

IN THE MATTER OF

JAMES R. WYATT

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SEC. 5 OF THE FEDERAL TRADE COMMISSION ACT*Docket C-3511. Complaint, July 27, 1994--Decision, July 27, 1994*

This consent order prohibits, among other things, the owner of the Wyatt Marketing Corporation from distributing an infomercial, from making false claims regarding a book on the availability of government grants and loans, and from making or selling any commercial that misrepresents it as an independent program, rather than a paid advertisement. The respondent is required to have a disclosure statement for any commercial 15 minutes or longer, and to have substantiation for future claims regarding the availability of grants, loans or other benefits from any source, the terms or conditions of getting government loans or grants, and methods for starting or operating a business.

Appearances

For the Commission: *Michael J. Bloom* and *Donald G. D'Amato*.

For the respondent: *Glenn W. Peterman, McDonough, Holland & Allen*, Sacramento, CA.

COMPLAINT

The Federal Trade Commission, having reason to believe that Wyatt Marketing Corporation, Inc., a corporation, and James R. Wyatt, individually and as an officer and director of said corporation, (hereinafter, collectively, "respondents"), have violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, alleges:

PARAGRAPH 1. Respondent Wyatt Marketing Corporation, Inc. (formerly doing business as James R. Wyatt & Associates, Inc. and Cornerstone Publishing) is a California corporation that has had its principal office or place of business at 4231 Pacific Street, Suite 4, Rocklin, California.

PAR. 2. Respondent James R. Wyatt, at all times pertinent herein, has been an officer and director of respondent Wyatt

Marketing Corporation, Inc. Individually or in concert with others, he has formulated, directed, and controlled the acts and practices of the corporate respondent, including the acts and practices alleged in this complaint. His principal office or place of business has been the same as that of the corporate respondent.

PAR. 3. Respondents have manufactured, advertised, labeled, offered for sale, sold, and distributed various materials that are represented to feature information on obtaining government benefits to start a new business, to obtain money for college, or to save on taxes including but not necessarily limited to a book, entitled 101 Ways to Get Cash From the Government (hereinafter also referred to as the "Government Benefits Book."

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

COUNT I

PAR. 5. Respondents have disseminated or have caused to be disseminated advertisements for the Government Benefits Book, including but not necessarily limited to a 30-minute advertisement that appears in the form of a talk show entitled "Focus on Success" (hereinafter also referred to as the "Government Benefits Infomercial"), a complete transcript of which is attached hereto as Exhibit A. These advertisements contain the following statements:

[James Wyatt]

". . . there's a program called, through the United States Department of Agriculture, through what they call their Farmers Home Administration agency and they've got a program to where you can qualify for a house for 0 down and 1 percent interest, and I as a general contractor have built 3,000 of those homes and sold them to people back in America. Zero percent down and 1 percent interest. So it's not a fluke. As a matter of fact, this year, I think the government, in that particular agency, the Farmers Home Administration, has a \$5.7 billion program strictly for housing of people. You can buy a single family home as well as apartments."

[George Reading]

"So its not a fluke?"

(James Wyatt)

"No."

[George Reading]

"I heard you right - 0 percent down; 1 percent interest?"

[James Wyatt]

"For 32 years, 31 days."

(Exhibit A)

