

requiring distributors to submit all proposed promotional and marketing materials to proposed respondents for approval prior to their dissemination; (2) send, for a period of three years, the same notice to future distributors with whom proposed respondents to business; (3) monitor distributors' promotional activities; (4) terminate, as appropriate, the right of any distributor to market MTT products or programs who continues to use promotional materials or make oral representations that violate the order; (5) provide the FTC all relevant information about the distributors who continue to engage in activities that violate the order; and (6) approve all marketing materials before distributors disseminate them to the public.

Paragraph V contains record keeping requirements for the notification letters sent to distributors, communications between respondents and distributors referring or relating to the requirements of Paragraph IV of the order, and any other materials created pursuant to Paragraph IV.

Paragraph VI of the proposed order contains record keeping requirements for materials that substantiate, qualify, or contradict covered claims and requires the proposed respondents to keep and maintain all advertisements and promotional materials containing any representation covered by the proposed order. In addition, Paragraph VII requires distribution of a copy of the consent decree to current and future officers and agents. Further, Paragraph VIII provides for Commission notification upon a change in the corporate respondents. Paragraph IX requires proposed respondent Jim B. Richardson to notify the Commission when he discontinues his current business or employment and of his affiliation with any new business or employment. The proposed order, in Paragraph X, also requires the filing of a compliance report.

Finally, Paragraph XI of the proposed order provides for the termination of the order after twenty years under certain circumstances.

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.

By direction of the Commission.

**Benjamin I. Berman,**

*Acting Secretary.*

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## FEDERAL TRADE COMMISSION

[File No. 9823175]

### **Pain Stops Here!, Inc., et al.; Analysis To Aid Public Comment**

**AGENCY:** Federal Trade Commission.

**ACTION:** Proposed consent agreement.

**SUMMARY:** The consent agreement in this matter settles alleged violations of federal law prohibiting unfair or deceptive acts or practices or unfair methods of competition. The attached Analysis to Aid Public Comment describes both the allegations in the draft complaint that accompanies the consent agreement and the terms of the consent order—embodied in the consent agreement—that would settle these allegations.

**DATES:** Comments must be received on or before August 30, 1999.

**ADDRESSES:** Comments should be directed to: FTC/Office of the Secretary, Room 159, 600 Pennsylvania Avenue, NW, Washington, DC 20580.

**FOR FURTHER INFORMATION CONTACT:** Christa V.A. Vecchi, FTC/H-263, 600 Pennsylvania Avenue, NW, Washington, DC 20580, (202) 326-3166.

**SUPPLEMENTARY INFORMATION:** Pursuant to Section 6(f) of the Federal Trade Commission Act, 38 Stat. 721, 15 U.S.C. 46, and Section 2.34 of the Commission's Rules of Practice, 16 CFR 2.34, notice is hereby given that the above-captioned consent agreement containing a consent order to cease and desist, having been filed with and accepted, subject to final approval, by the Commission, has been placed on the public record for a period of sixty (60) days. The following Analysis to Aid Public Comment describes the terms of the consent agreement, and the allegations in the complaint. An electronic copy of the full text of the consent agreement package can be obtained from the FTC Home Page (for June 24, 1999), on the World Wide Web, at "<http://www.ftc.gov/os/actions97.htm>." A paper copy can be obtained from the FTC Public Reference Room, Room H-130, 600 Pennsylvania Avenue, NW, Washington, DC 20580, either in person or by calling (202) 326-3627.

Public comment is invited. Comments should be directed to: FTC/Office of the Secretary, Room 159, 600 Pennsylvania Avenue, NW, Washington, DC 20580. Two paper copies of each comment should be filed, and should be accompanied, if possible, by a 3½ inch diskette containing an electronic copy of the comment. Such comments or views will be considered by the Commission

and will be available for inspection and copying at its principal office in accordance with Section 4.9(b)(6)(ii) of the Commission's Rules of Practice (16 CFR 4.9(b)(6)(ii)).

### **Analysis of Proposed Consent Order To Aid Public Comment**

The Federal Trade Commission has accepted, subject to final approval, an agreement to a proposed Consent Order ("proposed order") from Pain Stops Here! Inc. and Sande R. Caplin, the President and majority shareholder of the corporation.

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 will decide whether it should withdraw from the agreement or make final the agreement's proposed order.

This matter concerns Internet and print advertisements disseminated directly to consumers as well as through distributors and retail stores, including drug store, health food stores, sporting goods stores, health care products stores, and private individuals working out of their homes. These products contain magnets that purportedly treat or alleviate a variety of medical problems, including cancer, liver disease, heart disease, and arthritis. Proposed respondents' magnetic products include an assortment of devices, such as sleep pad, pillow insert, and magnetized water ceramic magnetic ring.

The Commission's complaint charges that the proposed respondents engaged in deceptive advertising in violation of Sections 5 and 12 of the FTC Act by making unsubstantiated claims that its magnetic therapy products: (1) Are effective in treating cancer; (2) cure liver disease and other diseased internal organs; (3) are effective in reducing cholesterol deposits in the arteries and veins and normalizing the circulatory system; (4) are effective in breaking up kidney and gallbladder stones and in the prevention of further formation of stones; (5) are effective in treating infectious disease, urinary infection, gastric ulcers, dysentery, diarrhea, skin ulcers, and bed sores; (6) prevent and reverse heart disease, circulatory disease, arthritis, auto-immune illness, neuro-degenerative disease, and allergies; (7) are effective in treating arthritis, bursitis, tendinitis, sprains, strains, sciatica, lameness, navicular, and foot growth problems in animals; (8) stimulate the body's production of

the hormone Melatonin; (9) are effective in treating pain caused by conditions such as arthritis, bursitis, and sciatica; and (10) are effective in stimulating growth in plants causing them to grow 20 to 40 percent faster.

The complaint further alleges that proposed respondents represented that studies prove that proposed respondents' magnetic products are effective in the mitigation and treatment of pain caused by conditions such as arthritis, bursitis, and sciatica. The proposed complaint alleges that respondents lack substantiation for this claim.

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

Paragraph I of the proposed order prohibits proposed respondents from representing that their magnetic therapy products (defined as any product that contains a magnet of any kind purporting to relieve the symptoms of, treat, mitigate, cure, relieve, heal or alleviate any disease or health condition): (1) Are effective in the treatment of cancer; (2) cure liver disease or other diseased internal organs; (3) are effective in the reduction of cholesterol deposits in the arteries and veins or normalizing the circulatory system; (4) are effective in breaking up kidney or gallbladder stones or in the prevention of further formation of stones; (5) are effective in the mitigation or treatment of infectious diseases, urinary infection, gastric ulcers, dysentery, diarrhea, skin ulcers, or bed sores; (6) prevent or reverse heart disease, circulatory disease, arthritis, auto-immune illness, neuro-degenerative disease, or allergies; (7) are effective in the mitigation or treatment of arthritis, bursitis, tendinitis, sprains, strains, sciatica, lameness, navicular, and foot growth problems in animals; (8) stimulate the body's production of the hormone Melatonin; (9) are effective in the mitigation or treatment of pain caused by conditions such as arthritis, bursitis, and sciatica; or (10) are effective in stimulating significant growth in plants, unless, at the time the representation is made, respondents possess and rely upon competent and reliable scientific evidence that substantiates the representation.

Paragraph II of the proposed order prohibits proposed respondents from misrepresenting the existence, contents, validity, results, conclusions, or interpretations of any test, study, or research.

Paragraph III of the proposed order prohibits proposed respondents from

making any representation about the health benefits, performance, or efficacy of any product or program, unless, at the time the representation is made, respondents possess and rely upon competent and reliable scientific evidence that substantiates the representation.

Paragraph IV of the proposed order prohibits proposed respondents from: (1) Disseminating to any distributor any material containing any claims prohibited by the order; and (2) authorizing any distributor to make any representations prohibited by the order. In addition, Paragraph IV requires proposed respondents to (1) send a notice to distributors with whom they have done business since January 1, 1998, announcing their settlement with the FTC, and requiring distributors to submit all proposed promotional and marketing materials to proposed respondents for review prior to their dissemination; (2) send, for a period of three years, the same notice to future distributors with whom proposed respondents do business; (3) monitor distributors' promotional activities; (4) terminate, as appropriate, the right of any distributor to market PSH products or programs who continues to use promotional materials or make oral representations that violate the order; (5) provide the FTC all relevant information about the distributors who continue to engage in activities that violate the order, and (6) review all marketing materials before distributors disseminate them to the public.

Paragraph V contains record keeping requirements for the notification letters sent to distributors, communications between respondents and distributors referring or relating to the requirements of Paragraph IV of the order, and any other materials created pursuant to Paragraph IV.

Paragraph VI of the proposed order contains record keeping requirements for materials that substantiate, qualify, or contradict covered claims and requires the proposed respondents to keep and maintain all advertisements and promotional materials containing any representation covered by the proposed order. In addition, Paragraph VII requires distribution of a copy of the consent decree to current and future officers and agents. Further, Paragraph VIII provides for Commission notification upon a change in the corporate respondents. Paragraph IX requires proposed respondent Sande R. Caplin to notify the Commission when he discontinues his current business or employment and of his affiliation with any new business or employment. The proposed order, in Paragraph X, also

requires the filing of a compliance report.

Finally, Paragraph XI of the proposed order provides for the termination of the order after twenty years under certain circumstances.

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.

By direction of the Commission.

**Benjamin I. Berman,**

*Acting Secretary.*

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## FEDERAL TRADE COMMISSION

[File No. 9823182]

### Melinda R. Sneed et al.; Analysis To Aid Public Comment

**AGENCY:** Federal Trade Commission.

**ACTION:** Proposed consent agreement.

**SUMMARY:** The consent agreement in this matter settles alleged violations of federal law prohibiting unfair or deceptive acts or practices or unfair methods of competition. The attached Analysis to Aid Public Comment describes both the allegations in the draft complaint that accompanies the consent agreement and the terms of the consent order—embodied in the consent agreement—that would settle these allegations.

**DATES:** Comments must be received on or before August 30, 1999.

**ADDRESSES:** Comments should be directed to: FTC/Office of the Secretary, Room 159, 600 Pennsylvania Avenue, NW, Washington, DC 20580.

**FOR FURTHER INFORMATION CONTACT:** Judith A. Shepherd, Dallas Regional Office, Federal Trade Commission, 1999 Bryan Street, Suite 2150, Dallas, TX 75201, (214) 979-9383.

**SUPPLEMENTARY INFORMATION:** Pursuant to Section 6(f) of the Federal Trade Commission Act, 38 Stat. 721, 15 U.S.C. 46, and Section 2.34 of the Commission's Rules of Practice, 16 CFR 2.34, notice is hereby given that the above-captioned consent agreement containing a consent order to cease and desist, having been filed with and accepted, subject to final approval, by the Commission, has been placed on the public record for a period of sixty (60) days. The following Analysis to Aid Public Comment describes the terms of the consent agreement, and the allegations in the complaint. An