

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Case No.

FEDERAL TRADE COMMISSION,)
)
Plaintiff)
)
v.)
)
STOCK VALUE 1, INC., a/k/a SV1, and)
DEBORAH JENKINS,)
)
Defendants.)
_____)

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

Plaintiff, the Federal Trade Commission (“Commission” or “FTC”), by its undersigned attorneys, alleges as follows:

1. This is an action under Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b), to secure a permanent injunction and other equitable relief against Defendants for their deceptive acts or practices and false advertisements in connection with the advertising, marketing, and sale of purported electromagnetic radiation-blocking cellular telephone patches called “No Danger” and “SafeTShield” in violation of Sections 5(a) and 12 of the FTC Act, 15 U.S.C. §§ 45(a) and 52.

JURISDICTION AND VENUE

2. This Court has subject matter jurisdiction over Plaintiff’s claim pursuant to 28 U.S.C. §§ 1331, 1337(a) and 1345, and 15 U.S.C. §§ 45(a), 52 and 53(b).

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

PLAINTIFF

4. Plaintiff FTC is an independent agency of the United States Government created by statute. 15 U.S.C. §§ 41-58. The FTC enforces Sections 5(a) and 12 of the FTC Act, 15 U.S.C. §§ 45(a) and 52, which prohibit, respectively, deceptive acts or practices, and false advertisements for food, drugs, devices, services, or cosmetics, in or affecting commerce. The FTC may initiate federal district court proceedings to enjoin violations of the FTC Act, and to secure such equitable relief as may be appropriate in each case. 15 U.S.C. § 53(b).

DEFENDANTS

5. Defendant Stock Value 1, Inc. (“SV1”) is a Delaware corporation with its principal place of business located at 1600 South Dixie Highway, Suite 400, Boca Raton, Florida, 33432. It markets devices intended to block electromagnetic energy emitted from cellular and cordless phones. SV1 transacts business in the Southern District of Florida.

6. Defendant Deborah Jenkins (“Jenkins”) is the President of SV1. Her principal office or place of business is the same as that of SV1. In connection with the matters alleged herein, Jenkins transacts business in the Southern District of Florida. At all times material to this complaint, Jenkins individually or in concert with others, formulated, directed, controlled, or participated in the policies, acts, or practices of SV1, including the acts or practices alleged in this complaint.

COMMERCE

7. The acts and practices of Defendants as alleged herein are in or affecting commerce, as “commerce” is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

DEFENDANTS’ COURSE OF CONDUCT

8. Since at least 1999, and continuing thereafter, Defendants have marketed products that purportedly block electromagnetic energy emitted from cellular and cordless telephones to consumers throughout the United States. Defendants have marketed these products under the names “NoDanger” and “SafeTShield.” These products consist of metallic fiber patches that are placed over the earpieces of cellular and cordless telephones.

9. Defendants sold NoDanger from approximately mid-1999 to November 2000. Defendants have sold SafeTShield since June 2000.

10. Defendants advertise, promote, offer for sale, sell and distribute NoDanger and SafeTShield to consumers throughout the United States by means of television, print, radio and Internet advertisements, including but not limited to the attached Exhibits A through H.

11. To induce consumers to purchase NoDanger and SafeTShield, Defendants disseminated or caused to be disseminated advertisements and promotional materials for NoDanger and SafeTShield which include, among others, the following statements and depictions:

a. (Exhibit A: Webpage for “NoDanger”)

[Depictions: A photograph of a mobile telephone being dialed, two photographs of people using mobile telephones, and a diagram showing a mobile phone with concentric circles radiating out from the earpiece. In the diagram, an arrow points from the telephone earpiece to a cutaway diagram of the human ear, with more arrows pointing towards the brain.]

It Does What The Name Implies!

'NoDanger' is proven to protect the soft tissue of the ear ducts by filtering out 99% of the Electromagnetic waves emitted from the ear piece of mobile phones up to a frequency of 2,000 MHz.

b. (Exhibit B: Packaging for "NoDanger")

Why take chances with your cellular
and cordless phones?

Capable of blocking
99% of harmful
electromagnetic waves
up to 2,000 MHz

The only effective shield preventing harmful electromagnetic waves
from penetrating the brain through the ear ducts

[Depictions: A diagram showing concentric circles radiating out from the earpiece of a mobile phone, with arrows pointing into a cutaway diagram of the human ear and then into the center of a drawing of a human head.]

The electromagnetic waves (EM waves) generated from the mobile phone network are transmitted throughout the phone's entire surface, and therefore, cannot be eliminated. Our brain is protected by the skull and the only unprotected areas are the ear ducts. "No Danger"TM protects the soft tissue of the ear ducts from the EM waves penetrating the brain.

The Japanese testing authority, KEC, confirms that "No Danger"TM is able to filter 99% of the EM waves emitted from the earpiece of cellular phones up to a frequency of 2,000MHz (i.e. GSM, CDMA, TDMA and PCS cellular networks plus all indoor cordless telephones.

c. (Exhibit C: Radio advertisement for "NoDanger")

You've heard about the potential dangers of wireless phones and electromagnetic radiation on the news and the T-V show 20-20. Now there's hope for a defense against these potentially potent microwave energies.

The No Danger phone shield helps block electromagnetic energy while using your cell phone and even cordless phone at home! . . . No Danger blocks ninety-nine percent of the waves reaching your brain through your ear canal.

d. (Exhibit D: Webpage for “SafeTShield”)

[Depictions: A photograph of a mobile telephone earpiece with the SafeTShield applied over the speaker, and three photographs of people using mobile telephones.]

The EM waves from your wireless phone may induce health hazards.

‘SafeTShield’™ . . . is able to block up to 99% of the EM waves emitted from the earpiece of cellular and cordless phones up to a frequency of 2000MHz.

e. (Exhibit E: Webpage for “SafeTShield”)

‘SafeTShield’™ is an electromagnetic phone shield which prevents up to 99% of the potentially harmful electromagnetic waves from penetrating the brain through the ear canal. . . .

Relative to mobile phone technology, electromagnetic waves are ‘disturbances’ or electric force fields (communication frequencies) required to establish the connections to and with mobile phones. These electromagnetic waves are regarded as harmful to the human body, and may cause brain cancer or leukemia. Some household products, such as microwave ovens, computer monitors, and cordless phones, also produce electromagnetic waves.

‘SafeTShield’™ prevents electromagnetic waves from penetrating the brain through the ear duct. . . .
‘SafeTShield’™ blocks up to 99% of the electromagnetic waves from penetrating the brain through the ear canal.

‘SafeTShield’™ is attached right onto the earpiece of the cellular and cordless phone, thereby preventing electromagnetic waves from penetrating the brain through the ear canal. And, unlike other products, it is using [sic] scientifically proven materials formerly used only by the military. . . .

C Filters up to 99% of EM waves from reaching the brain through the ear canal, up to a frequency of 2000 MHz.

f. (Exhibit F: Webpage for “SafeTShield”)

The Most Comprehensively Tested PCMF™* Technology Available As a Highly Effective ElectroMagnetic Radiation (EMR) Shielding Device For Cellular And Cordless Phones.

*PCMF™ (PolyCarbon Metallic Fiber) is a trademark product technology of SV1

TEST & CERTIFICATION AGENCIES** : (To Date: August, 2000)

C S.A.R. TEST; Czech Technical University, Prague, Electrotechnics Institute (Performance Tested

Effective for Recommendation, Completed 2000).

- C Global Certification Laboratories Ltd, USA (Tested Effective, July 2000.)
- C Coghill Research Laboratories; (Tested Effective, U.K., 2000)
- C KEC Japan (Tested Effective, 2000)
- C TÜV Germany Certification (Effective July 2000)
- C CE Approved

Additional Testing & Performance programs for SafeTShield™ are ongoing at various Internationally Recognized Laboratories & Government Testing Agencies. . . .

g. (Exhibit G: Television advertisement for “SafeTShield”)

We've all used microwaves to heat up food in the kitchen but you wouldn't stick your head in a microwave oven, would you? Your cell phone uses similar technology. So, when you make a call, electromagnetic waves can be transmitted directly to your brain. But now there's Safe-T-Shield. The unprotected inner ear cannot stop this potentially damaging radiation from reaching the brain. Safe-T-Shield filters up to 99 percent of the emissions that reach the brain through the ear canal during cellular and cordless phone use.

* * *

Leading scientists have warned that cell phones can trigger a range of neurological disorders and even cancer. Protect your health and the health of your family. Get Safe-T-Shield for all your phones today!

h. (Exhibit H: Packaging for “SafeTShield”)

[Front of Packaging:]

ElectroMagnetic Radiation Shield for Cellular Phones

Protection You Can Not Afford To Be Without

C Filters up to 99% of the Potentially Harmful EM Radiation Emitted From the Ear Piece of Cellular Phones.

C Tested Safe and Effective by Internationally Respected Laboratories and Independent Research Groups.

‘FOR YOUR GOOD HEALTH & SAFETY www.safetshield.com.’

[Rear of packaging:]

[Depiction of a cross-section of a human head with colored bands penetrating from the ear almost to the center of the head.]

BEFORE**

Without SafeTShield

*The Ear Canal Has No Protection and You Risk Exposure to 100% of EMR (*ElectroMagnetic Radiation*) Emitted From the Earpiece of Cellular and Cordless Phones.

[Depiction of a cross-section of a human head with colored bands penetrating only slightly into the head.]

AFTER**

With SafeTShield

Filters up to 99% of the EMR (*ElectroMagnetic Radiation*) Emitted From the Earpiece of Cellular Phones. A dramatic reduction of potentially harmful ElectroMagnetic Radiation.

12. Defendants charged \$19.95 to \$24.95 for NoDanger and SafeTShield. Defendants offered for sale and sold NoDanger and SafeTShield to consumers throughout the United States.

DEFENDANTS’ VIOLATIONS OF THE FTC ACT

13. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits deceptive acts or practices in or affecting commerce. Section 12(a) of the FTC Act, 15 U.S.C. § 52(a) prohibits the dissemination of any false advertisement in or affecting commerce for the purpose of inducing, or which is likely to induce, the purchase of food, drugs, devices, services, or cosmetics. As set forth below, Defendants have engaged and are continuing to engage in such unlawful practices in violation of Sections 5(a) and 12 of the FTC Act, 15 U.S.C. §§ 45(a) and 52, in connection with the offer, sale, advertising, promotion or distribution of

NoDanger and SafeTShield.

14. For purposes of Section 12 of the FTC Act, 15 U.S.C. § 52, NoDanger and SafeTShield are “devices” pursuant to Section 15(d) of the FTC Act, 15 U.S.C. § 55(d).

COUNT ONE

15. Through the use of representations and statements contained in advertisements, including but not limited to Exhibits A through H, Defendants have represented, expressly or by implication, that NoDanger and SafeTShield block up to 99 percent of radiation and other electromagnetic energy emitted by cellular and cordless telephones.

16. In truth and in fact, NoDanger and SafeTShield do not block up to 99 percent of electromagnetic energy emitted by cellular and cordless telephones. Therefore, the making of the representations set forth in Paragraph 15 was, and is, a deceptive act or practice and constitutes false and misleading advertising for a device in or affecting commerce in violation of Sections 5(a) and 12 of the FTC Act, 15 U.S.C. §§ 45(a) and 52.

COUNT TWO

17. Through the use of representations and statements contained in advertisements, including but not limited to Exhibits A through H, Defendants have represented, expressly or by implication, that NoDanger and SafeTShield block up to 99 percent of radiation and other electromagnetic energy emitted by cellular and cordless telephones.

18. Defendants did not possess and rely upon a reasonable basis that substantiated the representations set forth in Paragraph 17 at the time the representations were made. Therefore, the making

of the representations set forth in Paragraph 17 was, and is, a deceptive act or practice and constitutes false and misleading advertising for a device in or affecting commerce in violation of Sections 5(a) and 12 of the FTC Act, 15 U.S.C. §§ 45(a) and 52.

COUNT THREE

19. In their advertising and sale of NoDanger and SafeTShield, Defendants have represented that the products protect consumers from the electromagnetic energy emitted by the earpieces of cellular and cordless phones. Defendants have failed to disclose that the vast majority of electromagnetic energy emitted by cellular and cordless phones comes from the antenna and parts of the phone other than the earpiece. Defendants have also failed to disclose that NoDanger and SafeTShield have no effect on this other electromagnetic energy. These facts would be material to consumers in their purchase or use of the products. The failure to disclose these facts, in light of the representation made, was, and is, a deceptive act or practice. Therefore, the making of the representations set forth in Paragraph 15 constitutes false and misleading advertising for a device in or affecting commerce in violation of Sections 5(a) and 12 of the FTC Act, 15 U.S.C. §§ 45(a) and 52.

COUNT FOUR

20. Through the use of representations and statements contained in advertisements, including but not limited to Exhibits A through H, Defendants have represented, expressly or by implication, that scientific evidence has proven that NoDanger and SafeTShield block up to 99 percent of electromagnetic energy emitted by cellular and cordless telephones.

21. In truth and in fact, scientific testing has not proven that NoDanger and SafeTShield block up to 99 percent of electromagnetic energy emitted by cellular and cordless telephones. Therefore, the

making of the representations set forth in Paragraph 20 above was, and is, a deceptive act or practice and constitutes false and misleading advertising of a device in or affecting commerce in violation of Sections 5(a) and 12 of the FTC Act, 15 U.S.C. §§ 45(a) and 52.

CONSUMER INJURY

22. Consumers throughout the United States have suffered and continue to suffer monetary loss as a result of Defendants' unlawful acts or practices. In addition, Defendants have been unjustly enriched as a result of its unlawful practices. Absent injunctive relief by this Court, Defendants are likely to continue to injure consumers, reap unjust enrichment, and harm the public interest.

THIS COURT'S POWER TO GRANT RELIEF

23. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant injunctive and other ancillary relief, including consumer notification and/or education, consumer redress, disgorgement, and restitution, to prevent and remedy any violations of any provision of law enforced by the FTC.

PRAYER FOR RELIEF

24. WHEREFORE, Plaintiff requests that this Court, as authorized by Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), and pursuant to its own equitable powers:

- a. Permanently enjoin Defendants from violating Sections 5 and 12 of the FTC Act, as alleged herein, in connection with the advertising or sale of food, drugs, devices, cosmetics or other products, services or programs;
- b. Award such equitable relief as the Court finds necessary to redress injury to consumers resulting from Defendants' violations of the FTC Act, including, but not limited to, consumer notification and/or education, rescission of contracts, the refund of monies paid,

and the disgorgement of ill-gotten gains; and

- c. Award Plaintiff the costs of bringing this action, as well as such other and additional equitable relief as the Court may deem just and proper.

Respectfully submitted,

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