

Complaint

123 F.T.C.

IN THE MATTER OF
NATURAL INNOVATIONS, INC., ET AL.

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

Docket C-3718. Complaint, Feb. 25, 1997--Decision, Feb. 25, 1997

This consent order prohibits, among other things, the Ohio-based manufacturer and its president from making pain relief or pain elimination claims for their device without possessing competent and reliable scientific evidence to support such claims and prohibits them from representing that any endorsement or testimonial represents the typical experience with their product, unless the claim is substantiated or it is accompanied by a prominent disclaimer.

Appearances

For the Commission: *Lesley Anne Fair.*

For the respondents: *Barry Cutler and Julia Oas, McCutchen, Doyle, Brown & Enersen, Washington, D.C.*

COMPLAINT

The Federal Trade Commission, having reason to believe that Natural Innovations, Inc., a corporation, and William S. Gandee, individually and as an officer and director of said corporation ("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 Natural Innovations, Inc. is an Ohio corporation, with its principal office or place of business at 2717 South Arlington Road, Akron, Ohio.

Respondent William S. Gandee is an officer, director, and sole shareholder of Natural Innovations, Inc. Individually or in concert with others, he formulates, directs, and controls the acts and practices of Natural Innovations, Inc., including the acts and practices alleged in this complaint. His principal office or place of business is the same as that of the corporate respondent.

PAR. 2. Respondents have manufactured, advertised, labeled, offered for sale, sold and distributed the Stimulator, a "device" within the meaning of Sections 12 and 15 of the Federal Trade Commission

Act. The Stimulator is a purported pain relief device that emits a weak electric spark when activated.

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 and promotional materials for the Stimulator, including but not necessarily limited to the attached Exhibit A, a transcription of the program-length television commercial, or "infomercial," entitled "Saying No To Pain;" the attached Exhibit B, an instruction booklet for the Stimulator; and the attached Exhibit C, an instruction video entitled "Pain Free Today." These advertisements and promotional materials contain the following statements:

A. LINDA ANTHONY (Consumer Endorser): [My husband] started telling me about [the Stimulator], you know, and I am like having one of the worst headaches because I have an osteoma right up here. That's a non-malignant tumor that's just going to be there forever unless I have it surgically removed. And I get pressure headaches from it. You just feel like your whole head is just going to explode. They get so bad that I can take Darvocets and it doesn't relieve it. You know, I can be taking them for days and it doesn't relieve it. He puts the Stimulator here and here, it's gone within seconds. (Exhibit A, p. 6)

B. RUTH MINARD (Consumer Endorser): I started out with a stomach ache and I had a stomach ache for, oh, a couple, maybe three, months. It was diagnosed through my internist that it was diverticulosis. And so I had heartburn and gas like you wouldn't believe -- 24 hours, all the time. I couldn't believe, after having pain that long, and I had tried everything that I knew to try over the counter, and [the Stimulator] did the trick. I mean, I got results immediately. It's still unbelievable what it did for me. Today I have no stomach ache. (Exhibit A, p. 5)

C. RON HARTLINE (Consumer Endorser): And the lower back, it's unreal how it worked down there. Because, like, my low back on the one side has always bothered me. And I zap it and it's like it relieves it, you know? It's like taking back ten years on my body. This is something that works on me. (Exhibit A, p. 4)

D. DR. GANDEE: I've been using the Stimulator on many people for different problems, like headaches. All they have to do, wherever the pain is, stimulate the head, right around the area of pain. (Exhibit A, p. 6)

E. UNIDENTIFIED WOMAN #5 (Consumer Endorser): That was the biggest surprise to me -- that a little thing like that Stimulator could help that sinus in that day. No hot and cold packs, no bend over and feel like your eyes are going to fall out. (Exhibit A, p. 3)

F. JAMES LARIMORE (Consumer Endorser): [The Stimulator] works for me in the area of the sinus problem. (Exhibit A, p. 3)

G. DR. GANDEE: Sinuses. The Stimulator works very well with sinuses. (Exhibit A, p. 6)

H. RON HARTLINE (Consumer Endorser): It's just aches and pains. Carpal tunnel in the wrist, which I didn't think anything but surgery could take care of that.

But [the Stimulator] works real well. I mean it loosens -- it's like instantly -- it loosens up the wrist. (Exhibit A, p. 4)

I. BILL RAMSELL (Consumer Endorser): I had excruciating pain in my knees. And [the Stimulator] was fantastic. I couldn't believe what it did for me. You know, it just felt wonderful. As a matter of fact, I golfed 18 holes yesterday and walked quite a bit and it never bothered me at all. (Exhibit A, p. 5)

J. EVEL KNIEVEL: When I wake up in the morning, my wrist tends to hurt me very badly. When I put [the Stimulator] on and I click it, and use it, say, half a dozen or a dozen times on different parts of my wrist, my wrist begins to feel good. . . . [Friends] know that if I use it after all I've been through and all the things that I've tried to kill pain -- that if I use it and they don't see me taking any kind of a drug for pain -- everybody that knows me knows that I do not take drugs -- and they just absolutely know that if I've got a product and I'm using it to help me, then it must be working for me and you can keep things that do not belong in your system out of your system. (Exhibit A, pp. 7-8)

K. DR. GANDEE: But I'll tell you, when I first saw the Stimulator, I personally needed something in my office to help me. And the reason is the knuckle on the forefinger of my hand hurt so bad for the last two years I thought I was going to have to quit chiropractic. I could not work on my patients the way I wanted to. I had to change techniques. I think, seriously, if I hadn't had the Stimulator, I wouldn't be in chiropractic right now. Or I would've had to cut back dramatically on the patients I was seeing. (Exhibit A, p. 3)

L. KEVIN CULVER (Consumer Endorser): I'm up at the club there and I'm bragging about this thing and that's how I ended up here. I said, "That thing worked." You know, I haven't had any pain since. (Exhibit A, p. 8))

M. RUTH MINARD (Consumer Endorser): I got up this morning and I wasn't feeling very well. My feet were hurting me so bad. And I came to sit down to eat my breakfast and Nan got the zapper and she come and zapped me good. Before I could eat my breakfast, my feet were better. It doesn't take me too long to eat either. (Exhibit A, p. 11)

N. BILL WALTON: I had approximately 30 operations on my feet. I was in physical therapy on a constant basis. I worked with people who practiced all sorts of medicine. Orthopedists at the top. Massage therapist, chiropractors, acupuncture, acupressure, reflexology, tremendous amounts of yoga. You name it, I did it. If you have a life where you sit around and are in pain, you're going to be thinking all day long about the things that cause those pains. One of the things I try to do with my life is help people who are also in that chronic pain. That's why I recommend the Stimulator. So that they can move on and have a productive and happy life. And that smile will return to their face, the way it has to mine. (Exhibit A, p. 9)

O. JAMES LARIMORE (Consumer Endorser): Consequently, I get cramps in the hands, cramps in the arms, shoulders, across the top of the neck, back, lower back. And from crawling in and out, I get it in the knees. It's just, it just goes along with the job. Now I don't have to tolerate it anymore. If I have a cramp in my hand or something like that, I can relieve the cramp within 30 seconds. I use it in the evenings when I'm home after work. I use it on the balls of my feet, around my ankles, knees. (Exhibit A, p. 6)

P. RON HARTLINE (Consumer Endorser): When you do as much lifting like I do -- like a weight lifter -- and your wrists get swelled, your hands get swelled. The swelling in my hands is actually going down. I can't explain that but the

swelling in my hands has actually gone down. My watch actually slides now whereas it's always been tight. (Exhibit A, p. 4)

Q. DR. GANDEE: Allergies, the runny eyes, the runny nose. [The Stimulator] really seems like it gives a lot of relief for that. (Exhibit A, p. 6)

R. BILL WALTON: If I had the Stimulator available to me my entire career, I would've had a better career. The short term and long term pain relief that the Stimulator provides would have helped me -- would have helped me work harder -- would've helped me play better. (Exhibit A, p. 4)

S. DR. GANDEE: You can do it wherever you have pain. The knuckle, your elbow, your shoulder, your knees, your feet, your ankles, your wrist, the calves. It does not matter. And what it does is allows the body to help itself. The Creator put us here with a body that was supposed to be healthy. I believe that and most people believe that. And this Stimulator helps the body help itself. (Exhibit A, p. 4)

T. DR. GANDEE: The Stimulator may sound too good to be true. But it is true. The Stimulator works. It helps your body help itself naturally. What you've seen here are exactly the results that people have gotten. As a matter of fact, if anything, we've understated the relief people get. (Exhibit A, p. 10)

U. UNIDENTIFIED WOMAN #6 (Consumer Endorser): Oh, I think it works much faster than any medication. (Exhibit A, p. 3)

V. LINDA ANTHONY (Consumer Endorser): He puts the Stimulator here and here, it's gone within seconds. The pain is so excruciating and the relief is so wonderful. I mean, it's like no aspirin, no pain medication, no nothing can take that -- give you that instant relief. I mean I'm talking instant. (Exhibit A, p. 6)

W. UNIDENTIFIED MAN #2 (Consumer Endorser): It's always there. It's handy. You don't have to go make a call or set an appointment. It just helps relieve the pain instantly. (Exhibit A, p. 10)

X. JOHN TRIPPE (Consumer Endorser): I've been on Darvocets and other pain killers all this time. Darvocets and Darvons and codeines, Tylenol with codeine. And since I've been introduced to this I haven't used any of it. (Exhibit A, p. 3)

Y. UNIDENTIFIED WOMAN #4 (Consumer Endorser): Some things are addictive. You don't want to -- you end up relying on something that it causes other health problems. And I look for a natural way to deal with any health problems that I have. (Exhibit A, p. 3)

Z. GLEN MATZ (Consumer Endorser): Some of us can't just take aspirin. Some of us just can't take certain medications or anti-inflammatory drugs because they upset our stomach. This, I can relieve that pain and I don't have to swallow anything. (Exhibit A, p. 3)

AA. INSTRUCTION BOOKLET: In most cases, The STIMULATOR provides almost instant relief from pain. In cases of chronic pain, it may require several treatments per day over a period of time to achieve results. It has been our experience that as your pain decreases, the frequency with which you use the STIMULATOR will decrease also, until it's only necessary to use it on an occasional basis. (Exhibit B, p. 2)

We all hurt at one time or another, and the STIMULATOR can provide relief for almost everyone. (Exhibit B, p. 3)

Painful conditions which the STIMULATOR may be helpful for: painful joints; Stiff joints; Swollen joints; Muscle spasms; Sciatica; Frontal headaches; Occipital headaches; Migraine headaches; Cluster headaches; Stress headaches; Shoulder

pain; Back pain; Menstrual cramps; Carpal tunnel syndrome; Numbness and tingling; Allergies; Neck pain; Muscle strain; Foot cramps; Abdominal pain. (Exhibit B, p. 3)

Although the STIMULATOR may not work 100% of the time on 100% of your problems, we are confident that you'll find it extremely effective for the vast majority of your aches and pains as well as enabling you to provide relief for family and friends. (Exhibit B, p. 4)

BB. DR. GANDEE: Who needs the Stimulator? Basically, anyone can use the Stimulator because it's safe and effective. My grandmother is 96 years old and she uses the Stimulator every day. She's got leg cramps and feet problems and she uses it just to help her get through the day. (Exhibit C, p. 1)

CC. DR. GANDEE: Yet I'm sure that as you use the Stimulator and as I show you today how to use the Stimulator more effectively, you're going to find that you're going to be able to get relief most of the time. (Exhibit C, p. 1-2)

DD. DR. GANDEE: At first I really didn't see improvement. It felt a little bit better for a short period of time but then it would go back to what it was before. It took about a week until one day just out of the blue I noticed I had no more pain. (Exhibit C, p. 2)

EE. DR. GANDEE: As I work with the Stimulator, it is very obvious to me that soon this product will be worldwide. I believe that every household in America very soon will own a Stimulator. It might even go to the point where each individual person in the household will own a Stimulator because they'll want to keep it with them all the time. I also sincerely believe that the Stimulator will help you lead a more active, productive, and pain-free life. And as you share the Stimulator with your family and friends, which I hope you do and soon, I know that your family and friends are going to be calling you "Doc" or they're going to be asking for you to use the Stimulator on them. (Exhibit C, p. 7-8)

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

A. Use of the Stimulator will significantly reduce, relieve, or eliminate musculoskeletal pain, including pain in the back, feet, knees, wrists, knuckles, elbows, shoulders, ankles, joints, and calves; carpal tunnel syndrome; muscle spasms and strains; and sciatica.

B. Use of the Stimulator will significantly reduce, relieve, or eliminate abdominal pain and pain and discomfort caused by allergies, sinus conditions, diverticulosis, cramps, and menstrual cramps.

C. Use of the Stimulator will significantly reduce, relieve, or eliminate the pain caused by severe headaches, including but not limited to occipital, frontal, migraine, cluster, and stress headaches, and headaches caused by benign tumors.

D. The pain relief or pain elimination provided by the Stimulator is immediate.

E. Use of the Stimulator provides long-term pain relief.

F. For the treatment of pain, the Stimulator is as effective as, or more effective than, prescription and over-the-counter medications, including aspirin, acetaminophen, Darvon, Darvocet, and codeine.

G. For the treatment of pain, the Stimulator is as effective as, or more effective than, physical therapy, massage therapy, chiropractic treatment, acupuncture, acupressure, and reflexology.

H. Testimonials from consumers appearing in the advertisements and promotional materials for the Stimulator reflect the typical or ordinary experience of members of the public who have used the product.

PAR. 6. Through the use of the statements contained in the advertisements referred to in paragraph four, including but not necessarily limited to the advertisements and promotional materials attached as Exhibits A through C, 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 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. The acts and practices of respondents as alleged in this complaint constitute unfair or 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.

Complaint

123 F.T.C.

EXHIBIT A

**Transcript of Stimulator Infomercial
"Saying No To Pain"**

Super: "The following program is a paid presentation from Natural Innovations, Inc."

Voice-over: The following program is a paid presentation from Natural Innovations.

Voice-over: There are many stringent government regulations involved in selling a pain relief product on television, because some products sold in the past may have been ineffective, built false hope, and in some cases, could have been harmful. This product has not undergone the extensive testing that would allow us to satisfy all of the federal regulations. However, similar products have been in use for years with no record of ill effects; in fact, this concept has been used for centuries for pain relief. We make no medical claim that the Stimulator cures any disease, or does anything other than relieve pain for the people seen on this program. We simply believe that each of you has the right to try a product for yourself, and the opportunity to make your own decision to take active control of your own healthcare choices, including what gives you relief from your pain.

Super: Simultaneous visual scrolling of voice-over.

Depiction: A man jogging with a red highlight pointing to his right ankle. A woman on a telephone in a kitchen rubbing her neck with her left hand.

Bill Walton: Unfortunately I know far too much about pain.

Depiction: A boy throwing a baseball and rubbing his right elbow.

Evel Knievel: You know, you're not talking to someone who fell off of a bar stool.

Depiction: A man rubbing his hands.

I fell off of a motorcycle on pavement going 100 miles per hour.

Depiction: A woman grabbing her lower back in pain.

Unidentified Woman #1: The pain is there.

Depiction: A man playing tennis and grabbing his left elbow after hitting the ball.

And it's going to scream at you. "Don't do that to me."

Lee Meriwether: Pain, pain go away. Stay tuned because you're about to meet a very special doctor who has brought us a key to unlock the grip of pain. And if you know someone who's living with pain, please, I'd like you to take a moment and call them right now. Ask them to join us as we hear some amazing stories from people who have been set free -- free to get on with the business of enjoying life and feeling good. Today, on "Say No to Pain."

EXHIBIT A

698

Complaint

EXHIBIT A

Joe Anthony: If they said that they were never going to be available again and somebody wanted to buy mine, and I couldn't replace it, I wouldn't sell it for \$5,000.

Evel Knievel: I think that this is a better product to use, and you can keep things that do not belong in your system out of your system.

Bill Walton: It's very effective in terms of enabling me to have a better life.

Depiction: Still shots of the people depicted earlier.

Voice-over: Back pains, headaches, joint pain, foot pain. Join Lee Meriwether as she talks with health practitioner Dr. Steven Gandee, NBA all-star player and announcer Bill Walton, special guest star Evel Knievel, and people just like you, whose only special quality is that they're living without pain. Today, on "Say No to Pain."

Depiction: Still shots of Lee Meriwether, Dr. Gandee, Bill Walton, Evel Knievel, and consumer endorsers.

Super: The word "Pain" superimposed on the still shots, followed by the word "No" in large red letters.

Lee Meriwether: Hi, I'm Lee Meriwether. And no matter who you are, what you do, you, me and the rest of world all have something in common. We hurt sometimes. Many of us ignore it, hope it goes away. Or we reach into the medicine cabinet for drugs. Generally, we do whatever we can to live around the pain. But what happens to your life in the meantime? You make sacrifices, don't you? Pain can literally take away our lives.

Unidentified Woman #2: Even like when I pick my child up, and she's ten months old now, when I first had her, it would sometimes cramp a lot. If I'd hold her for a long period of time, like in my elbow area.

Bill Walton: My goal was to get pain free. My goal was to have a life. I had no life.

Unidentified Woman #3: That wasn't me. I was very unhappy because I couldn't function the way I was used to functioning. I just couldn't do the things I was used to doing.

Lee Meriwether: I'd like to introduce a man who has been doing something about pain for almost 20 years.

Depiction: Dr. Gandee examining a patient and presenting a speech.

Dr. Steve Gandee has the largest single doctor practice in Ohio. Over 40,000 office visits a year. Now that puts him in the top one percent in the country. He's the Ohio state representative to the International Chiropractic Association. He's been featured in numerous medical publications as well as his own television series on chiropractic care. His mission has been to help people find a way to say no to pain. Now Dr. Gandee, I know most people seem to do one of two things when they're in pain. They either try to ignore it hoping it will go away. Or, well, unfortunately, they reach into the medicine cabinet.

Complaint

123 F.T.C.

EXHIBIT A

- Dr. Gandee: Lee, that's true and that's a shame. People nowadays search and reach for drugs first, instead of trying something different. But fortunately with the Stimulator people can take control of their life, of their pain, of their suffering themselves. People like that. I wish you could follow me around my office one day, just one day, and watch people's attitudes when they can start themselves, like you and I can take control of what we feel, what we want to do, and not go to the drug cabinet. It's great. It's a great feeling, great.
- John Trippe: I've been on Darvocets and other pain killers all this time. Darvocets and Darvons and codeines, Tylenol with codeine. And since I've been introduced to this, I haven't used any of it.
- Unidentified Woman #4: Some things are addictive. You don't want to -- you end up relying on something that it causes other health problems. And I look for a natural way to deal with any health problems that I have.
- Glen Matz: Some of us can't just take aspirin. Some of us just can't take certain medications or anti-inflammatory drugs because they upset our stomach. This, I can relieve the pain and I don't have to swallow anything.
- Lee Meriwether: What these people are talking about is this simple pain-relief device. It's called the Stimulator and it changes the lives of those who use it. You know, Doctor, when I first saw this product, well, and I heard the phenomenal effects it had on people, I thought, how in the world can something so small have such a phenomenal effect on the body?
- Dr. Gandee: I thought the same way. It is small, isn't it? But I'll tell you, when I first saw the Stimulator, I personally needed something in my office to help me. And the reason is the knuckle on the forefinger of my hand hurt so bad for the last two years I thought I was going to have to quit chiropractic. I could not work on my patients the way I wanted to. I had to change techniques. I think, seriously, if I hadn't had the Stimulator, I wouldn't be in chiropractic right now. Or I would've had to cut back dramatically on the patients I was seeing.
- Lee Meriwether: So you used it on yourself?
- Dr. Gandee: I certainly did. About three or four times a day over a period of a week, I have no more pain. And you know what I did? At that point in time, I made a conscious effort that I was going to get this product to society, to America. Not only America, the world.
- Unidentified Woman #5: That was the biggest surprise to me -- that a little thing like that Stimulator could help that sinus in that day. No hot and cold packs, no bend over and feel like your eyes are going to fall out.
- James Larmore: It works for me in the area of the sinus problem. It works for me in the area of the muscle problem.
- Unidentified Woman #6: Oh, I think it works much faster than any medication.

Complaint

EXHIBIT A

- Linda Anthony: The pain is so excruciating and the relief is so wonderful. I mean, it's like no aspirin, no pain medication; no nothing can take that gives you that instant relief. I mean I'm talking instant.
- Bill Ramsell: My wife could tell you, I came home and I felt wonderful. I told her, "I just don't believe it. That little thing there could work a miracle [inaudible]. And it was.
- Bill Walton: If I had the Stimulator available to me my entire career, I would've had a better career. The short term and long term pain relief that the Stimulator provides would have helped me -- would have helped me work harder -- would've helped me play better.
- Lee Meriwether: Doctor, how does the Stimulator actually create such amazing results?
- Dr. Gandee: Very simple. You put the Stimulator up to wherever you hurt, wherever it is. You press in the plunger and a little spark comes out. Feel that?
- Lee Meriwether: Oh, yes.
- Dr. Gandee: You can do it wherever you have pain. The knuckle, your elbow, your shoulder, your knees, your feet, your ankles, your wrist, the calves. It does not matter. And what it does is allows the body to help itself. The Creator put us here with a body that was supposed to be healthy. I believe that and most people believe that. And this Stimulator helps the body help itself.
- Pat Wayne: I just had sacroiliac pain for years and years. And, like I said, I worked for fifteen to 20 years at Goodyear and I had problems with my legs when I worked there and I have never been so relieved since I got this Stimulator.
- Glen Matz: At first, I was a little skeptical. Who wasn't? Who wouldn't be? Something clicks and throws a spark, you know, but the darn-- it takes care of pain. Say what you want to. It alleviates pain.
- Ron Hartline: My truck driving and my football injuries and whiplash and all the things over years that I've accumulated. It's just aches and pains. Carpal tunnel in the wrist, which I didn't think anything but surgery could take care of that. But this works real well. I mean it loosens -- it's like instantly -- it loosens up the wrist. When you do as much lifting like I do -- like a weight lifter -- and your wrists get swelled, your hands get swelled. The swelling in my hands is actually going down. I can't explain that but the swelling in my hands has actually gone down. My watch actually slides now whereas it's always been tight. In the mornings I'd use it on my knees, like from carrying the concrete, carrying the bricks and standing on a concrete floor all day. It just -- it just seems like it relieves it. And the lower back, it's unreal how it worked down there. Because, like, my low back on the one side has always bothered me. And I zap it and it's like it relieves it, you know? It's like taking back ten years on my body. This is something that works on me. You know, you start getting older and you do the work I'm doing and you get so sore. And pretty soon you're just kind of thinking, "God, how long am I going to be able to do this?" But this is my future. This is my job. This is my money, you know. So, for some silly little thing like this to work this well, I'm hanging on to it. And if it lasts for life I'm in good shape.

Complaint

123 F.T.C.

EXHIBIT A

Lee Meriwether: It's obvious the Stimulator works for the people we've seen so far in this program. But I want you to stay tuned because we have a couple of special guests that I'm sure you're going to recognize who really know the meaning of the word pain.

[Break to ordering spot.]

Evel Knievel: You know, you're not talking to someone who fell off of a bar stool. I fell off of a motorcycle on pavement going 100 miles per hour.

Bill Ramsell: I had excruciating pain in my knees. And it was fantastic. I couldn't believe what it did for me. You know, it just felt wonderful. As a matter of fact, I golfed 18 holes yesterday and walked quite a bit and it never bothered me at all.

Super: "Sold nationally \$150.00" with a red "X" through it.

Dr. Gandee: The Stimulator may sound to good to be true, but it is true. The Stimulator works. It helps your body help itself naturally. What you've seen here are exactly the results that people have gotten. As a matter of fact, if anything, we've understated the relief people get. People ask, "Dr. Gandee, if the Stimulator works so well, why doesn't it cost more?" The reason is I want to help as many people as possible get pain relief. This isn't about money. This about helping you feel better. It's that simple. That's how my office works. I'd rather help a lot of people rather than just a few. The Stimulator is self-powered, uses no batteries, is American-made, and comes with a one-year guarantee. And I give you my personal guarantee that if you're not completely satisfied with your Stimulator, you can return it within 30 days for a full refund. You're going to love it.

Voice-over: Order now and receive an instructional video, instruction booklet, carrying pouch, and a copy of Dr. Gandee's newsletter, "Secrets of Health." Credit card orders just four easy payments of \$19.95. Call 1-800-982-2600. Or send check or money order for \$79.80, plus \$8.50 shipping and handling, to the Stimulator, Box 36700, Canton, Ohio 44735.

Depiction: Still shot of the Stimulator, newsletter, carrying pouch, and videotape.

Super: Visual of ordering telephone number and address.

Ruth Minard: I started out with a stomach ache and I had a stomach ache for, oh, a couple, maybe three months. It was diagnosed through my internist that it was diverticulosis. And so I had heartburn and gas like you wouldn't believe -- 24 hours, all the time. I couldn't believe, after having pain that long, and I had tried everything that I knew to try over the counter, and it did the trick. I mean, I got results immediately. It's still unbelievable what it did for me. Today I have no stomach ache.

[End of ordering spot.]

Lee Meriwether: Welcome back. If you just joined us, we've been talking about this amazing little device. It's called the Stimulator. And I'm here with Dr. Steven Gandee who's been using the Stimulator to treat his own patients. Now Doctor, has anyone used the Stimulator and not experienced relief from their pain?

EXHIBIT A

Dr. Gandee: Nothing works 100% of the time on 100% of the people, unfortunately. But I'll tell you what. I've been using the Stimulator on many people for different problems, like headaches. All they have to do, wherever the pain is, stimulate the head, right around the area of pain. Sinuses. The Stimulator works very well with sinuses. Allergies, the runny eyes, the runny nose. It really seems like it gives a lot of relief for that. Sore, stress areas, from the neck down into the shoulders, knees, elbows. All joint pains. It's amazing.

James Larimore: I've been a teamster for almost 30 years. And I've been driving antiquated equipment for an awful long time. No power steering, no power brakes. Consequently, I get cramps in the hands, cramps in the arms, shoulders, across the top of the neck, back, lower back. And from crawling in and out, I get it in the knees. It's just, it just goes along with the job. Now I don't have to tolerate it anymore. If I have a cramp in my hand or something like that, I can relieve the cramp within 30 seconds. I use it in the evenings when I'm home after work. I use it on the balls of my feet, around my ankles, knees. And when I go to bed, I hit the lower back and I sleep like a baby. It serves as a pain relief without [inaudible]. And to me that's a plus. If you're the type of person I am, if it works for you, you'll talk about it. I don't see how it works. I don't understand how it works. I don't care how it works -- as long as it works. And if I could have had one of these 20 years ago, I'd have been in a lot less pain for a long time.

Lee Meriwether: I hadn't really no idea that electricity could be useful in pain prevention.

Dr. Gandee: Well, it's true. Even the ancient Greeks. Picture this in your mind. The ancient Greeks realized that the body is an electrical system. You know what they did?

Lee Meriwether: No.

Dr. Gandee: They put a person in a tub of water and they put eels in the tub of water with them, so they could send electrical current and help the body. That's what they did.

Glen Matz: I had gone through knee surgery and went through the therapy -- the physical therapy -- and they use elec-- I don't know what words I want to use. What is it, is it electrolysis? Or whatever. But they hooked the wires up to me and I got the same shocking effect. So I really couldn't scoff at the idea because if they use it, why couldn't I use it?

Linda Anthony: He started telling me about this, you know, and I am like having one of the worst headaches because I have an osteoma right up here. That's a non-malignant tumor that's just going to be there forever unless I have it surgically removed. And I get pressure headaches from it. You just feel like your whole head is just going to explode. They get so bad that I can take Darvocets and it doesn't relieve it. You know, I can be taking them for days and it doesn't relieve it. He puts the Stimulator here and here, it's gone within seconds. The pain is so excruciating and the relief is so wonderful. I mean, it's like no aspirin, no pain medication, no nothing can take that -- give you that instant relief. I mean I'm talking instant. Within minutes, I'm back to working and doing whatever I was doing before. And I don't even realize it. All at once I have to say, "Oh my God, that pain is gone."

Lee Meriwether: Listening to all these people and their incredible, incredible stories, it seems to be that one would be hard pressed to get the Stimulator away from them.

Complaint

123 F.T.C.

EXHIBIT A

Dr. Gandee: When I first started working with the Stimulator, what I actually did is I tried to buy the Stimulator back from a patient.

Lee Meriwether: Really?

Dr. Gandee: And they said, "Well, where I can get another one?" And I said, "Well, you can't. I have to have it back." And they said, "Well, you're not getting it back." Once you have this, and you can use it on yourself, you can take control of your own health to some degree. You can't get it back.

Lee Meriwether: Well, there's at least one man I know that will never give up his Stimulator and he's someone that needs no introduction. A death-defying daredevil who's put millions of us on the edge of our seats: Evel Knievel.

Depiction: Evel Knievel jumping a motorcycle off a ramp.

Evel, it scares me just watching you on tape in all your jumps. Now what has happened to your poor body?

Depiction: Evel Knievel crashing, flying off a motorcycle.

Evel Knievel: I've had fourteen major open reduction operations. That's where they open you up and put a plate in a bone and attach it to another bone so that you can heal. It's an inner cast.

Lee Meriwether: How many bones have you broken?

Evel Knievel: I've broken about 34 or 35. Everybody kids me about how I've broken every bone in my body, but I used to tell them that I've broken every one except my little finger. But the truth is I've only broken about 34 or 35. When you talk about an injury on the football field or when you talk about a person being hurt playing tennis, or baseball, or a rodeo rider falling off a horse into deep soft dirt or cow manure or whatever it is -- I'll tell you what pain really is. You get on the hood of a car and when your driver gets to 80 miles per hour, have him blow the horn, you bail off out here on the freeway, you're going to find out what pain is.

Depiction: Evel Knievel crashing.

Dr. Gandee: That's what you did.

Lee Meriwether: Oh, oh, oh.

Evel Knievel: And I have been there. When I wake up in the morning, my wrist tends to hurt me very badly. When I put it on and I click it, and use it, say, half a dozen or a dozen times on different parts of my wrist, my wrist begins to feel good. I also use it on my knees. It does help me feel a lot better and I use it on my ankles. I've broken both of my ankles. It's such a simple thing to use. You don't have to rub it on you. If you have something bothering you and you're out playing golf or no matter what you're doing, if you got it in your pocket, you can pull it out and snap yourself with it three or four times. In fact, I like to use it on the guys when I hit a good shot on the golf course. I pull it out and go

698

Complaint

EXHIBIT A

Depiction: Evel Knievel using the Stimulator several times.

and they say, "What's he got? What is that?" They know that if I use it after all I've been through and all the things that I've tried to kill pain -- that if I use it and they don't see me taking any kind of a drug for pain -- everybody that knows me knows that I do not take drugs -- and they just absolutely know that if I've got a product and I'm using it to help me, then it must be working for me and you can keep things that do not belong in your system out of your system. If you use this product, it will work for you. If you have nothing to lose by trying something and everything to gain if you're successful, then by all means, try it. I hope that people will try it and I hope that I will meet people years from now who say I saw you on TV and thank you for telling me about the Stimulator.

Lee Meriwether:

Well, we thank you. Now coming up next, we'll visit with basketball great Bill Walton and more people just like you saying no to pain.

[Break to ordering spot.]

Kevin Culver:

Well, being a police officer, I'm extremely skeptical. You can't just walk up to me and say, "Hey, this is going to work" without me having a little knowledge of it. It's gotta work. You've gotta show me it's going to work. And fortunately it did. It saved me a trip to the podiatrist, I know that. I'm up at the club there and I'm bragging about this thing and that's how I ended up here. I said, "That thing worked." You know, I haven't had any pain since.

Depiction: Still shot of the Stimulator, newsletter, carrying pouch, and videotape.

Voice-over:

Write down this important number to take advantage of this revolutionary pain relief secret.

Super: "1-800-982-2600"

Order the Stimulator now and receive free Dr. Gandee's instruction booklet and exciting video "Pain Free Today." They give every technique you need to start saying no to pain immediately with the Stimulator. Also receive absolutely free a plush carrying pouch and plus your free issue of Dr. Gandee's exciting newsletter, "Secrets of Health," packed with dynamic ideas and techniques to help you get healthy and stay that way. The Stimulator is sold nationally for over \$150.00. But everyone with pain should be able to afford relief. So for a limited time, we're offering the Stimulator to you for just four easy payments of \$19.95. Take advantage of this special offer and call now.

To order the Stimulator for just four easy payments of \$19.95, have your credit card ready and call 1-800-982-2600. That's 1-800-982-2600. Or send check or money order for \$79.80 plus \$8.50 shipping and handling to The Stimulator, Box 36700, Canton, Ohio 44735. This exclusive TV offer comes with a 30-day money back guarantee. So call 1-800-982-2600. Call now.

Super: Visual of ordering telephone number and address.

[End of ordering spot.]

Complaint

123 F.T.C.

EXHIBIT A

- Lee Meriwether: Hello again. During his basketball career, Bill Walton was a dominating center. He's one of the few players to ever win national championships both in college and the pros, and he's also a member of the pro basketball Hall of Fame. But in the world of sports, pain is common. And sometimes greatness comes at a great expense.
- Bill Walton: I was the type of player that by midway through my career, I realized that I was going to leave my game and my health on the basketball court. I had approximately 30 operations on my feet. I was in physical therapy on a constant basis. I worked with people who practiced all sorts of medicine. Orthopedists at the top. Massage therapist, chiropractors, acupuncture, acupressure, reflexology, tremendous amounts of yoga. You name it, I did it. If you have a life where you sit around and are in pain, you're going to be thinking all day long about the things that cause those pains. One of the things that I try to do with my life is help people who are also in that chronic pain. That's why I recommend the Stimulator. So that they can move on and have a productive and happy life. And that smile will return to their face, the way it has to mine.
- Lee Meriwether: Well, there's certainly no question about that. He's definitely a believer. And the Stimulator is making believers out of more people every day.
- Dr. Gandee: Because it's safe, effective, and it works.
- Lee Meriwether: I have to tell you something about the Stimulator that I really think is fantastic. Now I know that I have something that will help alleviate pain with the people that I love.
- Dr. Gandee: I know the feeling of helplessness because I have two children and many times they've awakened me in the middle of the night, crying with pain or hurting or sickness. Now I'm not saying that we should stay away from medical care, of course. But what I am saying is that this feeling of helplessness will no longer be there because you at least have an opportunity to try something yourself to help the family or friends or neighbors.
- Lee Meriwether: Dr. Gandee, I know we only have a few moments left, but is there anything that you'd like to say to our viewers?
- Dr. Gandee: No matter what we've done today, some people are still going to be skeptical. That's just the way human nature is. I can sit here and I can say, well, you should've watched Evel before he even came out here doing himself on his knuckles and his wrist. Remember? Or his knees. And we talked to Bill Walton. And Bill Walton was in pain. And because of [inaudible] surgery [inaudible] had done to his ankles, he couldn't even walk without limping. People can't see that though. All they can see is us up here talking. No matter how skeptical a person is, no matter what they think or what they feel, the only way they're truly going to find out if they can get help and if they can help their family or friends or loved ones to keep from suffering, no matter how much pain they're in, the only thing they can do is try it.
- Lee Meriwether: What we've seen here today is really nothing short of miraculous for those who have used this amazing little power house. People who have literally pushed pain away and started enjoying life once again. Now if you could experience results, powerful results, like you've seen here today, wouldn't it be worth almost anything? Do something now to say no to pain, for yourself or for someone you love.

698

Complaint

EXHIBIT A

Bill Walton: There is no way that I could talk about the positive benefits of this Stimulator if it didn't work for me. I'm into things that work. I'm into winning.

Joe Anthony: It's a minimum investment with maximum results.

Glen Matz: Try it and you'll find out. It's that simple. It does work. And if you don't believe me, do it yourself. Give it a try.

Ruth Minard: Every home needs one.

Unidentified Woman #7: Even that time of month when you get back cramps.

Unidentified Man #1: I think everybody should have one.

Evel Knievel: By all means, try it.

Unidentified Man #2: It's always there. It's handy. You don't have to go make a call or set an appointment. It just helps relieve the pain instantly.

Linda Anthony: No one could take it away from me.

James Larimore: If I could have had one of these 20 years ago, I would've been in a lot less pain for a long time.

Unidentified Man #3: It does work. There's no doubt in mind whatsoever.

Unidentified Woman #7: It always -- every time I use it helps me. Every single time I've used it.

Unidentified Woman #8: I've lived my whole life in pain and it's not worth it. If you have something that will help you, then I'd say go for it.

Bill Walton: Thank God, thank God for the Stimulator.

Dr. Gandee: The Stimulator may sound too good to be true. But it is true. The Stimulator works. It helps your body help itself naturally. What you've seen here are exactly the results that people have gotten. As a matter of fact, if anything, we've understated the relief people get. People ask, "Dr. Gandee, if the Stimulator works so well, why doesn't it cost more?" The reason is I want to help as many people as possible get pain relief. This isn't about money. This is about helping you feel better. It's that simple. That's how my office works. I'd rather help a lot of people than just a few. The Stimulator is self-powered, uses no batteries, is American-made, and comes with a one-year guarantee. And I give you my personal guarantee that if you're not completely satisfied with your Stimulator, you can return it within 30 days for a full refund. You're going to love it.

Depiction: Still shot of the Stimulator, newsletter, carrying pouch, and videotape.

Super: Visual of ordering telephone number and address.

End screen: Order now and receive an instructional video, instruction book, carrying pouch, and a copy of Dr. Gandee's newsletter, "Secrets of Health." Credit card orders just four

Complaint

123 F.T.C.

EXHIBIT A

easy payments of \$19.95. Call 1-800-982-2600. Or send check or money order for \$79.80, plus \$8.50 shipping and handling, to the Stimulator, Box 36700, Canton, Ohio 44735.

Ruth Minard: I got up this morning and I wasn't feeling very well. My feet were hurting me so bad. And I came to sit down to eat my breakfast and Nan got the zapper and she come and zapped me good. Before I could eat my breakfast, my feet were better. It doesn't take me too long to eat either.

Pat Wayne: If anyone is skeptical of my activator -- I [inaudible] to say Stimulator, but it's my activator -- you can call me.

Voice-over: The preceding program was a paid presentation from Natural Innovations.

Super: "The preceding program was a paid presentation from Natural Innovations, Inc."

698

Complaint

EXHIBIT B

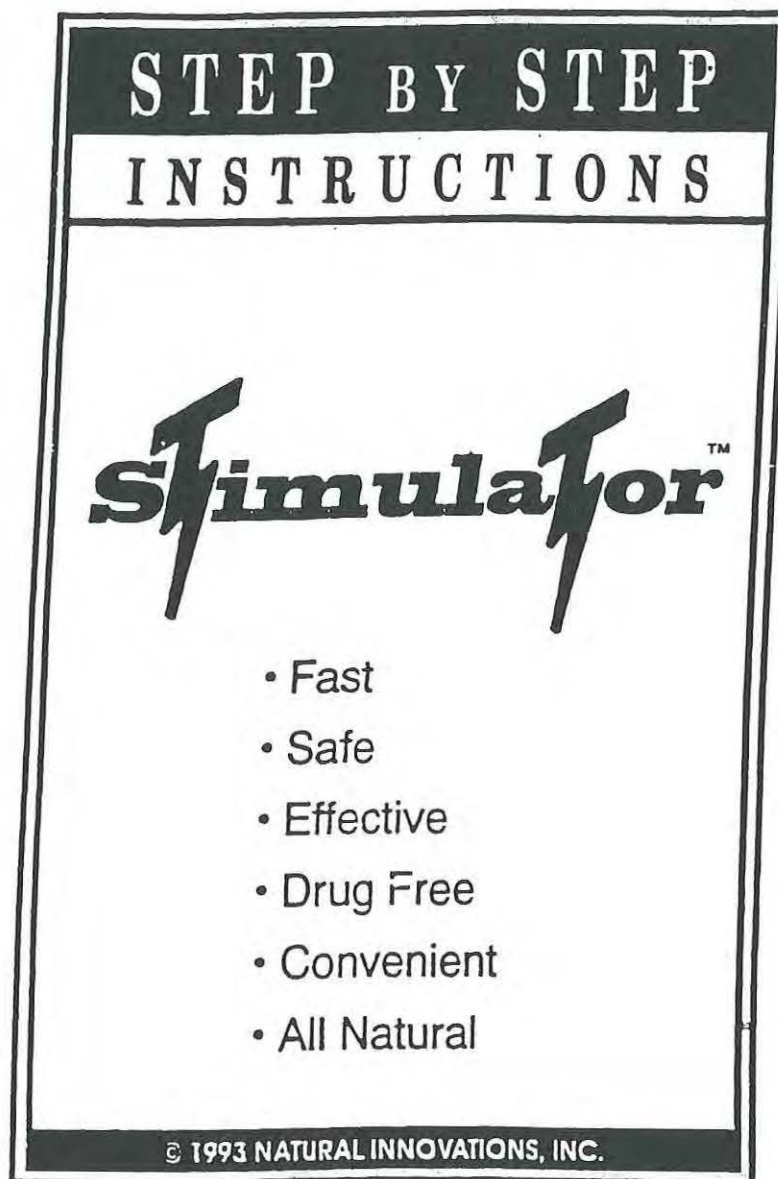


EXHIBIT B

Complaint

123 F.T.C.

EXHIBIT B

WELCOME

Congratulations on making a decision that will help you and your family or friends lead a more active, productive and pain-free life! And welcome to joining thousands of people just like you who have made a decision to take action and do something about the pain they are feeling.

Pain can be devastating. It can linger, get worse and control your life. Pain forces you to cut back activities, guard every move and constantly think about what you can do to get relief.

To help you break this vicious cycle of pain, we developed the STIMULATOR as a natural, safe and effective way to help you get relief from your pain, whether occasional, acute or chronic.

We believe the STIMULATOR is something people throughout the world need. We believe every household should have at least one. We believe the STIMULATOR will come to play a prominent role in helping you, as well as your family and friends maintain a more pain-free lifestyle and enjoy a higher quality of life.

The results brought about by the STIMULATOR are in harmony with nature, and with no side effects as with many medications, so you can use it often. Most people carry their STIMULATOR with them so they can use it immediately at the onset of any discomfort. We believe the STIMULATOR will become indispensable to you. As the beneficial results of the STIMULATOR become apparent to you, it will be worth many times the small investment you've made.

EXHIBIT B

In most cases, The STIMULATOR provides almost instant relief from pain. In cases of chronic pain, it may require several treatments per day over a period of time to achieve results. It has been our experience that as your pain decreases, the frequency with which you use the STIMULATOR will decrease also, until it's only necessary to use it on an occasional basis.

Please remember that the STIMULATOR does not cure anything, it can only assist and work in harmony with nature. Nature herself is the real healer. The STIMULATOR method of controlling or eliminating pain is safe, simple and easy to use.

You cannot buy back health once it is gone, but you can, if you know how, help yourself while it is slipping. Your STIMULATOR will become one of your most treasured possessions.

We at Natural Innovations, Inc. urge you to write and share your experiences with the STIMULATOR. We believe that special interest groups may attempt to stop us from making the STIMULATOR available to people like yourself. We believe that each of you has the right to buy a product that may help alleviate your pain particularly one that works in harmony with nature and your body. Your letter is of vital importance. So please take the time to let us hear from you, and tell us how the STIMULATOR has helped you.

Address all correspondence to:

NATURAL INNOVATIONS, INC.
CUSTOMER SERVICE CENTER
2717 S. Arlington Rd., Suite E
Akron, Ohio 44312

EXHIBIT B

Who Can Use The STIMULATOR?

We at Natural Innovations have had numerous very beneficial personal experiences using the STIMULATOR on children as young as six years as well as seniors into their nineties. In fact, every nursing home should have several STIMULATORS. We all hurt at one time or another, and the STIMULATOR can provide relief for almost everyone.

We want you to be as active and healthy as you can be. But, we also want you to be smart about your health. The STIMULATOR is not intended as a substitute for medical care or as a replacement for medical treatment. We do not recommend that you discontinue any care or procedures prescribed by your Chiropractor or M.D.

Painful conditions which the STIMULATOR may be helpful for:

- | | |
|---|--|
| ☒ Painful joints | ☒ Shoulder pain |
| ☒ Stiff joints | ☒ Back pain |
| ☒ Swollen joints | ☒ Menstrual cramps |
| ☒ Muscle spasms | ☒ Carpal tunnel syndrome |
| ☒ Sciatica | ☒ Numbness and tingling |
| ☒ Frontal headaches | ☒ Allergies |
| ☒ Occipital headaches | ☒ Neck pain |
| ☒ Migraine headaches | ☒ Muscle strain |
| ☒ Cluster headaches | ☒ Foot cramps |
| ☒ Stress headaches | ☒ Abdominal pain |

EXHIBIT B

When To Use The STIMULATOR

"An ounce of prevention is worth a pound of cure."

Well, the same rule applies to the care of your body! Always keep your STIMULATOR handy for immediate use at the first signs of a developing condition. Whenever and wherever you have aches and pains, think of using the STIMULATOR first to provide relief. At the onset of aches and pains the STIMULATOR is very effective; the important thing to remember is that in order to get maximum benefits from your STIMULATOR, you must always keep it in a convenient place; your pocket, purse, glove compartment, desk or next to your bed. Although the STIMULATOR may not work 100% of the time on 100% of your problems, we are confident that you'll find it extremely effective for the vast majority of your aches and pains as well as enabling you to provide relief for family and friends.

Your STIMULATOR can be your first line of defense against pain. Most people quickly find that they can't get along with just one STIMULATOR in the family and soon order more for family members

**When Not To Use The STIMULATOR**

While the STIMULATOR may be beneficial for temporary relief of minor aches and pains, Natural Innovations, Inc. makes no medical or health claims of any kind, nor is the STIMULATOR recommended as a substitute for medical care. If your problem persists, see your Chiropractor or M.D.

The Stimulator is not recommended for:

- Children under 6 years of age.
- Persons with a pacemaker or any type of electrical medical implants.
- Use over the abdominal area of a pregnant women.
- In the vicinity of malignant tumor.
- In the presence of pure oxygen or any flammable gas or liquid.
- Over any metal surgical implants.
- Directly on the eye.

EXHIBIT B

**Tips for Getting the Most
Out of Your STIMULATOR**

- Q. Do I have to use a lot of pressure when I am using my STIMULATOR?
- A. You don't need to use any pressure, just make contact with the skin and press the plunger.
- Q. Does the STIMULATOR have to be directly touching the skin or will it work through clothing?
- A. The STIMULATOR will work just as well through light clothing, although it may not penetrate several layers of clothing.
- Q. My STIMULATOR doesn't spark every single time I push the plunger -- is it broken?
- A. Occasionally after rapid, and repeated activations of your STIMULATOR, you may have to wait a few seconds until the internal mechanism has time to recharge. If this doesn't work, try turning the plunger slightly in one direction or the other. Your STIMULATOR should then continue to function properly.
- Q. If the fingers of the hand in which I am holding my STIMULATOR should happen to come in contact with the skin, will it still work?
- A. Yes, but the stimulation effect will be greatly reduced, maybe to the point of being ineffective. Always exercise care and deliberation when using the STIMULATOR. Do not allow the hand in which you are holding the STIMULATOR to touch the skin. This "short circuits" the STIMULATOR and directs the current to the wrong area. Always try to keep the STIMULATOR perpendicular to the body as in the photographs on the following pages.

EXHIBIT B

**Tips for Getting the Most
Out of Your STIMULATOR**

Q. I've been using my STIMULATOR for a while now, and I'm still getting good results, but it feels like the current is getting weaker ... Could it be?

A. The energy your STIMULATOR generates cannot diminish in strength. Your perception of the strength of this energy is diminishing because you have gotten used to the feeling.

Q. Can my STIMULATOR be used on acupuncture and acupressure points on my body?

A. Yes! Your STIMULATOR can be used to stimulate all the acupuncture and acupressure points throughout your body. In fact, many people refer to the STIMULATOR as acupuncture without needles. You can find very good books on acupuncture and acupressure at leading health food stores or the library.

Q. Is there any difference between using the STIMULATOR on myself as compared with using it with a partner?

A. Some people believe that the STIMULATOR is somewhat more effective when used with a partner because you can stimulate a larger area and the stimulation seems stronger. However, you can expect to receive excellent results when using the STIMULATOR alone. In fact, many people feel that the STIMULATOR works better when used alone because they are better able to pinpoint the area of pain. Of course, results vary from one person to another. So you must try different techniques to see what works best for you.

Q. Since there are no batteries in my STIMULATOR, how does it work?

A. There is a self-contained mechanism inside your STIMULATOR which has been designed using crystals to generate its own energy.

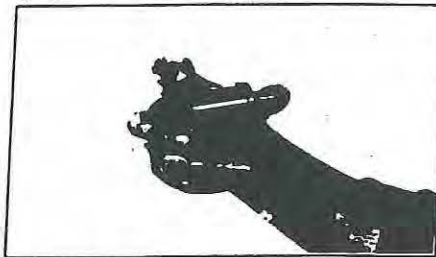
Complaint

123 F.T.C.

EXHIBIT B

How to Hold the STIMULATOR

Grasp the STIMULATOR in one hand with your thumb on the plunger and your first and second finger on the metal grips as shown. Always remember that when using the STIMULATOR, don't allow any portion of the hand in which the STIMULATOR is being held to touch the skin of the person being treated. If the fingers, knuckles or wrist is touching the person, it will "short circuit" the STIMULATOR and direct the stimulation to the wrong area.



How to hold the STIMULATOR

Using the STIMULATOR on Yourself

The procedure for using STIMULATOR on yourself is very simple. Touch the tip of the STIMULATOR to the general area in which you feel pain. Activate the plunger 8 to 12 times as you move the STIMULATOR all around the area which is hurting. Remember, you don't need to use a lot of pressure. Just make contact with your skin. If you don't get the degree of relief needed, repeat the process. The STIMULATOR is all natural and you needn't worry about using it too often.

EXHIBIT B

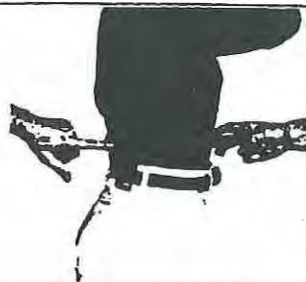
Using the STIMULATOR with a Partner

Some people believe the STIMULATOR is slightly more effective when using it with a partner. This is because when using the STIMULATOR on another person, you are able to take a finger on the hand which is not holding the STIMULATOR and place it on the person being treated to form a complete circuit. This will allow the current to travel from the point where the STIMULATOR is touching them to wherever your other finger is placed, thereby stimulating a much larger area. Each person reacts differently so use the STIMULATOR both ways and decide which is more effective for you.

The following series of photographs demonstrate how the STIMULATOR should be used with a partner for various painful conditions.

Abdominal Pain:

Place the STIMULATOR on the abdominal area and your finger directly opposite the STIMULATOR on the back. Move the STIMULATOR around the vicinity of the pain as you activate it 8 to 12 times.

**Carpal Tunnel Syndrome:**

Stimulate the hand as shown in the photograph. Move the STIMULATOR and your finger slightly as you continue to activate the STIMULATOR to affect a larger area.

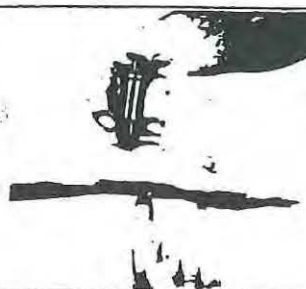
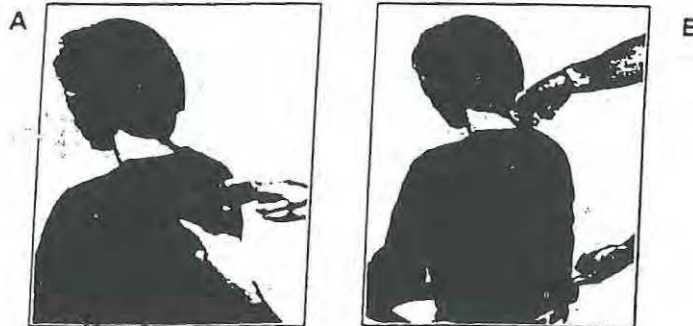


EXHIBIT B

Using the STIMULATOR with a Partner *(continued)***For Back Pain:**

You can place the STIMULATOR on one side of the painful area and a finger on the opposite side, then activate the STIMULATOR 8 to 12 times, while moving both the STIMULATOR and the opposite finger in a circular motion around the painful area as in picture A. You can also help relax the entire spinal area by placing the STIMULATOR at the base of the neck and placing the finger of the opposite hand near the small of the back as in picture B, then activate the STIMULATOR 8 to 12 times. Repeat this process on both sides of the spine to stimulate and relax the spinal muscles.

**Sciatica Problems:**

Place the STIMULATOR at the base of the spine as shown and a finger on the back of the achilles tendon, as shown, on the leg in which the problem occurs. Activate the STIMULATOR 8 to 12 times.

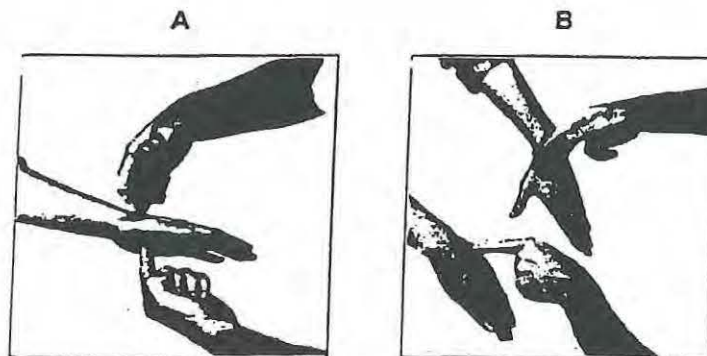


Complaint

EXHIBIT B

Using the STIMULATOR with a Partner *(continued)***Headaches and General Pain Relief:**

The webbing between the thumb and forefinger is one of the key area to stimulate for all headaches as well as general pain relief. This area may be stimulated as in either photograph. Experiment and determine which technique brings the best results for you personally. When using method "A", you must naturally do it on each hand individually. When using method "B", activate the STIMULATOR 8 to 12 times as shown and then switch the STIMULATOR to the opposite hand for an additional 8 to 12 times to provide complete stimulation of this area.

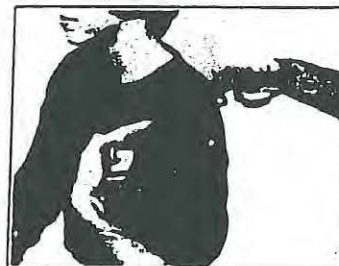
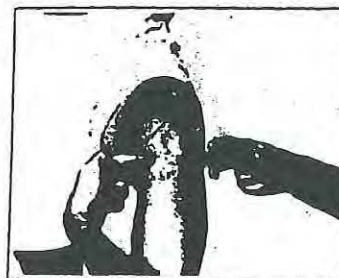


Many people get excellent results using these techniques immediately after stimulating the general area of pain.

EXHIBIT B

Using the STIMULATOR with a Partner (continued)**Painful, Stiff or Swollen Joints:**

When treating any joint problem, place the STIMULATOR on one side of the joint and a finger on the other side as shown. Activate the STIMULATOR 8 to 12 times as you move around the joint, always keeping the STIMULATOR opposite the other finger contact point as shown

**Joint Pain:**

For a painful condition in a joint, sometimes treatment is more effective if you stimulate the entire area to the next joint. The treatment shown could be used for painful elbow or wrist.

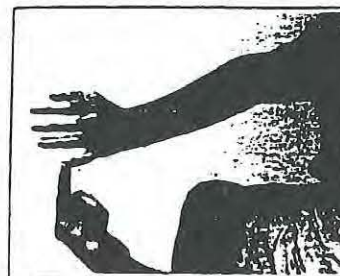


EXHIBIT B

The following pages contain a series of charts of acupuncture and acupressure points on the body which may be stimulated for specific problems in addition to stimulating the general area of pain.

Points of the Head and Face

• MIGRAINE

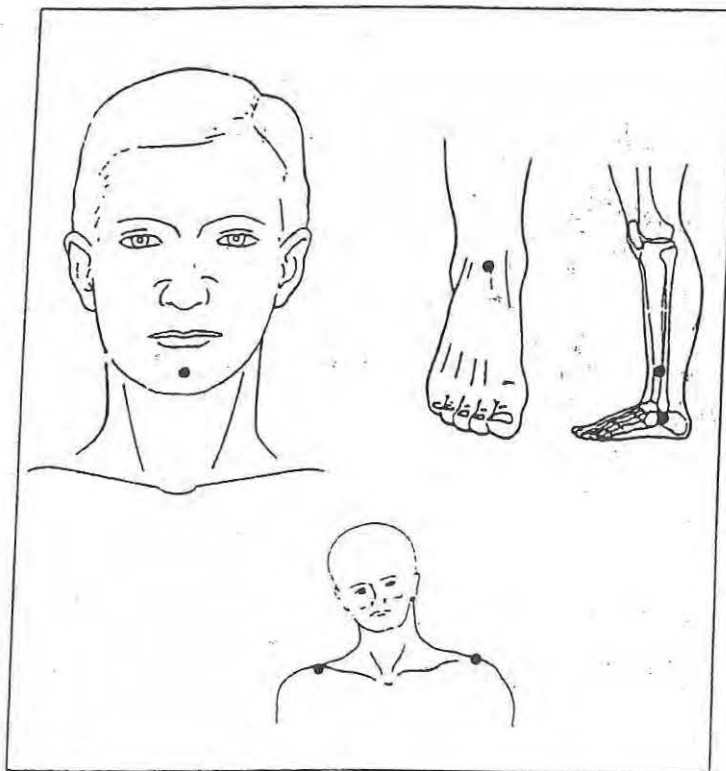
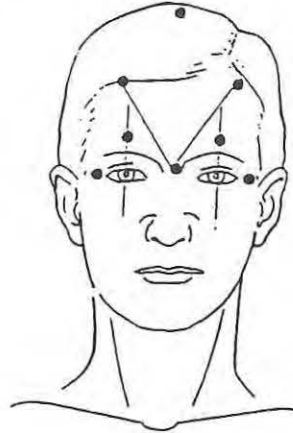


EXHIBIT B

Points of the Head and Face (continued)

- **HEADACHE**



- **STUFFY NOSE**
- **ALLERGIES**
- **SINUS**
- **SINUS HEADACHES**
- **HAY FEVER**

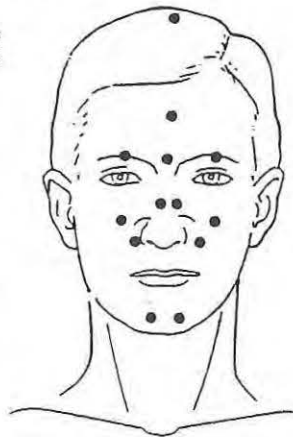
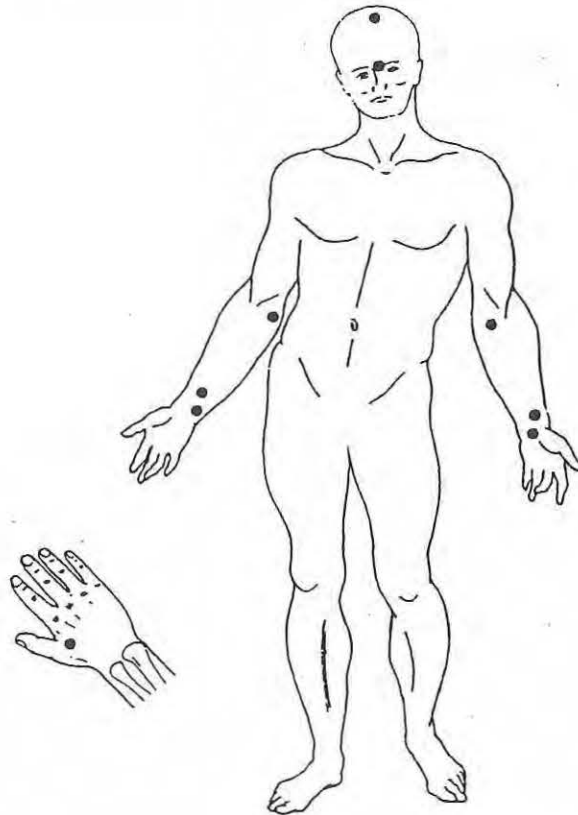


EXHIBIT B

• **STRESS, TENSION & ANXIETY**



If you have a problem which we have not addressed or wish more detailed information, a visit to your local health food store or library will yield a variety of reference books on acupuncture and acupressure.

Complaint

123 F.T.C.

EXHIBIT B

CLIP & MAIL

GIVE TO A FRIEND

Please send me _____ STIMULATORS.
 I enclose \$79.80 ☐ Check ☐ Money Order
 Plus \$8.50 shipping and handling for each STIMULATOR

OR ... Bill My Credit Card

☐ VISA ☐ MasterCard ☐ American Express ☐ Discover
 Card # _____ Expires: _____
 Signature _____

☐ Bill my credit card in 4 equal installments of \$19.95 each, for each STIMULATOR ordered. (Shipping and Handling will be billed in the first installment)

☐ Bill by credit card in just one installment of \$79.80 plus \$8.50 Shipping and Handling.

☐ CHECK HERE FOR **RUSH DELIVERY**. For only \$10.00 you can receive your STIMULATOR within 7 days of receipt of your order. Simply add \$10.00 to your check amount for each STIMULATOR ordered, or we will bill your credit card.

FOR FAST SERVICE ...
CREDIT CARD ORDERS MAY CALL
 (MON. - SAT. 9AM - 6PM EASTERN STANDARD TIME)
1-800-728-0815

SHIP TO :
 NAME _____
 ADDRESS _____
 CITY/STATE/ZIP _____

Allow 3-4 weeks for normal delivery. Enclose this order form in an envelope and MAIL TO:

NATURAL INNOVATIONS, INC.
 Box 36700
 DEPT. R
 Canton, Ohio 44735

Please complete for our survey:
 Age _____
 Is STIMULATOR for:
☐ YOURSELF
☐ GIFT

698

Complaint

EXHIBIT B

**60 Day Money Back
Guarantee**

At any time within the first 60 days after receiving your STIMULATOR you may return it for a full no questions asked refund, (*less shipping & handling of course*).

For Refund, complete this form in its entirety and send it along with ALL MATERIALS RECEIVED WITH THE STIMULATOR to:

NATURAL INNOVATIONS, INC.
RETURNS DEPT.
2717 South Arlington Rd., Suite E
Akron, Ohio 44312

Date _____

Purchasers Name _____

Address _____

City _____

State _____ Zip _____

Method of Payment

- ☐ Credit Card ☐ Check ☐ Money Order
☐ Cash ☐ Other

of STIMULATORS Purchased _____

of STIMULATORS Being returned for refund _____

Reason: _____

Signed _____



Complaint

123 F.T.C.

EXHIBIT B

WARRANTY

If at any time during the first 12 months after receiving your STIMULATOR it fails to function for any reason, Natural Innovations will replace it free of charge with only a small processing, shipping and handling fee of \$8.50.

**For replacement; send
your STIMULATOR and a brief
explanation to:**

NATURAL INNOVATIONS, INC.
CUSTOMER SERVICE
2717 South Arlington Rd., Suite E
Akron, Ohio 44312

FOR CUSTOMER SERVICE CALL:
1-800-728-0815 TOLL FREE
Mon. - Sat. 9:00 a.m. - 6:00 p.m. Eastern Standard Time

698

Complaint

EXHIBIT B



Complaint

123 F.T.C.

EXHIBIT C

**Transcript of Stimulator Instructional Video
"Pain Free Today"**

Super : "Pain Free Today -- Using the Stimulator with Dr. William S. Gandee, D.C."

Dr. Gandee:

Hi, I'm Dr. Gandee, a chiropractor. Today, I'm going to show you how to use the Stimulator. For you to be watching me means that you purchased the Stimulator and I want to congratulate you on making probably the purchase of your life because the Stimulator really helps many problems. Many people in pain with different symptoms have really discussed how well the Stimulator works with them. Today I'm going to show you how to use the Stimulator.

Who needs the Stimulator? Basically, anyone can use the Stimulator because it's safe and effective. My grandmother is 96 years old and she uses the Stimulator every day. She's got leg cramps and feet problems and she uses it just to help her get through the day. Also, I have an eight-year-old son that I use the Stimulator on myself at home for certain problems and a five-year-old daughter that I've used the Stimulator on also for certain problems. So there is no age limit to the Stimulator. Many times a person will come into my office and they'll say, "Dr. Gandee, I'm getting old," trying to relate their age with their health and pain problems. And my belief is that we're getting older not old. Just because we're aging does not mean we have to hurt. And today we're going to show you how you can get relief.

Now, who should stay away from using the Stimulator or under what circumstances should you maybe not use the Stimulator? I don't think you should use the Stimulator over a pacemaker because it's an electrical apparatus and the Stimulator shoots out an electrical spark. I think you should stay away from the abdomen of a pregnant woman. I think also if you're on oxygen you should unplug or turn the oxygen off before using the Stimulator. Don't use the Stimulator over a flammable liquid because again of the spark that it transmits. So there are certain things that you should stay away from using the Stimulator for, yet the Stimulator has proven very effective and safe for everyone.

When should you use the Stimulator? Basically when you feel the coming of pain or tension or excitability, any time you just don't feel right, you can use the Stimulator. Often times it's good to get a problem before it actually gets going or started. But there is no best time to use the Stimulator. You can use it whenever you want to. That's what so great about it.

Where can you use the Stimulator? Personally, I've used the Stimulator while in the theater. I've used it in a restaurant while dining. There is such a good marketability with the Stimulator that you can use it anywhere you want to and no one is going to look at you and [wonder] why you're using it or what it is because the Stimulator is very effective wherever you are at the time.

Is the Stimulator 100% effective on everything? No. What is? Nothing that I'm aware of is effective all the time. Yet I'm sure that as you use the Stimulator and as I show you today how to use the Stimulator more effectively, you're going to find that

EXHIBIT C

Complaint

EXHIBIT C

you're going to be able to get relief most of the time. And if you've bought the Stimulator for one specific need, and you don't get 100% use of the Stimulator, I know that for something else down the road, you're going to find the Stimulator good for that, or you're going to have a relative that can use the Stimulator or a friend or a neighbor. You're going to see that pretty soon this is going to be your best friend. You're going to carry it with you all the time and often times people will say or call you "Doc." They'll say, "Hey Doc, come here and use that Stimulator thing, that little popper thing, on my shoulder. Come on over here, Doc, and use it on me." And you're going to be very happy with this purchase.

What we're going to do right now is I'm going to show you how to effectively use the Stimulator on yourself and also on someone else.

- Linda Anthony: The relief it gives me is worth more than any amount of money that somebody can give me for that.
- Unidentified Woman: It always -- every time I use it, it helps me. Every single time I've used it.
- Dr. Gandee: I'd like to share a story with you, a personal story, about the Stimulator and myself. Chiropractic is a very physical job. I use my hands continually all day long, and I see patients from eight in the morning until seven o'clock at night. So you can see that I'm constantly in motion and my hands receive a lot of physical abuse to the point I actually thought I was going to have to give up chiropractic because of severe pain I was having in the knuckle. A hundred percent of the time my knuckle hurt, all the time. And especially as the day progressed I had more and more pain. I started using the Stimulator on myself, as you can do with yourself. At first I really didn't see improvement. It felt a little bit better for a short period of time but then it would go back to what it was before. It took about a week until one day just out of the blue I noticed I had no more pain. It was like a gradual process. Now what I do is every once in a while, maybe every two weeks or three weeks, I need to use the Stimulator on myself about eight or ten repetitions just to keep the pain down.

Depiction: Dr. Gandee using the Stimulator on his forefinger.

This is what we're talking to you about. We're not saying that the Stimulator is going to completely eradicate all your aches and pains. Nothing does that. Yet what the Stimulator can do, and has done for me, is to help you to be able to live with what aches and pains that you have. It gives you a tremendous amount of relief. To the point for myself I no longer worry about if I can continue on in chiropractic because of this pain. I now can do anything I like to do.

With yourself, when you use the Stimulator on yourself, I want you to keep in mind that often times you'll see instantaneous relief. And that sometimes you need to use the Stimulator repetitiously over a period of time. For instance, let's say your shoulder started bothering you. Here's what you do. All you do is right around the area of pain you apply the Stimulator. Will it go through this sweater and shirt? Yes, it will. It will go right through it. You can feel it just as if it was on skin. So you don't have to take your clothes off or worry about that. You just apply the Stimulator right where the pain is and you just press the little knob and it shoots the spark of energy right into the shoulder area. And you just go right around that area about eight, ten, twelve times.

Complaint

123 F.T.C.

EXHIBIT C

Depiction: Dr. Gandee using the Stimulator on his shoulder.

And then you just leave it alone. Go about your business. You see how you feel. Five or ten minutes later, you want to do it again, go ahead and do it again. It won't hurt you. Go ahead. Again, you just apply it to the area of pain. You do it about eight or ten times.

Depiction: Dr. Gandee using the Stimulator on his shoulder.

And you see how you feel. It's so simple.

Now what happens if the pain doesn't go away? It means you have a little bit more of a problem. Is that unusual? No, that's the way life works, isn't it? So, for instance, let's take, for instance, an overweight person who goes on a diet. Are they going to be skinny tomorrow? Well, no, but over a period of time they're going to see changes, just like with the Stimulator. Just like with exercising. You can start exercising today, but will you be in shape tomorrow? No, but the more you use it, often times the better condition, the better shape you're going to be. So what happens with this shoulder? Sometimes with my patients, I'll say to them, "You need to use the Stimulator over a period of days. We're starting with Monday, say. Use the Stimulator every two or three hours, about eight or ten repetitions, maybe for five or six days in a row or whatever it takes for you to start seeing relief. You can't use the Stimulator too much." So that's how we work it. So on my fingers, I just did it right on the area of joint. I did it on top, on the sides, and on the bottom. That's all I did it about eight or ten times.

Depiction: Dr. Gandee using the Stimulator on his hand.

Whenever I thought about it again, I did it again. I only did about two or three times a day for three or four days and I started seeing changes. I was very happy with it, as you can imagine. So there is no limit to how often or what you need to do. You need to use the Stimulator on yourself because everyone's body is different. So let's say you have other symptoms going into your hand, maybe some tingling, use the Stimulator around your wrist. Very simple.

Depiction: Dr. Gandee using the Stimulator on his wrist.

Just go right around the areas of pain. This takes seconds. You can do it anywhere you want to do. It's very effective. It's very effective used correctly.

Glen Marz:

You can go to the counter and buy anything you want for pains and that. But some of us can't just take aspirin or some of us just can't take certain medications or anti-inflammatory drugs because they upset our stomachs. This, I can relieve the pain and I don't have to swallow anything. I don't have to worry about it upsetting my stomach or ruining my dinner or whatever, because it's outside my body, I apply it when I want it and it works.

Dr. Gandee:

Craig has been nice enough to help me on this next segment because I have found that when you have another person help you use the Stimulator, sometimes it is even more effective. Sometimes it's even a stronger stimulation. So today, right now, I'm going to show you how to use the Stimulator with a partner.

EXHIBIT C

There are over 20 million confirmed headache sufferers just in the United States alone. So I'm going to start off showing how to use the Stimulator if you have a headache. If you have a headache or sinuses or allergies, we basically use the Stimulator in the same way. So what I usually do with the Stimulator is, let's say he has a frontal headache, and it hurts right across his temple, across his forehead, and even into the sinus areas. That's what we're going to show you. If you have an occipital headache or it hurts in the back of the head on the base of the neck line, I'll show that in a minute how to do it. So what I usually do is I put the Stimulator on the forehead and just press the Stimulator.

Depiction: Dr. Gandee using the Stimulator on the subject's forehead, temple, and cheek.

And you can hear the sound and then I go down right above on either side of the eye. There's a little knot right there you can feel with your finger, and then I go down to the temple area on both sides, right in the cheekbone to the chin and back up. How did that feel?

Subject: Fine.

Dr. Gandee: Did that hurt at all?

Subject: No.

Dr. Gandee: Most people when they use the Stimulator don't feel any pain. I've had people tell me that what it feels like is if you take a little rubber band and you let go of it. That's what the Stimulator feels like to some people. Now I have to say that some people don't like the feel of the Stimulator, but there are ways I'm going to show you how you can lessen the effects of that so everyone can use the Stimulator.

(To subject) Now, why don't you turn your head to your left. Now I'm going to show if you have an occipital headache. What I do is I put the Stimulator right back on the base line of the head, the back of the head and the neck muscles. With my finger, I put it on the exact opposite side and just press the Stimulator about eight or ten times.

Depiction: Dr. Gandee using the Stimulator on the right side of the back of the subject's head while placing his forefinger on the other side of the subject's head.

That's all that it takes. Now, what do you do then? You wait. Very simple. You wait to see how you start feeling. Give yourself five or ten minutes. See how much pain has lessened. How much relief you've gotten. If you want to then, you can do it again. If you haven't gotten much relief or you want more relief, do it again. You can do this often without any side effects. Let's say that you don't get results the first time. Does that mean that it doesn't work? No. That mean you want to send it back? No. What does it mean? It means that what you want to do is you want to use it more repetitiously over a period of time. Now, also with headaches what I always do is I always stimulate the web of the fingers between the thumb and the first finger on both hands. And what I do, as you can see, I start putting my one finger -- this completes the circuit. You can feel the Stimulator go from the contact point right

Complaint

123 F.T.C.

EXHIBIT C

through because this helps buffer the area of stimulation -- about eight or ten times again.

Depiction: Dr. Gandee using the Stimulator on the back of the subject's hand while placing his forefinger on the subject's palm.

Just like that. You feel how that goes through right there? This is for headaches. This is for sinuses or allergies. After I do that hand, I do this hand the same way. I put the Stimulator right between the thumb and the forefinger and my finger on the other side.

Depiction: Dr. Gandee using the Stimulator on the back of the subject's hand while placing the tip of his forefinger on the subject's palm.

Now, do you see how only the tip of my finger is touching and only the tip of the Stimulator is touching? See how that? I'm not touching like this and my hand is not laying all over it because if you do that, then you're reducing the effects of the stimulation. So, watch how this. Can you feel that?

Subject:

It's less.

Dr. Gandee:

Quite a bit less, isn't it? Now, with one finger, see how much stronger it is.

Depiction: Dr. Gandee using the Stimulator on the subject's hand while placing the tip of his forefinger on the subject's palm.

That's the way the Stimulator works. So when you're working on someone else, you want to be careful how you're actually doing this. You don't want to put and just lay all over the person that you're stimulating.

Now what I'm going to do is I'm going to show how to use the Stimulator on lower back pain or pain down the leg. *(To subject)* So I'm going to have Mark, if you would stand up with your back to the camera. Okay, good. Now with the Stimulator, the application will be right in this area because this is where usually the area is involved when it goes down the leg.

Depiction: Dr. Gandee pointing to the subject's lower back.

So I'm going to get down like this because it's a little bit easier for me to work this way and show you. So what I would do is I would put the Stimulator on this area. With my other hand, I would put it on his leg just like this.

Depiction: Dr. Gandee using the Stimulator on the subject's lower back while placing his forefinger on the subject's calf.

And again, just press the applicator eight or ten or twelve times. Now if I want to get a little fancy here, I can come up his leg while I'm doing it, following the course of the pain. Can you feel that?

Subject:

Yes.

698

Complaint

EXHIBIT C

Dr. Gandee:

You can feel that all the way up and down. If it's the other leg, we can do the same thing, just with the other leg, just like this.

Depiction: Dr. Gandee using the Stimulator on the same area while placing his left forefinger on the subject's right leg.

You can feel the Stimulator working up and down the leg. It's very, very simple how to do this. *(To subject)* Now if you would, I'd like for you just to have a seat again please. There are many, many people that have feet problems. The Stimulator works very well with feet problems. And if you would, think of the feet and the hands equally because we have the digits. So as I'm talking about the feet, it works very similarly with the hands. Now if a person has a foot problem, what I would do is I would come down and I would stimulate each one of the toes with the Stimulator and with my other hand I would put it on the ankle because this is a joint and this is a joint. I would go to the next joint up. So I would-- here, can you feel that here with my other finger?

Depiction: Dr. Gandee using the Stimulator on the subject's foot and ankle.

Subject:

[Inaudible]

Dr. Gandee:

You can feel it. Now you just go around just like this and stimulate it. You're right at the foot and the ankle on either side. Very simple. Many people have feet problems. That's why there are specific doctors for feet problems. My grandmother is 96 years old and she uses the Stimulator on her feet and on her calves nightly because of the problems that she has with circulation. And you can see with cramping, I'm just putting the Stimulator right on the areas where the cramp would be and getting the general area.

Depiction: Dr. Gandee using the Stimulator on the subject's calf and leg while placing his left forefinger on the opposite side of the subject's leg.

And then what happens is the body handles it from there. It's very simple on how to use the Stimulator. How does that feel?

Subject:

Fine.

Dr. Gandee:

It felt pretty good, didn't it? It's very simple.

Bill Ramsell:

Pain pills is what I've been taking for all these years and that's the only thing that's given me relief, you know. But it didn't give me total relief. Now that's why I tried the Stimulator. Well, it's amazing. It's almost hard to believe that it would do that, but it do it. It did the trick.

Dr. Gandee:

Many people have abdominal problems, pain and aches. *(To subject)* Craig, why don't you stand up please, and we'll show how to use the Stimulator on that. Most of the time when a person has abdominal problems they've already been to the doctor because sometimes it can be very serious. Other times we don't know what the cause really is. But with the Stimulator, we can help give you a lot of relief. Now, where would you apply the Stimulator? Wherever you hurt -- the area of pain. So let's just say the pain is right here. I'd put the Stimulator right on the shirt, right on the area.

Complaint

123 F.T.C.

EXHIBIT C

It goes right through the skin. With my other hand, I would put it on the middle part of his back so it creates a circuit.

Depiction: Dr. Gandee using the Stimulator on the subject's abdomen while placing his forefinger on the subject's back.

Then I would just stimulate the body about eight or ten repetitions. How does that feel?

Subject: Fine.

Dr. Gandee: Then again what you do is you just see the kind of results you get. You might want to do it again in a few minutes, or maybe in an hour, or maybe it will go away totally.

Now, stress and tension. People have talked often about how this is very relaxing for them, using the Stimulator on the shoulders from the neck down through gives them a lot of relief and it takes away a lot of tension. And you know tension and stress sometimes comes and causes headaches. So what you would do is you just put the Stimulator on the shoulder and your other finger on the neck and you just zap it right on the trapezius muscle and you can feel it going up and down. Or you can do it the opposite way with the Stimulator on the neck and your finger on the muscle.

Depiction: Dr. Gandee using the Stimulator on the subject's shoulder and neck while placing his forefinger on other parts of the subject's neck and shoulder.

And this is a very soothing, relaxing effect on the body. Pretty good?

Subject: Um-hmm. It's great.

Dr. Gandee: I appreciate you helping me with that.

James Larimore: One fellow in particular I worked on or zapped him [inaudible], he said, "Try that on me." So I did. And he had stiffness in his shoulder, like the previous interviewee. And he went to a ball game that night and all he did was talk about the Stimulator. He didn't even pay any attention to the ball game. He felt better than he had in years. So the next time I came back to this particular customer, he said, "You got that thing with you?" I said, "Yeah, but I going to charge you to use it." So he bought me a coffee. It worked for him again. So he said, "Where'd you buy it?" and I told him. I said, "If you go down there and purchase one, tell them who sent you." So that's the way it works. I use it in the evenings when I'm home after work. I use it on the balls of my feet, around my ankles, knees. And when I go to bed, I hit the lower back and I sleep like a baby.

Dr. Gandee: As I work with the Stimulator, it is very obvious to me that soon this product will be worldwide. I believe that every household in America very soon will own a Stimulator. It might even go to the point where each individual person in the household will own a Stimulator because they'll want to keep it with them all the time. I also sincerely believe that the Stimulator will help you lead a more active, productive, and pain-free life. And as you share the Stimulator with your family and friends, which I hope you do and soon, I know that your family and friends are going

Complaint

EXHIBIT C

to be calling you "Doc" or they're going to be asking for you to use the Stimulator on them. I would like for you to share with me your testimonials of how the experience of using the Stimulator has helped you. I would like to know the kind of results that you've seen with the Stimulator. If you have any questions at all about how to use the Stimulator or different applications on using the Stimulator or different problems on using the Stimulator, don't hesitate to call me or don't hesitate to write to me. I would like and love to hear from you. In closing, I want to thank you for buying the Stimulator. I want to thank you for using the Stimulator and for sharing the Stimulator and I hope you have a wonderful, pain-free life.

Bill Walton:

Basketball is an incredibly physical game. You're smashing into people. You're falling on the ground. You're running on a hard wood surface. Everyone else is as big and as strong and has spent as much time in the weight room as you have. The collisions — I broke my nose thirteen times, eleven of them from people's elbows, two of them from people's knees. And they even called a foul on me one of those times. Can you believe that? I had my front teeth knocked out ten separate times. Broken both hands, both wrists. It is a very physical and very rough game. That's the way we like it. Until you get old like me and that pain just doesn't go away. Thank God, thank God for the Stimulator.

Super: "Please address your letters to:

*Natural Innovations, Inc.
P.O. Box 36700
Canton, OH 44735*

Or call 1-800-728-0815"

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 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, 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 respondents have 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 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 Natural Innovations, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Ohio, with its office and principal place of business at 2717 South Arlington Road, Akron, Ohio.

Respondent William S. Gandee is an officer, director, and sole shareholder of Natural Innovations, Inc. He formulates, directs, and controls the policies, acts and practices of said corporation, and his office and principal place of business is located at the above stated address.

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

I.

It is ordered, That respondents, Natural Innovations, Inc., its successors and assigns, and its officers; and William S. Gandee, individually and as an officer and director of said corporation; and respondents' agents, representatives and employees, directly or through any corporation, subsidiary, division or other device, in connection with the manufacturing, labeling, advertising, offering for sale, sale, or distribution for sale of any device, as "device" is defined in Section 15 of the Federal Trade Commission Act, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from making any representation, in any manner, directly or by implication:

A. That use of the device will significantly reduce, relieve, or eliminate musculoskeletal pain, including but not limited to pain in the back, feet, knees, wrists, knuckles, elbows, shoulders, ankles, joints, or calves; carpal tunnel syndrome; muscle spasms or strains; or sciatica;

B. That use of the device will significantly reduce, relieve, or eliminate abdominal pain or pain or discomfort caused by allergies, sinus conditions, diverticulosis, cramps, or menstrual cramps;

C. That use of the device will eliminate the pain caused by severe headaches, including but not limited to occipital, frontal, migraine, cluster, or stress headaches, or headaches caused by benign tumors;

D. That the pain relief or pain elimination provided by the device is immediate;

E. That use of the device provides long-term pain relief;

F. That, for the treatment of pain, the device is as effective as, or more effective than, prescription or over-the-counter medications, including but not limited to aspirin, acetaminophen, Darvon, Darvocet, or codeine;

G. That, for the treatment of pain, the device is as effective as, or more effective than, physical therapy, massage therapy, chiropractic treatment, acupuncture, acupressure, or reflexology; or

H. About the efficacy or relative efficacy of the product in reducing, relieving, or eliminating pain from any source;

unless, at the time of making such representation, respondents possess and rely upon competent and reliable scientific evidence that substantiates the representation. For purposes of this provision, "competent and reliable scientific evidence" shall mean adequate and well-controlled clinical testing conforming to acceptable designs and protocols and conducted by a person or persons qualified by training and experience to conduct such testing.

Provided that, for any representation that any device is effective for:

- (1) The temporary relief of minor aches and pains due to fatigue and overexertion, or
- (2) Easing and relaxing of tired muscles, or
- (3) The temporary increase of local blood circulation in the area where applied,

"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 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.

II.

It is further ordered, That respondents, Natural Innovations, Inc., its successors and assigns, and its officers; and William S. Gandee, individually and as an officer and director of said corporation; and respondents' agents, representatives and employees, directly or through any corporation, subsidiary, division or other device, in connection with the manufacturing, labeling, advertising, offering for sale, sale, or distribution for sale of any product in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from making any representation, in any manner, directly or by implication, about the health or medical benefits of any such product unless, at the time of making such representation, respondents possess and rely upon competent and reliable scientific evidence that substantiates the representation. For purposes of this provision, "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.

III.

It is further ordered, That respondents, Natural Innovations, Inc., its successors and assigns, and its officers; and William S. Gandee, individually and as an officer and director of said corporation; and respondents' agents, representatives and employees, directly or through any corporation, subsidiary, division or other device, in connection with the manufacturing, labeling, advertising, offering for sale, sale, or distribution of any product in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, directly or by implication, that any endorsement (as "endorsement" is defined in 16 CFR 255.0(b)) of the product represents the typical or ordinary experience of members of the public who use the product, unless:

A. At the time of making such representation, respondents possess and rely upon competent and reliable scientific evidence that substantiates such representation, or

B. Respondents disclose, clearly and prominently, and in close proximity to the endorsement or testimonial, either:

(1) What the generally expected results would be for users of such product, or

(2) The limited applicability of the endorser's experience to what consumers may generally expect to achieve, that is, that consumers should not expect to experience similar results.

For purposes of this provision, "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.

IV.

Nothing in this order shall prohibit respondents from making any representation for any drug that is permitted in labeling for any such

drug under any tentative final or final standard promulgated by the Food and Drug Administration, or under any new drug application approved by the Food and Drug Administration.

V.

It is further ordered, That for five (5) 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 or its staff 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 for such representation, including but not limited to complaints from consumers and complaints or inquiries from governmental organizations.

VI.

It is further ordered, That respondent Natural Innovations, Inc. shall notify the Commission at least thirty (30) days prior to any proposed change in its corporate structure, including but not limited to dissolution, assignment, or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries or affiliates, the planned filing of a bankruptcy petition, or any other change in the corporation that may affect compliance obligations arising out of this order.

VII.

It is further ordered, That respondent Natural Innovations, Inc. shall:

A. Within thirty (30) days after service of this order, distribute a copy of this order to each of its operating divisions and to each of its officers, agents, representatives, or employees engaged in the preparation or placement of advertisements or other materials covered by this order.

B. For a period of five (5) years from the date of entry of this order, provide a copy of this order to each of its future principals, officers, directors, and managers, and to all personnel, agents, and representatives having sales, advertising, or policy responsibility with respect to the subject matter of this order who are associated with it or any subsidiary, successor, or assign, within ten (10) days after the person assumes his or her position.

VIII.

It is furthered ordered, That respondent William S. Gandee shall, for a period of seven (7) years from the date of entry of this order, notify the Commission within thirty (30) days of the discontinuance of his present business or employment and of his affiliation with any new business or employment. Each notice of affiliation with any new business shall include the respondent's new business address and telephone number, current home address, and a statement describing the nature of the business and his duties and responsibilities.

IX.

It is further ordered, That this order will terminate on February 25, 2017, or twenty (20) 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 (20) 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 respondents 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.

X.

It is further ordered, That respondents shall, within sixty (60) days after service of this order, 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 they have complied with this order.

IN THE MATTER OF
COMTRAD INDUSTRIES, INC.

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

Docket C-3719. Complaint, Feb. 25, 1997--Decision, Feb. 25, 1997

This consent order prohibits, among other things, the Virginia-based company from misrepresenting the ability of food storage product to cool food items or maintain proper cold storage temperatures and to hold its cooling capacity after being unplugged, or misrepresenting the effect of operating such a product off a car battery when the car is not running, and requires the respondent to substantiate any claims regarding the safety or efficacy of food storage products.

Appearances

For the Commission: *John T. Dugan.*

For the respondent: *James E. Moore, Christian, Barton, Epps, Brent & Chappell, Richmond, VA.*

COMPLAINT

The Federal Trade Commission, having reason to believe that Comtrad Industries, Inc., a corporation ("respondent"), has violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent Comtrad Industries, Inc. is a Virginia corporation with its principal office or place of business at 2820 Waterford Lake Drive, Suite 106, Midlothian, Virginia.

2. Respondent has advertised, offered for sale, sold, and distributed products to the public through print advertisements and through the Internet's World Wide Web, including the Koolatron, a portable electronic food cooler and warmer also known as a thermo-electric cooler.

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.

4. Respondent has disseminated or has caused to be disseminated advertisements and promotional materials for the Koolatron, including but not necessarily limited to the attached Exhibits A and