs. — in just 12 weeks. Why settle for an inferior workout? Get on Track® with NordicTrack!

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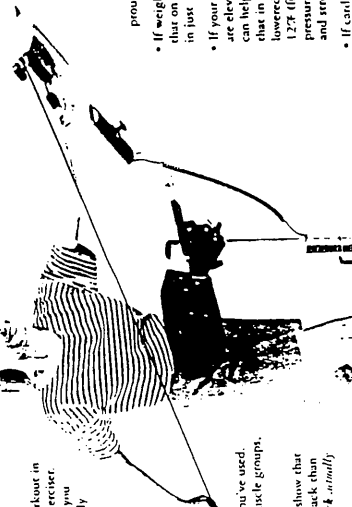
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2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 2679, 2680, 2681, 2682, 2683, 2684, 2685, 2686, 2687, 2688, 2689, 2690, 2691, 2692, 2693, 2694, 2695, 2696, 2697, 2698, 2699, 2700, 2701, 2702, 2703, 2704, 2705, 2706, 2707, 2708, 2709, 2710, 2711, 2712, 2713, 2714, 2715, 2716, 2717, 2718, 2719, 2720, 2721, 2722, 2723, 2724, 2725, 2726, 2727, 2728, 2729, 2730, 2731, 2732, 2733, 2734, 2735, 2736, 2737, 2738, 2739, 2740, 2741, 2742, 2743, 2744, 2745, 2746, 2747, 2748, 2749, 2750, 2751, 2752, 2753, 2754, 2755, 2756, 2757, 2758, 2759, 2760, 2761, 2762, 2763, 2764, 2765, 2766, 2767, 2768, 2769, 2770, 2771, 2772, 2773, 2774, 2775, 2776, 2777, 2778, 2779, 2780, 2781, 2782, 2783, 2784, 2785, 2786, 2787, 2788, 2789, 2790, 2791, 2792, 2793, 2794, 2795, 2796, 2797, 2798, 2799, 2800, 2801, 2802, 2803, 2804, 2805, 2806, 2807, 2808, 2809, 2810, 2811, 2812, 2813, 2814, 2815, 2816, 2817, 2818, 2819, 2820, 2821, 2822, 2823, 2824, 2825, 2826, 2827, 2828, 2829, 2830, 2831, 2832, 2833, 2834, 2835, 2836, 2837, 2838, 2839, 2840, 2841, 2842, 2843, 2844, 2845, 2846, 2847, 2848, 2849, 2850, 2851, 2852, 2853, 2854, 2855, 2856, 2857, 2858, 2859, 2860, 2861, 2862, 2863, 2864, 2865, 2866, 2867, 2868, 2869, 2870, 2871, 2872, 2873, 2874, 2875, 2876, 2877, 2878, 2879, 2880, 2881, 2882, 2883, 2884, 2885, 2886, 2887, 2888, 2889, 2890, 2891, 2892, 2893, 2894, 2895, 2896, 2897, 2898, 2899, 2900, 2901, 2902, 2903, 2904, 2905, 2906, 2907, 2908, 2909, 2910, 2911, 2912, 2913, 2914, 2915, 2916, 2917, 2918, 2919, 2920, 2921, 2922, 2923, 2924, 2925, 2926, 2927, 2928, 2929, 2930, 2931, 2932, 2933, 2934, 2935, 2936, 2937, 2938, 2939, 2940, 2941, 2942, 2943, 2944, 2945, 2946, 2947, 2948, 2949, 2950, 2951, 2952, 2953, 2954, 2955, 2956, 2957, 2958, 2959, 2960, 2961, 2962, 2963, 2964, 2965, 2966, 2967, 2968, 2969, 2970, 2971, 2972, 2973, 2974, 2975, 2976, 2977, 2978, 2979, 2980, 2981, 2982, 2983, 2984, 2985, 2986, 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3153, 3154, 3155, 3156, 3157, 3158, 3159, 3160, 3161, 3162, 3163, 3164, 3165, 3166, 3167, 3168, 3169, 3170, 3171, 3172, 3173, 3174, 3175, 3176, 3177, 3178, 3179, 3180, 3181, 3182, 3183, 3184, 3185, 3186, 3187, 3188, 3189, 3190, 3191, 3192, 3193, 3194, 3195, 3196, 3197, 3198, 3199, 3200, 3201, 3202, 3203, 3204, 3205, 3206, 3207, 3208, 3209, 3210, 3211, 3212, 3213, 3214, 3215, 3216, 3217, 3218, 3219, 3220, 3221, 3222, 3223, 3224, 3225, 3226, 3227, 3228, 3229, 3230, 3231, 3232, 3233, 3234, 3235, 3236, 3237, 3238, 3239, 3240, 3241, 3242, 3243, 3244, 3245, 3246, 3247, 3248, 3249, 3250, 3251, 3252, 3253, 3254, 3255, 3256, 3257, 3258, 3259, 3260, 3261, 3262, 3263, 3264, 3265, 3266, 3267, 3268, 3269, 3270, 3271, 3272, 3273, 3274, 3275, 3276, 3277, 3278, 3279, 3280, 3281, 3282, 3283, 3284, 3285, 3286, 3287, 3288, 3289, 3290, 3291, 3292, 3293, 3294, 3295, 3296, 3297, 3298, 3299, 3300, 3301, 3302, 3303, 3304, 3305, 3306, 3307, 3308, 3309, 3310, 3311, 3312, 3313, 3314, 3315, 3316, 3317, 3318, 3319, 3320, 3321, 3322, 3323, 3324, 3325, 3326, 3327, 3328, 3329, 3330, 3331, 3332, 3333, 3334, 3335, 3336, 3337, 3338, 3339, 3340, 3341, 3342, 3343, 3344, 3345, 3346, 3347, 3348, 3349, 3350, 3351, 3352, 3353, 3354, 3355, 3356, 3357, 3358, 3359, 3360, 3361, 3362, 3363, 3364, 3365, 3366, 3367, 3368, 3369, 3370, 3371, 3372, 3373, 3374, 3375, 3376, 3377, 3378, 3379, 3380, 3381, 3382, 3383, 3384, 3385, 3386, 3387, 3388, 3389, 3390, 3391, 3392, 3393, 3394, 3395, 3396, 3397, 3398, 3399, 3400, 3401, 3402, 3403, 3404, 3405, 3406, 3407, 3408, 3409, 3410, 3411, 3412, 3413, 3414, 3415, 3416, 3417, 3418, 3419, 3420, 3421, 3422, 3423, 3424, 3425, 3426, 3427, 3428, 3429, 3430, 3431, 3432, 3433, 3434, 3435, 3436, 3437, 3438, 3439, 3440, 3441, 3442, 3443, 3444, 3445, 3446, 3447, 3448, 3449, 3450, 3451, 3452, 3453, 3454, 3455, 3456, 3457, 3458, 3459, 3460, 3461, 3462, 3463, 3464, 3465, 3466, 3467, 3468, 3469, 3470, 3471, 3472, 3473, 3474, 3475, 3476, 3477, 3478, 3479, 3480, 3481, 3482, 3483, 3484, 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Complaint

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EXHIBIT E-1

HOW 20 MINUTES CAN CHANGE YOUR LIFE.



NardicTrack gives you more of a workout in less time than any other in-home exerciser. It's the best way to get the exercise you need to enjoy a long, healthy life. It's the only way to get the total-body workout that has changed the way America exercises. And all it takes is 20 minutes, three times a week.

With its natural, smooth, rhythmic motion, the NardicTrack exerciser doesn't feel like any other fitness machine you've used. Since the workout is spread over all your muscle groups, you're not straining any specific muscles.

At the same level of intensity, studies show that you need less effort to use a NardicTrack than with ordinary exercises. So, NardicTrack actually *feels easier to use.*

When you begin your regular NardicTrack workouts, you'll be proud of how fast you achieve your goals.

If weight loss is your goal, research shows that on average, people can lose 18 pounds in just 12 weeks with NardicTrack.

If your blood pressure and cholesterol levels are elevated, exercise with NardicTrack can help bring them down. Research shows that in just 12 weeks, NardicTrack users lowered their blood pressure an average of 12% (from 141/86 to 120/80). Lower blood pressure reduces your risk of heart disease and stroke and helps you feel better.

If cardiovascular fitness is your goal

EXHIBIT E-1

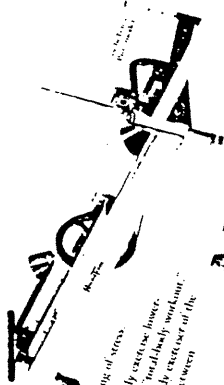
NORDICTRACK, INC.

Complaint

EXHIBIT E-2

symptoms in
* And as your muscles
increase
endurance,
the source of the
runner's high —
are increased to further
increase your sense of
well-being and reduce your feeling of stress.

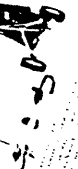
Unlike many exercise machines that only exercise lower
body muscles, NordicTrack provides a "total-body workout."
In fact, research shows that the upper-body expenditure of the
NordicTrack increases aerobic capacity between
8 and 15 percent!



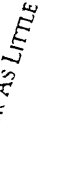
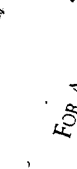
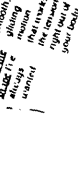
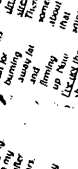
THE ORIGINAL IN-HOME SKI MACHINE IS STILL YOUR BEST CHOICE.
After 18 years, NordicTrack continues to improve the lives of Americans. Don't miss out on the time of your life call 1-800-441-7891 today.

SINCE 1976, OVER 3 MILLION PEOPLE ACROSS AMERICA HAVE CHANGED THEIR LIVES WITH NORDICTRACK.

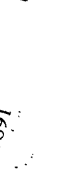
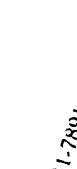
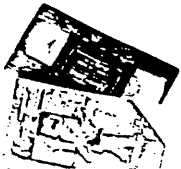
This is the best time of my
life and I owe it to my
NordicTrack. As the only
exercise machine that
gives me a total-body
workout, it has helped me
lose weight, increase my
endurance, and feel better
about my life. I have
been using it for 18 years
and I love it. I have
recommended it to many
of my friends and they
all love it too. I have
even won a contest for
being a loyal user of
NordicTrack. I am proud
to be a part of the
NordicTrack family.



When I started
using NordicTrack, my
life changed. I was
overweight and out of
shape. I had no energy
and I was always
tired. After using
NordicTrack for a few
months, I started to
lose weight and gain
energy. I was able to
do more things and
feel better about my
life. I have been using
it for 18 years and I
love it. I have
recommended it to
many of my friends
and they all love it
too. I have even won
a contest for being a
loyal user of
NordicTrack. I am
proud to be a part
of the NordicTrack
family.



FOR AS LITTLE AS \$1995* A MONTH...FEEL LIKE 3 MILLION.



By the time you finish your NordicTrack workout,
a head's been lifted off your shoulders. You're looking
forward to the rest of your day and looking back
prepared for tomorrow. For many, that's the big
payoff from NordicTrack, and that's what's kept
people using it for 18 years. In 18 years, we've still
been using the NordicTrack machine, and we're still
using it. It's the only NordicTrack machine that
has been around for 18 years.

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DECISION AND ORDER

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

The respondent, 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 of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that the law has been violated as alleged in such complaint, or that the facts as alleged in such complaint, other than jurisdictional facts, are true and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondent has violated the said Act, and that a 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 filed thereafter by interested persons pursuant to Section 2.34 of its Rules, 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 NordicTrack, Inc., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Minnesota, with its office and principal place of business located at 104 Peavey Road, in the City of Chaska, State of Minnesota.

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

I.

It is ordered, That respondent NordicTrack, Inc., a corporation, its successors and assigns, and its officers, agents, representatives, and employees, directly or through any corporation, subsidiary, division, or other device, in connection with the manufacturing, labelling, advertising, promotion, offering for sale, sale, or distribution of any exercise equipment in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, in any manner, directly or by implication:

A. The percentage of its customers who have successfully lost weight;

B. The percentage of its customers who have successfully maintained weight loss;

C. The number of pounds lost by its customers;

D. The percentage of weight loss maintained by its customers;

E. The rate or speed at which its customers have experienced weight loss;

F. The length of time its customers must use such product to achieve weight loss;

G. The comparative efficacy of any other weight loss method or methods; or

H. The benefits, efficacy, or performance of such product in promoting weight loss or weight loss maintenance;

unless, at the time of making such representation, respondent possesses and relies upon competent and reliable evidence, which when appropriate must be competent and reliable scientific evidence, that substantiates the representation. For the purposes of this order, "competent and reliable scientific evidence" shall mean 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.

II.

It is further ordered, That respondent NordicTrack, Inc., a corporation, its successors and assigns, and its officers, agents, representatives, and employees, directly or through any corporation, subsidiary, division, or other device, in connection with the manufacturing, labelling, advertising, promotion, offering for sale, sale, or distribution of any exercise equipment in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from misrepresenting, in any manner, directly or by implication, the existence, contents, validity, results, conclusions, or interpretations of any test, study, or survey relating to weight loss, weight loss maintenance or comparisons with the efficacy of other weight loss methods.

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 notify the Commission at least thirty (30) days prior to any proposed change in the respondent such as dissolution, assignment or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries, or any other change in the corporation which may affect compliance obligations arising out of this order.

V.

It is further ordered, That respondent shall, within ten (10) days from the date of service of this order upon it, distribute a copy of this order to each of its officers, agents, representatives, independent contractors, and employees involved in the preparation and placement of advertisements or promotional materials, or who is in communication with customers or prospective customers, or who has any responsibilities with respect to the subject matter of this order; and for a period of five (5) years, from the date of issuance of this order, distribute a copy of this order to all of respondent's future such officers, agents, representatives, independent contractors, and employees.

VI.

It is further ordered, That this order will terminate on June 17, 2016, or twenty years from the most recent date that the United States or the Federal Trade Commission files a complaint (with or without an accompanying consent decree) in federal court alleging any violation of the order, whichever comes later; provided, however, that the filing of such a complaint will not affect the duration of:

A. Any paragraph in this order that terminates in less than twenty years;

B. This order's application to any respondent that is not named as a defendant in such complaint; and

C. This order if such complaint is filed after the order has terminated pursuant to this paragraph.

Provided further, that if such complaint is dismissed or a federal court rules that the respondent did not violate any provision of the order, and the dismissal or ruling is either not appealed or upheld on appeal, then the order will terminate according to this paragraph as though the complaint was never filed, except that the order will not terminate between the date such complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

VII.

It is further ordered, That respondent shall, within sixty (60) days from the date of service of this order upon it, and at such other times as the Commission may require, 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

IVAX CORPORATION

MODIFYING ORDER IN REGARD TO ALLEGED VIOLATION OF
SEC. 7 OF THE CLAYTON ACT AND SEC. 5 OF THE
FEDERAL TRADE COMMISSION ACT

Docket C-3565. Consent Order, March 27, 1995--Modifying Order, June 17, 1996

This order reopens a 1995 consent order -- that permitted the Florida-based corporation to acquire Zenith Laboratories and required the respondent, for ten years, to obtain Commission approval before acquiring stock -- and this order modifies the consent order by terminating the provision requiring Ivax to obtain prior Commission approval before acquiring any interest in any entity that manufactures, or is an exclusive distributor for another manufacturer of, extended release generic verapamil in the United States.

ORDER REOPENING AND MODIFYING ORDER

On February 14, 1996, IVAX Corporation ("IVAX" or "respondent"), the respondent named in the consent order issued by the Commission on March 27, 1995, in Docket No. C-3565 ("order"), filed its Request To Reopen and Modify Consent Order ("Request") in this matter. IVAX asks that the Commission reopen and modify the order pursuant to Section 5(b) of the Federal Trade Commission Act, 15 U.S.C. 45(b), and Section 2.51 of the Commission's Rules of Practice and Procedure, 16 CFR 2.51, and consistent with the Statement of Federal Trade Commission Policy Concerning Prior Approval And Prior Notice Provisions, issued on June 21, 1995 ("Prior Approval Policy Statement" or "Statement").¹ IVAX's Request asks that the Commission "reopen the order issued on March 27, 1995, in this proceeding and modify the order by deleting paragraph III." Request at 1. The thirty-day public comment period on IVAX's Request ended on March 25, 1996. No comments were received. For the reasons discussed below, the Commission has determined to grant IVAX's Request.

The Commission, in its Prior Approval Policy Statement, "concluded that a general policy of requiring prior approval is no longer needed," citing the availability of the premerger notification and waiting period requirements of Section 7A of the Clayton Act,

¹ 60 Fed. Reg. 39745-47 (Aug. 3, 1995); 4 Trade Reg. Rep. (CCH) ¶ 13,241.