

IN THE MATTER OF

MEGA SYSTEMS INTERNATIONAL, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SECS. 5 AND 12 OF THE FEDERAL TRADE COMMISSION ACT*Docket C-3811. Complaint, June 8, 1998--Decision, June 8, 1998*

This consent order requires, among other things, the Illinois-based corporation and its officer to pay \$500,000 in consumer redress and to disclose that their television and radio programs are paid advertisements. In addition, the consent order requires the respondents to substantiate claims regarding the benefits, performance or efficacy of any product or program they advertise, promote, sell or distribute in the future.

Appearances

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

For the respondents: *Barry Cutler, Baker & Hostetler,*
Washington, D.C.

COMPLAINT

The Federal Trade Commission, having reason to believe that Mega Systems International, Inc., a corporation, and Jeffrey Salberg, individually and as an officer of the corporation ("respondents"), have 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 Mega Systems International, Inc. is an Indiana corporation with its principal office or place of business at 2025 East 175th Street, Lansing, Illinois.

2. Respondent Jeffrey Salberg is an officer of the corporate respondent. Individually or in concert with others, he formulates, directs, or controls the policies, acts, or practices of the corporation, including the acts or practices alleged in this complaint. His principal office or place of business is the same as that of Mega Systems International, Inc.

3. Respondents have advertised, offered for sale, sold, and distributed products to the public, including but not limited to, Eden's Secret Nature's Purifying Product, Sable Hair Farming System, Kevin Trudeau's Mega Memory System, Dr. Callahan's Addiction Breaking System, and Jeanie Eller's Action Reading.

4. Eden's Secret Nature's Purifying Product and Sable Hair Farming System are "drugs," within the meaning of Sections 12 and 15 of the Federal Trade Commission Act.

5. Respondents' advertisements include, but are not limited to, program-length radio and television commercials which run for 30 minutes or less and fit within normal radio and television broadcasting time slots. Respondents' television commercials were and are broadcast on network, independent and cable television stations throughout the United States. Several of the television commercials are identified as "The Danny Bonaduce Show" and "A Closer Look..". The Danny Bonaduce Show purports to be a television talk show similar to "Late Night with David Letterman." The set consists of a band playing off to the side, a live audience, and a back drop of city skyline silhouette. Danny Bonaduce performs a monologue before interviewing a guest who is actually a promoter of a Mega Systems, Inc. product. A Closer Look purports to be a television talk show similar to "Larry King Live." The set consists of a desk similar to the desk used in "Larry King Live." Respondents' radio commercials were and are broadcast on network and independent radio stations throughout the United States. Kevin Trudeau acts as the host or guest in most, but not all, of respondents' radio and television commercials.

6. 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.

EDEN'S SECRET NATURE'S PURIFYING PRODUCT

7. Respondents have disseminated or have caused to be disseminated advertisements for Eden's Secret Nature's Purifying Product, including but not necessarily limited to the attached Exhibits A and B. These advertisements contain the following statements:

A. Trudeau: "That cleansing my body has had a dramatic impact on my body and life. I feel brighter and more alert for longer periods of time than I have in years, and there's no question that my immune system has dramatically improved."

Wright: "...a body that is cleansed and purified of toxic waste matters, colon waste, fatty arterial deposits, the ph balance of the blood's better, the microflouron of the colon's better, you're simply enhancing the overall integrity of your body."

Trudeau: "... I honestly believe that people try, they can't lose weight. And it is really amazing because I have friends that I see what they eat, and they try to exercise. They try to, and they still can't lose the weight."

Wright: "That's right."

Trudeau: "What's the problem here?"

Wright: "Well, step number one is if you don't cleanse the system out, your body is constantly hungry. Why? It is not getting nutrients. It's not getting fed. The colon wall gets lined with some sort of a type of, it's old fecal matter, it's old gluey plaque like substance. The wall of the colon gets compromised in such manner that a lot of the nutrients that you're eating, the foods that you're eating don't transfer."

Wright: "So what we're doing is cleaning out the digestive tract, the colon and aiming at cleaning and purifying the blood all at the same time. So between the two of these, what we're initiating, Kevin, is a complete biological interwashing. When you assist the body's own eliminative channels, help open them up -- "

Trudeau: "Right."

Wright: "The body has an ability to restore itself. The integrity of the cells themselves on a cellular level becomes higher because there's not a lot of junk in there. There's not a lot of plaque in the way. They're opening up the transfer of nutrients and oxygen so your cells can live again."

Trudeau: "And one of the things that everybody said, I asked them, I said what is your weight situation, and everyone said they have lost weight."

Wright: "Right."

Trudeau: "They're losing pounds."

Wright: "Right."

Trudeau: "Now this is obviously, we are not claiming to lose weight with the product, but this is cleansing, something is happening here."

Wright: "Your blood stream's impure, the PH balance is off, and it's exactly like a girl who has PMS. The blood stream gets impure before her cycle, it's reabsorbed back into the blood stream, she's experiencing, she goes AHHH!!! She goes crazy, just like my wife used to until we founded this formula. This is the same kind of experience. Your stress level gets nuts."

Trudeau: "So are you telling me that people that have -- women that have a bad PMS syndrome, if they started cleansing their system, that could perhaps be relieved in some -- to some degree?" (Exhibit A; Radio Infomercial Script.)

B. This 100% natural, herbal purifying program is designed to cleanse your body quickly and easily of accumulated, harmful toxins. **I guarantee you'll feel energized and revitalized!** And many experts now believe that detoxification may even help you avoid premature aging and ill health.

Worse yet, these man-made toxins eventually overwhelm our bodies' natural cleansing abilities and accumulate in our cells and tissues. As recent medical research indicates, the waste that remains is linked to declining appearance, premature aging and ill health.

Your body's cry for help

Although this news may come as a surprise to you, **your body has probably been trying to tell you for years that it's "toxic"!** Just a few symptoms you may experience include fatigue, indigestion, headaches, being bloated or overweight, irritability, irregularity, depression, arthritis, insomnia and immune suppression. If you suffer from any or all of these conditions, it's time to listen to your body **now...** before your health suffers further.

**The Nature's Pure Body Program helps your body
purify itself, quickly and easily**

My exclusive purifying program gives your body the added help it needs to clear out the toxins that rob you of your energy and good health.
(Exhibit B; Promotional Brochure.)

8. Through the means described in paragraph seven, respondents have represented, expressly or by implication, that:

A. Eden's Secret Nature's Purifying Product causes significant weight loss.

B. Eden's Secret Nature's Purifying Product will prevent or cure illnesses, including but not limited to fatigue, headaches, depression, arthritis, insomnia, immune suppression, and premenstrual syndrome.

C. Eden's Secret Nature's Purifying Product will cleanse the body of harmful toxins.

D. Eden's Secret Nature's Purifying Product will purify the body's blood supply.

9. In truth and in fact:

A. Eden's Secret Nature's Purifying Product will not cause significant weight loss.

B. Eden's Secret Nature's Purifying Product will not prevent or cure illnesses, including but not limited to fatigue, headaches, depression, arthritis, insomnia, immune suppression, and premenstrual syndrome.

C. Eden's Secret Nature's Purifying Product will not cleanse the body of harmful toxins.

D. Eden's Secret Nature's Purifying Product will not purify the body's blood supply.

Therefore, the representations set forth in paragraph eight were, and are, false or misleading.

10. Through the means described in paragraph seven, respondents have represented, expressly or by implication, that they possessed and relied upon a reasonable basis that substantiated the representations set forth in paragraph eight, at the time the representations were made.

11. In truth and in fact, respondents did not possess and rely upon a reasonable basis that substantiated the representations set forth in paragraph eight, at the time the representations were made. Therefore, the representation set forth in paragraph ten was, and is, false or misleading.

SABLE HAIR FARMING SYSTEM

12. Respondents have disseminated or have caused to be disseminated advertisements for Sable Hair Farming System, including but not necessarily limited to the attached Exhibit C. This advertisement contains the following statements:

Sabal: "So I found a combination of herbs that, when mixed with cleansers like witch hazels and alcohols, can deep clean underneath the surface of the scalp, and clean out all the debris that prevents the hair or blocks the hair from reaching the surface."

"And the amazing thing that was happening is that after we cleaned, as we looked at the scalp, hair sprouted out."

"[T]he hair that sprouts out measures five years, for instance, that it's been growing under the scalp, from the blood, from the protein in the blood."

"[W]e had live subjects tested in a laboratory here in south Florida, and they counted the hairs as they came in on every test subject every day that they used the product."

"So we have a wonderful product that cleans the scalp. And if you learn to do that, first of all, you'll never lose your hair."

"I should be in most of the major medical journals in the world in the next few months, which will finally end baldness in the human race. And I'm very proud of that. A hundred percent on my testing. And that will be announced, I would say, before the end of the June."

"And everyone should have all their hair back in six months to a year, permanently, painlessly, and never have to purchase anything again."

Trudeau: "And you're saying that if the follicles were cleaned properly --"

Sabal: "They would never lose their hair."

Sabal: "[W]e could actually end hair loss in the human race. No one would become bald any more."

"Well, the doctors that have tested with us, that amazed them. That was the very first thing that amazed them. They said they saw more in five minutes with our product than they did with any other product they've ever tested. And that includes the Rogaine and Minoxidil products."

"You don't ever have to be bald any more. You don't ever have to go bald, if you're a young person who's just starting to lose their hair. And there's a lot of help that we can give you. So I hope you do give us a call." (Exhibit C; Radio Infomercial Script.)

13. Through the means described in paragraph twelve, respondents have represented, expressly or by implication, that:

A. Sable Hair Farming System will stop, prevent, cure, relieve, reverse or reduce hair loss.

B. Sable Hair Farming System will promote the growth of hair where hair has already been lost.

C. Sable Hair Farming System is superior to Rogaine and Minoxidil in stopping, preventing, curing, relieving, reversing or reducing hair loss.

14. In truth and in fact:

A. Sable Hair Farming System will not stop, prevent, cure, relieve, reverse or reduce hair loss.

B. Sable Hair Farming System will not promote the growth of hair where hair has already been lost.

C. Sable Hair Farming System is not superior to Rogaine and Minoxidil in stopping, preventing, curing, relieving, reversing or reducing hair loss.

Therefore, the representations set forth in paragraph thirteen were, and are, false or misleading.

15. Through the means described in paragraph twelve, respondents have represented, expressly or by implication, that they possessed and relied upon a reasonable basis that substantiated the representations set forth in paragraph thirteen, at the time the representations were made.

16. In truth and in fact, respondents did not possess and rely upon a reasonable basis that substantiated the representations set forth in paragraph thirteen, at the time the representations were made. Therefore, the representation set forth in paragraph fifteen was, and is, false or misleading.

17. Through the means described in paragraph twelve, respondents have represented, expressly or by implication, that scientific studies demonstrate that Sable Hair Farming System is effective in stopping hair loss and promoting hair growth.

18. In truth and in fact, scientific studies do not demonstrate that Sable Hair Farming System is effective in stopping hair loss and promoting hair growth. Therefore, the representation set forth in paragraph seventeen was, and is, false or misleading.

KEVIN TRUDEAU'S MEGA MEMORY SYSTEM

19. Respondents have disseminated or have caused to be disseminated advertisements for Kevin Trudeau's Mega Memory

System, including but not necessarily limited to the attached Exhibits D through F. These advertisements contain the following statements:

A. Trudeau: "[W]e teach people all around the world how to release the photographic memory that people have right now, or instant recall memory."

"All these little absent minded things we help people when we develop and release the photographic memory that they have."

"Every single person has a photographic memory right now lying dormant. It's an ability that everyone has. You, see, you remember everything that you see, hear and think about. If it comes through the senses it is remembered. The problem though is recalling information."

"Yeah, that's one of the things about Mega Memory that's very unique is that fact that it only takes only a few hours to learn the technology and when you release that photographic memory"

"We took an entire seventh grade class in the beginning of last school year. They went through the Mega Memory system, just took a few days, a couple of hours, very easy and at the end of the school year they had a big problem on their hands. Eight months ahead of their school curriculum, lowest grade point average A minus, and they test the vocabulary levels of the seventh graders and they found to be those of sophomores in college because they could remember all the words and definitions. I can't wait until they take their SAT's. They were three years ahead in Spanish, because foreign languages, if you ever wanna learn foreign languages, it has a lot to do with memory, you know."

"I then met a fellow who did a research report in 1975 at the Oklahoma School for the Blind in Muskogee, Oklahoma, V. R. Carter was the Superintendent back then, and he took thirty-five blind children and he improved their memory. These kids were blind from birth, by the way, and he improved, in just five days, fifteen percent recall ability to ninety percent in just one week. They were so impressed that they tested the kids six and eight months later to see if it stuck and most of the kids improved to ninety-five and ninety-eight percent recall. So, it stuck. We duplicated the results with retarded kids with IQ's of only fifty and sixty and the results were almost identical, lower memory in the beginning, dramatic improvement in the nineties just a week later and a year later in testing almost a hundred percent recall ability with slow, retarded kids. Obviously we know at this point if we can teach blind and retarded kids it had to be an ability, a powerful memory, that everyone had. So I took that raw data and put together, invented, if you will, over the next year the entire Mega Memory system that we have today, founded the institute and just in the last couple of years over two million people now, uh, Danny, have gone through the Mega Memory home study course to improve their own memory."

"...ADD and we're getting letters and calls more on this subject than anything else and there are millions of people, children and adults who are afflicted with this problem, and when I started looking at that because it has a lot to do with memory, attention span, So I started doing the research and we tested five thousand kids with ADD. there's a lot of controversy 'bout this, by the way because the drug

Ritalin is the drug of choice to give. And we don't agree with that as an option, but uh we think through dietary change and we discuss this in Mega Memory, some of the things and options that people can take to dramatically improve."

(Exhibit D; Television Infomercial Script.)

B. Help Sheet - Overcoming Common Objections

4.) Can this work for people with learning disabilities, ADD, dyslexia, or head injuries?

These techniques were perfected with blind and retarded children back in the early 70's. Through research, we've found that everyone can improve their memory with this program (except Alzheimer's patients). (Exhibit E; Telephone Sales Script.)

C. Kevin Trudeau's breakthrough techniques were developed while working with blind and mentally handicapped students. Their recall ability increased from 15% to 90% in just 5 days! Because these methods have been proven under the most difficult circumstances, they're guaranteed to work for you! Kevin's breakthrough techniques that you'll learn in this course allow you to release your own perfect photographic memory ... effortlessly. (Exhibit F; Promotional Brochure.)

20. Through the means described in paragraph nineteen, respondents have represented, expressly or by implication, that Kevin Trudeau's Mega Memory System will enable users to achieve a photographic memory.

21. In truth and in fact, Kevin Trudeau's Mega Memory System will not enable users to achieve a photographic memory. In fact, Kevin Trudeau's Mega Memory System simply consists of standard memory techniques. Therefore, the representation set forth in paragraph twenty was, and is, false or misleading.

22. Through the means described in paragraph nineteen, respondents have represented, expressly or by implication, that Kevin Trudeau's Mega Memory System is effective in causing adults or children with learning disabilities or attention deficit disorder to substantially improve their memory.

23. Through the means described in paragraph nineteen, respondents have represented, expressly or by implication, that they possessed and relied upon a reasonable basis that substantiated the representations set forth in paragraphs twenty and twenty-two, at the time the representations were made.

24. In truth and in fact, respondents did not possess and rely upon a reasonable basis that substantiated the representations set forth in paragraphs twenty and twenty-two, at the time the representations were made. Therefore, the representation set forth in paragraph twenty-three was, and is, false or misleading.

25. Through the means described in paragraph nineteen, respondents have represented, expressly or by implication, that:

A. Scientific studies of Kevin Trudeau's Mega Memory System on seventh-grade students demonstrate that Kevin Trudeau's Mega Memory System will substantially improve their academic performance and grades.

B. Scientific studies of Kevin Trudeau's Mega Memory System on blind children demonstrate that Kevin Trudeau's Mega Memory System will improve their recall ability to a level of 95% to 98%.

C. Scientific studies of Kevin Trudeau's Mega Memory System on children with IQ's of fifty to sixty demonstrate that Kevin Trudeau's Mega Memory System will improve their recall ability to a level of almost 100%.

D. Scientific studies of Kevin Trudeau's Mega Memory System on children with attention deficit disorder demonstrate that Kevin Trudeau's Mega Memory System will substantially improve their memory.

26. In truth and in fact:

A. Scientific studies of Kevin Trudeau's Mega Memory System on seventh-grade students do not demonstrate that Kevin Trudeau's Mega Memory System will substantially improve their academic performance and grades.

B. Scientific studies of Kevin Trudeau's Mega Memory System on blind children do not demonstrate that Kevin Trudeau's Mega Memory System will improve their recall ability by 95% to 98%.

C. Scientific studies of Kevin Trudeau's Mega Memory System on children with IQ's of fifty to sixty do not demonstrate that Kevin Trudeau's Mega Memory System will improve their recall ability by almost 100%.

D. Scientific studies of Kevin Trudeau's Mega Memory System on children with Attention Deficit Disorder do not demonstrate that Kevin Trudeau's Mega Memory System will substantially improve their memory.

Therefore, the representations set forth in paragraph twenty-five were, and are, false or misleading.

DR. CALLAHAN'S ADDICTION BREAKING SYSTEM

27. Respondents have disseminated or have caused to be disseminated advertisements for Dr. Callahan's Addiction Breaking System, including but not necessarily limited to the attached Exhibits G through I. These advertisements contain the following statements:

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A. Trudeau: "He [Dr. Callahan] has been a best-selling author whose revolutionary treatment for losing weight and quitting smoking takes less than three minutes with 95 percent success. If you smoke and want to quit, or if you want to lose weight once and for all, today's show could be an answer to your prayers."

"[T]he treatments that you discovered, that you invented get rid of addictions like food addictions so people can lose weight easily without trying to diet. They can just lose the weight because they reduce the urge to overeat. You can reduce smoking, alcoholism, any type of compulsion, depression, jealousy."

Callahan: "It's revolutionary because it works with a high success rate that's never before been possible."

Trudeau: "[I]f you have any addiction, whether it be for food, if you're overweight, if you have a smoking addiction, if your children are addicted to drugs -- any compulsion, anything whatsoever, we recommend you call the 800 number..."

Callahan: "What we mean is that their addictive urge, that uncontrollable urge is gone, completely gone, and they feel fine."

"And when we eliminate the anxiety, they don't need the heroin; they don't need the alcohol. The withdrawal is gone." (Exhibit G; Television Infomercial Script.)

B. Trudeau: "We're going to be sharing Dr. Callahan's revolutionary breakthrough that he had discovered while studying quantum physics. Dr. Callahan came up with a breakthrough that in 60 seconds can eliminate your addictive urge to overeat, to smoke cigarettes, to do any compulsion, any type of addicted behavior, whether it be alcohol, drugs, cigarettes, food, maybe picking your thumb, any type of compulsive behavior, and eliminate all the stress and anxiety in your body. Now this technique will take 60 seconds to apply and works in virtually 100 percent of the time."

"Dr. Callahan, while studying quantum physics, figured out that he has this technique that in 60 seconds you can break up the stress and anxiety in your body and eliminate totally the addictive urge. Now what will that mean to you? That means you can lose weight easily, effortlessly, because you don't have any urge to overeat when you're not hungry. The urge is gone."

"While I was on another time, a gal called up on the phone. She said, 'Kevin, I saw you about a month ago and I bought your program.' This is right on tape. We have this on film. Right on national TV. She said, 'I want you to know, I got it a month ago and here's what happened. I was addicted because of food. I would overeat when I wasn't hungry. So late at night when I wanted to eat food, I used the technique. It took only 60 seconds. I just used it one time. I relaxed, I felt fantastic. I slept better than I have in years because all the stress was gone.' She goes, 'I was just feeling great and the urge was gone. I didn't eat the food. I didn't want it.' She goes, 'Since then, I've lost over 10 pounds, but I'm not trying to lose weight.' She said, 'I eat ice cream, I eat cookies, I eat cake, I eat everything I want. But I'm just losing weight.' And I said, 'Are you trying to lose weight.' And she says, 'No.'"

"The best thing about this technique if you're overweight, you can eat everything you want. You can eat pizza, you can eat ice cream, you can eat anything and everything you want. You're just not going to want it. The urge is going to be gone. The uncontrollable urge is gone."

"When I was on Value Vision, the home shopping club, a gal called up and said she does work in an alcohol and drug treatment center with alcoholics, heroin addicts, cocaine addicts. That's how Dr. Callahan actually started this work. He worked with some of these major additions. Here's the interesting thing. Whether your addiction is cocaine, heroin, alcohol or pizza or chocolate or cigarettes, it's all caused by the exact same thing. The stress and anxiety energy field. She told me that she's getting this program and for the first time in her life she can actually help people, because in 60 seconds she knocks out the urge, the uncontrollable urge."

"Another gal called up on the same day on Value Vision and said this. She brought the program 30 days ago. She had lost weight -- and after she used it once, she lost weight. But her husband was an alcoholic. He used the program. He hasn't had a drink in 30 days. Why? Because it knocked out the addictive urge. Dr. Callahan was in a grocery store in California where he lives. A guy ran up to him and said, "Dr. Callahan?" He said, "Yes." He said, "I saw you on TV three years ago when you were talking about this technique, and I got your book where it describes it." He said, "I was an alcoholic my whole life, over 28 years. I used your technique and I haven't had a drink, Doctor, in three years, and I feel so wonderful." (Exhibit H; Television Infomercial Script.)

C. ... by placing your order today you're taking the most important step to eliminate your addiction(s) for the rest of your life.

Dr. Callahan's addiction breaking system is a video taped program that will instantly teach you how to break any addictive urge you want to eliminate by using a simple and easy to use 15 minute technique.

BENEFITS TO YOUR CUSTOMER:

QUIT SMOKING BREAK ADDICTIVE URGES LOSE WEIGHT
(Exhibit I; Telephone Sales Script.)

28. Through the means described in paragraph twenty-seven, respondents have represented, expressly or by implication, that for all or virtually all users:

A. Dr. Callahan's Addiction Breaking System reduces an individual's compulsive desire to eat, leading to significant weight loss.

B. Dr. Callahan's Addiction Breaking System reduces an individual's compulsive desire to eat, leading to significant weight loss without the need to diet or exercise.

C. Dr. Callahan's Addiction Breaking System cures addictions and compulsions, including but not limited to, smoking, eating, and using alcohol or heroin.

29. In truth and in fact:

A. Dr. Callahan's Addiction Breaking System does not reduce an individual's compulsive desire to eat, and as such, Dr. Callahan's Addiction Breaking System does not lead to significant weight loss.

B. Dr. Callahan's Addiction Breaking System does not reduce an individual's compulsive desire to eat, and as such, Dr. Callahan's Addiction Breaking System does not lead to significant weight loss without the need to diet or exercise.

C. Dr. Callahan's Addiction Breaking System does not cure addictions and compulsions, including but not limited to, smoking, eating and using alcohol or heroin. Indeed, Dr. Callahan's Addiction Breaking System simply consists of a video tape in which Dr. Callahan demonstrates a series of tapping one's face, chest, and hand, rolling one's eyes, and humming.

Therefore, the representations set forth in paragraph twenty-eight were, and are, false or misleading.

30. Through the means described in paragraph twenty-seven, respondents have represented, expressly or by implication, that they possessed and relied upon a reasonable basis that substantiated the representations set forth in paragraph twenty-eight, at the time the representations were made.

31. In truth and in fact, respondents did not possess and rely upon a reasonable basis that substantiated the representations set forth in paragraph twenty-eight, at the time the representations were made. Therefore, the representation set forth in paragraph thirty was, and is, false or misleading.

32. Through the means described in paragraph twenty-seven, respondents have represented, expressly or by implication, that testimonials with regard to consumers' use of Dr. Callahan's Addiction Breaking System reflect the typical or ordinary experience of members of the public who use the product.

33. In truth and in fact, testimonials with regard to consumers' use of Dr. Callahan's Addiction Breaking System do not reflect the typical or ordinary experience of members of the public who use the product. Therefore, the representation set forth in paragraph thirty-two was, and is, false or misleading.

JEANIE ELLER'S ACTION READING

34. Respondents have disseminated or have caused to be disseminated advertisements for Jeanie Eller's Action Reading, including but not necessarily limited to the attached Exhibits J and K. 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." (Exhibit J; Television Infomercial Script.)

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.

 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...
(Exhibit K; Telephone Sales Script.)

35. Through the means described in paragraph thirty-four, respondents have represented, expressly or by implication, that Jeanie Eller's Action Reading is successful in teaching reading 100% of the time.

36. Through the means described in paragraph thirty-four, respondents have represented, expressly or by implication, that they possessed and relied upon a reasonable basis that substantiated the representation set forth in paragraph thirty-five, at the time the representation was made.

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

DECEPTIVE FORMAT

38. Through the advertisement and dissemination of respondents' television infomercials including, but not limited to, "The Danny Bonaduce Show" (Exhibit D) and "A Closer Look" (Exhibits G, H, and J), and radio infomercials (Exhibits A and C), respondents have represented, directly or by implication, that these commercials are independent television and radio programs and not paid commercial advertising.

39. In truth and in fact, respondents' television and radio infomercials are not independent television and radio programs and are paid commercial advertising. Therefore, the representation set forth in paragraph thirty-eight was, and is, false or misleading.

40. 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.

By the Commission.¹

¹ Prior to leaving the Commission, former Commissioner Azcuenaga registered a vote in the affirmative for this complaint.

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EXHIBIT A

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FTC MATTER NO.: 942-3278

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TITLE: EDEN'S SECRET NATURE'S PURIFYING
PRODUCT RADIO INFOMERCIAL

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PAGES: 1 THROUGH 27

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MSI/SALBERG COMPLAINT EXHIBIT A
TRUDEAU COMPLAINT EXHIBIT A
WRIGHT COMPLAINT EXHIBIT A

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EXHIBIT A

1 PROCEEDINGS

2 And it's Kevin Trudeau. Let's Talk America.

3 Today's topic, I've been talking about it all week long
4 and I'm really looking forward to this show. If you're listening
5 in, you're going to get excited about this program.6 We're talking about energy. We're talking about
7 health. We're talking about cleansing the body and feeling good.
8 Boy, it sounds like an interesting program, doesn't it.9 My guest, live in the studio, is the founder of Eden
10 Secret, a company that he started out in California, and he
11 invented a program called the Purifying Program. Ken Wright is
12 my guest. Welcome, Ken. Thanks for being on the show.

13 MR. WRIGHT: Hey! Thanks for having me.

14 MR. TRUDEAU: Listen, you know we're talking about
15 health, we're talking about cleaning the body, and I've got to
16 read this because, you know, so many people, my producers say
17 let's put this person on as a guest, let's put this person on --
18 and we're very particular about who we put on.19 But I got this stuff you sent me and I couldn't believe
20 it. I'm reading this and it said, "I've noticed I have more
21 energy upon awakening and no longer need a pot of coffee to get
22 going in the morning."

23 MR. WRIGHT: (Laughter)

24 MR. TRUDEAU: And this one here said, "The most
25 dramatic differences since I started is appeared in my skin. I

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EXHIBIT A

2

1 have a problematic dry skin problem. My face and eyes and hair
2 have become radiant, my nails become stronger, and my energy
3 level is better than ever."

4 This one here is by. This is a PhD who wrote this
5 letter who said, "For the last 15 years or so, I have been
6 experiencing increasingly painful body aches and pains, which I
7 believe to be rheumatism, increasingly stronger, more frequent
8 sinus headaches, and a growing sense of fatigue and weakness."

9 And after they started going and cleansing out the body
10 as you discuss and we'll show people how to do, it said, "my
11 energy level is up 50 to 70 percent" --

12 MR. WRIGHT: Isn't that incredible.

13 MR. TRUDEAU: "And at 43, I feel healthier than I have
14 since my early 20's." And this is by a PhD. And this one here
15 was hysterical. It says, "I can unequivocally say --

16 MR. WRIGHT: (Laughter)

17 MR. TRUDEAU: That cleansing my body has had a dramatic
18 impact on my body and life. I feel brighter and more alert for
19 longer periods of time than I have in years, and there's no
20 question that my immune system as dramatically improved.
21 Recently the flow of -- with the cold and flu epidemic going
22 around, I was able to shake a cold in three days."

23 MR. WRIGHT: Alright.

24 MR. TRUDEAU: "I've never in my life been able to shake
25 a cold that simply." Now these people, when I looked at this, I

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EXHIBIT A

1 said, wait a minute. This guy must know something about
2 cleansing the body --

3 MR. WRIGHT: (Laughter)

4 MR. TRUDEAU: And about giving people, you know, some
5 techniques so they can use to feel good and have energy and so
6 forth.

7 Now my question to you is, tell me about how you got
8 involved with this. I know you have an herbal formula that you
9 invented, the Purifying Program, but how did you get involved in
10 this whole business?

11 MR. WRIGHT: Well, I really got into this sort of
12 backwards. I had a typical kind of American diet. I was eating
13 too much fast food, fried food, like you know, the typical
14 listener out there listening has a poor diet, is pretty
15 sedentary. I was traveling a lot, under a lot of stress. And
16 personally, I had really bad digestion and got constipated, you
17 know, too frequently.

18 Consequently, my hair got really, really brittle and
19 bad --

20 MR. TRUDEAU: Un-huh.

21 MR. WRIGHT: My skin got really crumby.

22 MR. TRUDEAU: Like gray?

23 MR. WRIGHT: As people get older, your skin just
24 doesn't look healthy. You don't have that glow of health. And I
25 just lost all my energy.

EXHIBIT A

1 MR. TRUDEAU: Un-huh.

2 MR. WRIGHT: And in high school, I was a really
3 energetic, vibrant guy. I had a lot of energy, a lot of fun. I
4 played and, you know, enjoyed myself, and I just started feeling
5 all this fatigue. It just wasn't acceptable to me.

6 And like a lot of people, I travel around. I'm flying
7 on business here and there. And I was -- actually, I was in the
8 Philippines and I just was talking to some people about it and
9 complaining about this. I was saying I just feel like crumb.

10 MR. TRUDEAU: Right.

11 MR. WRIGHT: And (laughter) somebody said you should go
12 see this herbalist. What are herbs? I didn't know anything
13 about herbs.

14 MR. TRUDEAU: Right. Right.

15 MR. WRIGHT: So I go to an herbalist. They give me
16 this, basically it's a potent, a recipe, a formula kind of a
17 thing. And I was there for three weeks and started taking this
18 formula. And, I mean, I felt better. I mean, I had had horrible
19 digestion. I had had horrible constipation, and my skin would be
20 so crumbly. I mean I just lacked energy.

21 MR. TRUDEAU: Yeah.

22 MR. WRIGHT: And I started cleansing all this toxic
23 stuff out of my body. So I came back to America and I went to
24 every health food store I could find. I went to this health food
25 store, that health food store, trying to find something that was

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EXHIBIT A

1 similar. I couldn't find anything.

2 Another trip, fast forward, I'm in Africa. There's
3 someone on an airplane. I'm not sleeping. I'm eating all this
4 hotel food, airplane food, that kind of thing. I'm in Africa
5 again. I go to an herbalist now. Now I'm thinking, I've got to
6 find out more about herbs. Same exact thing, I find another kind
7 of formula that works.

8 I come back to America. I go to the library and do all
9 the massive research. I go to health food stores and try to find
10 out how can I actually put something together to actually cleanse
11 the body.

12 The long story short, I know I'm getting long winded
13 here, a body that is cleansed and purified of toxic waste
14 matters, colon waste, fatty arterial deposits, the Ph balance of
15 the blood's better, the microflouron of the colon's better,
16 you're simply enhancing the overall integrity of the body.

17 What does that give you? What are the benefits? The
18 benefits of that are: allow more energy, better circulation,
19 better skin, hair and nails, much more overall increased sense of
20 vitality. That kind of a thing.

21 MR. TRUDEAU: So what you're saying is when the body --
22 people out there, because when you were talking about fatigue and
23 things, I'm thinking, yeah you know, people are probably sitting
24 home going he's talking about me.

25 MR. WRIGHT: Oh, yeah.

EXHIBIT A

6

1 MR. TRUDEAU: I have a hard time getting up in the
2 morning.

3 MR. WRIGHT: Oh, yeah.

4 MR. TRUDEAU: I need like this woman said, I need a pot
5 of coffee to get going, and I'm not a morning person. I just
6 don't have any energy.

7 MR. WRIGHT: Oh yeah, same like me. You're all foggy
8 in the morning. You get up first thing in the morning, the alarm
9 clock goes off, what do you do? You lay there and want to throw
10 a shoe at it. Well, if you clean all that stuff out, you may
11 just jump out of bed.

12 MR. TRUDEAU: You have energy?

13 MR. WRIGHT: You just have a lot of energy. Just jump
14 out of bed, go to work and focus better. You can attack what
15 you're doing with more zest.

16 We get cards and letters from around the country. We
17 sell this product around the United States to chiropractors,
18 detox centers, holistic healers, and natural paths, colon
19 therapists, you name it. And uniformly, we get the kind of
20 results and benefits that is just really unbelievable.

21 It's dramatic just by -- when a system is cleansed of
22 waste matter, a person looks and feels terrific. Their vitality
23 is restored. It's amazing.

24 MR. TRUDEAU: Unbelievable. Now I know that you've
25 been on hundreds of radio talk shows all across the country.

EXHIBIT A

1 MR. WRIGHT: Yeah.

2 MR. TRUDEAU: Because I've talk to several of the
3 producers and managers and say, you've had this guy on --

4 MR. WRIGHT: Right.

5 MR. TRUDEAU: He seems to know what he's talking about,
6 and he invented this program that helps the body cleanse itself,
7 is that right?

8 MR. WRIGHT: Right. It's just when a body is cleansed,
9 it completely will help rejuvenate itself. However, what you
10 first have to do is get all the old stuff out. It's that simple.

11 MR. TRUDEAU: So getting the stuff out is the key?

12 MR. WRIGHT: Getting the stuff out of your system is
13 the key. I mean, people have heard of colonics. You've heard of
14 enemas. You've heard of three day fasts. You've heard of juice
15 fasts. You've heard of fasting. Jesus, so to speak. Jesus went
16 and He fasted for forty days before he had to make his big
17 decisions. It's talked about in the Bible. Cleanse and purify
18 yourself and I will exalt ye to the throne of power. What are
19 they talking about? They're talking about a restoration of your
20 personal power, of personal energies.

21 MR. TRUDEAU: Now let me ask you this. You say
22 cleanse the stuff out. What specifically -- I mean a person is -
23 - like me. A person, you know, is going through life --

24 MR. WRIGHT: Right.

25 MR. TRUDEAU: And why today do people, I mean,

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1 generally have less energy? I mean, you know, my parents say you
2 know, you people you're not feeling good, you know you don't wake
3 up bright, you're not feeling good, you just don't have the
4 energy.

5 MR. WRIGHT: Right.

6 MR. TRUDEAU: Why today is this different that it was
7 year's ago? What are people doing to themselves today that's
8 different that they need to be in some type of cleansing program?

9 MR. WRIGHT: Twentieth century man, right there. There
10 are new and stronger chemicals in the environment. Walk down a
11 health food -- I mean walk down a store. Walk down the aisles
12 and look what's on the food. Ninety percent of the food that
13 you're eating has impurities in it. It has been treated with
14 toxic -- it has been treated with pesticides, herbicides. The
15 meat that you're getting has been shot full of antibiotics.

16 MR. TRUDEAU: Un-huh.

17 MR. WRIGHT: The environment is polluted. Now there
18 are newer and stronger chemicals in your dry-cleaning. The air
19 is polluted, the water is polluted. So what happens? I mean it
20 simply has an affect on the microbiology of your system.

21 MR. TRUDEAU: So now where a person is today, they're
22 eating fried food, it an advent to the fast food industry --

23 MR. WRIGHT: Right, right.

24 MR. TRUDEAU: The food chemicals and the additives, the
25 stuff in the water. I know I've been reading all these articles

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1 about how bad the water is.

2 MR. WRIGHT: Right.

3 MR. TRUDEAU: It's clogging up the system and that's
4 making them feel kind of miserable and crumby and as you
5 mentioned the symptoms that people can see readily are the lack
6 of energy, the skin, and the hair?

7 MR. WRIGHT: Right.

8 MR. TRUDEAU: And maybe the --

9 MR. WRIGHT: Weight.

10 MR. TRUDEAU: Oh, they gain weight.

11 MR. WRIGHT: Oh, my God. I mean people -- why do you
12 hold on to weight? Why do people hold on to weight?

13 MR. TRUDEAU: Now wait a minute. Stop here.

14 MR. WRIGHT: Why are you craving foods all the time?

15 MR. TRUDEAU: Now this is very important. Today I was
16 reading USA Today. They said that there are more people
17 overweight today than ever in history in our country. And people
18 are telling me, I meet them all over the country, they go no
19 matter what I do, and I honestly believe that people try, they
20 can't lose weight.

21 And it's really amazing because I have friends that I
22 see what they eat, and they try to exercise, they try to eat
23 right and they still can't lose the weight.

24 MR. WRIGHT: That's right.

25 MR. TRUDEAU: What's the problem here?

EXHIBIT A

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1 MR. WRIGHT: Well step number one is if you don't
2 cleanse the system out, your body is constantly hungry. Why?
3 It's not getting nutrients. It's not getting fed. The colon
4 wall gets lined with some sort of a type of a, it's old fecal
5 matter. It's a old gluey plaque-like substance.
6 The wall of the colon gets compromised in such a matter
7 that a lot of the nutrients that you're eating, the foods that
8 you eat, don't transfer. It actually doesn't get into the blood
9 stream so you're not getting properly fed. So you're body's
10 hungry all the time.
11 Not only that, obviously you're eating -- people are
12 just eating way too much and the food they're eating is crumbly.
13 But number one is if you don't clean the system out first off,
14 none of the food that you're eating gets into the system so
15 you're always hungry. You're always tired because you're not
16 getting fed. It's a vicious circle.
17 MR. TRUDEAU: Alright, now you're talking about this
18 colon problem with this fecal matter or something --
19 MR. WRIGHT: Right, right.
20 MR. TRUDEAU: That's clogging it up and people can't
21 absorb the food --
22 MR. WRIGHT: Right.
23 MR. TRUDEAU: And nutrients that they're taking?
24 MR. WRIGHT: Right.
25 MR. TRUDEAU: So people taking vitamins are really

EXHIBIT A

11

1 wasting their money?

2 MR. WRIGHT: Well you've heard -- you know that doctors
3 used to say that vitamins are expensive urine. They were right.
4 A lot of this stuff that we eat, the good food that you're trying
5 to eat, actually don't get into the body.

6 MR. TRUDEAU: Uh-huh.

7 MR. WRIGHT: It simply is passed out of you.

8 MR. TRUDEAU: Now are there -- your program consists of
9 herbs.

10 MR. WRIGHT: Right.

11 MR. TRUDEAU: And I have it here right in front of me.
12 How many herbs are in this stuff?

13 MR. WRIGHT: There's 28 herbs.

14 MR. TRUDEAU: There's 28 herbs --

15 MR. WRIGHT: Twenty-eight different herbs, yeah.

16 MR. TRUDEAU: This is a combination that you put
17 together? Invented?

18 MR. WRIGHT: Well, yeah. I did a lot of research. I
19 hired a biochemist. I hired a formulator. We went back and
20 forth with powders and mixes and tried this and tired that. And
21 then, in the health food store, I mean you can get a product that
22 has maybe five or six herbs in it, right.

23 MR. TRUDEAU: Right.

24 MR. WRIGHT: But it doesn't have the type of
25 synergistic affect, meaning that when you have a blend, like this

EXHIBIT A

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1 is a very powerful blend, you can't get a blend like this. This
2 is -- we're the only company in America that makes this. The
3 affect of this broad, wide variety of herbs has a synergistic
4 affect on the body so that it cleanses deep and easy.

5 MR. TRUDEAU: Now, I've heard of cleansing before.
6 Before I had you on as a guest, I called a lot of the health food
7 stores in the area and I said, hey, is cleansing -- what's this
8 cleansing stuff? You know, cleaning out --

9 MR. WRIGHT: (Laughter)

10 MR. TRUDEAU: And they go, oh, yes, yes. You want a
11 colon cleanser, you want a colon cleanser. And I said, what do
12 you have? And they said, well we have this powder and this
13 powder and this powder. And every place I called, they gave me -
14 - they're showing me these powder stuff that you mix up and
15 supposedly cleans out the colon.

16 MR. WRIGHT: Right.

17 MR. TRUDEAU: Now this, I notice, is just a tablet.

18 MR. WRIGHT: Right.

19 MR. TRUDEAU: And it says -- one of them says, whole
20 body formula, and the other one says colon formula. So what is
21 the difference between like this type of program and what I was
22 being exposed to in a health food store?

23 MR. WRIGHT: Right. It's real simple. I mean if you
24 go to a health food store, they're going to give you some sort of
25 formula that's just aimed at the colon. But if the colon is

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1 compromised, if your colon is sluggish --

2 MR. TRUDEAU: Un-huh.

3 MR. WRIGHT: It is intestinal constipation leads to
4 cellular constipation. It means the whole body is slows down and
5 get sluggish because your intestines are slow.

6 So what we did is we coupled a we coupled a colon
7 cleanser and what comes under the category so to speak of blood
8 purifiers. I mean the large jar the you see there, the 300
9 tablets of the purifying formula, those come under the category
10 of blood purifiers.

11 So what we're doing is cleaning out the digestive
12 tract, the colon and aiming at cleaning and purifying the blood
13 all at the same time. So between the two of these, what we're
14 initiating, Kevin, is a complete biological interwashing. When
15 you assist the body's own eliminative channels, help open them up
16 --

17 MR. TRUDEAU: Right.

18 MR. WRIGHT: The body has an ability to restore itself.
19 The integrity of the cells themselves on a cellular level becomes
20 higher because there's not a bunch of junk in there. There's not
21 a lot of plaque in the way. They're opening up the transfer of
22 nutrients and oxygen so your cells can live again.

23 MR. TRUDEAU: Now I know that since you started being a
24 guest on radio shows that your office has been flooded with phone
25 calls.

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EXHIBIT A

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1 MR. WRIGHT: Incredible, absolutely unbelievable.

2 MR. TRUDEAU: I was talking to my dear friend, Fred Van
3 Liew. You were on his show a few weeks ago.

4 MR. WRIGHT: Right.

5 MR. TRUDEAU: And you got a couple hundred phone calls
6 or something

7 MR. WRIGHT: in about a half a hour or forty minutes.

8 MR. TRUDEAU: Right. People just responded. So I took
9 the liberty myself -- I know you sent me these people's letters -
10 - and I started calling people. I said, hey, I know you've been
11 using this stuff, what do you see? Everybody I talked to, unless
12 you just gave me the right people to call --

13 MR. WRIGHT: (Laughter)

14 MR. TRUDEAU: But everybody I talked to said the same
15 thing. They said let me tell you something, Kevin, I feel
16 better, I think clearer, my mind's more alert, I wake up in the
17 morning I don't need coffee. There's a lot of people who said
18 they don't even use alarm clocks anymore.

19 MR. WRIGHT: Right.

20 MR. TRUDEAU: And one of the things that everybody
21 said, I said what's your weight situation? And everyone said
22 they've lost weight.

23 MR. WRIGHT: Right.

24 MR. TRUDEAU: They're losing pounds.

25 MR. WRIGHT: Right.

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1 MR. TRUDEAU: Now this is obviously, we're not claiming
2 to lost weight with the product, but this is cleaning.
3 Something's happening here.

4 MR. WRIGHT: Right.

5 MR. TRUDEAU: Are you having any -- is there anyone
6 that takes this that doesn't like it?

7 MR. WRIGHT: We sell thousands -- I mean I've been on
8 radio shows, talk shows, interviewed in a variety of different
9 types of newspapers, guest appearances. I've been lecturing on
10 cleansing now, going to conventions and talking to people. We
11 just put it out there. And if you want to try it, try it. If
12 you don't like it, we'll give you your money back. Period. You
13 know what we have, Kevin?

14 MR. TRUDEAU: Tell me.

15 MR. WRIGHT: We haven't had anybody send anything back
16 ever.

17 MR. TRUDEAU: They just don't send it back.

18 MR. WRIGHT: They don't send it back. How can you send
19 it back when it works. They simply -- if you clean the junk out
20 of your system -- In a nutshell, I'm trying to keep this real
21 simple. Conceptually, if you just get all the old stuff out.--

22 MR. TRUDEAU: Right.

23 MR. WRIGHT: The old waste matter that's built up in
24 the body. How many times a day do you brush your teeth? Once in
25 the morning, once in the evening. Why? You get plaque built up

EXHIBIT A

16

1 on your teeth. You get a sludge on your teeth. You take a
2 shower everyday. What do you doing? Your washing off the
3 biggest, eliminative channel you have, your skin. How do feel
4 when you take a shower? You feel great, right?

5 MR. TRUDEAU: That's it.

6 MR. WRIGHT: You feel a lot better. You've got a lot
7 more energy.

8 MR. TRUDEAU: Right.

9 MR. WRIGHT: It's the same concept but you're doing it
10 internally.

11 MR. TRUDEAU: My engineer is screaming. People are
12 calling the station --

13 MR. WRIGHT: (Laughter)

14 MR. TRUDEAU: And they want to know how to get a hold
15 of you. If they can get your program. So let's take a short
16 break 'cause we can give our a toll free number where people do
17 want information on the purifying program they can call your
18 office directly and get information on how to order it.

19 So let's take a quick break so we can get that number.

20 MR. WRIGHT: Okay.

21 (BREAK TAKEN)

22 MR. TRUDEAU: And we're back. Kevin Trudeau. Let's
23 Talk America.

24 This is a fascinating show. Again, my guest is Mr. Ken
25 Wright, the founder of Eden's Secret and the inventor of

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1 formulator, if you will, of the Purifying Program, which is an
2 herbal concoction that a person takes --

3 MR. WRIGHT: (Laughter)

4 MR. TRUDEAU: To help the body purify themselves, the
5 blood and the colon. During the break, the engineer come running
6 in saying, this is unbelievable, this is great.

7 MR. WRIGHT: Yeah.

8 MR. TRUDEAU: And he said, wait a minute, wait a
9 minute.

10 MR. WRIGHT: He wants some of it. Do you see him go "I
11 want some of this." Let me have some.

12 MR. TRUDEAU: The question he asked Ken, he said how
13 come I just can't go out and like eat fresh fruits and vegetables
14 and drink a lot of water and cleanse my body that way?

15 MR. WRIGHT: Well let me tell you, there was just a, in
16 the January/February issue of Natural Health Magazine, which
17 there's a copy of here or anybody if you wanted to call Natural
18 Health and get a copy of it, they did an analysis of all of the
19 top cleansing products. They put a person on broccoli, brown
20 rice and water for a month. They had people on a variety of
21 different detox programs.

22 MR. TRUDEAU: Like the -- similar to the ones I'd seen
23 at the health food stores?

24 MR. WRIGHT: Oh yeah, right. You know they tested all
25 the top brands and through their analysis, they did stool

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1 analysis and urine analysis before and after, and according to
2 their lab tests, the lab data from Great Smokies and Doctors
3 Data, these are the two big clinics that test people's stools and
4 things for doctors, this product gave the best results.

5 And listen to this, the girl who was on our product, on
6 this formula --

7 MR. TRUDEAU: Right.

8 MR. WRIGHT: Didn't even change her diet. And it took
9 her level -- it took the levels of pathogens in her colon from
10 the level of microflouron in her colon from pathogenic, which
11 means to disease causing --

12 MR. TRUDEAU: Uh-huh.

13 MR. WRIGHT: To normal in 30 days.

14 MR. TRUDEAU: Without changing her diet?

15 MR. WRIGHT: Without changing her diet at all. The
16 best results compared to somebody who ate broccoli, brown rice
17 and water for a month. Somebody else was on a two week water,
18 lemon juice, cajun pepper and --

19 MR. TRUDEAU: Maple syrup.

20 MR. WRIGHT: Maple syrup, right. I told you about that
21 on the phone.

22 MR. TRUDEAU: Yeah, I remember reading the article you
23 sent me.

24 MR. WRIGHT: Right. Right.

25 MR. TRUDEAU: Now this is interesting because this is a

EXHIBIT A

1 claim you made. You didn't even know that they were doing this
2 test.

3 MR. WRIGHT: No, no, no.

4 MR. TRUDEAU: They just happened to buy the Purifying
5 Program from you.

6 MR. WRIGHT: Right, right.

7 MR. TRUDEAU: And they tested it on their own basis.

8 MR. WRIGHT: Oh, yeah. I mean I called up, when I
9 found out who they were and what they were doing, I called and
10 said hey, what's going on? How are you placing it? They would
11 not tell me anything.

12 MR. TRUDEAU: Yeah.

13 MR. WRIGHT: I mean it wasn't until -- I had to
14 actually call them and about a week before they released the
15 article, they finally faxed it to me. And I was going, well how
16 did we do.

17 MR. TRUDEAU: Yeah, you were probably sitting there
18 going, hey are we doing alright.

19 MR. WRIGHT: Did we do good? But I tell you, since
20 that article, our business has quadrupled. We can't keep -- we
21 have orders from all around the country. We have -- our booklet
22 that you see here has been translated into Spanish and Italian.
23 We're exporting -- we have a guy here, a guy in Beverly Hills now
24 who's here from South Africa who wants to import it into South
25 Africa.

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1 It's just great. When somebody cleanses their body and
2 purifies their system of waste matters, what happens? It's only
3 logic. There's no mystic -- there's nothing mystical about it.
4 It's very practical. It's very down to earth. You simply look
5 and feel better. You have a lot more energy and you revitalize
6 your system because it's not working so darn hard. It's simple.

7 MR. TRUDEAU: This is interesting here. I have
8 something here from the Citizens Commission on Human Rights --

9 MR. WRIGHT: Right.

10 MR. TRUDEAU: And this is a nice lady, she's the legal
11 director over there, and she writes and she says, "I work a lot
12 of hours, usually 60 to 80 hours a week. Sometimes I only get
13 five --

14 MR. WRIGHT: (Laughter)

15 MR. TRUDEAU: or less hours of sleep for a couple of
16 days at a time. Before I started on the Purifying Program, I
17 started cleansing my body, I needed eight hours of sleep or I
18 would become a real witch.

19 MR. WRIGHT: (Laughter)

20 MR. TRUDEAU: Irritable and unpredictable, with no
21 tolerance for stress.

22 MR. WRIGHT: (Laughter)

23 MR. TRUDEAU: I bet I know a lot of people that this
24 category fits.

25 MR. WRIGHT: Yeah. (Laughter) Including my wife

EXHIBIT A

21

1 MR. TRUDEAU: Since starting on the program and
2 detoxifying my system, I have much more -- I am much more stable
3 emotionally, regardless of the sleep irregularities or stress
4 that impinges upon me.

5 Now I want to mention about -- ask you a question about
6 his. There are people out there that, you know, are snappy and
7 irritable and have this emotional stress all the time. I have a
8 very dear friend that flies a lot and she's always like
9 complaining and she always has this stress problem.

10 MR. WRIGHT: Oh, yeah.

11 MR. TRUDEAU: I just need to relax. Is that also due
12 because of the buildup of the toxins in the body?

13 MR. WRIGHT: Well, how do you feel after you've had
14 four cups of coffee? How do you feel the next day after you've
15 gone out and had too many drinks? Or a drug addict who's
16 recovering from drugs and alcohol? They feel crumby.

17 Why? It's very simple. There's nothing dramatic about
18 it. Your blood stream is a wreck. Your blood stream's impure,
19 the PH balance is off, and it's exactly like a girl who has PMS.
20 The blood stream gets impure before her cycle, it's reabsorbed
21 back into the blood stream, she's experiencing she goes AHHH!!!
22 She goes crazy, just like my wife used to until we founded this
23 formula. This is the same kind of experience. Your stress level
24 gets nuts.

25 MR. TRUDEAU: So are you telling me that people that

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1 have -- women that have a bad PMS syndrome, if they started
2 cleansing their system, that could perhaps be relieved in some --
3 to some degree?

4 MR. WRIGHT: Let me tell you even a more dramatic
5 story.

6 MR. TRUDEAU: Okay.

7 MR. WRIGHT: Let me tell you a story.

8 MR. TRUDEAU: I can see you're about to -- I see you're
9 smiling like --

10 MR. WRIGHT: (Laughter)

11 MR. TRUDEAU: I've got something good here.

12 MR. WRIGHT: This is from a woman in Burger, Texas.

13 Now I'm not going to talk about PMS 'cause that's sort of a
14 pedestrian type thing that seems to be handled when the body
15 cleanses itself daily.

16 MR. TRUDEAU: Okay.

17 MR. WRIGHT: This is a woman who had been -- who is a
18 nurse, who was not attending work regularly. She was at home and
19 in bed more frequently. She was missing her paychecks.

20 She wrote us a letter, I won't read you the whole
21 thing. It's pretty long but she says, basically she's passed out
22 a lot of old, toxic stuff out of her body and she says here,
23 "Though I know my healing is not complete, I feel more energetic
24 and emotionally, emotionally well than I felt in almost a year.
25 I'm an RN, etc., etc., etc."

Complaint

125 F.T.C.

EXHIBIT A

21

1 So she called me up and told that now what's happening.
2 Now, she's back to work, she's regularly back to work. Her
3 patients are saying, my God, look at how great you look. What
4 have you been doing? What did you do, fall in love?

5 MR. TRUDEAU: (Laughter)

6 MR. WRIGHT: Were you on vacation? How come you look
7 so great?

8 MR. TRUDEAU: (Laughter)

9 MR. WRIGHT: What is it? So what am I trying to
10 communicate to you? I'm trying to tell the people out there, I'm
11 trying to tell the listeners, that by getting this old, old --
12 this is nothing new. This is getting this old waste matter out
13 of your system. You can look and feel better. You can have more
14 energy. You can be brighter. Your skin can look better. Your
15 hair -- you know what, look at my hair. You see that the haircut
16 that I got?

17 MR. TRUDEAU: Yeah.

18 MR. WRIGHT: Why do I get a haircut? I get a haircut -
19 - I get short, short haircuts because my grows so fast it is
20 ridiculous. My hairdresser, she was a real skeptic. Then she
21 saw my hair and said, what are you doing? Why is your hair like
22 this all the time? You come in here more frequently than anybody
23 I know. She now sells our product.

24 MR. TRUDEAU: Unbelievable.

25 MR. WRIGHT: (Laughter)

EXHIBIT A

24

1 MR. TRUDEAU: We've got to take another break, Ken,
2 because again our engineer is saying let's give out that toll
3 free number again if people do want information on the Purifying
4 Program. So let's take a quick break so we can get that number
5 out.

6 (BREAK TAKEN)

7 MR. TRUDEAU: And we're back. Kevin Trudeau. Let's
8 Talk America. My guest, Mr. Ken Wright, founder of the Eden
9 Secret and the inventor of the Purifying Program, which is an
10 herbal cleanser, detoxifier.

11 Now, I have to ask you a question. I'm look at all of
12 these herbs that are in here.

13 MR. WRIGHT: Right.

14 MR. TRUDEAU: And you mentioned earlier that it's never
15 been done before where they put this combination together in one
16 tablet.

17 MR. WRIGHT: Right, very unique.

18 MR. TRUDEAU: And I know that its simple a tablet form
19 that a person takes. So it's very easy.

20 MR. WRIGHT: Real simple.

21 MR. TRUDEAU: You just take it two times a day, is that
22 right?

23 MR. WRIGHT: That's right, take a twice a day. Half of
24 it for breakfast, half of it for dinner with a big glass of
25 water. They're tablets. They're not big horse pills. They're

EXHIBIT A

25

1 small so everyone can take them.

2 MR. TRUDEAU: It's easy.

3 MR. WRIGHT: Very, very easy.

4 MR. TRUDEAU: What's -- now I've got to say this.

5 MR. WRIGHT: No muck, no mess.

6 MR. TRUDEAU: When a person takes it, does this do
7 anything specific?

8 MR. WRIGHT: You know, Kevin, I've got to say this flat
9 out. These herbs are not going to do anything. I mean they are
10 not designed -- they're not going to heal anything, they're not
11 going to change anything in the body. What will happen is --

12 MR. TRUDEAU: So no medical claims?

13 MR. WRIGHT: There's no -- (laughter)

14 MR. TRUDEAU: There's no making the blind walk or
15 anything?

16 MR. WRIGHT: No, I mean the FDA would come down and
17 shut us down in a heartbeat. This simply, by cleansing your
18 system, when the body is cleansed of its waste matters, your body
19 can heal itself. It just makes common sense.

20 MR. TRUDEAU: So it simply helps the body cleanse and
21 detoxify?

22 MR. WRIGHT: Right. And when the body is cleansed and
23 detoxified, what happens? You have more oxygen circulating
24 through the body, you have more nutrient distribution, there's
25 less waste matter in the body. Obviously it gets out of the

EXHIBIT A

26

1 system faster. What happens? Your cells are alive. You're
2 living in a human organism and it has to be vibrant.

3 MR. TRUDEAU: Now some of these things I'm looking at
4 here, Echia. Is that my pronunciation?

5 MR. WRIGHT: Ecanatia.

6 MR. TRUDEAU: Ecanatia?

7 MR. WRIGHT: (Laughter)

8 MR. TRUDEAU: Is that what -- I can read, Ecanatia.

9 MR. WRIGHT: Ecanatia.

10 MR. TRUDEAU: What do some of these herbs do
11 specifically? I know some of them have a lot of historical
12 background that they historically do certain things or help the
13 body do certain things.

14 MR. WRIGHT: Right. I mean they call it folk medicine
15 historically they have been used for. But in our formula we've
16 got barberry buck thorn, capsicum, chickweed, dandelion root.
17 Dandelion root has been know to help, you know, it contains
18 natural salts which purify the blood. Ecanatia has been written
19 up as an infection fighter. You've heard a lot about ecanatia
20 and golden seal on the news a lot lately and CNN and the cover of
21 the Times, the LA Times Newspapers, a variety of different talk
22 shows.

23 They're finding that golden seal and ecanatia, when
24 people have colds they drink these as teas. Why? It seems to
25 help as a natural bionic. That's what the -- as a natural

EXHIBIT A

27

1 antibiotic that's what people are using these for.

2 MR. TRUDEAU: Well Ken, the time has flew and I'm
3 looking at the clock. We're about to end the show. But I just
4 want to thank you for coming on and sharing this with us. I know
5 that I'm going to jump on this thing and I will be the first
6 person to let you know how we do. Of course my engineer is going
7 yes, yes, yes.

8 MR. WRIGHT: (Laughter)

9 MR. TRUDEAU: He's shaking he head, give me some of
10 this stuff right now.

11 MR. WRIGHT: (Laughter)

12 MR. TRUDEAU: But folks, thanks for listening. Ken,
13 thanks again for being on the show.

14 MR. WRIGHT: Thanks, Kevin.

15 MR. TRUDEAU: Have a great day and folks, Let's Talk
16 America again soon.

17 (End of Tape)

18

19

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EXHIBIT B



Jeff Salberg
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Dear Jeff Salberg,

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We're surrounded by toxins that age and destroy us

It's a fact: our generation is exposed to more pollution and toxins than any other in history. Water contaminated by lead, pesticides, bacteria and chlorine... air polluted with industrial waste and car emissions... dangerous food additives including pesticides, waxes, dyes, steroids and hormones... and nutritionally void "junk" foods loaded with preservatives and harmful chemicals and robbing us of our energy and vitality.

Worse yet, these man-made toxins eventually overwhelm our bodies' natural cleansing abilities and accumulate in our cells and tissues. As recent medical research indicates, the waste that remains is linked to declining appearance, premature aging and ill health.

Your body's cry for help

Although this news may come as a surprise to you, your body has probably been trying to tell you for years that it's "toxic"! Just a few symptoms you may experience include fatigue, indigestion, headaches, being bloated or overweight, irritability, irregularity, depression, arthritis, insomnia and immune suppression. If you suffer from any or all of these conditions, it's time to listen to your body now... before your health suffers further.

The *Nature's Pure Body Program* helps your body purify itself, quickly and easily.

My exclusive purifying program gives your body the added help it needs to clear out the toxins that rob you of your energy and good health. And it's so easy to do because the program comes in convenient tablet form! Just take the tablets twice daily with water or juice to detoxify and cleanse your body of chemicals, air and water pollution, debris, mucus, acids, fatty deposits, other biochemical waste products and the effects of overeating and junk foods.

Look and feel better in just 30 days - guaranteed or your money back!

You won't believe how much better you'll look and feel once your body rids itself of harmful wastes! You'll have more energy and vitality... clearer skin... healthier hair and nails... even sweeter breath. In fact, I guarantee you'll be 100% thrilled with the results you'll see and feel from my 30-day purifying program or I'll give you a complete refund - no questions asked.

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Although the *Nature's Pure Body Program* is incredibly powerful, it's also completely safe. There are no chemical stimulants used—just a unique blend of 28 natural herbs that gently cleanses and purifies your body. Even with sensitive systems can use the program with no bad reactions or side effects.

You can try my *Nature's Pure Body Program* risk free
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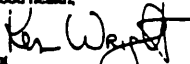
There's simply no easier and faster way to detoxify your body and improve your vitality than my *Nature's Pure Body Program*. But don't just take my word for it—try it yourself absolutely risk free. If for any reason you're not satisfied, simply return the unused portion within 60 days for a full refund of the purchase price!

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Regularly priced at \$69.97, my 30-day purifying program can be yours for only \$39.97 if you order now. For even greater savings, order a three-month supply for only \$49.97 a month—a \$60 savings!

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Ken Wright
Founder, *Nature's Pure Body Program*

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EXHIBIT C

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FTC MATTER NO.: 942-3278

TITLE: SABLE HAIR FARMING SYSTEM
RADIO INFOMERCIAL

PAGES: 1 THROUGH 25

MSI/SALBERG COMPLAINT EXHIBIT C
TRUDEAU COMPLAINT EXHIBIT C
SABAL COMPLAINT EXHIBIT A

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EXHIBIT C

1

1 MR. TRUDEAU: My guest from beautiful Florida I have on
2 the telephone is Jacqueline Sable, the founder of Sable
3 Laboratories and the inventor of the hair farming formula we've
4 been talking about all morning.

5 You know, our topic today is going to be balding, hair,
6 the scalp, thinning hair, and how people get that, what they can
7 do about it, what the options are, and so forth.

8 Well, good morning, Jacqueline. How are you?

9 MS. SABLE: Good morning, Kevin. Thanks for having us
10 on the air today. And happy hair farming to everybody listening
11 in who has a hair loss problem.

12 MR. TRUDEAU: Yes. You know, it's funny. When I was
13 talking to you a few days ago, and I read all the material that I
14 was looking at, this is very fascinating.

15 MS. SABLE: Hard to believe, isn't it?

16 MR. TRUDEAU: You know, male pattern baldness is what
17 people think about a lot when they talk about hair. And I know .
18 . . I understand that you are really an expert in the field of
19 hair and the scalp and this type. And it's really interesting
20 cause I understand from your material you've been all over the
21 country, on virtually hundreds of shows talking to people about
22 it, the problem and the invention that you came up with. How did
23 you get involved? I mean, you think about baldness, you think of
24 men.

25 MS. SABLE: Well, I had what's called alopecia areata.

EXHIBIT C

1 Now, there's a lot of women, and some men listening in, that have
2 had that problem themselves, where hair falls out in patches due
3 to a nervous condition, or it just thins evenly due to nerves.

4 And what happens is the spinning mechanism at the base
5 of the follicle, the actual hole that hair grows inside of, is
6 affected by nerves. And it cannot spin the protein from the
7 blood from which hair grows evenly and smoothly into hair. The
8 hair breaks and stops growing, and your hair falls out and it's
9 not replaced.

10 And in order to help myself, because I had to wear
11 hairpieces. I'm a teacher of cosmetology here in Florida, and
12 I've been a hairdresser for 20 years, at least. I'm not that
13 old, but at least 20 years. And I didn't want to wear a wig for
14 the rest of my life. In fact, the more I wore one, the more hair
15 I lost. So it was a never-ending problem.

16 And in order to help myself, I went to the medicinal
17 powers of herbs. You know that herbal remedies, Kevin, were what
18 they used for thousands of years. In fact, even the medical
19 people today are turning back to herbs now for natural healing.

20 MR. TRUDEAU: Aren't most drugs derived from herbs? A
21 lot of them?

22 MS. SABLE: They were. But then in the beginning of
23 the 20th century they started deriving them from metals. And
24 that's where a lot of sickness has come from, in my belief, my
25 personal belief.

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125 F.T.C.

EXHIBIT C

3

1 MR. TRUDEAU: That's interesting.

2 MS. SABLE: Now they're turning back to natural
3 healing. So I found a combination of herbs that, when mixed with
4 cleansers like witch hazels and alcohols, can deep clean
5 underneath the surface of the scalp, and clean out all the debris
6 that prevents the hair or blocks the hair from reaching the
7 surface.

8 You see, hair only grows from blood, Kevin. There is
9 no magic potion that grows hair. And please, anyone listening in
10 with any kind of hair loss problem, don't buy these phony
11 products that you see on the market. They don't work. Anything
12 that claims to grow hair, it's a flat-out lie.

13 MR. TRUDEAU: But what about Minoxidil? Don't they
14 claim to grow hair?

15 MS. SABLE: It cannot grow hair. All it does it
16 elongate the peachfuzz, or glue in the hair that you would
17 normally lose. It's a glue. It's an Elmer's Glue for the scalp.
18 That's what I call it.

19 MR. TRUDEAU: No kidding.

20 MS. SABLE: You see, people who are totally bald cannot
21 be helped by Minoxidil, because they cannot grow their hair back.
22 If they grew hair, why couldn't they grow hair back on a man
23 who's totally bald? They can't do that.

24 MR. TRUDEAU: So does it work with people who are just,
25 you know, straight bald?

EXHIBIT C

4

1 MS. SABLE: No. It only works on those who are just
2 losing their hair. So here's a young man using this very
3 expensive drug, rubbing it into his head every day, which is
4 causing all kinds of other physical ailments, according to their
5 own literature, now.

6 MR. TRUDEAU: Right.

7 MS. SABLE: I'm not saying this. It's in their own
8 literature.

9 MR. TRUDEAU: Exactly.

10 MS. SABLE: According to the law of the United States
11 and the FDA, you have to put side effects. There's liver
12 problems, kidney problems, heart problems, rashes. There's a
13 list a mile long. But naturally, they make it so small that a
14 human eye can't read it.

15 MR. TRUDEAU: Right.

16 MS. SABLE: I had to blow it up 10 times at a photostat
17 machine in order to see what they were saying.

18 MR. TRUDEAU: Okay.

19 MS. SABLE: So the point that I'm making is, they can
20 only help those who are just starting to lose hair. And the only
21 way to help them is by gluing in the hair that would naturally
22 fall out. And that's why they say, if you stop using Minoxidil
23 or Rogaine, the hair falls out. The glue dissolves. It's very
24 simple.

25 MR. TRUDEAU: That's interesting.

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EXHIBIT C

5

1 MS. SABLE: Now, what hair farming does it totally
2 different. We deep clean the debris under the scalp. It's just
3 a shampoo. Not a drug. Completely herbal, completely natural.
4 Safety tested. It's been used for many, many years. About 10,
5 15 years in this country and 4 or 5 other countries that we are
6 in. We are in about 150 cities in this country alone. And all
7 it does it clean. And so that the hair that's growing from the
8 blood has a free passageway to reach the surface.

9 MR. TRUDEAU: Now, why did you come up with the name
10 hair farming? When I first heard this, I --

11 MS. SABLE: Well, that's what we're doing.

12 MR. TRUDEAU: I thought you were involved with rabbits.

13 MS. SABLE: Well, that's true. The telephone company
14 put me in the bunny business. They spelled it
15 H-A-R-E. And we lost thousands of dollars on that mistake.

16 MR. TRUDEAU: Right.

17 MS. SABLE: And when I called the phone company and
18 asked them why they did that, they said, "Well, gee, we never
19 heard of hair farming, H-A-I-R." And they were right, because we
20 had made it up. So I couldn't really be too mad at them, could
21 I?

22 MR. TRUDEAU: That's right.

23 MS. SABLE: So what happened is I had to think of a
24 name to explain what we were actually doing. Now, we weren't
25 growing hair. We do not claim to grow hair.

EXHIBIT C

6

1 MR. TRUDEAU: Right.

2 MS. SABLE: There is no way anyone can grow hair,
3 except the blood. But we were cleaning, and you might say we
4 were cultivating. And the amazing thing that was happening is
5 that after we cleaned, as we looked at the scalp, hair sprouted
6 out. And right in front of our eyes. And when I saw that
7 happen, I said, "Gee, this is just like farming."

8 MR. TRUDEAU: Now, I understand that you've been on a
9 vast number of television shows where you actually take people
10 right out of the audience and clean the scalp right there. And
11 in virtually just a few minutes -- what is it, a half an hour or
12 something?

13 MS. SABLE: At least. That's all. Hair sprouted right
14 out.

15 MR. TRUDEAU: People get excited about the results.

16 MS. SABLE: Yes. Because the hair is there. Again,
17 we're not growing hair. And the hair that sprouts out measures
18 five years, for instance, that it's been growing under the scalp,
19 from the blood, from the protein in the blood. And we've
20 actually proved that even more so, because we had cadaver scalps
21 dissected, and there's the hair trapped in the follicles. And
22 then we went further than that, and we had live subjects tested
23 in a laboratory here in south Florida, and they counted the hairs
24 as they came in on every test subject every day that they used
25 the product.

Complaint

125 F.T.C.

EXHIBIT C

3

1 Again, we were not growing hair. We were just cleaning
2 debris, which is just simply a shampoo. But we're the only
3 shampoo in the world that can get down and clean under the scalp.

4 And fortunately for us, or we wouldn't be on this show
5 right now, it cannot be broken down and deciphered, because it's
6 herbal. And anything organic cannot be duplicated.

7 MR. TRUDEAU: Well, you can't duplicate Coca-Cola.

8 MS. SABLE: True. I don't know if that's organic or
9 not.

10 MR. TRUDEAU: No, no. But the ingredients are right on
11 the label, and of course it cannot be duplicated.

12 MS. SABLE: Exactly. So we have a wonderful product
13 that cleans the scalp. And if you learn to do that, first of
14 all, you'll never lose your hair. If you learn the correct use
15 of hair cosmetics and how to keep your glands under control.
16 Because, you see, that's my theory. And I have a right to this
17 theory, whether the medical community believes me right now or
18 not, although they soon will because I'll be written up in most
19 of the major medical journals around the world.

20 MR. TRUDEAU: You were mentioning that. There are
21 articles coming out now in medical journals?

22 MS. SABLE: Oh, yes. I should be in most of the major
23 medical journals in the world in the next few months, which will
24 finally end baldness in the human race. And I'm very proud of
25 that. A hundred percent on my testing. And that will be

EXHIBIT C

8

1 announced, I would say, before the end of the June. And that's
2 one of the reasons for this show today. Hopefully we're going to
3 reach all the people that have seen me on TV already and wondered
4 if this is really true.

5 MR. TRUDEAU: And by the way, for the people listening,
6 we are going to be giving out a toll-free number in just a little
7 while, if you want information on the hair farming product. So
8 we will be giving out a toll-free number.

9 Now, you were talking the other day, and I talked to a
10 station manager, you were on as a guest. After the show, where
11 you did actual live demonstration and people saw it. I
12 understand you got over 2,000 phone calls.

13 MS. SABLE: The phones are still ringing. That was
14 three weeks ago.

15 MR. TRUDEAU: Unbelievable.

16 MS. SABLE: And that was just a local show in Missouri.
17 Can you imagine what's going to happen from your show? I hope
18 you have the staff to answer the phone calls. I don't.

19 MR. TRUDEAU: Well, yeah. And like I say, we will be
20 giving out the number, so people don't have to call the station
21 and flood us with inquiries.

22 MS. SABLE: Well, for those who are listening in, let
23 me say this, very simply. It's guaranteed to work on every human
24 being. You're alive, the blood is flowing, your hair is growing
25 from blood.

Complaint

125 F.T.C.

EXHIBIT C

9

1 Number two, we don't grow hair. We're just cleaning
2 the debris that's preventing it from reaching the surface. It's
3 100-percent guaranteed, completely harmless, herbal, natural.
4 And everyone should have all their hair back in six months to a
5 year, permanently, painlessly, and never have to purchase
6 anything again. You're not tied to hair farming for the rest of
7 your life.

8 We teach you free of charge what to do to keep your
9 hair once you have it back.

10 MR. TRUDEAU: Now, I have a partner, and we talked
11 about this in the last few days. He's bald. And he asked me a
12 question. He said, "Why do some people go bald, and not others?
13 Why don't all of us have, you know, the debris get stuck in our
14 scalp?"

15 MS. SABLE: Because some people inherit -- in fact, 80
16 percent of the male population of the world inherit over-
17 producing scalp glands. They either sweat too much or have too
18 much oil on their scalp. And we've got about 2,000 glands every
19 square inch of our scalp. Perspiration and 2,000 oil glands.

20 If you've inherited the tendency to perspire too much,
21 when you reach 15 or 16 you're going to start having dry hair.
22 This glandular problem matures when you become an adult. That's
23 why everybody has hair as a preteen.

24 Now, once you become a teenager, your glands in your
25 body start working as they will the rest of your adult life. And

EXHIBIT C

10

1 if you have a perspiration problem, it will come out of the
2 scalp, this excess fluid, move along the surface of your scalp,
3 according to the inherited shape, taking debris with it,
4 pollutants in the air, any conditions you work under or play
5 under, and hair cosmetics that we use incorrectly. And it will
6 clog the openings in its path.

7 Now, fortunately you don't go bald in one day. You
8 lose about 30 hairs a day. And in that two-month period of time,
9 two- to three-month period of time, which they call the telogen
10 stage, before the second hair can replace the one that's fallen
11 out, if the passageway in the follicle above it becomes clogged,
12 too much so, too hard, too permanent that the hair can't push its
13 way through, a clogged area will eventually form over a period of
14 years that's called a bald spot. And it takes on the pattern of
15 the inherited shape of the head.

16 So if you've got a flat area in back, the fluid goes
17 there and causes a puddle back there. Clogs there, and you've
18 got monk's pattern. If you've got a high-pitched head, it goes
19 forward towards the front of your head, and you've got receding
20 hairline, and eventually all the hair on top of your head is
21 gone.

22 Now, what usually happens when you have dry hair and
23 scalp is that you use conditioners, because you want to condition
24 your hair. Now what do you do? You rub it into your scalp,
25 don't you?

Complaint

125 F.T.C.

EXHIBIT C

11

1 MR. TRUDEAU: Sure.

2 MS. SABLE: Real good. You're clogging the scalp with
3 the conditioner.

4 MR. TRUDEAU: So it's even making the problem even more
5 severe.

6 MS. SABLE: Exactly. And then you use hairspray,
7 because you want to hold that flyaway hair in place. And
8 hairspray is one of the biggest problems to mankind today, never
9 mind the atmosphere, also to having hair loss. Because people
10 don't know how to use it correctly. I'm not saying don't use
11 these products, but learn to use them correctly.

12 MR. TRUDEAU: So not just men. We're talking about
13 women, too.

14 MS. SABLE: Exactly.

15 MR. TRUDEAU: As in yourself, that have the thinning
16 hair, the hair falling out.

17 MS. SABLE: Exactly. You see, in the case of a man,
18 when the blow-dryer look came out about 15 years ago, when they
19 invented blow dryers, and men started using hairspray for the
20 first time, young fellows. Because my father's generation didn't
21 use hairspray, it was a sissy thing to do.

22 MR. TRUDEAU: Right.

23 MS. SABLE: So today, now, the young fellows are blow
24 drying their hair. And what do they do? They want to hold their
25 hair in place, so they spray the hair on the side of their head

EXHIBIT C

P2

1 to hold it in place. They don't realize how much hairspray is
2 hitting the temple area. The next thing, with the perspiration
3 and oil that's there, causing cement in the follicle, and
4 starting a receding hairline. Until eventually they have so much
5 of a receding hairline that what do they do? They comb their
6 hair over and spray down on the scalp to hold that hair in place,
7 to hide the receding hairline, and they clog the hair on top of
8 their head, and they go bald on top.

9 Now, I'm not saying don't use hairspray, those of you
10 who do this that are listening in. But simply cover with your
11 other hand the receding area as you're spraying that side of the
12 head. Same thing with the other side, cover that receding area.
13 And when you do the top of your hair, don't spray down on your
14 scalp. Comb the hair the way you want. Spray the hairspray on
15 your hand, comb, or brush, and put it on the hair that way.

16 MR. TRUDEAU: All right, now, let me ask you a
17 question. I don't have, I've never had any hair loss. I don't
18 have a receding hairline. And --

19 MS. SABLE: Then you can't sympathize, can you?

20 MR. TRUDEAU: And my partner's bald.

21 MS. SABLE: Okay. But you see, you're one of the rare
22 20 percent of the human race, which includes Indians -- anyone
23 with Indian blood will never lose hair. Any kind of Indian blood
24 will never lose hair.

25 MR. TRUDEAU: Why is that?

EXHIBIT C

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1 MS. SABLE: We don't know.

2 MR. TRUDEAU: You don't know.

3 MS. SABLE: And why is it, also -- now, here's a very
4 interesting premise for any doctors or any scientists listening
5 in today. I have found that it is the Caucasian race that
6 affects the other races. No Indians, no black or Oriental race
7 has hair on their body like the Caucasian male.

8 MR. TRUDEAU: Right.

9 MS. SABLE: And they are not prone to hair loss unless
10 it's intermarriage. And in the Indian race -- with whites. In
11 the Indian race, there is no hair loss. And anyone that has even
12 one-quarter of Indian blood will not lose hair. If there's more
13 mixture in the blood than one-quarter, they will lose.

14 MR. TRUDEAU: So there are some things out there that
15 we still don't know about.

16 MS. SABLE: I think we've just touched the tip of an
17 iceberg here.

18 MR. TRUDEAU: But what you're saying is if somebody has
19 thinning hair, if somebody has a receding hairline, if someone is
20 bald --

21 MS. SABLE: They've inherited over-producing scalp
22 glands.

23 MR. TRUDEAU: And you're saying that if the follicles
24 were cleaned properly --

25 MS. SABLE: They would never lose their hair.

EXHIBIT C

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1 MR. TRUDEAU: -- then the hair that is there will start
2 to --

3 MS. SABLE: Remain the rest of their life.

4 MR. TRUDEAU: That's amazing.

5 MS. SABLE: Now, if we could reach the teenagers
6 through wonderful shows like these -- and I'm very grateful for
7 you to be giving us this opportunity to tell people about hair
8 farming -- we could actually end hair loss in the human race. No
9 one would become bald any more.

10 MR. TRUDEAU: Well, I'm going to tell the audience
11 about it, because I've been talking about it all week. I said,
12 "You know, I'm talking to this woman who I think is crazy." And
13 I said, "We're going to try it out on my partner, who I mentioned
14 is bald." And the only reason that you're on this show with us
15 today is because yesterday we took my partner, and we put this
16 stuff on his head.

17 And I'm going to tell you what happened. But we are
18 going to take a break, because I know I'm already getting waves
19 from the studio that people are calling saying is there a toll-
20 free number that we can get information from the Hair Farming
21 Product. So, let's take a short break and give out that number
22 so if people do want information on the Hair Farming program they
23 can call you and get all their questions answered and so forth.
24 Let's take a break.

25

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EXHIBIT C

15

1 MR. TRUDEAU: And we're back. This is Kevin Trudeau on
2 "Let's Talk, America." My guest again is Jacqueline Sable, the
3 founder of Sable Laboratories in Florida, and the inventor of the
4 hair farming product or program, or herbal formula invention.
5 We've been talking about hair loss and balding and thinning.

6 And you know, Jacqueline, this is a fascinating
7 subject. As I mentioned, I can't sympathize with people because
8 I've never had any hair come out of my comb, and I have a full
9 head of hair and no receding hairline.

10 MS. SABLE: The glands of your scalp are working
11 normally. I was mentioning about those that have a perspiration
12 problem, but there's a lot of those that have oil problems, also.
13 And the oil glands, if you have over-producing oil glands, you
14 have dandruff. Dandruff is caused by oil coming out of inside
15 the follicle, because it lubricates the inside of the follicle,
16 the oil gland. And it lubricates the outside of the hair shaft
17 that slides up the follicle to reach the surface of the scalp.

18 So when the oil comes out of the follicle, it mixes
19 with the dead skin that we shed on our scalp, and you have
20 dandruff flakes.

21 MR. TRUDEAU: Okay.

22 MS. SABLE: If you have excess oil, you have excess
23 dandruff. Now, a dandruff shampoo manufacturer cannot stop you
24 from oversecreting oil. That's a genetic inherited problem. And
25 it can't stop us from shedding skin, because that's nature.

EXHIBIT C

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1 There has to be a barrier to prevent the two from
2 blending and reaching each other. And that barrier's usually
3 petroleum-based, tar-based, medicated-based, whatever they use,
4 in a dandruff shampoo, you will be bald in no time. If you have
5 a dandruff shampoo, throw it out the window. Because you'll
6 never see a shiny-headed, bald old man with dandruff. Think
7 about it.

8 MR. TRUDEAU: That's amazing, yeah.

9 MS. SABLE: They have totally sealed that person's
10 head. That's what a dandruff shampoo does.

11 MR. TRUDEAU: Now, it's funny you said that. Because
12 yesterday when I called you on the phone and said, "I have my
13 partner in the chair." I says, "I'm looking at his bald head,
14 and what should I do?" And you said, "Look at the scalp and tell
15 me if it looks like leather and nice and smooth." And I go,
16 "Yes, it's shiny. It's very nice and --"

17 MS. SABLE: Every follicle is filled.

18 MR. TRUDEAU: And when you said that, I said, "Of
19 course." And you said, "Do you think any hair can grow out of
20 that?" I said, "No, there's no place for it to grow."

21 So when I put on the formula one, and I rubbed it in,
22 within a few minutes, just a few minutes, all of a sudden the
23 smoothness stopped and the scalp became rougher --

24 MS. SABLE: And holes started to appear.

25 MR. TRUDEAU: It looked like somebody took little, tiny

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EXHIBIT C

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1 needles --

2 MS. SABLE: Exactly.

3 MR. TRUDEAU: -- and poked it in the scalp, so that
4 there were now, instead of just a smooth, shiny top, it looked
5 like there were places that hair could actually begin to sprout
6 again.

7 MS. SABLE: Well, the doctors that have tested with us,
8 that amazed them. That was the very first thing that amazed
9 them. They said they saw more in five minutes with our product
10 than they did with any other product they've ever tested. And
11 that includes the Rogaine and Minoxidil products. Because the
12 follicles actually started dilating in those five minutes.

13 They were cleaning out, you see. The debris that was
14 right on top was being flushed out by formula one.

15 MR. TRUDEAU: Now, obviously we've been hearing about -
16 - I've heard about, oh, this cleanness to follicles, cleanness to
17 follicles, that's been something that the people who've been
18 talking about for a long time --

19 MS. SABLE: Do you know why? I invented that, and I
20 was develop -- my discoveries were copyrighted in 1976. I am the
21 one who invented the theory of the clogged follicle; that it was
22 not dead, that it was simply a hole and that it was clogged. I
23 naturally formed a company, sent literature out all over the
24 world. And lo and behold, other companies started saying what I
25 was saying. And now doctors are saying what I was saying.

EXHIBIT C

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1 But you know, I never got the credit for it.

2 MR. TRUDEAU: Well, that happens so many times, doesn't
3 it?

4 MS. SABLE: I have about five copyright lawsuit
5 infringements, copyright infringement lawsuits pending.

6 MR. TRUDEAU: Incredible, incredible.

7 MS. SABLE: And which I will be announcing probably by
8 the end of the year.

9 MR. TRUDEAU: Now, you said that your program, the hair
10 farming formula that people put on cleans the follicles. I've
11 heard of other products that make that same claim.

12 MS. SABLE: I'll tell you the difference. Anyone that
13 hears any other product making that claim, which was stolen from
14 me, call them up and tell them you're totally bald, you want all
15 your hair back, and they'll say they can't help you. Because all
16 they do is -- in hair. They just have a glue for the scalp.

17 MR. TRUDEAU: right.

18 MS. SABLE: As you can see, the phones never stop
19 ringing here, so be prepared.

20 MR. TRUDEAU: That's okay, Jacqueline.

21 MS. SABLE: And what happens in our case is that we
22 will say yes. We will say, "Yes, we can take a totally bald old
23 man. And if we're right, if the hair is there, it'll come back
24 through the clean passageways." Again, we're not growing it.

25 MR. TRUDEAU: All you're doing is cleaning the --

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1 MS. SABLE: You see, in the United States you have to
2 be very, very careful about the words you use. But it happens to
3 be true. We're not growing hair. We're just cleaning debris.
4 Nobody can grow hair, it only grows from blood.

5 But again, in any way, shape, or form, if you were to
6 take a bald man and show him with a full head of hair, they, the
7 FDA claims that you're growing hair.

8 MR. TRUDEAU: Right.

9 MS. SABLE: And it's really a problem. It's really a
10 play on words, because it's unfair. It's really unfair. And
11 this is why we're going to countries like Mexico and Europe and
12 -

13 MR. TRUDEAU: You know, I want to talk about that.
14 Because I was talking to you, and you were telling me all the
15 challenges you were having in this country, being able to have a
16 program that seems to have effective results.

17 And by the way, I've talked to people that have been
18 using this for several months. Because I said no, no, no, this
19 sounds too --

20 MS. SABLE: Too easy.

21 MR. TRUDEAU: Yes. Let me talk to them. And I
22 understand that virtually there are tens of thousands of people.
23 As I mentioned, 2,000 people called on the last show you were on.
24 The phones were flooded with people wanting this program.

25 MS. SABLE: I often think at night before I go to bed

EXHIBIT C

20

1 of all the men that are rubbing their heads and saying, "This
2 woman better be right." I'm either being thanked or cursed all
3 across the country. And world. I'm in Russia already. Would
4 you believe it? I'm in Russia.

5 MR. TRUDEAU: Really?

6 MS. SABLE: In Russia. When the walls came down in
7 Russia, they called me. They heard about hair farming in Russia.
8 I couldn't believe it. I heard the news in the morning that the
9 walls came down. I get a phone call from a big professor in
10 Russia that wants to represent us.

11 MR. TRUDEAU: There you go.

12 MS. SABLE: I thought it was so funny.

13 MR. TRUDEAU: But I called people. And I said, "Look,
14 you've been using this stuff for how long?" "I've been using it
15 for three months." "And what are the results?" It's
16 unfortunate, but, you know, before we did this show, because we
17 were talking about this product, there are certain things I can't
18 even tell you, you can't even tell me on the air --

19 MS. SABLE: It's a shame, really.

20 MR. TRUDEAU: -- of what's occurring.

21 MS. SABLE: You have to remember that we're putting
22 dermatologists out of business. They don't make money on
23 pimples. They make money on hair transplants.

24 MR. TRUDEAU: Sure.

25 MS. SABLE: They make money selling Rogaine and

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1 Minoxidil. They don't make money on pimples any more.

2 MR. TRUDEAU: And these hair transplants and all these
3 other --

4 MS. SABLE: And scalp reduction, which is a horror. Do
5 you know that scalp reduction, they cut the whole top of the head
6 open?

7 MR. TRUDEAU: Oh.

8 MS. SABLE: They take the hair from above your ears and
9 pull it up top of your head and sew it in place.

10 MR. TRUDEAU: The things that people do just to --

11 MS. SABLE: Ten thousand dollars for that one.

12 MR. TRUDEAU: Unbelievable. Jacqueline, we've got to
13 take a break, because again, we're getting calls at the studio to
14 give out the 800 number again.

15 MS. SABLE: It's happening all the time.

16 MR. TRUDEAU: So hold on. We're going to take a break,
17 and we'll give out the 800 number for people who want information
18 on the hair farming system. Let's take a break.

19 MR. TRUDEAU: And we're back. This is Kevin Trudeau,
20 "Let's Talk, America." Our subject today is hair, hair loss.
21 And I'm talking with the founder of the hair farming system, from
22 Florida. I have her on the phone, Jacqueline Sable.

23 MS. SABLE: I was talking to you about Mexico.

24 MR. TRUDEAU: Yes, I wanted to ask you about that,
25 because I know that you were going over there in the next few

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1 actually today or something, to do all this filming, because the
2 Mexican government, the banks or something over there, want to
3 promote this, because they see the results.

4 MS. SABLE: That's right. And the main thing is that
5 when we do a Spanish TV show, we don't have the restrictions that
6 we have in the United States. They are not so involved with drug
7 companies, and they don't have the restrictions. You're able to
8 show the hair. You're able to show people returning their hair.
9 You're able to do a demonstration as part of an infomercial.

10 MR. TRUDEAU: Right.

11 MS. SABLE: In this country, you're not allowed to
12 advertise that you can put hair back on a bald person.

13 MR. TRUDEAU: Sure.

14 MS. SABLE: You can do interviews, like I've done in
15 the past on all the major talk shows. By the way, you'll soon be
16 seeing me on Oprah and Regis and Kathy Live, and I'll be in all
17 the newspapers, in all the news. We'll be announcing this around
18 the world.

19 MR. TRUDEAU: Well, once that comes out in the medical
20 journals, all of a sudden, bam, now all these people will, again
21 -- you've already been on several hundred talk shows all around
22 the country.

23 MS. SABLE: But, you see, that wasn't enough
24 credibility. When they see it in the medical journals, that's
25 when the trouble really starts.

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1 MR. TRUDEAU: The trouble. It sounds like the good
2 news for the people who have this problem.

3 MS. SABLE: Well, how many products in this country are
4 prevented from coming into this country, that can help people?
5 Think about it. How many people have got to go to Mexico for
6 cancer cures? How many people have got to go to Europe for
7 looking young again, and for wrinkle removal? I can name you a
8 list a mile long.

9 MR. TRUDEAU: Well, I, myself, I went to Mexico to have
10 a heart problem taken care of.

11 MS. SABLE: Thank you.

12 MR. TRUDEAU: With a treatment that wasn't available in
13 this country. And I tell people all around, I can't even mention
14 it on the air. It's unfortunate, because it's not available and
15 not legalized in this country yet.

16 MS. SABLE: Well, you're putting people out of work. I
17 mean, people at doctor offices have to be paid, nurses have to be
18 paid. You know, houses have to be paid for.

19 Now, it's like the car and the horse. That's my
20 position. And they didn't like that car too much, the people who
21 made the horseshoes and the horse carriages and so forth.

22 MR. TRUDEAU: Sure, I remember the whips being put out
23 of the --

24 MS. SABLE: Exactly. And the wagon wheels and so
25 forth. So here I come, little old me, little old hair lady,

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1 that's what they call me.

2 MR. TRUDEAU: The hair lady.

3 MS. SABLE: The hair lady, from Pompano Beach, Florida,
4 is taking on the whole United States, you might say. And it's
5 not fun. It's hard.

6 MR. TRUDEAU: But I have to tell you. My partner was
7 the most skeptical guy. And I started to tell you the story. We
8 put this on. And I saw the results. Just last night I hopped in
9 my car, and I was talking to him on the car phone. I said, "I
10 can't believe --"

11 MS. SABLE: Some of the hairs were probably three or
12 four inches long.

13 MR. TRUDEAU: Well, I tell you what. I couldn't
14 believe what I saw. And he couldn't. His wife couldn't believe
15 it. His two sons said, they were laughing. We were having --

16 MS. SABLE: You want to see the doctors' expressions.
17 The condescending look when I walk into their office. And then
18 their expression and the jaw that drops when they 10-inch-long
19 hairs popping out of a totally old, bald man.

20 MR. TRUDEAU: Jacqueline --

21 MS. SABLE: The hairs measure five years per inch.

22 MR. TRUDEAU: Jacqueline, the time has flew, and we're
23 going to have to sign off here in just a couple seconds. But I
24 wanted to thank you for spending the time with us. And I'm sure
25 I'll be able to get you back on this show again.

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EXHIBIT C

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1 I know you're going to Mexico for all this filming, and
2 people will see on television again what's happening.

3 MS. SABLE: There's a lot more I can teach people. So
4 I really hope we've been of some help. There's hope now. You
5 don't ever have to be bald any more. You don't ever have to go
6 bald, if you're a young person who's just starting to lose their
7 hair. And there's a lot of help that we can give you. So I hope
8 you do give us a call.

9 MR. TRUDEAU: That sounds terrific. Jacqueline Sable
10 of Sable Laboratories, thanks for being our guest.

11 MS. SABLE: Okay. Happy hair farming, everyone.

12 MR. TRUDEAU: Have a great day.
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EXHIBIT D

FEDERAL TRADE COMMISSION

FTC MATTER NO.: 942-3278

TITLE: KEVIN TRUDEAU'S MEGA MEMORY
TELEVISION INFOMERCIAL

PAGES: 1 THROUGH 25

MSI/SALBERG COMPLAINT EXHIBIT D
TRUDEAU COMPLAINT EXHIBIT I

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EXHIBIT D

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

3 [Setting - nighttime scene of city streets, band playing in background, newspaper
4 articles with Danny Bonaduce's picture on them pan across the screen as announcer announces
5 the opening of the show and introduces Danny Bonaduce].

6 ANNOUNCER: First he has the hottest talk show in the city on WO
7 [INAUDIBLE]P radio, the Loop, now with the hottest talk show on television, it's the Danny
8 Bonaduce Show. With Danny's house band, the Critics, and special guest, memory expert,
9 Kevin Trudeau. And now our favorite member of the Partridge Family - Heeere's Danny
10 Bonaduce.

11 [Setting - Introduction ends. Scene of a talk show set (like The Tonight Show,
12 Late Show, etc. - band playing, Bonaduce enters the studio from behind an Arsenio style moving
13 wall, flash to cheering audience].

14 AUDIENCE: We love you, Danny!

15 MR. BONADUCE: [laughing] I thank you; I love you, I, I do. Thank you very
16 much, thank you very much [motions for cheering audience to quiet]. Thank you very much,
17 Thank you very much, Thank you for showing up for the show - I'd like to give a special thank
8 you to Chevy for showing up tonight. [points to police style outline on the floor of a dead body].
9 Thank you. [Audience cheers]. You know, I'll tell you what the problem with Chevy was, he
0 didn't play with the big boys, it's television, it's all about cars. It's who has the best car. Leno,
1 he's got himself a new Viper; Letterman - he drives a Viper. So what did I do? I went out and
2 got myself a Viper and here it is ... [red toy motorized car runs across the stage into Bonaduce's
3 right foot].

4 [Audience cheers, laughs].

5 What can I tell ya I don't have their budget! Let's say hello to the house band. the

EXHIBIT D

2

1 Critics. [points to band, camera on four piece rock band playing theme song] [back to Danny
2 seated at desk with Letterman style window behind him with a city background and large
3 microphone on desk].

4 All right, Mr. Montegna (band director), how is your memory?

5 MR. MONTEGNA: Oh, [INAUDIBLE] Danny, I'm lucky I remembered how to
6 get here today.

7 MR. BONADUCE: I have the same problem myself. I'm really glad that
8 memory expert Kevin Trudeau is on the show tonight - because I, I as you might expect, I don't
9 have quite the memory I should, uh I always knew that I was on a TV show but until I met Kevin
10 I always thought I was a member of the Brady kids.

11 [Audience laughs, shot on band].

12 Well, I'd like to bring out my first guest, he's memory expert Kevin Trudeau, he's
13 the founder of the American Memory Institute, the world's largest memory training school and
14 author of the number one self-improvement program in history, the Mega Memory - you've seen
15 him on all the television shows - he is one of the most sought after speakers and talk show guests
16 in the country. Please help me make him feel welcome - Kevin Trudeau!

17 [Band plays, Bonaduce applauds, audience howls. Kevin Trudeau walks out,
18 shakes hands with Bonaduce and seats himself in guest chair].

19 MR. TRUDEAU: How ya doing?

20 MR. BONADUCE: Real good. It's good to see you. Thanks for being on the
21 show.

22 MR. TRUDEAU: It's a pleasure.

23 MR. BONADUCE: All right first thing tell us about the American Memory
24 Institute and Mega Memory.

25 MR. TRUDEAU: Well, as you know, as you mentioned, what we are is the

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EXHIBIT D

3

1 largest memory, memory training school in the world today and we teach people all around the
2 world how to release the photographic memory that people have right now, or instant recall
3 memory. Now I call it Mega Memory so that people can do some pretty amazing things like go
4 into a room and meet thirty or forty people and remember everyone's name or a student can
5 study for an exam and remember everything for the test and get a straight A or you can
6 remember phone numbers, things to do, foreign languages, uh, playing cards, um, anything all
7 like that that helps people be more effective in their business and even stop some of the absent
8 minded things, like did you ever have this happen to you, did you ever walk into a room in your
9 home and say, "Why did I come in there?" [All laugh].

0 MR. BONADUCE: Almost every day.

1 MR. TRUDEAU: Happened to you, right? Or you go to the store to buy milk
2 and you come back with ten things but you didn't buy milk?

3 MR. BONADUCE: Right, exactly, OK.

4 MR. TRUDEAU: Or where are my keys or where did I park the car? All these
5 little absent minded things we help people when we develop and release the photographic
6 memory that they have.

7 MR. BONADUCE: And the Mega Memory will do all that?

MR. TRUDEAU: Oh, yeah, as a matter of fact, we gotta do a demonstration first.

MR. BONADUCE: I was gonna say how about a little demonstration. Now I've
seen some of these demonstrations from you before.

MR. TRUDEAU: Yeah, on all the other talk shows I've been on and since you
asked...

MR. BONADUCE: Well if it's on the other talk shows I want it here. [All
laugh].

MR. TRUDEAU: OK. So I had a chance to meet some of the audience before

EXHIBIT D

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1 the show real quickly. If I had a, if I met you, stand up, if I met you just stand up real quick and I
2 what, I'm gonna do is I'm just gonna go around the room, real quick and call you off by name,
3 by memory if I get your name right have a seat and if by some reason I miss, you have to remain
4 standing for the rest of the show. So . . .

5 [Audience laughs].

6 OK, let's go over here. OK, we have Danelle have a seat, we have Neil, the
7 nickname Haje have a seat, back there we have Nick have a seat, York have a seat, Rob have a
8 seat, [shot on audience crowd of people standing up, each sits as he is called]: Elana have a seat,
9 Matt have a seat, Janice Nugemi have a seat, Jules Leave have a seat, Ordo have a seat, Anna I
10 believe have a seat, uh John have a seat, Donna have a seat, lets have Julie have a seat, uh Floyd
11 have a seat, Amy in the back have a seat, I think it's Charise have a seat, Debbie have a seat, And
12 then we have Gail have a seat, uh, let's see this is Pauly have a seat, Brenda have a seat, Jeff, we
13 have Ed, believe it's Anno, am I pronouncing it correctly?

14 MAN: Udo.

15 MR. TRUDEAU: Udo, OK, have a seat.

16 MR. BONADUCE: Unbelievable, unbelievable, unbelievable.

17 [Audience cheers, applauds etc.]

18 MR. TRUDEAU: That's, that's, that's, that's just to give you an idea, Danny just
19 to give you an idea of what can be done when you have a trained memory and it's something that
20 everybody can do right now.

21 MR. BONADUCE: That's what I was going to ask you. Are some people just
22 born lucky, with a better memory than others?

23 MR. TRUDEAU: Yeah, y'know that's probably one of the most common
24 misconceptions. Some people think, Oh, he y'know must have been lucky, and born with a good
25 and I just don't have a good memory. That's not the case. Every single person has a

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1 photographic memory right now lying dormant. It's an ability that everyone has. You see, you
2 remember everything that you see, hear and think about. If it comes through the senses it is
3 remembered. The problem though is recalling information. And let me give you an example.
4 And think about this and ask yourself this question. How many times, does it happen to you
5 where you walk into a bank or a grocery store and you see someone you know, I mean for
6 something like five years you know them a You know them and you go, oh "hi" and as soon as
7 you say "hi," the name goes completely blank in your mind, happen to anybody, here right?
8 [directed to audience, laughs] and the whole day doesn't it aggravate you? I know this guy,
9 what's his name? Can't remember. Three days later, at two o'clock in the morning, from
10 nowhere, the name just pops into your mind, oh it was Joe Smith. The question is did you really
11 forget in the first place? No! The information was in your memory. The problem was recalling
it when you needed it.

MR. BONADUCE: Yeah, when I remember it later, I'm so proud, I wake up my wife. It was Bob! That's who it was at the bank! [All laugh].

MR. TRUDEAU: Yeah, yeah and it doesn't really help you then, you know.

MR. BONADUCE: No.

MR. TRUDEAU: Happens a lot of time. Three o'clock in the afternoon, you're drinking coffee at your desk and you go, "oh I forgot to call Harry at noon." Well, you didn't really forget, you did remember it at three, it you unfortunately just didn't remember it at noon when you needed it.

MR. BONADUCE: Well, how does it work?

MR. TRUDEAU: Well, let me just give you an idea of how the memory actually works and the mind works so people have an idea. If you can imagine a filing cabinet and in that filing cabinet there is a thousand files all alphabetized, in alphabetical order. And I go, "Hey, Danny, can you get me the Jones file?" Boom. Within seconds you can have that information at

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1 your fingertips.

2 MR. BONADUCE: Sure, it's under the J's.

3 MR. TRUDEAU: Right. But what would happen if we took the same files and
4 threw them on the floor and mixed them all up? I say, "Hey, can you find me the Harris file?"
5 You'd say, "Yeah, can you call me next Tuesday, I have to, I gotta go through this big mess.
6 Your mind is exactly the same way. You meet people everyday in you business and forget their
7 names. A student may be studying for an exam, maybe thinking of things to do. You may try
8 reading things or watching television or a business professional attending meetings and all you're
9 really doing is throwing information in the Grand Canyon of your mind. It's like taking that file
10 folder and throwing it into the room arbitrarily then when you try to go back to recall it and you
11 and you think, what was that guy's name? What was that phone number? What did I have to do
12 today? What were the directions? You go blank and you think you forgot. You didn't forget.
13 The information is in your memory, the problem is, it's just misfiled. So what we actually
14 developed when I developed the Mega Memory system is a way to teach the brain how to
15 develop mental file folders. So when you see something, when you hear it, or even if you think
16 about it without doing anything, the information automatically goes into a mental file and can be
17 instantly recalled just like a person's name, or anything at all.

18 MR. BONADUCE: All right, well, I went a little bit out of my way and made a up
19 list, a list of fifteen things.

20 MR. TRUDEAU: OK.

21 MR. BONADUCE: Now, I wrote them down. You haven't seen it before, uh, if
22 you're at home or you in the audience want to try and remember these fifteen things give it a
23 shot.

24 MR. TRUDEAU: Yeah, as he calls them out try your own to at home, and here in
25 the audience to see how well you can remember. test your own memory.

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1 MR. BONADUCE: All right, you ready?

2 MR. TRUDEAU: Yes.

3 MR. BONADUCE: Number one through fifteen. Number one "Larry Worth."

4 [All laugh].

5 MR. TRUDEAU: I'm sure there is something, I'm sure there's something, I'm
6 sure, behind that name.

7 MR. BONADUCE: Yes. It's my boos's name and I get one thousand bucks
8 every time I mention it.

9 [Laughs, applause]

10 MR. TRUDEAU: You did that on Arsenio too, didn't ya. . .

11 MR. BONADUCE: Now I'm doing it again! I know a good thing when I get a
12 hold of it.

13 MR. TRUDEAU: OK, number one is "Larry Worth," OK.

14 MR. BONADUCE: All right, number two is "table."

15 MR. TRUDEAU: Number two is "table," got it.

16 MR. BONADUCE: Three is "microphone."

17 MR. TRUDEAU: OK, three is "microphone," got it.

18 MR. BONADUCE: Four, "ashtray."

19 MR. TRUDEAU: Four is "ashtray," got it.

20 MR. BONADUCE: Five, the name "Art Eastland."

21 MR. TRUDEAU: OK, uh, "Art Eastland," got it.

22 MR. BONADUCE: OK, number six is a phone number. It's "541-2270."

23 MR. TRUDEAU: "541-2270," got it.

24 MR. BONADUCE: Seven, "passion fruit."

25 MR. TRUDEAU: Uh, "passion fruit," OK.

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1 MR. BONADUCE: Eight, "St. Lucia."
2 MR. TRUDEAU: OK, eight, "St. Lucia."
3 [Laughs]
4 MR. BONADUCE: Nine, "Chicago."
5 MR. TRUDEAU: Nine, "Chicago."
6 MR. BONADUCE: Ten is "paper."
7 MR. TRUDEAU: Ten's "paper," got it.
8 MR. BONADUCE: Eleven, "watch."
9 MR. TRUDEAU: OK, got it, "watch."
10 MR. BONADUCE: Twelve, "book."
11 MR. TRUDEAU: Got it, "book."
12 MR. BONADUCE: Thirteen, "constants."
13 MR. TRUDEAU: OK, thirteen, "constants."
14 MR. BONADUCE: Fourteen, "success."
15 MR. TRUDEAU: Fourteen, "success."
16 MR. BONADUCE: And fifteen, "money."
17 MR. TRUDEAU: OK fifteen "money." Now we kind of did this at a blistering
18 speed, but but check and see how well I can recall these by memory. I think they go something
19 like this. One was "Larry Worth." Two, of course was "table." Three was "microphone." Four
20 was "ashtray." Five was "Art Eastland." Six was the telephone number "541-2270." Seven was
21 "passion fruit." Eight was "St. Lucia." Nine was "Chicago." Ten, of course, was "paper."
22 Eleven was um, "watch." Twelve was "book." Thirteen was "constants." Fourteen was
23 "success." Fifteen was "money." And backwards, it goes, money - success then we have
24 constants, book, watch, paper. Chicago, St. Lucia, passion fruit, 541-2270, then we have. Art
25 Eastland, ashtray, microphone, table, and the first one was Larry Worth and that's forwards and

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1 backwards by memory.

2 MR. BONADUCE: That's spooky!

3 [Cheers, applause]

4 Oh.

5 [Cheers, applause]

6 MR. TRUDEAU: Now, I gotta, gotta say something. I gotta say, 'cause when
7 people see me do that demonstration and remembering the names demonstration, I think it, you
8 know people can be impressed by that and think, "oh, wow that's something, that's really
9 impressive!" and even though I think it is . . .

10 MR. BONADUCE: It is.

11 MR. TRUDEAU: . . . an impressive demonstration. What can be done with a
12 trained memory, I tell people, please don't be impressed because it's something that everyone
13 can do right now. It's virtually an ability that everyone has.

14 MR. BONADUCE: Well, and I know that to be true as a matter of fact.

15 MR. TRUDEAU: Yeah, because, as a matter of fact, I was on your radio show,
16 "The Loop" in Chicago, one of the things you did, because I know you're not into sports . . .

17 MR. BONADUCE: I'm completely sports illiterate. As a matter of fact [All
18 laugh].

19 MR. TRUDEAU: And you, he was being harassed a lot by people calling up, the
20 callers, and what you did to in order to kinda make yourself a little more acclimated to the city
21 was, you took the Mega Memory course and committed to memory in about thirty minutes all of
22 the Chicago Bears.

23 MR. BONADUCE: It's true.

24 MR. TRUDEAU: Names, numbers, and positions.

25 MR. BONADUCE: Now, [inaudible]

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1 MR. TRUDEAU: Now, yeah, right

2 MR. BONADUCE: Now this list.

3 MR. TRUDEAU: Yeah, I brought with me and this was months ago, right?

4 MR. BONADUCE: Because I thought there were eleven people on a football

5 team.

6 MR. TRUDEAU: Right, there's uh

7 [Laughs]

8 MR. BONADUCE: Apparently there's fourteen thousand peoples on the Bears.

9 [Looks at the list, Mr. Trudeau shows list]

10 Look at that list. It's really unbelievable.

11 MR. TRUDEAU: Yeah, now and this was months ago and that you committed

12 this to memory so I just want . . .

13 MR. BONADUCE: Right.

14 MR. TRUDEAU: to call a couple and test your own memory. Here see how

15 well . . .

16 MR. BONADUCE: OK, yeah, right, right, all right.

17 MR. TRUDEAU: OK, what number? We'll start with an easy one. What

18 number if Jim Harbaugh.

19 MR. BONADUCE: Easy, four. And he's the quarterback.

20 MR. TRUDEAU: OK, that was an easy one. Let's go to more obscure players.

21 How 'bout Ron Cox.

22 MR. BONADUCE: Ron Cox is number fifty-four and he is a lineman.

23 MR. TRUDEAU: Ex, excellent. OK, how about Keith Van Horn?

24 MR. BONADUCE: Keith Van Horn, is number seventy-eight and he is a tackle.

25 MR. TRUDEAU: Excellent. And, uh, we'll do another one. How about Perry

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1 Snow?

2 MR. BONADUCE: Perry Snow is number ninety-six and he is also a linebacker.

3 MR. TRUDEAU: Not bad, huh?

4 [Cheers, applause, etc.]

5 MR. BONADUCE: And I cannot tell you, I cannot tell you how easy it was. It
6 really wasn't difficult to do at all. It took about thirty minutes.

7 MR. TRUDEAU: Yeah, that's one of the things about Mega Memory that's very
8 unique is the fact that it only takes only a few hours to learn the technology and when you release
9 that photographic memory learn for anything, whether it be for business, for a business, if you
10 are in business, or if you're a student wanting to recall things for test time or if you just impress
11 people it's pretty easy to do. Yeah.

12 MR. BONADUCE: Now, since I've done it on my radio show a lot of people
13 have asked me, isn't it all just word association?

14 MR. TRUDEAU: Yeah, y'know if anyone's out there very read a book on how to
15 improve your memory and I'm sure many people have, that's what you're probably exposed to
16 basic word association and you'll probably find out what I did - it doesn't work. Basic
17 association is very difficult and very cumbersome to use. Now I saw that problem evident also
18 so the Mega Memory technology is very unique where it's the only memory improving system in
19 the world that doesn't use basic word association as the technique to help you remember. It
20 simply consists of a series of mental exercises which stimulate parts of the brain cell and the big
21 words are "dendrites" and "neurotransmitters."

22 MR. BONADUCE: Oh yeah, I got lots of them.

23 MR. TRUDEAU: Right. [Laughs]

24 [Audience laughs]

25 All it virtually does is it releases the photographic memory people have so your

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1 eye becomes like a wide angle camera virtually picking up and recording everything it sees
2 whether you're focused on it or not. Your ear becomes a powerful tape recorder virtually
3 recording everything it hears whether you're focused on it or not, and so you remember things
4 without applying a technique. I gotta tell you a quick story. I was on one of the other talk shows
5 and one of the demonstration I did was I met the audience like I did tonight and remembered
6 everybody's name. Now we had a short period of time but I did about one hundred people
7 because we had a lot of time before the show and I came off and everybody was impressed, and
8 Ed grabbed me and said, "Sure, you could do that, but nobody else could." I said, "No, Ed,
9 anybody can do that and I'll prove it out on tonight's audience. You give me a student, a
10 business professional; give me someone in their sixties. I'll have them go through Mega
11 Memory, the home study course this week on their own. Next week Invite the four of us back on
12 the show and I'll have my brand new graduates do the same demonstration.

13 MR. BONADUCE: The same demonstration, with all of the names with the
14 audience?

15 MR. TRUDEAU: With all of the names, yeah, right.
16 Right. And it was a great way to get back on the program.

17 MR. BONADUCE: Right. [Inaudible]

18 MR. TRUDEAU: But, it was so exciting next week to see a sixty-seven year old
19 woman, by memory, rattle off over fifty people's names that she met just before the show.
20 Everyone was so impressed that she got a standing ovation and they grabbed her and they said,
21 "Hey, how did you remember those people's names?" and her answer was, "uh, I don't know!"
22 [Laughs]. She said, "I just remembered." And we all laughed hysterically. She looked at me
23 and she said, "What did you do to my memory?" And I said, "Well, I didn't do anything, I just
24 released the photographic instant recall memory you've had your whole life and now it's with
25 you forever." She grinned ear to ear and I said, "What's so funny?" She said, "I can't wait for

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1 my bridge club!" [Laughs]. She's gonna be a terror now on the playing cards.

2 MR. BONADUCE: Well, I want to talk to you about playing cards and it's gotta
3 be great for business and school, but right away, how do people get this course if they want it or
4 information on it, anyway?

5 MR. TRUDEAU: Sure, Danny, if people do want information on the Mega
6 Memory home study course they can call our 800 number which is on the screen, and as a
7 courtesy to the viewers, we will give them an over fifty percent discount off the regular price of
8 the course.

9 MR. BONADUCE: All right, now what about playing cards? Can you, can you,
10 like, if can you, go to Vegas with this?

11 MR. TRUDEAU: Yeah, I knew you were going to ask me that. [Laughs]. If
12 anybody, uh, uh...

13 MR. BONADUCE: Of course.

14 MR. TRUDEAU: It was funny I did a seminar a couple of years ago in Las Vegas
15 and uh we sold this thing out in a matter of days, like two days. Five thousand people complete
16 sell out and I was like, "This is amazing!" It's a self sell. We get there and there's five hundred
17 people we have to turn away at the door. And it dawned on me that this was Las Vegas, memory
18 cards, so I asked the crowd how many people here came here because they wanna learn how to
19 remember playing cards. Every hand in the room went up. I said well, it's going to be very easy
20 to do, with a powerful memory, but please don't use this as an unfair advantage against your
21 friends to make money. A guy in the back of the room yelled out, "Why not?"

22 MR. BONADUCE: I'm with him.

23 MR. TRUDEAU: But it is very easy for bridge players or card players and it
24 changes the game from one of luck to one of skill once you have an advantage.

25 MR. BONADUCE: All right. There are two areas where this has got to be very

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1 important. One of them has to be business. Does it help in everyday business?

2 MR. TRUDEAU: Yeah, it really does. Y'know, Dale Carnegie wrote a book
3 called How to Win Friends and Influence People

4 MR. BONADUCE: Right.

5 MR. TRUDEAU: it's the number two bestseller of all time, second only behind
6 the Bible, so it's a pretty credible book, but in that book, Carnegie discovered that a person's
7 favorite subject is really themselves. . .

8 MR. BONADUCE: Right.

9 MR. TRUDEAU: And a person's name is the sweetest sound in the language to
10 each one of us. It commands attention every time it's used, but most people really don't use that
11 fact to their advantage every single day in a business. As a matter of fact, let me ask the
12 audience a question by a show of hands, and be honest. How many people here has this actually
13 happened to, you walk up to someone for the first time, you shake their hand, that person gives
14 you their name, and as soon as that handshake breaks, the name kinda just drops to the floor.
15 Has that happened to anyone here?

16 [Audience shot. Raised hands].

17 MR. BONADUCE: Oh yeah. All the time.

18 MR. TRUDEAU: OK, yeah, OK. If you didn't raise your hand perhaps you
19 didn't understand the question.

20 [All laugh].

21 Happens to everyone and it's very embarrassing in business not remembering
22 names. I will say this, you go into a group situation, uh, a cocktail party or a business meeting
23 and you meet ten, twenty, thirty people and you leave and say goodbye to every single person
24 with their name; I guarantee when you leave the room they'll all remember you and the business
25 you're in because it gives you such a big advantage. You know I was doing a show in New York

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1 not too long ago and it was a call in radio show a fellow called up on the air, he says "Kevin I
2 saw you on TV about eight months ago, I bought your Mega Memory course. It was the best
3 investment I ever made for my business." I said, "Why's that?" He said, "You see I was
4 applying for a job on Wall Street, a job I really wanted, the problem was five hundred other
5 people were applying for the same position so in order to set myself apart, what I did was I
6 committed to memory every single person's name in the firm." He says, "Kevin, over the five
7 day interview process I must a met over fifty people. So everyday when I would walk back in
8 I'd call people by name that I met -- like hey, Franklin Milatello good to see you, John Sincotti,
9 nice to see you again. They were blown away." He say, "But the second thing I did is I
10 committed to memory all fifteen hundred of the New York Stock Exchange companies and their
11 stock symbols."

12 MR. BONADUCE: No way, fifteen hundred, really?

13 MR. TRUDEAU: Yeah, fifteen hundred. As a matter of fact, gentleman has
14 written a book on that, who has committed those to memory. It very easy to do and he said, "Oh
15 man, I was like a freak show. They say 'hey Charlie you gotta check this guy out!'"

16 [All laugh].

17 He goes he obviously got the job, has gotten three promotions, since then. I go to
18 meetings now without paper and pencil, I make presentations without notes, they call me the
19 walking computer. He says, "and the best part about it is now because of my powerful memory,
20 everyone thinks I'm smart."

21 [All laugh].

22 And he was kidding me and he goes, "and I don't know if it's true!"

23 [All laugh].

24 MR. BONADUCE: Well, let, let me test you the on how long things stay in your
25 mind, how many lists you've memorized. Number five.

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1 MR. TRUDEAU: Number five of course was Art Eastland, the name Art
2 Eastland.

3 MR. BONADUCE: OK, there we go.

4 MR. TRUDEAU: [laughs].

5 MR. BONADUCE: All right so uh, it'll help you make money in business. Now
6 how about school? It's gotta be really important for studies 'cause - now I remember talking
7 about being able to take notes faster than you can write by remembering it.

8 MR. TRUDEAU: Right, that's true.

9 MR. BONADUCE: Well, that's true.

10 MR. TRUDEAU: Yeah, 'cause you can remember faster than you can write
11 things down, and in, in school it's probably one of the most quantifiable ways you can determine
12 whether the powerful memory is helpful. We took an entire seventh grade class in the beginning
13 of last school year. They went through the Mega Memory system, just took a few days, a couple
14 of hours, very easy and at the end of the school year they had a big problem on their hands.
15 Eight months ahead of their school curriculum, lowest grade point average A minus, and they
16 tested the vocabulary levels of the seventh graders and they found to be those of sophomores in
17 college because they could remember all the words and definitions. I can't wait until they take
18 their SAT's. They were three years ahead in Spanish, because Foreign languages, if you ever
19 wanna learn foreign language it has a lot to do with memory, as you know.

20 MR. BONADUCE: Sure.

21 MR. TRUDEAU: Because I know you speak Japanese.

22 MR. BONADUCE: I speak Japanese, right. This has been very helpful with that.

23 MR. TRUDEAU: And, and has a lot to do with memory, learning foreign
24 languages.

25 But here's the most exciting statistic. Absentee rate virtually zero.

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1 MR. BONADUCE: Because school became what, more fun? More interesting?

2 MR. TRUDEAU: The kids loved to go to school. I can just imagine in class
3 going, "teacher, don't forget that test I studied for twenty minutes last night!"

4 MR. BONADUCE: So, your kids could definitely improve their grade point
5 average by, by taking memory course.

6 MR. TRUDEAU: Yeah, as a matter of fact, on my first television show we had
7 this fellow on there who was a law student who went from a 2.5 GPA to a 3.8 after going through
8 Mega Memory. But more importantly, he used to study as a law student three to five hours every
9 single day. After he went through the program, his study time went down to one hour a day and
10 his GPA went up from a 2.5 to 3.8. Matter of fact in the law firm he works in now, they call him
11 the walking genius because he has committed to memory virtually all of the case law he learned
12 in school. She he'll be sitting in contract meetings, and they'll mention something and he'll say,
13 "wait a minute, there was a case in 1975, it was a landmark case, in St. Louis, the judge was
14 Harrington, it was Shoemaker versus Augustine.

15 MR. BONADUCE: Oh, geez.

16 MR. TRUDEAU: And he'll recall the basic information. Then, they'll send a
17 gentleman to run to the law library to get the actual case. But having information at your mental
18 fingertips, fingertips like that really gives you a major advantage.

19 MR. BONADUCE: Make sure to give me his card. I've, I've been known to use
20 lawyers before.

21 [All laugh].

22 Um, um, one more time 'cause I mean people are going to be amazed by this.
23 How can we get a hold of it or at least get more information on the Mega Memory system.

24 MR. TRUDEAU: Sure, again, if people want to call us, they can call us at our
25 800 number which is on the screen and again as a courtesy to the viewers when they call in for

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1 information on the Mega Memory, our home study course, we'll give them an over fifty percent
2 discount off the regular price of the program.

3 MR. BONADUCE: Cool. Now what got you started in all this. How, what made
4 you wake up one day, and say, "I think I'll be in the memory business."

5 MR. TRUDEAU: Well...

6 MR. BONADUCE: "I think I'll teach people to memorize things."

7 MR. TRUDEAU: It was funny because a lot of people assume I had a good
8 memory my whole life and that really wasn't the case. I was told in high school that I had a
9 learning disability, a memory block. I virtually flunked out of high school and never went to
10 college and after I, I, I found that out, I said I figured I had to find a way to help myself to
11 improve my own memory and I read every book on memory and nothing worked because all
12 they taught you was basic word association.

13 MR. BONADUCE: Right.

14 MR. TRUDEAU: It didn't work. I then met a fellow who did a research report in
15 1975 at the Oklahoma School for the Blind in Muskogee, Oklahoma, V.R. Carter, was the
16 Superintendent back then, and he took thirty-five blind children and he improved their memory.
17 These kids were blind from birth, by the way, and he improved, in just five days, fifteen percent
18 recall ability to ninety percent in just the week.

19 MR. BONADUCE: Wow.

20 MR. TRUDEAU: They were so impressed that they tested the kids six and eight
21 months later to see if it stuck and most of the kids improved to ninety-five and ninety-eight
22 percent recall. So, it stuck. He duplicated the results with retarded kids with IQ's of only fifty
23 and sixty and the results were almost identical, lower memory in the beginning, dramatic
24 improvement in the nineties just a week later and a year later in testing almost hundred percent
25 recall ability with slow, retarded kids. Obviously we know at this point if we can teach blind and

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1 retarded kids it had to be an ability, a powerful memory, that everyone had. So I took that raw
2 data and put together, invested, if you will, over the next year the entire Mega Memory system
3 that we have today, founded the institute and just in the last couple of years over two million
4 people now, uh, Danny, have gone through the Mega Memory home study course to improve
5 their own memory.

6 MR. BONADUCE: Wow.

7 MR. TRUDEAU: It's the most utilized home study course utilized, as you
8 mentioned, in history. So we're seeing the results, we really are.

9 MR. BONADUCE: I'll tell you along these lines, we're hearing a lot about
10 Attention Deficit Disorder, do you know about that? Have you heard about that?

11 MR. TRUDEAU: ADD.

12 MR. BONADUCE: Right, ADD. Uh, will this help with that?

13 MR. TRUDEAU: It's a, it's a buzzword, ADD and we're getting letters and calls
14 more on this subject than any thing else and there are millions of people, children and adults who
15 are afflicted with this problem, and when I started looking at that because it has a lot to do with
16 memory, attention span, uh it didn't exist twenty-five years ago, thirty-five years ago it didn't
17 exist so I started to wonder if there is anything physically amiss. So I started doing the research
18 and we tested five thousand kids with ADD. One hundred percent of them hypoglycemic, they
19 eat too much sugar. Ninety-eight percent had food allergies, primarily monosodiumglutamate, the
20 casing in the milk, glutamate in wheat, red dyes. We had, uh, eighty-six percent had low grade
21 virus infections primarily in the Herpes family, Epstein Barr virus which is associated with
22 chronic fatigue syndrome.

23 MR. BONADUCE: Right.

24 MR. TRUDEAU: And then we had an eighty percentile candidiasis which is a
25 yeast overgrowth. When you combine these things together you get the symptoms of

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1 hyperactivity or a short attention span and not just for children, for adults. So we see that there is
2 a big correlation, there's a lot of controversy 'bout this, by the way, because the drug Ridilin is
3 the drug of choice to give.

4 MR. BONADUCE: Sure.

5 MR. TRUDEAU: And we don't agree with that as an option, but uh we think
6 through dietary change and we discuss this in Mega Memory, some of the things and options that
7 people can take to dramatically improve. Tell you a story about ADD. I was doing a show in
8 Cleveland, a fellow called up on the air and he says, "I have ADD." He says, "I'm flunking
9 Calculus, I have a straight "F" because I can't remember the calculus equations," he goes, " but
10 Kevin I got your course." And in lesson seven I teach everyone how to commit an equation to
11 memory in thirty seconds, a calculus equation. He says, "I can't believe it, I have a test
12 tomorrow. If I can remember twenty equations I'm gonna get an "A." I'm gonna give a
13 hundred." I says, great then you study for a half hour tonight and you call me tomorrow after
14 your test. Tell me how you did.

15 MR. BONADUCE: Half an hour?

16 MR. TRUDEAU: Sure. It takes thirty seconds each. So the next day he called
17 me at my home. So I says, "How'd you do?" He says, "Well I got good news and bad news," he
18 goes, "the good news is that I got a hundred percent on my calculus equations exam." I go,
19 "Man, that's great." He goes, "Yeah I was the first person done." I go, "What's the bad news?"
20 "What's the bad news is that the teacher won't accept the test because she figures I must have
21 cheated to get this "A."

22 MR. BONADUCE: Sure.

23 MR. TRUDEAU: I said, "Oh what do you have to do now?" He says, "I gotta
24 take it Friday in the principals office." I said, "Now how you gonna do on Friday?" Now here's
25 the best part. He says, "Kevin, I can't forget these equations even if I tried." You see, when you

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1 learn information properly the first time it's locked into the knowledge bank and you can recall it
2 and have access it to anytime in the future. Just like that list we did earlier. To be able to go
3 back and say, "yeah, number six was 541-2270."

4 MR. BONADUCE: That's right, all right how about number thirteen, then?

5 MR. TRUDEAU: Number thirteen of course, was "constants."

6 MR. BONADUCE: And, uh, lets go for the money, what was number one?

7 MR. TRUDEAU: Number one, of course, was "Larry Worth!"

8 MR. BONADUCE: All right.

9 [Laughs, cheers, etc.]

10 Now you were talking about allergies and things like that is nutrition, well, I
11 happen to know this from the course, and I find this very interesting. What is the correlation
12 between nutrition and memory.

13 MR. TRUDEAU: There is a big connection between nutrition and memory, and
14 Mega Memory is one of the only courses that talks about the foods you can eat, that can improve
15 memory, some of the supplements that people can take; herbs and so forth that'll improve the
16 memory function the way the brain operates. So, uh there's a lot to do with nutrition and
17 memory not only for children but for adults. I mean I'll just give you a prime example. Turkey
18 which is a wonderful food. we eat a lot of it today because it's low in fat and it's very high in
19 something called Tryptophane.

20 MR. BONADUCE: Right.

21 MR. TRUDEAU: Which is a natural sedative. The problem is after
22 Thanksgiving what do everyone want to do? Take a nap.

23 MR. BONADUCE: Go to sleep.

24 MR. TRUDEAU: Take, exactly. They think, "Oh it's because we ate a lot of
25 food." No, you eat a lot of food at other holidays but you don't fall asleep. We eat a lot of

EXHIBIT D

22

1 turkey, you're putting into your body a high dose of tryptophane and it makes you tired
2 physically as well as mentally. Makes you lethargic so that's an example of something to avoid
3 if you want to be mentally alert and mentally sharp.

4 MR. BONADUCE: I always thought turkeys were really boring.

5 [Laughs].

6 MR. TRUDEAU: Yeah, Yeah [laughs] 'cause

7 MR. BONADUCE: That must be what that's about,

8 MR. TRUDEAU: [inaudible] Yeah, let me tell you something else about this,
9 about nutrition. I was walking in New York City, Manhattan with the President of the NFL, he's
10 a good friend of mine. He has children. We were talking about nutrition, I was talking about
11 how Mega Memory virtually takes that eye, as you mentioned, and turns it into a wide angle
12 camera and your ear into a powerful tape recorder so you record this without trying. He says,
13 "Kevin, that's amazing! Let's put it to the test." So we were walking down Fifth Avenue,
14 "describe to me one of these storefronts." I said, "OK" and I thought for a second, he put me off
15 guard. I said, "One of these storefronts, there was a wicker chair, as a matter of fact, the bottom
16 rung was frayed. There was two uh, brown shoes with argyle socks. There was a black Chinese
17 cabinet with one, two, three, four, five drawers. The two in the top had a dragon, looked like a
18 tiger on the right," and I was describing in detail the wicker basket, the fruit, the type of fruit and
19 so forth and he . . .

20 MR. BONADUCE: Sounds like Elvis's room.

21 [Laughs]

22 MR. TRUDEAU: [Laughs]. So we, so we walked back about fifteen blocks and
23 we found this exact storefront with everything as I described it was exactly there. Let me tell ya
24 something, this guy was impressed.

25 MR. BONADUCE: I bet.

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1 MR. TRUDEAU: Well I looked in I was impressed. I go, I go, "Wow. This
2 really works." But that's the ability that everyone has right now and it can be released.

3 MR. BONADUCE: How about remembering the past? You know, I know you
4 can teach to remember things you're learning now but how about things you knew back then but
5 that you've since forgotten?

6 MR. TRUDEAU: Yeah, uh I got a call on a talk show years ago and this woman
7 calls up and says, "I'm so glad I'm talking to a memory expert. I went on vacation two years ago
8 with my husband and we hid our jewelry box where no one would ever find it," and she said,
9 "and no one has every found it including me." I said, "No, I can't help," and I thought about and
10 there's a lot of things if it did come in through the senses or even if you thought about it is
11 permanently recorded in the memory so I do have a technology now called "How to Remember
12 Things in Your Past" and it's excellent for if you lost a ring, a piece of jewelry, if you met
13 someone in the first grade that you think, "I know that person but I can't remember his name." It
14 is in the memory and it can be accessed very easily.

15 MR. BONADUCE: This is amazing, once again, how do people get more
16 information on Mega Memory?

17 MR. TRUDEAU: Sure, again if people wanna call us, they can call us at our 800
18 number which is on the screen. And again as a courtesy to the viewers when they call for
19 information on Mega Memory our home study course, we'll give them an over fifty percent
20 discount off the regular price of the program.

21 MR. BONADUCE: All right. What was number three?

22 MR. TRUDEAU: Uh, number three was "microphone."

23 MR. BONADUCE: What was number twelve?

24 MR. TRUDEAU: Twelve, of course, was "book."

25 MR. BONADUCE: And eight?

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1 MR. TRUDEAU: Eight was oh, "St. Lucia," which us, there's something behind
2 St. Lucia, right?

3 MR. BONADUCE: I, I, happen to be going there next week on vacation, and I
4 can't wait.

5 MR. TRUDEAU: I knew that. [Laugh].

6 MR. BONADUCE: That's amazing, now, and a lot of people are going to ask if
7 that takes an enormous amount of practice.

8 MR. TRUDEAU: Yeah, a lot of people think that you have to work at it and
9 practice. And Mega Memory's unique in that regard. Since we're not teaching basic word
10 association it's not something that you have to practice like a skill to keep up or requires a lot of
11 hard work to learn. It's more like an ability that's being released. And I'll give you a good
12 analogy, learning how to ride a bicycle. Learning how to swim, learning how to drive a manual
13 speed transmission on a car. Once you learn how, the ability is now released, it's with you
14 forever there's no constant practice. I mean if you didn't go swimming in twenty years and I
15 throw you into the deep end of the pool, you're really not gonna drown, you're gonna swim like
16 a fish. It's an ability that's been released. Or if I put you on a bicycle tomorrow which you may
17 not have ridden in five or ten years, boom, you still ride the bike. Same with the memory once
18 it's released it's with you forever.

19 MR. BONADUCE: Thank you very much. We've been talking with Kevin
20 Trudeau, author of Mega Memory. Thank you very much for coming. Thanks to the Critics.
21 Thank you and thank you, Kev.

22 [Shake hands].

23 MR. TRUDEAU: Thank you very much, Danny.

24 [Cheers. Camera shot of behind the audience. Band is playing].

25 [Graphic appears on the screen as follows: For more information on the Mega

EXHIBIT D

25

1 Memory Home Study Course call. Copyright MCMXLIII Mega Systems, Inc., 5211 86th Ave.,
2 Suite G, Mernville, IN 46410 (219) 736-6172. Mr. Bonaduce speaks over graphic].

3 MR. BONADUCE: Hi, this is Danny Bonaduce. Thanks for watching the show.
4 I just want you to know that I have personally gone through Kevin's Mega Memory home study
5 courses and I highly recommend and endorse the program. It's great if you wanna make more
6 money in your career, get straight "A"s in school with less study time or just develop a
7 photographic memory, call the 800 hundred number and get yourself the Mega Memory course.
8 It's fun, it's easy and it works! This is Danny Bonaduce and remember, I love you!

9 [Camera shot on playing band, audience applauding].

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Complaint

EXHIBIT E

MEGA MEMORY

12/14/94

Hello, thank you for calling the American Memory Institute, this is _____ and I'm glad you called, how can I help you today?

Customer: What's the price?

- Great I'd be happy to help you with that. Now, did you hear about us on the television or radio?
- Were you considering this for yourself, or for someone else?

-If someone else ask, "Is this for your children?". Pitch the bene's...ad lib like crazy!

-If for the caller...

Will you be using this for work or study? (do this regardless of how old they sound)

Student... What are you studying?

Would you find it helpful to cut your study time in half and improve your grades at the same time?

Working... What kind of work do you do?

Do you find it difficult to keep track of daily details in your work?

BENEFITS

(this is a foundation, benefits change depending on what caller does...you must call)
 Students-earn straight A's, cut study time in half, improve confidence and self image.
 Business-remember important client information, names, faces, schedules, important details.
 Generic-shopping lists, names, birthdays, speeches, poetry, scripture, playing cards.

Essentially what Kevin teaches you is a mental filing system. It's an organizational system for your memory that is being used by over 2 million people! (#1 self improvement system in history!) He shows you how to put things away in your memory in a sequential order, so that when you go looking for them you know right where there are. We all have a photographic memory, it's just that we haven't been shown how to use it.

The course itself is primarily an audiocassette tape program, there is also a video tape and two workbooks. The lessons are about 25 minutes each, nice and short for kids or commuting back and forth to work and it's very simple to go through.

You'll start to see results after the first couple of lessons and we guarantee you'll have a minimum improvement of at least 500% in your memory, and that is measurable because you're tested on the lessons.

Now if you were to attend Kevin's live training the cost would be \$300, but since you heard the special promotion, you can get the home study program for a 50% discount from that. The program would be \$149.95 and it comes with a 1 year trial period. That's a one year unconditional money back guarantee, if you're not satisfied for any reason, just return it and we'll give you a full refund of the purchase price, no questions asked and we can do that with a Visa or Mastercard today, which would be best for you?

MSI/SALBERG COMPLAINT EXHIBIT E
 TRUDEAU COMPLAINT EXHIBIT J

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EXHIBIT E

Mega Memory Pricing Information

	DISPLAY:	Complete Package	Basic Package	Advanced Only
Price Info	Product Price:	\$149.95	\$69.95	\$79.95
	S & H	\$17.50	\$9.55	\$9.50
	Subtotal:	\$167.45 (\$169.94 in Indiana) (\$174.45 in Illinois)	\$79.50 (\$83.00 in Indiana) (\$85.10 in Illinois)	\$89.45 (\$93.95 in Indiana) (\$95.85 in Illinois)
Upsell Info	Upsell Price:	\$19.95 - Get Smart, Inc. Healthy \$29.95 - Spell Magic	\$19.95 \$29.95	\$19.95 \$29.95
	Add'l S & H	\$17.50 w/ Get Smart, Inc. \$17.50 w/ Spell Magic		
	Total Price:	\$187.40 w/ Get Smart, Inc. \$197.40 w/ Spell Magic (\$189.94 w/ Get Smart, Inc. in Indiana) (\$200.45 w/ Spell Magic in Illinois)	\$99.45 w/ Get Smart \$109.45 w/ Spell (\$114.45 in Indiana) (\$117.44 in Illinois)	\$109.40 w/ Get Smart \$119.40 w/ Spell (\$124.90 in Indiana) (\$127.19 in Illinois)

Canadian Shipping - shipped via Fed Ex (NO PO Boxes!)

		Complete Package	Basic Package	Advanced Only
Price	Product	\$149.95	\$69.95	\$79.95
	S & H	\$17.50	\$17.50	\$17.50
	Subtotal	\$167.45	\$87.45	\$97.45
	Total w/ Upsell	\$187.40 w/ Get Smart \$197.40 w/ Spell	\$107.40 w/ Get Smart \$117.40 w/ Spell	\$117.40w/GetSmart \$127.40 w/ spell

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Mega Memory Addtl Information

Delivered in US by: US Mail Delivery time: credit card - 3 weeks or 4-6 weeks for checks

Delivered in Canada by: Fed Ex (No P.O. boxes) 3 week delivery

(Rush Orders: addtl \$15 for 5 business day Fed Ex delivery on 3XXX and 7XXX)

Charge will appear on their statement as: Mega Systems

Make checks or money orders payable to: Mega Memory

Send checks or money orders to: Mega Memory, PO Box 888

Dept. T for 77XX or Dept A for 3XXX and 76XX

Morton Grove, IL 60053

NOTE: Only 05, 259X, and 4411 come to Portland, ME.

All others go to Morton Grove. No exceptions.

UPSELL #2 INFORMATION

I wanted to tell you about a book that will go great with your Mega Memory program. It's by Dr. Alex Duarte and it's called *Get Smart, Eat Healthy*. It has a special section on memory and it gets into the details about vitamins and other food supplements that can help really enhance your memory. There's a chapter on foods that *reduce* memory abilities. It usually sells for \$69.95, but with your order today, it's only \$19.95. It still has the same guarantee, would you like to add this to your order?

UPSELL #2 INFORMATION

Oh, by the way, Kevin has just released his brand new tape series called, "5 Minutes a Day to Perfect Spelling." You'll be able to write letters, business correspondence, reports, anything -- and you'll use the right words and spell them correctly every time! There are no tricky spelling rules to learn, and you'll learn to spell automatically - with no effort! It's like having a permanent "spell check" in your head! Like the title says, it only takes 5 minutes a day and you'll be a perfect speller. It sells for \$59.95, but since you've ordered Mega Memory today, it's only \$29.95 with no extra shipping and handling. Since this is a brand new program, everyone who orders will receive Kevin's two lesson course, "How to Remember Everything in your Past" FREE! It's a \$19.95 value that has sold over a million copies! This complete package is also still covered by the same one year unconditional money back guarantee. Shall I add this to your order?

Customer Service - 1-800-323-3938. To cancel hold orders, give 800-695-8374.

To Reach Kevin Trudeau: Corporate Phone Number - Mega Systems, Merrillville, IN
219-736-6172

Address: Kevin Trudeau
PO Box 11031
Merrillville, IN 46410

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EXHIBIT E

MEGA BASIC

Names

Dates

Facts

Figures

Faces

MEGA ADVANCED

Large Amounts of Info

(textbooks, scripture, technical product info)

Large Series of #'s

Calculus Equations

Playing Cards

Statistics

Attention Deficit Disorder (A.D.D.)

Diet & Nutrition

+ The Video Never Forget Another Name

***...And it will take you to the full
potential of your memory!***

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EXHIBIT E

Basic Package

8 audio cassette tapes

1 workbook

1 pocket guide

The basic package of Mega Memory sold over 1 million copies before the advanced package was ever produced. Due to extreme positive response from the basic course, Kevin went on to product Advanced Mega Memory. The basic course takes about 8 hours to complete and still guarantees a 500% improvement in memory retention. It covers how to remember names, dates, facts, figures, etc. and is an excellent "start-up" course to unleashing a perfect photographic memory. You want to be careful that you don't "downgrade" the basic package to make it seem like it won't be worth their time.

Complete Mega Memory Package

14 audio cassette tapes

1 video entitled, "Never Forget Another Name"

2 workbooks

1 pocket guide

The advanced package is for anyone who is serious about reaching their full memory potential. It takes a 12-14 hour time commitment to complete. This package will go into greater detail about how to remember names with the help of the hour long video. It also goes into specifics on remembering enormous amounts of information, large series of numbers, math formulas and calculus equations, playing cards, statistics, and much more.

Upsells:

Our upsell rate on Mega Memory has been very low. You always need to try to sell the past tape. Some things to always mention when selling the past tape are:

1. Oh, I almost forgot to mention (ha, ha) the latest tape that Kevin has just produced. (this needs to be said sincerely and as sort of a joke, too)
2. This tape is usually \$19.95 but since you placed an order today, you can get it for only \$9.95 with NO extra shipping!
3. This tape is also covered under the 60 day money back guarantee and you could return just that one tape if you choose to for your \$9.95 back.
4. If you change you mind and call to order it later, we'll have to charge \$19.95 plus shipping. Now is the time to buy.
5. This technology allows you to selectively choose things you want to remember. It's not as if all your memories will come flooding back to you.
6. We had a guy call us to tell us that he lost his glasses many years ago and when he got this tape he remembered where they had fallen off. Incredible!

EXHIBIT E

Help Sheet - Overcoming Common Objections

1.) I have to talk it over with my spouse.

- Well, I completely understand that. There are a lot of people who make those kinds of decisions together. Let me ask you this, could he/she use a better memory, too? Does your wife/husband like to save money? Do you think your wife/husband would be pleased if you saved her/him \$160? Since you have the money back guarantee, you have nothing to lose, right? Which is better for you, Visa or Mastercard?

2.) First request for literature.

- Of the two million people who've done Mega Memory, most of them tell us that it makes more sense to evaluate course by *using* it - rather than by trying to make a decision from a brochure. We can send you the Mega Memory program with an unconditional 60-day money back guarantee which means if you're not completely satisfied after using it for 2 full months, we'll refund the purchase price —no questions asked! Two months would be enough time for you to evaluate the program, wouldn't it? You'd like to take advantage of the 50% savings, right? Which is better for you, Visa or Mastercard?

3.) Second request for literature.

- Are there other questions you have that I haven't answered for you? (Answer each question, then go for the close.)
- I'd hate to see you miss out on this substantial savings today. This is a special price, and since we've started this promotion, there's been an unbelievable response! You've already taken the first step to improving your memory by calling! With a . . . unconditional money-back guarantee you have nothing to lose, right? Based on that, let's get you started with Mega Memory, fair enough?

4.) Can this work for people with learning disabilities, ADD, dyslexia, or head injuries?

- These techniques were perfected with blind and retarded children back in the early 70's. Through research, we've found that everyone can improve their memory with this program (except Alzheimer's patients). We guarantee a minimum 500% improvement in memory, but the average person has a 1500-2000% increase in memory retention! I think you'll agree that any degree of improvement in memory is worth it, isn't it? We want you to try the program, for 60 days, with an unconditional guarantee. You be the judge of the results - I know you'll be satisfied because I've heard from people just like you who have had tremendous success. Would you prefer Visa or Mastercard?

EXHIBIT E

5.) I'd like to think it over before I order.

- Is it the money, or is it something else?

If money:

If I could break it up into two easy payments would you buy the program today? (If yes...) Well, then what I can offer you is the basic course first - which covers how to remember names, dates, facts, and figures - and it's an excellent way to start to unleash a perfect photographic memory! The basic course contains 8 audio cassettes instead of 14, one workbook instead of 2, and although you don't get the video, you still get the handy pocket guide. And remember, this technology was developed with blind and retarded children - so it's easy to learn - and once you know it, you don't have to practice. By ordering today, the basic course is only \$69.95 plus \$9.55 shipping and handling - and we still honor Kevin's 60 day money back guarantee. When you're finished the basic course, you can call back and order the remaining tapes. That would be better for your budget, right?

If it's something else:

(Find out their real objection) Let me ask you a question, a \$139 investment is reasonable for something that's going to help you (and your family) for the rest of your life, isn't it? You'd like to have a powerful memory like Kevin does, wouldn't you? Well, you'll start seeing the results by lesson 3! You've already got the ability to never forget! You can't forget how to swim or tie your shoes, can you? Of course not! This course allows you to use the ability you already have - you just haven't been shown how to use it! Would you like to get started with a Visa or Mastercard today?

Some common "tie-downs" you can use throughout your pitch:

- You can see how you'd benefit from a 500% improvement, can't you?
- A 60 day money back guarantee is pretty fair, isn't it?
- Having a better memory would certainly benefit you, wouldn't it?
- You can see how this program would help you, right?
- Spending a half hour at a time on a lesson is reasonable, isn't it?
- If you could take a pill for \$140 dollars that would improve your memory, you'd swallow it, wouldn't you? Hal Hal Then what are you waiting for?
- You probably know other people this program could help, don't you?
- You probably know people who have good memories, right? Well, how would you like to have a great memory?
- \$139 is a reasonable investment for something that will help you (and your family) for the rest of your life, right?

Complaint

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EXHIBIT E

STUDENTS

- they'll know the answers to test questions easily
- spend less time studying
- raise their grades and the possibility of scholarship money for college
- increase their overall efficiency
- improve their self-image, more confidence in themselves
- less stressful because they have more confidence in remembering things
- easily impress teachers and others - making school visits enjoyable
- learn foreign languages faster and with ease
- math formulas

BUSINESS/PROFESSIONAL USE

- remember people's names easily
- remembering appointments and things to do
- instantly recall details about important clients, prospects, associates
- remember facts, figures, statistics
- do presentations without notes
- impress people with your ability to remember (Wall Street story)
- directions to important meetings

HOME/PERSONAL USE

- remember shopping lists
- memorize playing cards
- study Bible scripture
- study foreign languages
- remember telephone numbers
- remember directions
- birthdays and anniversaries

SUCCESS STORIES

- chemist - memorizing the periodic table of elements
- doctors - memorizing all bones and muscles in the body
- lawyers - all the information about their clients and facts to win their cases
- accountants - memorizing all the tax
- teachers/educators - giving their students the advantage over the others, putting them way above grade

EXHIBIT E

Notes*Children*

The course is effective for anyone age 10 to the very elderly, however, children below age 10 can use the program with supervision. Now the program isn't too complicated for them, but their attention span at that age is limited. So, we recommend that you do the program with them and when they've lost concentration, turn it off, and go back to it when they're ready.

Students

Stress is a major factor in why students do poorly on tests. Mega Memory will teach them how to be relaxed and confident before taking their tests. Students will get better grades in less study time because they'll actually learn how to recall information when they need it.

Professionals

People who can walk into a room and meet 30 new people and remember their names, both first and last when leaving really leave an impression. They appear to be smarter than their coworkers and often times it's the little things that get you that promotion, close that sale or get you the new job you've been trying for. Dale Carnegie said it in his best selling book, *How to Make Friends and Influence People*. The sweetest sound in the language to a person is his name. If you want to make a favorable impression, call people by their name and watch them respond.

Seniors

The human brain is like any muscle in the body. The more you use, and exercise it, the better it will respond. Senior citizens are one of our largest markets. They assume because they're getting older, their memories are going to fade. It isn't necessarily so. The Mega Memory system allows people to stimulate their neuro transmitters and begin to dust off some of the cobwebs and see dramatic improvement in their recall ability.

Generic

The Mega Memory System teaches people how to file and retrieve information when they need it. At the Institute, Kevin Trudeau and his staff were able to prove that we are all born with perfect, virtually photographic memories. We remember everything we see, hear, feel and touch. The problem is recalling that information when we need. We like to explain the system as a mental filing system. For example, picture a room and in that room there were 500 file folders thrown all over the place, on the floor, on shelves, everywhere. I ask you to get me the Jones file and your response would be, yeah right, come see me in a couple of days. However, if you had filed the folders alphabetically in a cabinet, you would walk over and open the drawer, look under J and pull out the folder, simply and easily. That's what the Mega Memory System will do for you. Teach you how to organize and retrieve information simply and easily.

Complaint

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EXHIBIT F

Today! The Amazing Memory Secrets From A Man Who Virtually Flunked Out Of High School



Imagine meeting 50 people and remembering all of their names. Imagine giving a presentation and having facts, figures and details at your fingertips without having to "check your notes." Imagine having a 500% increase in your memory. Imagine recalling telephone numbers, playing cards, things to do, conversations, directions, appointments, addresses, everything you see, hear, read or even think about, all effortlessly. Imagine remembering everything for tests or increasing your intelligence, self-confidence, etc., impressing everyone you meet. Imagine having a perfect **PHOTOGRAPHIC MEMORY!** With the American Memory Institute's revolutionary exclusive techniques taught in the "MEGA MEMORY" home study course—NOW YOU CAN!



Kevin Trudeau, Founder
American Memory Institute

"A lot of people think I've always had a photographic memory, but that's not true. As a matter of fact, I virtually flunked out of high school before I decided that I needed some help, and that's when I began developing the memory techniques that have made the American Memory Institute the world's most popular memory training school.

"There's a proverb I learned long ago that had a big impact on my life: 'It's not what you eat, but what you digest, that makes you strong. It's not what you earn, but what you save that brings you wealth. And it's not what you learn, but what you remember that makes you wise.' Best of luck with my program."

**You've Seen It On TV
Now Put It To Work For You**
UNBELIEVABLE? Not if you've seen or heard Kevin Trudeau in one of his thousands of television or radio appearances. Not if you have seen these amazing techniques

demonstrated on "The Tonight Show," "That's Incredible," or "20/20." Not if you have read about them in newspapers and magazines coast to coast. Not if you have seen him live with Zig Ziglar, Brian Tracy, or Charles "Tremendous" Jones.

Kevin Trudeau is the founder of the American Memory Institute, the world's largest memory training school, whose techniques have revolutionized and simplified memory development. And now you can experience simplified memory techniques for yourself.

Memory Means More Money

In sales and business, a great memory means money! Why? Because, no matter what business you are in, you're really in the people business. Having instant and long-term recall of names makes you likable and helps people remember you! After all, a person's name is the sweetest sound to his or her ears. Plus, when you have instant recall of facts, details, and people, you appear more intelligent. **IN JUST 3 HOURS** you will begin to unleash the powers you already have! You will finish this course feeling powerful, in control and self-confident, and people will envy your new super memory ability.

Not Basic Association, Mega Memory Works While Others Fail

Maybe you've tried other memory courses and failed or found them hard to learn or difficult to use. NOT this time! Kevin Trudeau's breakthrough techniques were developed while working with blind and mentally handicapped students. Their recall ability increased from 15% to 90% in just 5

Knowledge Is Power, But Only If You Can Remember It

There is no such thing as a good or bad memory, only a trained or untrained memory. The easy-to-follow systematic method Kevin will teach you actually stimulates neurotransmitters in the brain to increase your memory and mental capacity. You'll remember everything you see, hear, read or even think about! What an advantage in your personal and business life!

Share It With The Whole Family Everyone Will Benefit From Their New Abilities

MEGA MEMORY is fun for the whole family to do together. Your children's self-confidence will soar. They'll find learning fun and exciting with their new super power instant recall memory. And they'll actually enjoy school. You will see their grades skyrocket with MEGA MEMORY. You'll be giving your children a gift that will last a lifetime!

One Year Money Back Guarantee

If you are not completely satisfied for any reason, simply return the program within one year for a full refund. You get to see for yourself...**RISK FREE!**

Over 1 Million People Can't Be Wrong!

- ✓ "A bargain at two, three, four times the price." *Manager Honda Sales*
- ✓ "I have not only improved my recall of names and facts, but I can memorize a group at cocktail parties!" *V.P. Sales A.G. Edwards*
- ✓ "Of the 40 of our associates who took the program, a substantial number have reported increased earnings as a direct result of these improved skills." *Vernon A. Martin Realtor*
- ✓ "I have tried every memory course available. Kevin Trudeau's program MEGA MEMORY is light years ahead of them all. I would pay \$1,000.00 for this one." *Dr. Alex Duarte*
- ✓ "Kevin Trudeau is a genius...the best teacher I have ever listened to. Priceless information!" *Prudential Insurance*
- ✓ "My GPA went from a 2.5 to a 3.8! It is the best thing I have ever done!" *Kevin Bruen College Student*

MSI/SALBERG COMPLAINT EXHIBIT F
TRUDEAU COMPLAINT EXHIBIT K

EXHIBIT F

What Is Your MQ? Take This Test And See For Yourself:

- 1 Have you ever been embarrassed by forgetting someone's name ten seconds after shaking his or her hand?
- 2 Do you need to remember product knowledge, facts or statistics in your profession?
- 3 When you make a presentation, do you feel more comfortable with notes or do you forget facts and details only to remember them later when it is too late?
- 4 Do you read books and magazines or attend seminars and wish you could remember more of the information?
- 5 Have you ever forgotten to call someone or mail a letter?
- 6 Have you ever been unable to call someone because you had forgotten his or her telephone number?
- 7 Have you ever had to apologize for forgetting an important meeting, appointment, birthday or anniversary?
- 8 Have you ever misplaced something (such as keys, important papers, etc.)?
- 9 Have you ever forgotten directions, or an address, or forgotten to stop at the bank, cleaners or a store on your way home?

**Scoring - If You Answered Yes To 4 Or More Of These Questions,
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The Mega Memory System

The Mega Memory System contains 14 audio cassettes, 2 easy-to-use workbooks, and a handy pocket guide. Your personal instructor on all the cassettes is Kevin Trudeau, President and Founder of the American Memory Institute, the world's most popular memory training school. We're also including, as a special gift, Kevin's popular TV video "Never Forget Another Name," yours **FREE!**

As Kevin teaches you his revolutionary memory techniques, you'll begin to see a difference almost immediately. You'll learn the secrets of organizing your thoughts. Amazing as it may seem, you already have the capability to remember more things—and recall them instantly—when you learn how to release the power of the subconscious mind. Not only will you see increased memory abilities, you'll also experience increased mind power as well.

Your increased mental powers will allow you to get more from life, and people will actually think you're smarter. That's because, as Kevin says, "It's not what you *learn*, but what you *remember* that makes you wise."

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FEDERAL TRADE COMMISSION

FTC MATTER NO.: 942-3278

TITLE: DR. CALLAHAN'S ADDICTION BREAKING
TECHNIQUE TELEVISION INFOMERCIAL

PAGES: 1 THROUGH 28

MSI/SALBERG COMPLAINT EXHIBIT G
TRUDEAU COMPLAINT EXHIBIT F
CALLAHAN COMPLAINT EXHIBIT A

EXHIBIT G

PROCEEDINGS

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

MR. TRUDEAU: Thanks again for joining me. I'm Kevin Trudeau, and this is another edition of "A Closer Look."

Millions of people are addicted to food and are overweight, constantly struggling with diet after diet, exercise program after exercise program, yet more people are fat today than ever before. Millions, too, are addicted to cigarettes and can't quit, and probably millions more suffer from some kind of addiction, compulsion, or phobia.

My guest today is Dr. Roger Callahan, an expert in the field of addictions, phobias, stress, and traumas. He has been featured on virtually every major TV and radio talk show, including "Donahue" and CNN. He has been a best-selling author whose revolutionary treatment for losing weight and quitting smoking takes less than three minutes with 95 percent success. If you smoke and want to quit, or if you want to lose weight once and for all, today's show could be an answer to your prayers.

Dr. Callahan, thanks for being my guest today.

DR. CALLAHAN: Kevin, a pleasure to be with you.

MR. TRUDEAU: You know, I have to tell the viewing audience how I met you because it was a fascinating story. As you know, we do a series of infomercials like this where we market different products, and I saw your ad in an airline

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1 magazine for the five-minute phobia cure. And I thought, you
2 know, that would be a great product for us to market if it works,
3 and I called you on the phone to discuss it with you, find out
4 your background; and I learned all about your, you know,
5 expertise and the books you've authored with the major book
6 publishers and your experience on CNN and "Donahue" and so forth.

7 And you said, Kevin, not only will we get rid of
8 phobias, but the treatments that you discovered, that you
9 invented get rid of addictions like food addictions so people can
10 lose weight easily without trying to diet. They can just lose
11 the weight because they reduce the urge to overeat.

12 You can reduce smoking, alcoholism, any type of
13 compulsion, depression, jealousy. And I was fascinated. I said
14 really, can you get rid of smoking? He said, Oh, yeah. I said
15 well, doctor, I smoke cigars, about six cigars a day, if you
16 remember this conversation -- I was calling you on the phone.

17 DR. CALLAHAN: Yes, I do, yeah.

18 MR. TRUDEAU: And I said I had gone to, for the last
19 six years, the top people in various fields trying to get rid of
20 --

21 DR. CALLAHAN: You mentioned some names to me, and they
22 were, indeed, the top people.

23 MR. TRUDEAU: The top people in hypnotists. I bought
24 subliminal tapes. I bought other types of tapes. I'd been to,
25 you know, different types of therapies -- biofeedback. I got

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1 accupressure, acupuncture. I, I got the patch. I got an ear
2 clip that uses some type of Chinese thing. I got magnets --
3 everything to try to quit. I bought little devices to try to cut
4 down, and nothing worked. And worse, I was just more stressful
5 trying to quit.

6 And you said, "Well, Kevin, the next time you have an
7 urge to smoke a cigar, you call me." So I called you on the
8 phone a few days later because for the first two days I didn't
9 want to call you. I was afraid you were going to take the cigar
10 away from me.

11 So I called you on the phone and said, Doctor, I really
12 have to smoke a cigar right now. And I remember this because it
13 wasn't that I wanted to; I had to.

14 DR. CALLAHAN: Yes.

15 MR. TRUDEAU: And a lot of people that are watching, if
16 you have an addiction to cigarettes or food, you know it's true.
17 If you want Haagen Daz Ice Cream, if you want pizza, if you want
18 hamburgers or French fries, or if you want a cigarette, you get
19 to that point, as you know, it's a have to: you have to smoke.

20 DR. CALLAHAN: Yeah. That's the keynote of addiction.

21 MR. TRUDEAU: Right.

22 DR. CALLAHAN: It's an irresistible, uncontrollable
23 urge --

24 MR. TRUDEAU: -- to do it.

25 DR. CALLAHAN: -- which is destructive in some way.

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1 MR. TRUDEAU: Oh, sure.

2 DR. CALLAHAN: And hurtful.

3 MR. TRUDEAU: And I said-- you said on a scale of one
4 to ten, where is it? And I says it's about a nine and a half.
5 You said fine. You gave me and walked me through the treatments
6 --

7 DR. CALLAHAN: Right.

8 MR. TRUDEAU: -- on the phone. It took less than five
9 minutes. It's a simple treatment you just do. Very simple, very
10 easy. And the urge reduced from a nine and a half to a one or
11 zero. It was gone.

12 DR. CALLAHAN: Yeah. That's right.

13 MR. TRUDEAU: I said, Doctor, I swear to you, I'm not
14 going to smoke this cigar, but I'm convinced it will come back,
15 the urge, if not tonight, tomorrow. And you said fine, if it
16 comes back, call me.

17 DR. CALLAHAN: Yeah.

18 MR. TRUDEAU: I said that's a deal. Six months passed,
19 and I never had the urge to smoke a cigar. I never smoked a
20 cigar.

21 DR. CALLAHAN: Right.

22 MR. TRUDEAU: It was incredible. Now, this is not
23 uncommon. You see this all the time in your practice.

24 DR. CALLAHAN: Yeah. We see that all the time. More
25 frequently, a person will have to repeat the simple treatment.

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1 Once they learn how to do the treatment, --

2 MR. TRUDEAU: Right.

3 DR. CALLAHAN: -- it only takes a minute or less.

4 MR. TRUDEAU: Yeah. It seems, it seems --

5 DR. CALLAHAN: Because once you know it and once the
6 person learns how to do it, they can do it without thinking about
7 it, and it takes less than a minute.

8 MR. TRUDEAU: Now, this is a revolutionary approach to
9 addictions.

10 DR. CALLAHAN: Oh, yes, yes. It's revolutionary in the
11 sense that nothing in psychology could have explained or
12 predicted this. It's revolutionary because it works with a high
13 success rate that's never before been possible.

14 And what we're doing, Kevin, is we're actually --when
15 we do the treatment, we're actually getting to the fundamental
16 causal level of the problem. It's not like just distraction or
17 reducing the symptom. We're actually getting at the core base of
18 the problem. I had to study quantum physics to really understand
19 that in more detail.

20 MR. TRUDEAU: Now, I remember you were on CNN --

21 DR. CALLAHAN: Yes.

22 MR. TRUDEAU: -- because with people who are
23 overweight, they have this uncontrollable urge to eat, whether it
24 be chocolate or candy bars or, you know, hamburgers, french
25 fries. People watching know they have addictions to Haagen Daz

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1 ice cream. You know, we eat too much food.

2 DR. CALLAHAN: Right.

3 MR. TRUDEAU: And, again, they eat when they are not
4 hungry.

5 DR. CALLAHAN: Yes.

6 MR. TRUDEAU: I mean, you authored the book, "Why Do I
7 Eat When I'm Not Hungry?" Right?

8 DR. CALLAHAN: That's right.

9 MR. TRUDEAU: But you were on CNN, and you had a very
10 interesting experience you were sharing with me.

11 DR. CALLAHAN: Yes. It was my third time on CNN. The
12 previous two times I helped some people with anxiety problems,
13 very quickly, who called in for help. This time the anchor said,
14 I hear you've been developing something with addiction. Well,
15 see if you can help me right now. I'm dying for some chocolate.

16 And the anchor who was with her joked and says, Yes.
17 She's going to eat her pencil. And she really looked desperate,
18 and it was serious. At first, I didn't know if she was joking
19 because they were laughing. And she says, no, it's very serious.
20 So I took her through the treatment. She was in Georgia, and I
21 was in a studio in L.A. And in about two minutes, because she
22 didn't know what they were all about -- two or three minutes --
23 her urge was not only gone, but you've seen a clip of that, you
24 know --

25 MR. TRUDEAU: Yes.

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1 DR. CALLAHAN: She does something like this, which is
2 very interesting. She says -- and we're telling her all the
3 while to think how good the chocolate would be. We're not trying
4 to turn her off.

5 MR. TRUDEAU: That's right.

6 DR. CALLAHAN: She said at the end of the treatment,
7 "Ooh, I don't even want any." Remember that?

8 MR. TRUDEAU: That's right.

9 DR. CALLAHAN: Isn't that interesting? We get that
10 every once in a while. Also, she became very relaxed. Her whole
11 being changed. Her manner changed because that, that power that
12 was driving that urge coming from a very deep level of being, was
13 simply dissipated. It was gone, not there anymore.

14 MR. TRUDEAU: And now you also find that when people
15 give themselves the treatment, because it just takes less than
16 five minutes, that their face sometimes changes, the stress
17 reduction goes down so much.

18 DR. CALLAHAN: That's right. Their face changes. I
19 had one patient who was addicted to pain pills, and it was very
20 serious because she was getting pain pills from a number of
21 different doctors, -- you know, one doctor would never give her
22 that many -- and she found that it made her relax, the only thing
23 that made her relax, but it was a terribly dangerous thing she
24 was doing. And I treated her. After the second meeting, by
25 telephone -- we treated her by telephone -- after second session

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1 she didn't want, she didn't want any anymore, and about a week
2 later she called up and she said, you know, this is really
3 interesting. My friends are coming up to me and asking if I had
4 plastic surgery, I look so much better. She looked younger. All
5 the strain and stress and everything was gone out of her face.

6 We have people, too, who are very pale and they are low
7 on energy. After treatment, color comes into their face. They
8 feel so much better. So we know that a lot of physiologic and
9 chemical changes result as a function of this simple treatment.
10 It's a very deep, basic thing.

11 MR. TRUDEAU: Now, we were talking about smoking, and I
12 had a friend of mine, Jack Freeman, who is -- he's from
13 Charlotte, North Carolina. We had went to Las Vegas, and he, for
14 15 years, this guy smoked two and a half packs of cigarettes a
15 day.

16 Now, imagine, he's on the plane from Charlotte to
17 Chicago for about two hours without a cigarette. He gets off the
18 plane, and the plane was a little delayed because we were running
19 late. He says, Kevin, I have to smoke a cigarette. I said,
20 well, you can't. We have to just get right on this plane.
21 They're going to leave.

22 We hop on. Now we get another three hours to Las
23 Vegas. This guy is in the plane climbing the walls. Now, when
24 someone doesn't have a cigarette, what's going on there? Let's
25 talk about that phenomenon just for a moment.

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1 DR. CALLAHAN: I wrote a book called -- it's published
2 in Germany -- called "The Anxiety Addiction Connection" because I
3 found there is an addiction between anxiety and addictions. And
4 all addictions, Kevin, whether it's to nail biting, hair pulling,
5 heroine, cocaine, pain pills, cigarettes, chocolate, -- you name
6 it -- all addictions are a result of anxiety, and they are an
7 attempt to -- a wrong attempt, a tragic attempt to mask or
8 tranquilize the anxiety. And it just doesn't work. It doesn't
9 take care of the problem.

10 MR. TRUDEAU: So that's what people go on diets for?
11 If they try to stop cold smoking they are climbing the walls and
12 they are irritable?

13 DR. CALLAHAN: Yes, that's right. That's what it is.
14 They are having an anxiety attack. Even heroin withdrawal, I
15 found, is actually an anxiety attack.

16 MR. TRUDEAU: Really? Not physiological?

17 DR. CALLAHAN: No. Well, there are physiological
18 elements, but they are very minor, very minor. What I was
19 trained, and most professionals still believe, that in the heroin
20 addiction the problem is mainly physiologic. It's not at all.
21 There is a lot of evidence now to show that. It's not at all.

22 MR. TRUDEAU: Well, this fellow, Jack, when he was, you
23 know, climbing the walls on the plane, I walked him through the
24 treatments. We're sitting right next to him on the plane.

25 DR. CALLAHAN: Yeah.

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1 MR. TRUDEAU: And within two to three minutes, the urge
2 went from a ten -- actually, he said it was an 11 -- went from an
3 11 down to a zero, and he said I don't want the cigarette. I
4 have no urge. Then he goes, I can't believe it.

5 DR. CALLAHAN: Yeah.

6 MR. TRUDEAU: The meal came, and we started talking,
7 and he was eating. They were cleaning up all the plates, and he
8 had not finished his meal yet; he was still eating. He noticed
9 he was the last guy done eating, and he didn't even eat his
10 entire meal. And he grabbed me, and he says, Kevin that's the
11 slowest I've ever eaten in my life.

12 DR. CALLAHAN: Oh, yeah.

13 MR. TRUDEAU: Now, isn't that interesting? It seemed
14 to change everything.

15 DR. CALLAHAN: Yes. What happened is -- and they all
16 report this after the addiction treatment. They unanimously
17 almost will say, you know, I feel very relaxed.

18 MR. TRUDEAU: Right.

19 DR. CALLAHAN: I feel very calm inside. And that's
20 what it was. He didn't have that frantic kind of a need to push
21 and shove the meal down. So it's better for his digestion also.

22 MR. TRUDEAU: Oh, sure.

23 DR. CALLAHAN: But, you know, there is something very
24 important for people -- you said at the opening, if they want to
25 quit smoking.

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1 MR. TRUDEAU: Right.

2 DR. CALLAHAN: Let me tell you something: Some of them
3 don't want to quit smoking. I recommend those who don't want to
4 quit smoking but have to fly across country or attend meetings
5 where they are not allowed to smoke, do this treatment and watch
6 what it can do for them. And they find that it's not going to
7 drive them crazy to be without their cigarettes, they may change
8 their mind about it.

9 MR. TRUDEAU: They may want to.

10 DR. CALLAHAN: But even if they never want to, at least
11 they are going to have more control over it. It's not going to
12 be running them, not controlling them. They can regain control.

13 MR. TRUDEAU: That's funny, because we both know a
14 major celebrity, who will be nameless, who just yesterday just
15 did the treatment because "I don't want to quit; I like smoking."
16 I said, well, do this treatment anyways, and then smoke the
17 cigarette. We did the treatment. He didn't want to smoke it.
18 He says you know something? Maybe I do want to really quit.

19 DR. CALLAHAN: Sure.

20 MR. TRUDEAU: Because he was afraid, as you mentioned,
21 to try to quit because he thought it was going to be very
22 difficult and stressful and so forth.

23 DR. CALLAHAN: Oh, yeah. I know how difficult it is
24 when I quit 30-some years ago. It was terrible. I went through
25 hell. And there are people who -- most smokers have tried it.

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1 and they find that, Jesus, I'd rather die of lung cancer or heart
2 disease than end up in a mental hospital. That's the way it
3 stands for them.

4 MR. TRUDEAU: Right, right. For those of you watching
5 who do want information on Dr. Callahan's techniques, it's a
6 videotape where you, in just about 15 minutes, explain and show
7 the treatment, how to apply it.

8 I highly recommend it. I've seen this in-action. It's
9 probably the most revolutionary thing you can do, if you have any
10 addiction, whether it be for food, if you're overweight, if you
11 have a smoking addiction, if your children are addicted to drugs
12 -- any compulsion, anything whatsoever, we recommend you call the
13 800 number and get information on the video because it really
14 could change your life. And it's something that I feel very
15 passionate about because I've seen the results for myself and in
16 my own life.

17 Now, let's talk about weight loss. We've talked about
18 smoking, but people out there -- and I'm one of them -- we like
19 to eat food. You know, I --

20 DR. CALLAHAN: Almost all of us are.

21 MR. TRUDEAU: It's a very pleasurable experience.

22 DR. CALLAHAN: Yeah. And it really is, yeah.

23 MR. TRUDEAU: And sometimes you eat to the point -- and
24 I think people can relate to this -- you eat when you're not
25 hungry. You just go past that point.

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1 DR. CALLAHAN: Or it's so good, and you can't resist
2 it. See, that's the key element. If you could resist it, then
3 you don't have any problem.

4 MR. TRUDEAU: Right.

5 DR. CALLAHAN: And there are very few people like that,
6 they can just resist it. "Oh, I'll lose a few pounds. I'll just
7 leave this out and leave that out," and they don't have any
8 trouble, but most of us have trouble; and that's what we mean by
9 addiction.

10 MR. TRUDEAU: It seems that a lot of these diets that
11 people try would work if you followed through on them, --

12 DR. CALLAHAN: Yeah.

13 MR. TRUDEAU: -- but people, quote, cheat, or they
14 can't -- because they are just being driven -- at ten o'clock at
15 night they open up the refrigerator and out comes the Haagen Daz.

16 DR. CALLAHAN: The editor who bought my book, "Why Do I
17 Eat When I'm Not Hungry?" -- she was at Doubleday at the time --
18 she and her husband are very nice people, and they love good
19 food. In fact, they go over to Italy -- they go to Bologna and
20 study the special gourmet cooking that they have there and so
21 forth, and she always has been over 30-some pounds, and she'd
22 always go crazy when she was there because it was so good and she
23 could not resist it.

24 Well, she read the book, of course, that she bought.
25 She later left Doubleday, so that's relevant for the rest of this

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1 story because at the International Book Fair, my agent was there,
2 -- I think it was at Brussels -- and he said that she was telling
3 everybody that for the first time she could go to Bologna and
4 only eat smaller amounts. She didn't have to eat so much. The
5 drive was gone, that extra urge. That addictive urge was gone,
6 so she was raving about it to everybody.

7 MR. TRUDEAU: She could really enjoy the food --

8 DR. CALLAHAN: But she could still enjoy good food --

9 MR. TRUDEAU: -- without feeling guilty --

10 DR. CALLAHAN: -- without feeling guilty.

11 MR. TRUDEAU: -- and actually reduce weight because she
12 could eat normally without having that urge.

13 DR. CALLAHAN: Exactly. Isn't that wonderful?

14 MR. TRUDEAU: It's fascinating. Now, you had mentioned
15 about some of the talk shows you've been on radio, because you've
16 been on many --

17 DR. CALLAHAN: Yeah.

18 MR. TRUDEAU: -- and you treat people right over the
19 phone in a few minutes.

20 DR. CALLAHAN: They call -- we tell them to call -- you
21 know, I'll tell you why I do this. It's very simple. When I
22 wrote my first book, it was a Book-of-the-Month Club selection on
23 romantic love, and like every other author, I just went on show
24 after show and just discussed the concepts in the book.

25 But when I wrote the "Five-minute Phobia Cure," I knew

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1 nobody in their right mind would believe me or even should
2 believe me because it's so outrageous, it's so revolutionary. So
3 I told all the producers, get people who have these problems, and
4 let me show you.

5 So when I was appearing on the radio shows and I had
6 just discovered the addiction treatment, I told the listening
7 audience because I wanted to show people what we could do, so
8 they didn't just have to take my word for it. You know, in the
9 privacy of your office, you can make any claim you want. Nobody
10 knows the difference.

11 MR. TRUDEAU: Sure, you can. Right, right, right.

12 DR. CALLAHAN: So I wanted to show the world that we
13 really had something quite real and powerful. And so we had -- I
14 urged anyone calling in who had any addictive urge for anything
15 -- we've had people call in for -- who needed to shoot up with
16 heroin, they needed to take the extra alcoholic drank, they were
17 -- the first one who called was on the way to the refrigerator,
18 she said, and she heard me say that. She stopped, picked up the
19 phone, and called.

20 She says, I'm on my way to the refrigerator right now.
21 I'm in there to get my favorite desert, that ice cream with
22 chocolate on it. She said, I can't resist that stuff. Is there
23 anything you can do for me?

24 In a matter of about a minute and a half, in her case,
25 she didn't want it, didn't need it. Now, listen to this: 104

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1 people in a row -- I kept the records on this -- called before we
2 ran into the first person that we couldn't help within the time
3 constraints of the show.

4 MR. TRUDEAU: Now --

5 DR. CALLAHAN: That was over a lot of shows. That
6 wasn't one show. That was about 30 or 40 shows.

7 MR. TRUDEAU: Right. Well, that brings me to the next
8 question: Does this treatment work for everyone 100 percent of
9 the time?

10 DR. CALLAHAN: No, no; of course, not. There are some
11 people that it won't work for at all: their problems are too
12 complicated. Also, let's make it clear --

13 MR. TRUDEAU: But that's a very small percentage.

14 DR. CALLAHAN: It's a small percentage, and they can
15 usually be helped with individual treatment --

16 MR. TRUDEAU: Right.

17 DR. CALLAHAN: -- which we do by telephone.

18 MR. TRUDEAU: Which you still do over the phone, right?

19 DR. CALLAHAN: Yeah. We and our staff can check them
20 through their voice, and we can treat them by phone.

21 MR. TRUDEAU: But it helps most of them, and what we
22 mean by "help" is we don't mean we cure their addiction in a
23 couple of minutes.

24 MR. TRUDEAU: Right.

25 DR. CALLAHAN: What we mean is that their addictive

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1 urge, that uncontrollable urge is gone, completely gone, and they
2 feel fine.

3 MR. TRUDEAU: Right.

4 DR. CALLAHAN: And there is no resistance. They don't
5 have to fight it. Now, they may have to repeat that treatment
6 over and over until -- the beautiful thing is for the first time
7 in their life, the cause, the deep cause of the problem is being
8 addressed during this treatment, believe it or not.

9 MR. TRUDEAU: Right.

10 DR. CALLAHAN: The real cause.

11 MR. TRUDEAU: Which brings me to the next point: What
12 is the root cause that we're dealing with? I mean, you talked
13 about energy patterns running through the body, you know, with
14 meridians from the ancient arts.

15 DR. CALLAHAN: It's very, very difficult to explain
16 this, Kevin, because it does relate to quantum physics. There is
17 information -- God, how do I, how do I briefly tell you this?

18 The quickest thing I can tell you is that they are
19 anxious. When we do the treatment, they are not anxious. And
20 when we eliminate the anxiety, they don't need the heroin, they
21 don't need the alcohol. The withdrawal is gone.

22 MR. TRUDEAU: Is that why when someone tries to quit
23 one addiction, another one replaces it?

24 DR. CALLAHAN: Sure. Without treating the addiction --
25 Alcoholics Anonymous, which has been up until recently the best

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1 form of treatment for alcoholism, what do they do? They go there
2 and they get addicted to sugar, coffee, all kind of things, which
3 are better addictions, by the way, because the alcohol was
4 probably ruining their life, --

5 MR. TRUDEAU: Right.

6 DR. CALLAHAN: -- but, nevertheless, they still remain
7 highly addicted to these other things.

8 MR. TRUDEAU: Well, let's talk about the alcohol. You
9 had mentioned a story where you live in Palm Springs, someone
10 came into the grocery store that recognized you from TV.

11 DR. CALLAHAN: Yeah. I live in Indian Wells, which is
12 right near Palm Springs, and I was going to the supermarket one
13 day, and somebody slapped me on the shoulder. I looked around,
14 and I see this smiling face.

15 And he says, Dr. Callahan. I says, yeah. Hi, how are
16 you? He says, I saw you on television. He says, I saw you a
17 year and a half ago, and you were doing something about
18 addictions on there. I says, yeah, yeah, I remember that. And
19 he says, you know, I've tried that. I've been an alcoholic for,
20 like, 20 years, tried a lot of different programs. Nothing
21 helped me.

22 He says, I just followed the directions that you did on
23 that program, and I feel so great, I want you to know I haven't
24 had a drink in a year and a half. He said, I'm so grateful to
25 you. Now, that's the kind of thing that makes somebody feel

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1 good.

2 MR. TRUDEAU: It's amazing because I read some books
3 for different addictions and overweight.

4 DR. CALLAHAN: Yeah.

5 MR. TRUDEAU: And it seems that it's always about some
6 type of psychological problem, some type of stress, something
7 they are trying to cover up or hide.

8 DR. CALLAHAN: Yeah.

9 MR. TRUDEAU: And I know the feeling. I mean, I've
10 been there like a lot of people where you just want to eat, and
11 you're not hungry; and you say, you know, I just have to eat this
12 food.

13 DR. CALLAHAN: In November, the American Psychological
14 Association -- that's my professional organization -- came out
15 with a newspaper article reporting that the science director --
16 that's the group -- the head of the research and so forth
17 representing the organization -- found that really the people
18 trying to help other people with problems aren't doing very well.

19 They are not really helping much. So the problems
20 usually always come back, and so you see, but that's not applying
21 to this work. They are not aware of this yet. This gets to the
22 heart of their problem, eliminates in most cases, very quickly.

23 MR. TRUDEAU: For those of you watching, again, who do
24 want information on Dr. Callahan's technique, it's a video which
25 can eliminate or help reduce the urge of any addiction that you

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1 may have. If you are overweight and you've been trying to lose
2 weight, this could be -- and I believe it may be the answer that
3 you've been looking for. If you've been trying to quit smoking
4 and really want to, try this.

5 You have nothing to lose by trying it. I've used the
6 techniques myself. I've tried them on my friends. The results
7 have been nothing more than miraculous or spectacular. You have
8 the video, "Hope without Reason."

9 DR. CALLAHAN: "hope with Reason," yeah.

10 MR. TRUDEAU: "Hope with Reason."

11 DR. CALLAHAN: And, you know, how about the story about
12 the makeup lady?

13 MR. TRUDEAU: Oh, yeah. Every time that we would run
14 into someone we would use the technique --

15 DR. CALLAHAN: She was curious about what we did, and
16 so I said, do you want to experience it? She said, Yeah. This
17 happened about 20 minutes ago.

18 MR. TRUDEAU: Right.

19 DR. CALLAHAN: And she said -- I asked her, Is there
20 anything in your past that -- you know, most of us have things in
21 our past, some kind of pain or trauma.

22 MR. TRUDEAU: Everyone does. Sure. Yeah.

23 DR. CALLAHAN: Right. And I said I don't want to know
24 what it is, but think about it, and how high do you go? She went
25 all the way to the top of the scale for ten. How long have you

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1 had this? Seven years.

2 Well, she's only 29 years old, so she's had this almost
3 a third of her life. Every time she would think of this during
4 the last seven-year period, she'd be in great pain and misery.
5 In a matter of maybe a minute and a half, we got her to a one,
6 which I use as the lowest end of the scale, no trace of it.

7 MR. TRUDEAU: Right.

8 DR. CALLAHAN: And she walked around later, saying, I
9 feel so good. I feel like a load or burden. But, you see, until
10 my discoveries, nothing like that was possible.

11 MR. TRUDEAU: Right.

12 DR. CALLAHAN: And so, check back with her and see how
13 long it endures. We expect that to last forever.

14 MR. TRUDEAU: What other doctors right now -- I know a
15 lot of doctors, therapists from -- whether they be psychiatrists,
16 psychologists --

17 DR. CALLAHAN: Yeah.

18 MR. TRUDEAU: -- are coming to you to learn these so
19 they can treat their own patients.

20 DR. CALLAHAN: Oh, yes.

21 MR. TRUDEAU: What are other people, therapists saying?

22 DR. CALLAHAN: Oh, gosh. We have all kinds of -- for
23 example, at our last training session in June, this last June,
24 Dr. -- what's his name? -- from Massachusetts -- well, put his
25 quote up and let them see it because he said something really

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1 spectacular, and I want his name on there.

2 MR. TRUDEAU: Yeah.

3 DR. CALLAHAN: He said he's been a psychiatrist for 30
4 years, but since he's been doing my procedure, -- this is really
5 terrific -- he said for the first time in 30 years, he has the
6 satisfaction of actually helping his patients. Now, we get
7 things like that from all over.

8 We had people from Europe, from Canada, and doctors all
9 over the country who -- Dr. Fred Gallo, for example, from
10 Pennsylvania, is very, very excited because he's been able to
11 eliminate depression with these techniques which we developed
12 some time ago. And he's just thrilled about it because he had
13 always thought that depression was a chemical problem.

14 MR. TRUDEAU: Right.

15 DR. CALLAHAN: You have to do something with the
16 chemistry. When we do the treatments, Kevin, the chemistry
17 changes.

18 MR. TRUDEAU: The actual ---

19 DR. CALLAHAN: Sure, because we're working on a more
20 fundamental level than the chemistry. We're working at the
21 input-of-information level into the body. The chemistry and the
22 thoughts come later. I used to work just with thoughts.

23 MR. TRUDEAU: Right.

24 DR. CALLAHAN: They are almost irrelevant.

25 MR. TRUDEAU: It's amazing. Now, people can learn the

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23

1 treatments within less than ten or fifteen minutes.

2 DR. CALLAHAN: Well, on the video we take them through
3 the step-by-step recipes that we've developed that will help most
4 people.

5 MR. TRUDEAU: Now, when you see these physiological
6 changes, -- we talked about the stress reduction, we talked about
7 the urges going away - is there any other physiological or health
8 benefits that you know are associated with the treatments?

9 DR. CALLAHAN: Oh, yeah, because there is a lot of --

10 MR. TRUDEAU: Does energy levels increase, for example?

11 DR. CALLAHAN: Oh, yes. Well, there is a lot of
12 physiologic health benefits simply from eliminating psychological
13 problems. It's been known for many, many years that most
14 patients that go to their general practitioners or doctors
15 actually -- at least half of them mainly have something
16 psychological behind their problem.

17 MR. TRUDEAU: You know, I was reading in a trade
18 journal that the 900 lines, the psychic lines, --

19 DR. CALLAHAN: Yeah.

20 MR. TRUDEAU: -- the number-one reason people call is
21 because they are feeling bad, some type of depression --

22 DR. CALLAHAN: Yeah.

23 MR. TRUDEAU: -- which usually leads them to overeat,
24 and they are looking for relationships, they are looking for
25 love, and they have some type of love pain. And they continue to

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1 call over and over again to try to get some type of relief from
2 this bad feeling. And these treatments that you give that you
3 teach people how to administer to themselves in just a matter of
4 minutes can alleviate that problem --

5 DR. CALLAHAN: Yes, in most people.

6 MR. TRUDEAU: -- and not just -- maybe they have to
7 apply it a few more times, --

8 DR. CALLAHAN: Yeah.

9 MR. TRUDEAU: -- but how long does it last?

10 DR. CALLAHAN: Well, it will vary from one person to
11 the next. It's really shocking that in a small number of them,
12 one treatment is all they need. My first case, you know, was
13 with a Snicker bar addiction. This patient came to me because
14 her doctor told she was developing a heart problem. She needed
15 to lose about 40 pounds.

16 She went back six months later. She hadn't lost a
17 pound. And she explained to her doctor it's because of the
18 Snicker bar. I got to have Snicker bars all the time. She
19 carried a bunch of them in her purse for emergencies. And so she
20 came to me and said -- I had already helped her with a serious
21 anxiety problem -- and she said, do you think you could help me
22 with this? I said, let's find out. So we had her think about
23 Snicker bars, treated her. It took about two or three minutes,
24 at most. That was 14 years ago, and I keep checking with her.
25 She hasn't wanted another Snicker bar since.

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1 MR. TRUDEAU: It's amazing --

2 DR. CALLAHAN: That's what happens.

3 MR. TRUDEAU: -- because when you do the treatment,
4 like when you mentioned about the CNN, you don't try to hide what
5 the person -- you say, here, look at it, --

6 DR. CALLAHAN: Yeah.

7 MR. TRUDEAU: -- smell it.

8 DR. CALLAHAN: Think about how good it is:

9 MR. TRUDEAU: Think how wonderful it is. And I've seen
10 people like with Haagen Daz Ice Cream who are about to just jump
11 right in -- and the ice cream is great, as we know, but say, I
12 don't want it. Now, the other thing that you had mentioned which
13 was fascinating is that people can still eat chocolate, they can
14 still eat Haagen Daz, but now they are in control. They can eat
15 it, or they can still smoke the cigarette, --

16 DR. CALLAHAN: Yeah.

17 MR. TRUDEAU: -- but they are now in control.

18 DR. CALLAHAN: Yeah. People can eat and smoke and do
19 all kinds of things without being addicted. What we are after is
20 eliminating the addiction.

21 MR. TRUDEAU: Do you find that when people use the
22 treatments for being overweight that there is -- that they lose
23 weight very quickly without any stress whatsoever?

24 DR. CALLAHAN: Well, it's much easier for them,
25 obviously. For example, this first patient I was telling you

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1 with the Snicker bars, all she had to do was leave out the
2 Snicker bars, and she started keeping everything else the same
3 and started dropping a pound, two pounds a week.

4 MR. TRUDEAU: So now people don't have -- for the first
5 time don't have to, quote, go on a diet.

6 DR. CALLAHAN: Yeah.

7 MR. TRUDEAU: They can just eliminate the addiction to
8 food that they know they shouldn't be eating?

9 DR. CALLAHAN: That's right, yes.

10 MR. TRUDEAU: And they can eat normally, be
11 happy --

12 DR. CALLAHAN: Exactly.

13 MR. TRUDEAU: -- and have no deprivation.

14 DR. CALLAHAN: Right.

15 MR. TRUDEAU: Which is a key. When people try to go on
16 diets, I know, they always feel like they are being deprived of
17 something that they really want.

18 DR. CALLAHAN: Oh, yeah.

19 MR. TRUDEAU: But you're saying --

20 DR. CALLAHAN: And they can't wait to get off the diet.

21 MR. TRUDEAU: You're saying you eliminate the want.

22 DR. CALLAHAN: We eliminate that excessive addictive
23 urge, yes. That's right.

24 MR. TRUDEAU: And if you are overweight -- I think
25 every person who has had this type of addiction to food feels

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1 that -- they know that they've been overweight. Let's talk about
2 sports. You mentioned an Olympic swimmer.

3 DR. CALLAHAN: Uh-huh.

4 MR. TRUDEAU: What type of result --

5 DR. CALLAHAN: Oh, yeah. We had -- an Olympic swimmer
6 was sent to me by a psychologist who he was working with because
7 he knew I had developed a phenomenon. It's a very interesting
8 thing I call "psychological reversal." It's sort of a
9 self-sabotaging thing that can happen to any of us.

10 MR. TRUDEAU: I think a lot of us can relate to that.

11 DR. CALLAHAN: That's right. And he's an excellent
12 athlete. He's just superb, and he was on the -- one of the major
13 teams. And -- but he had trouble just getting over the edge:
14 every time that he was observed and so forth, he couldn't perform
15 up to his maximum ability. We fixed his reversal. Boom, he
16 suddenly did well and played in the Olympics.

17 MR. TRUDEAU: So this can reduce stress if people are
18 in real-life situations, maybe businessmen are going into
19 meetings and their stress is going up?

20 DR. CALLAHAN: We help a lot of golfers. You know, in
21 the Palm Springs area there's more golf courses per capita than
22 anywhere in the world, so we get a lot of golfers who are
23 interested, and they have the yips. You know, they do well when
24 nobody is looking, but putting, you know, the short game really
25 suffers from anxiety, and it's a phobia. I treated, I treated a

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1 hall-of-fame athlete and two golf champions who had some of that
2 problem, and as soon as we treated them, wham, they took off.

3 MR. TRUDEAU: Yeah. We call it "choking under
4 pressure." Right?

5 DR. CALLAHAN: That's right. Yeah. I just was talking
6 to a person I know who owns archery -- manufactures archery
7 equipment, and he was telling me that it's a big problem there,
8 too, that a lot of people drop out because they get the yips when
9 they are shooting at a target. They get nervous, apprehensive,
10 phobic.

11 MR. TRUDEAU: Sure. Dr. Callahan, time is running out
12 and I really appreciate you being my guest. It's a fascinating
13 subject. Hopefully, we'll have time to have you on again to talk
14 more about it.

15 DR. CALLAHAN: Good.

16 MR. TRUDEAU: If you are overweight, if you've been
17 trying to quit smoking and you can't, please call the 800 number.
18 This is something that I personally can endorse and recommend.
19 I've used it myself. I've seen my friends use it. We both have.
20 And the results have been nothing but spectacular. Call the 800
21 number.

22 Thanks again for being with me and watching. I'm Kevin
23 Trudeau, and this has been another edition of "A Closer Look."

24 ANNOUNCER: The preceding has been a paid commercial
25 program brought to you by Mega Systems.

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TITLE: DR. CALLAHAN ADDICTION BREAKING
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P R O C E E D I N G S

1
2 The following is a paid, commercial program brought to you
3 by Mega Systems.

4 Thanks for joining me. I'm Kevin Trudeau, and this is a
5 very special edition of A Closer Look.

6 If you are one of the 65 million Americans who are
7 overweight, please stay tuned. We're going to be sharing the
8 most revolutionary breakthrough that can allow you to lose all
9 the weight you want.

10 If you have any addiction, if you're addicted to food, if
11 you're addicted to cigarettes and want to quit smoking, please
12 stay with me. If you have any stress and anxiety in your body,
13 please stay tuned for this show.

14 We're going to be sharing Dr. Callahan's revolutionary
15 breakthrough that he had discovered while studying quantum
16 physics. Dr. Callahan came up with a breakthrough that in 60
17 seconds can eliminate your addictive urge to overeat, to smoke
18 cigarettes, to do any compulsion, any type of addicted behavior,
19 whether it be alcohol, drugs, cigarettes, food, maybe picking
20 your thumb, any type of compulsive behavior, and eliminate all
21 the stress and anxiety in your body.

22 Now this technique will take 60 seconds to apply and works
23 in virtually 100 percent of the time.

24 Let me explain who Dr. Callahan is. Many of you know me,
25 I'm Kevin Trudeau, founder of the American Memory Institute and

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1 the host of A Closer Look. I bring and find some of the most
2 important people and breakthroughs that are out there in the self
3 improvement area. Things that can have a positive change in your
4 life.

5 I found Dr. Roger Callahan, who is a clinical psychologist
6 and one of the world's foremost authorities on addictions,
7 compulsives, compulsive behavior, phobias, and stress and
8 anxiety. He's written several books including "Why Do I Eat When
9 I'm Not Hungry," "Love, Pain, Stress and Anxiety: The Anxiety-
10 Addiction Connection."

11 And what he found as a practicing clinical psychologist for
12 35 years, while studying quantum physics, is that the root cause
13 of all addictions is the same thing. Whether you're addicted to
14 food -- now let me ask you a question.

15 If you are overweight, if you right now watching have an
16 overweight, fat problem, isn't it true that it's because you eat
17 when you're not hungry? Isn't it because that you have an
18 overwhelming compulsion to eat food when you don't want to.

19 Maybe you're addicted to pizza. Maybe you're addicted to
20 Hagen Daas ice cream. Maybe your's is potato chips. Maybe
21 you're addicted to -- maybe you just eat large, massive
22 quantities of food. Maybe you eat late at night. Whatever your
23 addiction is, maybe it's chocolate. You have this overwhelming,
24 uncontrollable desire to eat food when you're not hungry.

25 That's the reason you're overweight. That's the number one

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1 cause of people being overweight.

2 You've tried diets, you've listened to hypnotic tapes,
3 you've listened to subliminal tapes, you've tried exercise
4 programs, but nothing works. Why? Because you can't stick with
5 the program. Heck, if you go on a diet for three weeks and stick
6 to it, you'll lost weight.

7 The problem is, you can't stick to it. Why? Because you're
8 struggling the entire time. You have an uncontrollable urge to
9 eat when you're not hungry.

10 I've known people that, maybe you're watching a show right
11 now, who are saying as you're eating your pint of Hagen Daas ice
12 cream, yeah, that's exactly me. Maybe you eat pizza, piece after
13 piece after piece, and just stuff your face.

14 Do you ever just go to a buffet and just fill your plate,
15 and fill it again, and fill it again, and ask yourself as you're
16 stuffing your mouth and say, I'm full. I don't feel good. Why
17 am I doing this?

18 I want you to know, it's not your fault. Up until now,
19 folks, not one program has ever gotten to what we believe to be
20 the root cause of all addictions, whether it be cigarettes,
21 whether it be food, whether it be alcohol, whether it be any type
22 of addiction or compulsive behavior.

23 The root cause, Dr. Callahan discovered, is a stress and
24 anxiety energy field that flows through the body. You see, when
25 -- right before we have to smoke that cigarette or eat that food

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1 or eat that chocolate or eat that -- those cookies or cakes or
2 ice cream or pizza, whatever it is, right before we do that,
3 there is a field of energy, Dr. Callahan calls it prutravations
4 in the thought field. That's the big word.

5 There's a field running through the meridians in your body,
6 it's energy. It's stress and anxiety. As that energy field
7 begins to flow up, we attempt to mask it. We mask it by smoking
8 a cigarette, by eating some chocolate, by eating cookie after
9 cookie after cookie, by eating the ice cream, by having another
10 helping of food when we're full. That's how we mask the stress
11 and anxiety.

12 Nothing has gotten to the root cause. Well, Dr. Callahan,
13 in research in quantum physics, figured out a way that in 60
14 seconds you can do a simple technique to yourself that will knock
15 out and eliminate the stress and anxiety pattern. The stress
16 actually dissipates out of the cells. When that happens, you
17 begin to breathe different, you begin to feel different, you feel
18 lighter. All the stress just left your body, you feel totally
19 relaxed. And the urge to overeat or the urge to smoke is gone.
20 It's eliminated. It's 100 percent gone.

21 Right on CNN, Dr. Callahan took one of the anchor gals, he
22 was talking about phobias and how he gets rid of and cures
23 phobias in 60 seconds, and he was talking about addictions. This
24 gal was addicted to chocolate. She was a chocoholic. This is
25 the anchor woman right on CNN.

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1 She said, "Dr. Callahan, I'm addicted to chocolate. I have
2 this chocolate compulsion. I eat it all the time. I have to eat
3 it. It's an uncontrollable urge. I don't have any control over
4 it."

5 Many of you right now, if you smoke cigarettes, if you eat,
6 you know, it's an uncontrollable urge. It has nothing to do with
7 will power. You're a good person. It has nothing to do with --
8 people say oh, you just don't have enough will power. No, it's
9 uncontrollable. You can't control this. It's not your fault.
10 It's this field of energy running through the body.

11 Well this uncontrollable urge, she said, "I have an
12 uncontrollable urge to eat chocolate." He said, "Well, on a
13 scale of one to ten, where's your urge right now?" She said,
14 "Well, it's about a five or a six." He said, "Do you have any
15 chocolate on you?" She said, "Well of course I have chocolate on
16 me. I eat it all the time." He said, "Can you take it out of
17 your purse." "Oh no, I can't do that. Because then I'll have to
18 eat it, and I won't have any control over it. Doctor, I'll just
19 have to eat it."

20 He said, "Take it out anyway. She takes it out and he says,
21 "Open up the package and smell it. I want you to imagine how
22 wonderful and how delicious this chocolate's going to taste. I
23 mean, it's chocolate. It tastes great."

24 So she begins to smell it. "Oh Doctor, I have to eat this
25 now." He said, "On a scale of one to ten, where is your urge?"

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1 She said, "It's over a ten. I have to have it." He said, "Fine."

2 He walked her through a 60 second procedure, a simple
3 technique right there. Right at CNN studios. This is the anchor
4 woman. And he said, "Where's your urge now?"

5 She looked at that chocolate and she said, "I don't want
6 it." He said, "No, don't tell me that." He said, "Pick up that
7 chocolate. You love chocolate. Chocolate tastes great. You
8 couldn't -- you had to eat it a minute ago. Smell it. Imagine
9 how wonderful it's going to taste if you eat it."

10 She smelled it and here's exactly what she did. "Ugh, I'm
11 repulsed by it, Doctor. I don't want it. I do not want it."

12 What happened? The stress and anxiety energy field that was
13 running through the body, he broke it up with that simple
14 technique. And when he broke it up, she began to breathe
15 different, all the stress left her body, she felt great. She was
16 like, wow. Her facial muscles relaxed. She looked beautiful and
17 radiant and she had no desire to eat that chocolate. The
18 uncontrollable urge was gone.

19 Now let me ask you a question. If you're fat, if you're
20 overweight, and most people out there are. I read a report in
21 some magazine that said over 65 percent of all Americans are
22 either on a diet, just got off a diet, about to start a diet.
23 That's a lot of people that have a weight problem.

24 I'm sure hundreds of millions of dollars are spent every
25 year on pills and powders and shakes and diet packaged food and

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1 diet programs and tapes and hypnosis tapes and all these
2 ridiculous things. They don't work.

3 Why? Because nothing gets to the root cause of the
4 addiction. The food addiction. Nothing.

5 Dr. Callahan, while studying quantum physics, figured out
6 that he has this technique that in 60 seconds you can break up
7 the stress and anxiety in your body and eliminate totally the
8 addictive urge.

9 Now what will that mean to you? That means you can lose
10 weight easily, effortlessly, because you don't have any urge to
11 overeat when you're not hungry. The urge is gone.

12 I was on Value Vision, one of the home shopping clubs, a
13 wonderful organization. We were on here selling the videotape,
14 Dr. Callahan's videotape, that people can learn the techniques.
15 It takes 15 minutes to learn the technique and only a minute to
16 apply.

17 We broke all the records. People were buying this thing
18 like crazy. We just broke record after record after record.
19 They got more response on this than anything else, they had told
20 me.

21 While I was on another time, a gal called up on the phone.
22 She said, "Kevin, I saw you about a month ago and I bought your
23 program." This is right on tape. We have this on film. Right
24 on national TV.

25 She said, "I want you to know. I got it a month ago and

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1 here's what happened. I was addicted because of food. I would
2 overeat when I wasn't hungry. So late at night when I wanted to
3 eat food, I used the technique. It took only 60 seconds. I just
4 used it one time. I relaxed, I felt fantastic. I slept better
5 than I have in years because all the stress was gone."

6 She goes, "I was just feeling great and the urge was gone.
7 I didn't eat the food. I didn't want it." She goes, "Since
8 then, I've lost over 10 pounds, but I'm not trying to lose
9 weight."

10 She said, "I eat ice cream, I eat cookies, I eat cake, I eat
11 everything I want. But I'm just losing weight." And I said,
12 "Well are you trying to lose weight." And she says, "No." I go,
13 "Do you need to lose weight." She goes, "Well, of course I need
14 to lose weight."

15 What's happening is she broke up the cause. She got to the
16 root cause of the addiction, the overeating compulsion and
17 addiction and now she doesn't have to eat it. She feels
18 wonderful. There's no struggle.

19 Imagine going into a buffet and looking at all this
20 luscious, wonderful food and say, this looks wonderful. But you
21 still don't have to eat it if you don't want to. That's what
22 we're talking about.

23 Folks, if you're watching right now, I want you to know you
24 can purchase what we have available. It's Dr. Callahan's, "The
25 Callahan Technique." It's a videotape. That's all it is.

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1 Up until this point, Dr. Callahan's Technique was only
2 available one-on-one with Dr. Callahan. The fee was \$3,000.
3 Three thousand. I paid that. I'm going to tell you that story.

4 Now you can get the video. In just 15 minutes you can learn
5 the simple, one minute procedure that you can apply to yourself
6 that eliminates all the stress and anxiety in your body,
7 eliminates any addictive urge, whether it be for smoking, whether
8 it be for weight loss, whether it be any type of compulsion or
9 addition, and eliminate it.

10 The video we sell right now, this is a limited time offer.
11 I'm not sure how long we're going to make this available. We
12 were selling it for \$90.00 on our Infomercial. We are making it
13 available now at a special price of \$29.95. Twenty-nine ninety-
14 five for the video.

15 Now we are so convinced, and I'm so passionate about this
16 because I've seen it happen with friends of mine, I've gotten
17 letters, I've seen the phone calls, I hear the people telling me
18 the results and the response, that we're offering a one-year,
19 unconditional money back guarantee.

20 Folks, you're not going to have to wait a year. When you
21 get this videotape, when you get this videotape for twenty-nine
22 bucks and you take it home and you watch it, it just takes 15
23 minutes to watch, and you apply the technique just one time,
24 you'll know whether it works. And it does work.

25 So pick up the phone and call now. If the phone is busy,

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1 continue to call back. Write the number down. We don't know how
2 long we're going to make this available at this price, but it's
3 something that could change your life.

4 We have a caller on the line. Thanks for calling. I'm
5 Kevin Trudeau.

6 FEMALE CALLER: Hi, Kevin. I'm trying to quit smoking and
7 I'm having a terrible time. I've tried everything.

8 MR. Trudeau: Have you tried the patch and --

9 FEMALE CALLER: Yes.

10 MR. Trudeau: Different things like that?

11 FEMALE CALLER: Yes. I've had hypnosis. I've tried
12 everything.

13 MR. Trudeau: Subliminal tapes and -- You know, smoking is
14 something that's so common out there because people try all types
15 of things, and people always say the same thing. I've tried
16 everything. I'm trying to quit but I can't quit.

17 I've tried the patch. I've tried the subliminal tapes.
18 I've tried the -- this system that slows, you know slows the
19 process down. I've tried will power. Nothing gets to the root
20 cause of smoking.

21 And by the way, if you ever quit smoking, if anyone out
22 there watching has tried to quit and did quit using will power,
23 you may have gained a lot of weight. Why? Because you didn't
24 get to the root cause of the smoking. The root cause is the
25 stress and anxiety energy field that's flowing through the body.

Complaint

125 F.T.C.

EXHIBIT H

11

1 That's the cause.

2 Nothing, up until this point, The Callahan Technique is the
3 only thing that gets to the root cause. It breaks up the energy
4 field, the stress and anxiety, at the cellular energy field
5 level. It's the deepest root level that it gets rid of. I'll
6 tell you a story about this.

7 When I first met Dr. Callahan, the way I came about meeting
8 him, was I was flying on an airplane. I was reading one of the
9 airline magazines, and it had this full-page ad. It said the
10 five minute phobia cure. I said, "The five minute phobia cure?
11 That sounds pretty interesting for, you know, for people that are
12 afraid of snakes, or maybe going over bridges or tunnels. It
13 cures phobias."

14 So I called them up and I sent for some of the material. He
15 sent it to me, and he charged \$3,000 to get rid of a phobia with
16 personal treatment. So I talked to him on the phone and said,
17 "You know, Dr. Callahan, I have an Infomercial. I bring products
18 to market where I share these things which I think are pretty
19 revolutionary and helpful to market. Is this really work?"

20 He said, "Of course, it has. You know, I've been on Oprah.
21 I've been on Donohue. I've been on all the major talk shows.
22 I've been on hundreds of radio shows and things." He's a very
23 credible guy. A 35-year, clinical psychologist, one of the
24 foremost authorities on addictions and compulsions and stress and
25 anxiety and phobias. Very, very well know.

EXHIBIT H

12

1 So I said, "Well, does it work for addictions?" He said,
2 "Yeah." I said, "How about smoking?" He says, "Oh, yeah." At
3 the time, I'm smoking a cigar. I was smoking six to eight cigars
4 a day. Six to eight a day. And when I say I was smoking them,
5 it was an uncontrollable urge to smoke. I didn't have any
6 control over it.

7 Many of you right now watching, if you smoke cigarettes you
8 know what I'm talking about. You can't control it. You've tried
9 to quit and you can't. It's an uncontrollable urge.

10 So I said, "Hey, can you get rid of this smoking addiction.
11 I've tried everything. I've spent tens of thousands of dollars
12 myself, going to the top people in the country. Hypnotists,
13 neurolinguistic programming people, the patch, the subliminal
14 tapes. Nothing works.

15 He said, "Because nothing gets at the root level cause." He
16 says, "What I want you to do is call me the next time you want to
17 smoke the cigar. We'll knock it out in 60 seconds." That's a
18 pretty tall order.

19 So I called him back. Now here's what happened, by the way.
20 When I called him the next day, I wanted to smoke a cigar. I
21 didn't take any cigars with me to the office. I told my friend
22 Jules, "Hey Jules, on the way home, make sure I call Callahan
23 because I dying for a cigar. I know I will by the end of the
24 day."

25 End of the day, I'm climbing the walls. I mean, I have to

Complaint

125 F.T.C.

EXHIBIT H

13

1 have the cigar. I told my friend Jules, "When I get home, I'm
2 going to smoke this cigar." He said, "No, you're not. You're
3 going to call Callahan." I almost got into a fight with him. I
4 says, "I'm not calling Callahan. I want to smoke this cigar."
5 Jules said, "Listen, just call him first and then smoke the
6 cigar."

7 I got in my house and if he wasn't there to pick up the
8 phone and dial it for me, I don't know what I would have done.
9 Got him on the phone and Callahan says, "On a scale of one to
10 ten, where's your urge to smoke the cigar?" I said, "A hundred.
11 I mean, I'm going to smoke this and no one's going to take it
12 away from me." That's how addicted I was.

13 Many of you right now, if Hagen Daas ice cream is your
14 thing, if it's pizza, if you're fat because it's some type of
15 potato chips or things, or if it's cigarettes, you know what I'm
16 talking about. It's an uncontrollable urge.

17 So he walked me through the technique on the phone. It took
18 less than a minute. I'm holding the cigar in my hand and he
19 says, "On a scale of one to ten, where's your urge now?" And I
20 looked at that cigar and I thought, "It's gone." He says, "No,
21 imagine how wonderful it will taste to smoke it." I said,
22 "Doctor, I don't want this. I'm not going to smoke this."

23 I just feel totally relaxed. I can't believe how relaxed I
24 feel. How -- man, I feel better than I have in years. He said,
25 "That's great." I said, "But I'm convinced that the urge is

EXHIBIT H

14

1 going to come back, if not tonight, tomorrow." He said, "If the
2 urge comes back, you call me."

3 Six months passed, folks. Six months, before I ever had
4 another urge. That one single treatment lasted six months. And
5 I used to keep this box of cigars. I had 150 cigars in my
6 humidor in my house. And I'd look at them when I'd go home and
7 go, I don't have any urge to smoke.

8 The great thing about it is this, when you knock out your
9 urge -- by the way, thank you very much for calling. So if you
10 do smoke, you need to call right now and order this program.
11 It's only \$29.95 for the videotape and this will knock out --
12 this will give you a technique.

13 It only takes 15 minutes to learn. When you learn this
14 technique, you can apply it anytime, anyplace, anywhere. It's
15 simple, it's easy, and in one minute you can knock out any
16 addictive urge you have while at the same time totally reducing
17 the stress at the cellular level in the body.

18 You're going to feel so wonderful when you reduce the stress
19 in the body and the urge is gone. But not only for cigars, not
20 only for cigarettes. I'll tell you a story.

21 My friend Jack Freeman from Charlotte, North Carolina, he
22 came into Chicago and visited me. I hadn't seen this guy in ten
23 years. I went to high school with him. Came off the plane, we
24 were going to the West Coast.

25 The first thing he said was, "Hi Kevin nice to see you."

Complaint

125 F.T.C.

EXHIBIT H

15

1 I hadn't seen him in ten years. And he said, "I need to have a
2 cigarette." Now here's a guy who's about 40 pounds overweight,
3 smokes three packs a day for about 20 years. And he said, "I
4 need to have a cigarette."

5 I said, "Well, you can't. We're running late for our plane.
6 This is a non-smoking terminal. We have to get on it. We only
7 have six minutes to get there. But don't worry, Jack. When we
8 get on the plane, I'll give you a technique that will knock out
9 the urge."

10 He grabbed me with both hands and goes, "No, I have to smoke
11 this cigarette." I said, "Just trust me, Jack." We ran down,
12 got on the plane and sat down. He goes, "Kevin, you have to do
13 this to me. I've got to smoke a cigarette. I'm going crazy."

14 If any of you right now smoke cigarettes, you know what I'm
15 talking about. You don't -- you go without a cigarette for a
16 short period of time, you're climbing the walls.

17 So I walked him through this 60 second technique. The first
18 thing I said was, "Jack, on a scale of one to ten, where is your
19 urge?" He said, "A twenty." So I walked him through the
20 technique. In 60 seconds he looked at me and I said, "Jack,
21 where is your urge now?" He said, "I don't want it."

22 I said, "No, Jack. Take out a cigarette. Smell it.
23 Imagine how luscious and wonderful it's going to taste. You love
24 smoking." He looked at the cigarette and goes, "I don't want
25 it." I said, "Fine."

EXHIBIT H

16

1 Now, here's the kicker. The food came, and we were talking
2 and eating. He was eating really slow. He said, "I feel so
3 relaxed. Man, that thing you did to me, I just feel so great."

4 It's easy. It takes less than 60 seconds to apply.

5 The flight attendant came over. He hadn't finished his
6 food. She came back again. He'd finally not really finished it,
7 but he was done. He was the last person to finish his food, and
8 he didn't even eat it all. He grabbed me and he says, "Kevin,
9 that was the slowest I've ever eaten my food. The slowest." I
10 said, "Of course, isn't the best cigarette the one after a meal?"
11 He said, "Yeah."

12 And isn't that true. I said, "Jack, you don't need to smoke
13 a cigarette so now you can enjoy your food. But notice
14 something, you didn't clean your plate, did you?" He said, "No."
15 I said, "You were using food as a method also to reduce and hide
16 that stress and anxiety field. You use cigarettes and food."

17 Since that time, he just called me up this week and he told
18 me he's lost over 15 pounds. He's approaching 20 pounds weight
19 loss. He feels great. There's no effort on his part. He just
20 doesn't have any desire to eat when he's not hungry.

21 The best thing about this technique if you're overweight,
22 you can eat everything you want. You can eat pizza, you can eat
23 ice cream, you can eat anything and everything you want. You're
24 just not going to want it. The urge is going to be gone. The
25 uncontrollable urge is gone.

Complaint

125 F.T.C.

EXHIBIT H

17

1 The reason you're overweight is you eat when you're not
2 hungry. You know it. It's an eating disorder and you can knock
3 it out.

4 We have another caller on the line. Thanks for calling.
5 I'm Kevin Trudeau.

6 MALE CALLER: Hi, Kevin. I just have a question about -- I
7 do some work at a drug and alcohol treatment center. Would this
8 be helpful for alcoholics when they have that compulsion to
9 drink?

10 MR. Trudeau: That's an excellent question. When I was on
11 Value Vision, the home shopping club, a gal called up and said
12 she does work in an alcohol and drug treatment center with
13 alcoholics, heroin addicts, cocaine addicts. That's how Dr.
14 Callahan actually started this work. He worked with some of
15 these major additions.

16 Here's the interesting thing. Whether your addiction is
17 cocaine, heroin, alcohol or pizza or chocolate or cigarettes,
18 it's all caused by the exact same thing. The stress and anxiety
19 energy field.

20 She told me that she's getting this program and for the
21 first time in her life she can actually help people, because in
22 60 seconds she knocks out the urge, the uncontrollable urge.

23 A lot of people ask me, how long does that last? When you -
24 - if you have an urge to smoke a cigarette or take a drink -- let
25 me just finish the story, by the way.

EXHIBIT H

18

1 Another gal called up on the same day on Value Vision and
2 said this. She brought the program 30 days ago. She had lost
3 weight -- and after she used it once, she lost weight. But her
4 husband was an alcoholic. He used the program. He hadn't had a
5 drink in 30 days. Why? Because it knocked out the addictive
6 urge.

7 Dr. Callahan was in a grocery store in California where he
8 lives. A guy ran up to him and said, "Dr. Callahan?" He said,
9 "Yes." He said, "I saw you on TV three years ago when you were
10 talking about this technique, and I got your book where it
11 describes it."

12 He said, "I was an alcoholic my whole life, over 28 years.
13 I used your technique and I haven't had a drink. Doctor, in three
14 years, and I feel so wonderful."

15 So in answer to your question, yes, any type of addiction or
16 compulsion.

17 I took a fellow who had -- who picked his thumb all the
18 time. That was a compulsion. Another person washed his hands 28
19 times a day. When you have the uncontrollable urge to do
20 anything which is primarily destructive, the technique knocks it
21 out.

22 I had a gal call up and she said she was addicted to
23 vacuuming, which I didn't see that big of a problem with that,
24 but she did. So we knocked that out and she doesn't have to
25 vacuum now. It's a uncontrollable urge.

Complaint

125 F.T.C.

EXHIBIT H

19

1 So you can absolutely knock it out, and if you get this
2 program, you need to call me back or write me and let me know the
3 results in your clinical practice. We're seeing this all around
4 the country.

5 Thank you very much for calling.

6 You know, there's another story I want to talk about with
7 cigarettes. When I was at -- I was at this company up in
8 Minneapolis. One of the things I was doing is I was describing
9 this technique. Somebody grabbed me and said, well, this seems
10 really too good to be true. I said, "No, it is true."

11 If you're watching right now, I want you to think about it.
12 Up until this point three thousand dollars is what you would be
13 charged to work with Dr. Callahan. Three thousand dollars, and
14 it worked. And it's worth every penny.

15 I mean, how much would you pay? If someone said to you, I
16 guarantee you that you can eat anything you ever wanted and lose
17 all the weight you want easily and effortlessly, how much would
18 you pay? Is three thousand a good price? Guaranteed or your
19 money back.

20 If someone said, I guarantee you, you can quit smoking
21 without any problem whatsoever. Three thousand. Would it be --
22 it's guaranteed. Guaranteed, for a year, where you get your
23 money back if it didn't work. That'd be a good price. You don't
24 have to pay three thousand.

25 This product that we're bringing now, we were selling it up

EXHIBIT H

20

1 to \$90.00. Eighty-nine ninety-five is what we're selling it for.
2 It's available now, limited time, \$29.95. That's it, with a one-
3 year, money back guarantee.

4 Folks, you'll know. It takes 15 minutes to learn the
5 technique, one minute to apply it. You can eliminate any
6 addictive urge and you'll know from the day you get it whether it
7 works or not.

8 And it works. In my view, it works 100 percent of the cases
9 that people apply it.

10 Smokers. While I was at this company, and we were talking
11 about this, and they said, well, I'm not too sure. Three people
12 were walking out the door, all with cigarette and lighter in
13 hand. And I said, "Well, let's try this."

14 So I asked them all, "On a scale of one to ten, where's your
15 urge?" They said, "About five or six." I said, "Smell that
16 cigarette. You know, get the urge up." "Oh man, it's a nine or
17 a ten." We used the technique. In 60 seconds, knocked out the
18 addictive urge.

19 They all looked at me and said, "I don't have the urge. I
20 don't want the cigarette." One person actually grew about two
21 inches because all the stress left her body. She said she felt
22 wonderful. Another person said her back pain went away. Another
23 guy said his arm pain went away.

24 Many sicknesses and illnesses are caused by stress, as we
25 know. I mean, this is written up in AMA literature. And when we

Complaint

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EXHIBIT H

21

1 release stress from the body, the body maybe it works better, but
2 you feel better for certain. You see and feel the reduction in
3 the stress in your body.

4 We have another caller. You're on the line. I'm Kevin
5 Trudeau.

6 MALE CALLER: Yeah, hi Kevin. Listen, I have this
7 uncontrollable urge to eat snacks and probably the worse thing
8 that I feel is with popcorn --

9 MR. Trudeau: Right.

10 MALE CALLER: Specifically. And I don't go out to the
11 movies anymore.

12 MR. Trudeau: (Laughter)

13 MALE CALLER: It's like -- it's my lifestyle.

14 MR. Trudeau: Yeah, I've heard people that call me up and
15 say they eat potato chips, potato chips is one. Popcorn was
16 another one. Chocolate is a common one. I had one gal call up
17 and said honey roasted peanuts was another one.

18 The uncontrollable urge to do anything that's destructive is
19 what we're talking about.

20 I had a gal grab me up when I was in Utah, Green Valley
21 Health Spa. Beautiful Spa. She was about maybe 60 to 80 pounds
22 overweight. She may say a hundred, but she was overweight.

23 She said, "My problem is Hagen Daas ice cream and Milano
24 Petritram cookies." Hagen Daas -- macadamian nut brittle was her
25 favorite.

EXHIBIT H

22

1 So I went and bought some, and I brought it back and put it
2 right in front of her and said, "Do you want this?" And she had
3 just eaten lunch. And she looked at that bowl of ice cream, she
4 grabbed the table, her whole face had changed, "Yeah." I mean,
5 she was a panic. It was a panic attack.

6 And I walked her through the treatment. I said, "Do you
7 want it now?" She says, "No. I don't want it. I'm in control
8 of my life for the first time." I brought out the Peppermint
9 cookies. I said, "Do you want there?" She says, "No. I don't
10 want it."

11 So if you have a popcorn addiction, chocolate, cigarettes,
12 any addiction, in 60 seconds it'll knock out the addictive urge.
13 Totally, just knock it out. And all the stress leaves your body.

14 It also eliminates stress and anxiety. I was in California.
15 There was a seminar going on, and this guy was this big inventor
16 of the stress and anxiety program. It had like ten tapes or
17 something. It was a big tape program. He said it teaches
18 people how to manage their stress. I want you to market it.

19 I said, "I don't believe in managing something you can
20 eliminate." He looked at me and I said, "I believe you can
21 eliminate stress." I said, "I don't think you should manage it."
22 I said, "By the way, how'd you get involved in this?" He said,
23 "Well, I've had stress and anxiety attacks my whole life." I
24 looked at him and said, "Are you under stress right now?" He
25 said, "Well, yeah." "On a scale of one to ten, where's your

Complaint

125 F.T.C.

EXHIBIT H

23 • 6

1 stress level?" He said, "About a seven."

2 I walked him through this technique, took less than a
3 minute. I said, "Where's your stress level now?" He looked
4 around, he was like, as if he was trying to find it, he said,
5 "It's gone." I said, "Do you have to manage it now? It's gone."

6 Folks, I want you to know something. If you want to lose
7 weight, if you want to quit smoking, if you want to eliminate
8 stress and anxiety in your body, you need to pick up the phone
9 and call.

10 This program, The Callahan Technique, the addiction breaking
11 system, will take -- it's a videotape. In 15 minutes, you'll
12 learn the simple-to-apply technique. You just watch the
13 videotape once. You'll learn the technique. You can apply it to
14 yourself in 60 seconds, anytime, anyplace, anywhere and you'll
15 eliminate any addictive urge. Any addictive urge, whether it be
16 for food, you can lose all the weight you want, effortlessly,
17 because now it's not a struggle.

18 You can quit smoking, effortlessly, because now it's not a
19 struggle. You can reduce stress and anxiety in your body.

20 Again, Dr. Callahan has been featured on most of the major
21 talk shows, including Donohue, CNN. The results we've seen are
22 powerful and they work.

3 I want you to think right now, if this works, what is it
4 worth to you and the people that you know and you love. I want
5 you to call now and order this. It has a one-year.

EXHIBIT H

24

1 unconditional, money-back guarantee. Nothing ever -- we've never
2 been so confident in anything to offer this type of guarantee.

3 You'll know whether it works in the first minute after you
4 get the program. And it does work.

5 Pick up the phone and call. If the line is busy, write the
6 phone number down quick and keep calling back if you can't get
7 through. Everytime I've ever been on television with this
8 program, we have blown out all the phone lines and we have sold
9 this thing like crazy.

10 It was selling for \$90.00. Dr. Callahan charges \$3,000.
11 For a limited time, it's \$29.95. You can lose all the weight you
12 want.

13 For the first time in history, it gets to the root cause of
14 addictions, which is the stress. People who use this program go
15 to work and people say, wow, you look so relaxed. One gal said
16 that she was told that she looked ten years younger. She wanted
17 to know if they got plastic surgery because while using the
18 technique, all the facial muscles just relaxed.

19 I wish I had more time to talk. Pick up the phone and call
20 now.

21 This has been Kevin Trudeau on this very special edition of
22 A Closer Look. Join me next time for another edition of A Closer
23 Look.

24 The preceding has been a paid, commercial program brought to
25 you by Mega System.

25

1 END OF TAPE
2

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EXHIBIT I

DR. CALLAHAN'S ADDICTION BREAKING SYSTEM

Dr. Callahan's Addiction Breaking Hotline, this is (your name) and can I have your name please?

Thanks for calling (customer's name)... what do you hope to gain by ordering Dr. Callahan's addiction breaking video?

Great (customer's name)... by placing your order today you're taking the most important step to eliminate your addiction (s) for the rest of your life.

TAKE THE ORDER NOW...**Customer Question:**

"Can you tell me a little bit more about it?"

Answer:

"I'll be glad to"

Dr. Callahan's addiction breaking system is a video taped program that will instantly teach you how to break any addictive urge you want to eliminate by using a simple and easy to use 15 minute technique. This breakthrough technique is not available anywhere else in the country and is only being offered through this special television promotion. Dr. Callahan's clients have paid up to \$600 to learn the very same techniques that you will learn in your video program for only \$29.95 plus shipping & handling. (\$7.95)

SECURE THE ORDER NOW!!!

By the way (customer's name), you can also include with your order today one of Dr. Callahan's most highly sought after programs...the 5 minute phobia cure, which can totally eliminate any fear that you may have. This program is normally offered for \$89.95, but Dr. Callahan will allow you to include it in your order today for only \$15.95. And you can get the benefit of eliminating your fears for the rest of your life.

BENEFITS TO YOUR CUSTOMER:

QUIT SMOKING

BREAK ADDICTIVE URGES

LOSE WEIGHT

GAIN CONTROL OF YOUR LIFE AGAIN

973

Complaint

EXHIBIT J

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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
TRUDEAU COMPLAINT EXHIBIT D
ELLER COMPLAINT EXHIBIT A

Complaint

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EXHIBIT J

P R O C E E D I N G S

1
2 ANNOUNCER: The following is a paid commercial program
3 brought to you by Mega Systems.

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

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

15 Jeanie, thanks for being my guest today.

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

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

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

22 MR. TRUDEAU: That's right.

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

EXHIBIT J

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 J

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 J

4

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 it --

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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.

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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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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

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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.

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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.

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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.

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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

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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

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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

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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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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.

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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

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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

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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

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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

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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

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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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25

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 J

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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

EXHIBIT J

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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

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Complaint

EXHIBIT J

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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

EXHIBIT J

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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 --

EXHIBIT J

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

EXHIBIT J

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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.

EXHIBIT J

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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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EXHIBIT J

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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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EXHIBIT J

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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 K

**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 E
ELLER COMPLAINT EXHIBIT B

EXHIBIT K

**ACTION READING
SUMMARY**
continuedFor 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.

Complaint

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EXHIBIT K

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 K

**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.

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EXHIBIT K

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 K

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

EXHIBIT K

**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.?

Complaint

EXHIBIT K

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.

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EXHIBIT K

- 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. I can 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 K

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 K

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.

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Complaint

EXHIBIT L

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FEDERAL TRADE COMMISSION

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FTC MATTER NO.: 942-3278

12

13

TITLE:

HOWARD BERG'S MEGA READING
TELEVISION INFOMERCIAL

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15

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PAGES:

1 THROUGH 31

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TRUDEAU COMPLAINT EXHIBIT L
TRU-VANTAGE COMPLAINT EXHIBIT A
BERG COMPLAINT EXHIBIT A

Complaint

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EXHIBIT L

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1 MR. TRUDEAU: Thanks for watching. I'm Kevin Trudeau,
2 and this is another edition of Vantage Point. How would you like
3 to read 25,000 words a minute? How about reading an entire book
4 just like this in about twenty minutes instead of ten hours?
5 Imagine reading a newspaper or magazine in a fraction of the time
6 it would normally take. Well, my guest today can do just that as
7 well as comprehend and remember everything. Howard Berg is the
8 world's fastest reader. He's in the Guinness Book of World
9 Records. He's the founder of the Berg Reading Institute and
10 author of Mega Reading. He's been featured on virtually
11 thousands of radio and television shows as well as written about
12 in literally hundreds of newspapers and magazines all around the
13 world. Howard, thanks for being my guest today.

14 MR. BERG: Well, it's great to be here, Kevin.

15 MR. TRUDEAU: OK, you take a book like this, and how
16 long would it take you to read it?

17 MR. BERG: Well, top speed, five or six minutes.

18 MR. TRUDEAU: Five or six minutes.

19 MR. BERG: I've been tested. I was on "Regis and
20 Kathie Lee," and they gave me a book about that size.

21 MR. TRUDEAU: This would be a great book to read, by the
22 way, for somebody, obviously Warren Buffet is the world's
23 greatest investor.

24 MR. BERG: Yes, and they had me read a book, and they
25 told me I was going to talk about the book, but they changed the

EXHIBIT L

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1 game when I got there. Instead, they had the author come on as a
2 surprise to test me and see me if I had really learned the book.
3 And I got every question right, by not just reading it, but
4 retaining and comprehending and focusing.

5 MR. TRUDEAU: Now this was on "Regis and Kathie Lee,"
6 and the book was about, how long a book was it?

7 MR. BERG: Between 240 and 300 pages.

8 MR. TRUDEAU: And how long did it take you to read that
9 book?

10 MR. BERG: I read it like four times, so it took twenty
11 minutes. I was memorizing, I wasn't reading, I was memorizing it
12 for a test.

13 MR. TRUDEAU: Wait a minute, let me make sure I got
14 this straight. You took a book, it took you twenty minutes to
15 read it four times, to memorize it. Now, here's the question.
16 Obviously, you're the world's fastest reader. You're in the
17 Guinness Book of World Records. Is this something that everybody
18 can do, or is it just a gift that you have?

19 MR. BERG: Let me tell you, someone else asked me that
20 question. I was in Canada, and Dini Petty who's a national talk
21 show host in Canada said the same thing. She said, "Howard, it
22 sounds too good to be true that anyone could do it." I said,
23 "Dini, how about you pick a few audience members, and you and
24 them come to my workshop in Toronto, and we'll see what happens."
25 So Dini and her audience showed up. One of them was a student.

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EXHIBIT L

7a

3

1 one of them was a professional. Dini forgot her glasses, so
2 someone had to run back and get them. It's good to have your own
3 talk show. And at the end of the workshop, Dini had slightly
4 doubled, and the two other people were close to quadrupling their
5 reading speed.

6 MR. TRUDEAU: That workshop is just a couple hours.

7 MR. BERG: Less than four hours. And they went on
8 national television in Canada. And Dini went on the air and
9 says, "Howard's really onto something. I think everyone in
10 Canada should be using this." And then off the air, she came up
11 to me, and she said, "I have a son, and I wanted to know if the
12 next time you're in Toronto, could my son please come to your
13 workshop, because I think every child should be getting these
14 skills. Because I know how much they helped me."

15 MR. TRUDEAU: So now your course actually releases a
16 person's natural ability to speed read.

17 MR. BERG: And it's easy, it's fun, and it's
18 systematic.

19 MR. TRUDEAU: We're going to test you right now. I
20 have over here, by the way, stacks of books, and we're going to
21 test Howard. The first book I have is by Jerry Spence, How To
22 Argue And Win Every Time, Jerry Spence. I love this guy, by the
23 way, he's fantastic. And I'm going to give you a little portion
24 of this book, Howard, and I want you to read it. We're going to
25 time Howard and see how fast it's going to take him. Then I'm

EXHIBIT L

1 going to quiz him. This is an easy one, we'll start off as an
2 easy one. It's just about the author. A great book, it's about
3 the author. OK, now hold on, here's the page, put your finger in
4 there, don't open it yet. OK, now hold on because I'm going to
5 time you with my stopwatch. OK, ready?

6 MR. BERG: Yes

7 MR. TRUDEAU: Go.

8 MR. BERG: Good

9 MR. TRUDEAU: About --- little over four seconds.

10 MR. BERG: I haven't warmed up yet.

11 MR. TRUDEAU: Four seconds?. OK, now give me the book.

12 MR. BERG: OK

13 MR. TRUDEAU: Now you've read that?

14 MR. BERG: Yes, I have.

15 MR. TRUDEAU: OK. Well, I'm going to test you on a
16 couple questions on this thing.

17 MR. BERG: No problem.

18 MR. TRUDEAU: All right. First thing -- now, by the
19 way, I went through these books that I'm going to be giving
20 Howard and it took me eight hours yesterday. Because I went to
21 the book store, bought a whole bunch of books, and I said I'm
22 just going to buy random books and we're going to test you.
23 Okay.

24 Now, it talks about in here the different people that
25 he was the defense attorney for.

Complaint

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EXHIBIT L

5

1 MR. BERG: Yes, it did.

2 MR. TRUDEAU: Give me a couple of the people.

3 MR. BERG: There were two. There was Randy Weaver

4 MR. TRUDEAU: Right.

5 MR. BERG: And Imelda Marcos.

6 MR. TRUDEAU: Correct. Where does he live?

7 MR. BERG: Jackson Hole, Wyoming.

8 MR. TRUDEAU: Correct. And he has a wife. What's his

9 wife's name?

10 MR. BERG: Emma Jean.

11 MR. TRUDEAU: Correct. Emma Jean.

12 MR. BERG: Yes.

13 MR. TRUDEAU: All right. Hold on, we're going to --

14 MR. BERG: A little slow.

15 MR. TRUDEAU: Well, a little slow. Okay. We're going

16 to make it a little bit tougher now. Here's an other book.

17 Here's another book. Math Magic by Scott Flansburg. Scott is a

18 good friend of mine. We're going to have Scott on the show.

19 He's the human calculator.

20 Now, this book teaches you how to do math calculations

21 in your head. Now, this is going to be a good test, folks. Now

22 -- because imagine this. What -- the techniques -- the

23 technology that Howard has -- Howard has that he teaches people

24 is how to read books and obviously knowledge is power but only if

25 you can remember it and use it.

EXHIBIT L

6

1 MR. BERG: And apply it.

2 MR. TRUDEAU: And apply it. Okay. So, I'm going to
3 give you a chapter. This is the entire chapter seven.

4 MR. BERG: Okay.

5 MR. TRUDEAU: I'm going to time you.

6 MR. BERG: Okay.

7 MR. TRUDEAU: Let's get this cleared out here. And
8 this is on multiplication tricks.

9 MR. BERG: Okay.

10 MR. TRUDEAU: You're going to read this. And then I'm
11 going to test your multiplication skills because this is going to
12 teach you how to do multiplication in your head.

13 MR. BERG: Do I get to use a calculator?

14 MR. TRUDEAU: No calculator.

15 MR. BERG: Okay.

16 MR. TRUDEAU: Okay. All right, hold on. Hold on, I'm
17 going to time you. I'll say go. Ready, set, go.

18 (Whereupon, there was a brief pause while Mr. Berg was
19 reading the book.)

20 MR. BERG: Okay.

21 MR. TRUDEAU: Twenty four seconds. Twenty four and a
22 half seconds.

23 MR. BERG: There was a lot of pages.

24 MR. TRUDEAU: A lot of pages. Now, you're telling me
25 you read that?

EXHIBIT L

7

1 MR. BERG: I learned it.

2 MR. TRUDEAU: You learned it?

3 MR. BERG: Yes, and so could you. That's the whole
4 point.

5 MR. TRUDEAU: All right. Well, let me test you on
6 this. This is on multiplication -- it's on multiplication
7 skills. Okay?

8 MR. BERG: Okay.

9 MR. TRUDEAU: Let me give you a couple of
10 multiplication tables here. Okay. 45 times 45?

11 MR. BERG: That would be 2,025.

12 MR. TRUDEAU: You just did that in your head?

13 MR. BERG: That's right. It teaches you how to do it.
14 That's the whole point.

15 MR. TRUDEAU: You don't have a calculator here by the
16 way? Can we -- Paul, make sure we get that -- I want to make
17 sure someone gives me a thumbs up if that's the right answer.
18 Let me give you another one here.

19 MR. BERG: It's right. Okay.

20 MR. TRUDEAU: 75 times 75?

21 MR. BERG: 5,625.

22 MR. TRUDEAU: I want Paul to make sure -- give me like
23 some -- we got a thumbs up there? He's right.

24 MR. BERG: Of course I'm right.

25 MR. TRUDEAU: And you learned that just now?

EXHIBIT L

8

1 MR. BERG: That's the whole point, Kevin. It's
2 something everyone should be doing. You know, the United States
3 has been rated in 49th position in literacy by the United
4 Nations. I think all our viewers should be concerned. They just
5 had a front page story in USA Today about how our education
6 system is failing to teach the students.

7 MR. TRUDEAU: Uh-huh.

8 MR. BERG: Time Magazine talked about the educational
9 crisis. Even the teachers unions are becoming concerned.
10 Governor Bush has just made the most highest priority in his
11 second term of office is teaching reading skills, because 25
12 percent of the children in Texas don't know how to read. This is
13 what it's about.

14 I teach children not just how to read faster but to
15 comprehend, retain and stay focused. Because face it, how many
16 times have you or the people at home take a test or gone to an
17 important meeting and got tense. You got frightened. You got
18 worried. And all that information that you stored and worked so
19 hard at learning was forgotten.

20 So, Mega Reading is a complete accelerated learning
21 system that doesn't just teach you to read quickly.

22 MR. TRUDEAU: Right.

23 MR. BERG: On a skimming level.

24 MR. TRUDEAU: Right.

25 MR. BERG: But to comprehend, apply and use it. Even

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EXHIBIT L

1 under test situations.

2 MR. TRUDEAU: And it just takes a few short hours to
3 learn. Correct?

4 MR. BERG: Couple of hours. That's it.

5 MR. TRUDEAU: Now, let me ask you a question. There's
6 been speed reading courses been around for years.

7 MR. BERG: That's true.

8 MR. TRUDEAU: Evelyn Wood is probably the most common
9 and I'm sure there's dozens of other speed reading courses.

10 MR. BERG: Yes, and some of them are quite good.

11 MR. TRUDEAU: But the biggest challenge most people
12 found is, number one, it took days, weeks, months of practice and
13 training.

14 MR. BERG: Absolutely. Hours a day.

15 MR. TRUDEAU: Right.

16 MR. BERG: With days, weeks and months. It's not just
17 days, weeks, and months, but hours a days each of those days.

18 MR. TRUDEAU: So, how is yours different than those in
19 that respect?

20 MR. BERG: First of all, the program takes less than
21 four hours to learn.

22 MR. TRUDEAU: That's it?

23 MR. BERG: That's it.

24 MR. TRUDEAU: One time?

25 MR. BERG: One time.

EXHIBIT L

10

1 MR. TRUDEAU: Like learning how to ride a bike.

2 MR. BERG: And you never forget how once you know how.
3 Once you release it, it's there.

4 MR. TRUDEAU: You're releasing someone's ability. So,
5 it's radically different than these other courses.

6 MR. BERG: Can you cross the street and look at the
7 traffic and know where you're going? Look at all the information
8 that your brain has to process in an instant. That same brain
9 should be reading a book just as effortlessly and that's what I
10 teach.

11 MR. TRUDEAU: Well, now -- so, these other courses that
12 have been out there, your program is a revolutionary -- it's
13 totally different.

14 MR. BERG: Let me tell you a story, Kevin.

15 MR. TRUDEAU: Yeah.

16 MR. BERG: The former president of Evelyn Wood, the
17 chairman of Evelyn Wood is Maurice Thompson, Jr. I have a letter
18 from him.

19 MR. TRUDEAU: Right.

20 MR. BERG: Tommy asked me to train him and his family
21 last September. The former president of Evelyn Wood asked me to
22 train his family. Now, this is the man who knows speed reading.

23 MR. TRUDEAU: Right.

24 MR. BERG: His son quadrupled -- I think he went from
25 two to 860 words a minute in less than four hours. And he

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EXHIBIT L

11

1 mentioned how his grades immediately shot up from the previous
2 term. And would you like to read the comment he has on the
3 bottom. I'm really proud of this. This is the former president
4 of Evelyn Wood.

5 MR. TRUDEAU: It says, I feel you have moved one step
6 beyond speed reading --

7 MR. BERG: That's right.

8 MR. TRUDEAU: -- to speed learning. Bringing the
9 discipline to the 21st first century.

10 MR. BERG: Exactly. Now, I'm proud of that.

11 MR. TRUDEAU: So, what you're actually have is really a
12 revolutionary break through in what you've developed.

13 MR. BERG: Totally different. Now, other programs were
14 mechanical. That's why they took so long. They required
15 repetition. Like learning to type or playing an instrument, to
16 work.

17 MR. TRUDEAU: Right.

18 MR. BERG: And a lot of people found they loss their
19 speeds almost as quickly as they gained them.

20 MR. TRUDEAU: Right.

21 MR. BERG: I read 80 to 90 pages a minute at my top
22 speed. But I don't read 80 to 90 pages a minute every time I
23 open a book. Sometimes I want to relax. Sometimes I'm a little
24 tired, I want to read in bed.

25 MR. TRUDEAU: Right.

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EXHIBIT L

12

1 MR. BERG: So, I have that option. With the other
2 programs because it was conditioned, it was all or nothing. If
3 you slowed down, that was the end of your speed. And most people
4 told me they only got a very superficial understanding, like a
5 skim.

6 I'm working with companies like Pfizer (Phonetic),
7 Mobil Oil, that have high tech reading. And they used it because
8 it was easy to retain complicated information. "

9 MR. TRUDEAU: So, even the detailed complicated
10 material, people can read quickly and grasp it and comprehend it
11 and recall it.

12 MR. BERG: Over long periods of time.

13 MR. TRUDEAU: Now, how about students? Means straight
14 As with less study time?

15 MR. BERG: Not only do they get straight As with less
16 study time, but think about this, Kevin, they get better self
17 esteem. They begin to feel confident. Now, you spend over
18 15,000 hours when you go to school.

19 MR. TRUDEAU: Right.

20 MR. BERG: Think about that. And out of all of those
21 hours and the people at home think about it, too, how many of
22 those hours did they spend teaching you how to learn?

23 MR. TRUDEAU: Right.

24 MR. BERG: They call it an education system and they
25 never even teach you how to learn.

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EXHIBIT L

13

1 MR. TRUDEAU: And people obviously in business because
2 you work with virtually dozens of major corporations and Fortune
3 500 companies.

4 MR. BERG: All over the country.

5 MR. TRUDEAU: So, people can make more money because
6 there's so much material to learn today, so much reading that
7 people have to grasp.

8 MR. BERG: I have an interesting letter here from
9 Pfeiffer. Pfeiffer is the leading publisher in the world on
10 human resource training materials.

11 MR. TRUDEAU: Okay.

12 MR. BERG: Every corporate trainer has heard of these
13 people.

14 MR. TRUDEAU: Right.

15 MR. BERG: They hired me to train their editors not
16 only in how to speed read but how to make books easier to
17 comprehend, because my program teaches people how to understand
18 text.

19 MR. TRUDEAU: Right.

20 MR. BERG: Not just blur through it.

21 MR. TRUDEAU: Right.

22 MR. BERG: And the head editor -- the managing editor
23 says here that this program that I gave him gave him a distinct
24 advantage to their publishing program.

25 MR. TRUDEAU: Hmm.

EXHIBIT L

14

1 MR. BERG: That's the managing editor of the world's
2 largest human resource publisher. Here's a letter from the York
3 Prep School. The head master is Ronnie Stewart. He's an Oxford
4 graduate. This man knows education.

5 MR. TRUDEAU: Right.

6 MR. BERG: You don't get better than Oxford. And
7 here's what it says. "Howard, just a note to let you know how
8 positive the feedback was of your lectures to the 11th and 12th
9 grades. So positive in fact, that whenever it's convenient for
10 you, I would love -- I like that word -- I would love for you to
11 come and do the ninth and tenth grades on a similar basis." And
12 we've already booked them.

13 ON SCREEN: For more info call: 1-800-263-9666. This
14 is a paid commercial program for Tru-Vantage International.

15 MR. TRUDEAU: That's great. Folks, if you want more
16 information on Howard's program, Mega Reading program, it's a
17 home study course that you can go through at your leisure and it
18 will virtually release your own super reading speed, mega
19 reading. You'll be able to read almost as fast as Howard.
20 Virtually quadruple, five, ten times your reading speed right
21 now. Call the number on your screen. And I've worked out a
22 special arrangement with Howard. He'll give you an over 50
23 percent discount off the regular price of the program. So, call
24 right now to get some more information on it.

25 Now, let's -- let's continue with the testing here. I

EXHIBIT L

15

1 got another book. How to Win Friends and Influence People by
2 Dale Carnegie. Great book. Everybody should read this book.
3 Now, let's see. I went through this last night and I got chapter
4 six. I want you to read the entire chapter six and give us a
5 quick synopsis of the chapter.

6 Okay. Now, I'm going to time you again. And folks,
7 the important thing is what Howard is saying is every single
8 person -- now, you've taught how many -- what thousands and
9 thousands of people?

10 MR. BERG: Thousands. Can I say something?

11 MR. TRUDEAU: Yeah.

12 MR. BERG: I have a letter here from a girl who has
13 brain damage.

14 MR. TRUDEAU: Right.

15 MR. BERG: Brain damage. She was in a car accident and
16 half her brain stopped functioning. It was electrically dead.

17 MR. TRUDEAU: Right.

18 MR. BERG: And she writes. It says that on a coffee
19 break in my word shop, she went three to 600 words per minute.
20 This is someone with severe brain damage. So yes, it works for
21 anyone. And you can't get worse than that.

22 MR. TRUDEAU: At what age, by the way? How old?

23 MR. BERG: The youngest student I ever had was eight.
24 I was in Toronto. I was doing a live workshop and the vice
25 principle of a school was there with his wife. His name was Ted

EXHIBIT L

16

1 Ted said, "Howard, we would really love for you to come to our
2 elementary school. My wife and I just quadrupled."

3 MR. TRUDEAU: Right.

4 MR. BERG: And we think you can do this for our kids.
5 I said, how old are they? He said third, fourth grade. I said,
6 it's kind of young. Normally, in that age group I teach the
7 memory and learning skills. And I've done that all over the
8 country because a lot of kids aren't reading yet at that age.

9 MR. TRUDEAU: Right.

10 MR. BERG: He said, our students are reading and
11 reading well. Let's try it. I said, fine. And the parents
12 came. How many things did parents do today with their families?

13 MR. TRUDEAU: Right, right, right.

14 MR. BERG: Okay. At the end of the workshop, every
15 child and parent had at least doubled except for one.

16 MR. TRUDEAU: Uh-huh.

17 MR. BERG: That child was reading at five seconds a
18 page and I quizzed her.

19 MR. TRUDEAU: Five seconds.

20 MR. BERG: Five seconds a page. And the vice principal
21 was there.

22 MR. TRUDEAU: And they're reading it?

23 MR. BERG: Comprehending it and retaining it.

24 MR. TRUDEAU: All right. Well, we're going to test you
25 right now. Okay, this is chapter six.

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EXHIBIT L

17

1 MR. BERG: Okay.

2 MR. TRUDEAU: Dale Carnegie's How to Win Friends.

3 Ready?

4 MR. BERG: Yes.

5 MR. TRUDEAU: Go.

6 (Whereupon, there was a brief pause while Mr. Berg was

7 reading the book.)

8 MR. TRUDEAU: This is amazing. You're reading it?

9 Okay, give it back. That was about 16 seconds.

10 MR. BERG: Right.

11 MR. TRUDEAU: Okay. Now, tell us -- just give me a

12 quick synopsis of that chapter.

13 MR. BERG: Well, the concept was make people feel

14 important and do it sincerely. And by the way, Kevin, you're

15 doing an excellent job with this show and I really mean that.

16 MR. TRUDEAU: Thank you very much. Okay, wait --

17 you're -- the name of that chapter by the way was, How To Get

18 People To Like You.

19 MR. BERG: By the way, one of my favorite uses of speed

20 reading is learning new skills such as I just showed you.

21 MR. TRUDEAU: Right.

22 MR. BERG: Learning how to use a computer or do better

23 with relationships. So, this -- (inaudible) -- anything.

24 MR. TRUDEAU: To learning anything. Tell us a little

25 about that chapter.

EXHIBIT L

A8

1 MR. BERG: Okay, it starts off he's in a post office
2 and he see's a postal employee that he's familiar with and the
3 guy looks very very depressed and down. And he starts talking to
4 the guy and finds out the guy feels that nobody really
5 appreciates what he's doing.

6 MR. TRUDEAU: Uh-huh.

7 MR. BERG: And so, he starts telling the guy how
8 important he is and how much he appreciates him. And the guy
9 just perks up and he says that's what it's all about. You want
10 people to like you. Let them know how important they are and it
11 improves their self esteem. And they relate that to you as the
12 cause.

13 MR. TRUDEAU: Uh-huh. Now, what -- there was a
14 principle discussed in this.

15 MR. BERG: Yes, the principle was make people feel
16 important and be sincere.

17 MR. TRUDEAU: Make people feel important and -- now,
18 you just said almost verbatim. It says make people feel
19 important and do it sincerely.

20 MR. BERG: Well, you may not get every word. You know,
21 when you're going a page and a half a second, you might miss an L
22 Y. Okay.

23 MR. TRUDEAU: And actually -- wait a minute. Wait, we
24 got to do another book now.

25 MR. BERG: Okay.

Complaint

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EXHIBIT L

19

1 MR. TRUDEAU: This book by the way, this is my book.
2 This is my book, Kevin Trudeau's, Mega Memory. Everybody should
3 read this book. Everybody go out and get this book. It's my
4 book Mega Memory. Now, it's the first -- you know we sold three
5 and a half million copies of my Mega Memory program.

6 MR. BERG: That's a lot.

7 MR. TRUDEAU: Yeah, and this is a great book. Just
8 says published by William Morrow. It's in all the book stores.
9 Call, you can get it.

10 MR. BERG: Now, make the call.

11 MR. TRUDEAU: Now, make the call now. Now, I want you
12 to read just chapter one.

13 MR. BERG: Okay.

14 MR. TRUDEAU: On how to use this book, and then give us
15 a quick synopsis on this. Not that we don't trust you. Go.

16 (Whereupon, there was a brief pause while Mr. Berg was
17 reading the book.)

18 MR. BERG: Okay, that's 11 pages.

19 MR. TRUDEAU: About 16 seconds.

20 MR. BERG: Okay. And I'm getting closer to my speed.

21 MR. TRUDEAU: And you read this? You read this?

22 MR. BERG: Yes. It's first -- it sets the ground
23 rules.

24 MR. TRUDEAU: And anybody who gets this course from us
25 can do what you just did?

EXHIBIT L

20

1 MR. BERG: Thousands of people are doing what I just
2 did.

3 MR. TRUDEAU: All right, tell me about the book. I
4 know all about it because I just wrote it.

5 MR. BERG: Okay. I guess you would know. This is like
6 Regis and Kathy Lee all over.

7 MR. TRUDEAU: Yeah, the author. Exactly. Okay.

8 MR. BERG: Well, it starts off talking about what you
9 should do to develop your mega memory, about setting up a
10 specific time and place to do it, avoiding certain foods, how
11 much time you should be doing, how to prepare yourself. And
12 that's essentially what the first chapter is about. Getting set.

13 MR. TRUDEAU: Now, there was four things I mentioned.
14 The four steps you go through.

15 MR. BERG: Yes, there were. Let me think. First there
16 was unconscious incompetence, where you don't know what you're
17 doing.

18 MR. TRUDEAU: Right.

19 MR. BERG: You don't even know you don't know what
20 you're doing.

21 MR. TRUDEAU: Right.

22 MR. BERG: The second one was conscious incompetence,
23 where you know you don't know what you're doing.

24 MR. TRUDEAU: Right, right.

25 MR. BERG: Okay. And the third one -- the third one

EXHIBIT L

21

1 was conscious competence, where you know what you're doing
2 but you have to think about it. Sort of like when you're riding
3 a bike and you know you have to think how to stay on the bike.

4 MR. TRUDEAU: Right.

5 MR. BERG: And the fourth step was unconscious
6 competence, where it's at released skill and you're doing
7 instinctively. You don't have to think about it.

8 MR. TRUDEAU: That's the point I want to talk about.
9 Because your course gets people very quickly to that unconscious
10 competence level where it happens automatically.

11 MR. BERG: In hours. In hours.

12 MR. TRUDEAU: So, it's like learning how to ride a bike
13 or learning how to swim. You don't have to practice and practice
14 and practice. You're just releasing the skill.

15 MR. BERG: No. I have a story about that.

16 MR. TRUDEAU: Hold on for one second because I want to
17 tell people how to get this program.

18 MR. BERG: Okay. Okay.

19 MR. TRUDEAU: If people do want more information on
20 Howard's program The Mega Reading Home Study Course -- folks,
21 this works for everybody. Thousands of people have gone through
22 it. I highly endorse and recommend this program. Howard is the
23 world's fastest reader. There is nothing out there like it
24 anywhere in the world. It'll work for anyone about eight to ten
25 years and up. If you have a student in your life, you need to

EXHIBIT L

22

1 get it for them. If you're in business, if you read papers, if
2 you like to read novels --

3 MR. BERG: The Sunday paper.

4 MR. TRUDEAU: You'll learn this information, you'll
5 read it quickly and you'll be able to recall it. Call the number
6 on your screen. And again, we worked out a special arrangement
7 with Howard. You will get a 50 percent discount while we're on
8 the show. You can call right now and get more information on
9 this program. So, call the number.

10 MR. BERG: You mentioned how you don't have to
11 practice.

12 MR. TRUDEAU: Right.

13 MR. BERG: I have an interesting story. One of my
14 students called me and was really excited. A grandmother and she
15 learned how to do this at my live program and then she didn't use
16 for like six weeks.

17 MR. TRUDEAU: Right.

18 MR. BERG: And with any speed reading program if you
19 don't use it for six weeks, you can kiss it goodbye. It's over.

20 MR. TRUDEAU: Right.

21 MR. BERG: Her grandson came to her. He had a book
22 report and he needed her to help him. She read the book in 15
23 minutes. He got an A. She said, Howard, I don't know he did it.
24 I haven't use the program in six weeks. I opened the book and
25 like that it came right back to me. I said that's what it's

EXHIBIT L

23

1 about. You already have the ability. I'm just showing you how
2 to release it.

3 MR. TRUDEAU: Well, we're going -- we're going to test
4 you again. I keep testing you because this is really impressive
5 to me. All right, I got another book here. And I went to the
6 book store and picked these up. Rush Limbaugh, See I Told You
7 So. I like Rush by the way. We advertise a lot on his show.
8 Rush is a great guy.

9 MR. BERG: Um-hum.

10 MR. TRUDEAU: I have a personally autographed copy of
11 this book by the way.

12 MR. BERG: Do you?

13 MR. TRUDEAU: Yes, Rush sent to me. Okay. I want you
14 to read a chapter here. Let me see if I can find the chapter
15 about Rush. We went to Rush. Okay.

16 MR. BERG: Don't rush.

17 MR. TRUDEAU: Don't rush, don't rush. Now, by the way,
18 when I'm finding this chapter -- because I read things last
19 night. Okay?

20 MR. BERG: Yeah.

21 MR. TRUDEAU: Anybody can do this I mentioned?

22 MR. BERG: Anybody.

23 MR. TRUDEAU: And the age -- how old was the oldest
24 person that went through this?

25 MR. BERG: I had a woman at 88 years old and she's in

EXHIBIT L

24

1 Pasadena. And she took the program and I told them where I was
2 staying. The next day in my hotel I get a phone call and I say
3 oh, what's wrong. I said nobody calls me. Everybody learns it.

4 MR. TRUDEAU: Right.

5 MR. BERG: I say what's the problem. She says no
6 problem. I just called to tell you -- her name was Ruth. She
7 says, Howard, I went home after taking your program. I'm 83
8 years old and I read two 300 page books in under three hours.
9 I'm 83 years old.

10 MR. TRUDEAU: Wow.

11 MR. BERG: Do you know how happy I am? She says, I
12 don't know how much more time I have left, but there's so many
13 things I want to do and learn and you've just given me the tools
14 for doing it.

15 MR. TRUDEAU: You know, there are so many books out
16 there with so much material that -- newspapers, publications for
17 business people, you know, magazines, publications they have to
18 read, books and all these manuals. Learning computers. Thick
19 manuals.

20 MR. BERG: Thick manuals.

21 MR. TRUDEAU: You know, you were telling me that you
22 learned computers in one night.

23 MR. BERG: That's absolutely true. I bought at K-Pro
24 II (phonetic). Never saw or used a computer before. The first
25 night I hooked up everything.

EXHIBIT L

25^o

1 MR. TRUDEAU: Right.

2 MR. BERG: I learned Wordstar, DataStar, and Formstar
3 and published an article the next day. And that's the truth.
4 And I'll tell you a little funny story.

5 MR. TRUDEAU: And anybody can do this, right?

6 MR. BERG: Anybody can do it. And what happened was
7 the margins weren't perfect and I thought something was wrong.
8 And then someone said, do you know it takes 80 hours normally to
9 do what you did in three. And I said I guess I should feel a
10 little bit better then.

11 MR. TRUDEAU: Now, by the way, before -- well, I want
12 to do this test. I am going to have one more test. Okay. We
13 got one more. This is the chapter. Put your finger in there.
14 I'm going to get my little trusty -- this is for amazing on the
15 time. Ready?

16 MR. BERG: Yep.

17 MR. TRUDEAU: Go.

18 (Whereupon, there was a brief pause while Mr. Berg was
19 reading the book.)

20 MR. BERG: The pages are sticking. Okay. Well, that
21 slowed me down a bit.

22 MR. TRUDEAU: Okay, yeah. Still about 17 seconds.

23 MR. BERG: Okay, I apologize for that.

24 MR. TRUDEAU: Okay. All right. It's Rush's book.

25 Now, what was the gist of that book?

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1 MR. BERG: The gist was that government's too big.
2 We've got to make it smaller and vote conservative republican.
3 Okay. But he really has a lot of points. He talks about welfare
4 and how about 27 or 28 cents out of every dollar gets to the
5 reciprocate because the rest of that is being spent on
6 administration. And that's an example how government waste is
7 not helping us.

8 MR. TRUDEAU: And that's -- when you were on Regis and
9 Kathy Lee, you had the author come in. You read the book.

10 MR. BERG: (Inaudible).

11 MR. TRUDEAU: And he gave you very tough questions.

12 MR. BERG: I still remember one of them. He asked me
13 what did he say about -- let's see. He asked me several
14 questions. He asked me what did he say about the Pirates of
15 Penzance. It was a trick question. The book was called Going to
16 Movies and it was a vignette. Every two pages was another movie.
17 So, it wasn't a story. It was hundreds of little movie
18 vignettes.

19 MR. TRUDEAU: Right.

20 MR. BERG: And I said, Craig, that's a trick question.
21 Because it wasn't -- there was chapter in there about a different
22 movie and the Pirates of Penzance was used as an example of how
23 if the director had used the techniques of Pirates of Penzance
24 intent instead of the techniques he had chosen, his movie would
25 have been a better picture. I said, so you're actually trying to

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1 trick me because that wasn't even what the chapter was about.

2 MR. TRUDEAU: So, anybody can do this?

3 MR. BERG: Anybody. In fact, I had a blind student in
4 Huntsville, Alabama.

5 MR. TRUDEAU: Yeah.

6 MR. BERG: I swear to you it's true.

7 MR. TRUDEAU: Wait a minute. You can't read if you
8 can't see.

9 MR. BERG: She was reading in Braille.

10 MR. TRUDEAU: Oh, okay.

11 MR. BERG: And she took the program to learn the memory
12 skills. Because a lot of people when they hear speed reading,
13 they think fast reading. With Mega Reading it's not just fast
14 reading, it's fast learning. Remember what Tommy said, it's a
15 complete accelerated learning program. And what I teach them is
16 storing, retrieving, recalling, focusing.

17 Here's an important skill. Knowing what to look for.
18 How many times have you studied for a test -- people at home.
19 You study for a test, you take the test and none of the questions
20 you studied are asked. Everything else they ask. You go to an
21 important meeting and everything you thought was important was
22 not asked.

23 Well, if you don't know what to look for, you're going
24 to miss it. And I teach how to figure out what to look for.

25 MR. TRUDEAU: Now, you're not -- I was just --

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1 interesting to note because obviously there are so many books out
2 there, like Wealth Without Risk by Charles Givens (phonetic)
3 which is a phenomenal book, How to Attract Anyone Anytime by
4 Susan Raven (phonetic), Les Brown (phonetic), Live Your Dreams.
5 There are so many phenomenals out -- Mary K. Ash (phonetic) and
6 we can't do all of these.

7 MR. BERG: No.

8 MR. TRUDEAU: (Inaudible).

9 MR. BERG: I could.

10 MR. TRUDEAU: Yeah.

11 Well that's -- this is the amazing thing. How about
12 learning David Letterman's top ten list.

13 MR. BERG: I did a show America's Talking about a year
14 ago. They had me read 18 700 page books in an hour and a half
15 and they quizzed me on them and I got every question right.

16 MR. TRUDEAU: Well, like -- I got Larry King's book. I
17 got Bill Gates' book. I got Colin Powell. I got -- now, the
18 Internet for Dummies, if people want to learn how to run the
19 Internet. I got -- here's magazines.

20 MR. BERG: By the way, Forbes Magazine just did an
21 article on this.

22 MR. TRUDEAU: No kidding.

23 MR. BERG: Forbes said this is a wonderful program for
24 business people.

25 MR. TRUDEAU: I got the New York Times. I got all this

EXHIBIT L

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1 -- now, how about biology. I mean look at -- folks, look at
2 these books. And I'm putting these all in front me just to show
3 you the point here. Calculus. Now, you're telling me -- this is
4 what kids have to go through in school.

5 MR. BERG: Right.

6 MR. TRUDEAU: Look at this book. They have read this.
7 You're telling me -- I know this is a mess here. But if a person
8 calls and gets your program, they'll be able to go through these
9 books. Now, let's be honest here. I got all these books here.
10 See if you can get a wide shot of this. I got Howard Stern's
11 book. I was invited to Howard Stern's birthday party.

12 MR. BERG: I read his book Private Parts in six minutes
13 on Comedy Central and then he tested me on the book and I got it
14 right.

15 MR. TRUDEAU: Howard did?

16 MR. BERG: Right.

17 MR. TRUDEAU: Howard did?

18 MR. BERG: I was on John Stewart's (phonetic) show and
19 Howard was the guest. He had just written Private Parts. It's
20 as thick as this book.

21 MR. TRUDEAU: Right.

22 MR. BERG: It took me I think six and a half minutes to
23 read and then he quizzed me and I got all the questions right.

24 MR. TRUDEAU: Okay. If somebody buys your program and
25 goes through like everything that's on the desk right here, the

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1 New York Times, all these books, how long would it take them to
2 do that? First it takes them a few hours to learn the technique.
3 Right?

4 MR. BERG: I would -- it just takes about three --
5 three, four hours to learn the technique.

6 MR. TRUDEAU: Normally it would take, what, a week?
7 Two, three weeks? A hundred hours to learn all this stuff -- to
8 go through all this stuff?

9 MR. BERG: I would say for the average person that
10 would be being kind.

11 MR. TRUDEAU: So, maybe 150 to 200 hours?

12 MR. BERG: I'd say several months for some of the
13 science books for certain people.

14 MR. TRUDEAU: That's right because that's all
15 scientific.

16 MR. BERG: It's not just light reading there.

17 MR. TRUDEAU: A person calls and gets your program, how
18 long?

19 MR. BERG: I'd say you could do that easily in at least
20 a month tops. Two weeks to a month depending upon your
21 background.

22 MR. TRUDEAU: Folks, you heard this. You can call
23 right now, get Howard's program. It takes just a few short
24 hours. It's easy. It's fun. Anybody can do it. You'll be the
25 greatest conversationalist. Kids get straight As with less study

Complaint

125 F.T.C.

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1 time. You'll make more money in business because you'll be able
2 to remember all the information. Call the number on your screen.
3 You'll get a 50 percent discount to boot. This is Kevin Trudeau,
4 thanks for watching. This has been another edition of Vantage
5 Point.

6 ON SCREEN: For more information or to order Howard
7 Berg's Mega Reading call: 1-800-283-5666.
8 Tru-Vantage International, 7300 Lehigh Avenue, Niles, IL 60714
9 (847)647-0300.

10 The proceeding has been a paid advertisement for Tru-
11 Vantage International.

12 (Whereupon, the taping was concluded.)
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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 Chicago Regional Office proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violations of the Federal Trade Commission Act; and

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

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Act, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of sixty (60) days, and having duly considered the comments filed thereafter by interested persons pursuant to Section 2.34 of its Rules, now in further conformity with the procedure prescribed in Section 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings and enters the following order:

1. Respondent Mega Systems International, Inc. is an Indiana corporation with its principal office or place of business at 2025 East 175th Street, Lansing, Illinois.
2. Respondent Jeffrey Salberg is an officer of the corporate respondent. His principal office or place of business is the same as that of Mega Systems International, Inc.
3. The acts and practices of the respondents alleged in this complaint have been in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act.
4. 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

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, "*respondents*" shall mean Mega Systems International, Inc., corporation, its successors and assigns and its officers; and Jeffrey Salberg, individually and as an officer of the corporation; and each of the above's 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 respondents, directly or through any corporation, subsidiary, division, or other device, in connection with the labeling, advertising, promotion, offering for sale, sale, or distribution of Eden's Secret Nature's Purifying Product or any substantially similar product in or affecting commerce, shall not represent, in any manner, expressly or by implication, that:

- A. Such product causes significant weight loss;
- B. Such product prevents or cures illnesses, including but not limited to fatigue, headaches, depression, arthritis, insomnia, immune suppression, and premenstrual syndrome;
- C. Such product will cleanse the body of harmful toxins; or
- D. Such product will purify the body's blood supply.

For purposes of this Part, "substantially similar product" shall mean any herbal-based product that is substantially similar in ingredients, composition and properties.

II.

It is further ordered, That respondents, directly or through any corporation, subsidiary, division, or other device, in connection with the labeling, advertising, promotion, offering for sale, sale, or distribution of Sable Hair Farming System or any substantially

similar product in or affecting commerce, shall not represent, in any manner, expressly or by implication, that:

- A. Such product will stop, prevent, cure, relieve, reverse or reduce hair loss;
- B. Such product will promote the growth of hair where hair has already been lost; or
- C. Such product is superior to Rogaine and Minoxidil in stopping, preventing, curing, relieving, reversing or reducing hair loss.

For purposes of this Part, "substantially similar product" shall mean any product that is substantially similar in ingredients, composition and properties.

III.

It is further ordered, That respondents, directly or through any corporation, subsidiary, division, or other device, in connection with the labeling, advertising, promotion, offering for sale, sale, or distribution of any hair care product or drug, as "drug" is defined in Section 15 of the Federal Trade Commission Act, in or affecting commerce, shall not represent, that any product promotes hair growth or prevents hair loss, unless the product is the subject of an approved new drug application for such purpose under the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. 301 *et seq.*, provided that, this requirement shall not limit the requirements of order paragraph II herein.

IV.

It is further ordered, That respondents, directly or through any corporation, subsidiary, division, or other device, in connection with the labeling, advertising, promotion, offering for sale, sale, or distribution of Kevin Trudeau's Mega Memory System or any substantially similar product in or affecting commerce, shall not represent, in any manner, expressly or by implication, that such product will enable users to achieve a photographic memory. For the purposes of this Part, "substantially similar product" shall mean any product or program that is substantially similar in components, techniques, composition and properties.

V.

It is further ordered, That respondents, directly or through any corporation, subsidiary, division, or other device, in connection with

the labeling, advertising, promotion, offering for sale, sale, or distribution of Kevin Trudeau's Mega Memory System or any substantially similar product in or affecting commerce, shall not make any representation, in any manner, expressly or by implication that such product is effective in causing adults or children with learning disabilities or attention deficit disorder to substantially improve their memory, unless, at the time the representation is made, respondents possess and rely upon competent and reliable evidence, which when appropriate must be competent and reliable scientific evidence, that substantiates the representation. For the purposes of this Part, "substantially similar product" shall mean any product or program that is substantially similar in components, techniques, composition and properties.

VI.

It is further ordered, That respondents, directly or through any corporation, subsidiary, division, or other device, in connection with the labeling, advertising, promotion, offering for sale, sale, or distribution of Dr. Callahan's Addiction Breaking System or any substantially similar product in or affecting commerce, shall not represent, in any manner, expressly or by implication, that:

- A. Such product reduces an individual's compulsive desire to eat, leading to significant weight loss;
- B. Such product reduces an individual's compulsive desire to eat, leading to significant weight loss without the need to diet or exercise; or
- C. Such product cures addictions and compulsions, including but not limited to, smoking, eating and using alcohol or heroin.

For purposes of this Part, "substantially similar product" shall mean any product or program that is substantially similar in components, techniques, composition and properties.

VII.

It is further ordered, That respondents, directly or through any corporation, subsidiary, division, or other device, in connection with the labeling, advertising, promotion, offering for sale, sale, or distribution of Jeanie Eller's 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, concerning:

- 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, respondents possess and rely upon competent and reliable evidence, which when appropriate must be competent and reliable scientific evidence, that substantiates the representation.

VIII.

It is further ordered, That respondents, directly or through any corporation, subsidiary, division, or other device, in connection with the labeling, advertising, promotion, offering for sale, sale, or distribution of any product or program in or affecting commerce, shall not misrepresent, in any manner, expressly or by implication, the existence, contents, validity, results, conclusions or interpretations of any test, study, or research.

IX.

It is further ordered, That respondents, directly or through any corporation, subsidiary, division, or other device, in connection with the labeling, advertising, promotion, offering for sale, sale, or distribution of any product or program in or affecting commerce, shall not make any representation, in any manner, expressly or by implication, about the benefits, performance, or efficacy of such product, unless, at the time the representation is made, respondents possess and rely upon competent and reliable evidence, which when appropriate must be competent and reliable scientific evidence, that substantiates the representation.

X.

It is further ordered, That respondents, directly or through any corporation, subsidiary, division, or other device, in connection with the labeling, advertising, promotion, offering for sale, sale, or distribution of any product or program in or affecting commerce, shall not represent, in any manner, expressly or by implication, that the experience represented by any user testimonial or endorsement of the product represents the typical or ordinary experience of members of the public who use the product, unless:

- A. At the time it is made, respondents possess and rely upon competent and reliable scientific evidence that substantiates the 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 the 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.

Nothing contrary to, inconsistent with, or in mitigation of the disclosure shall be used in any advertisement or on any label.

XI.

It is further ordered, That respondents, directly or through any corporation, subsidiary, division, or other device, in connection with the labeling, advertising, promotion, offering for sale, sale, or distribution of any product or program in or affecting commerce, shall not create, produce, sell, or disseminate:

- A. Any advertisement that misrepresents, directly or by implication, that it is not a paid advertisement;
- B. Any television commercial or other video advertisement fifteen (15) minutes in length or longer or intended to fill a broadcasting or cablecasting time slot of fifteen (15) minutes in length or longer that does not display visually, clearly and prominently, and for a length of time sufficient for an ordinary consumer to read, within the first thirty (30) seconds of the advertisement and immediately before each presentation of ordering instructions for the product or service, the following disclosure:

"THE PROGRAM YOU ARE WATCHING IS A PAID
ADVERTISEMENT FOR [THE PRODUCT OR SERVICE]."

Provided that, for the purposes of this provision, the oral or visual presentation of a telephone number, e-mail address or mailing address for viewers to contact for further information or to place an order for the product or service shall be deemed a presentation of ordering instructions so as to require the display of the disclosure provided herein; or

- C. Any radio commercial or other radio advertisement five (5) minutes in length or longer that does not broadcast, clearly and audibly, within the first thirty (30) seconds of the advertisement and immediately before each presentation of

ordering instructions for the product or service or periodically through the program, but no more than approximately ten (10) minutes apart, the following disclosure:

"THE PROGRAM YOU ARE LISTENING TO IS A PAID
ADVERTISEMENT FOR [THE PRODUCT OR SERVICE]."

Provided that, for the purposes of this provision, the presentation of a telephone number, e-mail address or mailing address for listeners to contact for further information or to place an order for the product or service shall be deemed a presentation of ordering instructions so as to require the announcement of the disclosure provided herein.

Provided further that, for a period of one (1) year from the date of entry of this order, the specific disclosure language of Subparts XI(B) and (C) shall not apply to any commercial or other video or audio advertisement produced prior to the date of entry of this order that contains a clear and prominent disclosure of the fact that the program is a paid advertisement or presentation within the first thirty (30) seconds of the commercial and immediately before each presentation of ordering instructions for the product or program that includes one or more of the following disclosures:

1. "The following is a paid commercial program brought to you by Mega Systems International, Inc."
2. "This is a paid advertisement for [the product or program]."
3. "The preceding has been a paid commercial program brought to you by Mega Systems International, Inc."

XII.

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

XIII.

It is further ordered, That:

- A. Respondent Mega Systems International, Inc., its successors and assigns, and respondent Jeffrey Salberg, shall pay to the Federal Trade Commission by electronic funds transfer the sum of five hundred thousand dollars (\$500,000) no later than

fifteen (15) days after the date of service of this order. In the event of any default on any obligation to make payment under this Part, interest, computed pursuant to 28 U.S.C. 1961(a) shall accrue from the date of default to the date of payment. In the event of default, respondent Mega System, Inc., its successors and assigns, and respondent Jeffrey Salberg, shall be jointly and severally liable.

- B. The funds paid by respondent Mega Systems International, Inc., its successors and assigns, and respondent Jeffrey Salberg, pursuant to subpart A above shall be paid into a redress fund administered by the FTC and shall be used to provide direct redress to purchasers of certain Mega Systems International, Inc.'s products. Payment to such persons represents redress and is intended to be compensatory in nature, and no portion of such payment shall be deemed a payment of any fine, penalty, or punitive assessment. If the FTC determines, in its sole discretion, that redress to purchasers is wholly or partially impracticable, any funds not so used shall be paid to the United States Treasury. Respondent Mega Systems International, Inc., its successors and assigns, and respondent Jeffrey Salberg, shall be notified as to how the funds are disbursed, but shall have no right to contest the manner of distribution chosen by the Commission.

XIV.

It is further ordered, That respondent Mega Systems International, Inc., and its successors and assigns, and respondent Jeffrey Salberg shall, for five (5) 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 their 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.

XV.

It is further ordered, That respondent Mega Systems International, Inc., and its successors and assigns, and respondent Jeffrey Salberg shall deliver a copy of this order to all current and future principals, officers, directors, and managers, and shall deliver a copy of this order or a summary of this order in the form attached hereto as Exhibit A to all other current and future employees, agents, and representatives having responsibilities with respect to the subject matter of this order, and shall secure from each such person a signed and dated statement acknowledging receipt of the order or Exhibit A. Exhibit A shall be printed in its entirety in an easily readable font in at least 12 point dark-colored type against a contrasting background and shall contain no additional language. Bracketed language in Exhibit A may be included at Mega Systems' option but is not required. Respondents shall deliver this order or Exhibit A to current personnel within thirty (30) days after the date of service of this order, and to future personnel within thirty (30) days after the person assumes such position or responsibilities.

XVI.

It is further ordered, That respondent Mega Systems International, Inc. and its successors and assigns shall notify the Commission at least thirty (30) days prior to any change in the corporation that may affect compliance obligations arising under this order, including but not limited to a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor corporation; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this order; the proposed filing of a bankruptcy petition; or a change in the corporate name or address. Provided, however, that, with respect to any proposed change in the corporation about which respondents learn less than thirty (30) days prior to the date such action is to take place, respondents shall notify the Commission as soon as is practicable after obtaining such knowledge. 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.

XVII.

It is further ordered, That respondent Jeffrey Salberg, for a period of five (5) years after the date of issuance of this order, shall notify the Commission of the discontinuance of his current business or employment, or of his 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 his 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.

XVIII.

It is further ordered, That respondent Mega Systems International, Inc., and its successors and assigns, and respondent Jeffrey Salberg 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 they have complied with this order.

XIX.

This order will terminate on June 8, 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.

By the Commission.¹

¹ Prior to leaving the Commission, former Commissioner Azcuenaga registered a vote in the affirmative for this Decision & Order.

EXHIBIT A

NOTICE TO MSI, INC.'S EMPLOYEES AND AGENTS
IN THE SALE OF MSI PRODUCTS

MSI has signed an agreement with the Federal Trade Commission that contains rules and standards about the marketing of products to consumers. With MSI's consent, the FTC has issued an order that gives that agreement the force of law. Of particular importance to you are things that can be said or not said to consumers about any product or service. This document contains several specific parts of the agreement and order that persons who deal directly with customers must know. It is important that you read it and understand it. When you sign it, you will be certifying not only your understanding, but your agreement to follow the requirements.

[It is important that MSI follow the agreement carefully to avoid future legal disputes, and you can be sure that we will make every effort to do so. This document is a way that we make sure that you also understand how important it is to follow it and that MSI takes the agreement and other aspects of dealing fairly with consumers very seriously. You could be disciplined for violations or even terminated for the most serious ones. However, this process is not intended to put a burden on you or scare you. To the contrary, MSI puts a lot of effort into making sure its telemarketing scripts are legal and, if you follow them, you will have no problem. However, you should not make claims beyond the script that you are not totally sure of and, if you do not know the answer to a customer's question, you should simply say so, or seek help from a supervisor, but you should not just make one up.]

The following are excerpts from the order that we have promised to follow. [If you have any questions about this form, or the agreement terms, or what they mean, please ask (your supervisor or other person).] Items where numbers are skipped do not apply to you.

I. In connection with the sale of any herbal-based colon or body cleansing product, MSI shall not represent, in any manner, expressly or by implication, that:

- A. Such product causes significant weight loss;
- B. Such product prevents or cures illnesses, including but not limited to fatigue, headaches, depression, arthritis, insomnia, immune suppression, and premenstrual syndrome;
- C. Such product will cleanse the body of harmful toxins; or
- D. Such product will purify the body's blood supply.

II. In connection with the sale any hair growth product, MSI shall not represent, in any manner, expressly or by implication, that:

- A. Such product will stop, prevent, cure, relieve, reverse or reduce hair loss;
- B. Such product will promote the growth of hair where hair has already been lost; or
- C. Such product is superior to Rogaine and Minoxidil in stopping, preventing, curing, relieving, reversing or reducing hair loss.

III. In connection with the sale of any hair care product or drug, MSI shall not represent, that any product promotes hair growth or prevents hair loss, unless the product has been approved by the Food and Drug Administration.

IV. In connection with the sale of Kevin Trudeau's Mega Memory System or any substantially similar memory enhancement product, MSI shall not represent, in any manner, expressly or by implication, that such product will enable users to achieve a photographic memory.

V. In connection with the sale of Kevin Trudeau's Mega Memory System or any substantially similar memory enhancement product, MSI shall not make any representation, in any manner, expressly or by implication that such product is effective in causing adults or children with learning disabilities or attention deficit disorder to substantially improve their memory, unless MSI possesses and relies upon competent and reliable evidence that substantiates the representation.

VI. In connection with the sale of any addiction cure product, MSI shall not represent, in any manner, expressly or by implication, that:

- A. Such product reduces an individual's compulsive desire to eat, leading to significant weight loss;
- B. Such product reduces an individual's compulsive desire to eat, leading to significant weight loss without the need to diet or exercise; or
- C. Such product cures addictions and compulsions, including but not limited to, smoking, eating and using alcohol or heroin.

VII. In connection with the sale of Jeanie Eller Action Reading or any other product or program that provides instruction in any aspect of reading, MSI shall not make any representation, in any manner, expressly or by implication, concerning:

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, MSI possesses and relies upon competent and reliable evidence that substantiates the representation.

VIII. In connection with the sale of any product or program, MSI shall not misrepresent, in any manner, expressly or by implication, the existence, contents, validity, results, conclusions or interpretations of any test, study, or research.

IX. In connection with the sale of any product or program, MSI shall not make any representation, in any manner, expressly or by implication, about the benefits, performance, or efficacy of such product, unless, at the time the representation is made, MSI possesses and relies upon competent and reliable evidence that substantiates the representation.

X. In connection with the sale of any product or program, MSI shall not represent, in any manner, expressly or by implication, that the experience represented by any user testimonial or endorsement of the product represents the typical or ordinary experience of members of the public who use the product, unless:

- A. At the time it is made, respondents possess and rely upon competent and reliable scientific evidence that substantiates the 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 the 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.

Nothing contrary to the disclosure shall be stated.

On this ____ day of _____, I have read and understood this document and agree to follow it. [I am signing this voluntarily and understand that I could be disciplined, even terminated, for serious violations.]

____ Employee _____

[_____ Witness _____]

IN THE MATTER OF

HOWARD S. BERG

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SEC. 5 OF THE FEDERAL TRADE COMMISSION ACT*Docket C-3812. Complaint, June 8, 1998--Decision, June 8, 1998*

This consent order requires, among other things, the Texas-based advertiser and distributor, who participated in the production of program-length television commercials promoting Howard Berg's Mega Reading, to possess substantiation for claims regarding the benefits, performance or efficacy of any product or program he advertises, promotes, sells or distributes in the future.

Appearances

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

For the respondent: *Wallace Collins, Stein & Stein, New York, N.Y.*

COMPLAINT

The Federal Trade Commission, having reason to believe that Howard S. Berg, 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 Howard S. Berg has advertised, offered for sale, sold, and distributed products to the public, including Howard Berg's Mega Reading. Individually or in concert with others, he participated in the acts or practices alleged in this complaint. He resides at 1001 Greenbriar Lane, Mc Kinney, TX.

2. Respondent participated with Tru-Vantage International, L.L.C. and Kevin Trudeau in the production of a program-length television commercial which runs for 30 minutes or less and fits within normal television broadcasting time slots. The television commercial was and is broadcast on network, independent and cable television stations throughout the United States. During the television commercial, respondent acted as the guest and promoted Howard Berg's Mega 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.