

Complaint

128 F.T.C.

IN THE MATTER OF

MELINDA R. SNEED, ET AL.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SECS. 5 AND 12 OF THE FEDERAL TRADE COMMISSION ACT*Docket C-3896. Complaint, Sept. 7, 1999--Decision, Sept. 7, 1999*

This consent order, among other things, prohibits the Texas-based sole proprietorship, doing business as Arthritis Pain Care Center, from representing that their products containing CMO or any substantially similar product is effective in the treatment, prevention, or cure of arthritis, provides permanent relief from the symptoms of arthritis, and is effective in the treatment of multiple sclerosis, lupus, and other diseases unless, at the time the representation is made, respondents possess and rely upon competent and reliable scientific evidence that substantiates the representation. In addition, the consent order prohibits any unsubstantiated claims regarding the health benefits, performance, efficacy, or safety of any such product or program.

Participants

For the Commission: *Judith Shepherd, Thomas Carter and Louis Silversin.*

For the respondents: *Pro se.*

COMPLAINT

The Federal Trade Commission, having reason to believe that Melinda R. Sneed and John L. Sneed, d/b/a Arthritis Pain Care Center, 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 Melinda R. Sneed does business under the assumed name, Arthritis Pain Care Center. Respondent John L. Sneed participates with Melinda R. Sneed in formulating, directing, or controlling the policies, acts, or practices of Arthritis Pain Care Center, including the acts or practices alleged in this complaint. Respondents' principal office or place of business is 3615-F Pioneer Parkway, Arlington, Texas.

2. Respondents have promoted, offered for sale, sold, and distributed to the public products containing a substance described as cetylmyristoleate, cetyl myristoleate, cerasomal-cis-9-cetylmyristoleate, or CMO, including products identified with the

name CMO™ [hereinafter referred to collectively as "CMO"]. These products are "foods" and/or "drugs" within the meaning of Sections 12 and 15 of the Federal Trade Commission Act.

3. The acts and practices of respondents alleged in this complaint have been in or affecting commerce, as "commerce" is defined in Section 4 of the Federal Trade Commission Act.

4. Respondents have disseminated or have caused to be disseminated advertisements or promotional materials for products containing CMO, including but not necessarily limited to the attached Exhibits A through H. Advertisements for respondents' CMO products have been disseminated through, among other media, a web site on the Internet. These advertisements and promotional materials contain the following statements:

A. Arthritis - Arthritis - Arthritis

[Depiction of gnarled,
deformed hand.]

**Do You Have It or
Know Someone Who Does?**

Don't be fooled by reports from The Arthritis Foundation ...

There IS a natural treatment for your arthritis - CMO™

AS SEEN ON T.V.!!

* * *

The Arthritis Foundation and your doctor will often tell you that you can't treat arthritis with anything except prescription drugs. **THAT'S A LIE!**

Prescribed drugs have harmful, long-term effects. Methotrexate, for instance, when taken over time will DESTROY your liver. - **Ask your doctor.** That's why you must have monthly liver tests!

Prednisone is a STEROID. Steroids affect your adrenal glands. That's why you must be weaned off very slowly. -- **Ask your doctor.**

And surgery...of course they want to offer this option (lots of money), but do they guarantee these treatments? - **NO!**

Doesn't it make more sense to at least TRY a natural product which has NO SIDE EFFECTS?

Just read Dr. Len Sands (San Diego Clinic), **"Arthritis Defeated at Last"**

For a detailed, frank discussion of healing arthritis naturally.

[Depiction of

Product Containers]

CMO™

(Cerasomal-cis-9-cetylmyristoleate)

An all-natural product with UNBELIEVABLE results!

9 Out of 10 report partial to TOTAL RELIEF

With just 1 treatment!

**JOIN THE THOUSANDS WHO HAVE RECEIVED
FREEDOM FROM ARTHRITIS "ONCE AND FOR ALL"**

Why do we get arthritis?

Most doctors agree that it is an auto-immune disease. We can't take an antibiotic for it, we can't build up our immune system to cure it once we have it, and we can't

seem to find anything that will reverse its devastating results...UNTIL NOW with CMO™!

**The only product that has actually REVERSED
the arthritic process for thousands!**

Unlike everything else, CMO™ is not a pain reliever, not an anti-inflammatory, not a steroid or other cortisone. CMO™ is an IMMUNOMODULATOR, which helps to normalize the immune system.

Instead of treating the symptoms of pain and inflammation, CMO™ acts directly against the cause of the arthritis - the erroneously programmed "memory T-cells" of your own immune system that cause the attacks against your joints. The bad programming is why, as time passes, arthritis only gets worse. Once the problem is corrected, the attacks on your joints are halted and the symptoms of pain and inflammation are promptly remedied. CMO™ corrects the root cause of arthritis by erasing the memory of those badly programmed memory T-cells.

Once the destruction of your joints is halted, your body can begin to normalize. Although the major benefits come promptly, minor improvements continue for several months. With the pain and inflammation relieved, the joints can function normally.

Does CMO™ work for everyone? NO, and we offer no guarantees (but neither does your doctor). If you are generally healthy and temporarily willing to give up coffee, alcohol and caffeine, you can be one of the hundreds who have received COMPLETE relief for their arthritic condition.

Proven Results

The treatment of arthritis with CMO™ has been proven by actual case experiences and clinical studies. These studies are available in the book by Dr. Len Sands, "Arthritis Defeated at Last." Our customer base includes individuals, clinics, M.D.s, D.O.s and chiropractors. We have helped hundreds find relief with CMO™.

* * *

CMO™ is a registered trademark of the San Diego Clinic.

* * *

[Exhibit A, <http://www.choicemall.com/apcc>]

B. ATTENTION ARTHRITIS PAIN SUFFERERS

**NEW 100% NATURAL PRODUCT
THAT CAN ACTUALLY REVERSE
THE EFFECTS OF ARTHRITIS
ONCE & FOR ALL!**

- * ALL NATURAL
- * ONE TIME TREATMENT
- * NO SIDE EFFECTS
- * IMAGINE! NO MORE DRUGS
- * STUDIES & TESTIMONIALS
- * CREDIT CARDS ACCEPTED

DON'T SUFFER ANOTHER DAY!!

* * *

What causes arthritis?

The arthritic process is regulated by 'memory T-cells' which have been erroneously programmed causing attacks on your joints and cartilage. In osteoarthritis this faulty programming usually results from physical damage The damage results

in an immune response involving the memory T-cells producing attacks against the affected joints. . . . Although various types of rheumatoid arthritis are caused by infective micro-organisms, memory T-cells are again involved in the same arthritic process. Without CMO™ it continues to worsen.

* * *

Does CMO™ improve joint mobility?

Absolutely! If the joint can be moved just slightly (by the afflicted person or even by someone else) joint mobility can usually be restored. . . .

Does CMO™ stop arthritis pain?

Arthritis pain will disappear completely in almost every instance. In a few extreme cases, pain was reduced by only 50% to 70% which was still such a major benefit that it allowed the persons to function almost normally again.

Does CMO™ reduce inflammation?

Yes, and it does so very effectively. . . .

How long before it takes effect?

Most people begin to feel relief within two to four days. . . . some may need as many as four weeks of treatment.

* * *

Is CMO™ used for any other ailments?

Current studies include CMO™ as part of therapeutic protocol for other disorders with auto-immune components including multiple sclerosis, lupus, emphysema, silicon breast disease, certain cancer treatments, benign prostate hyperplasia and possibly other lung disorders. . . .

* * *

What about more severe cases?

Even persons previously confined to a bed or a wheelchair have responded dramatically and are now no longer dependent on others for care. A number of these received additional benefit from repeating the treatment again. . . .

What about joints where the cartilage is completely worn away?

Unless the bones have fused together, the usual problem is not lack of mobility but pain. The majority of such dramatic cases have responded favorably resulting in painless movement, even in the knees.

Does it work for everyone?

. . . . So far, CMO™ has been able to help everyone who has not suffered liver impairment

Currently, we are experiencing [sic] an 80% to 90% success rate.

Is it expensive?

The cost of the treatment is very modest when compared with what most arthritis victims are spending monthly on pain and inflammation medications that only mask the symptoms. Since, in most cases, you only need to take one treatment of CMO™, [sic] it actually saves you thousands of dollars, not to mention the pain and disability reversed.

* * *

Does that mean that a person takes CMO™ only once and that's it?

YES. Unbelievable isn't it! Most afflicted persons need to take the capsules for only a couple of weeks to be free of arthritis symptoms forever. No further medication is ever necessary, not even CMO™.

Does it work for both rheumatoid and osteoarthritis?

Both types respond equally well. It also works for most other types of arthritis such as those associated with ankylosing spondylitis, reiter's syndrome, sjogren's syndrome, behcet's syndrome and psoriasis. It has also been found to relieve various types of back pain of undetermined origin (probably arthritis related).

Is CMO™ harmful in anyway?

... It's a perfectly [sic] safe naturally derived substance. ...

Can I continue with my usual medications while taking CMO™?

Yes, but after a few days you probably won't need your pain medication. The only drugs that has any effect on CMO™ are Methatrexate and Rheumatrex. These two conventional arthritis drugs tend to nullify the CMO™. There are no adverse drug reactions, you simply won't feel anything or get any results with your CMO™. Always check with your doctor before changing or taking any medication. Avoid steroids.

[Exhibit B, consumer brochure]

C. * * *

CMO is an all natural oil substance which was discovered to exist in some animals such as cattle and whales. It is a third chain "fatty acid ester." One of the building blocks used to make CMO exists in beef tallow. Fatty acids have many functions essential to good health. This fatty acid can help control inflammation and may PREVENT arthritis.

Studies and Testimonials Available Upon Request

The treatment of arthritis with CMO™ and the supplements listed have been proven by actual case experience and clinical studies. Please E-Mail us at meljo@swbell.net for a copy of these studies and/or testimonials. Our customer base includes individuals, clinics, M.D's, D.O's, and chiropractors. Although no formal studies have been conducted, CMO has also been reported to help reduce the effects of emphysema, fibro-myalgia, lupus, chronic bronchitis and certain skin disorders. Thousands have used CMO successfully.

[Exhibit C, consumer brochure]

D. A Miracle Product of Nature

CMO™ No More Arthritis No More Pain

Attention Golfers:

* * *

CMO - Cerasomal-Cis-9-Cetyl-Myristoleate, is an all natural, completely safe, nutrient compound that is derived from an oil found in certain mammals. CMO corrects the root cause of arthritis erasing the memory of those malfunctioning "Memory T-Cells". Once the destruction is halted, the body can begin to normalize and the joints begin to function normally again - FREE FROM PAIN. Many sufferers of arthritis who have in the past had to limit their activity due to pain are now living their lives again - PAIN FREE after only 12-24 days of treatment.

[Exhibit D, advertisement in *Par-Fore* magazine, February 1997]

E. San Diego Clinic**MEMORANDUM****Subject: Heart Disease Relative to CMO™**

There have been no formal studies conducted with respect to the effects of CMO on individuals with heart disease.

However, considering that CMO is a naturally derived nutritional supplement that has shown to help normalize various physiological and immunological body processes in humans, and since it appears to be completely non-toxic in its use by thousands of consumers and in previous animal studies, we would expect that it would have no ill effect on individuals with coronary problems.

On the contrary, we have received interesting reports regarding persons with certain other ailments who have taken CMO for arthritis as recommended by their physicians and other health care professionals;

1) There have been reports on individuals suffering from hypertension (high blood pressure) whose blood pressure has completely normalized or lowered substantially.

2) There have been reports of individuals suffering from hypotension (low blood pressure) whose blood pressure has completely normalized or raised substantially.

3) There have been reports of individuals with high and even extremely high blood sedimentation rates whose sed rates have normalized, even in Lupus patients.

4) There have been reports of individuals with cardiac arrhythmia (abnormal heartbeat rhythm) whose arrhythmia has disappeared.

* * *

[Exhibit E, San Diego Clinic memorandum, January 1997, available from Arthritis Pain Care Center]

F. The New Arthritis Treatment

CASE HISTORIES

Condensed Highlights From
Case Histories Recorded By
The San Diego Clinic

FROM CASE HISTORY #38:

Medical Doctor. Pain and stiffness in hands for several years. Unable to perform simple office surgery. One day of CMO brought relief. Dexterity and fine surgical ability returned gradually. Ordered CMO for his patients.

FROM CASE HISTORY #332:

Female. Age 66. Rheumatoid arthritis rendered hands useless, gnarled, inflexible, agonizingly painful six years ago. Pain relieved and full use of hands restored after five days of CMO.

FROM CASE HISTORY #39:

Male. Medical Doctor/psychiatrist. This physician complained of persistent pains along his spine and in his feet. He became completely free of pain in both the spine and feet within two days of starting CMO capsules. Remission continues.

FROM CASE HISTORY #33:

Medical Doctor. Auto wreck ten years earlier damaged hip, caused limp and arthritis. CMO relieved pain permanently in one day for the first time after many years. The limp problem is irreparable. Ordered CMO for his patients.

* * *

**YOU CAN JOIN THE GROWING NUMBER
OF PEOPLE WHO HAVE ENJOYED THE
BENEFITS OF CMO**

* * *

[Exhibit F, consumer brochure]

G. CMO Testimonials

* * *

As you know, I have had rheumatoid arthritis since I was 38, and am now almost 51. I have run the gamut as far as prescription medications go. The symptoms where of course suppressed over the years, but my condition slowly worsened none the less. I have been in constant pain over the years, and at times had to resort to prescription narcotics to relieve the agony. After . . . my purchase of CMO, my arthritis began to go into a remissive state quite rapidly. . . Should my arthritis ever decide to rear it's ugly head again, you can be sure I won't hesitate to purchase another bottle. . .

Tim Richards, Carson City, NV

* * *

My arthritis pain and swelling in my hands is gone and there is no more pain in my back, hips or legs. I am also suffering from emphezemia and have noticed an improvement, I'd say at least 40%. It seems to be getting better every day. . . CMO seems to be the one thing I needed 10 years ago. . .

* * *

I did the CMO treatment on a 12 day basis and before the 12 days were up, around the fifth or sixth day, I noticed remarkable improvement in my hands, especially those sore knuckles and my lower back. By the end of the twelve days I also noticed that a burning pain from the small of my back down through my leg to my foot was disappearing. It has been 8 weeks since I finished my treatment and I'm here to tell you that all my pain is gone. So golfers, tennis players, softball players and anybody with arthritis pain, do yourself a favor and do the CMO treatment.

John Sneed, Fort Worth, Texas

* * *

To potential users I would say that one bottle may be perfect for some; others may need more. It is worth the commitment to take a product that is natural, can not hurt you, and can only make you 'whole' once again. . .

Barbara, Dataw Island, SC

[Exhibit G, consumer brochure]

H. * * *

Now where CMO comes from is quite an interesting history. The -- it was originally discovered at the United States Government National Institutes of Health. A researcher there by the name of Harry Deal (phonetic) back in 1971 discovered this substance existing in a string of mice, called Swiss Albino mice, which are generally used in laboratories for research.

And he found it had a remarkable property. It had the property of preventing the formation of arthritis in animals who were injected with arthritis inducing substances. And even more remarkably it had the property of literally and totally reversing all arthritic symptoms in these same laboratory animals.

He continued to research this pretty much of his own volition and as much as he could in the NIH without a great deal of funding for it. It didn't seem like the NIH had a great deal of interest in this particular substance.

At any rate, it is totally different. The significant thing about CMO is that it is not treating the symptoms of inflammation or pain. It is in fact going directly into the immune system and stopping the arthritic process itself, which allows the body to cope with and heal itself and rid itself of the inflammation and pain.

* * *

Once this is accomplished, there is no need for any further medication, not even for CMO. The CMO has gone in, done its job, and it is not needed any longer in most instances. There are a few cases where more quantities, larger and more prolong therapy with CMO can prove to be beneficial. But once it's over, it seems to be over.

* * *

[P]eople that were treated eight, ten, 12 years ago, as a result of the studies and the compounds produced by Harry Deal with the NIH, these people have not needed any further treatment for arthritis. They have been able to discontinue all medication. They haven't needed any more pain pills. They haven't needed any more anti-inflammatory drugs.

And this is of enormous benefit to most patients, simply because of the fact that many of these things are harmful. They're harmful to the liver. They're harmful to the kidneys. We had a patient in here just a -- just a few days ago, an antique dealer, a woman who was taking between, I believe, eight and 15 Tylenol every day. And her test results on liver function indicate that she was definitely suffering from liver impairment as a result of this kind of medication.

And this is -- she has -- she's been amazed. She was taking CMO for only a matter of five days, and she saw very significant improvement already, despite her liver damage. . . . So it's a great benefit, because once you're done with this program, it appears that you are likely to be done forever. We can't say for sure that perhaps at some point in the future this same individual may encounter some circumstances that could trigger the process anew. But should that happen ten years down the line, you know, you can just take CMO again.

* * *

CMO was rather buried in the NIH for a number of years, to the point that when the individual who discovered it retired, he himself had to continue on the research on his own. There was no funding available from the NIH. And once it was -- even though it was proved within the laboratories of the NIH to have these magnificent properties of seemingly permanently reversing the effects of arthritis.

* * *

We picked up the exploration of that substance, and we continued, and we did some studies on 48 patients. And we were absolutely amazed by the results. We got between 70 to 100 percent improvement in joint mobility and in pain reduction. Only two of the 48 patients didn't respond to CMO, and both of those, it turned out, have substantial liver damage.

* * *

Basically -- well, many people say that it's a blessing, because they were looking forward to spending thousands and thousands of dollars for the rest of their life taking -- just taking things to be able to allow them to just barely function during the day. Whereas they take CMO and they return to somewhere between 70 and 100 percent of their old selves. I did, personally.

* * *

And there have been another -- other disorders that people have -- various doctors who have been utilizing CMO have found to be beneficial, things like lupus, multiple sclerosis, emphysema and the like, simply because along with other medications, where CMO seems to work along with other medications to help the process along, as a result of its effect on the immune system.

* * *

We're getting about 96 percent success rate [with CMO].

* * *

[Exhibit H, audiocassette tape distributed by Arthritis Pain Care Center, "Health Program Interview On CMO with Dr. Len Sands"]

5. Through the means described in paragraph four, respondents have represented, expressly or by implication, that respondents' CMO products:

A. Are effective in the mitigation, treatment, prevention, and cure of most forms of arthritis, including rheumatoid arthritis and osteoarthritis.

B. Provide permanent relief from symptoms of arthritis, including pain, impaired mobility, swelling, and joint deformities.

C. Are as effective as or superior to prescription medications in the treatment of arthritis and the relief of arthritis symptoms.

D. Are completely safe and without adverse side effects.

E. Are effective in the treatment of multiple sclerosis, lupus, emphysema, chronic bronchitis, silicone breast disease, cancer, benign prostate hyperplasia, hypertension, hypotension, and cardiac arrhythmia.

6. Through the means described in paragraph four, respondents have represented, expressly or by implication, that "case histories" and testimonials of consumers appearing in the advertisements or promotional materials for respondents' CMO products reflect the typical or ordinary experience of members of the public who use the products.

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

8. In truth and in fact, respondents did not possess and rely upon a reasonable basis that substantiated the representations set forth in paragraphs five and six, at the time the representations were made. For example, studies have not examined the efficacy of the ingredients in respondents' CMO products in the prevention or cure of arthritis; or in comparison to prescription medications for the treatment of arthritis or the relief of arthritis symptoms; or in the treatment of multiple sclerosis, lupus, emphysema, chronic bronchitis,

322

Complaint

silicone breast disease, cancer, benign prostate hyperplasia, hypertension, hypotension, or cardiac arrhythmia. In addition, there is insufficient information available to determine the reliability of other purported studies or the applicability of such studies to the respondents' products. Therefore, the representation set forth in paragraph seven was, and is, false or misleading.

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

A. Clinical studies prove that CMO™ is a safe and effective treatment for arthritis.

B. Studies were conducted at the National Institutes of Health that prove that CMO reverses the effects of arthritis.

10. In truth and in fact:

A. Clinical studies do not prove that CMO™ is a safe and effective treatment for arthritis.

B. No studies conducted at the National Institutes of Health prove that CMO reverses the effects of arthritis.

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

11. In the advertising and sale of CMO products, respondents have represented that John Sneed is an endorser of CMO products. Respondents have failed to disclose adequately that Sneed has a material connection with respondents' CMO products in that, at the time of providing his endorsement, Sneed had a financial interest in Arthritis Pain Care Center and received a financial benefit from respondents' sales of the product. These facts would materially affect the weight and credibility given by consumers to the endorsement and would be material to consumers in their decisions to purchase the product. Therefore, the failure to disclose adequately these facts, in light of the representations made, was, and is, a deceptive practice.

12. The acts and practices of respondents, as alleged in this complaint, constitute unfair or deceptive acts or practices, and the making of false advertisements, in or affecting commerce, in violation of Sections 5(a) and 12 of the Federal Trade Commission Act.

Complaint

128 F.T.C.

EXHIBIT A

Arthritis Pain Care Center

<http://www.choicemall.com/cgi-bin/...cc/index.htm&ip=898274677&ancho>

CATEGORIES | SERVICES | STORE INDEX | SEARCH

Arthritis Pain Care Center

Arthritis Treatment ... Stress ADD/ADHD Treatment ... Nutritional Support



Arthritis - Arthritis - Arthritis

Do You Have It or
Know Someone Who Does?

Don't be fooled by reports from The
Arthritis Foundation ...
There IS a natural treatment for your
arthritis - CMOtm

AS SEEN ON T.V.!!

What is CMOtm?	Proven Results	Our Services	Our Products	Distributorships & Contact Information
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The Arthritis Foundation and your doctor will often tell you that you can't treat arthritis with anything except prescription drugs. **THAT'S A LIE!**

Prescribed drugs have harmful, long-term effects. Methotrexate, for instance, when taken over time will **DESTROY** your liver. - Ask your doctor. That's why you must have monthly liver tests!

Prednisone is a **STEROID**. Steroids affect your adrenal glands. That's why you must be weaned off very slowly. - Ask your doctor.

And surgery...of course they want to offer this option (lots of money), but do they guarantee these treatments? - **NO!**

Exhibit A

Arthritis Pain Care Center

Doesn't it make more sense to at least **TRY** a natural product which has
NO SIDE EFFECTS?

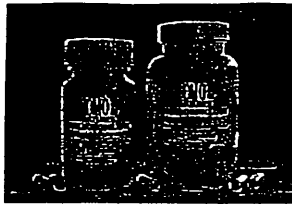
Just read Dr. Len Sands (San Diego Clinic), "Arthritis Defeated at Last"
For a detailed, frank discussion of healing arthritis naturally.

322

Complaint

EXHIBIT A

Arthritis Pain Care Center

<http://www.choiceemail.com/cgi-bin/.../index.htm?ip=0962/40/1&anch>**CMOtm**

(Cerasomal-Cis-9-Cetylmyristoleate)

An all-natural product with
UNBELIEVABLE results!

9 out of 10 report partial to

TOTAL RELIEF
With just 1 treatment!
 JOIN THE THOUSANDS WHO HAVE RECEIVED
FREEDOM FROM ARTHRITIS "ONCE AND FOR ALL"
Why do we get arthritis?

Most doctors agree that it is an auto-immune disease. We can't take an antibiotic for it, we can't build up our immune system to cure it once we have it, and we can't seem to find anything that will reverse its devastating results...UNTIL NOW with CMOtm!

The only product that has actually REVERSED
the arthritic process for thousands!

Unlike everything else, CMOtm is not a pain reliever, not an anti-inflammatory, not a steroid or other cortisone. CMOtm is an IMMUNOMODULATOR, which helps to normalize the immune system.

Instead of treating the symptoms of pain and inflammation, CMOtm acts directly against the cause of the arthritis - the erroneously programmed "memory T-cells" of your own immune system that cause the attacks against your joints. The bad programming is why, as time passes, arthritis only gets worse. Once the problem is corrected, the attacks on your joints are halted and the symptoms of pain and inflammation are promptly remedied. CMOtm corrects the root cause of arthritis by erasing the memory of those badly programmed memory T-cells.

Once the destruction of your joints is halted, your body can begin to normalize. Although the major benefits come promptly, minor improvements continue for several months. With the pain and inflammation relieved, the joints can function normally.

Does CMOtm work for everyone? NO, and we offer no guarantees (but neither does your doctor). If you are generally healthy and temporarily willing to give up coffee, alcohol and caffeine, you can be one of the hundreds who have received **COMPLETE** relief for their arthritic condition.

Proven Results

The treatment of arthritis with CMOtm has been proven by actual case experiences and clinical studies. These studies are available in the book by Dr.

Complaint

128 F.T.C.

EXHIBIT A

Arthritis Pain Care Center

<http://www.choiceemail.com/cgi-bin/...cc/index.htm&lpt=898274677&anch>

experiences and clinical studies. These studies are available in the book by Dr. Len Sands, "Arthritis Defeated at Last." Our customer base includes individuals, clinics, M.D.s, D.O.s and chiropractors. We have helped hundreds find relief with CMOTm.

Products

CMOTm 60 count capsules	\$120.00	
BeCalmed Stress Formula 50 count capsules	\$18.95	
Glucosamine Sulphate 30 count tablets	\$13.95	
Herbal Care Pain Spray 2 fluid ounces	\$30.00	
"Arthritis Defeated at Last" (Dr Len Sands Book)	\$8.50	

Contact us for information on our other products:

KAL Enzyme	\$5.00
APCC Pain Cream	\$20.00
Alpha Lipoic Acid	\$12.95
COMPLETE PACKAGE CMOTm, enzyme, book	\$125.50

Add \$5.00 per order for s/h
We accept all major credit cards

We will NOT be undersold!
If you find CMOTm at a lower price, tell us where and we'll match it!

Services

We deliver service AFTER the sale!

The Arthritis Pain Care Center is here to help you. We offer a variety of services and products to help with your arthritis, Lupus, Fibromyalgia, etc., and we strive to treat the WHOLE person. We are not in the business of "selling products," rather we want to help people find proven, alternative treatments for their condition.

322

Complaint

EXHIBIT A

Arthritis Pain Care Center

<http://www.choicemail.com/cgi-bin/...cc/index.tam&lpr=898274677&an>

CMOtm is a registered trademark of the San Diego Clinic.
Beware of
copycat products. CMOtm is
cerasomal-cis-9-cetlmyristoleate.
THERE IS NO OTHER!

Arthritis Pain Care Center

3615-F West Pioneer Parkway
Arlington, TX 76013
817-460-4519
Fax: 817-274-4066
meljo@swbell.net

Contact us for Distributor Information and
For quotes on bulk orders!

Complaint

128 F.T.C.

EXHIBIT B

Questions & Answers

What makes CMOm so different from other treatments I've tried?

Unlike everything else, CMOm is not a pain reliever. It's not an anti-inflammatory. It's NOT a cortisone or other steroid. CMOm is an *immunomodulator*. There's never been anything else like it before for arthritis. Instead of treating the symptoms of pain and inflammation, CMOm capsules act directly against the cause of arthritis — the erroneously programmed "memory T-cells" of your immune system that cause the attacks against your joints. The bad programming is why, as time passes, arthritis only gets worse, never better. But once the program is corrected, the attacks on your joints are halted and the symptoms of pain and inflammation are promptly remedied. It's like a bad computer program. But once it's fixed, it *stays fixed*.

Does that mean that a person takes CMOm only once and that's it?

YES. Unbelievable, isn't it! Most afflicted persons need to take the capsules for only a couple of weeks to be free of arthritis symptoms forever. No further medication is ever necessary, not even CMOm.

Does it work for both rheumatoid and osteoarthritis?

Both types respond equally well. It also works for most other types of arthritis such as those associated with ankylosing spondylitis, Reiter's syndrome, Sjögren's syndrome, Behçet's syndrome and psoriasis. It has also been found to relieve various types of back pain of undetermined origin (probably arthritis related).

Is CMOm harmful in anyway?

CMOm studies began at the National Institutes of Health more than twenty years ago. Recently, clinical applications studies were conducted by the San Diego Clinic. No harmful short or long term effects were ever observed in humans or laboratory animals even at ex-

posed in medicines and cosmetics. It's a perfectly safe, naturally derived substance.

Can I continue with my usual medications while taking CMOm?

Yes, but after a few days you probably won't need your pain medication. The only drugs that has any effect on CMOm are Mefenamic acid and Rheumatrex. These two conventional arthritis drugs tend to nullify the CMOm. There are no adverse drug reactions, you simply won't feel anything or get any results with your CMOm. Always check with your doctor before changing or taking any medication. Avoid steroids.

ORDERING INFORMATION:

Price: \$165.00 per package*

I wish to pay by:

Check Money Order Credit Card



Name: _____

Address: _____

City: _____ State/Zip: _____

Phone: _____

Name On Credit Card: _____

Card #: _____

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3615-F West Pioneer Parkway

Arlington, Texas 76013

*Package: 30 CMOm Capsules, Glucosamine Sulfate, Alpha Lipoic Acid

CMOm is an unpatented product from an old natural source. Therefore it has and has been approved by the FDA. This product is not intended to cure or prevent any disease.



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PAIN

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NEW

Exhibit B

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Complaint

EXHIBIT B

The immune system... cells... which have been erroneously programmed causing attacks on your joints and cartilage. In osteoarthritis, the body's programming usually results from physical damage such as long term physical work, sports activities, continuous repetitive motions, a fall, vehicle accident, etc. The damage results in an immune response involving the memory T-cells producing attacks against the affected joints. Unfortunately, there's no "stop button" or "red program" command in the memory T-cells and the attack continues against healthy cartilage and joints as well. That's why arthritis is called an "auto immune" disease because your body is attacked by your immune system. Although various types of rheumatoid arthritis are caused by infective micro-organisms, memory T-cells are again involved in the same arthritic process. Without CMOm it continues to worsen.

How does CMOm work?

CMOm corrects the root cause of arthritis by erasing the memory of those badly programmed memory T-cells. Once the destruction of your joints is halted, your body can begin its repair process without interference and joints begin to normalize. Although the major benefits come promptly, further improvements continue for several months after finishing CMOm. With the pain and inflammation relieved, the joints can function again normally.

What is CMOm? Where Does It Come From?

Crossmalt-cis-9-octylmyristoleate is the biochemical name. CMOm is the trade name. It's a completely natural substance found in certain animals such as cows, whales, beavers, and mice. It's a "fatty acid ester" that's manufactured through a series of highly (and costly) chemical processes that changes and then re-combines the all natural ingredients using the building blocks from beef tallow. Only the fatty acid ester is used. Scientifically speaking, CMOm is a fatty acid. In less scientific terms, it is an oil derived from United States cattle.

the afflicted person or even by someone else) joint mobility can usually be restored. But if the bones have fused and grown together only surgery can help these particular joints.

Does CMOm stop arthritis pain?

Arthritis pain will disappear completely in almost every instance. In a few extreme cases, pain was reduced by only 50% to 70% which was still such a major benefit that it allowed the persons to function almost normally again.

Does CMOm reduce inflammation?

Yes, and it does so very effectively. The pressure in the joints caused by the inflammation is a major cause of stiffness and pain.

How long before it takes effect?

Most people begin to feel relief within two to four days. Often, that's all it takes to see a significant difference. Others may take a bit longer and some may need as many as four weeks of treatment.

Do I have to go on a special diet?

Alcohol, caffeine and chocolate must be avoided and a few other foods limited, but just for a couple of weeks. Afterward, there are no restrictions. You will also be taking an all natural enzyme to help with the absorption of the product.

Is CMOm used for any other ailments?

Current studies include CMOm as part of therapeutic protocol for other disorders with auto-immune components including multiple sclerosis, lupus, emphysema, silicon breast disease, certain cancer treatments, benign prostatic hyperplasia and possibly other lung disorders. It has been especially helpful for lupus sufferers when combined with glucosamine sulphate. There have also been reports of its positive effects on persons suffering with psoriasis. This condition has been reported to have cleared with CMOm. Animals with arthritis condition have also been cured. It works on dogs, cats and horses.

bones out of place. Reduction of the swelling alone improves the appearance dramatically and often allows the dislocated bones to return to their normal position. Extreme cases may require some physical therapy.

What about more severe cases?

Even persons previously confined to a bed or a wheelchair have responded dramatically and are now no longer dependent on others for care. A number of those received additional benefit from repeating the treatment again. A few have found that physical therapy or exercise programs also helped. But be careful and don't over-do it when pain and swelling subside, you could make your muscles sore and painful.

What about joints where the cartilage is completely worn away?

Unless the bones have fused together, the usual problem is not lack of mobility but pain. The majority of such dramatic cases have responded favorably resulting in painless movement, even in the knee.

Does it work for everyone?

No. There is not anything that will work for everyone. So far, CMOm has been able to help everyone who has not suffered liver impairment which usually results from some disease, alcohol, steroid or conventional arthritis treatments such as Melibourine, Rheumatrex or steroid medication. A good digestive system is an important factor in CMOm's success. Currently, we are experiencing an 80% to 90% success rate.

Is it expensive?

The cost of the treatment is very modest when compared with what most arthritis victims are spending monthly on pain and inflammation medications that only mask the symptoms. Since, in most cases, you only need to take one treatment of CMOm, it actually saves you thousands of dollars, not to mention the pain and disability reversed.

Complaint

128 F.T.C.

EXHIBIT C

Arthritis Pain Care Center

3615-F West Pioneer Parkway, Arlington, Tx 76013 (817) 460-4519

**CMOtm****Cerasomal-cis-9-Cetylmyristoleate****Exciting, New, All Natural Product****Creates Unbelievable Results****9 Out Of 10 Report****Partial to TOTAL Relief**

**Freedom From
Painful Arthritis
In Days !**

**WHAT MAKES CMO SO DIFFERENT FROM THE SYMPTOM TREATMENTS
I'VE TRIED?**

**JOIN THE 90% OF THOUSANDS WHO HAVE RECEIVED FREEDOM FROM
ARTHRITIS, "ONCE AND FOR ALL"**

Unlike everything else, CMO is not a pain reliever. It is not an anti-inflammatory. It is not a steroid or other cortisone. CMO is an IMMUNOMODULATOR, which helps to normalize the immune system.

Instead of treating the symptoms of pain and inflammation of arthritis, CMO acts directly against the cause of the arthritis — the erroneously programmed "memory T-cells" of your own immune system that cause the attacks against your joints. The bad programming is why, as time passes, arthritis only gets worse, never better. But once the problem is corrected, the attacks on your joints are halted and the symptoms of pain and inflammation are promptly remedied. It's like a bad computer problem. But once it's fixed, it STAYS fixed. CMO corrects the root cause of arthritis by erasing the memory of those badly programmed memory T-cells. Once the destruction of your joints is halted your body can begin to normalize. Although the major benefits come promptly, minor improvements continue for several months after finishing CMO. With the pain and inflammation relieved, the joints can function again quite normally.

CMO is an all natural oil substance which was discovered to exist in some animals such as cattle and whales. It is a third chain "fatty acid ester." One of the building blocks used to make CMO exists in beef tallow. Fatty acids have many functions essential to good health. This fatty acid can help control inflammation and may PREVENT arthritis.



Exhibit C

Arthritis Pain Care Center

EXHIBIT C

Studies and Testimonials Available Upon Request

The treatment of arthritis with CMOtm and the supplements listed have been proven by actual case experience and clinical studies. Please E-Mail us at meljo@swbell.net for a copy of these studies and/or testimonials. Our customer base includes individuals, clinics, M.D.'s, D.O.'s, and chiropractors. Although no formal studies have been conducted, CMO has also been reported to help reduce the effects of emphysema, fibro-myalgia, lupus, chronic bronchitis and certain skin disorders. Thousands have used CMO successfully.

Supplements that help to increase the effectiveness of CMOtm.

Kal-N-Zyme	An all natural enzyme that helps the body assimilate the CMO.
Alpha Lipoic Acid	This is best used by persons who have been on doctor prescribed arthritic drugs such as Methotrexate. The alpha lipoic acid will help to de-toxify the liver and increase the effectiveness of CMO.
Glucosamine Sulfate	This product can be used after the CMO treatment to help rebuild the cartilage

Please feel free to call our office at 817-460-4519 to discuss the product and/or treatment protocol.

Retail Distributors Are Needed In Local Regions. NOT MLM.

Arthritis Pain Care Centers offer you a complete package for treatment of your arthritic condition:

CMOtm, Kal-N-Zyme, Alpha Lipoic Acid, and Glucosamine Sulfate

Package Price: \$165.00

Individual Prices:

CMOtm, 50 caps:	\$150.00
Kal-N-Zyme:	\$4.50
Alpha Lipoic Acid:	\$12.50
Glucosamine Sulfate:	\$15.00

Beware of Copycat products that attempt to use the trademark CMO. CMOtm is Cersasomal-cis-9-cetylmyristoleate, there is no other.

Credit Cards Accepted: Visa, Master Card, American Express, Discover.
You Can Order By Fax (817) 460-4482, Phone (817) 460-4519 or E-mail meljo@swbell.net.

EXHIBIT D



EXHIBIT D

Good Putter

One key ingredient to becoming a good putter is to know how to read the greens. It is important because putting is both direction and distance. If you do not have the right speed and direction, your chances of the ball going in the hole severely diminish.

In North Texas, golfers have the opportunity to play on two different types of putting surfaces. One is Bermuda grass and the other is bent grass. Bermuda grass is a thicker

blade of grass while bent is a thinner blade. Usually, Bermuda is a slower surface than greens of bent grass. Both types of grass have grain, which means the direction the grass grows. The grain of a grass grows toward the setting sun as well as the flow of nearby water. Keep in mind that Bermuda grass is normally a much more grainy surface.

Grain is important because it can affect both the speed of a green as well as the direc-

ture and the color of the grass on. If the blades of the grass are flat and face has a shine, you are putting grain, or down grain.

Another aspect of reading a green is to pay attention to the lay of the green. If one side of the green is higher than the other, the ball will normally follow the lay of the land.

Here are a few other helpful reading greens. When hitting an approach shot, into the green, pay at-

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No More Arthritis

No More Pain

Attention Golfers:

Arthritis is an auto-immune disease that many people suffer from. Statistics tell us that 40 million in the United States alone are afflicted with it. The pain caused from arthritis prevents many from enjoying the quality of life they desire. For some, it may mean that they are unable to participate in any form of exercise or recreation but for others, even the most simple daily tasks are affected.

There are many theories about the cause of arthritis. One thing that we do know is that the arthritic process is regulated by "Memory T-Cells" in our bodies which have been erroneously programmed to attack healthy joints and cartilage. This faulty programming may result from physical damage such as a fall, sports injury, automobile accident, long-term strenuous physical activity, etc. . . . Malfunctioning "Memory T-Cells" are also involved in the process of Rheumatoid Arthritis. Unfortunately, up until now, when the arthritic process started it continued to worsen as time went on.

CMO - Cerasomal-Cis-9-Octyl-Myristate, is an all natural, completely safe, nutrient compound that is derived from an oil found in certain mammals. CMO corrects the root cause of arthritis erasing the memory of those malfunctioning "Memory T-Cells". Once the destruction is halted, the body can begin to normalize and the joints begin to function normally again - FREE FROM PAIN. Many sufferers of arthritis who have in the past had to limit their activity due to pain are now living their lives again - PAIN FREE after only 12-24 days of treatment.

If you would like to receive more information about this revolutionary new breakthrough in the treatment of arthritis you may contact John or Melinda Sneed at the Arthritis Pain Care Center at 3615-F.W. Pioneer Pkwy. in Arlington at (817) 460-4519. ■

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PAR*FORE READERS ASK FOR INFORMATION ON:

LONG DRIVE CONTEST

Terry Patton has been involved with long drive contests for the past 6 years. He was a qualifier for the Remax North America Long Drive Championship in 1994, where he went to Las Vegas, NV to compete in the finals. The sanctioning body for the tournament is the Long Drivers of America Association. There are two stages to reach the National Tournament. Participants hit in a local qualifier, which in the past has been held locally at City Point, Dallas, Tour Play, Mesquite, Leonard Golf Links, Fort Worth. Qualifiers from all areas go to the District Tournaments. There are 16 held nationally. The qualifiers from the district level, plus the people that have exemptions comprise the national field.

This year, Patton is excited to announce that his driving range, Jackson Road Golf Center in Carrollton, will be holding a local qualifier on June 28. The local qualifiers are open to anyone with a desire to compete, with a chance to go to a national tournament. We are also in the planning stages of a tournament for the Professional Long Drivers of America, with a purse of possibly \$10,000.

Patton acquired Jackson Road Golf Center

improvements with more changes for the future. The target greens have been reworked, the putting green will be enlarged and a chipping green will be added in the future. The driving range is located in north Carrollton at 1084 W. Jackson. ■

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128 F.T.C.

EXHIBIT D

"We are offering golfers the ultimate putting surface all the time, and we think once they come out here and see the greens, they won't want to play on a regular (spiked) course again," head professional Dan Budzius said.

When golfers call for a tee time, Budzius said his staff makes it clear Bridlewood is a soft spikes golf course. Should golfers arrive at the course with metal cleats, he will either "rent" them a pair of soft-spikes shoes for their round or offer to change their cleats for free in just a matter of minutes.

"We think there are so many benefits to having a soft-spikes course and having perfect greens all the time," Budzius said. "When they come out here and try it for the first time, they'll be hooked."

The new Bridlewood course, located on Highway 1171, opened on Jan. 24. It was the first signature design for the PGA veteran Weibring and part of a larger residential community in the fast-growing part of the Metroplex. While home owners get a green fee reduction, the course is open to

anyone.

"So many people have moved here recently, but there are not that many courses," Budzius said. "We wanted to set up this one for the average golfer, so they wouldn't beat their brains out."

What Weibring and his associates at Golf Resources, Inc. found is a parcel of gently rolling terrain spiced with large stands of native trees. Many of the trees have been placed strategically on the holes to force unique hitting areas.

The front nine, which contains several ponds visible from the highway, is more of an open, links-style layout. The back nine, which is intersected by Timber Creek, is more wooded with tight doglegs and scenic vistas. The greens are the new Cato/Crenshaw bent grass, named for the Fort Worth golfer Paul Cato and the Austin PGA superstar Ben Crenshaw, with the fairways a 419 bermuda.

"The gentle, rolling hills and thick hardwoods forest create an outstanding setting for an unique course," Weibring said. "Every golf course designer relishes the opportunity to start with a site as beautiful as Bridlewood."

Before golfers attack the first hole, Bridlewood features an expansive 134 x 85 yard practice center. The hitting range features two large practice fairways to grove your good shots along with a large putting green and practice bunkers.

The front side starts with a wide driving fairway. At 415 yards, this par 4 opening hole is an excellent warmup for a round full of challenges to come. Another characteristic is the numerous swales, mounds and grass hollows around the fairways and greens. It gives the course a gentle, meadowland-type feel.

"We've accentuated the rolling terrain and forests without disturbing them to create a truly classic round of golf," said Weibring.

The par 3 eighth hole is one of the shortest on the course, but is also among the roughest and most challenging. The tee sits on the edge of a lake requiring a full shot over the water with a bailout area on the right. The pin sits just along the edge of the water behind a bunker.

While both nines are par 36, the back nine is certainly tougher and requiring more accuracy off the tee. Trees on the 10, 11 and 12 holes force driving decisions off the tee with consequences for the wrong choices.

"This really is a good decision maker's course, because you can play several of the holes many different ways. You have to be really thinking with your shoes," Budzius said.

The course finishes with a 438-yard par 4. Golfers must cross Timber Creek to reach the fairway, then conquer the deep bunkers around an angled green. Timber Creek winds its way all along the right side of the fairway for any errant shots.

Budzius said Weibring and architect Maury Miller left many of the natural things in place in order to frame the land. While the area is only minutes from the fast-growing cities of Lewisville and Flower Mound, golfers will feel like they're

out in the country.

"Because of the variety and balance of the holes, players will find a well-rounded golfer's experience, unlike any other in the Metroplex," Weibring said.

After finishing the course, players can retreat to a spacious 9,600 square foot clubhouse. The rock and timber structure features large banquet rooms for tournament dinners and awards parties along with an outdoor terrace overlooking the starting holes, along with smaller private dining rooms and rental lockers.

Food choices range from a quick snack, to a hearty lunch or formal dinner with a full selection of drink options.

Bridlewood expects to cater to plenty of tournament play along with high-end daily fee golfers. The official grand-opening is set for March 31 with an exhibition by Weibring. Budzius said his staff is already booking tournament play for 1997 and expects to do 37,000 rounds this year.

"I think service is the key. We have a challenging and very scenic course along with a huge clubhouse and the best greens anywhere," Budzius said.

Green fees range from \$40 from Monday through Thursday and \$50 on Friday-Sunday & Holidays. Fees will go up slightly in the spring and summer. For more information and tee times, call 972-355-4800, and forget about knocking down spike marks on the greens when you get there.

Art Stricklin is a Dallas-based writer/author who contributes to many golf publications, including Golf Week magazine.

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No More Pain

Attention Golfers: There is no reason to suffer any longer! Call the Arthritis Pain Care Center for the most amazing breakthrough in arthritic pain relief.

Call Melinda Sneed
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EXHIBIT E

*PARAGRAPH 8**San Diego Clinic*

MEMORANDUM

Subject: Heart Disease Relative to CMO_™

There have been no formal studies conducted with respect to the effects of CMO on individuals with heart disease.

However, considering that CMO is a naturally derived nutritional supplement that has shown to help normalize various physiological and immunological body processes in humans, and since it appears to be completely non-toxic in its use by thousands of consumers and in previous animal studies, we would expect that it would have no ill effect on individuals with coronary problems.

On the contrary, we have received interesting reports regarding persons with certain other ailments who have taken CMO for arthritis as recommended by their physicians and other health care professionals;

- 1) There have been reports on individuals suffering from hypertension (high blood pressure) whose blood pressure has completely normalized or lowered substantially.
- 2) There have been reports of individuals suffering from hypotension (low blood pressure) whose blood pressure has completely normalized or raised. substantially.
- 3) There have been reports of individuals with high and even extremely high blood sedimentation rates whose sed rates have normalized, even in Lupus patients.
- 4) There have been reports of individuals with cardiac arrhythmia (abnormal heartbeat rhythm) whose arrhythmia has disappeared.

Those reports are not the result of any formal study. They have been noted from comments provided to us by professionals who have been surprised at these secondary benefits of CMO which they have encountered in their patients during the treatment for arthritis. This tendency by CMO to normalize body processes confirms that it functions as an immunomodulator.

It must not be assumed that other patients will enjoy these same secondary benefits. No formal studies have been conducted to confirm that these benefits are repeatable on a consistent basis.

It must be emphasized that any individual with a serious ailment or condition of any sort should consult with and be closely monitored by their relevant health care professional any time that person undertakes any sort of therapeutic or even nutritional program.

~~~~~ January 1997 ~~~~~

Exhibit E

Arthritis Pain Care Center

Complaint

128 F.T.C.

## EXHIBIT E

*San Diego Clinic*

## MEMORANDUM

*Subject: CMO<sub>cm</sub> and Horses*

Our very first experience with horses involved a 19-year-old dressage stallion who is considered to be the best stud horse of that kind on the East Coast. The owners were distressed that the stallion was so severely afflicted with arthritis that he was unable to move out of his stall, much less participate in dressage practice or performances. In addition, the horse was not able to rest well because of the arthritic pain. Equally distressing was the fact that he could no longer perform his breeding duties without resorting to complicated artificial insemination procedures. We are happy to report that after the administration of four bottles of CMO the stallion was waking in the morning refreshed and free of pain and able to practice its dressage maneuvers. Furthermore he returned quite comfortably to breeding in the natural way. Needless to say, the owners were overjoyed — and we bet the stallion was too.

Another interesting case involved a 14-year-old mare who had become too lame to walk. In all three years of working with the horse, her trainer found that she had never been able to canter and sometimes just barely managed to trot. The mare had very distinct bulging in the tendons in her lower front legs. After two bottles of CMO, the horse was no longer lame and the swollen bulges had disappeared. The mare was able to trot comfortably and even canter again for the first time in years. On a ten point scale estimating pain relief and mobility, the trainer estimated that the horse had improved from a 2.5 level before CMO to a 7.5 level after.

More subtle improvements were evident in a case involving another dressage horse that was progressively becoming more and more resistant to a right lead. In this instance the trainer had already experienced great results with CMO for her own neck and shoulder problems, probably the result of being hauled around an arena by 1000 pound animals for so many years. So why not try CMO on the horse as well? Even before finishing the second bottle, the horse lost all resistance to the right lead and showed a marked increase in fluidity of motion which is so important in dressage work.

One horse was conclusively diagnosed as suffering from arthritis by x-ray which clearly revealed the presence of arthritic bone spurs. After administering three bottles of CMO the owner reports that the bone spurs have decreased in size and are disappearing. We are hoping soon to support the visual evaluation with x-ray confirmation as well.

We recently submitted blood samples of a horse undergoing treatment with CMO for the standard analysis required on the show horse circuit in California. Nothing unusual appeared in the analysis.

Administering CMO to horses can sometimes be a problem with finicky eaters. Some owners use a ball gun with great success, but some owners prefer to mix the contents of the capsules in with something of which the horse is particularly fond. Some find that applesauce works well. Others like grated carrots and apples. A commercial oat and molasses mixture often works well too. About 20 capsules a day seem to work well for an average size horse.

CMO has been effective on cats, dogs, hamsters, and pot-bellied pigs for arthritis and hip dysplasia as well. Small animals need only one capsule daily. Two capsules daily for each 50 pounds of body weight.

## Complaint

## EXHIBIT F

## YOU CAN JOIN THE GROWING NUMBER OF PEOPLE WHO HAVE ENJOYED THE BENEFITS OF CMO

### FROM CASE HISTORY # 29:

Female. Age 63. Despite devoted adherence to a truly natural diet, suffered severe osteoarthritis in most joints for over ten years. Woke to agonizing pain. Even simple chores were arduous. CMO brought total relief in ten days.

### FROM CASE HISTORY # 11:

Male. Age 58. Ex football player. Clinically obese. Had knee surgery three times about 15 years ago. Had extreme pain upon lying down. Often slept in a recliner chair instead. With his first evening dose of CMO capsules, he slept soundly and arose the next morning completely free of pain. He has enjoyed continuing pain-free remission ever since the first day.

### MORE REPORTS FROM CMO USERS:

"... Imagine my agony. I was a professional athlete all my life. CMO gave me back my life. Even knee surgery didn't do that for me. It's amazing how CMO ended up fixing all my joints."

"... As crippled as I was, I hadn't worn out a pair of shoes in seven years. Now I'm out shopping for them again all by myself."

"... CMO alters the immune response ... I'm really impressed with the reports I'm getting from my colleagues. This may well be the cure we have been looking for ... It's going to cost you ... to find out [if it works for you]. But I think it's worth the investment ..." Dr. William C. Douglass, MD.

"... rheumatoid arthritis damages tissues, causes extreme suffering, and premature death. And so do many of the other diseases that CMO reverses ... If you have rheumatoid arthritis ... then you know I am reporting a miracle ... A MIRACLE." Dr. Douglas Hunt, MD.

"... Even as a professional, I find CMO miraculous. It cured my knee problems, which solved my sex problems as well. And it's doing every bit as well for my patients, too. I've seen several 'miracle cures' already."

"... The pain and stiffness in my hands kept me from performing even simple office surgery. CMO gradually returned my ability for fine control."

## The New Arthritis Treatment CASE HISTORIES

Exhibit F  
Arthritis Pain Care Center

Condensed Highlights From  
Case Histories Recorded By  
The San Diego Clinic

### FROM CASE HISTORY # 38:

Medical Doctor. Pain and stiffness in hands for several years. Unable to perform simple office surgery. One day of CMO brought relief. Dexterity and fine surgical ability returned gradually. Ordered CMO for his patients.

### FROM CASE HISTORY # 332:

Female. Age 68. Rheumatoid arthritis rendered hands useless, gnarled, inflexible, agonizingly painful six years ago. Pain relieved and full use of hands restored after five days of CMO.



## Complaint

128 F.T.C.

## EXHIBIT F

**FROM CASE HISTORY # 39:**

Male. Medical Doctor/psychiatrist. This physician complained of persistent pains along his spine and in his feet. He became completely free of pain in both the spine and feet within two days of starting CMO capsules. Remission continues.

**FROM CASE HISTORY # 33:**

Medical Doctor. Auto wreck ten years earlier damaged hip, caused limp and arthritis. CMO relieved pain permanently in one day for the first time after many years. The limp problem is irreparable. Ordered CMO for his patients.

**FROM CASE HISTORY # 06:**

Female. Age 45. Arthritis attack worsened rapidly over a period of only seven months. Required a wheelchair to be moved about. Frequently unable to leave bed in mornings because of debilitating pain. Seeking relief, she worked with a personal trainer. She was incapable of holding a five pound weight, unable to make a fist. Saw immediate improvement with CMO in just three days. Two weeks after the first, she took a second course of CMO. She is now able to perform a full workout, has no difficulty making a fist, wakes in the mornings free of pain, and has resumed a normal active life.

**FROM CASE HISTORY # 22:**

Female. Clinically obese. Arthritis in neck and spinal column resulting in joint mobility limitations. Despite impaired liver function which frequently inhibits the benefits of CMO, her range of motion increased by 100% within one week. A repeat course of CMO two weeks later has resulted in even greater and continuing improvement.

**FROM CASE HISTORY # 03:**

Male. Age 32. Rheumatoid arthritis at age 25. Family history of arthritis. Seven years of pain in hands, shoulders, legs, and ankles. Although subject saw substantial improvement after taking CMO for three days, he did not experience complete relief with continuing remission for about two weeks. He has subsequently enjoyed skiing holidays and has been able to return to playing golf without the discomfort of any pain.

**FROM CASE HISTORY # 17:**

Female. Age 60. Physician. Relentless pain from hip injury one year prior. Diverse treatments and medicines brought little relief. With CMO and massages to reduce edema and improve muscle activity, her pain gradually diminished in two weeks. Now remains completely free of pain.

**FROM CASE HISTORY # 15:**

Life-long athlete. Arthritic pain and/or stiffness in hands, feet, knees, neck, and shoulders - especially with exposure to the cold. With three days of CMO, was totally free of pain with dramatically increased articulation in the joints. Further improved mobility came with a repeat set of CMO three weeks later. He now enjoys skiing and other activities with the vigor and delight he lost so many years ago.

**FROM CASE HISTORY # 24:**

Female. Age 50. Family history of arthritis. Pain in shoulders. Severe pain, limited mobility, and gross swelling in hands and fingers. By the third day of CMO, hands were free of pain, mobility had increased immensely, and finger swelling decreased so dramatically she had to have all her rings re-sized. Repeated treatment three weeks later. Totally free of pain and inflammation since. For the first time in many years, she was recently delighted to experience a pain-free skiing holiday.

**FROM CASE HISTORY # 08:**

Male. Medical Doctor/psychiatrist. Pains in feet daily for over five years. With CMO almost constant pain disappeared within a day. Ordered CMO for his patients.

to meet to be sure? What about it thought!!!  
Plumetail auklets did not fly right here  
about 40 yds. ago. Cannot get from climbing  
to mountain. Since then, every time I  
saw streaked my face, it looked worse.  
I am near 70 yrs. old and have thought  
the plum developed auklets in my  
hands and feet. Also have auklets  
as well as boobies in my teeth.  
I have to work for exercise, but don't  
want to do that any more. My mind and  
limbs were so bad I could hardly  
come my hair and wash in my sock.  
Also the 5th day of taking C.M.O. I was  
so surprised that the auklets and all  
game were my face and I could  
not hear my own speech any  
longer. Many have been down an  
indecisive without the game.  
It was every one month since I took  
C.M. My hands and feet were  
continuing to improve. I want  
to try and get you my teeth, but to  
my surprise the pain is mostly  
gone.  
I have to my friends for introducing  
me to C.M.O.

## CMO Testimonials

June 19, 1997

Dear members,

Just went to see a short doc about you and the guy that your CEO had affairs with. As you know, I have been somewhat of a skeptic since I was 34, and now almost 55. I then got me the greatest set of 10 parapsychic medications. The symptoms of some symptoms represented over the years, but my condition severely worsened since the last. I have been in constant pain over the years, and at times had to resort to prescription narcotics to relieve the agony. After discovering your web site and subsequently contacting you for purchase of CMO, my attitude began to take a massive turn quite rapidly. The first thing that I noticed was that you had said, "asked" them able to select for therapy's sake, however, you said you had the day of the treatment I was able to almost completely forget it. It has been a weeks since my first treatment (did 2 more just to be sure) and am virtually pain free. I followed the diet and ergonomic instructions to the letter. I have a little tingling in my right hand (handed and a little in my left wrist, but I think I haven't exercised a particular muscle since beginning the treatment. As long as I don't over use my joints I have no problems and no symptoms. Some of my joints feel loose and kind of tingly. Well, this is my, as long as you said on a body's frame and a chance to have body ailing. Well, I thought I was on my way to how I was feeling. I am truly a skeptic to discover a product that actually helps. My weight has been falling on my shoulder. Should my attitude ever decide to turn my right hand again, you will find I won't hesitate to purchase another bottle. Thanks so much for your informative web site.

**Sincerity.**

Tim Richards  
Carson City, NV

**Exhibit G**  
**Arthritis Pain Care Center**

The testimonials included in this brochure are unsolicited. They represent a small portion of the letters we have received since we opened in November of 1996. We continue to receive letters and calls daily to inform us of the excellent results being experienced by our customers. Please feel free to call us with any questions or comments [ 817-460-4619].

Thank you

## EXHIBIT G

**January 10, 1997**

**Dear Sirs,**

I found out about CMO through a friend who let me listen to a tape. Even though I really could not afford it, I decided that I had to give it a try.

I am a year old man. I have had three colon surgeries since 1988 that has left me with only 18" of a colon. I had arthritis in my back, hips and legs. I also had arthritis in my hands and they were badly swollen. I had to stamp on my knees in a crippling position because the pain and discomfort of arthritis was so unbearable. I was really bad off and the doctors told me to get my affairs in order and live long on this earth. I was willing to let the CMO be a last resort. What did I have to lose except a little of it? If it didn't work. This is the results after 12 days on CMO.

My sleeping has improved by, at least 95%. Now I can sleep in any position. I went to bed and stretch out on the floor. My arthritis pain and swelling in my hands is gone and there is no numbness in my feet. My blood pressure is improved. I'd say at least 90% seems to be getting on better every day. I can walk and see my shopping now and don't have to stop every few steps to catch my breath. I have gained back most of my health in more ways than I can explain. CPR seems to be the only thing I needed 10 years ago. I am getting better every day.

After using the product I can say that it is well worth the cost. I would pay ten times the price if I ever need it again. If you think you can't afford it, think again. For what it does for your body and health, you can't afford not to get it if you really want to be helped. CMO does what it says and much more.

**Thank You,**

Donald Youngblood  
Gerald Youngblood  
Texas

January 21, 1997

[illegible]

John S. Arnold  
John S. Arnold  
East North, Texas

**Dear Marge,**

In 1992 my thumb joints began to ache and swell. The right hand particularly bothered me and I am right handed. Heat, ice, stretching, resting, Advil - nothing helped. It was constant pain which I had to deal with but did not like.

Along came CMO. Three days later, treatment I began to notice a subtle difference. After one bottle I felt considerably better and was beginning to use my hands again with much less pain. A few weeks later I told this story to more dogs of CMO and one said that I am free of pain and able to open jars, turn pages, etc. without flinching. It is wonderful! I feed three again. As the days pass my joints feel even better.

To potential users I would say that case bottles may be perfect for some, others may need more. It is worth the commitment to take a product that is natural, can not hurt you, and can only make you 'whole' once again.

**Thank you CMO! Thank you Margot!**

**Gratefully,**

Barbara

Dietary Island, South Carolina

January 8, 1997

**Mrs. Mañanda Sneed**  
3615-P Pioneer Pkwy., West  
Arlington, Texas 76013

**Dear MaMind:**

I would like to say "Thank You" for giving me back my life as owner of a computer. I have been suffering from a severe case of Multiple Sclerosis for the last 10 years. Before I took Chao I had written in my journals that would only allow me to sit at the foot of my bed and watch the world go by. I was not able to do anything but sit and watch my handicap and wait for short periods of time and then I knew how hard it was to "crack" my back and without pain which is something that I never had been able to do for some time now. Also I have had two operations on both of my knees which left arthritis in them as well. I now have no problems getting up and down stairs that I once had. I think that the Chao product is wonderful and will be recommending it to anyone that has or even thinks they have arthritis.

Again many thanks and I wish you God's speed in all that you do and in your future with the sales of CMO, cause you have a winner in that product to say the least.

**Sincerely,**

*Bob Weir*  
Bob Weir  
President and CEO

322

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## EXHIBIT H

3

## P R O C E E D I N G S

1  
2  
3 MALE VOICE: And now your host for the Nature  
4 of Help, Don Bodenbach.

5 MR. BODENBACH: Hello. Good to have you with  
6 us. This morning we're going to talk about a remarkable  
7 substance called CMO or cetyl myrastolate (phonetic).  
8 And this substance, it may be well what we consider  
9 almost a miracle cure for arthritis. And the form of  
10 arthritis actually doesn't matter. It apparently works  
11 for all forms. What is more impressive is that once you  
12 undergo the appropriate treatment with cetyl myrastolate  
13 or CMO, you are in most cases free from arthritis  
14 symptoms forever.

15 So one treatment and that's it. So CMO is --  
16 it's not a pain reliever. It's not an anti-inflammatory.  
17 It doesn't work like cortisone drugs or steroids. It is  
18 essentially what is considered an immunomodulator. And  
19 an immunomodulator is obviously something that gets the  
20 immune system back to a more functional and appropriate  
21 state.

22 And that will be explained and talked about  
23 here by my guest and expert on the subject of CMO, Mr.  
24 Len Sands. And Mr. Sands is the Director of the San  
25 Diego Clinic Immunological Center. And the efforts of

Exhibit H

Arthritis Pain Care Center

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128 F.T.C.

## EXHIBIT H

4

1 this clinic, and the research that has been done through  
2 the clinic and its associates, that is what has brought  
3 CMO now to the public attention.

4 He is a psychologist, who over the past 26  
5 years, he has been the owner and director of four crisis  
6 counseling centers, six medical clinics, one hospital.  
7 And he has for the past ten years been focused primarily  
8 on medical research that utilizes or involves the immune  
9 system in treatment. And for the past three years, he's  
10 been the Director of the San Diego Clinic Immunological  
11 Center, and it was through this clinic and its research  
12 associates that CMO has been studied and brought to the  
13 public light.

14 So let's introduce Mr. Len Sands here on the  
15 program. Mr. Sands, welcome and thanks for being with  
16 us.

17 MR. SANDS: Thank you. It's a pleasure. I'm  
18 happy to have this opportunity to talk about something  
19 that we think is very important in the medical field.

20 MR. BODENBACH: Well, in looking over the  
21 information and the literature about it, and having had a  
22 little bit of information about it prior, I've -- I had  
23 mentioned to you that in the magazine that we publish, I  
24 wrote a little article in it. But in getting the  
25 information from you, it's obviously given me a lot more

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## EXHIBIT H

5

1 to go with in terms of understanding this.

2 And I'll tell you, this really -- I guess you  
3 could classify it or put it in the category of a real  
4 revolutionary breakthrough in medicine, since arthritis  
5 -- there are, you know, millions and millions of people  
6 that suffer with it. But first what I would like to do,  
7 just so we can lay some groundwork and help people to  
8 understand what we're talking about here, could you first  
9 just explain the acronym CMO, what that means, and tell  
10 us what the compound actually is?

11 MR. SANDS: Okay. Basically CMO is the  
12 commercial name, acronym for cetyl myrastolate. And in  
13 the form that we are dealing with it here at the clinic,  
14 it is a syrasomalcisnine (phonetic) cetyl myrastolate,  
15 which has been essentially modified from its original  
16 form into a form that is more readily digestible so that  
17 it does not have to be injected.

18 Now where CMO comes from is quite an  
19 interesting history. The -- it was originally discovered  
20 at the United States Government National Institutes of  
21 Health. A researcher there by the name of Harry Deal  
22 (phonetic) back in 1971 discovered this substance  
23 existing in a string of mice, called Swiss Albino mice,  
24 which are generally used in laboratories for research.

25 And he found it had a remarkable property. It

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128 F.T.C.

## EXHIBIT H

6

1 had the property of preventing the formation of arthritis  
2 in animals who were injected with arthritis inducing  
3 substances. And even more remarkably it had the property  
4 of literally and totally reversing all arthritic symptoms  
5 in these same laboratory animals.

6 He continued to research this pretty much of  
7 his own volition and as much as he could in the NIH  
8 without a great deal of funding for it. It didn't seem  
9 like the NIH had a great deal of interest in this  
10 particular substance.

11 At any rate, it is totally different. The  
12 significant thing about CMO is that it is not treating  
13 the symptoms of inflammation or pain. It is in fact  
14 going directly into the immune system and stopping the  
15 arthritic process itself, which allows the body to cope  
16 with and heal itself and rid itself of the inflammation  
17 and pain.

18 The way it works is as we understand it here as  
19 we have investigated it, which is confirmed by a number  
20 of different other actions of CMO -- the way we see this  
21 is that arthritis is an autoimmune disease. That is, it  
22 is a disease where your own immune system is attacking  
23 your own body. And this occurs because there are memory  
24 T cells in the immune system, which get programmed to  
25 function against certain substances and organisms in the

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## EXHIBIT H

7

1 body.

2 Once this program is established, in this case  
3 for the purpose of attacking cartilage, it continues.  
4 And it continues -- it's originally programmed to more  
5 than likely destroy fragments of cartilage or damaged  
6 cartilage or unhealthy cartilage in the body. And  
7 unfortunately there is no stop button. There is no end  
8 program signal in these memory T cells, and attacks  
9 continue then against healthy cartilage as well.

10 This is why -- this is why we never see  
11 arthritis getting better in people. Of course, there are  
12 improvements that can be achieved through diet and the  
13 like. But generally speaking, arthritis progressively  
14 gets worse and worse year after year. And that's because  
15 this program is still there in this memory T cell  
16 directing the attack against your own cartilage --  
17 against your own joints.

18 Now what CMO does that is so unique and so  
19 totally different from any other substance so far  
20 utilized for arthritis, is that it gets right in there,  
21 into the memory T cells, and it erases that program, and  
22 as a result, the arthritic process stops. At that point  
23 there are no further attacks against your own joints, and  
24 your joints can heal themselves in their own natural  
25 manner or with whatever other aid you may find beneficial

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128 F.T.C.

## EXHIBIT H

8

1 to help that joint heal.

2 Now, what we see here essentially then is -- I  
3 like to compare it -- I like to compare it to a bad  
4 program in a computer. For example, where you hire a  
5 technician to come in to fix the program, and the  
6 technician goes home and his job is done, and the program  
7 stays fixed. The same thing is true with this  
8 reprogramming of the memory T cells.

9 Once this is accomplished, there is no need for  
10 any further medication, not even for CMO. The CMO has  
11 gone in, done its job, and it is not needed any longer in  
12 most instances. There are a few cases where more  
13 quantities, larger and more prolong therapy with CMO can  
14 prove to be beneficial. But once it's over, it seems to  
15 be over.

16 MR. BODENBACH: So a person basically -- as I  
17 mentioned in the beginning of the program, you can take  
18 -- there's basically a protocol, an amount that's given,  
19 and once a person takes that, the job of restructuring or  
20 reprogramming the immune response and the memory T cells  
21 is done. And once it's done, it's done. And then the  
22 arthritic process is basically stopped, and it will  
23 continue to be stopped indefinitely, is that what I'm  
24 hearing here?

25 MR. SANDS: Well, there is a possibility -- we

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## EXHIBIT H

9

1 are assuming this, because people that were treated  
2 eight, ten, 12 years ago, as a result of the studies and  
3 the compounds produced by Harry Deal with the NIH, these  
4 people have not needed any further treatment for  
5 arthritis. They have been able to discontinue all  
6 medication. They haven't needed any more pain pills.  
7 They haven't needed any more anti-inflammatory drugs.

8 And this is of enormous benefit to most  
9 patients, simply because of the fact that many of these  
10 things are harmful. They're harmful to the liver.  
11 They're harmful to the kidneys. We had a patient in here  
12 just a -- just a few days ago, an antique dealer, a woman  
13 who was taking between, I believe, eight and 15 Tylenol  
14 every day. And her test results on liver function  
15 indicate that she was definitely suffering from liver  
16 impairment as a result of this kind of medication.

17 And this is -- she has -- she's been amazed.  
18 She was taking CMO for only a matter of five days, and  
19 she saw very significant improvement already, despite her  
20 liver damage.

21 MR. BODENBACH: Um-hum.

22 MR. SANDS: So it's a great benefit, because  
23 once you're done with this program, it appears that you  
24 are likely to be done forever. We can't say for sure  
25 that perhaps at some point in the future this same

## EXHIBIT H

10

1 individual may encounter some circumstances that could  
2 trigger the process anew. But should that happen ten  
3 years down the line, you know, you can just take CMO  
4 again.

5 MR. BODENBACH: But I wanted to ask you. The  
6 standard treatment that you mentioned, Tylenol, which  
7 when you start getting up into the doses that you had  
8 mentioned, it does get to be a problem on the liver. But  
9 we've also got the nonsteroid anti-inflammatory drugs  
10 that are known to actually -- actually continue or  
11 perpetuate the arthritic process.

12 Because although it does -- although it does  
13 block pain, it disrupts prostaglandin synthesis and is  
14 not really -- it's actually something that furthers joint  
15 destruction. So my question is, as far as arthritis, one  
16 of the main symptoms and problems with arthritis is the  
17 pain associated with it. Does the CMO also help with the  
18 pain, if it's actually stopping the process of the  
19 disease?

20 MR. SANDS: CMO itself does not stop pain.  
21 CMO's action is totally limited to the immune system  
22 itself. But the body itself -- when the inflammation is  
23 relieved as a result of the halting of the arthritic  
24 process, then the body itself makes all those corrections  
25 with the disappearance of the inflammation. With the

322

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## EXHIBIT H

11

1 pressure on the nerves and the like and the joints, the  
2 joint heals itself and the pain disappears. And this can  
3 be very rapid. It's really amazing how quickly the body  
4 can readjust itself in some instances.

5 When we introduced this product at the  
6 conference on aging in Los Vegas, the medical conference,  
7 there were three doctors there who tried CMO right there  
8 at the conference, and they had immediate results within  
9 24 hours. It is really quite remarkable how quickly --  
10 now that's not true in all instances, of course.

11 MR. BODENBACH: Um-hum. Mr. Sands, whenever we  
12 hear something like this and it has such remarkable  
13 benefits, there is always the question of, you know,  
14 number one, why haven't we heard about it before, you  
15 know, and number two, if it's so great, why isn't the  
16 medical profession using it. All those questions. I  
17 know the answers to that. Perhaps you could tell us what  
18 your feelings are about that?

19 MR. SANDS: Yes. Well, of course, CMO was  
20 rather buried in the NIH for a number of years, to the  
21 point that when the individual who discovered it retired,  
22 he himself had to continue on the research on his own.  
23 There was no funding available from the NIH. And once it  
24 was -- even though it was proved within the laboratories  
25 of the NIH to have these magnificent properties of

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128 F.T.C.

## EXHIBIT H

12

1           seemingly permanently reversing the effects of arthritis.

2                   And it's difficult to understand why these  
3           things happen, that is why they get buried. But they do.  
4           And one of the things that we've discovered, too, since  
5           then, or at least we've been told, that this particular  
6           substance was offered to three major pharmaceutical  
7           companies in the United States, all of whom rejected it.

8                   Because being a natural substance, they didn't  
9           feel they could adequately patent it and protect it from  
10          other people basically utilizing the same substance, and  
11          they didn't want to make the investment. Frankly, it  
12          seemed that they didn't care at all whether it cured  
13          arthritis. All they cared about was whether they could  
14          have it as their own product without anyone else coming  
15          in and joining into the -- the utilization of it.

16                   MR. BODENBACH: Yeah, the patent frenzy, as we  
17          know it.

18                   MR. SANDS: Yes. Yes, very much so. And so it  
19          got buried. It got lost, and -- until late in 1993, when  
20          there was a small, two or three page article published in  
21          the Journal of Pharmaceutical Sciences. And in this  
22          article CMO was mentioned. The studies in the NIH that  
23          had taken place some ten years before were described.  
24          And our researchers here, our research associates,  
25          discovered this and thought it was a remarkable thing.

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## EXHIBIT H

13

1 We began to explore it then not long after  
2 that. It wasn't -- well, we didn't find it until some  
3 time after it was published. But early in 1995 we began  
4 making our own studies. As the article in the Journal of  
5 Pharmaceutical Sciences said, we hope somebody picks up  
6 the exploration of this particular substance.

7 Well, we did. We picked up the exploration of  
8 that substance, and we continued, and we did some studies  
9 on 48 patients. And we were absolutely amazed by the  
10 results. We got between 70 to 100 percent improvement in  
11 joint mobility and in pain reduction. Only two of the 48  
12 patients didn't respond to CMO, and both of those, it  
13 turned out, have substantial liver damage.

14 One from alcoholism problems previous to taking  
15 CMO, and the other as a result of liver damage. He was a  
16 professional football player and had liver damage from  
17 steroid abuse when he was a professional athlete. So, it  
18 seems to be of benefit to virtually everybody, except  
19 people who do have liver damage.

20 And also we find that it has no effect on gouty  
21 arthritis. And there again, gout is a different problem.  
22 It's sort of a physical problem that results from the  
23 deposit of uric acid crystals in the joints, these very  
24 sharp, pointy crystals that irritate the joint and cause  
25 a great deal of pain, inflammation and the like. But

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128 F.T.C.

## EXHIBIT H

14

1 that's something -- that is a physical thing that CMO,  
2 you know, doesn't reach in that way.

3 MR. BODENBACH: You mentioned that it won't  
4 have an effect on gouty arthritis, and that's  
5 understandable, because we know that that's a primary  
6 issue relating to uric acid buildup. What we're talking  
7 about here, though -- we've got rheumatoid and  
8 osteoarthritis. Many people suffer greatly from  
9 rheumatoid arthritis, of course.

10 That one is the one that has always been  
11 considered as the one to be potentially an autoimmune  
12 problem. I have not ever considered osteoarthritis in  
13 that way. We thought more it was a more of a mechanic  
14 type of arthritis. But now, in fact --

15 MR. SANDS: No, see, the mechanical damage to  
16 the joint that results -- the trauma that results in the  
17 damage to the cartilage triggers this very same  
18 autoimmune process, this very same misprogramming. I  
19 like to call it a misprogramming rather than a good  
20 programming.

21 MR. BODENBACH: Um-hum.

22 MR. SANDS: This misprogramming of the memory T  
23 cells to continue to attack those joints. So, it does  
24 relate back to the immune system, and it is autoimmune,  
25 as are many other forms of arthritis, like Beckett's

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## EXHIBIT H

15

1 syndrome, Sjogren's syndrome, writer's syndrome and  
2 psoriatic arthritis, surprisingly.

3 We had a patient who when he tried CMO, he had  
4 about 20 percent of his body covered with psoriasis, as  
5 well as very significant problems in his knees as a  
6 result of the psoriatic arthritis. And it not only  
7 affected his knees to the point where he stopped wearing  
8 a knee brace and has returned to full activity, but it  
9 cleared up the appearance of the psoriasis on the skin as  
10 well.

11 MR. BODENBACH: And with this -- I know that  
12 you had mentioned to me that in the beginning CMO, in  
13 order to extract it, it was costing somewhere around \$100  
14 per capsule?

15 MR. SANDS: Well, the way they were extracting  
16 it, they were grinding up these Swiss Albino mice by the  
17 thousands and dissolving out the CMO from what they were  
18 getting from this poor animal. And, of course, we've,  
19 we've been able to avoid that situation now. We're able  
20 to use a beef tallow substance to extract CMO from. And  
21 even though the raw materials are not all that expensive,  
22 the extraction process itself is quite expensive.

23 MR. BODENBACH: That's -- let's talk now,  
24 though, about the protocol and the expense -- actually  
25 the expense of going through basically this CMO protocol.

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128 F.T.C.

## EXHIBIT H

16

1 MR. SANDS: Okay. Basically -- well, many  
2 people say that it's a blessing, because they were  
3 looking forward to spending thousands and thousands of  
4 dollars for the rest of their life taking -- just taking  
5 things to be able to allow them to just barely function  
6 during the day. Whereas they take CMO and they return to  
7 somewhere between 70 and 100 percent of their old selves.  
8 I did, personally.

9 MR. BODENBACH: Um-hum.

10 MR. SANDS: I had my own personal experiences  
11 with CMO.

12 MR. BODENBACH: Let's get back for a moment to  
13 the rheumatoid arthritis and the osteoarthritis. Now I  
14 know there are many people out there -- once rheumatoid  
15 arthritis advances to a certain point, some people are  
16 obviously crippled, and it's a very, very agonizing type  
17 of situation.

18 For people that are well advanced into the  
19 disease, how well does the CMO work on those people? And  
20 is it basically the same for people that have just the  
21 beginnings of it and people that are well advanced in it?  
22 Is there any changes that need to take place or  
23 differences in the protocols for the different levels of  
24 the disease process?

25 MR. SANDS: Generally speaking, that's what we

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## EXHIBIT H

17

1 did with the 48 patients. We were primarily examining  
2 the protocol necessary in the various different  
3 severities and forms of arthritis. And what we found is  
4 that the protocol is virtually the same. Some people may  
5 respond quicker, because their ability to heal faster is  
6 better than those of other individuals.

7 But even though a case may be very, very  
8 advanced, we've had people that have been in wheelchairs  
9 for two, three or four years that are back up walking  
10 again. As long as there is no physical damage to the  
11 bone, the CMO stops the arthritic process and the body  
12 begins to normalize. If there is physical damage to the  
13 bone, of course, that's something that, you know, a  
14 capsule cannot correct, and that may require surgery.  
15 But we've had --

16 I recall one case very distinctly, where this  
17 person was considering -- well, actually she was  
18 suicidal. And she reached the point where CMO -- she  
19 found CMO. She took the CMO. She had a frozen hip joint  
20 among all the other pains that she had. And by the time  
21 she was done with CMO, she said well, I've reached the  
22 point where I'm going to get surgery on my hip. Now it's  
23 worth it. And this is, you know, quite a step from  
24 suicide.

25 MR. BODENBACH: Yes. Now let me ask you this.

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## EXHIBIT H

18

1 People that are considering hip replacement surgeries and  
2 this type of thing, is there any way to potentially  
3 prevent that, or are they in that situation because the  
4 bone has deteriorated and there's nothing else that can  
5 be done?

6 MR. SANDS: It depends upon the individual  
7 situation. There have been several instances where we  
8 have actually -- CMO has actually intervened to the point  
9 where the individuals did not feel hip surgery was worth  
10 the effort beyond that point. The improvement was so  
11 dramatic that they felt no need.

12 And we have -- I remember the comments of one  
13 physician, as a matter of fact, who said that he had had  
14 knee surgery, a knee replacement, several years before.  
15 And he said the remarkable thing is that it didn't just  
16 fix one joint. It fixed all of my joints that were being  
17 attacked, and it turned his life around.

18 MR. BODENBACH: When joints are being affected  
19 like this and then the CMO is taken, the protocol is  
20 done, and the pain and inflammation is gone, what about  
21 exercise and weight bearing issues on the joint? Will  
22 it allow you to be able to exercise afterward, or is  
23 there still residual joint problems?

24 MR. SANDS: Well, yes. Exercise is not a  
25 problem. We recommend that people return to their normal

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322

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## EXHIBIT H

19

1 activities gradually, simply because you -- you know, you  
2 don't want to overstress the joint again. One of our  
3 frequent encounters with patients afterwards indicates  
4 that I felt so good, I started doing things I hadn't done  
5 in so long, that they had developed muscle soreness, but  
6 not joint soreness. You know, you can overfatigue your  
7 muscles and get aches and pains in the muscles, but the  
8 joints seemed to do just well.

9 MR. BODENBACH: Um-hum.

10 MR. SANDS: We had one woman who was in  
11 physical therapy at the time that she started CMO. She  
12 couldn't even lift a four pound weight. And when she  
13 finished -- I think it was in about six days -- she was  
14 lifting ten pound weights. But here again, approach it  
15 with caution. Don't -- like any exercise program, you  
16 know, you don't want to overdo it initially. You just  
17 want to rebuild your strength quite gradually.

18 MR. BODENBACH: Many people suffer --

19 MR. SANDS: Yes.

20 MR. BODENBACH: -- deformities as a result of  
21 the arthritis. You can see it in the hands, especially  
22 of older people. Now can it have an effect on changing  
23 or reversing these deformities, or is that something that  
24 once you have it, you have it?

25 MR. SANDS The deformities are usually the

## EXHIBIT H

20

1 result of the inflammation itself. These huge nodules  
2 that form are the result of inflammation. Once the  
3 inflammation disappears, the appearance improves  
4 dramatically. And besides that, this very swelling --  
5 the very same swelling of the joints often dislocates the  
6 bones and causes that twisted disfigurement appearance --  
7 and because there is disproportionate pressure on the  
8 bones, twisting them out of their normal site.

9 And as a result, when the inflammation is gone,  
10 very frequently the bone is returned back to the normal  
11 positions and there is a remarkable improvement. We've  
12 had a number of people tell us that they had to get their  
13 rings re-sized and all sorts of things like that that  
14 occur as a result.

15 (Break in tape.)

16 MR. BODENBACH: -- precautionary note about  
17 other compounds that are out there and what we need to be  
18 looking for?

19 MR. SANDS: Yes. I would be happy to do that.  
20 As a matter of fact, we're rather upset. It's not a  
21 knock off and it's not a less expensive version. It is a  
22 totally different substance that -- whose molecules  
23 resemble CMO but don't function in the immune system.  
24 And they have actually counterfeited our label, the CMO  
25 label. And it is an unfortunate thing. They are

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322

Complaint

## EXHIBIT H

21

1 capitalizing on a product that has become well known --  
2 well, not all that well known, but certainly has proved  
3 to be very effective. And they have counterfeited it and  
4 it's no better than a counterfeit bill in actual fact.  
5 It doesn't work. And it may even bear a label that says  
6 CMO on it, but it is not.

7 MR. BODENBACH: It's not that. All right. So  
8 we've got that out there. People need to know that  
9 particular issue. And that's why, you know, I knew that  
10 this was the source, and that's why I had you here on the  
11 problem, so that we could, you know, really talk about  
12 the stuff that really works.

13 Now let's just --  
14 (Break in tape.)

15 MR. BODENBACH: -- there are some callers, and  
16 we're not going to have time to really take them at this  
17 point. But just in review, first of all, that CMO, the  
18 treatment one time around through the protocol is really  
19 all you need for the majority of people, is that correct?

20 MR. SANDS: That's right, and they can just  
21 leave their medications behind after that.

22 MR. BODENBACH: And the types of arthritis that  
23 it's effective for would be the rheumatoid arthritis, the  
24 osteoarthritis, not the gouty arthritis, but also some of  
25 the other arthritic situations, like ankylosink

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Complaint

128 F.T.C.

## EXHIBIT H

22

1 spondylitis (phonetic) arthritis, writer's syndrome,  
2 Sjogren's syndrome, Beckett's syndrome and psoriatic  
3 arthritis have also responded to the treatment as well,  
4 correct?

5 MR. SANDS: That is absolutely right. And  
6 there have been another -- other disorders that people  
7 have -- various doctors who have been utilizing CMO have  
8 found to be beneficial, things like lupus, multiple  
9 sclerosis, emphysema and the like, simply because along  
10 with other medications, where CMO seems to work along  
11 with other medications to help the process along, as a  
12 result of its effect on the immune system.

13 (Break in tape.)

14 MR. BODENBACH: -- with quite a few people with  
15 the CMO, and if I'm hearing you correctly, what you said  
16 is, unless a person had not suffered some degree of liver  
17 function impairment, then the vast majority of people  
18 respond favorably to CMO?

19 MR. SANDS: We're getting about 96 percent  
20 success rate.

21 MR. BODENBACH: Folks, that's the story on CMO.  
22 Mr. Sands, I would like to first thank you very much for  
23 being here. And there is a lot more that we could talk  
24 about with this, and we've had just a phenomenal response  
25 here on the radio. I can see that the phone lines have

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322

Complaint

EXHIBIT H

23

1       been lit up from the time that we had mentioned it. So  
2       there's obviously a lot of interest in this.

3               Mr. Sands, thank you so much for being with us.  
4       I'll be talking to you shortly, and we'll have you back  
5       on the air shortly as well.

6               MR. SANDS: Well, I would love it. I would  
7       love to come back. And thank you so much.

8               MR. BODENBACH: You're more than welcome.

9               (Whereupon, the conference 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 Bureau of Consumer Protection proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act; and

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

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Act, and that a complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of sixty (60) days, 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. Respondents Melinda R. Sneed and John L. Sneed are the proprietors of, and do business as, Arthritis Pain Care Center, with its principal office located at 3615-F Pioneer Parkway, Arlington, Texas.

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

## ORDER

## 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. "CMO" shall mean any product or substance that contains or purports to contain cetylmyristoleate (also known as cetyl myristoleate) or "CMO," any analog of cetylmyristoleate, or any formulation of cetyl alcohol and myristoleic acid, including but not limited to CMO™, purportedly useful to relieve the symptoms of, treat, mitigate, cure, prevent, relieve, heal or alleviate any disease or health condition.

3. Unless otherwise specified, "*respondents*" shall mean Melinda R. Sneed and John L. Sneed, individually and doing business as Arthritis Pain Care Center, and each of their agents, representatives and employees.

4. "*Clearly and prominently*" shall mean as follows:

A. In an advertisement communicated through an electronic medium (such as television, video, radio, and interactive media such as the Internet and online services), the disclosure shall be presented simultaneously in both the audio and video portions of the advertisement. Provided, however, that in any advertisement presented solely through video or audio means, the disclosure may be made through the same means in which the ad is presented. The audio disclosure shall be delivered in a volume and cadence sufficient for an ordinary consumer to hear and comprehend it. The video disclosure shall be of a size and shade, and shall appear on the screen for a duration, sufficient for an ordinary consumer to read and comprehend it. In addition to the foregoing, in interactive media the disclosure shall also be unavoidable and shall be presented prior to the consumer incurring any financial obligation.

B. In a print advertisement, promotional material, or instructional manual, the disclosure shall be in a type size and location sufficiently noticeable for an ordinary consumer to read and comprehend it, in print that contrasts with the background against which it appears.

C. On a product label, the disclosure shall be in a type size and location sufficiently noticeable for an ordinary consumer to read and comprehend it, in print that contrasts with the background against which it appears.

The disclosure shall be in understandable language and syntax. Nothing contrary to, inconsistent with, or in mitigation of the disclosure shall be used in any advertisement or on any label.

5. "*Purchaser*" shall mean any transferee of any product covered by this order who acquires such product from respondents for valuable consideration.

6. "*Distributor*" shall mean any purchaser or other transferee of any product covered by this order who acquires product from respondents, with or without valuable consideration, and who sells, or who has sold, such product to other sellers or to consumers, including but not limited to individuals, retail stores, or catalogs.

7. "*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 partnership, corporation, subsidiary, division, or other device, including franchisees, licensees or distributors, in connection with the manufacturing, labeling, advertising, promotion, offering for sale, sale, or distribution of CMO or any substantially similar product, in or affecting commerce, shall not represent, in any manner, expressly or by implication, that such product:

A. Is effective in the mitigation, treatment, prevention, or cure of arthritis, including rheumatoid arthritis and osteoarthritis;

B. Provides permanent relief from symptoms of arthritis, including pain, impaired mobility, swelling, or joint deformities;

C. Is as effective as or superior to prescription medications in the treatment of arthritis or the relief of arthritis symptoms;

D. Is completely safe or has no adverse side effects; or

E. Is effective in the treatment of multiple sclerosis, lupus, emphysema, chronic bronchitis, silicone breast disease, cancer, benign prostate hyperplasia, hypertension, hypotension, or cardiac arrhythmia;

unless, at the time the representation is made, respondents possess and rely upon competent and reliable scientific evidence that substantiates the representation.

## II.

*It is further ordered,* That respondents, directly or through any partnership, corporation, subsidiary, division, or other device, including franchisees, licensees or distributors, in connection with the manufacturing, labeling, advertising, promotion, offering for sale, sale, or distribution of CMO products or any other food, dietary supplement or drug, as "food" and "drug" are defined in Section 15 of the Federal Trade Commission Act, or program, in or affecting commerce, shall not make any representation, in any manner, expressly or by implication, about the performance, safety, efficacy or health benefits of any such product or program, unless, at the time the representation is made, respondents possess and rely upon competent and reliable scientific evidence that substantiates the representation.

## III.

Nothing in this order shall prohibit respondents from making any representation for any product that is specifically permitted in the labeling for such product by regulations promulgated by the Food and Drug Administration pursuant to the Nutrition Labeling and Education Act of 1990.

## IV.

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

## V.

*It is further ordered,* That respondents, directly or through any partnership, corporation, subsidiary, division, or other device, including franchisees, licensees, or distributors, in connection with the 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.

## VI.

*It is further ordered,* That respondents, directly or through any partnership, corporation, subsidiary, division, or other device, including franchisees, licensees or distributors, in connection with the manufacturing, 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 or program represents the typical or ordinary experience of members of the public who use the product or program, 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 program; or

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

For purposes of this Part, "endorsement" shall mean as defined in 16 CFR 255.0(b).

## VII.

*It is further ordered,* That respondents, directly or through any partnership, corporation, subsidiary, division, or other device, including franchisees, licensees, or distributors, in connection with the advertising, promotion, offering for sale, sale, or distribution of any product or program in or affecting commerce, shall disclose, clearly and prominently, and in close proximity to the endorsement, a material connection, where one exists, between a person providing an endorsement of any product or program, as "endorsement" is defined in 16 CFR 255.0(b), and any respondent, or any other individual or entity manufacturing, labeling, advertising, promoting, offering for sale, selling, or distributing such product or program. For purposes of this order, "material connection" shall mean any

relationship that might materially affect the weight or credibility of the endorsement and would not reasonably be expected by consumers.

### VIII.

*It is further ordered, That:*

A. Respondents shall not disseminate to any distributor any material containing any representations prohibited by this order.

B. Respondents shall not, directly or indirectly, authorize any distributor to make any representations prohibited by this order.

C. Within thirty (30) days after service of this order, respondents shall send by certified mail, return receipt requested, an exact copy of the notice attached hereto as Attachment A to each distributor with whom respondents have done business since January 1, 1996, to the extent that such distributor is known to respondents through a diligent search of their records, including but not limited to computer files, sales records, and inventory lists. The mailing shall not include any other documents.

D. For a period of three (3) years following service of this order, respondents shall send by certified mail, return receipt requested, an exact copy of the notice attached hereto as Attachment A to each distributor with whom respondents do business after the date of service of this order who has not previously received the notice. Such notice shall be sent within one (1) week from the first shipment of respondents' products to said distributor. The mailing shall not include any other documents.

E. Respondents shall require distributors to submit to respondents all advertising and promotional materials and claims for any products or programs covered by this order for review prior to their dissemination and publication. Respondents shall not authorize distributors to disseminate these materials and claims unless they are in compliance with this order.

Respondents may also comply with the obligations set forth above in this subpart by: (a) disseminating to distributors marketing materials that do not contain representations prohibited by this order; and (b) requiring these distributors to submit for review all advertising and promotional materials for a particular product covered by this order that contain representations that are not substantially similar to the representations for the same product contained in the

advertising and promotional material(s) most recently forwarded to the distributors by respondents.

F. Respondents shall monitor distributors' advertising and promotional activities. In the event that respondents receive any information that, subsequent to receipt of Attachment A pursuant to subparts C and D of this Part, any distributor is using or disseminating any advertisement or promotional material or making any oral statement that contains any representation prohibited by this order, respondents shall immediately terminate said distributor's right to market respondents' products or programs and immediately provide, by certified mail, all relevant information, including name, address, and telephone number of the company at issue, the nature of the violation, and any relevant materials used or disseminated, to the Associate Director, Division of Enforcement, Federal Trade Commission, Washington, D.C. 20580.

#### IX.

*It is further ordered,* That respondents Melinda R. Sneed and John L. Sneed shall, for five (5) years after the last correspondence to which they pertain, maintain and upon request make available to the Federal Trade Commission for inspection and copying: copies of all notification letters sent to distributors, communications between respondents and distributors referring or relating to the requirements of Part VIII, and any other materials created pursuant to Part VIII of this order.

#### X.

*It is further ordered,* That respondents Melinda R. Sneed and John L. Sneed 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 contradicts, qualifies, or calls 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.

XI.

*It is further ordered*, That respondents Melinda R. Sneed and John L. Sneed shall deliver a copy of this order to all current and future principals and managers, and to all 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. Respondents shall deliver this order 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.

XII.

*It is further ordered*, That respondents Melinda R. Sneed and John L. Sneed 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.

XIII.

This order will terminate on September 7, 2019, 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.

322

Decision and Order

## ATTACHMENT A

## Attachment A

BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED

[To Be Printed on Arthritis Pain Care Center letterhead]

[date]

Dear [distributor's name]:

The owners of Arthritis Pain Care Center settled a civil dispute with the Federal Trade Commission ("FTC") on \_\_\_\_ involving advertising claims for our cetylmristoleate (CMO) products. As a part of the settlement, we must make sure that you comply with the FTC order.

Our settlement with the FTC prohibits us from making unsubstantiated claims for any health-related product or program. Please see the attached FTC Complaint and Agreement Containing Consent Order for detailed information. We request your assistance by asking you NOT to use, rely on or distribute any advertising or promotional materials containing unsubstantiated claims and NOT to make unsubstantiated oral representations. Please also notify any of your retail or wholesale customers to do the same. If you or your retail or wholesale customers use such materials or make such representations in the future, we are required by the FTC settlement to stop doing business with you and to inform the FTC of your activities.

In addition, the FTC requires us to ensure that advertising and promotional materials and claims for any product or program covered by this order are in compliance with the FTC settlement requirements. Please see Part VIII of the enclosed Agreement Containing Consent Order for detailed information.

Although we do not admit that the FTC's allegations are true, we have agreed to send this letter as a part of our settlement with the FTC. At the present time, we do not sell CMO products.

Thank you very much for your assistance,

Melinda Sneed and  
John Sneed

## IN THE MATTER OF

## MAGNETIC THERAPEUTIC TECHNOLOGIES, INC., ET AL.

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

*Docket C-3897. Complaint, Sept. 7, 1999--Decision, Sept. 7, 1999*

This consent order, among other things, prohibits Magnetic Therapeutic Technologies, Inc. and its officer, the promoters and distributors of magnetic therapy products, from representing that such products are effective in treating various medical conditions and illnesses, unless the respondents possess and rely upon competent and reliable scientific evidence that substantiates the representation. The consent order also prohibits the respondents from representing that the experience presented in user testimonial or endorsement represents the typical or ordinary experience of the user of the product or program, unless: it is substantiated; or certain disclosures are made. In addition, the consent order prohibits any unsubstantiated claims regarding the health benefits, performance, or efficacy of any such product or program.

*Participants*

For the Commission: *Christa Vecchi, Richard Cleland and Dean Graybill.*

For the respondents: *Pro se.*

## COMPLAINT

The Federal Trade Commission, having reason to believe that Magnetic Therapeutic Technologies, Inc. and Jim B. Richardson, individually and as an officer of the corporation, 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.a. Respondent Magnetic Therapeutic Technologies, Inc. ("MTT") is a Texas corporation with its principal office or place of business at 1915 Peters Road, Suite 106, Irving, Texas.

1.b. Respondent Jim B. Richardson, is the majority shareholder, President, Treasurer, and Secretary of the corporate respondent. He formulates, directs, and controls the acts and practices of the corporate respondent, including the acts and practices alleged in this complaint. His principal office or place of business is the same as that of the corporate respondent.

2. Respondents have promoted, offered for sale, sold, and distributed to the public magnetic therapy products. Therapeutic