

representation, in any manner, directly or by implication, that any such weight-loss product has any effect on weight or body size, unless they disclose, clearly and prominently, and in close proximity to such representation, that diet and/or increasing exercise is required to lose weight; *provided however*, that this disclosure shall not be required if respondents possess and rely upon competent and reliable scientific evidence demonstrating that the weight-loss product is effective without either dieting or increasing exercise.

VII

It is further ordered that respondent, WLAR Co., shall:

A. Within thirty (30) days after service of this Order, provide a copy of this Order to each of respondent's current principals, officers, directors, and managers, and to all personnel, agents, and representatives having sales, advertising, or policy responsibility with respect to the subject matter of this Order; and

B. For a period of five (5) days from the date of issuance of this Order, provide a copy of this Order to each of respondent's future principals, officers, directors, and managers, and to all personnel, agents, and representatives having sales, advertising, or policy responsibility with respect to the subject matter of this Order who are associated with respondent or any subsidiary, successor, or assign, within three (3) days after the person assumes his or her responsibilities.

VIII

It is further ordered that for five (5) years after the last date of dissemination of any representation covered by this Order, respondents, or their successors and assigns, shall maintain and upon request make available to the Federal Trade Commission or its staff for inspection and copying:

A. All materials that were relied upon in disseminating such representation; and

B. All tests, reports, studies, surveys, demonstrations or other evidence in their possession or control that contradict, qualify, or call into question such representation, or the basis relied upon for such representation, including complaints from consumers.

IX

It is further ordered that respondent, WLAR Co., shall notify the Federal Trade Commission at least thirty (30) days prior to any proposed change in its corporate structure, including but not limited to dissolution, assignment, or sale resulting in the emergence of a

successor corporation, the creation or dissolution of subsidiaries or affiliates, the planned filing of a bankruptcy petition, or any other corporate change that may affect compliance obligations arising out of this Order.

X

It is further ordered that respondent, Michael K. Craig, shall, for a period of three (3) years from the date of issuance of this Order, notify the Commission within thirty (30) days of the discontinuance of his present business or employment and of his affiliation with any new business or employment involving the advertising, offering for sale, sale, or distribution of any weight-loss product. Each notice of affiliation shall include respondent's new business address and telephone number, current home address, and a statement describing the nature of the business or employment and his duties and responsibilities.

XI

It is further ordered that respondents shall, within sixty (60) days after service of this Order, and at such other times as the Federal Trade Commission may require, file with the Commission's report, in writing, setting forth in detail the manner and form in which they have complied with this Order.

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 proposed respondents WLAR Co. and Michael K. Craig.

The proposed consent order has been placed on the public record for sixty (60) days for 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 the 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.

This matter concerns advertising for five weight-loss products, marketed under the names "Swedish 19," "Body Maker," "BM Program," "New Shape," and "Swedish System" (collectively referred to herein as "the Swedish 19 products"). These products are booklets or pamphlets containing advice on dieting and exercise.

The Commission's Complaint charges that proposed respondents WLAR Co. and Michael K. Craig falsely represented that users of the Swedish 19 products

are not required to consciously diet to lose weight and that BM Program, New Shape, and Body Maker are new weight-loss discoveries. The Complaint also alleges that the proposed respondents falsely represented that they possessed a reasonable basis when they made the following claims: (1) the Swedish 19 products cause fast and easy weight loss; (2) the Swedish 19 products are more effective than other products or programs in controlling appetite and causing weight loss; (3) purchasers of the Swedish 19 products are successful in controlling appetite, losing weight, and reducing body fat; (4) Swedish 19, Swedish System, BM Program, and Body Maker cause users to develop a new set of eating habits, thereby reducing caloric intake and causing significant and long-term or permanent weight loss; and (5) thousands of girls have successfully lost weight by using Swedish 19, Swedish System, New Shape, and Body Maker. Finally, the Complaint alleges that respondents' failure to disclose in advertisements that the Swedish 19 products consist only of booklets or pamphlets containing advice concerning techniques for reducing caloric intake and/or exercise, and that reducing caloric intake and/or increasing exercise is required to lose weight was a deceptive practice.

The proposed consent order contains provisions designed to remedy the violations charged and to prevent proposed respondents from engaging in similar acts in the future.

Part I of the proposed order prohibits proposed respondents from representing that the Swedish 19 products, or substantially similar products, are new or are a new weight-loss discovery, or that such products do not require dieting. Part II requires proposed respondents to possess competent and reliable scientific evidence before making representations that any weight-loss product causes fast or easy weight loss; is more effective than other products or programs in controlling appetite or causing weight loss; causes users to develop a new set of eating habits, thereby reducing caloric intake and causing significant and long-term or permanent weight loss; or has any effect on users' weight, body size or shape, body measurements, or appetite; or that purchasers of such products are successful in controlling appetite, losing weight, or reducing body fat. Part III requires proposed respondents to have substantiation for any representation that any weight-loss product has been used successfully by any number of persons.

Part IV of the proposed order provides that nothing in Parts I through III