

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

magnets are "devices" 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 magnetic therapy products, including but not necessarily limited to the attached Exhibits A through G. These advertisements and promotional materials contain the following statements:

A. APPLICATIONS OF BIOMAGNETISM

* * *

In the treatment of chronic conditions such as some forms of arthritis, degenerative joint conditions, diabetes ulcers and cancer, magnetic field therapy has shown dramatic results in aiding the reduction or reversal of the condition.

* * *

Some researchers, such as Nordenstrom and Wollin, have reported using super-magnet and electrical therapies to successfully treat lung and breast cancers.

* * *

[Exhibit A, MTT00030][Consumer Brochure]

B. SUMMARY OF BENEFICIAL INFLUENCE OF MAGNETS.

The beneficial influence of magnets may be summed up as follows:

* * *

2. Movement of haemoglobin [sic] in blood vessels is accelerated while calcium and cholesterol deposits in blood are decreased. Even the other unwanted materials adhered to the inner side of blood vessels, which provoke high blood pressure, are decreased and made to vanish. The blood is cleansed and circulation is increased. The activity of the heart eases and fatigue and pain disappear.

3. Functions of autonomic nerves are normalized so that the internal organs controlled by them regain their proper function.

* * *

[Exhibit B, at MTT00026][Consumer Brochure]

C. WHY SHOULD YOU HAVE a MAGNETICo SLEEP PAD??

* * *

MAGNETICo SLEEP PAD OWNERS TELL BENEFITS...

... a variety of fringe benefits are reported by delighted customers, such as:

* * *

Increased - Circulation/Oxygenation
- Resistance to Disease
- Bone Density

* * *

Lowered - Blood Pressure

Other - ...

- Multiple Sclerosis
- Lupus

* * *

[Exhibit C, at MTT00051][Consumer Brochure]

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* * *

7. How long will it be before I can feel the benefits of the MagnetiCo Sleep Pad?

Because every person is different, it is impossible to predict when you will feel a difference. Some lucky people feel benefits the first night, others it may take 6 months. The most common time is 1-2 months. **The important thing to remember is that some benefits, such as increased immunity, increased oxygen saturation and lowered blood pressure, may be taking place even though you can't feel them.**

[Exhibit C, at MTT00053][Consumer Brochure]

* * *

Sleep Pad Success Stories

(Excerpts from Testimonial Letters on File)

ARTHRITIS

(2 months on Sleep Pad)

"... For months I was walking the floor at night with tearful, intense pain, resorting to Tylenol #3 every 3 hours. I have not taken painkillers since ... and I sleep like a baby! ... I do not hesitate to encourage anyone to put this to the test!!!"

Leola Christensen

Resident, Canada & California.

* * *

MULTIPLE SCLEROSIS

(6 months on Sleep Pad)

"... In 1980, I was diagnosed with MS ... loss of balance, poor coordination, constant muscle spasms, fatigue and limited mobility are daily symptoms I have learned to live with. I have slept on the magnetic pad now for six months ... [W]hat I have found to be the most beneficial is that it seems to allow my body to 'bounce back' at a more-rapid rate than previous ... It has also assisted in less frequent muscle spasms ... It is not a cure for me but is of great assistance to me in allowing me to live a(n) ... active lifestyle with additional energy. I consciously have not changed any aspect of my daily living habits to give it a fair evaluation and now can recommend it to others ..."

Arni Skoretz,

Alberta Social Services Professional

RED DEER, AB.

HIV POSITIVE

(12 months on Sleep Pad)

"In January '92, I tested HIV Positive. ... After you telling the report of improved T-cell count in mice placed in an increased magnetic field, I decided it was definitely worthwhile for me to try one of your MagnetiCo Sleep Pads. I am pleased to report that I have had no drop in T-Cell count since, although it did hold at the same level for a few months, it is now up to 638, which is a substantial increase. ..."

Name withheld, Age 37

Los Angeles, CA.

EXTREME DIABETIC COMPLICATIONS

SLEEP DISORDER (8 months on Sleep Pad)

"HEALTH SUMMARY: Val Laughton

- a. Diabetic neuropathy (nerve death) - causing excruciating pain in extremities (1 -3 bouts daily, lasting from 45 minutes to two hours).

* * *

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IMPROVEMENTS SINCE SLEEPING ON PAD:

- a. The nerve spasms took 5-6 months to improve to a marked amount . . . now they are reduced by 80%-90%, with no occurrences at all for 4 to 5 days at a time.

* * *

*Dave & Val Laughton, Age mid-40's
Moosejaw, Sask.*

* * *

[Exhibit C, at MTT00055-00058][Consumer Brochure]

D.

* * *

HEART CONDITION

(6 weeks on Sleep Pad)

"I am 72 years old and have had five heart attacks . . . tried all that modern medicine had to offer, but was left a virtual invalid, unable to do the smallest task. In just six weeks on the MagnetiCo Sleep Pad, my color is greatly improved, blood pressure down ten points, and energy levels up enough that I can even work some. Best Purchase I have ever made!"

Joe Subich, Retired
OHIO.

[Exhibit D, MTT000153][Internet Ad]

E. MagnetiCo Survey Results (1993) . . .

95% of ARTHRITICS received at least 25% PAIN RELIEF

75% of ARTHRITICS received at least 50% PAIN RELIEF

* * *

[Exhibit E, at MTT00049][Consumer Brochure]

F. MAGNETIC THERAPY

Here's an economical alternative to pain killers and costly traditional drug therapy.

...

[Exhibit F, at MTT000164][Reader's Digest Catalog]

G. RELIEF FROM PAIN!

Do you suffer from PAIN, inflammation of the joints, nerves or tendons? Do you lie awake at night rubbing the parts of your body that ache and refuse[] to react to strong medicines.

* * *

MANY EXPERIENCE RELIEF WITHIN 24 HOURS

.... Magnetotherapy Products have hundreds of written testimonials stating that the person experienced RELIEF from PAIN and DISCOMFORT within just a few hours. Please remember, the MAGNETIC SUPPORTS are not a cure; neither are aspirin or other pain relief products. M+ flexible magnets can be an alternative to the high cost of doctor's visits and expensive prescriptions.

* * *

**LET'S HEAR FROM SOME SATISFIED USERS OF
THE MAGNETIC SUPPORT PRODUCTS**

* * *

"I have arthritis in my right hand and severe swelling along with the nerve damage in my carpal tunnel. Due to intense pain, I had to quit golf. After using the magnetized wrist supports, I was able to swing a golf club again with confidence.

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My wife suffered from chronic back pain and back spasms. She was surprised at the relief she had after such a short time. . . . " Bum Phillips & Debbie
former Head Coach Houston Oilers and New Orleans Saints

* * *

THE GREATEST SURPRISE IS THE LOW COST

The average person suffering from pain has visited the doctor numerous times, spending \$35-\$50 and more for each visit. This is not counting the hundreds of dollars spent for prescription medicines. One lady writes she has been going to the doctor for over ten years and he was treating her for arthritic pain ... the cost was into hundreds of dollars. It still didn't satisfy the patient, as she still complained of pain. Her problem was arthritis in the knees and ankles. When she found out that the cost of a knee support was a one-time purchase price of \$59.95 plus the state sales tax, all she could do was say . . . "Give me one now, she exclaimed" [sic]. The product was shipped UPS and she was wearing it three days later

* * *

[Exhibit G, MTT000215-000216][Price List]

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

A. Magnetic therapy products are effective in treating cancer, including lung and breast cancers, diabetic ulcers, some forms of arthritis, and degenerative joint conditions.

B. Magnetic therapy products significantly lower high blood pressure.

C. Magnetic sleep pads stabilize or increase the T-cell count of HIV patients.

D. Magnetic sleep pads significantly reduce muscle spasms in persons with Multiple Sclerosis.

E. Magnetic sleep pads significantly reduce nerve spasms associated with diabetic neuropathy.

F. Magnetic sleep pads significantly increase bone density, immunity, and circulation.

G. Magnetic therapy products are as effective as prescription pain medicine in alleviating severe pain caused by conditions such as arthritis, carpal tunnel syndrome, and chronic back pain.

6. Through the means described in paragraph four, respondents have represented, expressly or by implication, that testimonials from consumers appearing in the advertisements or promotional materials for respondents' magnetic therapy 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. Therefore, the representation set forth in paragraph seven was, and is, false or misleading.

9. 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.

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EXHIBIT A

APPLICATIONS OF BIOMAGNETISM

It should be made clear that magnets themselves do not heal anything - they only stimulate the body to heal itself. Magnetism is a wholly natural event. It is neither magic nor medicine. It merely allows body cells to exist at their best level.

In recent years, developments in healing through electrical and magnetic therapies have increased exponentially. In the treatment of sprains, strains, broken bones, burns and cuts, not only does magnetic field therapy aid in the recovery, but it allows these conditions to heal better, more quickly, and with less scar tissue and better symmetry. In injuries, magnetic treatment has been shown to decrease healing time by half or more.

In the treatment of chronic conditions such as some forms of arthritis, degenerative joint conditions, diabetic ulcers and cancer, magnetic field therapy has shown dramatic results in aiding the reduction or reversal of the condition.

A Reader's Digest article in October, 1982, titled, *"Biomagnetism: An Awesome Force in our Lives,"* quoted Dr. Bassett as predicting: "Electricity will become as ubiquitous in medical practise as surgery or drugs are; in many instances it will replace them."

Dr. Robert O. Becker has written extensively in his books, *"The Body Electric"* and *"Cross Currents,"* about the future usage of magnetic and electrical therapy, predicting discoveries and advancements that today would only be considered impossible or miraculous.

Doctors in both Europe and the United States are obtaining results using electromagnetic fields to treat damage ranging from decubitus ulcers to severe burns. Soft tissue injuries are responding; as well as those of bone and joint. In the Soviet Union, doctors regularly use magnets to speed wound healing after surgery, to improve circulation, and to strengthen and mend bones.

Some researchers, such as Nordenstrom and Wollin, have reported using super-magnet and electrical therapies to successfully treat lung and breast cancers.

An American dentist, Dr. Jack Prince, has successfully used magnets on acupuncture points to reduce bleeding, gagging and pain sensitivity. Dr. Prince found that magnets could bring immediate relief of chronic pain from jaw dislocations as well as from TMJ syndrome, headaches and teethgrinding.

Exhibit A

MIT 00030

EXHIBIT B

SUMMARY OF BENEFICIAL INFLUENCE OF MAGNETS.

The beneficial influence of magnets may be summed up as follows:

1. When a magnet is applied to the human body, magnetic waves pass through the tissues and secondary currents are induced. When these currents clash with magnetic waves, they produce impacting heats on the electrons in the body cells. The impacting heats are very effective to reduce pains and swellings in the muscles, etc.
2. Movement of haemoglobin in blood vessels is accelerated while calcium and cholesterol deposits in blood are decreased. Even the other unwanted materials adhered to the inner side of blood vessels, which provoke high blood pressure, are decreased and made to vanish. The blood is cleansed and circulation is increased. The activity of the heart eases and fatigue and pain disappear.
3. Functions of autonomic nerves are normalized so that the internal organs controlled by them regain their proper function.
4. Secretion of hormones is promoted with the result that the skin gains lustre, youth is preserved and all ailments due to lack of hormone secretion are relieved and cured.
5. Blood and lymph circulations are activated and, therefore, all nutritions are easily and efficiently carried to every cell of the body. This helps in promoting general metabolism.
6. Magnetic waves penetrate the skin, fatty tissues and bones, invigorating the organs. The result is greatly enhanced resistance to disease.
7. The magnetic flux promotes health and provides energy by eliminating disorders in, and stimulating the functions of the various systems of the body, namely the circulatory, nervous, respiratory, digestive and urinary.
8. The magnetic treatment works by reforming, reviving and promoting the growth of cells, rejuvenating the tissues of the body, strengthening the decayed and inactive corpuscles and increasing the number of new, sound corpuscles.

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Exhibit B

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EXHIBIT B

9. Magnets have exceptional curative effects on certain complaints like toothache, stiffness of shoulders and other joints, pains and swellings, cervical spondylitis, eczema, asthma as well as on chilblains, injuries and wounds.
10. The self-curative faculty (Homoeostatis) of the body is improved and strengthened which ensures all the benefits mentioned above. One feels in full vigour and can walk and work, more and more without feeling tired.

How Magnets Affects Human Metabolism?

11. The magnetic treatment has the effect of energizing all the systems of the body. The effect remains in the body for several hours after each sitting with the magnets.
A continued treatment for a week or two, once daily for about state of health, in general routine cases.
(NOTE: This refers to very strong magnets as used by the medical profession.)

NOTE:

As magnets work on human metabolism mainly through the circulation of blood, which contains haemoglobin and iron, it will be relevant to state the position of iron contained in the body. The adult human body contains 4 to 5 grams of iron and it can be traced in all parts of the body. Most of it is present in blood as a component of haemoglobin and a smaller amount remains in muscles and is called myoglobin. The function of these components is to carry oxygen from the lungs to muscles and other parts. Without iron there would be no energy, and without energy, the beating of the heart and respiration would stop. Thus we see that iron is very essential for our life and magnetism influences iron radically and magnificiently.

Above MAGNETIC THERAPY by Dr. H. L. Bansal.

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EXHIBIT C

WHY SHOULD YOU HAVE a MAGNETICo SLEEP PAD ??

YOU ARE AN ELECTRO-MAGNETIC BEING!

Magnetic Fields are essential to maintain health. There are **two primary sources** available — **Your Brain and The Earth**. These two fields supplement each other and bring needed **magnetic resonance** in the body tissues and provide up to **30% of total body energy needs**.

REDUCTION IN AVAILABLE NEGATIVE⁽⁻⁾ MAGNETIC FIELD

Aging, trauma, lack of oxygen to the brain, all reduce the brain's ability to put out sufficient magnetic field for optimum body function. These factors along with a dramatic reduction of the earth's magnetic field, makes supplementary **NEGATIVE⁽⁻⁾ magnetism** necessary for continued good health and function... enter the **MAGNETICo Sleep Pad[®]!**

ALTERNATING CURRENT (AC) ELECTRO-MAGNETIC FIELDS

Most of us live and work surrounded by these electro-magnetic fields in our modern environments. Unfortunately, their higher frequency stimulation throws body cells (which function at very low frequencies) out of resonance, causing cell fatigue and increased likelihood of malfunction. The beneficial **Negative⁽⁻⁾ Magnetic Field** in the **MAGNETICo Sleep Pad[®]** in conjunction with the **brain's pulsed low frequency Negative⁽⁻⁾ Magnetic Field** helps to **counteract** these cell-stressing **AC** higher frequencies.

REVITALIZE YOUR BODY... NATURALLY AND IN COMFORT!

Sleeping nightly on the **MAGNETICo Sleep Pad[®]** allows magnetic energy from **permanent**, ceramic magnets to energize all the tissues of the body through a process called "**magnetic resonance**". This enables your body to operate at a higher level of efficiency. There just isn't a pill or treatment anywhere that can come close to providing such an **OVERALL** benefit to assist your body in maintaining **WELLNESS** and **FUNCTION**... in such a comfortable, **NATURAL** way!!!

MAGNETICo SLEEP PAD[®] OWNERS TELL BENEFITS...

Besides the overall "energy-support-system" provided (not necessarily "felt"), a variety of fringe benefits are reported by delighted customers, such as:

Relief of	- Allergy Symptoms - Arthritic Symptoms - PMS Symptoms	Improved	- Energizing Sleep - Athletic Performance - Healing (muscle/ligament injuries in athletes, broken bones) - Energy Levels
Pain relief from	- Stressed, tight muscles - Migraine Headaches - Back Problems - Fibromyalgia Syndrome	Lowered	- Blood Pressure
Increased	- Circulation/Oxygenation - Resistance to Disease - Bone Density	Other	- Chronic Fatigue Syndrome - Post Polio Syndrome - Multiple Sclerosis - Lupus - Emphysema

Note: Persons with **PACEMAKERS** should not use a magnetic sleep pad as it will interrupt the function of the pacemaker.

Magnetic^o
inc.

MIT 00051

Exhibit C

EXHIBIT C

Commonly asked Questions and their Answers!***1. How is the MagnetiCo Sleep Pad different from other pads?***

This is the **only** magnetic pad made to simulate the earth's magnetic field of over 4,000 years ago when it was 10 times stronger than it is today. To do this, we had to use hundreds of block magnets placed so close together that they act like one big magnet. This results in a magnetic field that is **unidirectional**, extending several feet up above the bed before it returns back around outside the edge of the bed to the bottom of the bed (see diagram on next page). Because of the size and the volume of the magnets used the field is of ample strength to penetrate the mattress and the person laying on it and still extend 4 feet into the air above.

A mattress engineered in this way, with the negative(-) side up and with proper spacing of the magnets, gives a **pure negative(-) field to the body**. Other company's designs, due to lack of size, strength and number of magnets, result in a mixed magnetic field, both positive(+) and negative(-). This is not natural to the body, so the body responds as though it were an emergency (acupuncture type response). While this is OK on a short-term basis, extended periods of use cause fatigue of the body's vital resources, which are normally reserved for emergencies. Therefore, mixed field magnetic products should only be used for short periods of time (not longer than 2 months at a time). The natural purely negative(-) fields (such as the MagnetiCo Sleep Pad), on the other hand, may be used continually and indefinitely.

2. What is the difference between positive(+) and negative(-) fields and how do they affect my body?

The **positive(+)** (or mixed field) causes an emergency response by slowing down the electrons and protons which spin around the structural atoms and molecules in the body. This causes a reduction in the molecular action and hence the cellular function. As a result you will get an increase in blood flow to the area of stimulus as well as increased electrical flow from the brain. This increased electrical flow does increase molecular action. The problem with this method is that it is **using up** the body's emergency supply of vitality, which would normally be held in reserve for emergencies.

The **pure negative(-) field**, on the other hand, is natural to the body — it only enhances molecular action by speeding up the electrons and protons of the structural atoms and molecules in the body. The negative field replicates the earth's natural magnetic field in all but a few countries in the Southern Hemisphere. The molecular structure of the structural cells of the body orientate themselves to the type of magnetic field in which they have divided. By putting your body in an enhanced magnetic field the same as the earth's, you are **adding** to your vitality, not using it up.

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3. *Is it possible for me to get too much of a negative(-) field? Will it harm me in any way?*

In our research, we have experimented using pure negative(-) fields a thousand times more powerful than the Sleep Pad for extended periods of time. In ALL cases, we have found only an enhancement of benefits, with no negative side effects.

4. *Why can't I have another person sleep beside my pad?*

Because of the design of the MagnetiCo Sleep Pad, the return (or positive) field comes down outside the edge of the pad. This would subject the person beside you to the positive(+) field, rather than the negative(-). This will fatigue the person over time, depending on their level of vitality.

5. *Do I need to wear magnets during the daytime?*

It is sometimes necessary to place single magnets on injured or diseased areas to enhance healing by giving increased molecular action 24 hours a day. (Note: you should NOT wear a single magnet while you are resting on the sleep pad as you will get conflicting magnetic fields.) A rule of thumb is to use a magnet larger than the area you are trying to treat.

6. *Will the field from the Inner Power Pad be affected by any of the metal in my mattress or boxspring?*

Yes, it affects it in a good way. The springs actually conduct the negative(-) magnetic field up into the body.

7. *How long will it be before I can feel the benefits of the MagnetiCo Sleep Pad?*

Because every person is different, it is impossible to predict when you will feel a difference. Some lucky people feel benefits the first night, others it may take 6 months. The most common time is 1 - 2 months. The important thing to remember is that some benefits, such as increased immunity, increased oxygen saturation and lowered blood pressure, may be taking place even though you can't feel them.

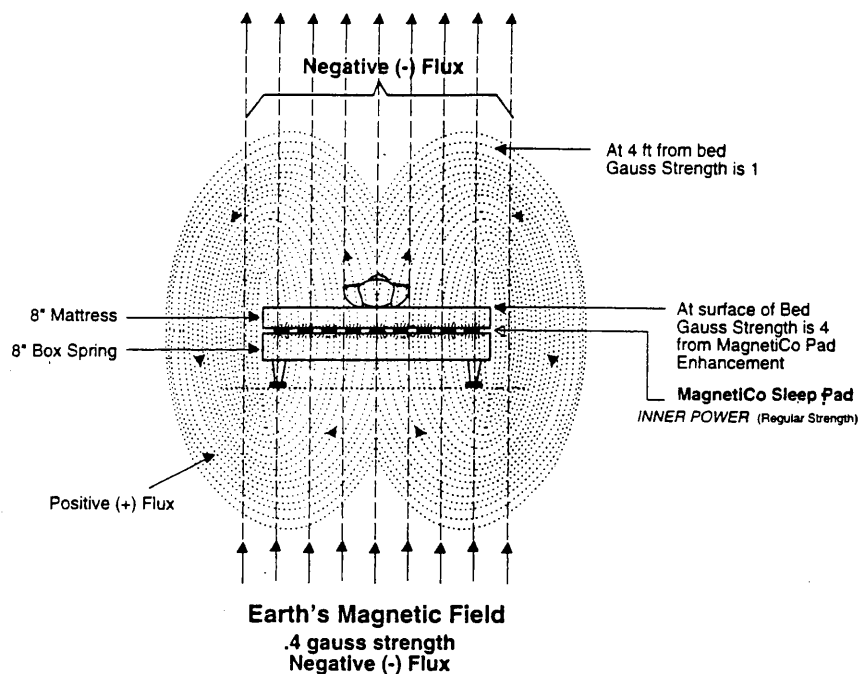
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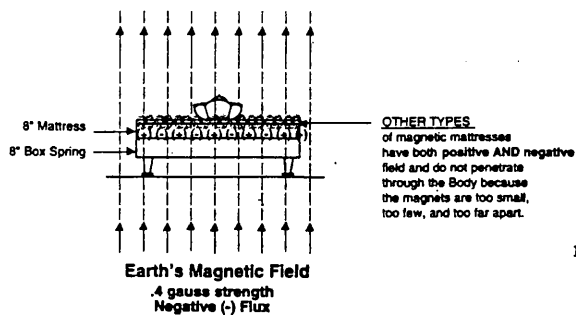
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EXHIBIT C

MAGNETICO Supplemented Magnetic Field



Other Brands Supplemented Magnetic Field



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EXHIBIT C

Magnetic
Sleep Pad

Dear Friend,

I wish I could share with you the excitement I hear from **MagnetiCo Sleep Pad[®]** people nearly every day! The following "**Success Stories**" indicate a sampling of benefits obtained by sleeping in a cocoon of beneficial **Negative (-)** magnetic field.

The **MagnetiCo Sleep Pad[®]** provides energy to every charged particle of the body, enabling each cell to perform its particular function more efficiently. This produces an enhancing effect to any other supplementation, dietary, or exercise programs that you already practice, making the **Sleep Pad[®]** a **BASE-LINE Healthcare / Wellness** product.

Energy is the stuff life is made of!!!! Supplementing a depleted **environmental source** only makes sense! Let me strongly encourage you to make this wise, one-time investment in your **present well-ness and performance**. At the same time you will be adding an important building block in your **future quality of life**.

Wishing you **WELL...**

Dr. DEAN BONLIE

Magnetic Sleep Pad Success Stories
(Excerpts from Testimonial Letters on File)

ARTHRITIS

(2 months on Sleep Pad)

"...For months I was walking the floor at night with tearful, intense pain, resorting to Tylenol #3 every 3 hours. I have not taken painkillers since... and I sleep like a baby! ...I do not hesitate to encourage anyone to put this to the test!!!"

Leola Christensen,
Resident, Canada & California

ARTHRITIS & MIGRAINE RELIEF

(3 months on Sleep Pad)

"...I had been fighting a migraine-type headache for about a week... take 4 aspirin every 4 hours. After receiving my mattress and sleeping on it for two nights, my headache was gone. ...When the stress of the day begins to turn into a bad headache... I always know that I will find relief when I sleep on the mattress. "I don't wake up sore and stiff in the morning. ...having trouble with the tendons in my ankle (previous injury) ...not been bothered by that since. Thanks again..."

Evelyn Strawn - First Grade Teacher
CALEXICO Academy

RHEUMATOID ARTHRITIS

(4 months on Sleep Pad)

"I've suffered for ten years... many sleepless nights due to pain! Hands and feet deformed with some corrective surgery... three months ago I was unable to hold a pen to write, now am writing this letter! Since sleeping on the MagnetiCo Sleep Pad, my joint pain is minimal... sleep restful. I would not be without it... words cannot express my satisfaction!"

Wm. Burke, Age 74
Ontario, Canada

ARTHRITIS

(3 weeks on Sleep Pad)

"...I love to go to bed on my Pad and hate to get up and leave my Pad... I have a severe case of arthritis and since using this Pad 'I feel like a new man'."

Fred Midlane
Desert Hot Springs, CA

ARTHRITIS & VENUS INSUFFICIENCY

(2 months on Sleep Pad)

"...Have arthritis in elbow, neck, both hips and knee... controlled by taking Motrin twice daily and rollerblade an hour a day... taking 20 minutes to get pain and stiffness to subside. By the end of the first week of sleeping on the pad, I could rollerblade without stiffness and pain... totally off Motrin in two weeks..."

Venus Insufficiency: "My doctor prescribed support hose... for the rest of my life. After the third week on the Magnetic Pad, I could see and feel a difference in the legs... I have not worn them (support hose) since, no more swelling. The flow of blood and the valves in my legs have improved."

Duane Winchester - Retired
Bell Tel. Executive, UTAH

ARTHRITIS

(10 months on Sleep Pad)

"I have been an osteo-arthritis sufferer for the past 12 years. I experienced many sleepless nights because of pain in my back, neck and shoulders and each morning my hands were stiff and swollen shut. I was introduced to the magnetic mattress ten months ago and have experienced gradual improvement in my whole body. Thanks to the magnetic mattress I can now enjoy a good game of golf and other activities."

John E. McDonald, Retiree
Hope, B.C.

ARTHRITIC NECK - PAIN RELIEF - IMPROVED SLEEP

(8 months on Sleep Pad)

"I had broken my C-2 vertebra in my neck 1 1/2 years before getting my Sleep Pad. My neck had developed arthritic stiffness and would crack when I turned my head... which anybody sitting next to me could hear and would comment on it. After four weeks on the sleep pad the cracking noise was gone and I could turn my head without the arthritic pain and there was decreased stiffness. My sleep has improved... on an ordinary mattress, I require 7 1/2-8 hours of sleep... on the magnetic sleep pad, I awaken refreshed in 6 hours. Thanks for your research, Dean... here's to a higher quality of life!"

Ray Price, Age 34
Edmonton, AB

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MIT 0005

EXHIBIT C

MagnetiCo Sleep Pad Success Stories (cont.)

FIBROMYALGIA - "TRIGGER FINGERS"

(2 months on Sleep Pad)

"...My 24-hour pain from fibrocitis (fibromyalgia in Canada) has been chronic... 25 years. Expected improvement to be gradual... already I have new energy and pain is starting to decrease... color in my face instead of grey pallor. I've suffered for several years with 'trigger fingers' consisting of painful curling and locking... requiring hours of stretching and massaging... to release...
Tried surgery, months of rehab, cortisone, hoping to avoid more surgery with only temporary results. NOW - NO MORE TRIGGER FINGERS! I can even type again!! I'm elated, delighted and grateful!"

June McKeown, Retiree
from Portland, OR to Vancouver, BC

CHRONIC FATIGUE SYNDROME

(felt instant relief on Sleep Pad)

"Dear Dr. Bonlie,
I had generally good health prior to the birth of our son... then it was debilitating back and leg pain, sleeplessness, fatigue, depletion of immune system, little energy... I exhausted every medical lead I could find for relief. My sleep from the first night on the Pad was deep and wonderful... no more pain at night. Daytime pain took longer to disappear... I found I could lay down on my bed to recharge and get relief... We've had our Sleep Pad for nearly two years... notice the difference in energy levels if we are away from it for more than a few days... wouldn't be without it!!! ...definitely recommend your wonderful magnetic Sleep Pad to anyone and everyone!"

Ron & Shelley Conn, mid-30's
Consultant & Executive
Surrey, B.C.

SLEEP DISORDER - FIBROMYALGIA

(1 month on Sleep Pad)

"I am very grateful to Dr. Scott Olson for introducing the MagnetiCo Sleep Pad. I have had a sleeping disorder for the last 15 years, due to Fibromyalgia and Rheumatism that attacks the muscles. I am pleased to say that I sleep all night, and it's so wonderful to get up in the morning without the stiffness.
Thank You."

Leona Piche, Age 43
BRITISH COLUMBIA

CHRONIC FATIGUE SYNDROME

(8 months on Sleep Pad)

"I had been off work for 5 years due to severe chronic fatigue syndrome. Before getting your MagnetiCo Sleep Pad, the smallest tasks around the house were exhausting to me. I had the Sleep Pad for exactly 120 days with no particular results other than improved immunity... evidenced by not being plagued by colds and flu all winter, as per normal. On the 121st day, my energy returned so that I felt like going to work again!... I am very grateful for this product which enabled me to return to normal life and work!"

Ted Jones, 40+ years, Engineer
Ontario, Canada

PRE-MENSTRUAL SYNDROME (PMS)

(4 months on Sleep Pad)

"For many years, PMS made my life absolutely miserable for two weeks of every month. Sleeping on the MagnetiCo Sleep Pad solved this problem almost immediately! I sleep much more... soundly now and am enjoying a marked increase in stamina. Also, my immune system must have improved, since this year I did not get my customary one-month long cold. Thank You, Dr. Bonlie, for turning my life around! I can highly recommend the MagnetiCo Sleep Pad as an economical way of protecting one's health."

Pat Roman, Businesswoman
Vancouver, B.C.

PAIN RELIEF

(6 weeks on Sleep Pad)

"Following an auto accident five years ago, I have been searching for a solution to pain in the soft tissue of my neck, arm, lower back and leg. After six weeks of sleeping on the magnetic Sleep Pad, I anticipate total recovery. With the combination of good food, nutritional supplements and therapy, the Sleep Pad has supplied the final piece of the puzzle. I sleep comfortably all night and awaken refreshed and am full of energy. As a matter of fact, I don't recall ever having this much energy. Thank You!"

Name Withheld,
Virginia, USA

"...I don't ever recall
having this much
energy..."

BACK PAIN RELIEF - TRUCK DRIVING

(3 months on MagnetiCo Seat Cushion)

"Since you introduced me to your 'Seat Pad'... I have been virtually free of pain in my mid/lower back... my right leg often 'went to sleep' after hours on the accelerator - not anymore! ... I also lay on the Pad on the 'sleeper' bunk quite often and find that I awake feeling much more rested than when I 'motel'... the severe pain in my 'back to shoulder' muscle was gone within the first three days and has not bothered me since.
... Many thanks for your research and development of this correctly designed and comfy product."

Darol Rick, Line-Haul Truck
HOPE, B.C., Canada

MULTIPLE SCLEROSIS

(6 months on Sleep Pad)

"...In 1980, I was diagnosed with MS... loss of balance, poor coordination, constant muscle spasms, fatigue and limited mobility are daily symptoms I have learned to live with. I have slept on the magnetic pad now for six months... what I have found to be the most beneficial is that it seems to allow my body to 'bounce back' at a more rapid rate than previous... It has also assisted in less frequent muscle spasms and I am now waking up more refreshed with more energy. It has also assisted in my breathing due to... various allergies. It is not a cure for me but is of great assistance to me in allowing me to live a(n)... active lifestyle with additional energy. I consciously have not changed any aspect of my daily living habits to give it a fair evaluation and now can recommend it to others..."

Arni Skoretz - Alberta Social Services Professional
RED DEER, AB

HIV POSITIVE

(12 months on Sleep Pad)

"In January '92, I tested HIV Positive. Otherwise I have excellent health, am careful about what I eat and am very physically fit. After you telling the report of improved T-cell count in mice placed in an increased magnetic field, I decided it was definitely worthwhile for me to try one of your MagnetiCo Sleep Pads. I am pleased to report that I have had no drop in T-Cell count since, although it did hold at the same level for a few months, it is now up to 638, which is a substantial increase. You can be sure I will continue to give myself this health advantage and certainly recommend it to others!"

Name withheld, Age 37
Los Angeles, CA

MIT 00056

380

Complaint

EXHIBIT C

MagnetiCo Sleep Pad Success Stories (cont.)**EXTREME DIABETIC COMPLICATIONS****SLEEP DISORDER (8 months on Sleep Pad)*****HEALTH SUMMARY:** Val Laughton

- a. Diabetic neuropathy (nerve death) – causing excruciating pain in extremities (1 – 3 bouts daily, lasting from 45 minutes to two hours).
- b. Extreme bloating after meals – Internist tried various medications with little success.
- c. Sleep Disorder – Many years (average amount of sleep: 1-3 hrs per night)

IMPROVEMENTS SINCE SLEEPING ON PAD:

- a. The nerve spasms took 5 – 6 months to improve to a marked amount. ...now they are reduced by 80%–90%, with no occurrences at all for 4 to 5 days at a time.
- b. Bloating stopped the first night.
- c. Sleep problem relieved in the first few nights. This was all hard to believe, it was so dramatic.

Val is a R.N. and thought a magnetic mattress was the equivalent of a "flying carpet" when we got it. Now she looks upon it as one of the most important purchases we have ever made and is very, very grateful!"

*Dave & Val Laughton, Age mid-40's
Moose Jaw, Sask.*

"P.S., I have been fortunate to have pretty good health, however, I have had pretty consistent indigestion all of my life. It disappeared after the first night on the magnetic mattress and I have not had any since! (Dave)"

**IMPROVED SLEEP/GENERAL HEALTH CONDITION
(2 months on Sleep Pad)**

"Health Condition at Time of Sleep Pad Purchase: Always tired with sore back and numerous other aches and pains. Not getting enough sleep. ... Our first week was kind of odd, as we had numerous headaches, but Dr. Fleming told us that was quite common. The second week was much better, as we found out we never got up more than once or twice a night. By the third week, we were starting to look forward to going to bed at nights. It's been very good to us. So now we have accepted the MagnetiCo Pad as one of the family and would recommend it to anyone."

*Victor and Angie Lemieux (Ages 79 & 77)
LANGLEY, B.C., Canada*

**HEART CONDITION
(6 weeks on Sleep Pad)**

"I am 72 years old and have had five heart attacks... tried all that modern medicine had to offer, but was left a virtual invalid, unable to do the smallest task. In just six weeks on the MagnetiCo Sleep Pad, my color is greatly improved, blood pressure down ten points, and energy levels up enough that I can even work some. ...Best Purchase I have ever made!"

*Joe Subich, Retired
OHIO*

**LIVER DISEASE
(3 weeks on Sleep Pad)**

"I have a congenital liver disease... with multiple symptoms affecting me, so I could barely get up to eat and drink. Was unable to sleep well... take 2 to 3 hours to fall asleep... and waken at 4 or 5 a.m. The first night on the Sleep Pad I fell right to sleep and slept so good... it was delicious! After the first week of sleeping on the Pad, I noticed I had energy... Now I'm back to cooking and have started gardening again. The aches and pains, and fluid retention are gone too. I wish I'd had the Sleep Pad, years ago!"

*Neena McLean
San Francisco, CA*

**CHILD – Extreme Chemical/Environmental Allergies:
Behavioral Disorder****SLEEP PAD – Immediate Relief Insomnia**

Summary: "Amy has been diagnosed with zinc deficiency and immune dysregulation, which will be an ongoing condition. She took Ritalin for five years, with all its undesirable side effects, and became allergic to that. I had come to expect only 4-5 hours sleep (in segments) per night. The first night on the Sleep Pad, Amy had a full night's sleep... and it has continued for 2-1/2 months now. She awakes pleasant and alert. We thank you for everything..."

*Jayne Vaughan
ONTARIO, CANADA*

**NATUROPATHIC PHYSICIAN
(8 months on Sleep Pad)**

"Thank you for introducing me to the MagnetiCo Sleep Pad! ...I am delighted... In my practice the results have been remarkable. The patients to whom I have introduced the MagnetiCo Sleep Pads have responded well and are happy with the results. With my degrees in Chiropractic and Naturopathic Medicine, and studies in acupuncture, physical therapy, Australian Bowen technique, and various other therapies, I have naturally been led into a practice of physical medicine, including the use of small taped-on magnets, so it is with some amazement that I find a process that gives such relief and comfort in such a simple manner. After all, everyone has to lie down to sleep on a regular basis, so what better way to have therapy! I am sure other benefits will be found from the use of the magnet pads as time goes by, so there is no doubt in my mind that the use of magnetic sleep pads will become one of the major therapeutic agents of the future. Again, thank you!"

*Robert Fleming, B.Sc., D.C., N.D.
WHITE ROCK, B.C.*

*"...Extra energy
for extra life!
Thanks!"*

**IMPROVED IMMUNITY – MORE ENERGY
LESS SLEEP REQUIRED
(8 months on Sleep Pad)**

"Since January 1993 I have been sleeping on a MAGNETICO Sleep Pad and have observed significant differences... First, I have more mental energy... with less sleep. Secondly... free from colds, flu or sickness when others have succumbed... I picked up a sore throat while away... within 2 days of being back home on my sleep pad, the infection was gone... In the past it would have lingered on for 2 weeks. Extra energy for extra life! Thanks!"

*Verlie Ward, Ph.D.
Walla Walla College, WA*

MIT 00057

EXHIBIT C

MagnetiCo Sleep Pad Success Stories (cont.)

GENERAL HEALTH CRISIS
 (3 months on Sleep Pad)

"Dear Dr. Bonlie,
 As you know, I have "crawled out of hell"... I was diagnosed with... hypoglycemia, fibromyalgia, allergies, depression, vitamin/mineral deficiencies, toxicity, etc.... Many doctors had valid observations, but no wholistic approach. I was forced to experiment with products on my own to see which ones would help me on my journey to wellness. Your magnetic bed provides a nightly "cradle" which augments the power of all else that I do! Thank you for your wonderful product!"

E.H., Age 20
 Victoria, B.C.

INCREASED ENERGY
 (6 months on Sleep Pad)

"I can't say enough about my Sleep Pad! I awake refreshed and get through a hard day's work and still have some energy left at the end of the day. I'm only sorry I didn't know of your Sleep Pads sooner! Each day (since sleeping on the pad) my wife feels a bit better than the previous day. I have looked into other sleep pads and feel that your's is the only one worth using."

C.A. Riggs
 Harwood Heights, IL

INSOMNIA

(2 months on Sleep Pad)

"...For the first time in twenty years, I am getting a decent night's sleep! Before, I suffered bouts of insomnia all the time, and if I did manage to get to sleep, I would waken at least 3 or 4 times a night. Now... I can count on sleeping straight through! Thank you, Dr. Bonlie, for this wonderful product!"

Joan Meals, Mid-30's
 Everett, WA

PASSIVE, EASY-TO-USE ENERGY SUPPLEMENT
 (12 months on Sleep Pad)

"Dear Dr. Bonlie,
 You have one of the best overall health products on the market today! What I like about the MagnetiCo Pad is the fact that it is passive... everyone can have one in the privacy of their own home. There is no preparation, no measuring, no calculations, nowhere to go for a treatment — just sleep on the pad!! The benefits are there for you every single night. Health benefits can't come any easier than that! I believe that everyone needs a pad to rebalance in this hectic world of ours."

Rupert Ravens, Health Enthusiast
 Jersey City, NJ

**"My finishes and run times
 have improved consistently...
 ...recuperative time
 dramatically reduced..."**

(runner)

RUNNER

(3 months on Sleep Pad)

"...I have been running for 9 years... Since using the MagnetiCo Sleep Pad, I have run in 3 formal 5K races. My finishes and run times have improved consistently with each race. In addition... my recuperative time has been dramatically reduced. I am also the mother of an 11-year-old son who is very active... Thanks to my MagnetiCo Pad I never seem to run out of energy these days!"

Laurel Van Ark, Age 37
 Dana Point, CA

ATHLETE — BACK PAIN RELIEF / TENNIS ELBOW
 (4 months on Sleep Pad)

"Re: evaluation of the magnetic pad, it was a raging success. Just as you, Dr. Bonlie and Dr. Philpott attested, the pad brought wonderful results... Anybody that has circulatory problems, lower back or other related pain should never sleep without the pad."

Jim Everett, Quarterback
 Los Angeles Rams

"...a raging success!"

ATHLETE

(6 months on Sleep Pad)

"...regarding improvements in performance due to sleeping on the magnetic pad... observations:

- Less latent muscle soreness at the onset of higher intensity training.
- Rapid stimulation of cardiovascular strength (faster improvement).
- Increased recovery time after running, working (monitored by heart rate).
- Muscular strength levels have been maintained at a higher level, most significantly in a full squat and bench press.
- Lower Resting Heart Rate (55 beats per minute).
- Deeper and more sound sleeping and more energy as soon as I get out of bed...

I will keep you posted as to further findings."

Richard Hesketh — Decathlete
 Canadian National Team Member since 1987
 Calgary, AB

INCREASED STAMINA — MARATHONS

(3 years on Sleep Pad)

"I've been running marathons for 10 years. Since sleeping on the MagnetiCo Sleep Pad, I've noticed a substantial increase in endurance during the latter third of the race, allowing me to finish first or second in my age category. Also it has eliminated most of my post-race nausea, soreness and extreme exhaustion. I can now go out and enjoy a celebration dinner after!"

Lillian Miller, 60+ years, Realtor
 California

IMPROVED FITNESS — ATHLETE

"As a 'past-my-prime' athlete, I feel the Sleep Pad has helped my body return to the coordination and stamina of 15-20 years ago! I could never gain weight before and now have put on 10-12 lbs. of muscle in two months. Thanks again for your helpful insight into this technology, and I once again shout the praises from the rooftops about this wonderful product!"

Gary Robinson
 Mcaville, NC

MIT 00058

EXHIBIT D

why.htm at www.mplusmagnet.com

Page 5 of 6

years... notice the difference in energy levels if we are away from it for more than a few days... wouldn't be without it!!! ...definitely recommend your wonderful magnetic Sleep Pad to anyone and everyone!"

Ron & Shelley Conn, mid-30's
Consultant & Executive
Surrey, B.C.

HEART CONDITION

(6 WEEKS ON SLEEP PAD)

"I am 72 years old and have had five heart attacks... tried all that modern medicine had to offer, but was left a virtual invalid, unable to do the smallest task. In just six weeks on the Magnetic Sleep Pad, my color is greatly improved, blood pressure down ten points, and energy levels up enough that I can even work some. Best Purchase I have ever made!"

Joe Subich, Retired
Ohio

MIT 000153

ORDER NOW WHILE ON-LINE!!

Complaint

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EXHIBIT E

MAGNETIC STORY:
by Magnetico
Sleep-Pett

Exhibit E

MIT 00045

EXHIBIT E

A Long, Long Time Ago...

This Earth was surrounded by a much stronger Magnetic Field than that which exists today. Scientists have been recording the strength of the Earth's Magnetic Field over the last 155 years. This decline has also been determined by measurement of decrease of north-south orientation of magnetite crystals in deposits which have occurred at known times in history such as in volcanic flows and sediments. 5, 7, 12, 13

GAUSS - Unit of measurement of magnetic fields.

EARTH'S MAGNETIC FIELD:
4,000 years ago - 4.0 Gauss
Today - 0.4 Gauss
(varies by location and time) 5, 7, 12

Necessary to Life...

We are all very much aware of our constant need for air, water, and food! However, the need for the Earth's magnetic force to maintain health was not recognized until the advent of modern space travel.

Early cosmonauts were found to have experienced up to 80% bone-calcium loss and muscle cramps when in space above the earth's magnetic field for extended periods.

In addition, scientists have discovered that the magnetic field of the earth is cyclic, with die-outs of biological life forms occurring in times of Magnetic Field decline and reversals. 2

Confirming evidence of die-outs determined by studies of core samples from ocean floor. 2

Historic Uses...

References to the early use of the forces of magnetism in the healing arts are found in most civilizations of the world. The first usage is recorded by the Chinese in the book "Yellow Emperor's Book of Internal Medicine" (approx. 2000 B.C.). Reference is made to the use of Magnetism in conjunction with the practice of acupuncture. 1

Cleopatra is claimed to have worn a lodestone on her forehead to prevent aging. 1

Ancient Hindu scriptures, Egyptian and Persian history, and Tibetan monk practices indicate therapeutic lodestone usage.

Famous Persian physician Ali Abbas, describes using magnetism to relieve spasms and gout - A.D. 1000. 8

More modern contributions to scientific and medical knowledge of electrical and magnetic energy were made by William Gilbert, private physician to Queen Elizabeth I, Volta, Galvani, and Mesmer. Mesmer was particularly noted for successful treatment of a variety of ills in the mid-1700's. 1

Galen, noted Greek physician, author and educator, referred to magnetism as an excellent purgative (laxative). 8

Beginning of Modern Research...

"Magnetic Field Deficiency Syndrome" was identified in Japan in the late 1950's. It is characterized by symptoms such as: Lack of Energy, Insomnia, Generalized Aches & Pains, Upper Back & Neck Stiffness, Frequent Headaches, Dizziness, Constipation, etc. (These symptoms seem to closely correlate with our North American version - "Chronic Fatigue Syndrome".) 12

The external application of a magnetic field to the human body was found to alleviate the symptoms of "Magnetic Field Deficiency Syndrome". 12

30 million Japanese use a therapeutic magnetic device according to Nikken Corporation.

Current Health-Related Uses...

- Pulsed Direct Current Magnetic Therapy
Used by physiotherapists, massage therapists, chiropractors and sports trainers.
- Direct Current Electro-Magnetic Field Therapy
Used by Orthopedic Surgeons
- Hospital Diagnostic Tests — MRI, MEG, MKG, SQUID

For relief of deep muscle pain, stiffness, arthritic symptoms and other related problems.

For healing of non-union fractures - speeds healing time dramatically.

A Magnetic Resonance Imaging (MRI) machine is a valuable diagnostic tool for visualizing internal organs such as the brain, spine, and liver, etc.; this machine uses up to 40,000 Gauss.

MIT 00046

Magnetic[®]

EXHIBIT E

 Bio-Magnetic Theory... By Dr. Dean R. Bonde

In Brief...

The Earth's Magnetic Field has Decreased by approximately 90% over the last four thousand years.

This Geomagnetic Field is an Essential Environmental Factor for Life and Health on this Planet.

The human body has adapted to this loss of natural energy, but it seems a reasonable assumption that there would be a corresponding Loss of Physiological Vitality and Efficiency in all the functions of the body.

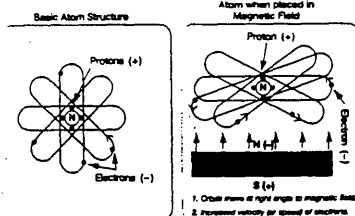
By placing the body in a restored, pure, Negative (-) Magnetic Field equal in strength to that of earth 4,000 years ago, I theorize that over-all body performance should be greatly enhanced.

 Effect of Geomagnetic Field
on the Human Body...

The human body is electro-magnetic by design, being composed largely of charged particles such as atoms, electrons, protons, and ions (e.g., potassium, sodium, calcium, etc.). These all perform vital life functions.

Consider how the following basic principles of Physics regarding geomagnetic (directional) fields affect atoms in that field.

- ✓ When the field is increased, there will be a temporary increase in electromagnetic force or charge on the atom which will result in a higher velocity of some of the orbiting electrons and protons (primarily outer ring un-paired electrons).⁹
- ✓ This increase in velocity of some electrons and protons and not others will cause precession or wobble of the atom, leading to enhanced electron transfer.^{9, 10}
- ✓ Enhanced electron transfer, is the basic action in all chemical reactions of the body.



Summarized, an increase of the geomagnetic field (which is a directional magnetic field) acts as a catalyst to improve chemical reactions occurring in the human body. This should improve all body functions. Examples are: oxygen carrying capacity, assimilation of nutrients, manufacture of enzymes, metabolic waste removal, reduction of free radicals, tissue regeneration and healing.

 INCREASED GEOMAGNETIC FIELD
equals
ENHANCEMENT OF BODY CHEMISTRY
BASIC PHYSICS PRINCIPLE

Magnetic (or cyclotronic) resonance of body tissues is also improved by increased electron velocity, making an even higher level of chemical activity possible.

By applying the above principle to human physiology, it would be expected that ALL chemical and electrical actions of the body would be improved. Some examples are:

- ✓ Faster diffusion of ions and gases through cellular membranes³ (e.g., lungs, circulatory system)
- ✓ Increased lymphocyte production¹¹

Benefits Substantiate Theory...

as reported by individuals sleeping regularly on my design of magnetic sleep pad:

- ✓ Up to 30% increase in the ability of the body to pick up and utilize oxygen from the air inhaled.*
- ✓ Major increase in strength and endurance.*
- ✓ Up to 80% reduction in muscle soreness after major workouts.*
- * Noted in performance records of professional athletes.
- ✓ Most arthritics experience relief from pain and symptoms.
- ✓ Most chronic headaches relieved.
- ✓ Many sleep disorders relieved.
- ✓ Many feel more energized and require less sleep.
- ✓ Many report improved resistance to disease (colds, flu, etc.)

Magnetic

Sleep Pad

MIT 00047

380

Complaint

EXHIBIT E

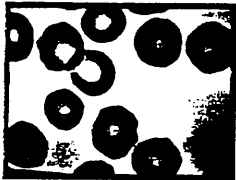
Scientific Validation...Red Blood Cell Studies

BEFORE-MAGNETICO SLEEP PAD



Before...

Note the clumping of red blood cells, typical of stress, health problems or fatigue. Fatigue is normally experienced by everyone at the end of the day and can be explained as "loss of charge" on body cells.

AFTER-20 MINUTES ON
MAGNETICO SLEEP PAD

After...

With increased Negative (-) magnetic field supplementation, chemical reactions are enhanced, building up the charge on cell walls. The cells will then repel each other, eliminating the clumping. With more surface area available, the oxygen-carrying capacity of the cells is greatly increased.

Pulse oximeter tests also confirm substantial increases in oxygen saturation levels in the blood of individuals who had 20 minute sessions on the Magnetico Sleep Pad.

Natural Magnetic Field... The magnetic field produced by Permanent Magnets is a **safe natural energy source**. Large and small magnets of this type have been **used safely** in industry for years. There are no known harmful exposure levels and no limitations by governmental agencies.

Electromagnetic Fields... Many people confuse **Natural Permanent Magnetic Fields** used in the **MAGNETICO Sleep Pads** with **Alternating Current (AC) Electro-Magnetic Fields** put out by power lines and electrical devices. These AC fields are **Positive⁽⁺⁾** and **Negative⁽⁻⁾** with a frequency of 60 cycles/second. This is 7.66 times too fast for the average body organ resonance frequency of 7.83 and can cause **cell fatigue** in time. The enhanced **Negative⁽⁻⁾** Field of the **MAGNETICO Sleep Pads** helps counteract the effects of **electro-magnetic pollution** to your body. ⁴

Resources...

1. Becker, Robert O., M.D., "Cross Currents", 1990, p.15
2. Ibid., pp. 178-191
3. Ibid., pp. 233-238
4. Ibid., pp. 248-253
5. Cox, Allen, "Magnetic Field Reversals", *Scientific American*, Feb. '67, pp. 44-54
6. Davis, Albert R. and Rawls, Walter C. Jr., "The Magnetic Effect", 1975, p. 19
7. Gubbins, David and Bloshan, Jeremy, "The Secular Variation of the Earth's Magnetic Field", *NATURE*, Volume 317, Oct. 31, 1985
8. Gubbins, David and Bloshan, Jeremy, *Scientific American*, Dec. '89, pp. 71-75
9. Xie, "Fundamentals of Electricity and Magnetism", 1968, pp. 354-357
10. Kolm, Henry H. and Freeman, Arthur J., "Intense Magnetic Field", *Scientific American*, April '65, pp. 66-69
11. Lefebvre, M. and Wiesendanger, M., Cherin, D., Blackinton, D., and Mehta, S., "Modulation of Lymphocyte Function in Low Frequency Electric and Magnetic Environments", *FASEB Journal*, 1992, Abstract #2433
12. Nakagawa, Kyoichi, M.D., "Magnetic Field Deficiency Syndrome and Magnetic Treatment", *Japanese Medical Journal* No. 2745, Dec. 4, '76
13. Velikovskiy, Immanuel, "Earth in Upheaval", p. 146

Additional recommended reading: "Discovery of Magnetic Health", G. Washnis, Dec. '33.

This 346 page book provides an excellent overview of the topic. Call 1-800-265-1119.

The information presented in this brochure is for educational purposes only.
It is not to be construed as a prescribed medical treatment.
Regular medical evaluation and care by your physician are advised at all times.
Any self-help application is the responsibility of the user of the information.
No medical claims are made for these products.

MIT 00048

Magnetico

Sleep Pad

Complaint

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EXHIBIT E

The Inventor...


D.R. Bonlie, D.D.S.
President, MagnetiCo Inc.

DR. DEAN BONLIE graduated with honors from Loma Linda University. His questioning mind soon got him involved in active research. This resulted in the development of several marketable dental products.

More recently, the relatively unexplored topic of the effects of magnetism on the human body intrigued him. He became convinced that tapping this natural energy source could be a wonderful means of providing an **improved quality of life**.

Dr. Bonlie's magnetic sleep pad design (patent pending) has a unique concept. It is the **ONLY** design of sleep pad engineered to produce a **Pure Negative⁽⁺⁾ Magnetic Field** equivalent to that of the earth 4,000 years ago.

His **MAGNETiCo Sleep Pads²** allow you to '**Power-Sleep**' in a **cocoon of energy**, supplementing a drastically reduced environmental source.

NOTE: A MAGNETiCo Sleep Pad² can be used continuously... **YOUR BODY DOES NOT NEED A REST FROM IT...** as it is properly engineered according to geo-magnetic and physiological principles.

THE BODY DOES REQUIRE A REST from other magnetic pads using Positive⁽⁺⁾, Mixed Positive⁽⁺⁾ and Negative⁽⁻⁾ or incorrectly designed Negative⁽⁻⁾ fields.

EXCEPTION: Persons with Pacemakers can not use a magnetic sleep pad as it will interrupt the function of the pacemaker.

MagnetiCo Survey Results (1993)...

95% of ARTHRITICS received at least 25% PAIN RELIEF

75% of ARTHRITICS received at least 50% PAIN RELIEF

92% of INSOMNIACS were SLEEPING 25% BETTER

69% of INSOMNIACS were SLEEPING 50% BETTER

46% of INSOMNIACS received **TOTAL RELIEF** from their SLEEP PROBLEMS

41% reported a Noticeable **INCREASE IN ENERGY**

91% of these MAGNETiCo Sleep Pads² owners were well-pleased with the overall results obtained.

The Survey was taken of 100 persons randomly selected who had slept on a MagnetiCo Sleep Pad for over seven months. The number of participants by age grouping are as follows:

# of Persons	Years
25	0-50
35	51-70
40	70+

63 out of 100 purchased the Pad for relief of **Arthritic symptoms**

13 out of 100 were interested in **help for sleep problems**

24 persons received **Significant** help with the following conditions:

Poor Blood Circulation	High Blood Pressure	Constipation
Migraine Headaches	Prostatitis	Varicose Veins
Fibromyalgia	Chronic Fatigue Syndrome	Back Injuries
Osteoporosis	Depression	Emphysema

(Summarized Results)

MIT 00049

MagnetiCo

Sleep Pad

380

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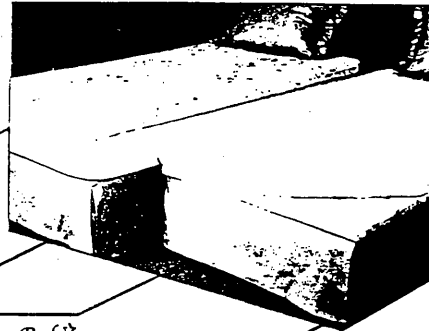
EXHIBIT E

MAGNETIC^{Co} 'POWER' Sleep Pads[☆] pat. pend.

ONLY Sleep Pad Engineered to Simulate Earth's Magnetic Field 4,000 Years Ago...



ENHANCE VITALITY & BODY PERFORMANCE !!



'TOP POWER' Sleep Pad[☆]

Placement: **ON TOP** of Mattress
4" thick, quilted zippered cover
(for waterbeds or professional use)

'INNER POWER' Sleep Pad[☆]

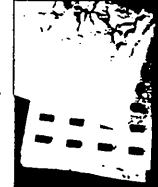
Placement: **BETWEEN** Mattress & Box Spring
1 1/2" thick, non-quilted fabric zippered cover
(recommend Extra Strength for extra-thick mattresses)

COMPARE...

MAGNETIC^{Co} Sleep Pads[☆]

- ✓ TOP POWER or INNER POWER MODELS
- ✓ REGULAR or EXTRA STRENGTHS AVAILABLE IN BOTH MODELS
- ✓ MOST EFFECTIVE ON MARKET
- ✓ MOST MAGNET WEIGHT PER DOLLAR
- ✓ MATERIALS & WORKMANSHIP GUARANTEE
- ✓ PERSONALIZED CUSTOMER SUPPORT
- ✓ SHIPPING INCLUDED IN PRICE

Same Magnetic Core in Both Models
permanent ceramic magnets - 3950 gauss
MIT's Rating



	'TOP POWER'			'INNER POWER'		
	STRENGTHS:	REG.	EXTRA	STRENGTHS:	REG.	EXTRA
PRICES [*]	Professional 30"x74"	\$ —	\$ 550	Travel 30"x74"	\$ 320	\$ 450
	Single 39"x74"	595	800	Single 39"x74"	435	600
	Double 54"x74"	795	1000	Double 54"x74"	595	800
	Queen 60"x80"	995	1200	Queen 60"x80"	735	1000
	King 76"x80"	1195	1500	King 76"x80"	895	1200
	Calif-King 72"x84"	1195	1500	Calif-King 72"x84"	895	1200

MIT 00050

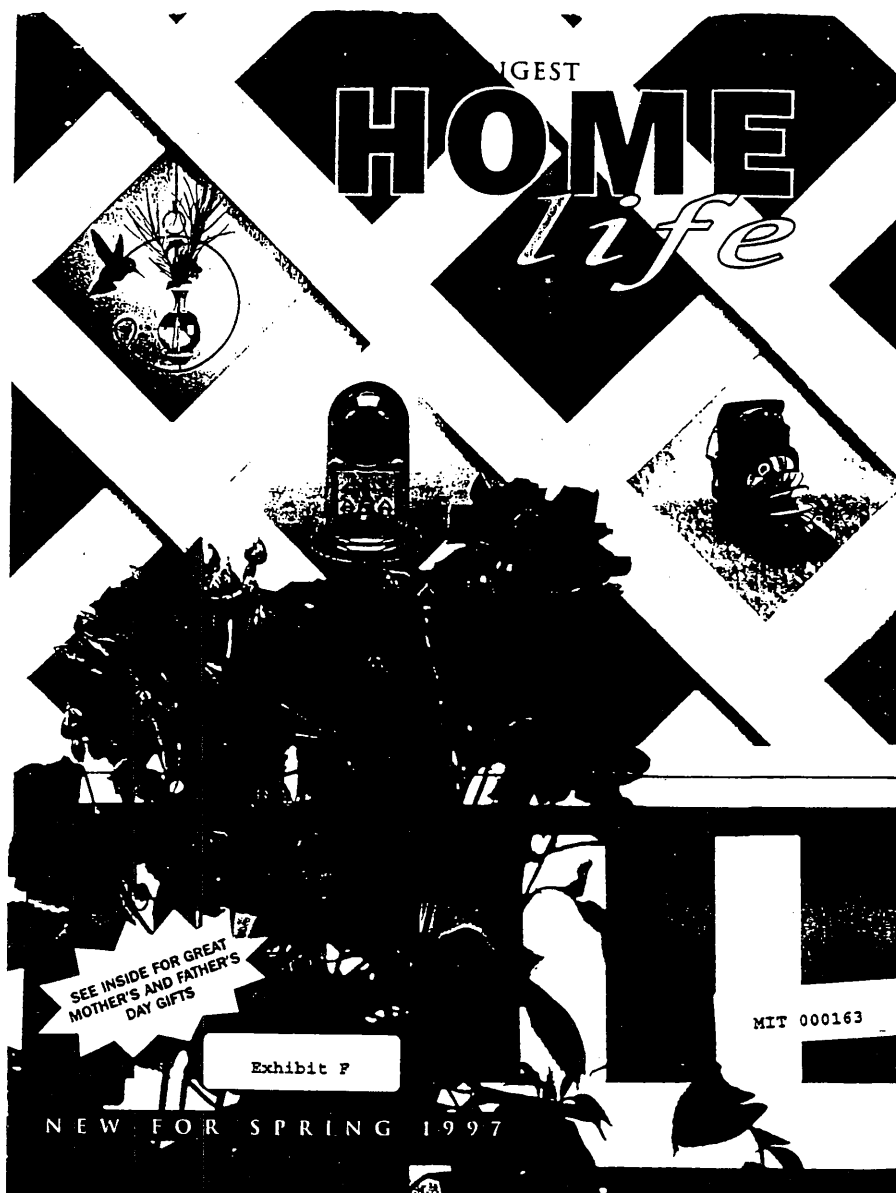
*Prices subject to change without notice

"Give Yourself the ENERGY Advantage — 'POWER SLEEP' !!!"

Complaint

128 F.T.C.

EXHIBIT F



380

Complaint

EXHIBIT F

Readers Digest
Catalog



A



B

MAGNETIC THERAPY
Here's an economical alternative to pain killers and costly traditional drug therapy...These flexible magnetic supports stimulate blood flow while generating heat to provide deep, penetrating relief of pain and discomfort. Plus, they're 100% safe and cause no side effects!*

A. The knee support stabilizes your knee while the magnetic field eases your discomfort—quickly, naturally!
\$59.95 (5 installments of \$11.99 each) plus \$6.99 shipping and handling.
081-0642 Magnetic Knee Support

B. The light, functional wristband supports aching wrists and increases the body's own healing powers.
\$39.99 (3 installments of \$13.33 each) plus \$5.99 shipping and handling.
081-0641 Magnetic Wristband

* Not to be used by pregnant women or by people with implanted heart devices.

YOUR GUARD AGAINST ALLERGIES

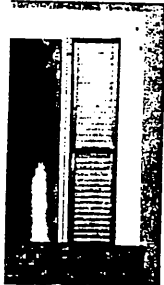
Let outdoor freshness in—even at the peak of allergy season! The window ventilator with sturdy aluminum rust proof frame and coated screen baffles traps pollen dust, soot and other allergens and impurities. Vacuums clean.

\$34.98 (3 installments of \$11.66 each) plus \$5.99 shipping and handling.
081-0645 Window Guard for Allergies

NEW! NATURE'S SPA HERBAL TUB TEAS

Sleep yourself in the relaxing pleasure of a fragrant tub tea bath. The oversized sachet is filled with an aromatic blend of essential oils, lavender, rosemary and rose petals.

**Package of 6.
\$19.98 (2 installments)**





MIT 000164

Complaint

128 F.T.C.

EXHIBIT G

NEW: By reading this article you will learn how **MAGNETS** applied to the human body greatly effect the reduction of **PAIN and DISCOMFORT and INFLAMMATION.** If your doctor has treated you for any of these symptoms, please read further for an alternative treatment to medicine.

YOU SAW IT ON TELEVISION
"The Good Morning America" Show

Professional Distributorships
Available 214-756-6667

RELIEF FROM PAIN!

Do you suffer from PAIN, inflammation of the joints, nerves or tendons? Do you lie awake at night rubbing the parts of your body that ache and refuses to react to strong medicines. Magnetic therapy has been around for over 70 years in America and before that you can trace its use to the Greeks in the Province of Magnesia in Asia Minor, hence the name magnets and magnet. The therapeutic value of MAGNETS was recognized centuries before our current era.

MAGNETOTHERAPY, AN ALTERNATIVE TO MEDICATION

When a magnet is applied to the human body, magnetic waves pass through the tissue and secondary circuits are induced. When these currents clash with magnetic waves, impacting hears are produced. These impacting hears generated within blood vessels expand them and allow an increase in blood flow. Increasing blood flow allows your circulatory system to carry the healing properties to the afflicted area and the lymphatic system to carry away toxins aiding the body's natural healing process.

Magnetotherapy uses these magnets in supportive wraps which are flexible and comfortable to wear. Seven into neoprene wraps, the M+ flexible magnet is placed around the area of the body that is experiencing PAIN and causing the individual discomfort.

WHERE CAN THESE WRAPS BE WORN? HOW ARE THEY ADMINISTERED?

There are MAGNETIC SUPPORT WRAPS FOR THE KNEE, ankle, elbow, back and wrist. Since thousands of people suffer from pain in wrists and hands, a special wrap is designed for this discomfort.

Another specially-designed support is manufactured for the KNEE that allows you to wear it in comfort, without hindering mobility. Many times the swelling goes down and the individual experiences no pain within a few hours of its use.

MANY EXPERIENCE RELIEF WITHIN 24 HOURS

Since the effects of static magnetic fields vary from one person to another and from one application to another an exact duration exposure is difficult to prescribe. Magnetotherapy Products have hundreds of written testimonials stating that the person experienced RELIEF from PAIN and DISCOMFORT within just a few hours. Please remember, the MAGNETIC SUPPORTS are not a cure; neither are aspirin or other pain relief products. M+ flexible magnets can be an alternative to the high cost of doctor's visits and expensive prescriptions.

LET'S HEAR FROM SOME SATISFIED USERS OF THE MAGNETIC SUPPORT PRODUCTS

"I've had seven operations on my knee in eight years. I still experienced excruciating pain after the last operation. My knee was stiff and swollen, and the ache was unbearable. I decided to try the M+ magnetic knee support and after just three hours I could feel a tremendous relief of pain. By the next morning, the swelling was gone and I was pain free. I no longer have to wear the support because the pain and swelling have not come back. I'd recommend the magnetic knee support to anyone. It really does work!"

John S.J., London, Michigan

"I have arthritis in my right hand and severe swelling along with the nerve damage in my carpal tunnel. Due to intense pain, I had to quit playing golf. After using the magnetized wrist supports, I was able to swing a golf club again with confidence. My wife suffered from chronic back pain and back spasms. She was surprised at the relief she had after such a short time. Thanks, we'll tell everybody about the support wraps."

Bum Phillips & Debbie
former Head Coach Houston Oilers
and New Orleans Saints

"I experienced some relief in 24 hours, but a big difference in 48 hours. I now have no pain in my wrists."

William M., Ft. Charlotte, FL

"I had arthritis in my knee. I got the knee support and over night the swelling and pains went away and also the pain. I sleep well for the FIRST TIME in months. I would recommend this product for anyone with pain."

Mrs. Caroline M., Punta Gorda, FL

THE GREATEST SURPRISE IS THE LOW COST

The average person suffering from pain has visited the doctor numerous times, spending \$35 - \$50 and more for each visit. This is not counting the hundreds of dollars spent for prescription medicines. One lady writes she has been going to the doctor for over ten years and he was treating her for arthritic pain ... the cost was into hundreds of dollars. It still didn't satisfy the patient, as the unit complained of pain. Her problem was arthritis in the knees and ankles. When she found out that the cost of a knee support was a one-time purchase price of \$59.95 plus the state sales tax, all she could do was say ... "Give me one now, she exclaimed". The product was shipped UPS and she was wearing it three days later.

NO SIDE EFFECTS HAVE BEEN ATTRIBUTED TO PERMANENT MAGNETIC FIELDS

It is not to be considered a medical treatment for conditions mentioned above, however, use may help to relieve pain and discomfort. We do not believe that Magnetic fields heal by themselves, and we will not make that claim. We do believe, however, that they can aid your body's natural healing powers.

LIFETIME MAGNETIC GUARANTEE

Upon receipt of the product within 30 days (as evidenced by the post-mark date), MIT will replace the magnet at no extra charge to the original purchaser providing the product is not stretched, punctured, mutilated or damaged in any way. Purchaser will be responsible for shipping costs to MIT, Inc.

The suggested retail price of the Magnetized Silicone Support Products are listed here. Prices are subject to change so we suggest you order TODAY for the lowest INTRODUCTORY PRICE in your community.

DO NOT USE

- on open wounds or infected areas
- when pregnant
- close to the heart, if wearing a pacemaker or other cardiac stimulator
- if skin irritation occurs
- in case of hematoma, wait 24 hours before applying

LET'S SUMMARIZE

First, consider the pain you have suffered for weeks, months and possibly years from the pain of ARTHRITIS. Secondly, consider the money you have spent on medicine and doctor's office visits during that time. Then visualize the relief you may experience in a very SHORT TIME when you try one of our M+ MAGNETIC SILICONE PRODUCTS ... THEN, consider the LOW, LOW COST of purchasing this AMAZING PRODUCT that may give you RELIEF OF PAIN you haven't had in the past. You now can enjoy life, if you golf, go golfing. If you bowl, go bowling, if you only want to sit in your recliner and dream of the life you want it to be ... sit, smile and dream ... the future is there for the asking.

CALL TOLL FREE 1-800-371-1113

Have your VISA, MC, AE or DISCOVER cards handy when you call. It is AMAZINGLY EASY to order. You should add \$4.00 for shipping and handling. Dial TOLL FREE 1-800-371-1113 NOW and the product you ordered will be shipped by UPS. REMEMBER, DON'T SUFFER ANOTHER DAY. CALL THAT NUMBER TODAY. If you wish to pay by check or money order, mail to:

MIT 000215

Ref: 11-6

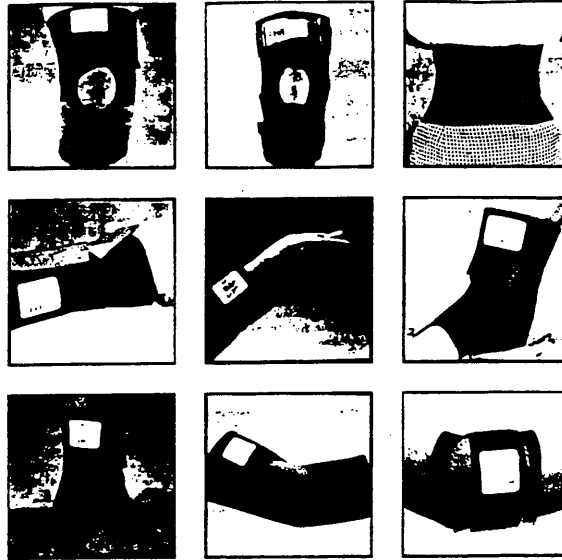
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Complaint

EXHIBIT G

MAGNETIC SUPPORT PRODUCTS

Professional Distributorships
Available



1. KNEE SUPPORT
2. KNEE BRACE
3. LUMBAR SUPPORT
4. WRISTLET
5. SPORT BAND
6. ANKLE SUPPORT
7. ACHILLES ANKLE
8. ELBOW SUPPORT
9. TENNIS ELBOW

Mail or fax to order to: **MTT, Inc.**
1915 Peters Rd., Suite 300
Irving, Texas 75061
Phone 972-721-9227
Fax 972-721-1279

MTT INC.
MAGNETIC THERAPEUTIC TECHNOLOGIES, INC.

NOT TO BE CONSIDERED A MEDICAL TREATMENT FOR THE CONDITIONS ABOVE. HOWEVER, USE MAY HELP TO RELIEVE PAIN & DISCOMFORT.
UNITED STATES GOVERNMENT AGENCY APPROVAL HAS NOT BEEN OBTAINED.

MTT INC.
MAGNETIC THERAPEUTIC TECHNOLOGIES, INC.

MTT, Inc.

ITEM	END USER PRICE
WL Magnetic Wristlet (Left)	\$49.95
WR Magnetic Wristlet (Right)	\$49.95
SB Magnetic Sports Band	\$49.95
UTE Universal Tennis Elbow	\$49.95
UES Universal Elbow Sleeve	\$59.95
UKS Universal Knee Support	\$69.95
UAS Universal Ankle Support	\$49.95
ULS Universal Lumbar Support	\$129.95
DA-2 Direct Application	\$49.95
SI Shoe Inserts #SI-A Women 5-8, Men 5-6 #SI-B Women 9-10, Men 7-8 #SI-C Women 11-12, Men 9-10 #SI-D Men 11-13	\$49.95
MIT 000216	
Sub-Total	
Sales Tax (8.25%)	
Shipping & Handling	\$5.50
Total	

CIRCLE ONE: ☐ MAIL/ORDER/Discover # ☐ Exp. _____
Name _____
Address _____
City _____ State _____ Zip _____
Phone (____) _____ Date _____
OR CALL 1-800-371-1113
FOR FASTER SERVICE

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.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. Individually or in concert with others, he formulates, directs, or controls the policies, acts, or practices of the corporation. His principal office or place of business is the same as that of MTT.

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 the 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. "*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. In multipage documents, the disclosure shall appear on the cover or first page.

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.

3. "*Magnetic therapy products*" shall mean any product that contains a magnet of any kind purporting to relieve the symptoms of, treat, mitigate, cure, relieve, heal or alleviate any disease or health condition, including but not limited to Magnetic Sleep Pads, M+ Flexible Magnetic Pads, Magnetic Insoles, Magnetic Knee Support, Magnetic Knee Brace, Magnetic Lumbar Support, Magnetic Wrist Support, Magnetic Sports Band, Magnetic Ankle Support, Magnetic Elbow Sleeve, and Magnetic Tennis Elbow Support.

4. Unless otherwise specified, "*respondents*" shall mean MTT, its successors and assigns; Jim B. Richardson, individually and as an officer of the corporation; and each of the above's agents, representatives and employees.

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

6. "*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 magnetic therapy products in or affecting commerce, shall not represent, in any manner, expressly or by implication, that such products:

- A. Are effective in treating cancer, including lung and breast cancers, diabetic ulcers, arthritis, or degenerative joint conditions;
- B. Lower high blood pressure;
- C. Stabilize or increase the T-cell count of HIV patients;
- D. Reduce muscle spasms in persons with Multiple Sclerosis;
- E. Reduce nerve spasms associated with diabetic neuropathy;
- F. Increase bone density, immunity, or circulation; or
- G. Are comparable or superior to prescription pain medicine,

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 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).

III.

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 make any representation, in any manner, expressly or by implication, about the health benefits, performance, or efficacy 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.

IV.

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, 1994, 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 or programs to said distributor. The mailing shall not include any other documents.

E. 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.

F. 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 approval 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.

V.

It is further ordered, That respondent Magnetic Therapeutic Technologies, Inc. and its successors and assigns, and respondent Jim B. Richardson 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 IV, and any other materials created pursuant to Part IV of this order.

VI.

It is further ordered, That respondent Magnetic Therapeutic Technologies, Inc. and its successors and assigns, and respondent Jim B. Richardson shall, for five (5) years after the last date of dissemination of any representation covered by this order, maintain and upon request make available to the Federal Trade Commission for inspection and copying:

A. All advertisements and promotional materials containing the representation;

B. All materials that were relied upon in disseminating the representation; and

C. All tests, reports, studies, surveys, demonstrations, or other evidence in their possession or control that contradict, qualify, or call into question the representation, or the basis relied upon for the representation, including complaints and other communications with consumers or with governmental or consumer protection organizations.

VII.

It is further ordered, That respondent Magnetic Therapeutic Technologies, Inc. and its successors and assigns, and respondent Jim B. Richardson shall deliver a copy of this order to all current and

future principals, officers, directors, 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.

VIII.

It is further ordered, That respondent Magnetic Therapeutic Technologies, Inc. and its successors and assigns, and respondent Jim B. Richardson shall notify the Commission at least thirty (30) days prior to any change in the corporation(s) that may affect compliance obligations arising under this order, including but not limited to a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor corporation; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this order; the proposed filing of a bankruptcy petition; or a change in the corporate name or address. Provided, however, that, with respect to any proposed change in the corporation about which respondents learn less than thirty (30) days prior to the date such action is to take place, respondents shall notify the Commission as soon as is practicable after obtaining such knowledge. All notices required by this Part shall be sent by certified mail to the Associate Director, Division of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, Washington, D.C. 20580.

IX.

It is further ordered, That respondent Jim B. Richardson, for a period of ten (10) years after the date of issuance of this order, shall notify the Commission of the discontinuance of his current business or employment, or of his affiliation with any new business or employment. The notice shall include respondent's new business address and telephone number and a description of the nature of the business or employment and his duties and responsibilities. All notices required by this Part shall be sent by certified mail to the Associate Director, Division of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, Washington, D.C. 20580.

X.

It is further ordered, That respondent Magnetic Therapeutic Technologies, Inc. and its successors and assigns, and respondent Jim B. Richardson, 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 it has complied with this order.

XI.

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.

Decision and Order

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ATTACHMENT A

BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED

[To Be Printed on Magnetic Therapeutic Technologies, Inc. letterhead]

[date]

Dear [distributor's name]:¹

Magnetic Therapeutic Technologies, Inc. recently settled a civil dispute with the Federal Trade Commission (FTC) and the State of Texas involving advertising claims for the magnetic therapy products that we sell. As a part of the settlement, we must make sure that you comply with the FTC order.

Our settlements with the FTC and the State of Texas prohibit us from making unsubstantiated written and oral claims in promoting health-related products or programs. In addition, the FTC requires us to review and approve all advertising and promotional materials and claims used by our distributors prior to their dissemination to ensure compliance with the FTC settlement. We are also required to monitor our distributors' marketing and promotional activities, terminate those distributors who refuse to comply with the FTC settlement, and inform the FTC of their activities. Therefore, please send us all promotional and marketing materials and oral representations you intend to disseminate for approval before disseminating them in promoting our products.

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.

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.

Thank you very much for your assistance,

Jim B. Richardson
President
Magnetic Therapeutic Technologies, Inc.

¹ "Distributor" shall mean any purchaser or other transferee of any product or program covered by this order who acquires product or program from respondents, with or without valuable consideration, and who sells, or who has sold, such product or program to other sellers or to consumers, including but not limited to individuals, retail stores, or catalogs.

IN THE MATTER OF
PAIN STOPS HERE! INC., ET AL.

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

Docket C-3898. Complaint, Sept. 7, 1999--Decision, Sept. 7, 1999

This consent order, among other things, prohibits Pain Stops Here! 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, safety, 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 Pain Stops Here! Inc. and Sande R. Caplin, 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 Pain Stops Here!, Inc. ("PSH") is a New York corporation with its principal office or place of business at 100 Fox Hill Drive, Baiting Hollow, NY.

1.b. Respondent Sande R. Caplin, is the President and majority shareholder 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 magnets are "devices" within the meaning of Sections 12 and 15 of the Federal Trade Commission Act.