

Complaint

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IN THE MATTER OF

JEANIE ELLER

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

Docket C-3799. Complaint, April 6, 1998--Decision, April 6, 1998

This consent order prohibits, among other things, the Arizona-based respondent from making unsubstantiated claims, in radio and television infomercials, about the extent of success of Jeanie Eller Action Reading in teaching individuals to read.

Appearances

For the Commission: *Russell Damtoft, Mary Tortorice, Charluta Pagar, Theresa McGrew and C. Steven Baker.*

For the respondent: *Lewis Ross, Arent, Fox, Kintner, Plotkin & Kahn, Washington, D.C.*

COMPLAINT

The Federal Trade Commission, having reason to believe that Jeanie Eller, individually ("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 Jeanie Eller has manufactured, advertised, offered for sale, sold, and distributed products to the public, including Jeanie Eller's Action Reading. Individually or in concert with others, she participated in the acts or practices alleged in this complaint. Her residence is 42828 North 7th Avenue, Phoenix, Arizona.

2. Respondent entered into an agreement with Mega Systems, Inc., a corporation which creates and distributes program-length radio and television commercials which run for 30 minutes or less and fit within normal radio and television broadcasting time slots. The television commercials were and are broadcast on network, independent and cable television stations throughout the United States. The radio commercials were and are broadcast on network and independent radio stations throughout the United States. In at least one of Mega Systems, Inc.'s program-length television and radio commercials, respondent acts as the guest and promotes Jeanie Eller's Action Reading.

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 created and disseminated advertisements for Jeanie Eller's Action Reading, including but not necessarily limited to the attached Exhibits A and B. These advertisements contain the following statements:

A. Trudeau: "According to my guest, Jennie Eller, every single person -- if they can see, hear and talk -- can learn to read, guaranteed. She also claims that her revolutionary approach to teaching reading is easy, quick and works 100 percent of the time."

Eller: "That is the program I took back. We started using it in the Anchorage School District. Every child that went through it learned to read."

"And when you go through this program, you start at the beginning and you take every logical step right through it. And when you come out, you are a fluent, independent reader. And I've put my 30 years of teaching credibility on the line. It absolutely is guaranteed to work."

"[B]ut any child that you show them how that code works, you can't stop them from reading. They crack that code. And that code is the key."

Trudeau: "But you're talking about this secret code. The government says -- you were mentioning to me -- that teaches (sic) certain kids just can't read, and you're saying that's hogwash."

Eller: "It is. It's absolute hogwash. I've been teaching for 30 years and I've never had anyone not learn to read."

Trudeau: "Because I just (sic) watching a show the other day on -- on -- on TV and they were saying, this guy's trying to read. He's tried -- he tried a phonics program himself. He -- he still can't read. He's frustrated. He thinks he's dumb. And they said -- they made the statement, the only way he can read is by hard, hard work, and he still may never learn how to read."

Eller: "No, that is absolutely not true, and I hope he's watching this show, because if he'll get this program, I guarantee you he'll learn to read."

"[I]f you tell them what the words are, they know those words. They speak those words. The people that I taught to read on the Oprah Show, as soon as they could decode, decipher the newspaper, they knew those words. They were articulate people. They spoke the language. They understood the language. They just could not decipher the language."

"Absolutely, because it not only teaches the decoding, the phonics part, it teaches comprehension."

B. For Adults

Easier and quicker for adults to learn, because most already know the vocabulary - they just need to learn how to "decode" written words and sentences.

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Most people can complete the entire program and learn to read within 4-6 weeks.

1. How can it improve comprehension?

Even though we've heard a lot of words before in conversation, a person who can't read wouldn't recognize them. Action Reading teaches you how to read words for their meaning. (It's like putting a persons (sic) face to their name, when you have only spoken to them on the telephone.)

6. Does Jeanie guarantee that she can teach anyone to read?

Action Reading can teach anyone who can see, hear, think and talk to read...

14. How does it work?

Jeanie's proven, phonics based method incorporates all of the learning senses through art, games, body movements, and music to create an active and entertaining experience that doesn't seem like work.

Learning to read has been compared to cracking a code. Once you know the secret it's easy to decode a sentence. Action Reading teaches the sounds and patterns of our language and how to use them for decoding. (Exhibit B; Telephone Sales Script.)

5. Through the means described in paragraph four, respondent has represented, expressly or by implication, that Jeanie Eller's Action Reading is successful in teaching reading 100% of the time.

6. Through the means described in paragraph four, respondent has represented, expressly or by implication, that she possessed and relied upon a reasonable basis that substantiated the representation set forth in paragraph five, at the time the representation was made.

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

8. The acts and practices of respondent as alleged in this complaint constitute unfair or deceptive acts or practices in or affecting commerce in violation of Sections 5(a) of the Federal Trade Commission Act.

Commissioner Thompson and Commissioner Swindle not participating.

JEANIE ELLER

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EXHIBIT A

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FEDERAL TRADE COMMISSION

FTC MATTER NO.: 942-3278

TITLE: JEANIE ELLER'S ACTION READING
TELEVISION INFOMERCIAL

PAGES: 1 THROUGH 34

MIS/SALBERG COMPLAINT EXHIBIT J
TRUDEN COMPLAINT EXHIBIT D
ELLER COMPLAINT EXHIBIT A

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EXHIBIT A

1

P R O C E E D I N G S

ANNOUNCER: The following is a paid commercial program brought to you by Mega Systems.

MR. TRUDEAU: Thanks again for watching. I'm Kevin Trudeau and this another edition of "A Closer Look". Over one million children graduate from high school each year functionally illiterate. That's what the U.S. Government says. They simply can't read. Millions of adults, many of whom are watching this show right now, can't read.

According to my guest, Jeanie Eller, every single person -- if they can see, hear and talk -- can learn to read, guaranteed. She also claims that her revolutionary approach to teaching reading is easy, quick, and works 100 percent of the time.

Jeanie, thanks for being my guest today.

MS. ELLER: Thank you, Kevin. It's a real honor.

MR. TRUDEAU: Yes, we were having some fun before this show and I said, they can't read in a matter of hours, right?

MS. ELLER: That's right. You sound like my father. One time he said, if you're so smart, why don't you just teach them to read in 24 hours.

MR. TRUDEAU: That's right.

MS. ELLER: I said, well, if I could do it straight through, I could. But most people wouldn't be able to go through for 24 hours. But they can do it in as little as a month to six

EXHIBIT A

2

1 weeks.

2 MR. TRUDEAU: But, now, I have to ask you a question.
3 Before we talk about your program, I know that you're the, ah,
4 the spokesperson or the founder of this home study course, called
5 "Action Reading", which teaches kids and adults how to read at
6 their home. But is there a real problem today with illiteracy,
7 with kids and adults?

8 MS. ELLER: Oh, absolutely. In fact, a year ago, in
9 1993, they came out with research that showed that 90 million
10 adults are functionally illiterate.

11 MR. TRUDEAU: Ninety million.

12 MS. ELLER: That is half our population.

13 MR. TRUDEAU: I was going to say, how many people are
14 there in America?

15 MS. ELLER: Yeah, that's half of our adult population.
16 And what they define as functionally illiterate --

17 MR. TRUDEAU: Right.

18 MS. ELLER: -- is, they cannot read a newspaper.

19 MR. TRUDEAU: Uh-huh (yes).

20 MS. ELLER: They cannot go to the grocery store and
21 shop by the names of products. They have to look at the picture
22 to see what's in the container. They can't read a bus schedule
23 or figure out a job application or, you know, fill out a form.

24 They certainly cannot read the Constitution, the Bill
25 of Rights, or the issues in an election. They really cannot

EXHIBIT A

3

1 function in this society.

2 MR. TRUDEAU: Wait a minute. Who says half of our
3 people -- ah, half of the people in America can't read?

4 MS. ELLER: This was a study that was -- that came out.
5 It was on all the major television news. It was in "USA Today"

6 MR. TRUDEAU: Uh-huh (yes).

7 MS. ELLER: It was actually September of '93.

8 MR. TRUDEAU: Uh-huh (yes).

9 MS. ELLER: And it was published by the United States
10 Department of Education.

11 And, for example, you know, we don't realize that
12 people are out there who can't read and what -- what a handicap
13 that is.

14 I was doing a radio show and a man called in. And he
15 said, I want to tell you what it's like. I went to the grocery
16 store and I bought this container that had a picture of fried
17 chicken. Took it home, you know, the mouth was watering, all
18 ready to pop it in the microwave and eat the fried chicken. And
19 I opened it up and it was this white stuff that you cook the
20 chicken in, called shortening.

21 MR. TRUDEAU: Ahhh.

22 MS. ELLER: You see, that's how they have to live.
23 They have to rely on picture cues. They may be in a restaurant.
24 You know, you're sitting right there with someone --

25 MR. TRUDEAU: Right.

EXHIBIT A

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1 MS. ELLER: -- and they say, well, what are you going
2 to have? What looks good to you? That's the way people have to
3 function, they hide it. They --

4 MR. TRUDEAU: It's like a secret.

5 MS. ELLER: -- they are embarrassed. Absolutely. And
6 they think it's their fault. They're embarrassed. They think
7 they've done something wrong or they think they have a learning
8 disability. It's really a tragic situation. Half of our adult
9 population.

10 MR. TRUDEAU: Well -- well, how do they go through
11 school and graduate and get a diplo- -- now, half of these people
12 have diplomas, right? I mean, a lot of these people --

13 MS. ELLER: Oh, yes --

14 MR. TRUDEAU: -- have diplomas.

15 MS. ELLER: -- many of them. And they've all --

16 MR. TRUDEAU: How do they --

17 MS. ELLER: -- attended school.

18 MR. TRUDEAU: -- how -- how -- how do they graduate
19 high school without learning how to read? I don't understand.

20 MS. ELLER: Well, see --

21 MR. TRUDEAU: How do they do homework? How do they --?

22 MS. ELLER: -- okay, here's what happened, Kevin.

23 We've changed the way we teach reading in the schools.

24 MR. TRUDEAU: Okay.

25 MS. ELLER: So, now, the methodology that we use is --

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EXHIBIT A

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1 that we use in the schools does not teach the children to read in
2 first grade, as it did when I was a child.

3 MR. TRUDEAU: Oh, 'cause I went to -- to school, I
4 remember in the first grade, we had the phonics, ah --

5 MS. ELLER: Okay.

6 MR. TRUDEAU: -- book.

7 MS. ELLER: Exactly. That's what you have to have to
8 learn an alphabetic language. And English is an alphabetic
9 language.

10 MR. TRUDEAU: Right.

11 MS. ELLER: You cannot memorize it, by sight, as if it
12 were Chinese.

13 MR. TRUDEAU: Well, aren't we learning -- aren't --
14 aren't they being taught phonics now?

15 MS. ELLER: Nooo. No, no, no.

16 MR. TRUDEAU: They're not being taught --

17 MS. ELLER: No.

18 MR. TRUDEAU: -- phonics in school?

19 MS. ELLER: No. Fifteen percent of the schools in
20 America are using intensive, systematic direct instruction of
21 phonics in first grade, as the research from the United States
22 Department of Education tells them they should. Eight-five
23 percent of the schools in America are not doing that. They are
24 having the children memorize words by sight, what we would know,
25 recognize as the "Dick and Jane" type readers.

EXHIBIT A

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1 MR. TRUDEAU: Right, the look -- isn't that the "look-
2 see" method?

3 MS. ELLER: "Look-say," yes.

4 MR. TRUDEAU: Okay, "look-say."

5 MS. ELLER: I call it "look and guess."

6 MR. TRUDEAU: Right. (Laughs.)

7 MS. ELLER: They call it "look and say." Well, the
8 reason I call -- do that is because --

9 MR. TRUDEAU: Yeah.

10 MS. ELLER: -- after teaching school for 30 years and
11 watching these children look at the picture and then just guess
12 at the words, I call it "look and guess."

13 MR. TRUDEAU: Sure.

14 MS. ELLER: Okay. Then, there's also something in the
15 schools now called "whole language."

16 MR. TRUDEAU: Uh-huh (yes).

17 MS. ELLER: And in that method, the teachers are told
18 to surround the children with written information and read
19 stories to the children that are repetitious and predictable.
20 The children will memorize them. That's -- that's up your alley.

21 MR. TRUDEAU: Right, right.

22 MS. ELLER: And they will figure the system out on
23 their own. And if they don't figure it out in first grade, don't
24 worry about it. Pass them on to second grade. If they don't
25 figure it out by fourth grade, pass them on to high school.

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EXHIBIT A

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1 You see, what happens is, the children don't figure it
2 out. I train teachers all over the country. I get calls to come
3 into high schools where 90 percent of the kids in the high school
4 cannot read their textbooks. They have not figured the system
5 out on their own. And it's very simple to show them how the
6 system works.

7 So, what will happen is, I will train the teachers. I
8 will show the teachers how to teach reading. They will stop
9 teaching subjects for six weeks, teach all the kids to read, then
10 go back to their subjects, to their textbooks. It's that easy to
11 correct.

12 But the problem is, the teachers are not being given
13 the right information in their training. They don't have the
14 right tools. It wouldn't matter how hard they worked; with the
15 wrong information, they are not going to be able to teach the
16 children to read.

17 So, to answer your question, how do they get all the
18 way through, graduate --

19 MR. TRUDEAU: Yeah, right.

20 MS. ELLER: -- they get socially promoted right out the
21 door.

22 MR. TRUDEAU: And they never learn how to read.

23 MS. ELLER: Last year, we graduated two-and-a-half
24 million kids from high school; nationwide. One million of them,
25 according to the United States Department of Education, cannot

EXHIBIT A

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1 even read their own diplomas.

2 MR. TRUDEAU: I -- that -- that -- it's incredible to
3 me, because this must, obviously, dramatically, adversely impact
4 these kids' self-esteem, self-confidence and income-earning
5 ability, right?

6 MS. ELLER: It's also impacting all the rest of us.
7 Because, you see, here's what happens. They're predicting -- the
8 United States Department of Education -- they're predicting that,
9 if we don't correct this problem --

10 MR. TRUDEAU: Uh-huh (yes).

11 MS. ELLER: -- by the Year 2000, we will have
12 two-thirds of our nation that will be functionally illiterate.
13 Now, how can the one-third of us who work and support all these,
14 ah, subsidized programs --

15 MR. TRUDEAU: Right.

16 MS. ELLER: -- support the two-thirds who don't? We're
17 heading for a big collapse.

18 Also, what you've got to realize is that illiteracy is
19 the best form of censorship there is. You don't have to ban the
20 books, you don't have to burn the books, if nobody can read the
21 books.

22 You cannot be a participating member of this society
23 unless you are literate.

24 MR. TRUDEAU: Now, that -- that -- that's a very
25 interesting, ah, way to look at it from a political standpoint.

EXHIBIT A

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1 MS. ELLER: Absolutely.

2 MR. TRUDEAU: Now, let me ask you a question. You --
3 you actually put together or -- or you have the teacher, on these
4 audio tapes, called "Action Reading".

5 MS. ELLER: That's me.

6 MR. TRUDEAU: Okay, that's you. And tell me a little
7 bit about that. How did you get involved? How did you start
8 this?

9 MS. ELLER: Well, I actually have --

10 MR. TRUDEAU: I mean, you -- you seem very passionate
11 about this whole program of reading.

12 MS. ELLER: Well, I absolutely am, because I have two
13 little baby granddaughters that I do not want to grow up in the
14 kind of society that I'm seeing today.

15 And what we're discovering is that a lot of the
16 problems in society are caused by illiteracy. Eighty-five
17 percent of the kids who go through juvenile court are illiterate.
18 So, if you can't read, what are you going to do?

19 MR. TRUDEAU: Right.

20 MS. ELLER: What kind of a job are you going to get?

21 MR. TRUDEAU: Right.

22 MS. ELLER: You see -- and especially in this
23 technological world. So, we have a real serious problem. And
24 that's why I'm very passionate about it.

25 But I actually have two stories.

EXHIBIT A

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1 MR. TRUDEAU: Right.

2 MS. ELLER: My first story is a personal story.

3 MR. TRUDEAU: Uh-huh (yes).

4 MS. ELLER: Um, my first son, when he was five years

5 old, started first grade. He was one of those December babies.

6 MR. TRUDEAU: Right.

7 MS. ELLER: Okay, he did not learn to read in school.

8 This was my firstborn. My most precious thing in the world. I

9 trusted him to the public school.

10 MR. TRUDEAU: The public school system, okay.

11 MS. ELLER: And I was actually doing my student

12 teaching that year. So, my little Patrick didn't learn to read.

13 But they passed him to second grade. Couldn't read a word. So,

14 I said --

15 MR. TRUDEAU: What -- what were they teaching?

16 MS. ELLER: They were teaching "Dick and Jane."

17 MR. TRUDEAU: "Dick and Jane."

18 MS. ELLER: Sight reading.

19 MR. TRUDEAU: Sight reading, okay.

20 MS. ELLER: Trying to get him to memorize --

21 MR. TRUDEAU: "Look-guess-say," right, okay.

22 MS. ELLER: -- memorize half a million words in English

23 by sight.

24 MR. TRUDEAU: Right.

25 MS. ELLER: Absolutely impossible task.

EXHIBIT A

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1 MR. TRUDEAU: Right.

2 MS. ELLER: Okay, he cried, he was very upset, he
3 didn't like school. Of course; he couldn't do anything.

4 MR. TRUDEAU: Right.

5 MS. ELLER: So, I said to him, as mothers do, you know,
6 well, Patrick, we can work really hard all summer and Mommy will
7 teach you to read. Or, next year, you can go back and start
8 again in first grade.

9 So, he chose, of course, as Mommy intended, to start
10 again. And that year, I put him in a classroom with a teacher
11 that I knew was using intensive, systematic phonics. At the end
12 of that year in first grade, he tested twelfth grade in reading
13 level. There was nothing --

14 MR. TRUDEAU: Twelfth grade?

15 MS. ELLER: -- wrong my child. It was the method that
16 the first teacher had used. She didn't have the right
17 information.

18 But that's not the end of the story.

19 MR. TRUDEAU: Okay.

20 MS. ELLER: Okay. I have another son who's 15 months
21 younger.

22 MR. TRUDEAU: Uh-huh (yes).

23 MS. ELLER: Okay. The next year, that son started
24 first grade. And Patrick was now in second grade. So, first
25 week of school, I get a call to come in to the school for a

EXHIBIT A

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1 conference. And I'm thinking, what in the devil could he have
2 done the first week of school? I mean, you know --

3 MR. TRUDEAU: He's already in trouble, right?

4 MS. ELLER: -- you know, what can this kid have done?

5 So, I go in and the teacher says to me, "Has Mitch been
6 retained?" And I said, "No, why?" And she said --

7 MR. TRUDEAU: You mean, held back?

8 MS. ELLER: Yeah.

9 MR. TRUDEAU: Okay.

10 MS. ELLER: Why? And she said, "Well, he's so big and
11 he reads so well." I said, "Oh, really?" She said, "Didn't you
12 know he could read?" I said, "No." And I thought, yeah, right.
13 You probably handed him "Peter Pan" or "Peter Rabbit" --

14 MR. TRUDEAU: Sure.

15 MS. ELLER: -- or one of the stories that he has
16 memorized, which is what little children do. They'll memorize
17 those stories. And if you miss a word, boy, they catch you.

18 So I went home thinking, you know, this is what had
19 happened. And I said to him, "Mitch, can you read?" And he
20 goes, "Yup." And I said, "Well, read to Mommy."

21 MR. TRUDEAU: Yeah.

22 MS. ELLER: And I expected him to go in his bedroom,
23 get one of the stories I read to them at night. No. He --

24 MR. TRUDEAU: "Winnie the Pooh" or something, right?

25 MS. ELLER: Yeah. He reaches in the bookcase, he pulls

EXHIBIT A

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1 out this book -- book by Pearl S. Buck, he opens it up and he
2 starts to read to me. And I said, "I didn't know you could read.
3 How did you learn to read?" And he goes, "Pat taught me." And I
4 said, "Whoa, whoa, wait a minute. Pat" -- and Pat was six --

5 MR. TRUDEAU: Right.

6 MS. ELLER: -- taught Mitch, who was five, to read.

7 MR. TRUDEAU: A six-year-old is teaching the
8 five-year-old.

9 MS. ELLER: And I said, "When did Pat teach you to
10 read?" And he said, "You know, Mom, every day he brings his
11 papers home. He erases them. We play school. And he "be's" the
12 teacher."

13 So, the six-year-old was erasing his materials and
14 teaching it over again to the five-year-old.

15 So, at that point, I said, Wait a minute. All the
16 stuff they've been telling me in the college of education --
17 about how half the kids can't learn to read, or a fourth of the
18 kids can't learn to read, or you have to do this, that, and the
19 other -- is baloney. If a six-year-old, with the right
20 information, can teach a five-year-old to read, then there's
21 something that they're not telling us in the college of
22 education.

23 MR. TRUDEAU: Well, is it because your children are
24 gifted? I mean, aren't there some kids just smarter --

25 MS. ELLER: They'd like to think they are. (Both

EXHIBIT A

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1 laugh.)

2 MR. TRUDEAU: Okay.

3 MS. ELLER: In fact, I have four, and they'd all like
4 to think that they're smarter than Mother. Actually -- actually,
5 they are. My children are smarter than I am. So, that's --
6 brings up a really good point, Kevin.

7 The children today are not dumb. That's not why half
8 of them can't read. That's not why half the American public is
9 illiterate. It is because we have changed the method we use in
10 the schools.

11 Now, to get to the other part of yours -- of your, ah,
12 question, why am I so passionate about this? Well, in 1974, I
13 was teaching school in Alaska. And every one of my first graders
14 could read the newspaper. They were writing letters to Congress.
15 They were writing letters to the soldiers in Vietnam, getting
16 back answers, writing again.

17 MR. TRUDEAU: Yeah.

18 MS. ELLER: Um, the superintendent came in and he said,
19 "Okay, there's no other teacher in all the 54 schools that are --
20 that's doing this. You're going to train all the teachers." And
21 I went, "Ah! Do you see those 47 boxes? I mean, every night I
22 dig in there to decide what I'm going to do. Come on, surely
23 there's a program that's already published that does what I do,
24 because it's not that unique. It's what good teachers have
25 always done. It's just teaching them the phonics, teaching them

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EXHIBIT A

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1 the comprehension and making it fun."

2 So, he finally said, "Okay. I'm going to send you
3 outside" -- that's what they call the rest of the United States -
4 -

5 MR. TRUDEAU: Right.

6 MS. ELLER: -- "outside of Alaska. And I want you to
7 look at every published program in America."

8 So, I looked. For three months, I visited schools all
9 over and I looked at every reading program that was being used in
10 the schools. And I found a program that was better than what I
11 did. It was called "Action Reading." It was developed by a high
12 school teacher in Newark, New Jersey, who was frustrated that
13 high school kids couldn't read.

14 MR. TRUDEAU: Right.

15 MS. ELLER: Moved down, grade by grade, developed this
16 program in first grade, and it was all reusable and it all fit in
17 one box. My husband loved it. Didn't have to move 47 boxes
18 anymore.

19 That is the program I took back. We started using it
20 in the Anchorage School District. Every child that went through
21 it learned to read. It was phenomenal.

22 And then what happened in my -- in my particular case
23 is, the principal came in at the end of the year and he said,
24 "Guess what, Jeanie, we have all these fifth and sixth graders
25 who didn't get "Action Reading" and they can't read.

EXHIBIT A

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1 Next year, you have to teach those fifth and sixth graders."

2 Well, I found that I could do that in a semester,
3 instead of a whole year.

4 MR. TRUDEAU: Uh-huh (yes).

5 MS. ELLER: Then, the high school principal said,
6 "Guess what?"

7 MR. TRUDEAU: Guess what?

8 MS. ELLER: "We need to borrow her, because we have
9 kids in the high school who can't read."

10 MR. TRUDEAU: Yeah.

11 MS. ELLER: I found out you could do that in six weeks,
12 because the older the person --

13 MR. TRUDEAU: The quicker they can learn it.

14 MS. ELLER: Right.

15 MR. TRUDEAU: That's right.

16 MS. ELLER: The more they can absorb, plus they have
17 all the small motor skills. They've already got the -- the, ah,
18 auditory/visual connection. There's a lot of things that -- that
19 you develop --

20 MR. TRUDEAU: Right.

21 MS. ELLER: -- as you go along. And then I started
22 doing summer school and then summer camps, where I taught kids to
23 read in two weeks. And, eventually, I worked with Dr. Curatan,
24 the author of the "Action Reading," and we decided, because we
25 got so many calls from people saying, "I can't come to you. I

EXHIBIT A

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1 can't afford your camp. I can't send my child."

2 MR. TRUDEAU: Right.

3 MS. ELLER: "What can you send me?"

4 MR. TRUDEAU: Right.

5 MS. ELLER: And they couldn't afford the school
6 program, even though it's very inexpensive and reusable, they
7 wanted something they could afford, something they knew would
8 work.

9 So, I racked my brain, I prayed. Finally, we decided
10 we'd do the home program, so we did it. With audio tapes, I do
11 the teaching on the tape.

12 MR. TRUDEAU: Right, right.

13 MS. ELLER: We have a video that helps people, gives
14 them an overview, shows them where we got our system of reading
15 and writing, our alphabet, the whole thing. Explains how the
16 whole thing works. And also shows them preschoolers and -- and
17 elementary children and high school kids and college kids and
18 senior citizens --

19 MR. TRUDEAU: Right.

20 MS. ELLER: -- who've learned to read with this
21 program.

22 And when you go through this program, you start at the
23 beginning and you take every logical step right through it. And
24 when you come out, you are a fluent, independent reader. And
25 I've put my 30 years of teaching credibility on the line. It

EXHIBIT A

18

1 absolutely is guaranteed to work.

2 MR. TRUDEAU: Well, if you're watching right now and
3 you do want information on the program, "Action Reading" -- it's
4 a home study course. It's fun and easy to go through. It just
5 takes a few short hours.

6 And what age level can go through it?

7 MS. ELLER: Well, parents can use it with preschoolers.

8 MR. TRUDEAU: Right.

9 MS. ELLER: Anyone eight and above can do it all on
10 their own.

11 MR. TRUDEAU: Eight and above can go through it, and
12 preschoolers with their parents.

13 Call the number on the screen if you want more
14 information on Jeanie's program. And we did work out a special
15 arrangement. You will receive a substantial discount if, you do
16 call today, on the program.

17 Now, let's talk about, you said, age levels. You
18 mentioned, as, ah, eight and above can go through it on their
19 own. There are other phonics programs on the market -- some of
20 them are really expensive -- and I thought some of them were
21 pretty good.

22 What's the difference between your phonics program and
23 some of the other ones that people may be familiar with?

24 MS. ELLER: Okay, there are -- there are some good
25 phonics programs out there that work, and some of them are being

EXHIBIT A

19

1 used in schools. And those programs are comprehensive.

2 Unfortunately, there have been a -- a number of
3 programs that have been made available to the public that are not
4 very comprehensive. They start out by teaching the -- the person
5 the names of the letters and the sounds, and then they go right
6 to -- well, open the workbook and read the sentences.

7 And that's, like, wait, wait, wait. How do I get from
8 just saying letter names and sounds to reading sentences?

9 So, they -- they have a big gap --

10 MR. TRUDEAU: Right.

11 MS. ELLER: -- missing.

12 MR. TRUDEAU: Okay.

13 MS. ELLER: So, they're not teaching the comprehension.
14 They're not act- -- actually teaching how the system of English
15 works. They're not teaching the whole systematic thing.

16 The program that I use, first of all, it's very
17 inexpensive. It's reusable. You -- you might need to get
18 another workbook, but everything else -- the tapes you can use
19 over with -- if you have other children in your family. You
20 know, if you want to share it with your church or --

21 MR. TRUDEAU: Right, uh-huh (yes).

22 MS. ELLER: -- something. Ah, the video, of course,
23 you can share with your friends and neighbors.

24 And the games are phenomenal, because they're actually
25 just drill. But the people playing them get so engrossed in just

EXHIBIT A

20

1 the game idea that they don't realize they're doing drill.

2 So, what -- what the difference is, is that we take
3 every step. First of all, we explain where we got our system of
4 reading and writing. And most teachers don't know this.

5 MR. TRUDEAU: Right.

6 MS. ELLER: They don't realize that those letters,
7 those symbols, come from pictographs. They actually represented
8 something. Like the "A" represented a bull, the head of a bull.
9 And then it became just the lines of that. And then, eventually,
10 the Phoenicians developed the alphabet. So, it changed from
11 being a meaning-bearing symbol to a sound-bearing symbol.

12 MR. TRUDEAU: Uh-huh (yes).

13 MS. ELLER: And that was the invention of the alphabet.

14 MR. TRUDEAU: Right.

15 MS. ELLER: And that's the concept that teachers are
16 not given. They don't realize that you can't memorize half a
17 million words by sight. You've got to learn that code.

18 And so, we explain all that and then we show them how
19 to put those sounds together. And we do not start by teaching
20 them the names of the letters. Everybody I've ever worked with,
21 whether they were little children or adults, already knows the
22 ABCs.

23 MR. TRUDEAU: Sure.

24 MS. ELLER: But A-B-C doesn't make a word. C-A-T does
25 not make a word. If I go C-A-T, C-A-T, C-A-T, you don't hear a

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1 word.

2 MR. TRUDEAU: Right.

3 MS. ELLER: But if I show you the sounds and go "Kuh-
4 aah-tuh" and you go left to right, because in English you can
5 only read left to right; you can't go right to left, like you do
6 in Hebrew.

7 MR. TRUDEAU: Right.

8 MS. ELLER: Then you go, "Kuh-aah-tuh" and the word
9 "cat" comes right out of your mouth. As it does with my little
10 granddaughter, who's only two-and-a-half.

11 MR. TRUDEAU: Two-and-a-half.

12 MS. ELLER: Two-and-a-half. She's already sounding out
13 words. But, see, what happened is, her mother and father did not
14 teach her the ABCs. When she looks at an "M", they don't call it
15 an "M". They call it the "Mommy" letter, "mah-mah-mah". And
16 there's the "Daddy", the "dah-dah-dah". And her letter is the
17 same as yours, the "kah-kah-kah" letter.

18 MR. TRUDEAU: Right, right.

19 MS. ELLER: So, she'll look at something and she'll go,
20 "dah-o-g". Grandma, that's dog. She doesn't go D-O-G, D-O-G, D-
21 O-G, because that doesn't make a word.

22 MR. TRUDEAU: Interesting.

23 MS. ELLER: So -- and -- and it isn't that she's the,
24 you know, the most brilliant child in the world. She's the most
25 beautiful, but she's not the most brilliant.

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1 But -- but, really, any child that you show them how
2 that code works, you can't stop them from reading. They crack
3 that code. And that code is the key.

4 When I taught the four illiterate adults to read in two
5 weeks for the Oprah Winfrey Show --

6 MR. TRUDEAU: Uh-huh (yes).

7 MS. ELLER: -- one of the ladies, the third day -- this
8 was a lady who was 30 years old. She had never learned to read.
9 She dropped out of school in eighth grade, when she was pregnant
10 with the first of six children. Just a tragic, tragic story.
11 Been on drugs. Been on welfare. Had her children removed.
12 Everything. Wanted desperately to learn to read, get her
13 children back, and had -- you know, had taken care of her drug
14 problem.

15 MR. TRUDEAU: Right.

16 MS. ELLER: The third day, she said, "Jeanie, I always
17 knew there was a secret code that nobody showed me."

18 You see, if you don't know that there's an alphabetic
19 system, if nobody shows you that, it is a secret.

20 MR. TRUDEAU: So --

21 MS. ELLER: If you don't know there's a simple way to
22 do it.

23 MR. TRUDEAU: So, now, you were on Oprah.

24 MS. ELLER: Yes.

25 MR. TRUDEAU: You were on a lot of other -- I know you

EXHIBIT A

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1 do, what, 400 radio appearances a year, or something?

2 MS. ELLER: Oh, I've done about 1,500.

3 MR. TRUDEAU: Okay, radio shows and you've been on
4 television and written up in newspapers, the program.

5 But you're talking about this secret code. The
6 government says -- you were mentioning to me -- that teaches
7 certain kids just can't read, and you're saying that's hogwash.

8 MS. ELLER: It is. It's absolute hogwash. I've been
9 teaching for 30 years and I've never had anyone not learn to
10 read.

11 MR. TRUDEAU: Because I just watching a show the other
12 day on -- on -- on TV and they were saying, this guy's trying to
13 read. He's tried -- he tried a phonics program himself. He --
14 he still can't read. He's frustrated. He thinks he's dumb.

15 And they said -- they made the statement, the only way
16 he can read is by hard, hard work, and he still may never learn
17 how to read.

18 MS. ELLER: No, that is absolutely not true, and I hope
19 he's watching this show, because if he'll get this program, I
20 guarantee you he'll learn to read. I -- I know what you're
21 talking about.

22 What they do is, they start by teaching the person the
23 ABCs.

24 MR. TRUDEAU: Uh-huh (yes).

25 MS. ELLER: And then, they have them start memorizing

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1 sight words. Now, that's exactly what the "Dick and Jane"
2 methodology was based on, that you memorize four hundred of the
3 most frequently used words in first grade. That's called first
4 grade level of reading.

5 MR. TRUDEAU: Right.

6 MS. ELLER: By the time you get to sixth grade, you're
7 supposed to have memorized six -- ah, three thousand of the most
8 common words in English. That's called sixth grade level of
9 reading.

10 Newspapers are now written at sixth grade level. They
11 use the same three thousand --

12 MR. TRUDEAU: Three thousand.

13 MS. ELLER: -- words over and over --

14 MR. TRUDEAU: Over and over, okay.

15 MS. ELLER: -- ad nauseam. Um, and half the American
16 people cannot read it. The problem is, adults start out and they
17 memorize maybe 15 words, maybe 100 words, maybe 200 words. But
18 they cannot pick up a newspaper and read anything --

19 MR. TRUDEAU: Right.

20 MS. ELLER: -- because there's always three or four
21 words in the sentence that they don't know what it means. And
22 what adults say to me is, it looks like the blank in his blank
23 are going to the blank --

24 MR. TRUDEAU: Well, isn't it --

25 MS. ELLER: -- because they don't know what those other

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EXHIBIT A

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1 words are.

2 MR. TRUDEAU: -- but isn't that vocabulary? Or is it -

3 -

4 MS. ELLER: No, no --

5 MR. TRUDEAU: -- different than from --

6 MS. ELLER: -- because if you -- if you tell them what

7 the words are, they know those words. They speak those words.

8 The people that I taught to read on the Oprah Show, as soon as

9 they could decode, decipher the newspaper, they knew those words.

10 They were articulate people. They spoke the language. They

11 understood the language. They just could not decipher the

12 language.

13 MR. TRUDEAU: So, they -- if you told them what the

14 word was, they knew the meaning.

15 MS. ELLER: Oh, yes. Many of them --

16 MR. TRUDEAU: But they just couldn't -- they didn't

17 know what the words said.

18 MS. ELLER: They couldn't decode it for themselves.

19 MR. TRUDEAU: Now --

20 MS. ELLER: So, that's the problem.

21 MR. TRUDEAU: -- now, is your program self-tutorial?

22 Because this is a big issue. A lot of people out there --

23 because I bought this program for my brother's son --

24 MS. ELLER: Uh-huh (yes).

25 MR. TRUDEAU: -- Okay, because, you know, he's seven

EXHIBIT A

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1 years old. I thought, he -- I want him to go, because he's going
2 to be eight. Well, if he can't go through it himself, at least I
3 know my brother will walk him through the program.

4 For an eight-year-old and above, can they go through
5 this program themselves?

6 MS. ELLER: Absolutely.

7 MR. TRUDEAU: Will they have fun doing it?

8 MS. ELLER: Absolutely. Because (both laugh) --

9 MR. TRUDEAU: Okay.

10 MS. ELLER: -- this program is multi-sensory. That's
11 why it's called "Action Reading". Because when Dr. Curatan first
12 started developing this, at first grade, first, he found out that
13 the children were all TV babies. That means, if you didn't show
14 them a picture, they didn't hear you.

15 MR. TRUDEAU: Right.

16 MS. ELLER: So, he had to work on their auditory
17 skills. So, the -- what we do with this program is, we get
18 people to understand that words are just sounds that you can put
19 together and take apart.

20 So, in English, we have 26 letters. We have 44 sounds
21 we use when we talk. And we have 70 ways to write down those 44
22 sounds. That's called the code. That's the alphabetic code. We
23 call them phonograms. Written forms of the sounds.

24 MR. TRUDEAU: Okay.

25 MS. ELLER: Okay. With those 70 phonograms, you can

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1 read anything in English. Now, when I first started this battle,
2 I call it now --

3 MR. TRUDEAU: Well, hold -- hold on one second before
4 you go on, because I want people to know, if you do want to call
5 and get information on Jeanie's program, which I highly
6 recommend, pick up your phone and call the 800 number that's on
7 the screen.

8 If -- if you want to read yourself. If you know
9 somebody -- ah, as I mentioned, I gave this to my -- my
10 brother's, ah, son, to learn how to read. And it's really the
11 most comprehensive, easiest, fastest way that anyone can learn
12 how to read.

13 MS. ELLER: Absolutely.

14 MR. TRUDEAU: Is this correct?

15 MS. ELLER: Absolutely, because it not only teaches the
16 decoding, the phonics part, it teaches comprehension. It teaches
17 the spelling patterns of English. And it teaches you penmanship
18 -- good, old handwriting.

19 MR. TRUDEAU: You know, I was just -- I was -- I get
20 notes in from, ah, people. They write things to me. And I look
21 and say, where do these kids learn how to write? They can't even
22 write.

23 MS. ELLER: We're not teaching handwriting in schools
24 anymore.

25 MR. TRUDEAU: Well, that -- there -- there's your

EXHIBIT A

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1 answer.

2 MS. ELLER: And we also aren't teaching spelling in the
3 schools anymore, because they have a new philosophy that, if you
4 correct their spelling, you'll stifle their creativity; they
5 won't want to write.

6 MR. TRUDEAU: Um --

7 MS. ELLER: Sounds crazy to normal people, but that's
8 what teachers are being told.

9 MR. TRUDEAU: Is it -- does it -- now, if you learn how
10 to read. Let's take a child. Basically, if he becomes an
11 affluent -- how did you pronounce that? Af--?

12 MS. ELLER: Fluent, not affluent.

13 MR. TRUDEAU: Fluent, fluent.

14 MS. ELLER: Affluent is rich. (Both laugh.)

15 MR. TRUDEAU: Well, if they become fluent, will they
16 become affluent?

17 MS. ELLER: Well they have the ability then.

18 MR. TRUDEAU: But will -- but now -- now you know this,
19 because you've been in the teaching setting. If a child can read
20 -- and if a parent is watching right now, I guess you -- you told
21 me earlier, hey, ask yourself the question -- hand your child
22 something and see if they can read it.

23 MS. ELLER: Oh, absolutely. That is the most crucial
24 thing we -- we need to address. Because parents assume that,
25 because their children are in school -- they're trusting them to

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1 the schools like I trusted my little boys -- that they're
2 learning to read. That is not an assumption you can make.

3 What you must do is, today, as soon as this show is
4 over, sit down with your child, hand them something they have not
5 memorized, like today's newspaper, pick out a story in today's
6 newspaper that's suitable for the age of your child, if you can
7 find one --

8 MR. TRUDEAU: Right, right.

9 MS. ELLER: -- that isn't all blood and gore. And if
10 your child is in second grade or above, your child should be able
11 to fluently and independently read a story in the newspaper.
12 When they come to a word they've never seen --

13 MR. TRUDEAU: They should read it out loud to you.

14 MS. ELLER: Yes, absolutely, read it out loud.

15 MR. TRUDEAU: Out loud.

16 MS. ELLER: How else are you going to know they're
17 reading?

18 MR. TRUDEAU: Right, okay.

19 MS. ELLER: Okay.

20 MR. TRUDEAU: Honesty?

21 MS. ELLER: Okay. And accurately. See, when they come
22 to a word they've never seen, they should be able to sound it
23 out, then pick up their speed and go right on.

24 And then, the second most important thing is, if they
25 can do that --

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1 MR. TRUDEAU: Uh-huh (yes).

2 MS. ELLER: -- then ask them comprehension questions
3 about what they just read. Who did it? Where did it happen?
4 When did it happen? Tell me in your own words what this story
5 was about.

6 According to the United States Department of Education,
7 in a document called, "What Works," the teaching of reading
8 should be taught in first grade with intensive, systematic direct
9 instruction of the phonetic system. It should be completed by
10 the end of first grade, second grade at the very latest.

11 And so, therefore, if your child is in second grade or
12 above, they should be able to fluently and independently read a
13 story in the newspaper.

14 Now, there's going to be a lot of people, Kevin, who
15 are going to find out their children can't do that. So, they've
16 got several choices. They can go to the school and say, what
17 method are you using?

18 MR. TRUDEAU: Right.

19 MS. ELLER: Are you having reading class after second
20 grade? Why are you doing that? Show me the research. Ah,
21 that's going to be a long, slow battle, because, I know, I've
22 been fighting it now for 20 years.

23 MR. TRUDEAU: Sure.

24 MS. ELLER: The best thing to do, the best way to solve
25 illiteracy in America, get yourself literate. Get yourself

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1 literate. Get your children literate. And then, start trying to
2 make changes in the bureaucracy.

3 MR. TRUDEAU: Now, if your child becomes this fluent
4 reader, be able to -- if it's first grade, second grade -- picks
5 up the newspaper, "Mommy, let me show you this," and reads this
6 thing fluently, out loud. If they can't do that -- and if they
7 could, they'll do better in school.

8 MS. ELLER: Oh, let me tell you what'll happen to them.

9 MR. TRUDEAU: They -- they -- go ahead.

10 MS. ELLER: They'll be in the top five percent in the
11 nation. Accord- --

12 MR. TRUDEAU: That easy?

13 MS. ELLER: -- according to --

14 MR. TRUDEAU: You're saying that -- that easy?

15 MS. ELLER: It's -- well, you figure it out, okay?

16 You're a bright man. According to the United States Department
17 of Education, just five percent of our 17-year-olds can read at
18 an advanced level. This is also from "What Works." Okay, that's
19 one out of 20, right?

20 MR. TRUDEAU: Right.

21 MS. ELLER: All right. So, what we're saying is, 20 --
22 for every 20 kids who start first grade --

23 MR. TRUDEAU: So, the grades are going to go up?

24 MS. ELLER: -- one out of those 20 is going to learn to
25 read in school; 19 are not.

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1 MR. TRUDEAU: So, the grades will go up.

2 MS. ELLER: You'll be in the top five percent in the
3 nation.

4 MR. TRUDEAU: I bet you their self-esteem --

5 MS. ELLER: Oh --

6 MR. TRUDEAU: -- their self-confidence --

7 MS. ELLER: -- incredible what'll happen.

8 MR. TRUDEAU: They'll feel better about themselves.

9 Ah, SAT scores?

10 MS. ELLER: Oh, Alaska had -- I don't know what the
11 scores are for this year, but the last time I looked, Alaska had
12 the highest SAT scores in the nation.

13 MR. TRUDEAU: So, the SAT scores go up, they get --
14 they get into the college of their choice? If they get a good
15 education, if they come out, ah, the top five percent, they're
16 making more money. They get into the job of their choice.

17 MS. ELLER: Then they can be affluent.

18 MR. TRUDEAU: If some -- exactly. If they're fluent at
19 first, then affluent later.

20 MS. ELLER: You got it.

21 MR. TRUDEAU: If an adult is watching us right now and
22 they're at a certain income level, if -- you're telling me, if
23 they can learn to read and read fluently, they have a better
24 chance of in- -- making more money, of, ah, improving their own
25 rate of success in their own career.

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1 MS. ELLER: Absolutely. I had a man call me -- you
2 just made me think of this -- he had been a Vietnam Vet, stayed
3 in, went into the National Guard, couldn't read. Only his wife
4 knew he couldn't read. And anything he had to read, he would go,
5 "Oh, I forgot my reading glasses. What does it say?"

6 MR. TRUDEAU: Ah.

7 MS. ELLER: Or, he would take it home, have his wife
8 read to him -- because his wife knew he couldn't read -- he'd
9 come back.

10 He called me up. He was absolutely desperate. He was
11 getting a promotion and he had to read. It was a desk job. And
12 he said he'd gone to several places. They told him it was going
13 to take him two years, three years, six years to learn to read.
14 He said, "I don't have that kind of time."

15 MR. TRUDEAU: Right.

16 MS. ELLER: "What can you do?" I said, "Take this
17 program. I guarantee you, if you'll go through it, if you'll
18 start back at square one and go through this program, when you
19 finish, you'll be able to read anything".

20 He called me back in a month. He got his promotion.
21 He could now read anything. And that man was a new person. I
22 mean, you could hear it. You could hear it --

23 MR. TRUDEAU: You can hear it.

24 MS. ELLER: -- in his voice.

25 MR. TRUDEAU: Folks, if you're watching right now and

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1 you want more information on Jeanie's program, please call the
2 800 number. We highly recommend and endorse this program. I
3 bought it myself for my -- my brother's son. I think you'll see
4 some fantastic results for you and the children and the people
5 that you love.

6 This is Kevin Trudeau. Thanks again for watching me.
7 And watch me on another edition of "A Closer Look."
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EXHIBIT B

**ACTION READING
SUMMARY**

About Jeanie Eller

- Her program is endorsed by The National Right to Read Foundation and The National Reading Reform Foundation!
- Nationally renowned teaching and reading expert.
- 30 years of teaching experience
- Trains or Retrains teachers in "In Service Meetings"
- Has appeared on Oprah Winfrey's show

Side Notes from Program

- 85% of all schools teach kids to read by sight
- 15% use phonics
- By the year 2000, two-thirds of our country will be illiterate (functionally disabled)!
- More than 1 million children each year graduate without the ability to read.

For Children

- Excellent home study program for preschoolers
- Children 8 and older can do the program on their own
- The audio cassettes are filled with songs and rhymes that hold their attention
- The video tape is fun for kids because Jeanie has FUN pictures on the flash cards that they like and they get to make lots of funny sounds that later translates into reading!
- Helps boost self esteem and confidence
- Gives kids an edge in school that makes it easier for them to excel
- Helps improve comprehension of materials read
- Helps enhance penmanship abilities
- Incorporates all of the learning senses through art, games, body movements, and music to create an active and entertaining experience that kids won't think is "work".
- Excellent for kids raised in homes where English is NOT spoken

MSI/SALBERG COMPLAINT EXHIBIT K
TRUDEAU COMPLAINT EXHIBIT 2
ELLER COMPLAINT EXHIBIT 3

EXHIBIT B

**ACTION READING
SUMMARY**
continued

For Adults

- Relieves embarrassment of not being able to read (newspaper, food labels, bus schedules, menus, job applications, etc.)
- Boost confidence and self esteem
- Can make a person more employable
- Easier and quicker for adults to learn, because most already know the vocabulary - they just need to learn how to "decode" written words and sentences.
- Other:
- Uses intensive systematic phonics (based on word sounds, not spellings)
- Most people can complete the entire program and learn to read within 4-6 weeks.

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EXHIBIT B

ACTION READING SCRIPT

Thank you for calling Action Reading my name is _____, and who and I speaking with?

Hi _____, are you calling about Fast Track Action Reading program?

[Caller] Yes I am.

Great! I can help you with that.

Is this for a child or an adult? (If a child) how old is he/she?

OK good! Jeanie's program can definitely help!

As a matter of fact it's endorsed by The National Right to Read Foundation and The National Reading Reform Foundation. Plus, it's backed by a 100% money back guarantee!

The key to Jeanie's proven approach is the use of all learning senses, through art, games, body movements and music to create an active, entertaining experience. And Jeanie not only teaches you how to read, but also comprehension and writing skills. The program includes over 9 hours of audio cassette tapes, a 100 page guide book, flash cards, 7 game boards and playing pieces, along with a bonus video tape. And the best part is the value. Normally, Jeanie charges schools \$1500 per day to learn about her proven methods. But you can take advantage the same information and receive the complete Action Reading program for just \$139.97, plus S&H. And Jeanie is so sure her program works, she offers you a full, three month, money back guarantee in writing. If for any reason you're not satisfied, simply return it for a full refund of the product purchase price - no questions asked! And all I need to get the program out to you is your address and credit card number - would you prefer to use Visa, Mastercard or Discover?

[Capture all information]

_____ your total including shipping and handling is \$152.47 and you'll receive your program in 2 - 4 weeks. If you have any questions you may call our customer service number at 1-800-634-2990. Thank you for calling and have a great day!

EXHIBIT B

**ACTION READING
TOP QUESTIONS AND ANSWERS**

1. **How can it improve comprehension?**
Even though we've heard a lot of words before in conversation, a person who can't read wouldn't recognize them. Action Reading teaches you how to read words for their meaning. (It's like putting a person's face to their name, when you have only spoken to them on the telephone.)
2. **What age group can use this program?**
From pre-school to adults. Pre Schoolers may take 2 years to complete, while adults as little as 4 weeks.
3. **Does it work for adults as well as children?**
Absolutely! Age has little to do with learning to read.
4. **How does it compare to other programs? (i.e., Hooked on Phonics)**
Action Reading is less expensive and much more comprehensive. It actually teaches the skill of reading while incorporating all of the learning senses.
5. **Can children use the course on their own?**
Children 8 years and up can complete the course on their own. We recommend that parents still monitor and assist.
6. **Does Jeanie guarantee that she can teach anyone to read?**
Action Reading can teach anyone who can see, hear, think and talk to read...guaranteed or your money back!
7. **Can a child with ADD learn to read with Action Reading?**
Action Reading is a multi-sensory, active program that can help keep a person's attention. It's unique, proven method incorporates all of the learning senses through art, games, body movements and music to create an active, entertaining experience that does not seem like work.
8. **Is the course too child-like for an adult?**
Absolutely not! Even adults need to start from the beginning.

Complaint

125 F.T.C.

EXHIBIT B

9. Is Jeanie still teaching seminars? How much are they?

Jeanie's in-school training seminars are \$1500 per day. However, you can benefit from the same information, in the comfort of your own home, for only a fraction of the cost.

10. Can someone with Dyslexia learn to read with Action Reading?

Action Reading teaches left to right tracking and it explains how the skill of reading works.

11. Is there a lot of memorization?

No. Unlike the way most schools teach kids by memorizing thousands of words by sight. A person only needs to learn the 70 unique sounds of the English language. This unique, proven method is based on word sounds, not spellings.

12. Will an adult complete the course the same way as a child?

An adult will complete the course exactly as a child would, however, they will likely complete it much easier and quicker.

13. How can this course help the mentally disabled?

It all depends on the degree of the disability. However, Action Reading is logically and systematically designed so that the student masters one step before moving on to the next. The parent or teacher can set the pace to match the student's learning abilities, and it can be completed over and over until the student masters the course. The program is structured yet fun, while praise and pride of accomplishment are built in.

14. How does it work?

Jeanie's proven, phonics based method incorporates all of the learning senses through art, games, body movements, and music to create an active and entertaining experience that doesn't seem like work.

Learning to read has been compared to cracking a code. Once you know the secret it's easy to decode a sentence. Action Reading teaches the sounds and patterns of our language and how to use them for decoding.

15. How long does it take to complete?

You can complete the course at your own pace and most students can complete the entire program with-in just 4-6 weeks.

EXHIBIT B

16. Delivery time?

- 2 - 4 weeks for credit card orders
- 2 - 4 weeks for phone/mail checks
- 4 - 5 business days for Federal Express (CC orders only)

17. Shipping charges?

- Regular forth class mail - \$12.50
- Federal Express - \$9.50 extra

18. Caller wants to speak with Jeanie Eller or other Mega personalities.

They may write to Mega Systems at:

Mega Systems Inc.
Action Reading
PO Box 11031
Merrillville, IN 46410

19. What does the program contain?

- 6 audio cassettes
- Visual aid flash cards
- 7 game boards with playing pieces
- 100 page workbook
- Bonus video tape

Complaint

125 F.T.C.

EXHIBIT B

**QUESTIONS, OBJECTIONS AND
REBUTTALS**

Remember...

People are not calling to figure out why they should buy, they are calling to figure out why not to buy!

1. I want to think about it.

- Don't make your decision now, decide in a month or two after you/ your child have seen the results from the program. Jeanie is so confident that her program works she gives you a full three months to decide!
- What could be a better gift than the gift of reading? Once a child knows how to read, the sky's the limit!
- Why? What's your hesitation?
- Exactly, I wouldn't want you to base your decision on a 5 minute phone call. It wouldn't be fair to you or your _____ problem. Let's get this out to you so that you can base your decision on results - that way you can make an educated decision.
- Exactly! that's why Jeanie Eller gives you an entire three months. So that you can not only think about it, but you can experience the results that he guarantees you will receive.
- What question do you still have _____ that's causing you to hesitate?

2. How much is the book?

- Let me tell you Mr./Mrs./Ms. _____ exactly what you will be receiving, your discount, and how it will benefit you. O.K.?

EXHIBIT B

3. Can you send me written information?

- Let me tell you Mr./Mrs./Ms. _____ exactly what you will be receiving, your discount for ordering today and how the Jeanie's program will benefit you. O.K.?
- I can give you all the information you need. What specifically would you like to know?
- I wish the literature told the whole story. In fact, it will probably raise key questions that I would be able to answer for you now. (NO PAUSE ..ask probing question).

4. I need to speak with my wife or husband.

- That's exactly what Jeanie Eller wants you to do. She allows us to send the entire program to you, on a no risk basis - so that you and your wife can go through it together and really determine the value of the information and see how it can really benefit your family.
- Let's get this out to you so that you and your wife can review it together. Don't ask her to make a decision on the price, but on the information and the results. Remember you have a full three month money back guarantee.
- Why don't you talk with them right now. I can wait.

5 It's too expensive/ I'm on a fixed income/ I can't afford it.

- Three-pay- What if I could get the entire program out to you for just \$46.65 a month for three months; would that be better for you?
- If this can help you _____, wouldn't it be worth reviewing?
- Would you be using a credit card to place your order today? Great then what I'll be able to do is to put you on our 3 pay plan, and your last name is?
- _____ I'm sure you would agree that a product is worth what it does for you. Let's explore what benefits Action reading offers you.

Complaint

125 F.T.C.

EXHIBIT B

- If I could demonstrate how Action Reading would be worth every penny we're asking, you would be willing to take advantage of what we're offering today, right?
 - _____ The value of Action reading is what it will do for you, not what you have to pay for it, right?
 - Price is an important consideration, isn't it? Would you consider value equally important? Let me tell you about the value of our products.
 - „I can appreciate your situation and that's why Jeanie Eller offers you an easy 3 payment plan so you can still take advantage of the discount today. By using the 3 pay plan Jeanie Eller's program becomes more affordable and best of all, there are no financing fees or added costs. Let me give you a breakdown of the payments so we can get this right out to you?
6. I'm not interested.
- May I ask why?
 - _____ What result would make the price worth it in your opinion?

EXHIBIT B

HOW TO EXPLAIN THE 3 PAY PLAN

I can appreciate your situation, and that's why Jeanie offers an easy 3 pay plan, so you can still take advantage of her proven program. By using the 3 pay plan her program now becomes easier to own, and best of all, there are no financing fees or added costs. Let me give you a breakdown of the payments so we can get this out to you OK?

Your payments will be split up with the first payment consisting of 1/3 of the product price plus applicable shipping charges. The second and third payments consist of two equal payments of the remaining 2/3 of the product price. That breaks out to:

1st Payment
\$59.15

2nd Payment
\$46.65

3rd Payment
\$46.65

DOESN'T NOT HAVE A CREDIT CARD

Do you have a checking account?

YES

Great! A lot of people like yourself are not using credit cards, that's why Jeanie offers you check by phone, so that you can still take advantage of the discount today. Go ahead and get your checkbook and I'll walk you through the process.

- (Name) may I have your address?
- And your daytime telephone number with area code first?
- May I have the name of your bank?
- And the city and state that your bank is located in?
- May I have the check number located in the upper right hand corner of the next check in your checkbook?
- There is a long series of numbers on the bottom of that check. Will you please read all of them to me starting from left to right? Please read just the numbers and not the symbols. Make sure you do not leave any numbers out.

Great! (Name) your total including shipping and handling is \$152.47 and you will receive your program in 2-4 weeks. If you have any questions you may call our customer service number at 1-800-634-2990. Thank You for calling and have a great day!

Complaint

125 F.T.C.

EXHIBIT B

WANTS MORE INFORMATION ON CHECK BY PHONE

(Name) when you send a check to a company they use the information off the front of the check to process it, well that same information is what we are now able to process by phone. With the bank name, the check number and the numbers off the bottom of the check we'll be able to secure your order today, and expedite it right away.

Also, (Name) what you can do is contact your bank and let them know that you have given Mega Systems the authority to put check #_____ through for a one time charge of \$_____ not a penny more or less. This way you can be assured that you still have control of your account O.K.?

**WILL NOT USE CHECK BY PHONE
DOES NOT HAVE CHECKING ACCOUNT**

Let me send you an invoice with a postage paid return envelope for your convenience.

If you have any questions you may call our customer service number at 1-800-634-2990.

DECISION AND ORDER

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

The respondent, her attorney, and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondent has violated the said Act, and that 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 no comments having been filed thereafter by interested parties pursuant to Section 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings and enters the following order:

1. Respondent Jeanie Eller resides at 42828 North 7th Avenue, Phoenix, Arizona.

2. The acts and practices of the respondent alleged in this complaint have been in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act.

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

ORDER

DEFINITIONS

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

1. "*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.

2. Unless otherwise specified, "*respondent*" shall mean Jeanie Eller, individually and her agents, representatives and employees.

3. "*Commerce*" shall mean as defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. 44.

I.

It is ordered, That respondent, directly or through any corporation, subsidiary, division, or other device, in connection with the manufacturing, labeling, advertising, promotion, offering for sale, sale, or distribution of Jeanie Eller Action Reading or any other product or program that provides instruction in any aspect of reading in or affecting commerce, shall not make any representation, in any manner, expressly or by implication:

- A. The extent to which individuals who use such product will learn to read, or
- B. The success rate of individuals who use such product,

unless, at the time the representation is made, respondent possesses and relies upon competent and reliable evidence, which when appropriate must be competent and reliable scientific evidence, that substantiates the representation.

II.

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

- A. All advertisements and promotional materials containing the representation;
- B. All materials that were relied upon in disseminating the representation; and
- C. All tests, reports, studies, surveys, demonstrations, or other evidence in her possession or control that contradict, qualify, or call into question the representation, or the basis relied upon for the representation, including complaints and other communications with consumers or with governmental or consumer protection organizations.

III.

It is further ordered, That respondent Jeanie Eller, for a period of five (5) years after the date of issuance of this order, shall notify the Commission of the discontinuance of her current business or employment, or of her affiliation with any new business or employment. The notice shall include respondent's new business address and telephone number and a description of the nature of the business or employment and her duties and responsibilities. All notices required by this Part shall be sent by certified mail to the Associate Director, Division of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, Washington, D.C.

IV.

It is further ordered, That respondent Jeanie Eller shall, within sixty (60) days after the date of service of this order, and at such other times as the Federal Trade Commission may require, file with the Commission a report, in writing, setting forth in detail the manner and form in which she has complied with this order.

V.

This order will terminate on April 6, 2018, 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 Part 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 Part.

Provided, further, that if such complaint is dismissed or a federal court rules that the respondent did not violate any provision of the order, and the dismissal or ruling is either not appealed or upheld on appeal, then the order will terminate according to this Part as though the complaint had never been 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.

Commissioner Thompson and Commissioner Swindle not participating.

LONDON INTERNATIONAL GROUP, INC.

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

Docket C-3800. Complaint, April 7, 1998--Decision, April 7, 1998

This consent order prohibits, among other things, the Georgia-based condom manufacturer from making any comparative claims about the strength, efficacy or risk of breakage of any condom in the future, unless the respondent possesses and relies upon competent and reliable scientific evidence to substantiate the claims.

Appearances

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

For the respondent: *Wayne H. Matelski, Arent, Fox, Kintner, Plotkin & Kahn, Washington, D.C.*

COMPLAINT

The Federal Trade Commission, having reason to believe that London International Group, Inc., a corporation, 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 London International Group, Inc. is a New Jersey corporation with its principal office or place of business at 3585 Engineering Drive, Norcross, Georgia.

2. Respondent has manufactured, advertised, labeled, offered for sale, sold, and distributed products to the public, including "Ramses" brand condoms. Ramses brand condoms are "devices," within the meaning of Sections 12 and 15 of the Federal Trade Commission Act.

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 for Ramses brand condoms, including but not necessarily limited to the attached Exhibits A through C. These advertisements contain the following statements and depictions:

A. "it won't give you X-ray vision or bionic strength. but it will make you a hero tonight.