

UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION

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In the Matter of	)	
	)	
CMO DISTRIBUTION CENTERS OF AMERICA, INC.,	)	DOCKET NO.
a corporation, and	)	
	)	
KALON SAMULONIS,	)	
individually and as an officer	)	
of the corporation.	)	

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COMPLAINT

The Federal Trade Commission, having reason to believe that CMO Distribution Centers of America, Inc. and Kalon Samulonis, individually and as an officer of the corporation, 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 CMO Distribution Centers of America, Inc. is incorporated in the States of Florida and Michigan and maintains its principal place of business at 6479 Parkland Drive, Sarasota, FL 34243.
2. Respondent Kalon Samulonis is the President of the corporate respondent. He formulates, directs, and controls the acts and practices of the corporate respondent, including the acts and practices alleged in this complaint. His principal office or place of business is the same as that of the corporate respondent.
3. Respondents have promoted, offered for sale, sold, and distributed to the public products containing a substance described as cetylmyristoleate, cerasomal-cis-9-cetylmyristoleate, cetyl myristoleate, or CMO, including products identified with the name "CMO™" [hereinafter referred to collectively as "CMO"]. These products are "foods" and/or "drugs" within the meaning of Sections 12 and 15 of the Federal Trade Commission Act.
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.
5. Respondents have disseminated or have caused to be disseminated advertisements or promotional materials for products containing CMO, including but not necessarily limited to the

attached Exhibits A and B. Advertisements for respondents' CMO products have been disseminated through, among other media, a web site on the Internet. These advertisements and promotional materials contain the following statements:

A. **Arthritis Treatment  
Breakthrough**

**[Depiction of  
Product  
Container]**

\* \* \*

The purpose of this web site is to give you the opportunity to learn about the arthritis treatment breakthrough called CMO™. It is being hailed by doctors, the media and its users as the cure for arthritis. It has taken 26 years to develop CMO™ and make it available to the public. We urge you to explore this site and learn about this revolutionary new substance.

\* \* \*

### **CMO... THE DISCOVERY**

In 1971, the predecessor of CMO™ capsules, was first discovered by a researcher at the National Institutes of Health. . . Eventually he discovered that when this substance was injected near the joints of lab animals it protected them from arthritis. Many years later he contracted arthritis himself. After his doctor could provide no further relief through conventional medicine, he successfully injected himself to permanently reverse his arthritic condition.

\* \* \*

**[Depiction of  
Scientist]**

The San Diego Clinic did the first clinical study on CMO™. That study proved CMO™ to be of great benefit to osteo, rheumatoid and reactive arthritis. Subsequent data proves its value for nearly all other forms of arthritis except gouty arthritis.

\* \* \*

### **HOW IT WORKS**

In their October 28, 1996 issue, Time magazine reported on the three most promising developments in arthritis research. The scientists participating in all three projects are intensely focused on intervening in the immune system's involvement in the arthritic

process. According to doctors, that is exactly what CMO™ does. It corrects the disease at the source in the immune system. Dr. Len Sands the director of the San Diego Clinic says: “Unlike everything else made for arthritis, you don’t have to take it over and over again. CMO™ is not a pain reliever, anti-inflammatory, cortisone or other steroid. CMO™ is an immunomodulator, it regulates your immune system. There’s never been anything like it before for arthritis. Instead of treating the symptoms of pain and inflammation, CMO™ capsules act directly against the cause of arthritis, the memory T-cells in your immune system that create the attacks against your joints. Once the error in your immune system is corrected by CMO™, the attacks on your joints stop and the pain and inflammation should be relieved forever. Once the problems are corrected, they stay corrected and you no longer need CMO™ or other arthritis remedies.”

### **WHY IT IS DIFFERENT**

CMO™ is not a conventional product. There’s never been anything like it before. It’s not a pain reliever, herb or anti-inflammatory. CMO™ is a natural immunomodulator. It has the unique ability to normalize the immune system. CMO™ acts directly to regulate and normalize the malfunctioning immune system and stop the arthritic process itself. Once that occurs, the destruction stops, and the pain and inflammation are automatically relieved. Your body then has a chance to heal itself and return to normal.

\* \* \*

CMO is:

#### **FAST**

##### **LASTING RELIEF IS JUST A FEW DAYS AWAY**

Most users report significant relief in two weeks or less. Even in severe cases it rarely takes longer than 21 days.

#### **EASY**

##### **ONLY ONE SET OF ORAL CAPSULES**

Take three capsules in the morning and then again at night for 16 days, then say goodbye to the problems of arthritis. Only one bottle is all that is needed in most cases.

#### **SAFE**

##### **NO SIDE EFFECTS**

CMO™ is not like the many medicines for arthritis that are toxic. CMO™ is not even like the several types of vitamins that are toxic at high levels. CMO™ has been tested and shown to have no ill effects whatsoever. To date thousands upon thousands of people

have used CMO™ to relieve the symptoms of arthritis and there are no reported ill effects from anyone.

## **EFFECTIVE**

### **IT WORKS FOR ALMOST EVERYONE**

It works for both osteoarthritis and rheumatoid arthritis. It works for all other types of arthritis except gouty arthritis. CMO™ has been effective on nearly everyone that does not have severe liver damage. CMO™ almost always provides relief of pain, swelling and return of mobility. In the clinical studies they found a few cases that only received 70% to 100% relief. Relief provided by CMO™ was invaluable and the subjects were able to return to a normal life.

## **NATURAL**

### **DRUG FREE PAIN RELIEF**

CMO™ is the commercial name for cerasomal-cis-9-cetylmyristoleate. It is naturally derived from beef. Similar substances have long been used in common foods including cheese and chocolate. This treatment is accepted by the modern medical community. It is natural, drug free and non-toxic.

## **PERMANENT**

### **TAKE CMO™ ONLY ONCE**

One bottle of capsules is all you should ever need for relief from the symptoms of arthritis for the rest of your life. Most affected persons need to take CMO™ for only a couple of weeks. No further treatment or medicines are needed, not even CMO™. Once CMO™ has done it's work stopping arthritis the benefits continue for long periods of time as your body repairs and reverses the damage done by arthritis.

\* \* \*

### **What do doctors say about CMO?**

**Dr. Douglas** wrote in his newsletter: "A New Miracle Cure for Arthritis ...now we have a new star on the horizon that promises as much (or more) than the old sure-cures."

**Dr. Muller** of Ferndale, Mich. says there's a cure. He knows, he's taken it. Dr. Muller had osteoarthritis for 30 years. Bravely he forged ahead into the naturopathic remedy and tried CMO™. Dr. Muller is no longer troubled by arthritis.

**Dr. Hunt** was so impressed by CMO™ he wrote a book called "Boom, You're Well". In that book he says: "...rheumatoid arthritis damages tissues, causes extreme suffering, and premature death. ...If you have rheumatoid arthritis, or you know someone who has it, then you know I am reporting a miracle ... A MIRACLE."

**Dr. Sands** the director of the San Diego Clinic knows there's a cure. He's taken it and now he says, "I was rescued from arthritis". In fact that is the name of his forthcoming book about CMO™. In that book he says, "The arthritic process can be halted. Arthritis can be reversed. The pain and inflammation can be relieved. And it's all been done without any harmful side effects."

### **What is the media saying about CMO?**

**Books, Television News, Radio Health Talk Shows, Medical Newsletters and Scientific Journals all report CMO™ to be a revolutionary breakthrough!**

\* \* \*

### **What are people saying about CMO?**

"It's a miracle! Ten years with arthritis ... three in a wheelchair ... and now I've got a completely normal life again. Just watch me make up for lost time."

\* \* \*

"Even as a doctor, I find CMO™ miraculous. It cured my knee problems, and it's performing every bit as well for my patients, too. I've seen several 'miracle cures' already."

"After nine years of crippling pain, I can't believe I'm actually skiing again. CMO™ is truly incredible."

\* \* \*

"Imagine my agony. I was a professional athlete all my life. CMO™ gave me back my life. Even knee surgery didn't do that for me. It's amazing how CMO™ ended up fixing all my joints."

### **FREQUENTLY ASKED QUESTIONS**

The following questions were answered by the doctors, staff and research associates of the San Diego Clinic:

\* \* \*

#### **Will it correct deformities?**

Yes. Deformed fingers and toes are often caused by inflammation which swells joints and pushes the bones out of place. Reduction of the swelling alone improves appearance dramatically and often allows the dislocated bones to return to their normal positions. Extreme cases may require some physical therapy.

#### **What about really severe cases?**

Even most persons previously confined to bed or to wheelchairs have responded dramatically and are now no longer dependent on others for care. A number of these cases received additional benefit from repeating the treatment one more time...

\* \* \*

**Is it expensive?**

The cost of the treatment is very modest. Most arthritis victims are already spending more on pain and anti-inflammation medications in just a few months. Since you usually need to take only one set of CMO capsules, it actually saves thousands of dollars in the long run.

\* \* \*

**Is CMO used for any other ailments?**

Current studies include CMO as a part of therapeutic protocol for other disorders with autoimmune components including multiple sclerosis, leukemia, lupus, emphysema, certain cancers, benign prostrate hyperplasia, silicon breast disease, and especially asthma.

\* \* \*

**ORDERING**

\* \* \*

**Toll free in the US: 1-800-909-CURE**

\* \* \*

**Manufacturers Statement**

Modestly speaking, CMO™ is a revolutionary new product. CMO™ is naturally derived, it is sold only as a dietary supplement not intended to treat, cure, or diagnose any disease.

[Exhibit A, <http://home.earthlink.net/~cmocure/cmocure/>]

**B. Letter of Introduction**

\* \* \*

This site contains exciting information about a naturally derived substance called CMO. It is being hailed by it's users, doctors and the media as the cure for arthritis...

**[Depiction of  
Product  
Container]**

CMO has been clinically tested and found to relieve the symptoms of virtually all forms of arthritis except gouty arthritis. CMO is a one time treatment consisting of 100 capsules taken orally over a period of 16 days. The benefits of CMO should last a lifetime. CMO is reported to be effective on 80% of the people who have used it as a dietary supplement. In clinical studies with a controlled diet, CMO has been reported to be effective on 96% of the people who have used it. CMO can benefit almost everyone who suffers from arthritis with just one treatment. The treatment program is fast, easy, safe and very effective. CMO can halt arthritis and prevent future pain, swelling and stiffness. CMO can rescue someone from the physical damage that a future with arthritis holds.

\* \* \*

### **The History and Discovery of CMO**

\* \* \*

With the research concluded, effectiveness improved, medical community acceptance, imposters and counterfeiters in check, the television commercial finished, the books written, and the distribution arranged, CMO can finally finish it's 26 year long journey from the point of discovery to benefit the general public.

\* \* \*

### **Who says there's a cure for arthritis?**

#### **Time Magazine**

As we mentioned earlier in the CMO Information section, in their October 28, 1996 issue, Time magazine reported on the three most promising developments in arthritis research. The scientists participating in all three projects are intensely focused on intervening in the immune system's involvement in the arthritic process.

According to doctors that is exactly what CMO does. It corrects the disease at the source in the immune system and doesn't require a lifetime maintenance program.

\* \* \*

### **What will cure arthritis?**

Dr. Jason Theodosakis' book *The Arthritis Cure* gives the impression that glucosamine and chondroitin sulfate are the cure for arthritis. In fact neither of those substances have any effect on arthritis...Even the Arthritis Foundation says *The Arthritis Cure* is not recommended and they cannot recommend glucosamine and chondroitin sulfate as a treatment for osteoarthritis or any other form of arthritis.

\* \* \*

Speaking of the Arthritis Foundation, they will neither confirm, nor deny that CMO is the cure for arthritis. We are aware of several cases where CMO was presented members of the AF. In turn, they were cured and presented CMO to AF staff. To this day, despite the fact that CMO has cured some of their members, the only official comment the AF has made, was to suggest that when taking CMO, you should consult your physician before reducing steroids or other medications.

According to doctors, clinical studies, users and the media, CMO would certainly seem like the most likely candidate to be given the true title being of a “cure” for arthritis. When asking Dr. Sands if CMO is the only cure for arthritis he replies:

“According to the Journal of Rheumatology (1993; 20:137-140) bone marrow transplants seem to have succeeded in curing two cases of arthritis.”

\* \* \*

### **Research**

CMO Distribution Centers of America in conjunction with the San Diego Clinic act as a clearing house for all the latest information on CMO. With this joint research effort, a network of communication is established between all medical professionals and distributors. This allows for up to the minute information sharing. This will facilitate the application of CMO to uses other than for arthritis. Currently, studies for the use of CMO on other auto-immune diseases are in progress. It is hoped that the Lupus Foundation will conduct one such study. We have offered to fund the protocol.

Current studies of CMO as a part of therapeutic protocol for other diseases include asthma, scleroderma, fibromyalgia, lupus, emphysema, certain cancers, and benign prostrate hyperplasia.

\* \* \*

### **Case Histories**

#### **Condensed Highlights From Case Histories Recorded By The San Diego Clinic**

\* \* \*

#### **From case history #33**

Medical Doctor. Auto wreck ten years earlier damaged hip, caused limp and arthritis. CMO relieved pain permanently in one day for the first time after many years. The limp problem is irreparable. Ordered CMO for his patients.

\* \* \*

#### **From case history #24**

Female. Age 50. Family history of arthritis. Pain in shoulders. Severe pain, limited mobility, and gross swelling in hands and fingers. By the third day of CMO, hands were free of pain, mobility had increased immensely, and finger swelling decreased so dramatically she had to have all her rings re-sized. Repeated treatment three weeks later. Totally free of pain and inflammation since. For the first time in many years, she was recently delighted to experience a pain-free skiing holiday.

\* \* \*

**From case history #11**

Male. Age 58. Ex football player. Clinically obese. Had knee surgery three times about 15 years ago. Had extreme pain upon lying down. Often slept in a recliner chair instead. With his first evening dose of CMO capsules, he slept soundly and arose the next morning completely free of pain. He has enjoyed continuing pain-free remission ever since the first day.

\* \* \*

**From case history #32**

Female. Age 66. Rheumatoid arthritis rendered hands useless, gnarled, inflexible, agonizingly painful six years ago. Pain relieved and full use of hands restored after five days of CMO.

\* \* \*

**Suggested Use**

\* \* \*

**Methotrxate:**

. . .Request that your doctor allow you to discontinue these drugs for at least one week prior to starting CMO. Consult with your physician before making any changes to your current medications.

**Steroids:**

. . .If you are taking cortisone or other steroids, advise your doctor that it would be better to avoid them or reduce their dosage levels. If not ask him about taking half doses. Then as your pain disappears you may request that he discontinue them completely. Consult with your physician before making any changes in your current medications.

\* \* \*

**Marketing & Sales  
Market Information**

\* \* \*

Current studies of CMO as a part of therapeutic protocol for other diseases include asthma, scleroderma, fibromyalgia, lupus, emphysema, certain cancers, and benign prostrate hyperplasia. The CMO Distribution Centers and San Diego Clinic team have dedicated themselves to that research and the results will expand the market potential of CMO to other diseases.

[Exhibit B, <http://home.earthlink.net/~cmocure/cmo/>]

6. Through the use of the web site address “cmocure,” the use of the telephone number “1-800-909-CURE,” and the means described in Paragraph 5, respondents have represented, expressly or by implication, that:

- A. CMO is effective in the mitigation, treatment, prevention, and cure of all forms of arthritis, except gouty arthritis.
- B. CMO relieves all symptoms of arthritis, including pain, impaired mobility, swelling, and deformity.
- C. CMO is as effective as, or superior to, prescription medications for the treatment of arthritis and the relief of arthritis symptoms.
- D. CMO is effective in the treatment of multiple sclerosis, leukemia, lupus, emphysema, cancer, benign prostate hyperplasia, silicone breast disease, asthma, fibromyalgia, and scleroderma.
- E. CMO is completely safe and without harmful side effects, even at extremely high doses.

7. Through the means described in Paragraph 5, respondents have represented, expressly or by implication, that “case histories” and testimonials from consumers appearing in the advertisements or promotional materials for respondents’ CMO products reflect the typical or ordinary experience of members of the public who use the products.

8. Through the use of the web site address “cmocure,” the use of the telephone number “1-800-909-CURE,” and the means described in Paragraph 5, respondents have represented, expressly or by implication, that they possessed and relied upon a reasonable basis that substantiated the representations set forth in Paragraphs 6 and 7, at the time the representations were made.

9. In truth and in fact, respondents did not possess and rely upon a reasonable basis that substantiated the representations set forth in Paragraphs 6 and 7, at the time the representations were made. For example, studies have not examined the efficacy of the ingredients in respondents’ CMO products in the prevention or cure of arthritis; or in comparison to prescription medications for the treatment of arthritis or the relief of arthritis symptoms; or in the treatment of multiple sclerosis, leukemia, lupus, emphysema, cancer, benign prostate hyperplasia, silicone breast

disease, asthma, fibromyalgia, or scleroderma. In addition, there is insufficient information available to determine the reliability of other purported studies or the applicability of such studies to the respondents' products. Therefore, the representation set forth in Paragraph 8 was, and is, false or misleading.

10. Through the means described in Paragraph 5, respondents have represented, expressly or by implication, that:

- A. Clinical studies prove that CMO is a safe and effective treatment for virtually all forms of arthritis except gouty arthritis.
- B. CMO is accepted by the medical community.
- C. *Time* magazine reported in its October 28, 1996 issue that CMO™ is one of the most promising developments in arthritis research.
- D. The Arthritis Foundation has not commented on CMO, except to suggest that when taking CMO, patients should consult their physicians before reducing steroids or other medications.

11. In truth and in fact,

- A. CMO has not been proved in clinical studies to be a safe and effective treatment for virtually all forms of arthritis except gouty arthritis.
- B. CMO is not accepted by the medical community.
- C. *Time* magazine did not report in its October 28, 1996 issue that CMO™ is one of the most promising developments in arthritis research.
- D. The Arthritis Foundation has not refrained from comment on CMO. In its Public Information Memo, P.I. Memo 97-07 (Oct. 31, 1997), the Arthritis Foundation stated:

The Arthritis Foundation cannot recommend cerasomal-cis-9-cetylmyristoleate and related products as a treatment for any form of arthritis. . . Cerasomal-cis-9-cetylmyristoleate and related products are an unproven remedy. . . People with arthritis should seek proper medical care from their family physician or a rheumatologist. They should check with their doctor before self-treating with unproven remedies claimed to help arthritis. . . People on medications such as corticosteroids or methotrexate should be especially cautious about using cerasomal-cis-9-cetylmyristoleate and related products and consult their physician.

Therefore, the representations set forth in paragraph 10 were, and are, false or misleading.

12. 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 \_\_\_\_ day of \_\_\_\_\_, 2000, has issued this complaint against respondents.

By the Commission.

Donald S. Clark  
Secretary

SEAL