

FEDERAL TRADE COMMISSION DECISIONS

FINDINGS, OPINIONS, AND ORDERS

JANUARY 1, 2000, TO JUNE 30, 2000

IN THE MATTER OF

J & R RESEARCH CORPORATION, ET AL.

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

*Docket C-3961; File No. 972 3234
Complaint, July 19, 2000--Decision, July 19, 2000*

This consent order addresses J & R Research, Inc.'s, and its principal, Gerald G. McCarthy's claims that pycnogenol, a substance derived from the bark of the maritime pine tree, could mitigate or cure the effects of numerous diseases or disorders. The complaint alleges that the advertising claims made about pycnogenol could not be substantiated. There was no scientific research demonstrating that pycnogenol products can alleviate or cure any of the diseases or disorders mentioned in advertisements and testimonials from consumers appearing in the advertisements for pycnogenol products did not reflect the typical or ordinary experience of members of the public who use pycnogenol products. The consent order requires respondents to possess competent and reliable scientific evidence before making any claim regarding the benefits, performance, or efficacy of any food, drug, or dietary supplement and prevents respondents from misrepresent the existence, contents, validity, results, conclusions, or interpretations of any test, study, or research in an advertisement for any product. Furthermore, when using endorsements or testimonials, respondents must disclose either, what the generally expected results would be for users of the advertised products, or the limited applicability of the endorser's experience to what consumers may generally expect to achieve.

Participants

For the Commission: *Matthew D. Gold* and *Kerry O'Brien*.

For the Respondents: *Gerald McCarthy, J&R Research, Inc., Joseph H. Thibodeau, P.C. and Claude C. Wild III, Patton Boggs, L.L.P.*

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COMPLAINT

The Federal Trade Commission, having reason to believe that J & R Research Corporation, a corporation, and Gerald G. McCarthy, individually and as an officer of the corporation ("respondents"), have violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent J & R Research Corporation is an Iowa corporation with its principal office or place of business at 109 Main Street, Massena, Iowa 50853.

2. Respondent Gerald G. McCarthy is an officer of J & R Research Corporation. Individually or in concert with others, he formulates, directs, or controls the policies, acts, or practices of J & R Research Corporation, including the acts or practices alleged in this complaint. His principal office or place of business is the same as that of J & R Research Corporation.

3. Respondents have been general partners in a distributorship that has promoted the products of Kaire International, Inc., a multilevel marketing company. Kaire International's marketing plan allows distributors to earn commissions by recruiting other consumers both to purchase Kaire's products and to become distributors. The amount of commission earned by a distributor is based on the total dollar amount of the products purchased by those consumers and others whom they, in turn, recruit to be distributors.

4. Respondents have profited from the sale of various Kaire International nutritional supplement products containing pycnogenol, a substance derived from the bark of the maritime pine tree. These products have been sold under the names UltraPrime, Maritime Prime, Super Maritime Prime and Maritime Plus (Apycnogenol products@). Respondents= pycnogenol products are Afoods@ and/or A drugs,@ within the meaning of sections 12 and 15 of the Federal Trade Commission Act.

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5. Respondents have sold and disseminated or caused to be disseminated promotional materials to distributors of Kaire International. These promotional materials are intended to be, and are, used by distributors in their efforts to sell Kaire International's pycnogenol products and to recruit other distributors.

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

7. The promotional materials sold and disseminated by respondents, including but not necessarily limited to the attached Exhibits A through F, contain the following statements and depictions:

**A. “THE FACTS ABOUT AN AMAZING, NEW
HEALTH-BUILDING NUTRIENT FROM FRANCE”**

DR. McCARTHY: Hello, I'm Dr. Gerald McCarthy and, in a few minutes I'll also introduce to you Dr. W. Lamar Rosquist. This tape contains a candid report on a natural occurring nutritional and health promoting new plant compound from France, one that has remarkable healing qualities. Now used by millions in Europe, its relatively new to consumers in the U.S. and Canada. However, there are already tens of thousands of health conscious North Americans who have read the research data or the books that have been published about this compound, who have begun using it, and with excellent health results.

Moreover, many doctors here who practice with holistic or nutritional therapy are finding this to be the single most powerful nutritional healing compound that they've ever used. This patented plant compound . . . has extremely potent health promoting qualities that's been shown to dramatically help

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relieve the inflammation, pain and symptoms in many cases of rheumatoid arthritis, osteoarthritis and rheumatism, that fights the effects of diabetes, that helps prevent strokes and the recurrences of strokes. The compound powerfully helps prostate problems and menstrual problems, that dramatically promotes prevention of heart problems, circulatory problems and even tumor formation.

. . . .

I know, those are some pretty bold statements. But please bear with me because what you're about to hear on this tape may have far reaching benefits to your health and well being and that of those you love. . . .

. . . [W]hat you're about to hear are health benefits that are scientifically documented within published articles by researchers from around the world and especially within two recently published books authored by Dr. Richard A. Passwater, who is a Ph.D. in biochemistry. Dr. Passwater is one of the nation's most respected biochemists and is often cited as the most recognized scientific researcher and authority on the health-restoring effectiveness of anti-oxidant vitamins and the benefits that other natural anti-oxidant nutritional compounds have on one's health, well being and life span.

. . . .

This report is about one you've probably not heard of yet because its a newly patented compound and is only available from a few sources, but has been hailed as the most powerful anti-oxidant nutrient ever discovered, called pycnogenol. First, it is an anti-oxidant compound just like vitamin C and E are anti-oxidants. But there the similarity ends, because pycnogenol is actually 20 times more powerful an anti-oxidant per milligram than vitamin C, and 50 times more powerful than vitamin E.

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Next I'll introduce you to a respected colleague and friend, Dr. W. Lamar Rosquist, N.D., D.C.

DR. ROSQUIST: This is Dr. Lamar Rosquist speaking. I'm making this tape in an effort to acquaint you with an experience that I've had in using an extraordinary compound called pycnogenol. I'm not going to mention any trade name, I'm just going to talk strictly about a product that has been, I think, one of the greatest discoveries or re-discoveries of the century. . . . Pycnogenol is a flavonoid that is proven to be 20 times more powerful as a flavonoid per milligram than one milligram of vitamin C, and 50 times per milligram more potent than a milligram of vitamin E. So you can see it's quite a powerful flavonoid. This compound, pycnogenol . . . has produced a myriad of results which I've never seen with any other nutritional approaches that I've used in the past.

. . . . In reading the literature that my friend brought me, I saw that this was a compound was tremendous in helping to resolve phlebitis or inflammation of the vein, thrombophlebitis and to help eliminate blood clots in the vein. To help reduce faracoscies (phonetic), to increase circulation, to strengthen the vascular walls. . . . [I] started taking this because of all the things I found that it had possible healthful effects for me. I read that it would help people who had previously suffered CVAs, Cerebral Vascular Accidents, or we commonly call strokes, and it would help strengthen their vascular systems so that it wouldn't be so easy for them to experience a second stroke.

It would also help people who had previous heart attacks. The reason it would help them is because it would strengthen the vascular walls. The vessels would not be so permeable and weak, which allows fluids to flow in and out of the blood vessel walls into the tissue spaces. The linings of the vessels would be stronger, so when a person had too much stress or

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too much pressure, their risk of a heart attack or a stroke would be greatly reduced.

Just the mere fact that I could take something that would help protect me so that I would not have to have other problems or episodes with my veins such as I had had, I was willing to take the pycnogenol. I was also willing to take pycnogenol because of my family history. Some of my previous members had weak blood vessels and had strokes and heart attacks. For these reasons I was willing to take pycnogenol as a preventative measure. For sometime I had a prostate problem, and usually men in their 60's get prostate problems. I would have to get up, as many men do, in the middle of the night to eliminate and void the bladder. I read in the literature that this product helps inflammation and inflammatory conditions and I realized that when a person has to void the bladder, there's usually an inflammation of the prostate gland or prostatitis. So, if it will help eliminate inflammatory conditions, it would help the prostate as well as any other type of inflammatory illness that might exist in the body such as phlebitis, which is inflammation of the vein, thrombophlebitis, which is inflammation of the vein with a blood clot, and arthritis which is inflammation of the various articular joints of the body.

So, I started taking 11 of these a day. It was only a matter of a week when I noticed that I didn't have to get up in the middle of the night to void my bladder. I also noticed that the pain in both my thumbs, my fingers and the weakness in my knees while going upstairs have all disappeared.

I had a man from Grand Forks, North Dakota sent to me by his daughter. He had been diagnosed as having terminal lung cancer with tumors in both lungs and they were in areas that were inoperable. Obviously they couldn't operate on the lung and remove the tumors because then he wouldn't have enough lung left to receive oxygen to sustain life. So they told him that he was too far gone for surgery. They thought

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chemotherapy and radiation would be too rough on him. They just literally sent him home to die.

He came out to my office, I examined him. Here was a man who was in a very bad condition. His nose was purple, his hands were purple, his face was purple, his lips were purple. He was breathing in short pants, really struggling for oxygen and I didn't know what I could do. But I knew I had been having success with pycnogenol. So I put him on pycnogenol and gave him some other anti-oxidants, vitamin A, vitamin E, vitamin C and zinc and sent him back to his home in Grand Forks, North Dakota.

I didn't know what was going to happen to him. I put him on the saturation dosage like I take. . . . In another 30 days he called me and said I've good news and I've got bad news. And I said, well, give me the bad news first. He said they've discovered that I have a heart problem besides my lung problems and so my doctors here in Grand Forks took all my records, my x-rays, put them in a packet and sent me to Rochester, Minnesota to the Mayo Clinic because my case was too complicated.

When I arrived there, they put me in the hospital, did all kinds of tests and x-rays for a period of seven days. And at the end of seven days they called me into the consultation room and told me that the tumors in my left lung had totally disappeared and they wanted to know what I had done. So, I told them that I had been going to a doctor in Salt Lake and he put me on this special compound that came from France. So they told me whatever you do continue to take it. So I continued to take the product and they told me to come back in 30 days, that now because one lung was better that they could possibly do surgery and if my heart was okay, they were going to do an angiogram on the next visit.

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And so I went back there in 30 days, they were going to do the angiogram and they put me in the hospital again. Did the same procedures but this time it was only for three days. And at the end of this time they took me aside and said, now tell us again, what have you been doing? And he said, well, I told you I've been taking these vitamins from this doctor and this compound from France. And, he said, why do you ask? And they said, your tumors are gone in the right lung as well. Because the tumors are gone in the right and the left lung and your breathing is so much better, we don't have to do the angiogram. And he said, well, what do I do now? And they said, go home continue what you're doing and don't stop. Come and see us in three months. I just received a call from him about two weeks ago and he said that he plays golf now very regularly and so this is quite an accomplishment for him to come back from where he was. So when people think according to their condition, how long am I going to take it, well, you figure how long do you want to have the relief from your symptoms? Because many of these symptoms just didn't start building up and coming on all of a sudden. They've been building up and coming on gradually for a long time.

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Any compound that will make this type of change is remarkable because it means that it's possible to reverse severe medical conditions. It means that you are not just going to take it to stop a situation but you are going to make the condition reversible. We are talking here about the strengthening of the blood vessel walls and the linings of these blood vessels to give us protection against heart attacks and strokes as well as many vascular conditions.

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It also helps people with Parkinson's disease, and they have mentioned it with Alzheimer's, as well as general senile dementia. A compound that has this many properties is one that nearly everyone needs to take.

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I thought I might tell you about some case histories. All of these are on a first person basis. These case histories refer to my patients in my practice. Patients that I've put on this product. A doctor called me from Billings, Montana and he asked me if I had anything which would help him with his prostate condition. I asked him to elaborate. He told me that for nine months he had an inflammation of his prostate and he had gone to two urologists, had taken antibiotics and other formulas that they had given him. None had worked. Then I told him that there was a compound that had been helping some of my patients and I was treating other prostate problems with it. He asked me to send him some literature and so I sent him some literature about pycnogenol. The next thing I knew I received a call from him about ten days later and he said, well, I read the literature and decided I'd give this product a try. He said that he had started taking the product the day before and that the pain in his prostate had left and it had not come back. I've followed through with three phone calls since that happened and that was four months ago. When I ask him how his prostate condition is he answers, AI don't have a prostate problem.@

I have a brother-in-law that came to me and also had a prostate problem but he is 83 and you could expect that he would have a prostate problem and he started taking pycnogenol. He used to have to get up three to four times a night. He never gets up at night anymore. He has noticed that his stream is full and he can evacuate his bladder immediately and there is no pain. So, he started thinking well, if this will help my prostate, it will help other things. So he started to put his wife on it and it has helped her arthritis, and now her knees do not give out on her. She has been able to go places this winter more than ever before.

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But he has a younger daughter, I guess she is about 35, who has asthma very bad and has had it all her life, and she has it so bad that they have a lung machine that helps her when she gets in severe states of asthmatic attacks. Many times even when the lung machine does not help, they have to take her to an emergency room to get adrenalin to help her over the asthmatic attack. He had read the book written by Dr. Passwater who is a Ph.D. in biochemistry about some of his experience and scientific results that had been accomplished with pycnogenol. Dr. Passwater mentioned that you can take care of asthma and so this brother-in-law had his daughter start taking pycnogenol. This has been six weeks ago and after the first week, she never had to use the lung machine anymore. She is now, as he says, totally free of asthma. And she is now able to walk, take afternoon and evening walks with her friends around the block up to one to two miles with no effects at all, whereas before she had trouble just walking out to her mailbox and back.

. . . .

In our church area, we had a young man, 35 years of age, that was a juvenile diabetic and was losing his eyesight. He was suffering from a diabetic complication called peripheral retinopathy. This means the blood vessels in the back of the iris are so fragile as a result of years of taking insulin that his vessels had become very weak and they could not withstand pressure. The slightest little pressure would cause these blood vessels to break. Blood started filling into the vitreous humor of the eye. The blood in front of the optic disk made it impossible to see through it, therefore he was going blind. The young man came to my office and we started him on pycnogenol for seven months. Three months ago his eyesight started coming back. The blood vessels in the back of the eye were becoming stronger and because of this the bleeding slowed down to the point that now the blood that was in the eye was being resolved and absorbed by the body. The ophthalmologist was now able to go into his eye and by using lasers, zap some of these vessels that were weak and which

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allowed blood to build up in the vitreous humor. He has noticed that his level of blood insulin has dropped and that's also an interesting thing.

The other day a woman called at my office and told me about her young child who had juvenile diabetes and that he was up to seven units a day. They were so depressed about it and I told her about the story of this young gentleman who was losing his eyesight. She started giving her son some pycnogenol and in less than two weeks his number of units of insulin had dropped from seven down to three. Many people who have diabetes have other problems especially circulatory problems, heart problems and have responded tremendously to taking pycnogenol.

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I have MS patients taking pycnogenol now. I have one MS patient in Phoenix, Arizona that is excited because she has been taking pycnogenol now for about four months. Her daughter is getting married in a couple of months. She has been in a wheelchair for about five years and she's excited because she's getting to the point where she's starting to stand and to walk a little. She's very excited about walking down the aisle and standing next to her daughter when she gets married. This didn't happen all at once. Many people take their product and figure well, I'll take it for 30 days and in 30 days its either going to work or I'll stop taking it. How long do you think free radicals have been working on your body to tear it down and destroy it and limit its use? It has been happening all your life. So don't think that in 30 days you're going to change something that's been taking so long to develop. Fortunately, the exciting result about this product is that so many people get overnight, instantaneous results. But given time, it will also work on some of those slower developing conditions such as arthritis.

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. . . . We were on a cruise ship and had 1500 people on it.
. . . . We were sitting at our dining room table on the first night out. The pharmacist and I were talking shop. Naturally he's talking about the new kinds of drugs and other things that are on the market and I'm talking about my office patients. I told him the story about this gentleman from North Dakota and the results I had with him taking this pycnogenol and he had never heard of this compound before. After we finished talking, the woman who was sitting to my left with her husband, tugged on my coat and she said, we've been listening to your conversation and I wanted to tell you that the very thing you've been talking about, the lung cancer the man in North Dakota has, has been a problem with me. My husband and I are on this cruise because I have lung cancer with an inoperable tumor that's wrapped itself around my esophagus. I've gone through radiation and I've gone through chemotherapy and this hair that I have is a wig. Then she introduced me to her husband, and her husband was one of the top medical surgeons in the United States. So, her husband immediately asked where they could get some pycnogenol. Well on this cruise I'd brought extra bottles with me. Now I've stayed in touch with his woman and her husband and she's gone back for three subsequent tests, back to the Western Division of the Mayo Clinic in Scottsdale, Arizona. She's gone back there three times and the tumor has not grown. It started to get smaller. This morning she called me from Arizona to tell me that she had just come out of Mayo Clinic and they could not find any trace of the tumors in her lungs or around her esophagus. She's feeling better and her husband, who is as I told you a surgeon, is eternally grateful.

. . . .

I have another case that I want to talk about and this is a woman that called me one day and said, Adoctor, is there anything you can do to help me with my leg.@ I said, Awhat's wrong?@ She said, Ayou know I have diabetes and I have developed a condition called osteomyelitis. With this

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osteomyelitis I developed an infection in my right leg and it went into the bone marrow,@ and in osteomyelitis the infection is usually from a staphylococcus organism, which is one of the most resistant organisms to antibiotics there is. She said the antibiotics didn't kill the organisms and she started getting decay of her bone and her legs started swelling up and she had horrible pains. So they amputated her leg below the knee. She said it was now starting to happen in the left leg and that they now wanted to amputate her left leg. She said that she had become used to the prosthesis on her right leg and that she could get around but that she didn't want to live if she had to wear two prosthesis. She asked me if I knew of anything that might help her. I told her AI'll send you some literature on the pine bark extract called pycnogenol. I think this might help you.@ She started taking pycnogenol. In two weeks she called me, and all the pain was gone from her good leg, and all the swelling was gone. The infection and the inflammation in the bone marrow, which the antibiotics hadn't touched, was gone. The doctor did not have to amputate her leg.

. . . .

I'm finding that people have results with pycnogenol. I have a patient who lives in Malad, Idaho who had a severe cerebral vascular accident, a stroke, which left his whole left side of his body paralyzed. He could hardly walk. He came to me for other treatments and I told him about pycnogenol and he started taking it. Now he's walking almost normally, his balance and equilibrium are perfect. His biggest fear and the biggest fear of anyone that has had a stroke, is a second stroke. And he doesn't want that to happen.

I've heard of all types of cases and this is interesting because here in the United States, every other week in the newspaper, there is always something new about products like

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the u-tree which is a type of pine tree that also has a bark similar to the maritime pine which pycnogenol comes from. Medical science is now using the extract from the bark of the u-tree to treat ovary, breast and uterine cancers. The same type of compound that's found in the u-tree is found in the bark of the maritime pine. I have three cases that I'm monitoring right now that have the same condition that killed the actor, Michael Landon. Cancer of the pancreas. They're desperate. That everyone of these cases have now lived three times longer than they were supposed to. They were given months to live, now they have lived much longer. They had jaundice, they are free of the jaundice. Their eyes aren't yellow, their skin is not yellow. They have no idea how long they're going to live. I have no idea how long they are going to live, but they're taking pycnogenol and they're taking the other anti-oxidants A, C, E and zinc faithfully.

....

What are the other conditions that they're using pycnogenol for? I'm using it for arthritis, for bursitis, for diabetics, for people that have had strokes and heart attacks or people who have had predispositions to strokes or heart attacks. I'm using it for skin problems, for Parkinson's cases. .

..

I've found that this is a great product for people that have liver conditions from let's say alcoholism. Let me make one statement here and you can take this for what it's worth. Is it better, let's say if you're an alcoholic and you drink, or you're a smoker and you smoke, and say that because you have this problem you're not going to take pycnogenol and let your body deteriorate and wear down or is it better to add pycnogenol and try to fight some of those free radicals that you're bringing into your body? It's my estimation that everyone ought to be taking pycnogenol if they have one of these problems. They should be taking pycnogenol just to stop the further deterioration of their condition. Remember

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what I have talked about. Quality of life and quantity of life can be expanded by the use of pycnogenol. . . .

Because I do not have case histories right now in front of me, I can not tell you all the other results that I have had happen. And we're talking about gastrointestinal problems straightening up, diarrhea straightening up, livers becoming decongested.

. . . .

I had someone take pycnogenol and all of a sudden they were able to sleep. And are able to get better rest at night than they have achieved for many years. So, you're going to find that this has a tranquilizing affect on the nervous system because it can cross the blood brain barriers as I mentioned earlier.

It also works really well with people who have edema. They're able to reduce the swelling that takes place in their legs. We have found that it will help the asthmatics, the edemas, the vascular conditions and, another thing I've found that it helps, is jet lag. So this would be an ideal product for people that are in the aircraft industry. Pilots, stewardess and people that do a lot of traveling will find that they do not have jet lag.

You will also find that pycnogenol helps nearly any kind of problem. . . . There are going to be many doctors in this company that will have results similar to or even greater than mine.

DR. McCARTHY: This is Dr. McCarthy again, and I hope that you were inspired by hearing Dr. Rosquist's in practice results that confirm the information that I shared with you at the beginning of this tape. So let me summarize some of the main points about pycnogenol as scientifically

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documented within Dr. Passwater's two books on pycnogenol, that will help confirm why Dr. Rosquist, who you've just heard was able to report the various results that he has been seeing in his patients.

Pycnogenol literally helps to slow down the body's aging process. . . . Dr. Passwater and other researchers have found pycnogenol to be protective against hardening of the arteries. It helps to prevent the biochemical mechanisms that cause the plaque build up that often occurs within arteries, no matter what a person's age may be. Because of that, it greatly helps to reduce the risk of heart problems, and very important, it's used to help prevent recurrences of sudden acute heart problems. In fact, many people use pycnogenol to protect and improve the health and elasticity of the heart's coronary arteries and other blood vessels within the body. One famous British medical scholar has referred to pycnogenol as the arterial sclerosis antidote. Because pycnogenol greatly strengthens your body's blood vessels, the capillaries, arteries and veins, edema, -- or swelling of the legs is greatly reduced. And because of the increased vessel walls strength, it dramatically helps to prevent strokes and other circulatory problems within the body are also helped, as are the symptoms of PMS, menstrual problems such as excessive menstrual bleeding, water retention and so forth.

Pycnogenol is now used to greatly help prevent or actually reverse the circulatory and nervous system complications of diabetes, such as easy bruising, fragile capillaries and poor circulation. Pycnogenol is widely known to actually help repair and rebuild capillary function when it's deficient. Scientific studies and gratifying healing results reported by doctors show that pycnogenol can greatly help arthritis and rheumatism and severe prostate problems. It's used to heal and reduce varicose veins, phlebitis and hemorrhoids. It's dramatically effective against psoriasis and many other skin problems. It has a calming affect on the nervous system and helps provide better and deeper sleep, plus more pep and

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energy upon awakening. Pycnogenol is remarkably effective against asthma, hay fever and other allergies. . . .

As regards arthritis, the types where inflammation is involved, pycnogenol thus helps to reduce the swelling, irritation and pain in the body's joints. In osteoarthritis where wear and tear on joint cartilages is primary, understand that your joint cartilages are mostly composed of collagen, and pycnogenol literally binds with, protects and helps rebuild collagen wherever it occurs within the body. So, this anti-inflammatory and joint rebuilding quality of pycnogenol can help all of the joints of the body including those in the low back and neck, shoulders, elbows, hands, hips, knees and so forth. The same anti-inflammatory affect and tissue collagen rebuilding affect of pycnogenol greatly helps tendinitis, bursitis, muscle soreness and injuries. In fact, it greatly speeds up the healing time of injured, damaged body tissues after accidents or surgery such as skin damage, or trauma, bed sores, muscles that have been strained, joints that have been sprained and so forth. Because of that, athletes of all types around the world are now using pycnogenol on a daily basis to give them a definite competitive edge and to rapidly heal athletic injuries to get back into competition in a fraction of the time that would be required without using pycnogenol.

. . . . In fact, Dr. Passwater shows that it has such a powerful, but natural, anti-viral affect, that it's been shown to inhibit herpes and even polio viruses. Pycnogenol helps to boost a person's muscular stamina and agility of body movement at any age, it sharpens memory and other mental processes. As I mentioned earlier, ponder again on the magnitude of this fact, the compound reduces the risks of, and has been shown to help, fully 60 of our most troublesome, chronic, degenerate of health conditions, naturally.

To mention just a few more of those, it's used to help people who have Alzheimer's, Parkinson's and senility.

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Because pycnogenol protects brain cells and nerve cells from chemical damage by free radicals, it's used to heal chronic gum problems. It's used in cases of cataracts, chronic fatigue and to repair liver damage. It helps to repair degeneration of the eye's retina and in fact has been noted to improve the sharpness of vision within normal eyes. It greatly helps chronically dry skin. Pycnogenol is used to improve blood circulation over the entire body. When poor blood circulation in the pelvis is part of the cause, it even helps reverse male sexual inadequacy. Also, because pycnogenol helps to normalize capillary strength and resistance, it can be a powerful natural aid in reducing high blood pressure and the health risks that can cause.

Note that you can and should refer to Dr. Passwater's two books to back up everything on this tape about pycnogenol. One of the most intriguing things that Dr. Passwater documents is that pycnogenol has a strong, anti-cariogenic and anti-neoplastic affect - that is the ability to help prevent and inhibit tumor cell production of the body. . . .

Now, before closing this tape, just one last word. Don't be surprised if your doctor hasn't yet gotten the facts on pycnogenol. And the point is this, if what you've heard on this tape makes sense to you and it should, do not accept the opinion of any doctor regarding pycnogenol who you can not verify as to having studied the latest research papers or books on the compound that contains the facts. So, do your doctor a favor and loan him or her Dr. Passwater's two books on pycnogenol. Believe me, that doctor will eventually thank you with sincere gratitude for having done so because of the stunning healing affects that they'll quickly see in scores of their patients who they will have recommended pycnogenol to.

And very important, the information that we just shared with you about pycnogenol is meant to be strictly educational. And though pycnogenol has helped countless people with various conditions, that help is the result of the powerful

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nutritional effect that pycnogenol can render. But where it comes to identifying what your physical problems may be, that is the job of your physician. So, Dr. Rosquist and I suggest that in all cases where you have various signs and symptoms of a physical problem, be sure to first consult with your doctor, weigh his or her advice, then consider adding the magic of super nutrition to your daily schedule. Do not attempt on your own to try to treat unidentified signs and symptoms that have not yet been identified by your doctor with pycnogenol or anything for that matter. That is the job of your doctor. . . . @

(Exhibit A, J & R Research Corporation cassette tape).

**B. "13 DOCTORS CONFIRM A HEALTH-BUILDING
BREAKTHROUGH"**

Dr. McCarthy: Hello. I'm Dr. Gerald McCarthy. I'm a D.C. and am president and CEO of J & R Research Corporation, and I urge you to listen very carefully to this brief tape because it's message may very well give you or someone you love a new lease on life from improved health and vitality, more energy and feeling of well-being. Plus a new way to relieve the cause of many types of acute and chronic pain.

In a moment, I'll introduce you to thirteen medical professionals -- doctors who will reveal their exciting in-practice results from a new and patented breakthrough in nutritional science. Already used by countless doctors in Europe, it's relatively new to the U.S. and Canada, but these thirteen doctors and thousands of others are now proving it to be the single most powerful nutritional health promoting compound they've ever used.

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Dr. McCarthy: [T]he name of the compound is pycnogenol. . . . And, it=s a totally safe to use extract from the bark of the french maritime pine tree. Now, before these doctors share their experiences with you, there are several things I need to point out. First, their enthusiasm about pycnogenol is unique. Never before has a nutritional compound so captured the attention of mainstream medical doctors. . . . Next, their excitement is about a very specific and exclusive formulation of pycnogenol. One that=s specially produced by a company in **Longmont, Colorado**. [Emphasis added].

. . . .

Dr. Shields: I am Dr. Russell B. Shields. I am a medical doctor and since 1963 I=ve been practicing medicine as a board certified family physician. . . . That is before my immune system started to malfunction. When that happened, I became more and more disabled with rheumatoid arthritis, and during the next nine years, my condition continued to deteriorate. I became extremely handicapped. The periarticular swelling and pain in my joints was severe. I rarely slept more than two hours at a time. Also, it looked like a hip replacement was needed. [M]y brother, who is also a medical doctor, had suggested many times that I try something new. . . . It was a compound from pine tree bark called pycnogenol. . . . And now here=s what happened. As a scientist, I=ve got to admit, the results that followed were far beyond any ever witnessed in my practice. In fact, I was virtually overwhelmed by the relief that occurred over a period of time. Today I=ve regained 100% normal function of all joints, and am free of pain. The range of motion of my joints is back to normal. My gratitude for this compound and what its done, is beyond anything that words can convey. But I=ll try to express it by saying this, anyone with degenerative health conditions who fails to give this compound a try is passing up the single greatest opportunity to help correct their immune system malfunction.

Complaint

Also, realize that there are many anti-oxidant products on the market, and many of them are good basic products but there=s only one that I endorse 100%, and those are the pycnogenol formulations produced in Colorado. No other anti-oxidant compound provides even remotely the same degree of result. [I] could reveal many case histories wherein I=ve successfully used pycnogenol and the Colorado company=s other compounds. Their use, especially for patients with hard to treat degenerative conditions, will I=m sure soon reach the attention of the mass media.

. . . .

Dr. Buerger: My name is Clark L. Buerger, Jr., B.S., M.D. I . . . practiced for over 40 years in the specialty of OB/GYN. I am 77 years old but still keep my license active. I am one of the founding fellows of the American College of OB/GYN. . . . While shopping . . . , the salesman noticed how crippled I was and brought me a chair to sit in while he demonstrated his products. He asked me if I would like to try a nutrient that is the strongest anti-oxidant currently available. I was very skeptical and doubted that this man could offer me anything that could improve my condition. However, I told him that I would be glad to give it a try. I later became extremely excited over this which I call the wonder pill of the century! I was loaded with degenerative disease such as diabetic neuropathy, degenerative arthritis, high blood pressure, prostate problem, hemorrhoids, arterial sclerosis with cardio vascular changes, and Crohnes Disease. I had a total right knee performed, the removal of all the bone in the joint and replaced with stainless steel. My left knee was equally as bad and the doctor suggested that I have both done at the same time, but I refused and only had the right knee operated on. I was happy over this decision because my left knee is now back to normal without surgery. After starting on pycnogenol

Complaint

from Colorado, I was in for a great surprise. In time, I had a complete turnaround of all my symptoms. My prostate cleared, my neuropathy cleared, my blood pressure came down, my hemorrhoids improved, my left knee, as I told you, was completely back to normal and my Crohns Disease had markedly improved. Then I ran out of pynogenol. All of my symptoms returned. I immediately went out and searched for pycnogenol and found a look alike in a local health food store. To my dismay, my conditions remained unchanged. Finally, my pycnogenol arrived from Colorado and in time I again improved. I have patients with lupus, Parkinson=s Disease, arthritis, prostate problems, and fibromyalgia. All of these conditions are showing marked improvement.

. . . .

Dr. Phillips: I=m a doctor of podiatric medicine and surgery.

[C]onditions that I have seen personally in my office practice improve were conditions such as arthritis, diabetic ulcers, decubatus ulcers, neurotrophic ulcers, and edema, along with cases of diabetic neuropathy. Personally, I=ve experienced resolvment of a chronic skin condition I=ve had for 25 years. Through family and associates, I=ve seen improvement in rotator cuff problem and associated pain, and also lupus, Crohns Disease, hypertension, irritable bowel syndrome, bronchitis, asthma and the list goes on. In regards to ADD with a five year old male, this little boy had been on Ritalin at 20 milligrams per day. He did terrible. He didn=t eat. He didn=t sleep. He argued all the time with the parents and he was crabby. They put this child on pycnogenol and also within a certain period of time, he slept better, he ate better, he had a better personality. He had an increased focus and was more attentive. One statement that really got my attention was that the mother called my up one evening and she said: AThank you very much for giving my son back to me.@ And, this really hit home.

Complaint

....

Dr. Cunningham: I've been an optometrist for the past eight years. I specialize in behavioral and functional vision with great emphasis on visual perception. . . . I had heard much about pycnogenol so I began purchasing just basic pycnogenol at the local store for a period of time and nothing happened. So my first impression was that pycnogenol was a hoax. Then a friend contacted me and encouraged me to try pycnogenol from a company in Colorado. . . . [W]hat struck me the most was that my vision was noticeably improved. The depth, contrast, color and also my peripheral awareness had all improved. . . . It just stands to reason that pycnogenol, an anti-oxidant 50 times more powerful than Vitamin E and 20 times more powerful than Vitamin C, will have an amazing effect on the retinal tissue. I can foresee the widespread use of Pycnogenol with other anti-oxidants to treat the various conditions of the retina.

Dr. Shore: I am an osteopathic physician and surgeon. . . . I have some patients that I would like to tell you about and some of the results of these patients have gotten them from using the Pycnogenol that we get from this company in Colorado. FR is a patient who has rheumatoid arthritis. Prior to starting pycnogenol, she was taking cortisone, as well as tetracycline and also needed to use a walker, and it took her approximately five to eight minutes to get from the living room to answer the door bell. She was able to get off the Prednisone; she was able to get off the tetracycline and she no longer needed the walker. I have had several patients with ADD and ADHD, attention deficit disorder and attention deficit hyperactive disorder, who have gotten excellent results with pycnogenol. Some of the patients have been able to get off their prescribed medications entirely and other of the patients have been able to decrease their dosage by as much as 50%.

Complaint

....

Now, all of us may not get results quickly, but everybody will get results with Pycnogenol if they stay on the product long enough and at a high enough dose.

....

Dr. Fischbach: I=am a medical doctor specializing in family practice and ophthalmology. I was introduced to pycnogenol by a friend approximately three years ago. . . . Now I=ve had some experience with multiple disorders and illnesses, among which are multiple sclerosis, rheumatoid arthritis, fibromyalgia, attention deficit disorder and attention hyperactive disorder, diabetes, osteoarthritis, lupus and the list goes on and on. My experience is quite extensive. I=d like to give you a few examples of some very dramatic cases that I=ve had over the years. One that comes to mind immediately is of a woman in her 60's with multiple sclerosis who came to me after having been tried on virtually all conventional medications without any success whatsoever. She came hobbling in with a cane and looked very distraught and very much in pain. . . . [I] placed her both on the pycnogenol and aloe vera and the next time I saw her she came in and said that she thought this was starting to help her. . . . And the next visit I had with her, she definitely noticed a tremendous difference. . . . And the following visit we had, she came in, she did not even have her cane with her -- she left it in the waiting room. She didn=t even realize she did this. She says she feels wonderful. She hasn=t felt his good in many, many years. . . . I had never been able to achieve these types of results with any other conventional medication. . . .

I saw a boy . . . who had attention deficit disorder and his mother told me that try as hard as he could in school, he just could not concentrate. This caused tremendous problems with his grades; as a result, his self esteem was very low. She was

Complaint

familiar with the drug Ritalin used in Attention Deficit Disorder but was very concerned about all she had read and the side effect profile. . . . [W]e placed him on pycnogenol and she notified me a while later that the results were amazing. He now was able to concentrate. He could perform his studies and his grades improved dramatically; his self confidence was now back, and she was just amazed and so was he at how dramatic a turn around this compound did for him. It was just incredible!

Another friend of mine has severe osteoarthritis of both knees, to the extent where there is no longer any cartilage between the two main bones and he basically is in a situation of bone rubbing against bone whenever he=s walking. This naturally has led to a tremendous amount of pain on a regular basis. I placed him on pycnogenol and again, a short while later, he told me that he started to notice an improvement and we spoke again a while later and he said his symptoms were almost gone. He could now wake up without any pain. His mobility was much improved and he just could not believe the difference. . . .

Now these are some examples, just a few, of what I have seen pycnogenol do over the last three years and it=s interesting because prior to the introduction of Pycnogenol in this country, conventional anti-oxidants that have been available, which are Vitamin C and Vitamin E, just couldn=t even come close to doing things like what I=ve just related to you. Vitamin C, we found to be 20 times less potent than pycnogenol; Vitamin E, 50 times less potent. . . .

[I] have researched this quite thoroughly and found that the only pycnogenol that is of superior quality comes from a company in Colorado. And, all the other pycnogenols I=ve seen are far, far less potent.

Complaint

. . . .

While in fact these products have been extensively studied in Europe and their safety and effectiveness proven without question, the relatively recent introduction to this country has not yet generated a body of evidence to support what we who have used them already know.

(Exhibit B, J & R Research Corporation, cassette tape).

C.

NATURE=S MIRACLES
AN M.D.=s EXPERIENCE

By
Dr. Gary Fischbach M.D.

INTRODUCTION

. . . .

The air we breathe, the water we drink, the foods we eat, and the way we choose to live our lives will be our epitaph. The culprit - trillions of tiny molecules called Afree radicals.@ These unstable oxygen molecules unleashed by pollutants, chemicals, stress, and even physical exertion and sunlight are felt to be largely responsible for the degenerative process known as aging, and even more important, the largest contributor to disease. From the common cold to widespread cancer, we have become victims of this deadly chain of events, initiated by Afree radicals,@ that ultimately wears down our immune system and its ability to defend the body.

. . . .

The conventional weapons in this fight, Aanti-oxidants@ as they are known, have been Vitamin C, E and Beta Carotene. This is the classic David versus Goliath - like trying to put out a forest fire with a water pistol - hopeless.

. . . .

Complaint

God help us if we do not wake up soon. Our legacies left to our children might make it difficult to survive.

While needless to say, all the preceding declarations of doom are quite depressing, all is not lost. The picture is no longer as hopeless as it once was. In the pages that follow, you will learn of a compound unlike any other previously discovered. A substance that has been widely used in Europe by doctors and other health care providers for over forty years. A compound that is able for the first time to be winning the battle against free radical destruction.

. . . .

So why, you might ask, aren't these substances well known and readily available to everyone? Why don't doctors know about them? Why haven't they been popularized in the media? Why hasn't the FDA, the Government's Food and Drug Administration, examined the studies abroad, seen the potential benefits, and pushed these compounds through? Well sadly, the fact is that it costs over 200 million dollars and 10 years of research to gain the FDA's ringing endorsement these days - a practice that has deprived us Americans of the many benefits afforded people in other countries whose laws are not nearly as stringent. As a matter of fact, these very substances we have been discussing are not only in widespread use in Europe and Scandinavia, but for many conditions, they are the number one recommended treatment by doctors.

But make no mistake - the information that follows is not intended as a promise or cure; we make no medical claims. Rather, it is based on the experiences of people with a large variety of medical problems and conditions. We refer to this as anecdotal evidence, as opposed to that which is derived

Complaint

from scientific studies. While, in fact, these substances have been extensively studied in Europe for over 40 years, and their safety and effectiveness proven without question, their relatively recent introduction to this country has not yet generated a body of evidence to support what we, who have used them, already know. Without question these studies will follow, and create such significant and overwhelming proof, that the medical establishment will be unable to deny the facts.

....
 Studies have shown it to be 20 times more potent than Vit. C and 50 times more powerful than Vit. E as an antioxidant. The compound's name - MARITIME PINE.

....
 As previously stated, this compound has been carefully studied for decades, and has been in widespread use throughout Europe and Scandinavia against a multitude of medical conditions. Over the years, professors, physicians, researchers, and even a 1986 Nobel Prize nominee have sung the praises of this ASuper Antioxidant.@ Finally, it is now available in the United States.

....

REFERENCE TABLES

....

I am not stating that these compounds will cure, improve, or even alter these conditions whatsoever. I am merely offering up a significant body of A anecdotal@ evidence derived from personal experience with these substances in my practice. These encounters happen to support the massive amount of foreign literature accumulated over the last few decades illustrating the health benefits of these substances. . . .

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 (copy of reference tables attached as Exhibit C).

Complaint

D. A. . . .

Dear Friend,

You had asked for this information on Attention Deficit Disorder. Remember . . . We had visited on the phone?

Dr. McCarthy=s enclosed brief tape reveals a new, safe to use, non-drug, nutritional breakthrough method for relief of ADD. . .

If you had thought that powerful stimulant drugs were the only means of relief for ADD, the good news is this:

Every week from coast to coast, many thousands of grateful parents, adult ADD sufferers and ADD support group members. . . are discovering dramatic relief with this new, nutritional method.

. . . .

As you listen to Dr. McCarthy=s brief tape you will hear the experiences of three doctors who reveal typical case histories of patients they had taken off of Ritalin-- and other drugs-- then, placing them on Pycnogenol, how those patients experienced wonderful relief.

Also, you will hear the experiences of a typical, grateful parent, and an adult ADD sufferer who gained relief with Pycnogenol.. . . @
(Exhibit D, J & R Research Corporation promotional letter).

Complaint

E. ADR. McCARTHY: Hello, this is Dr. McCarthy again, and this report is a vital update on the astonishing new nutritional compound previously reported to you on my audio Tapes 1-A and 2-A. On Tape 1-A, you heard Dr. W. Lamar Rosquist refer to it as the "nutritional miracle" of the <90s. Well, in line with that statement, this tape will reveal the remarkable effectiveness of that safe to use compound for another very pressing national health problem, Attention Deficit Disorder, also Attention Deficit Hyperactivity Disorder. You'll get the facts on this new approach to ADD or ADHD and in detail. Not only from me, but from several physicians, two medical practitioners, a pharmacist, a doctor of chiropractic and grateful parents of ADD suffering children, plus an adult with ADD. . . .

ADD, or ADHD, is a baffling and frustrating disorder, not only for those who suffer from it, but also for their loved ones and our nation's physicians who have done their best to treat it. The frustration among physicians is because science has not yet found the cause or causes of ADD. . . . One thing that is a fact, millions have been prescribed powerful stimulant drugs in the attempt to help ADD. But there are two problems with drug treatment. One, in many cases drugs such as Ritalin, Dexedrine and Cylert, often do not work very well. And second, they cause very dangerous side effects. But the good news is this: Every week from coast to coast, many thousands of parents, adult ADD sufferers plus countless ADD support group members are discovering wonderful natural relief with pycnogenol

First, I'll introduced you to Dr. Gary T. Fischbach, M.D. Dr. Fischbach practices internal medical as a family medical practitioner and also practices ophthalmology. . . . [H]e is one of the few medical doctors in the U.S. who has over three years in-depth clinical experience with the virtually astounding health results pycnogenol provides. Listen especially to his experiences with ADD patients.

Complaint

DR. FISCHBACH: I was introduced to pycnogenol by some associates here in the town that I live in and became very intrigued by some of the claims that were being made, experiences that were had by physicians in Europe, specifically, with quite a number of disorders, and became intrigued enough to investigate the literature and did some of my own testing as well. And, to my amazement, I found that pycnogenol was very effective against quite a number of disease processes, and I could finally achieve results with this natural compound that before I could not achieve with conventional pharmaceuticals.

Let me give you some examples. I've been able to effectively improve conditions such as multiple sclerosis, rheumatoid arthritis, osteoarthritis, fibromyalgia, lupus, as well as attention deficit disorder and attention deficit hyperactive disorder. The latter two I have found over the years to be an extremely difficult disorder to treat, both for the patient and for the family And it's just been amazing the response that I've gotten from parents of children who I've placed on the compound pycnogenol. They see results usually very rapidly and they comment that the child's behavior is able to be maintained over the course of a whole day, something which we often not see with Ritalin.

Let me tell you that I've seen a couple cases that I must say are remarkable and extremely dramatic. I had one mother, after her son began pycnogenol tell me that the child was able to sit quietly, carry on a conversation, play with his cousin uninterrupted and what even happened is that the child noticed this, and we're talking about a six year old child. He could feel the difference and he would actually run to take pycnogenol, whereas before the mother had to actually force him to take the Ritalin. She understandably was beside herself with joy at these results and just praised the coming of pycnogenol, so to speak.

Complaint

And I've had numerous other cases equally dramatic. The feedback from parents has been astounding. They notice rapid results and they all comment that the behavior pattern has been smoothed out completely without any peaks and valleys and their school work has improved dramatically. I must also say that I've had some experience where they would run out of the brand that I was exposing them to and would be forced to seek other means of obtaining the compound. They would find some at their local health food store. They would come to me showing me a bottle of pycnogenol and would ask me "Doctor, isn't this actually the same compound?" I would tell them politely, "No, this really isn't anywhere near the quality of the pycnogenol that I have gotten for you. And you can experiment yourself and try what you find at the health food store and compare it to the compound that you had gotten from me." And, lo and behold, each time this occurred they would then come back to me and tell me that they could not feel any benefit whatsoever from the compound they had purchased themselves and ask me what was the difference. Well, then I would proceed to tell them that this company located in Colorado manufactures the highest quality pycnogenol available anywhere and this company has an exclusive patent for their process. . . .

I must say that I have never seen such a change in individuals with so many varied problems as I have with the use of Pycnogenol and that includes all my experiences with all types of pharmaceutical drugs. . . .

. . . .

DR. McCARTHY: [I]n a minute you'll hear the experiences of two typical consumers who are benefitting from pycnogenol. One whose son is taking it

RAY: [It] can be very frustrating and very stressful when your child has ADHD because they don't follow instructions, they don't make eye contact, they don't listen to you, it seems like they're ignoring you. They're always in trouble, they're

Complaint

impulsively hitting. It's just you really feel out of control and discipline just doesn't work. . . . David was on Ritalin. He went through the child study team and psychological evaluation, he went to a neurologist and they said it's ADHD. He did focus a little better in school. Not right away. We changed the dose of the Ritalin, the doctor told us to, he got a little better. But the immediate side effect, he would come home with the Ritalin rebound it was called. He would literally bounce off the wall when this Ritalin would wear off. It was horrible. You'd come home from school, your kid's all glassy-eyed, running from one wall to the next, bouncing off, and you're calling his name and he doesn't even know you're there. He wasn't sleeping, he's up until one o'clock in the morning because he couldn't sleep. His lips were real dry, he had tummy aches. He was on it for I guess about two months or so. Thanksgiving we decided to give Pycnogenol. . . . Well, he started following multiple instructions, making eye contact, tracking what you're saying. You could see him looking at you, tracking what you're saying. . . . He focuses for an hour and a half in the morning and an hour and a half in the afternoon. I got to tell you, it's a different kid. It really, really is . . . @

(Exhibit E, J & R Research Corporation cassette tape).

F. FAIRBORNE PYCNOGENOL MONOGRAPH #2

Relative to Attention Deficit Disorder & ADHD

The data within this monograph was created for our Fairborne Association=s member -- physicians who practice in the field. This information is to further disclose facts obtained regarding the compound Pycnogenol, and particularly its efficacy for alleviation of the signs and symptoms of Attention Deficit Disorder (ADD) and Attention Deficit Hyperactivity Disorder or ADHD.

. . . .

Complaint

The commercial source for the compound we continue to utilize, is the same formulator in Colorado referred to in our first monograph. The only reason we continue to use that source is because their proprietary, blended *formulations* of Pycnogenol have significantly greater bioavailability than *basic* Pycnogenol sold over the counter in pharmacies and other sources.

. . . .

Interesting to note is the fact that even though, over the years, many so called Anutritional@ approaches to ADD have been attempted, no nutritional methods had heretofore produced *significant* alleviation of symptoms.

However, not only is Pycnogenol proving to be exceedingly efficacious for ADD, from the anecdotal results reported from the field it is becoming a very attractive *first-line* method of choice by many physicians, in preference to conventional drug administration. Also, in most cases, traditional *drug* therapy can usually be discontinued - or significantly reduced - provided the patient continues to consume Pycnogenol.

. . . .

TYPICAL RESULTS WITH ADD/ADHD PATIENTS:

- (a) A generalized calming effect.
- (b) Significantly increased mental alertness and increased ability to remain focused upon a given task or problem.
- (c) Activities and plans much more organized.
- (d) Far less impulsiveness of behavior.
- (e) Decreased aggressiveness.
- (f) A subjective feeling of being Aat ease.@
- (g) More in control of one=s thoughts.
- (h) Particularly exhibited in young children and teenage ADD patients,

Complaint

as well as the above:

1. Improved grades in school.
2. Improved recognition of and cooperation with requests from teachers and parents.
3. Less noisiness and disruptive behavior in class, at home, among siblings and peers.
4. Marked improvement in the ability to remain still. (Decreased Restlessness).

....

PHASE 3: DRUG REDUCTION AND/OR ELIMINATION

For ADD patients currently being treated with drugs such as Ritalin, Cylert and Dexedrine, as you know, those drugs are often withdrawn gradually, to avoid drug-dependent withdrawal symptoms. (Refer to your PDR). It is entirely up to the physician as to *when* to begin gradually decreasing daily dosages of Ritalin, etc. during Pycnogenol administration. However, keep this in mind:

....

Reports from physicians in the field indicate that as Ritalin, etc., is gradually decreased over a number of days, for most patients it can be *entirely* eliminated. However, a smaller percentage of patients may still require some drug intervention as well. And, then, in most cases, only at peak stress periods such as afternoon school sessions and so forth. Moreover, the drug *dosage* required at those peak stress periods is significantly lower than formerly required before initiating Pycnogenol dosage...@

(Exhibit F, Respondent J & R Research Corporation promotional material).

8. Through the means described in Paragraph 7, respondents

Complaint

have represented, expressly or by implication, that Kaire International=s pycnogenol products:

- A. dramatically treat or improve rheumatoid arthritis, osteoarthritis and rheumatism, including the elimination or reduction of inflammation and pain associated with these disorders;
- B. reduce the amount of insulin needed to treat diabetes;
- C. treat and/or improve health disorders associated with diabetes, including neuropathy, retinopathy, osteomyelitis, circulatory problems and heart problems;
- D. help treat lupus, Parkinson=s Disease, multiple sclerosis and fibromyalgia;
- E. treat or improve digestive disorders, including Crohnes Disease and irritable bowel syndrome;
- F. help prevent strokes and the reoccurrence of strokes;
- G. dramatically improve physical disabilities caused by stroke;
- H. dramatically help prevent heart disease, including arterial sclerosis;
- I. reduce blood pressure;
- J. dramatically improve and help prevent circulatory problems, including phlebitis, thrombophlebitis, blood clots, and varicose veins;
- K. dramatically promote the shrinkage of tumors and help prevent tumor formation;

Complaint

- L. treat cancer and/or prolong the life of cancer victims;
- M. reduce or eliminate inflammation of the prostate;
- N. eliminate or reduce the incidence of asthma attacks and symptoms caused by allergies;
- O. improve eyesight and treat disorders of the retina;
- P. help rebuild joints and soft tissue;
- Q. greatly accelerate the healing time of injuries;
- R. improve or cure skin conditions such as psoriasis and acne;
- S. treat Attention Deficit Disorder and Attention Deficit Hyperactive Disorder;
- T. reduce or eliminate the need for medication in individuals with Attention Deficit Disorder and Attention Deficit Hyperactive Disorder; and
- U. are twenty times more protective as an antioxidant than Vitamin C, and fifty times more protective than Vitamin E.

9. Through the means described in Paragraph 7, respondents have represented, expressly or by implication, that testimonials from consumers appearing in the advertisements for Kaire International=s pycnogenol products reflect the typical or ordinary experience of members of the public who use pycnogenol products.

10. Through the means described in Paragraph 7, respondents have represented, expressly or by implication, that they possessed and relied upon a reasonable basis that substantiated the

Complaint

representations set forth in Paragraphs 8 and 9, at the time the representations were made.

11. In truth and in fact, respondents did not possess and rely upon a reasonable basis that substantiated the representations set forth in Paragraphs 8 and 9, at the time the representations were made. Therefore, the representation set forth in Paragraph 10 was, and is, false or misleading.

12. Through the means described in Paragraph 7, respondents have represented, expressly or by implication, that scientific research demonstrates that Kaire International=s pycnogenol products:

- A. dramatically treat or improve rheumatoid arthritis, osteoarthritis and rheumatism, including the elimination or reduction of inflammation and pain associated with these disorders;
- B. reduce the amount of insulin needed to treat diabetes;
- C. dramatically treat and/or improve health disorders associated with diabetes, including retinopathy, osteomyelitis, circulatory problems and heart problems;
- D. help treat Parkinson=s Disease and multiple sclerosis;
- E. help prevent strokes and the reoccurrence of strokes;
- F. dramatically improve physical disabilities caused by stroke;
- G. dramatically help prevent heart disease, including arterial sclerosis;
- H. dramatically improve and help prevent circulatory problems, including phlebitis, thrombophlebitis, blood clots and varicose veins;

Complaint

- I. dramatically promote the shrinkage of tumors and help prevent tumor formation;
 - J. treat cancer and/or prolong the life of cancer victims;
 - K. reduce or eliminate inflammation of the prostate;
 - L. eliminate or reduce the incidence of asthma attacks and symptoms caused by allergies;
 - M. improve eyesight and treat disorders of the retina;
 - N. help rebuild joints and soft tissue;
 - O. greatly accelerate the healing time of injuries;
 - P. improve or cure skin conditions such as psoriasis; and
 - Q. are twenty times more protective as an antioxidant than Vitamin C, and fifty times more protective than Vitamin E.
13. In truth and in fact, scientific research does not demonstrate that Kaire International's pycnogenol products:
- A. dramatically treat or improve rheumatoid arthritis, osteoarthritis and rheumatism, including the elimination or reduction of inflammation and pain associated with these disorders;
 - B. reduce the amount of insulin needed to treat diabetes;
 - C. dramatically treat and/or improve health disorders associated with diabetes, including retinopathy, osteomyelitis, circulatory problems and heart problems;

Complaint

- D. help treat Parkinson=s Disease and multiple sclerosis;
- E. help prevent strokes and the reoccurrence of strokes;
- F. dramatically improve physical disabilities caused by stroke;
- G. dramatically help prevent heart disease, including arterial sclerosis;
- H. dramatically improve and help prevent circulatory problems, including phlebitis, thrombophlebitis, blood clots and varicose veins;
- I. dramatically promote the shrinkage of tumors and help prevent tumor formation;
- J. treat cancer and/or prolong the life of cancer victims;
- K. reduce or eliminate inflammation of the prostate;
- L. eliminate or reduce the incidence of asthma attacks and symptoms caused by allergies;
- M. improve eyesight and treat disorders of the retina;
- N. help rebuild joints and soft tissue;
- O. greatly accelerate the healing time of injuries;
- P. improve or cure skin conditions such as psoriasis; and
- Q. are twenty times more protective as an antioxidant than Vitamin C, and fifty times more protective than Vitamin E.

Therefore, the representations set forth in Paragraph 12, were, and are false or misleading.

Complaint

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.

THEREFORE, the Federal Trade Commission this nineteenth day of July, 2000, has issued this complaint against respondents.

By the Commission.

Complaint Exhibits

EXHIBIT A

AUDIO CASSETTE TAPE

EXHIBIT B

'AUDIOCASSETTE TAPE

Complaint

NATURE'S MIRACLES

AN M.D.'s EXPERIENCE



By
Dr. Gary Fischbach M.D.

EXHIBIT C

Complaint

TABLES REFERENCE CHART		SEE TABLE(S)	MARITIME PINE @ 20 MG/TAB	MARITIME PINE PLUS OTHER NUTRIENTS	ALOE VERA JUICE CONCENTRATE	ALOE VERA GEL	EMU OIL PAIN CREAM	COLLOIDAL SILVER
ABRASIONS	a					✓		
ACHES, MINOR	1+ 9	✓					✓	
ACNE	7				✓			✓
ACQUIRED IMMUNE AIDS DEFICIENCY SYNDROME	5	✓	✓	✓				✓
AGING	1	✓						
ALLERGIES	2	✓		✓				
ALZHEIMER'S	4	✓	✓					
ARTHRITIS	2 9	✓		✓			✓	
ASTHMA	2	✓		✓				
ATHEROSCLEROSIS	1	✓						
ATHLETE'S FOOT	8					✓		
ATTENTION DEFICIT DISORDER	4	✓	✓					
ATTENTION DEFICIT HYPERACTIVE DISORDER	4	✓	✓					
AUTISM	4	✓	✓					
BACKACHE	1+ 9	✓					✓	
BLOOD CLOTS	1	✓						
BLOOD PRESSURE, HIGH	1	✓						
BOILS	8					✓		
171		CONTINUED						

Complaint

TABLES REFERENCE CHART		SEE TABLE(S)	MARITIME PINE @ 20 MG/TAB	MARITIME PINE PLUS OTHER NUTRIENTS	ALOE VERA JUICE CONCENTRATE	ALOE VERA GEL	EMU OIL PAIN CREAM	COLLOIDAL SILVER
CONJUNCTIVITIS (PINK EYE)	10							✓
CONSTIPATION	6							
CONTUSION	9+	✓		✓			✓	
COUGH	3	✓		✓				✓
CRADLE CAP	8					✓		✓
CRAMPS	2	✓		✓				
CREST SYNDROME	3	✓		✓				✓
CROHN'S DISEASE	2	✓		✓				
CUTS	8					✓		✓
DANDRUFF	2	✓		✓				
DEMENTIA	4	✓	✓					
DENTURE SORES	7			✓				✓
DEPRESSION	4	✓	✓					
DERMATITIS	1	✓						
DIABETES	2	✓		✓				
DIABETIC RETINOPATHY	2	✓		✓				
DIAPER RASH	8					✓		✓
DIARRHEA	2	✓		✓				
		CONTINUED						

FEDERAL TRADE COMMISSION DECISIONS
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Complaint

TABLES REFERENCE CHART		SEE TABLE(S)	MARITIME PINE @ 20 MG/TAB	MARITIME PINE PLUS OTHER NUTRIENTS	ALOE VERA JUICE CONCENTRATE	ALOE VERA GEL	EMU OIL PAIN CREAM	COLLOIDAL SILVER
BRONCHITIS	3	✓		✓				✓
BRUISES	9						✓	
BURNS	8					✓		✓
BURSITIS	2	✓		✓				
CANCER, INTERNAL	5	✓	✓	✓				✓
CANCER, SKIN	5+ 8	✓	✓	✓	✓			✓
CANDIDA	7			✓				✓
CANKER SORE	8					✓		✓
CARBUNCLES	8					✓		✓
CARPAL TUNNEL SYNDROME	2+ 9	✓		✓			✓	
CATARACTS	1	✓						
CELLULITIS	10							✓
CHICKEN POX	10							✓
CHOLESTEROL, HIGH	2	✓		✓				
CHRONIC FATIGUE SYNDROME	3	✓		✓				✓
CIRCULATION, POOR	1	✓						
COLDS	3	✓		✓				✓
COLIC	6			✓				
		CONTINUED						

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Complaint

TABLES REFERENCE CHART		SEE TABLE(S)	MARITIME PINE @ 20 MG/TAB	MARITIME PINE PLUS OTHER NUTRIENTS	ALOE VERA JUICE CONCENTRATE	ALOE VERA GEL	HEMU OIL PAIN CREAM	COLLOIDAL SILVER
DIVERTICULITIS	2	✓		✓				
DUODENITIS	6			✓				
EAR INFECTION, CANAL	10							✓
ECZEMA	2	✓		✓				
	2	✓		✓				
	4	✓	✓					
ENERGY, LOW	2	✓		✓				
EPILEPSY	1	✓						
EPSTEIN-BARR VIRUS	3	✓		✓				✓
ESOPHAGITIS	6			✓				
FIBROMYALGIA	2	✓		✓				
FLU	3	✓		✓				✓
FOLLICULITIS	10							✓
FROSTBITE	8				✓			
FUNGAL INFECTION	10							✓
GASTRITIS	6			✓				
GENITAL HERPES	3	✓		✓				✓
GINGIVITIS	3	✓		✓				✓
CONTINUED								30

FEDERAL TRADE COMMISSION DECISIONS
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TABLES REFERENCE CHART		SEE TABLE(S)	MARITIME PINE @ 20 MG/TAB	MARITIME PINE PLUS OTHER NUTRIENTS	ALOE VERA JUICE CONCENTRATE	ALOE VERA GEL	EMU OIL PAIN CREAM	COLLOIDAL SILVER
GOUT	2	✓		✓				
HAY FEVER	1	✓						
HEADACHE	1+ 9	✓					✓	
HEART ATTACK	2	✓		✓				
HEART DISEASE	2	✓		✓				
HEMORRHOIDS	2+ 8	✓		✓	✓			
HEPATITIS	3	✓		✓				✓
HERPES ZOSTER (SHINGLES)	1+ 8	✓				✓		✓
HIDRADENITIS	10							✓
HODGKIN'S DISEASE	3	✓		✓				✓
HYPERTENSION	1	✓						
HYPERTENSIVE RETINOPATHY	1	✓						
HYPOGLYCEMIA	2	✓		✓				
IMPOTENCE	1	✓						
INDIGESTION	6			✓				
INFECTIONS	6+ 8			✓	✓			✓
INFLAMMATION	2+ 9	✓		✓		✓		
INFLUENZA	3	✓		✓				✓
311		CONTINUED						

Complaint

TABLES REFERENCE CHART	SEE TABLE(S)	MARITIME PINE @ 20 MG/TAB		MARITIME PINE PLUS OTHER NUTRIENTS	ALOE VERA JUICE CONCENTRATE	ALOE VERA GEL	EMU OIL PAIN CREAM	COLLOIDAL SILVER	
INSECT BITES & STINGS	8					✓		✓	
INSOMNIA	2	✓			✓				
JET LAG	1	✓							
JOINT PAIN	2+ 9	✓			✓		✓		
LEG CRAMPS	1+ 9	✓					✓		
LEUKEMIA	5	✓	✓		✓			✓	
LUPUS	3	✓			✓			✓	
LYME DISEASE	3	✓			✓			✓	
MACULAR DEGENERATION	2	✓			✓				
MANIC DEPRESSIVE	4	✓	✓						
MEASLES	6+ 8				✓	✓		✓	
MEMORY, SLUGGISH	4	✓	✓						
MENSTRUAL CRAMPS	2	✓			✓				
MIGRAINE	1	✓							
MULTIPLE SCLEROSIS (MS)	2	✓			✓				
MUSCLE PAIN	1+ 9	✓					✓		
NAUSEA	2	✓			✓				
NERVOUS DISORDERS	1	✓							
CONTINUED									32

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Complaint

TABLES REFERENCE CHART		SEE TABLE(S)	MARITIME PINE @ 20 MG/TAB	MARITIME PINE PLUS OTHER NUTRIENTS	ALOE VERA JUICE CONCENTRATE	ALOE VERA GEL	EMU OIL PAIN CREAM	COLLOIDAL SILVER
OSTEOARTHRITIS	2+	9	✓		✓		✓	
PAIN	2+	9	✓		✓		✓	
PARKINSON'S DISEASE	1		✓					
PHLEBITIS	2		✓		✓			
PREMENSTRUAL SYNDROME (PMS)	2		✓		✓			
PROSTATITIS	3		✓		✓			✓
PSORIASIS	2		✓		✓			
RASHES	2+	8						✓
RESTLESS LEG SYNDROME	1		✓					
RHEUMATOID ARTHRITIS	3		✓		✓			✓
SCLERODERMA	3		✓		✓			✓
SCURVY	1		✓					
SEBORRHEA	2		✓		✓			
SENILITY	4		✓	✓				
SINUS CONGESTION	10							✓
SINUSITIS (INFECTION)	10							✓
SJOGREN'S SYNDROME	2		✓		✓			
STRESS	1		✓					
[33]		CONTINUED						

Complaint

TABLES REFERENCE CHART		SEE TABLE(S)	MARITIME PINE @ 20 MG/TAB	MARITIME PINE PLUS OTHER NUTRIENTS	ALOE VERA JUICE CONCENTRATE	ALOE VERA GEL	EMU OIL PAIN CREAM	COLLOIDAL SILVER
STROKE	1	✓						
SUNBURN	8					✓		✓
SYSTEMIC CANDIDIASIS	3	✓			✓			✓
ULCERATIVE COLITIS	2	✓			✓			
ULCERS	6				✓			
VAGINITIS	7				✓			✓
VARICOSE VEINS	2	✓			✓			
VASCULAR EYE DISEASE	1	✓						
VASCULITIS	3	✓			✓			✓
VIRAL INFECTION	7				✓			✓
VITALITY & VIGOR	2	✓			✓			
WARTS	8					✓		✓
YEAST INFECTIONS	7				✓			✓

Complaint

DIRECTIONS:

TABLE 1 MARITIME PINE

1. Start at DETOXIFICATION dosage. See Table DETOX 1. Take several days to build up to SATURATION, according to your weight.
2. Maintain SATURATION for 30 days. If your progress is satisfactory, stay on SATURATION until attaining your desired health. If your progress is not satisfactory, increase your dose to DOUBLE SATURATION as noted below. Take Maritime Pine total daily dose 1/2 morning, 1/2 late afternoon. Drink plenty of pure water.
3. Once you have attained satisfactory health, slowly decrease your dose until you reach a MAINTENANCE dose; Do not decrease so low that your symptoms of poor health come back.

WEIGHT	MARITIME PINE @20mg/tab SATURATION	MARITIME PINE @20mg/tab DOUBLE SATURATION	
20#	1 tab	2 tabs	Aches, Minor**
40#	2 tabs	4 tabs	Aging
60#	3 tabs	6 tabs	Atherosclerosis
80#	4 tabs	8 tabs	Backaches**
100#	5 tabs	10 tabs	Blood Clots
120#	6 tabs	12 tabs	Blood Pressure, High
140#	7 tabs	14 tabs	Cataracts
160#	8 tabs	16 tabs	Circulation, Poor
180#	9 tabs	18 tabs	Dermatitis
200#	10 tabs	20 tabs	Epilepsy
220#	11 tabs	22 tabs	Hay Fever
240#	12 tabs	24 tabs	Headache**
			Herpes Zoster (Shingles)*
			Hypertension
			Hypertensive Retinopathy
			Impotence
			Jet Lag
			Leg Cramps**
			Migraine
			Muscle Pain**
			Nervous Disorders
			Parkinson's Disease
			Restless Leg Syndrome
			Scurvy
			Stress
			Stroke
			Vascular Eye Disease

* SEE TABLE 8 ALOE VERA GEL AND COLLOIDAL SILER

** SEE TABLE 9 EMU OIL PAIN CREAM

Complaint

TABLE 2 MARITIME PINE & ALOE VERA JUICE CONCENTRATE	
Allergies	Hemorrhoids *
Arthritis **	Hypoglycemia
Asthma	Inflammation **
Bursitis	Insomnia
Carpal Tunnel Syndrome **	Joint Pain **
Cholesterol, High	Macular Degeneration
Contusions **	Menstrual Cramps
Cramps	Multiple Sclerosis
Crohn's Disease	Nausea
Dandruff	Osteoarthritis **
Diabetes	Pain **
Diabetic Retinopathy	Phlebitis
Diarrhea	Premenstrual Syndrome
Diverticulitis	Psoriasis
Eczema	Rashes *
Edema	Seborrhea
Energy, Low	Sjogren's Syndrome
Fibromyalgia	Ulcerative Colitis
Gout	varicose veins
Heart Attack	Vitality & Vigor
Heart Disease	

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* SEE TABLE 8 ALOE VERA GEL AND COLLOIDAL SILER

** SEE TABLE 9 EMU OIL PAIN CREAM

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Complaint

TABLE 2 MARITIME PINE & ALOE VERA JUICE CONCENTRATE				
DIRECTIONS:				
1. Start at DETOXIFICATION dosages. Take several days to build up to SATURATION, according to your weight Pycnogenol® see Table DETOX 1. Aloe Vera Juice see Table DETOX 2.				
2. Maintain SATURATION for 30 days. If your progress is satisfactory, stay on SATURATION until attaining your desired health. If your progress is not satisfactory, increase your dose to DOUBLE SATURATION as noted below. Take Maritime Pine total daily dose 1/2 morning, 1/2 late afternoon. Portion out the Aloe Vera juice concentrate throughout the day, maximum 2 ounces at a time. Drink plenty of pure water.				
3. Once you have attained satisfactory health, slowly decrease your dose until you reach a MAINTENANCE dose. Do not decrease so low that your symptoms of poor health come back				
WEIGHT	MARITIME PINE @20mg/tab SATURATION	ALOE VERA JUICE CONCENTRATE SATURATION	MARITIME PINE @20mg/tab DOUBLE SATURATION	ALOE VERA JUICE CONCENTRATE DOUBLE SATURATION
20#	1 tab	.5 oz	2 tabs	1 oz
40#	2 tabs	1 oz	4 tabs	2 oz
60#	3 tabs	1.5 oz	6 tabs	3 oz
80#	4 tabs	2 oz	8 tabs	4 oz
100#	5 tabs	3 oz	10 tabs	8 oz
120#	6 tabs	4 oz		
140#	7 tabs	4 oz		
160#	8 tabs	4 oz	16 tabs	
180#	9 tabs	4 oz	18 tabs	8 oz
200#	10 tabs	4 oz	20 tabs	8 oz
220#	11 tabs	4 oz	22 tabs	8 oz
240#	12 tabs	4 oz	24 tabs	8 oz

CONTINUED

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Complaint

TABLE 3 MARITIME PINE, ALOE VERA JUICE CONCENTRATE AND COLLOIDAL SILVER	
DIRECTIONS:	
1. Start at DETOXIFICATION dosages. Take several days to build up to SATURATION, according to your weight. Maritime Pine see Table DETOX 1. Aloe Vera Juice see Table DETOX 2. Colloidal Silver take 1/4 to 1/2 teaspoon dosages to build up to SATURATION.	
2. Maintain SATURATION for 30 days. If your progress is satisfactory, stay on SATURATION until attaining your desired health. If your progress is not satisfactory, increase your dose to DOUBLE SATURATION. Take Maritime Pine and Colloidal Silver total daily dose 1/2 morning, 1/2 late afternoon. Portion out the Aloe Vera juice concentrate throughout the day, maximum 2 ounces at a time. Drink plenty of pure water.	
3. Once you have attained satisfactory health, slowly decrease your dose until you reach a MAINTENANCE dose. Do not decrease so low that your symptoms of poor health come back.	
Bronchitis Chronic Fatigue Syndrome Colds Cough Crest Syndrome Epstein-Barr Virus Flu Genital Herpes Gingivitis Hepatitis Hodgkin's Disease Influenza Lupus Lyme Disease Prostatitis Rheumatoid Arthritis Scleroderma Systemic candidiasis Vasculitis	
CONTINUE	

Complaint

**TABLE 3 MARITIME PINE, ALOE VERA JUICE
CONCENTRATE AND COLLOIDAL SILVER**

WEIGHT	MARITIME PINE @20mg/tab SATURATION	ALOE VERA JUICE CONCENTRATE SATURATION	COLLOIDAL SILVER SATURATION	MARITIME PINE @20mg/tab DOUBLE SATURATION	ALOE VERA JUICE CONCENTRATE DOUBLE SATURATION	COLLOIDAL SILVER DOUBLE SATURATION
20#	1 tab	.5 oz	1/4 tsp	2 tabs	1 oz	1/2 tsp
40#	2 tabs	1 oz	1/2 tsp	4 tabs	2 oz	1 tsp
60#	3 tabs	1.5 oz	1/2 tsp	6 tabs	3 oz	1 tsp
80#	4 tabs	2 oz	1 tsp	8 tabs	4 oz	2 tsp
100#	5 tabs	3 oz	1 tsp	10 tabs	6 oz	2 tsp
120#	6 tabs	4 oz	1 tsp	12 tabs	8 oz	2 tsp
140#	7 tabs	4 oz	1 tsp	14 tabs	8 oz	2 tsp
160#	8 tabs	4 oz	1 tsp	16 tabs	8 oz	2 tsp
180#	9 tabs	4 oz	1 tsp	18 tabs	8 oz	2 tsp
200#	10 tabs	4 oz	1 tsp	20 tabs	8 oz	2 tsp
220#	11 tabs	4 oz	1 tsp	22 tabs	8 oz	2 tsp
240#	12 tabs	4 oz	1 tsp	24 tabs	8 oz	2 tsp

Complaint

TABLE 4 MARITIME PINE AND MARITIME PINE PLUS OTHER NUTRIENTS

WEIGHT	MARITIME PINE PLUS OTHER NUTRIENTS SATURATION	MARITIME PINE @20mg/tab SATURATION	MARITIME PINE PLUS OTHER NUTRIENTS MAINTENANCE	MARITIME PINE @20mg/tab MAINTENANCE
20#	1 tab	1 tab	1 tab	0
40#	2.5 tabs	2 tabs	2.5 tabs	0
60#	3 tabs	3 tabs	3 tabs	1 tab
80#	4 tabs	4 tabs	4 tabs	1 tab
100#	5 tabs	5 tabs	5 tabs	1 tab
120#	5 tabs	6 tabs	5 tabs	1 tab
140#	7 tabs	7 tabs	7 tabs	0
160#	8 tabs	8 tabs	8 tabs	0
180#	8 tabs	9 tabs	8 tabs	1 tab
200#	8 tabs	10 tabs	8 tabs	2 tabs
220#	8 tabs	11 tabs	8 tabs	2 tabs
240#	8 tabs	12 tabs	8 tabs	2 tabs

Complaint

TABLE 4 MARITIME PINE AND MARITIME PINE PLUS OTHER NUTRIENTS
DIRECTIONS: 1. Start at DETOXIFICATION dosage. See Table DETOX 1. Take several days to build up to SATURATION, according to your weight. 2. Maintain SATURATION for at least 60 days. If your progress is satisfactory, stay on SATURATION until attaining your desired health. If your progress is not satisfactory, increase your dose to 1 or 2 tablets more of each product. Take both products total daily dose 1/2 morning, 1/2 late afternoon. Drink plenty of pure water. 3. Once you have attained satisfactory health, slowly decrease your dosage until you reach a MAINTENANCE dose. Do not decrease so low that your symptoms of poor health come back.
Alzheimer's Attention Deficit Disorder Attention Deficit Hyperactive Disorder Autism Dementia Depression Emphysema Manic Depressive Memory, Sluggish Senility CONTINUED 

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Complaint

TABLE 4 MARITIME PINE AND MARITIME PINE PLUS OTHER NUTRIENTS

WEIGHT	MARITIME PINE PLUS OTHER NUTRIENTS SATURATION	MARITIME PINE @20mg/tab SATURATION	MARITIME PINE PLUS OTHER NUTRIENTS MAINTENANCE	MARITIME PINE @20mg/tab MAINTENANCE
20#	1 tab	1tab	1 tab	0
40#	25 tabs	2 tabs	25 tabs	0
60#	3 tabs	3 tabs	3 tabs	1 tab
80#	4 tabs	4 tabs	4 tabs	1 tab
100#	5 tabs	5 tabs	5 tabs	1 tab
120#	5 tabs	6 tabs	5 tabs	1 tab
140#	7 tabs	7 tabs	7 tabs	0
160#	8 tabs	8 tabs	8 tabs	0
180#	8 tabs	9 tabs	8 tabs	1tab
200#	8 tabs	10 tabs	8 tabs	2 tabs
220#	8 tabs	11 tabs	8 tabs	2 tabs
240#	8 tabs	12 tabs	8 tabs	2 tabs

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Complaint

TABLE 5 MARITIME PINE, MARITIME PINE PLUS OTHER NUTRIENTS, ALOE VERA JUICE CONCENTRATE & COLLOIDAL SILVER

DIRECTIONS:

1. Start at DETOXIFICATION dosages. Take several days to build up to DAILY DOSAGE.
 Maritime Pine see Table DETOX 1. Aloe Vera Juice see Table DETOX 2. Colloidal Silver take 1/4 to 1/2 teaspoon dosages to build up to DAILY DOSAGE.
2. Maintain DAILY DOSAGE until attaining your desired health. Drink plenty of pure water.
 Maritime Pine : 10 tablets.
 Maritime Pine Plus Other Nutrients: 5 tablets.
 Aloe Vera juice concentrate: 10 ounces.
 Colloidal Silver: 2 teaspoons.
3. Ideal total daily dose: 2 Maritime Pine, 1 Maritime Pine Plus Other Nutrients, 2 oz Aloe Vera juice concentrate 5 times a day, every 2 hours (ex: 9AM-11AM-1PM-3PM-5PM). Colloidal Silver: 1 tsp AM, 1 tsp PM.

Acquired Immune Deficiency Syndrome (AIDS)
 Cancer, Internal
 Cancer, External
 (See Table 8 ALOE VERA GEL AND COLLOIDAL SILVER)
 Leukemia

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CONFIDENTIAL

Complaint

EXHIBIT D

REDACTED

EXHIBIT E

AUDIO CASSETTE TAPE

Complaint

1st AIRBORNE PYCNOGENOL MONOGRAPH #2
Relative To Attention Deficit Disorder & ADHD

The data within this monograph was created for our Fairborne Association's member - physicians who practice in the field. This information is to further disclose facts obtained regarding the compound Pycnogenol, and particularly its efficacy for alleviation of the signs and symptoms of Attention Deficit Disorder (ADD) and Attention Deficit Hyperactivity Disorder or ADHD.

For all other health applications of Pycnogenol, please refer to our separate, "AIRBORNE PYCNOGENOL MONOGRAPH #1"

INTRODUCTION:

Pycnogenol is a patented and trademarked, naturally occurring compound that is produced in its basic form by Harphag Research Ltd. in France. It is a water processed extract from the bark of the French Maritime Pine tree. The compound is not a drug. Moreover, it is not herbal. Composed of forty-plus subcompounds, reports demonstrate that Pycnogenol is the single, most potent nutritional antioxidant discovered by science.

UNIVERSITY STUDIES:

The compound is relatively new to physicians - and consumers - in North America. However, due to overwhelmingly positive anecdotal clinical results individual physicians have obtained thus far, three major universities in the U.S. have (as of this 7-10-98 printing), already begun full-scale, double-blind research studies.

Clinical studies relating to Pycnogenol's effectiveness for such conditions as Alzheimer's disease, immune system dysfunctional conditions and others.

Also, an internationally-respected Midwest psychiatric center has started a landmark research study to document the compound's efficacy for use with ADD and ADHD.

However, professional courtesy restrains us from revealing the identities of these institutions until their results are actually completed and published. Which, we've been informed, may require a year or two.

COMMERCIAL SOURCE OF THE COMPOUND:

The commercial source for the compound we continue to utilize, is the same formulator in Colorado referred to in our first monograph. The only reason we continue to use that source is because their proprietary, blended formulations of Pycnogenol have significantly greater bioavailability than basic Pycnogenol sold over the counter in pharmacies and other sources. ("Bioavailability" refers to the total percentage of a dose that first can be absorbed by the intestine, then - of equal importance - actually absorbed and utilized by the body's cells).

However, physicians in the field may prefer to obtain the basic Pycnogenol from local pharmacies or stores. If using those as your source, simply keep in mind the differences in bioavailability mentioned above.

Thus, you may need to increase the patient's daily dosage by a factor of as much as 3.5 to 4.5 times more of your locally-obtained brands, to achieve the same degree and speed of patient relief. You may perform your own, in-practice comparative trials to confirm that fact.

INDICATIONS

As explained in our monograph #1 on general use, Pycnogenol has been efficacious for a wide variety of health problems, particularly of the chronic degenerative type. However, regarding the signs and symptoms of ADD/ADHD refer to separate professional literature.

For further study on the compound (as well as additional, more in-depth safety documentation than stated below) you may obtain the following book: "Pycnogenol, The Super Protector Nutrient" by Richard A. Passwater, Ph.D., published by Keats Publishing.

BASIC SAFETY INFORMATION:

According to researchers at the Pasteur Institute and the Huntington Institute, Pycnogenol is virtually nontoxic to humans and mammals. Water-soluble, it is also non-carcinogenic, non-mutagenic, non-antigenic and non habit forming. Consumed in Europe under medical supervision for more than a decade, it is now available in the U.S. and Canada without a prescription.

Chronic toxicity studies reveal no adverse effects in man, even from massive daily doses of up to 36,000 milligrams for more than six months. Considering that recommended daily dosage of Pycnogenol for a 300 pound patient and at "double saturation" level would still only involve 840 milligrams, (as an example), this compound should be viewed as completely safe. Pharmacologically, Pycnogenol is classified within the same, safe-to-use class of therapeutic compounds as is vitamin C.

KEY FACTS:

Interesting to note is the fact that even though, over the years, many so called "nutritional" approaches to ADD have been attempted, no nutritional methods had heretofore produced significant alleviation of symptoms.

However, not only is Pycnogenol proving to be exceedingly efficacious for ADD, from the anecdotal results reported from the field it is becoming a very attractive first-line method of choice by many physicians, in preference to conventional drug administration. Also, in most cases, traditional drug therapy can eventually be discontinued - or significantly reduced - provided the patient continues to consume Pycnogenol.

MODE OF BIOLOGICAL ACTION

First, remember that Pycnogenol is not a drug. However, with Pycnogenol, there is much the same situation as with traditional drugs such as Ritalin, Dexedrine and Cylert...there is as yet, no conclusive explanation as to

EXHIBIT F

Please turn to side 2

ASSOCIATE: Unless you initially explain that sufficient dosage is CRUCIAL, then actually pass a copy of these directions to clients, they will usually follow the dosages shown on the BOTTLES, which is virtually certain to create a dissatisfied client! Also, doubly-confirm client dosage compliance later, during follow-up calls! (write this out before making copies).

ASSOCIATE: U setase mailing the m uple - doctor ADD tape with govern or letter. per at a quick print shop. MAIL TO PHOSPEC IS AS A FOLLOW

Complaint

ASSOCIATE: You should make a follow up service call to each customer about three days after they have received their first order...to be sure they understand PROPER DOSAGE TO THE LETTER (While this out before making copies).

required to maintain maximum relief of symptoms. That may - in fact - prove to be "saturation" dosage (as shown in the chart) in many cases. In others, that may be the average "maintenance" dosage indicated on the chart, or somewhat more.

Finding the ideal, minimum daily Pycnogenol dosage for ADD, is solely to render the lowest possible cost to the patient. Realize Pycnogenol is so safe to use, some of our Association's physicians suggest ongoing "saturation" dosage for disease preventative purposes. Moreover, some even recommend ongoing double "saturation" dosage for serious health challenges. Knowing that complete safety to the patient is assured.

BODY TOXINS ELIMINATION

As explained on page 2, the gradual 10-day buildup to daily "saturation" Pycnogenol dosage prevents body toxins - elimination healing reactions in practically all cases. However, a very rare few may still experience that. Such as mild diarrhea, skin rash, light-headedness, slight headache, gas or stomach upset. Or even feeling as though their health problem is getting worse...

Actually a positive sign, it indicates large volumes of health-retarding, stored toxins being cleansed from the body. If such complaints are TOLERABLE, maintain "saturation" dosage level but include at least 8 to 10 eight-ounce glasses of water per day to accelerate toxins elimination. Discomfort then usually ceases within 2 or 3 days and the patient will then feel energized and renewed.

IF NOT TOLERABLE to the patient, simply cut back Pycnogenol dosage to very low "day 1" level. Then, very gradually build up to daily "saturation" dosage over a 30-day period or even longer. Also maintain high water intake as explained above.

A WORD OF CAUTION:

Several years ago, the nutritional products supplier-company in Colorado -- that our Fairborne Association's doctors currently recommend -- introduced Pycnogenol to North America. Since then, doctors have proven it to be a historically effective health-restoring compound. Due to its success, many other companies have attempted to capitalize on the health trend that the Colorado supplier's blends of Pycnogenol are setting. Other companies now promote compounds such as grape seed extracts (not from grape skins and grape seeds)...extracts from soybeans... and inferior grades of pine bark extract...And claim they are equal to, or even more effective than, Pycnogenol.

Our Fairborne Association's doctors (and many

others) have proven that those claims are simply not true. However, you should not merely accept that statement...You may do the same, simple comparative test OUR PHYSICIANS in the field have performed as follows...

You will then have actual experience. In addition, you will understand why we currently recommend the Colorado supplier.

Realize that basic Pycnogenol from France is now in many pharmacies and other stores. However, the Colorado-based supplier developed a proprietary, plant-based *enzyme delivery system* that is blended with their Pycnogenol formulations.

The clinical importance of that is this: Their Pycnogenol formulations are demonstrating 3.5 to 4.5 times more biological effectiveness than store-obtained basic Pycnogenol. Which is to say, a patient would need to consume from 3.5 to 4.5 times more store-obtained basic Pycnogenol to produce the same health results.

SIMPLE TEST FOR COMPARATIVE CLINICAL EFFECTIVENESS:

First obtain maximum relief and health results using the recommended Colorado-supplied Pycnogenol. Then substitute any store-purchased Pycnogenol brand. Or--for that matter--you may substitute any other company's highly-publicized antioxidant compounds. What's more, have the patient consume at least a two times higher daily dosage of the substituted compound. The patient's symptoms will gradually start to return after having done so. You would then, of course, switch the patients back to the Colorado-obtained tablets.

PATIENT COST CONSIDERATIONS:

After obtaining those test results, realize that the currently-recommended Colorado Pycnogenol will represent a considerable savings in cost to the patient.

Another reason why our Fairborne physicians suggest the Colorado-supplied Pycnogenol: There is no financial risk to the patient. As a professional courtesy, when a patient -- or, for that matter, any consumer -- orders Pycnogenol it is shipped with a 90-day, cost returned certification of assured satisfaction.

Which means that the supplier ships their Pycnogenol on an on-trial basis. Thus, if one is not satisfied with the health results obtained -- during the 90-day, experimental trial of the compound -- they simply return the empty bottles within 90 days and the Colorado supplier directly returns their cost. In addition, that supplier charges no fee for the privilege of being able to place relatively small orders with them, at wholesale cost.

THE FAIRBORNE INST. & ASSOCIATION was founded in March 1995. It is an independent, national professional association composed primarily of Medical Doctors plus other physicians and health care professionals whose practices include the use of alternative or complimentary health-promoting compounds; inclusive of but not limited to Pycnogenol and other valid health-restoring, natural compounds. Due to tens-of-thousands of copies of these professional directions now in circulation, member-physicians generally prefer that their names and phone numbers remain confidential, as they maintain very busy health-care practices. However, the Association has registered its credentials plus the names, professional degrees and backgrounds of its thirteen founding member-physicians with the currently-recommended, Colorado Pycnogenol supplier. Professional inquiries from physicians only, may be mailed to: Fairborne Inst. & Association, Box 125, Maassena, Iowa 50853.

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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 Western Region 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 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 thirty (30) days, now in further conformity with the procedure prescribed in ' 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings and enters the following order:

1.a Respondent J & R Research Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of Iowa , with its office and principal place of business at 109 Main Street, Massena, Iowa 50853.

1.b. Respondent Gerald G. McCarthy is an officer of said corporation. He formulates, directs and controls the policies, acts

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and practices of said corporation, and his principal office and place of business is located at the above stated address.

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

ORDER

DEFINITIONS

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

1. "Competent and reliable scientific evidence" shall mean tests, analyses, research, studies, or other evidence based on the expertise of professionals in the relevant area, that has been conducted and evaluated in an objective manner by persons qualified to do so, using procedures generally accepted in the profession to yield accurate and reliable results.
2. Unless otherwise specified, "respondents" shall mean J & R Research Corporation, a corporation, its successors and assigns and its officers; Gerald McCarthy, individually and as an officer of the corporation; and each of the above's agents, representatives, and employees.
3. "Commerce" shall mean as defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. ' 44.

I.

IT IS ORDERED that respondents, directly or through any corporation, subsidiary, division, or other device, in connection with the manufacturing, labeling, advertising, promotion, offering for sale, sale, or distribution of pycnogenol or any other food,

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drug, or dietary supplement, as Afood@ and Adrug@ are defined in Section 15 of the Federal Trade Commission Act, in or affecting commerce, shall not make any representation, in any manner, expressly or by implication, that such product:

- A. will treat or improve rheumatoid arthritis, osteoarthritis or rheumatism, including the elimination or reduction of inflammation or pain associated with these disorders;
- B. will reduce the amount of insulin needed to treat diabetes;
- C. will treat or improve health disorders associated with diabetes, including neuropathy, retinopathy, osteomyelitis, circulatory problems or heart problems;
- D. will help treat lupus, Parkinson=s Disease, multiple sclerosis or fibromyalgia;
- E. will treat or improve digestive disorders, including Crohnes Disease or irritable bowel syndrome;
- F. will help prevent strokes or the recurrence of strokes;
- G. will improve physical disabilities caused by stroke;
- H. will help prevent heart disease, including arterial sclerosis;
- I. will reduce blood pressure;
- J. will improve or help prevent circulatory problems, including phlebitis, thrombophelbitis, blood clots, or varicose veins;
- K. will promote the shrinkage of tumors or help prevent tumor formation;
- L. will treat cancer or prolong the life of cancer victims;
- M. will reduce or eliminate inflammation of the prostate;

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- N. will eliminate or reduce the incidence of asthma attacks and symptoms caused by allergies;
- O. will improve eyesight or treat disorders of the retina;
- P. will help rebuild joints and soft tissue;
- Q. will accelerate the healing time of injuries;
- R. will improve or cure skin conditions such as psoriasis and acne;
- S. will treat Attention Deficit Disorder or Attention Deficit Hyperactive Disorder;
- T. will reduce or eliminate the need for medication in individuals with Attention Deficit Disorder or Attention Deficit Hyperactive Disorder; or
- U. is more protective as an antioxidant than Vitamin C or Vitamin E;

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 corporation, subsidiary, division, or other device, in connection with the manufacturing, labeling, advertising, promotion, offering for sale, sale, or distribution of any food, drug, or dietary supplement, as Afood@ and Adrug@ are defined in Section 15 of the Federal Trade Commission Act, in or affecting commerce, shall not make any representation, in any manner,

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expressly or by implication, about the benefits, performance, or efficacy of such product, unless, at the time the representation is made, respondents possess and rely upon competent and reliable scientific evidence that substantiates the representation.

III.

IT IS FURTHER ORDERED that respondents, directly or through any corporation, subsidiary, division or other device, in connection with the manufacturing, labeling, advertising, promotion, offering for sale, sale, or distribution of any product in or affecting commerce, shall not misrepresent, in any manner, expressly or by implication, the existence, contents, validity, results, conclusions, or interpretations of any test, study, or research.

IV.

IT IS FURTHER ORDERED that respondents, directly or through any corporation, subsidiary, division, or other device, in connection with the manufacturing, labeling, advertising, promotion, offering for sale, sale, or distribution of any food, drug, or dietary supplement, as Afood@ and Adrug@ are defined in Section 15 of the Federal Trade Commission Act, in or affecting commerce, shall not represent, in any manner, expressly or by implication, that the experience represented by any user testimonial or endorsement of the product represents the typical or ordinary experience of members of the public who use the product, unless;

- A. At the time it is made, respondents possess and rely upon competent and reliable scientific evidence that substantiates the representation; or
- B. Respondents disclose, clearly and prominently, and in close proximity to the endorsement or testimonial, either:
 - 1. what the generally expected results would be for users of the product, or

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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, Aendorsement@ shall mean as defined in 16 C.F.R. ' 255.0(b).

V.

Nothing in this order shall prohibit respondents from making any representation for any drug that is permitted in labeling for such drug under any tentative final or final standard promulgated by the Food and Drug Administration, or under any new drug application approved by the Food and Drug Administration.

VI.

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

VII.

IT IS FURTHER ORDERED that respondent J & R Research Corporation, and its successors and assigns, and respondent Gerald McCarthy 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;

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- B. All materials that came into their possession from a distributor or any other source 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.

VIII.

IT IS FURTHER ORDERED that respondent J & R Research Corporation, and its successors and assigns, and respondent Gerald McCarthy 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. Respondents shall maintain and upon request make available to the Federal Trade Commission for inspection and copying a copy of each signed statement acknowledging receipt of the order.

IX.

IT IS FURTHER ORDERED that respondent J & R Research Corporation and its successors and assigns shall notify the Commission at least thirty (30) days prior to any change in the corporation that may affect compliance obligations arising under this order, including but not limited to a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor corporation; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices

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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 respondent learns less than thirty (30) days prior to the date such action is to take place, respondent 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.

X.

IT IS FURTHER ORDERED that respondent Gerald McCarthy, 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.

XI.

IT IS FURTHER ORDERED that respondent J & R Research Corporation, and its successors and assigns, and respondent Gerald McCarthy shall, within sixty (60) days after the date of service of this order, and at such other times as the Federal Trade Commission may require, file with the Commission a report, in writing, setting forth in detail the manner and form in which they have complied with this order.

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XII.

This order will terminate on July 19, 2020, or twenty (20) years from the most recent date that the United States or the Federal Trade Commission files a complaint (with or without an accompanying consent decree) in federal court alleging any violation of the order, whichever comes later; *provided, however*, that the filing of such a complaint will not affect the duration of:

- A. Any Part in this order that terminates in less than twenty (20) years;
- B. This order's application to any respondent that is not named as a defendant in such complaint; and
- C. This order if such complaint is filed after the order has terminated pursuant to this Part.

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

By the Commission.

*Analysis to Aid Public Comment***Analysis of Proposed Consent Order to Aid Public Comment**

The Federal Trade Commission has accepted an agreement, subject to final approval, to a proposed consent order from J & R Research, Inc., and its principal, Gerald G. McCarthy ("respondents"). Respondents were general partners in a distributorship of Kaire International, Inc., a multi-level marketing company. Respondents also created and marketed to Kaire distributors audio tapes and other promotional materials touting a Kaire product containing pycnogenol, a substance derived from the bark of the maritime pine tree.

The proposed consent order has been placed on the public record for sixty (60) days for the reception of comments by interested persons. Comments received during this period will become part of the public record. After sixty (60) days, the Commission will again review the agreement and any comments received and will decide whether it should withdraw from the agreement and take other appropriate action or make final the agreement's proposed order.

Respondents' advertisements claimed that pycnogenol could mitigate or cure the effects of numerous diseases or disorders. The proposed complaint alleges that respondents could not substantiate claims that pycnogenol: (1) alleviates rheumatoid arthritis, osteoarthritis and rheumatism; (2) reduces the amount of insulin needed to treat diabetes; (3) treats and/or improves health disorders associated with diabetes, including neuropathy, retinopathy, osteomyelitis, circulatory problems and heart problems; (4) helps treat lupus, Parkinson=s Disease, multiple sclerosis and fibromyalgia; (5) treats or improves digestive disorders, including Crohnes Disease and irritable bowel syndrome; (6) helps prevent strokes and the reoccurrence of strokes; (7) dramatically improve physical disabilities caused by stroke; (8) dramatically helps prevent heart disease, including arterial sclerosis; (9) reduces blood pressure; (10) dramatically improves and helps prevent circulatory problems, including

Analysis to Aid Public Comment

phlebitis, thrombophlebitis, blood clots, and varicose veins; (11) dramatically promotes the shrinkage of tumors and helps prevent tumor formation; (12) treats cancer and/or prolongs the life of cancer victims; (13) reduces or eliminates inflammation of the prostate; (14) eliminates or reduces the incidence of asthma attacks and symptoms caused by allergies; (15) improves eyesight and treats disorders of the retina; (16) helps rebuild joints and soft tissue; (17) greatly accelerates the healing time of injuries; (18) improves or cures skin conditions such as psoriasis and acne; (19) treats Attention Deficit Disorder and Attention Deficit Hyperactive Disorder; (20) reduces or eliminates the need for medication in individuals with Attention Deficit Disorder and Attention Deficit Hyperactive Disorder; and (21) is twenty times more protective as an antioxidant than Vitamin C, and fifty times more protective than Vitamin E.

The complaint further alleges that respondents falsely claimed that scientific research demonstrates that pycnogenol products can alleviate or cure many of these diseases or disorders. Finally, the complaint alleges that respondents could not substantiate its claim that testimonials from consumers appearing in the advertisements for pycnogenol products reflect the typical or ordinary experience of members of the public who use pycnogenol products.

Part I of the proposed consent order would require respondents, when advertising pycnogenol or any other food, drug, or dietary supplement, to possess competent and reliable scientific evidence before making any of the claims that were alleged as unsubstantiated in the complaint. Part II of the proposed order would require respondents to possess competent and reliable scientific evidence before making any claim regarding the benefits, performance, or efficacy of any food, drug, or dietary supplement. Part III of the proposed order would prevent respondents from misrepresent the existence, contents, validity, results, conclusions, or interpretations of any test, study, or research in an advertisement for any product.

Analysis to Aid Public Comment

Part IV of the proposed order addresses claims made through endorsements or testimonials. Under Part IV, respondents may make such representations if they possess and rely upon competent and reliable evidence that substantiates the representations; or the respondents must disclose either what the generally expected results would be for users of the advertised products, or the limited applicability of the endorser's experience to what consumers may generally expect to achieve. The proposed order's treatment of testimonial claims is in accordance with the Commission's "Guides Concerning Use of Endorsements and Testimonials in Advertising," 16 C.F.R. 255.2 (a).

Part V of the proposed order contains language permitting respondents to make drug claims that have been approved by the FDA pursuant to either a new drug application or a tentative final or final standard. Part VI states that respondents would be permitted to make claims that the FDA has approved pursuant to the Nutrition Labeling and Education Act of 1990.

Part VII of the proposed order requires respondents to retain, and make available to the Commission upon request, all advertisements and promotional materials containing any representation covered by the order, as well as any materials that it relied upon in disseminating the representation and any materials that contradict, qualify, or call into question the representation.

The remainder of the proposed order contains standard requirements that respondents distribute the order to relevant personnel, that the corporate respondent notify the Commission of any changes in corporate structure that might affect compliance with the order; that the individual respondent notify the Commission of changes in his employment status, and that respondents file one or more reports detailing their compliance with the order.

Analysis to Aid Public Comment

The purpose of this analysis is to facilitate public comment on the proposed order, and it is not intended to constitute an official interpretation of the agreement and proposed order, or to modify in any way their terms.

Complaint

IN THE MATTER OF

RILEY MANUFACTURED HOMES, INC., ET AL.CONSENT ORDER, ETC., IN REGARD TO ALLEGED
VIOLATIONS OF THE TRUTH IN LENDING ACT*Docket C-3963; File No. 992 3202**Complaint, July 24, 2000 -- Decision, July 24, 2000*

This consent order addresses Riley Manufactured Homes, Inc.'s, and its president, Dennis Ohnstad's failure to fully disclose financing terms when selling manufactured homes. The complaint alleges that respondents' advertisements stated a rate of finance charge for financing the purchase of manufactured homes but did not properly disclose the rate as an annual percentage rate, as required by Regulation Z. Additionally, respondents' credit advertisements stated a monthly payment amount or other triggering terms, but failed to disclose the amount or percentage of the down payment; the terms of repayment; and the annual percentage rate. The consent order prohibits respondents from: (A) stating a rate of finance charge without disclosing the APR; (B) using triggering terms without providing the additional disclosures required by Regulation Z; and (C) failing to comply with TILA and Regulation Z.

Participants

For the Commission: *John C. Hallerud*, and *BE*.

For the Respondents: *Evan D. Coobs; Meyer, Capel, Hirschfeld, Muncy, Jahn & Aldeen*.

COMPLAINT

The Federal Trade Commission, having reason to believe that Riley Manufactured Homes, Inc., a corporation, and Dennis Ohnstad, individually and as an officer of the corporation ("respondents"), have violated the provisions of the Truth in Lending Act, 15 U.S.C. ' ' 1601-1667e, as amended, and its implementing Regulation Z, 12 C.F.R. ' 226, as amended, and it