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FEDERAL TRADE COMMISSION

12 **UNITED STATES DISTRICT COURT**
13 **CENTRAL DISTRICT OF CALIFORNIA**
14 **WESTERN DIVISION**

15 FEDERAL TRADE COMMISSION,

16 Plaintiff,

17 v.

18 A. GLENN BRASWELL,
JOL MANAGEMENT CO.,
19 G.B. DATA SYSTEMS, INC.,
GERO VITA INTERNATIONAL, INC.,
20 THERACEUTICALS, INC., and
RON TEPPER,

21 Defendants.

Hon.

Civil Action No.

**COMPLAINT FOR
PERMANENT
INJUNCTION AND
OTHER EQUITABLE
RELIEF**

22
23
24 Plaintiff, the Federal Trade Commission (“FTC” or “Commission”), through
25 its undersigned attorneys, for its Complaint alleges:

26 1. Plaintiff FTC brings this action under Section 13(b) of the Federal
27 Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b), to secure a permanent
28

1 injunction, restitution, disgorgement, and other equitable relief against Defendants
2 for engaging in deceptive acts or practices and false advertising in connection with
3 the advertising, marketing, and sale of products purporting to treat, prevent, and or
4 cure such conditions as respiratory illnesses, diabetes, dementia, obesity, and
5 impotence, in violation of Sections 5(a) and 12 of the FTC Act, 15 U.S.C. §§ 45(a)
6 and 52.

7 **JURISDICTION AND VENUE**

8 2. This Court has jurisdiction over this matter pursuant to 15 U.S.C. §§
9 45(a), 52, and 53(b) and 28 U.S.C. §§ 1331, 1337(a) and 1345.

10 3. Venue in this District is proper under 15 U.S.C. § 53(b) and 28 U.S.C.
11 § 1391(b) and (c).

12 **PLAINTIFF**

13 4. Plaintiff, the Federal Trade Commission, is an independent agency of
14 the United States Government created by statute. 15 U.S.C. §§ 41-58. The
15 Commission enforces Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which
16 prohibits unfair or deceptive acts or practices in or affecting commerce. The
17 Commission also enforces Section 12 of the FTC Act, 15 U.S.C. § 52, which
18 prohibits false advertisements for food, drugs, devices, services, or cosmetics in or
19 affecting commerce. The Commission may initiate federal district court
20 proceedings to enjoin violations of the FTC Act and to secure such equitable relief,
21 including consumer redress, as may be appropriate in each case. 15 U.S.C. §
22 53(b).

23 **DEFENDANTS**

24 5. For over twenty five years, Defendant A. Glenn Braswell (“Braswell”)
25 has marketed dietary supplements and other health-related products through a
26 frequently changing group of interrelated companies. These companies, operating
27 out of the same California location and under the control of Braswell and Defendant
28 Ron Tepper (“Tepper”), include, but are not limited to, Defendants JOL

1 Management Co. (“JOL Management”), G.B. Data Systems, Inc. (“G.B. Data
2 Systems”), Gero Vita International, Inc. (“GVI”), and Theraceuticals, Inc.
3 (“Theraceuticals”) – all of which are hereinafter collectively referred to as the
4 “Braswell Common Enterprise.”

5 6. Defendant Braswell is or has been an officer, director, and sole
6 shareholder of G.B. Data Systems, GVI, and Theraceuticals. At all times relevant
7 to the complaint, acting individually or in concert with others, he has formulated,
8 directed, controlled, or participated in the policies, acts, or practices of the
9 Braswell Common Enterprise, including the acts or practices alleged in this
10 complaint. He transacts or has transacted business in this district and throughout
11 the United States.

12 7. Defendant G.B. Data Systems is a California corporation with offices
13 located at 330 Washington Boulevard, Marina Del Rey, California. G.B. Data
14 Systems is part of the Braswell Common Enterprise and performs all management,
15 order processing, and marketing activities for the Defendants. All of the Braswell
16 Common Enterprise’s bank accounts are or were maintained in G.B. Data
17 Systems’ name, and the wages of all employees of the common enterprise are or
18 were paid through G.B. Data Systems. G.B. Data Systems is headquartered or has
19 its principal place of business in this district and transacts and has transacted
20 business in this district and throughout the United States. In January 2003, G.B.
21 Data Systems changed its name to JOL Management Co.

22 8. Defendant GVI is a Nevada or Florida corporation with offices
23 located at 520 Washington Boulevard, Marina Del Rey, California. Defendants’
24 website is conducted under the Gero Vita International name and many of
25 Defendants’ products are marketed under the Gero Vita International brand name.
26 GVI is part of the Braswell Common Enterprise. GVI is headquartered or has its
27 principal place of business in this district and transacts and has transacted business
28 in this district and throughout the United States.

1 sold, and distributed a variety of dietary supplements and other health-related
2 products to the public throughout the United States. Defendants’ enterprise is one
3 of the largest direct marketers of such products in the United States, with total sales
4 since 1998 exceeding \$798 million.

5 14. Defendants use direct mail solicitations to generate business. They
6 purchase or rent consumer names and addresses from brokers, targeting persons
7 aged 40 to 60, and mail advertising to these consumers. New and repeat
8 purchasers receive multi-page advertisements that describe various medical
9 conditions and detail various remedies – often purportedly based on “scientific
10 breakthroughs” or “long lost but newly discovered” formulas. Defendants claim
11 that their products will cure, treat, or alleviate these conditions. These glossy,
12 multi-page brochures typically feature “expert” medical or scientific endorsers,
13 consumer testimonials, and frequent references to “scientific” evidence that
14 purports to substantiate the efficacy and benefits of Defendants’ products.
15 Purchasers also receive a “subscription” to the *Journal of Longevity*, which
16 appears to be a legitimate medical journal with scientific articles written by medical
17 professionals but which is, in fact, promotional advertising prepared and
18 disseminated by Defendants. Consumers can purchase the advertised products
19 via mail order, telephone, or electronically on Defendants’ website, www.gvi.com.

20 15. Defendants’ advertisements contain a return address in Toronto,
21 Canada, suggesting that the company is either located or headquartered in Canada.
22 Consumers who purchase products by mail likewise send their orders to the
23 Canadian address. In fact, Defendants have no employees in Canada and all such
24 mail orders are sent from the Canadian mail drop address to Defendants’ offices in
25 the United States for fulfillment.

26 16. Among the products that Defendants have advertised, labeled, offered
27 for sale, sold, and distributed in recent years are: Lung Support Formula, Gero Vita
28 G.H.3, and Testorex, all marketed since at least 1998; ChitoPlex, marketed since at

1 least 1999; AntiBetic Pancreas Tonic, marketed since at least 2000; and
2 Theraceuticals GH3 Romanian Youth Formula, marketed since at least 2001. Like
3 their other products, Defendants advertise and offer these products for sale through
4 direct mail advertising, including the *Journal of Longevity*, and through their
5 website, www.gvi.com.

6 **Lung Support Formula**

7 17. Lung Support Formula (“Lung Support”) is or was promoted as a
8 remedy for respiratory ailments, including allergies, bronchitis, emphysema, asthma,
9 and smoking damage, among others. According to the labeling and advertising,
10 Lung Support contains herbs such as ginseng extract root and ginkgo biloba
11 extract, among others, and Vitamin A, Vitamin C, magnesium, and zinc. The cost
12 to consumers for Lung Support ranges from \$29.95 for a one-month supply to
13 \$109.95 for a six-month supply. Since 1998, sales of Lung Support Formula have
14 exceeded \$37 million.

15 18. To induce consumers to purchase Lung Support, Defendants have
16 widely disseminated, or caused to be disseminated, direct mail and Internet
17 advertisements, including but not limited to the attached Exhibits A through C.
18 These advertisements contain, among other things, the following statements and
19 depictions:

20 a. **Doctors Discover 100% NATURAL Remedy That Restores**
21 **Youth**
22 **and Power To Your Lungs!**
23 **Breath easier and end...**

24 ...shortness of breath

25 ...smoking damage

26 ...chest congestion

27 ...heart problems

28 ...sinus problems

1 i. Not surprisingly, the last 20 years have seen an alarming increase in a
2 variety of breathing problems – ranging from allergies to asthma to
3 emphysema, even in non-smokers!

4 * * * * *

5 Fortunately, leading researchers have discovered a safe, natural
6 formula that dramatically alleviates these problems and helps *restore*
7 *easy breathing!*

8 Scientists at the internationally renowned nutraceutical company Gero
9 Vita have now combined the most beneficial of these ingredients into
10 one easy-to-take capsule called LUNG SUPPORT FORMULA. And
11 the results people are getting with this 100% safe and natural
12 supplement are nothing short of remarkable.

13 Exhibit B at p. 59

14 (“*You Are At Risk*” direct mail ad)

15 j. “No one can escape air pollutants, which steadily erode the
16 membranes of the respiratory system. Fortunately scientists have
17 found natural substances that protect the delicate membranes of the
18 lungs and help rejuvenate them. . . Whether a person has lung
19 problems or not, I think they should be taking LUNG SUPPORT
20 FORMULA daily.”

21 – Hans Kugler, Ph.D.

22 “LUNG SUPPORT FORMULA was carefully designed to strengthen
23 your respiratory function, in addition to the other organs that support
24 your lungs. For many people with severe breathing problems, this can
25 tremendously enhance your energy and the very essence of life’s
26 force, your breath.”

27 – Albert Lerner, M.D.

28 Exhibit B at p. 66

1 **slash your risk of death and disease.**

2 The problem has been that until recently, there wasn't a safe,
3 proven, natural way to keep your blood sugar in line.

4 All that has changed now, with the discovery of an ancient formula
5 that is so powerful it even has enabled some diabetics to throw away
6 their insulin syringes.

7 The pages that follow will help you discover how to change your
8 life and live longer and healthier with a patented, natural formula that is
9 100% safe to take with any prescription, vitamin or herb.

10 Exhibit E at p. 101

11 (*"Blood Sugar Breakthrough"* direct mail ad)

- 12 k. The safe, natural ingredients in the ancient formula have been proven
13 by modern scientific tests – and by the extraordinary stories of real
14 people – to conquer blood sugar imbalances once and for all!

15
16 What this means is that now, with this safe, natural proven and
17 *patented* formula, you can help your body better process sugar and –
18 with you doctor's approval – possibly even be through with insulin or
19 other drugs for good! This is not only possible...it is a reality for
20 many people all over the world.

21 Exhibit E at p. 107

- 22 l. Since the unique combination of natural herbs and plants in **AntiBetic**
23 is proven to work so well at regenerating pancreatic cells, your body
24 will soon be producing all the insulin you need. With normal function
25 of your pancreas restored, we expect that you may even be able to
26 stop taking **AntiBetic** for reducing blood sugar within 12 months.
27 That sure beats a lifetime of insulin shots and drugs.

28 Exhibit E at p. 110

1 f. **True Cause of Aging,**
2 **Memory Loss Pinpointed**

3 ***BREAKTHROUGH:***
4 **Scientists Develop Anti-Aging Formula That Dramatically Slows**
5 **Aging, Improves Health, Restores Energy!**

6 Exhibit H at p. 148

7 (*True Cause of Aging* direct mail ad)

8 g. Dear Reader:

9 How often have you looked into the mirror and wished you could
10 turn back the hands of time? All of us have.

11 As a medical doctor and researcher, I have witnessed the tragedy
12 and frustration that accompanies aging and the gradual loss of brain
13 and body functions.

14 Now, thanks to the following special report reprinted from the
15 pages of the prestigious *Journal of Longevity* . . . , you are about to
16 find out about the biggest anti-aging breakthrough that I have seen in
17 my entire medical career.

18 * * * * *

19 The *Journal* story . . . discuss[es] lipofuscin, a little known but
20 devastating “brown slime” that is the real cause of dementia, senility
21 and even Alzheimer’s. Then, the most exciting part of the story --what
22 can be done to overcome these problems.

23 I urge you to read this highly informative, fact-filled report ... and
24 then make a personal commitment to a long and happy life by putting
25 this vital information to work for you – today!

26 Sincerely,

27 Dr. Ron Kennedy, M.D.

28 Exhibit H at p. 149

1 h. **SENILITY EPIDEMIC – 1 in 5 Over 60 Affected**
2 **INSIDE: The Causes and How to Deter It**

3 Exhibit H at p. 163

4 i. Golden Nutrition *Award Winner*
5 Breakthrough #3 Anti-Aging

6
7 **Stunning new discovery stops “runaway enzyme” that causes**
8 **premature aging and memory loss**

9 *by Ernest Michaels, senior science editor and specialist in reporting*
10 *on age-related illness*

11
12 *Do you worry about the prospect of developing Alzheimer’s or*
13 *some other kind of memory disorder as you grow older?*

14
15 *Are you aware of the link between age spots on your skin and*
16 *mental problems like senility and dementia?*

17 * * * * *

18 Based on an exclusive rejuvenation treatment **originally developed**
19 **for the ultra-rich clients of a famous European anti-aging clinic,**
20 a prominent American researcher recently made a revolutionary
21 breakthrough that can:

- 22 • Boost brain power
23 • Fight senility, dementia and Alzheimer’s
24 • Maintain mental and physical fitness
25 • Make age spots disappear
26 • Tighten and smooth sagging skin

27 Exhibit I at p. 173

28 (“*New Life Nutrition Magazine*” direct mail ad)

1 **DECEPTIVE ACTS OR PRACTICES**

2 **IN VIOLATION OF THE FTC ACT**

3 **COUNT I**

4 **Unlawful Claims for Lung Support**

5 29. Through the means described in Paragraph 18, including through the
6 statements contained in the advertisements attached as Exhibits A through C,
7 Defendants have represented, expressly or by implication, that Lung Support:

- 8 a. Cures or significantly alleviates lung diseases and respiratory
9 problems, including allergies, asthma, colds, influenza, bronchitis,
10 sinus problems, chest congestion, emphysema, smoking damage, and
11 shortness of breath;
- 12 b. Reverses existing lung damage in persons with emphysema and
13 significantly improves their breathing;
- 14 c. Prevents breathing problems for many persons who do not have
15 existing respiratory problems; and
- 16 d. Is clinically proven to eliminate or cure allergies, asthma, colds,
17 influenza, bronchitis, sinus problems, chest congestion, emphysema,
18 smoking damage, and shortness of breath.

19 30. The representations set forth in Paragraph 29 are false or were not
20 substantiated at the time the representations were made. Therefore, the making of
21 the representations set forth in Paragraph 29 constitutes a deceptive practice, and
22 the making of false advertisements, in or affecting commerce, in violation of
23 Sections 5(a) and 12 of the FTC Act, 15 U.S.C. §§ 45(a) and 52.

24 **COUNT II**

25 **Unlawful Claims for AntiBetic**

26 31. Through the means described in Paragraph 20, including through the
27 statements contained in the advertisements attached as Exhibits D and E,
28 Defendants have represented, expressly or by implication, that AntiBetic:

- 1 a. Can cure Type I and Type II diabetes;
2 b. Is an effective or superior alternative to insulin or other diabetes
3 medications for the treatment of Type I and Type II diabetes; and
4 c. Is clinically proven to regenerate or repair the pancreatic beta cells that
5 produce insulin and to lower blood sugar levels in persons with
6 diabetes.

7 32. The representations set forth in Paragraph 31 are false or were not
8 substantiated at the time the representations were made. Therefore, the making of
9 the representations set forth in Paragraph 31 constitutes a deceptive practice, and
10 the making of false advertisements, in or affecting commerce, in violation of
11 Sections 5(a) and 12 of the FTC Act, 15 U.S.C. §§ 45(a) and 52.

12 **COUNT III**

13 **Unlawful Claims for G.H.3 Products**

14 33. Through the means described in Paragraph 22, including through the
15 statements contained in the advertisements attached as Exhibits F through J,
16 Defendants have represented, expressly or by implication, that:

- 17 a. G.H.3 reverses and prevents age-related memory loss, dementia, and
18 Alzheimer's disease;
19 b. Persons who use G.H.3 or Theraceuticals GH3 can live 29% longer;
20 and
21 c. G.H.3 is clinically proven to prevent and reverse age-related memory
22 loss, dementia, and Alzheimer's disease.

23 34. The representations set forth in Paragraph 33 are false or were not
24 substantiated at the time the representations were made. Therefore, the making of
25 the representations set forth in Paragraph 33 constitutes a deceptive practice, and
26 the making of false advertisements, in or affecting commerce, in violation of
27 Sections 5(a) and 12 of the FTC Act, 15 U.S.C. §§ 45(a) and 52.

1 **COUNT IV**

2 **Unlawful Claims for ChitoPlex**

3 35. Through the means described in Paragraph 24, including through the
4 statements contained in the advertisements attached as Exhibits I and K,
5 Defendants have represented, expressly or by implication, that ChitoPlex:

- 6 a. Enables consumers to lose substantial weight without the need for a
7 restricted calorie diet or exercise;
- 8 b. Enables consumers to reverse obesity; and
- 9 c. Is proven to cause weight loss based on a 1994 double-blind,
10 placebo-controlled chitosan study conducted in Finland that resulted
11 in the chitosan subjects losing an average of fifteen pounds in four
12 weeks while consuming their normal diet.

13 36. The representations set forth in Paragraph 35 are false or were not
14 substantiated at the time the representations were made. Therefore, the making of
15 the representations set forth in Paragraph 35 constitutes a deceptive practice, and
16 the making of false advertisements, in or affecting commerce, in violation of
17 Sections 5(a) and 12 of the FTC Act, 15 U.S.C. §§ 45(a) and 52.

18 **COUNT V**

19 **Unlawful Claims for Testorex**

20 37. Through the means described in Paragraph 26, including through the
21 statements contained in the advertisement attached as Exhibit L, Defendants have
22 represented, expressly or by implication, that Testorex:

- 23 a. Is effective in treating impotence or erectile dysfunction in 62-95% of
24 users; and
- 25 b. Is safe and has no harmful side effects.

26 38. The representations set forth in Paragraph 37 are false or were not
27 substantiated at the time the representations were made. Therefore, the making of
28 the representations set forth in Paragraph 37 constitutes a deceptive practice, and

1 **COUNT VIII**

2 **Deceptive Representations Regarding the Council on Natural Nutrition**

3 43. Through the means described in Paragraphs 22(i) and 24(a) and (b),
4 Defendants have represented, expressly or by implication, that the Council on
5 Natural Nutrition is an independent organization that has expertise in the
6 examination and evaluation of nutritional health products, and that the Council
7 conferred its exclusive Golden Nutrition Award on three of Defendants' products,
8 including G.H.3 and ChitoPlex, based upon its senior scientific editors'
9 independent, objective, and valid examination and evaluation of thousands of
10 nutritional health products, using procedures generally accepted by experts in the
11 relevant fields to yield accurate and reliable results.

12 44. In truth and in fact, the Council on Natural Nutrition is not an
13 independent organization that has expertise in the examination or evaluation of
14 nutritional health products, and it did not confer its exclusive Golden Nutrition
15 Award on Defendants' products, including G.H.3 and ChitoPlex, based upon its
16 senior scientific editors' independent, objective, and valid examination and
17 evaluation of thousands of nutritional health products, using procedures generally
18 accepted by experts in the relevant fields to yield accurate and reliable results. The
19 Council on Natural Nutrition was established by the Defendants and has been used
20 by the Defendants for the purpose of selling their products. In addition, the
21 Council on Natural Nutrition does not have a staff of "senior scientific editors" with
22 expertise in evaluating health-related products. In fact, at least one of the Council
23 on Natural Nutrition "senior scientific editors" is or was an employee of Defendants
24 with no scientific training in the examination or evaluation of nutritional health
25 products. Therefore, the making of the representations set forth in Paragraph 43
26 constitutes a deceptive practice, and the making of false advertisements, in or
27 affecting commerce, in violation of Sections 5(a) and 12 of the FTC Act, 15
28 U.S.C. §§ 45(a) and 52.

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