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16	UNITED STATES DISTRICT COURT DISTRICT OF NEVADA	
17	FEDERAL TRADE COMMISSION,)
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18	Plaintiff,)
19	v.) Docket No. CV-S-
20	UNITED FITNESS OF AMERICA, LLC, GEORGE SYLVA,)
21	TRISTAR PRODUCTS, INC., and KISHORE MIRCHANDANI, a/k/a))
22	"KEITH" MIRCHANDANI,)
23	Defendants.)
24		
25	COMPLAINT FOR PERMANENT INJUNC	CTION AND OTHER EQUITABLE RELIEF
26		

Plaintiff, the Federal Trade Commission ("FTC" or "Commission"), through its undersigned attorneys, alleges as follows:

Plaintiff FTC brings this action under Section 13(b) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 53(b), to secure a permanent injunction, consumer redress, disgorgement, and other equitable relief against Defendants for engaging in deceptive acts or practices in connection with the advertising, marketing, and sale of the Fast Abs "electronic massage fitness belt" ("Fast Abs"), which purportedly causes loss of inches and fat, and well-defined abdominal muscles, in violation of Sections 5(a) and 12 of the FTC Act, 15 U.S.C. §§ 45(a) and 52.

3 1.

JURISDICTION AND VENUE

- 2. This Court has subject matter jurisdiction over this matter under 15 U.S.C.
- 13 §§ 45(a), 52, and 53(b), and 28 U.S.C. §§ 1331, 1337(a), and 1345.
- **3.** Venue in this district is proper under 15 U.S.C. § 53(b) and 28 U.S.C. §§ 1391(b) and (c).

16 THE PARTIES

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

5. Defendant United Fitness of America, LLC ("United Fitness"), is a Nevada limited

6.

8.

<u>COMMERCE</u>

The acts and practices of the Defendants, as alleged herein, have been in or affecting

liability company located at 3086 Sereno Ave., Ventura, California 93003. At all times relevant to this complaint, acting individually or in concert with others, United Fitness has marketed and sold Fast Abs to consumers nationwide through print media, television, and the Internet. United Fitness owns the trademark for "Fast Abs" and has registered the Internet address "fastabs.com." United Fitness transacts or has transacted business in Nevada.

Defendant George Sylva is the sole manager of United Fitness. At all times relevant to this complaint, acting individually or in concert with others, he has formulated, directed, controlled, or participated in the acts and practices of United Fitness, including the various acts and practices set forth herein. Mr. Sylva transacts or has transacted business in Nevada.

Defendant Tristar Products, Inc. ("Tristar") is a Pennsylvania corporation whose principal place of business is 4 Century Dr., Parsippany, New Jersey 07054. At all times relevant to this complaint, acting individually or in concert with others, Tristar has marketed and sold consumer products and exercise equipment, including Fast Abs. Tristar has registered the Internet address "TVinventions.com," which is referenced many times in the Fast Abs infomercials and which markets and sells Fast Abs. Tristar is registered as a foreign corporation in Nevada. Tristar transacts or has transacted business in Nevada.Defendant Kishore Mirchandani, also known as "Keith" Mirchandani, is Tristar's President and one of its five stockholders. At all times relevant to this complaint, individually or in concert with others, he has formulated, directed, controlled, or participated in the acts and practices of Tristar, including the various acts and practices set forth herein. Mr. Mirchandani transacts or has transacted business in Nevada.

1	commerce, as "commerce" is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.		
2	DEFENDANTS' COURSE OF CONDUCT		
3	9.	Since at least November 3, 2001, United Fitness, George Sylva, Tristar, and Kishore	
4		Mirchandani (collectively, "Defendants") have advertised and sold Fast Abs to consumers	
5		nationwide through a variety of media including, but not necessarily limited to,	
6	30-minute television commercials ("infomercials"), the Internet websites TVinventions.com and		
7	fastabs.com (both of which contain a 100-second video commercial), print advertisements in		
8	newspaper magazines with nationwide circulation such as Parade magazine, mailed circulars		
9	such as Clipper Magazine, and product pamphlets. Transcripts or facsimiles of these materials		
10	are annexed hereto as Exhibits A through H.		
11	10.	Defendants have offered the Fast Abs device for \$39.95 plus shipping and handling costs	
12		of \$9.95 directly to consumers through a toll-free telephone number and Defendants'	
13		Internet websites. Additionally, Fast Abs has been available in retail outlets such as K-	
14		Mart, CVS, Modell's Sporting Goods, and The Sports Authority.	
15	11.	Defendants have portrayed Fast Abs as an effective "electrical" or "electronic" muscle	
16		stimulation (EMS) device that creates "rock hard abs" and causes users to "slim down	
17		and shed inches quickly" without exercise. According to Defendants, Fast Abs "uses	
18	gentle electric pulses" that "trigger your motor nerves and activate deep muscle		
19		contractions," allowing users to relax while they "build muscles just the way crunches	
20		and resistance exercises do."	
21	12.	The Fast Abs device is composed of two elasticized belts (one for the torso and one for	
22		the legs and arms), a pad, and a small unit powered by a three-volt penny-sized battery.	
23		The three components assemble to form a belt with the pad and unit in the middle.	
24		According to Defendants' directions, the user should apply a water-based gel to the	
25		targeted muscle area to conduct the unit's electrical current to the muscles.	
26	13.	Defendants' advertisements have stated that the Fast Abs device comes with several	

"special bonuses" that consumers receive purportedly "[f]or ordering today," including the water-based "Fast Abs Firming gel," an "easy-to-follow instruction manual," a "Target Toning Chart," an extra battery, a travel case, the "Fast Abs Action Food Plan," and a "special gift"—the "Five Secret Foods for Fast Action Fat Loss Guide."

Defendants' Ads and Claims For Fast Abs

- 14. From November 2001 through February 2002, the Fast Abs infomercials have been among the most frequently aired infomercials in the nation. As of February 22, 2002, Fast Abs infomercials have appeared more than 1,200 times. Defendants have spent approximately \$12 million to promote Fast Abs through infomercials from November 2001 through February 22, 2002.
- 15. The Fast Abs infomercials feature "fitness pros" and "health professionals" who repeatedly demonstrate the product and tout its purported benefits. The infomercials also include: (1) user testimonials; (2) scientific-looking images that purport to illustrate how Fast Abs functions; (3) visual images of flabby torsos transforming into thin, lean and sculpted torsos; and (4) a bevy of male and female models with exceptional abdominal definition, usually dressed in revealing clothes. Exs. A & B (Fast Abs Nov. 3, 2001 infomercial videotape and transcript); Exs. C & D (Fast Abs Feb. 9, 2002 infomercial videotape and transcript).
- 16. The advertisements and promotional materials for Fast Abs discussed in paragraphs 10 and 14-16 ("Fast Abs Promotional Materials") contain four messages about its benefits, performance, and safety. Specifically, the use of Fast Abs: (1) causes loss of inches and fat, and guarantees users will "lose four inches in 30 days"; (2) causes well-defined abdominal muscles, *e.g.*, "rock hard abs" or "washboard abs"; (3) for 10 minutes is equivalent to 600 sit-ups and more effective and efficient than regular exercise; and (4) is safe for all users and is safe for use over the chest and/or pectoral area.

(1) Lose inches and fat claims

1	17. The Fast A	Abs Promotional Materials include, but are not limited to, the following	
2	statements	s and depictions about how Fast Abs causes loss of inches and fat:	
3	a. 30, 32, 48	ON SCREEN TEXT: "Lose 4 inches in 30 days Guaranteed!" Ex. B at 3, 59, 60; Ex. D at 31, 33, 49, 63, 64.	
4 5	b. guarantee	MALE ANNOUNCER: "You'll drop four inches in the first 30 days. We it." Ex. B at 31, 59; Ex. D at 32, 63.	
6	ON SCRE	EEN IMAGE: Flabby female torso in profile morphing into a lean and fit torso.	
7 8	while they 23-24, 45	firm up, slim down, and shed inches quickly." Ex. B at 4, 23, 54; Ex. D at 4,	
9	d.	Tr	
10	fitness pros']: "If for any reason you're not completely satisfied with your new leaner, tighter shape, simply return it for a complete refund of the purchase price, no questions asked." Ex. B at 21.		
11			
12		EEN IMAGES: Men without shirts and women with bare midriffs, all sporting defined abdominal muscles.	
13	e. male and	ON SCREEN IMAGE: "Before" and "After" photographs and images of female torsos transforming from flabby to lean and fit.	
14	[A messas	ge of "Unique results, your results may vary" fleetingly appears in fine print near the	
15 16	bottom of the screen. Ex. B at 52. The February version of the infomercial flashes "unique Results. Your results will vary." Ex. D at 54. In both versions, this small light blue text is poorly contrasted against a medium blue screen and is accompanied by background sounds and		
17	images.]		
18	Fast Abs 1	TRGILE [previously introduced as a "top personal trainer"]: "Just look at these results achieved by all these people in just two weeks. Fantastic results." Ex. B	
19	at 33, Ex.	D at 54-55.	
20	a half pou	KAREN [purported Fast Abs user]: "In the last 14 days, I've lost three and nds and two and a half inches off my waist and an inch off my hips."	
21		EEN IMAGE: Woman's torso in profile featuring a flabby belly and buttocks into a lean and fit profile. Ex. B at 20; Ex. D at 20.	
22		•	
23	ON SCRI	EEN TEXT: "Lost 3½ inches total! 14-day results!"	
24	g. and half ir	HEATHER [purported Fast Abs user]: "In the last 14 days, I've lost two aches off my waist and two inches off my hips."	
25	ON SCRI Day Resi	EEN TEXT: "Before and After photographs Lost 4½ inches total! 14-	
26	Day Resi	uity.	

1	ON SCREEN IMAGE: Woman's torso in profile featuring a flabby belly and buttocks morphing into a lean and fit profile.	
2		
3	[Same messages and display characteristics described in ¶ 18(e) appear at Ex. B at 10; Ex. D at 11.]	
4	h. UNIDENTIFIED MALE [purported Fast Abs user]: "With Fast Abs, I've been able to zap my love handles." Ex. B at 20; Ex. D at 20.	
5 6	i. UNIDENTIFIED MALE [purported Fast Abs user]: "I lost an inch and half in my hips. I lost two and half in my waist."	
7	ON SCREEN TEXT: "Before and After photographsLost 4 inches total! 14-Day Results!"	
8	ON SCREEN IMAGE: Typical male torso transforms into lean and sculpted torso.	
9 10	[Same messages and display characteristics described in \P 18 (e) appear at Ex. B at 20; Ex. D at 20.]	
11	j. PERSONAL FITNESS TRAINER: "It really, really helps strengthen the muscle, tone the muscle, get rid of cellulite." Ex. B at 14.	
1213	k. KATHY DERRY: "People really can see great results quickly and easily with Fast Abs. The secret is EMS, electronic muscle stimulation.	
14 15 16	ON SCREEN IMAGE: An animated image of a male torso with a Fast Abs belt around its abdomen. The unit on the belt emits pulses indicated by green dashes moving outward in an X-shaped pattern. As the belt pulses, the torso's abdomen shrinks in size. Ex. B at 10; Ex. D at 11; <i>see also</i> Ex. B at 24, 34, 55; Ex. D at 25, 35-36, 58 (repeating images).	
17	(2) Well-defined abdominal muscle claims	
	18. The Fast Abs Promotional Materials include, but are not limited to, the following	
	,	
19	statements and depictions about how Fast Abs causes well-defined abdominal muscles:	
20 21	a. MALE ANNOUNCER: "Do you want rock-hard abs without sweating in a gym for hours? Do you want to have toned muscles all over your body without lifting heavy weights? Well, now, you can. Introducing Fast Abs—the no-sweat, full body	
	workout." Ex. B at 3-4, 22; Ex. D at 3-4, 22-23, 56.	
2223	ON SCREEN IMAGES: More than a dozen rapid shots of topless men displaying muscular torsos with "washboard abs" and bikini-clad women with lean, defined	
24	abdomens.	
25	b. KATHY DERRY: "With Fast Abs, you can help turn that frumpy midsection into washboard sexy abs in just minutes a day safely and easily." Ex. B at 42; Ex. D at 43.	
26		

a. KATHY DERRY: "In fact, just 10 minutes of Fast Abs is like doing 600 sit-ups. Imagine that. 600 sit-ups."	
ON SCREEN TEXT: "10 minutes = 600 sit ups."	
ON SCREEN IMAGE: Woman struggling to perform a sit-up. Ex. B at 11; see also Ex. B at 5, 23, 35, 43, 50, 54-55.	
[The February Infomercial replaces the audio and text references to "sit-ups" with the	
phrase "muscle contractions." Ex. D at 5, 12, 24, 36, 45, 52, 57. However, each reference to "600 muscle contractions" is still accompanied by a visual image of a woman struggling to do a sit-up. <i>Id</i> .]	
b. KATHY DERRY: "Tests have proven that this unique isometric action can	
be 30% more effective than anything you can do on your own with normal exercise." Ex. B at 11, 24, 34-35; <i>see id.</i> at 16 and 24 (similar statements).	
ON SCREEN TEXT: "Unique Isometric Action! 30% More Effective Than Normal	
Exercise!" Ex. B at 11, 34-35; <i>see id.</i> at 16 and 24 (similar statements).	
c. DR. DONALD FURNIVAL [introduced as a chiropractor specializing in "natural healthcare"]: "There are several studies that have been done that show that	
electrical muscle stimulation is more effective and more efficient than regular working	
out or going to the gym. When you go to the gym, you are exercising everything, and that brings on fatigue. You don't get that with Fast Abs." Ex. B at 15.	
ON SCREEN IMAGE: Black and white images of men and women performing exercise with expressions of discomfort.	
10 (00	
d. Just $10=600$	
MINUTES SIT-UPS	
Ex. G at 2 (print ads).	
e. "Just 10 minutes can equal 600 sit-ups!" <i>Id</i> .	
f. "Just 10 minutes can equal 600 ab contractions!" <i>Id.</i> at 3.	
g. "Just 10 minutes with Fast Abs is the equivalent of 600 muscle	
contractions." Ex. F (<u>TVinventions.com</u>).	
h. "The FAST ABS system uses gentle electric pulses to stimulate nerves that produce muscle contractions. The pulses can be regulated to tone, or to build muscles just the way crunches and resistance exercises do." Ex. H at 3 (instruction booklet).	
i. "The key to a targeted workout is based on the number of repetitions and	
length of each muscle contraction through sit-ups, crunches and resistance training. The	

ups, and (b) is more effective and efficient than regular exercise:

1 2	Fast Abs system uses this principle to help you get the type of muscle workout you want." Ex. H at 7 (instruction booklet).
3	(4) Safety
4	20. The Fast Abs Promotional Materials include, but are not limited to, the following
5	statements and depictions about how Fast Abs is safe for all users and safe to use over the
6	chest:
7	a. DR. FURNIVAL: "I would recommend Fast Abs because [s]econdly,
8	it is the safest possible way that you can develop your musculoskeletal system." Ex. B at 16.
9	b. KATHY DERRY: "Fast Abs is perfect for everyone who wants to have
10	perfect abs. It was designed to fit the needs of people at all different fitness levels. Doctors have found that it is safe and effective for people because of its unique design
11	and breakthrough technology." Ex. B at 51; Ex. D at 53-54.
12	[A message of "Do not use during pregnancy, if you use a pace maker or if you have a cardiac or other medical condition that would prevent you from using EMS technology." fleetingly appears in fine print near the
13	bottom of the screen. Ex. B at 51; Ex. D at 53 (similar statement). The small white text is poorly contrasted against a screen that changes background several times and contains
14	many images.]
15	c. KATHY DERRY: "This tiny transformer [referring to the unit] sends out safe, gentle impulses that trigger your motor nerves and activate deep muscle
16	contractions." Ex. B at 11; Ex. D at 11; see Ex. B at 24, 34; Ex. D at 25, 35, 58 (similar statements by Kathy Derry or Male Announcer).
17	d. MALE ANNOUNCER: "Simply slip the Fast Abs belt around the desired
18	muscle group, and the Fast Abs microprocessor [the unit] sends out safe, gentle, massage-like impulses that stimulate muscle contractions to tone and firm muscle."
19	Ex. E (web commercial transcript); Ex. F (same text depicted on <u>TVinventions.com</u>).
20	e. PETER VIRGILE: "And not only does it give your abs a great workout, you can use Fast Abs all over your body, toning and shaping your hips and your arms,
21	your thighs, your chest and your calves."
22	ON SCREEN TEXT: "Total Body Workout!" Ex. B at 35; Ex. D at 36.
23	f. ON SCREEN IMAGE: Fast Abs belt strapped across chest of a male. Ex. B at 5, 12, 19, 24, 26-27, 35, 37, 50.
24	
25	g. "Adjustable Positioning Lets You Target Your: Upper Abs[,] Lower Abs[,] Plus All These Trouble Spots: Love Handles & Waist[,] Inner & Outer Thighs & Buns[,] Arms[,] Chest."
26	-

1	VISUAL IMAGE: Fast Abs belt strapped across the chest of a female. Ex. G (print ads).
2	h. "[M]uscles for women Upper Body Target Zones
3	Pectorals These are the muscles men like to build for the chiseled chest look. For women, these
4	muscles are just as important. While breast tissue is not comprised of muscle and can't
5	be strengthened or tightened, strengthening the pectoral muscles helps to support the breasts and give them a firmer[,] more shapely appearance. The secret to maintaining breast shape is working the pectorals." Ex. H at 11 (instruction booklet).
6	
7	i. "[M]uscles for men Upper Body Target Zones Pectorals
8	"Pecs" are so important to men for a virile look that some actually get implants to achieve
9	the Tarzan chest. Working the pecs on a program of increasing intensity can help get the sculpted chest of a body builder." Ex. H at 13 (instruction booklet).
10	j. "[E]xercise points
11	Women
12	VISUAL IMAGE: Graphic of muscular system locating "B" exercise point as across the chest area. Ex. H at 15 (instruction booklet).
13	, , , , , , , , , , , , , , , , , , ,
14	k. "[U]pper body positioning Women: Program 4 Men: Program 2"
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16	VISUAL IMAGE: Fast Abs belt positioned across female's chest area. Ex. H at 17 (instruction booklet).
17	
18	21. Although the Fast Abs pre-sale promotional materials state that the device is safe, the
	Fast Abs instruction booklet warns "DO NOT use FAST ABS if you have any of the
19	following conditions," including, inter alia:
20	
21	C Heart condition (Current or previous) C Pregnant
	C Inflammation of veins (including phlebitis or serious varicose veins.)
22	C Inflamed tissue from recent injury or disease (including recent scar tissue)
23	Ex. H at 4. Consumers do not receive this list of contraindications until after they have
24	·
25	purchased the device and received the instruction booklet.
26	Defendants' Purported 30-Day Money-Back Guarantee and One-Year Product Warranty
20	

22. The Fast Abs Promotional Materials include, but are not limited to, the following statements and depictions about a 30-day money-back guarantee and a one-year product warranty:

- **a.** KATHY DERRY: "Plus, Fast Abs will let you try the product for 30 days. Get the results we're talking about or you don't pay. That's because Fast Abs comes back[ed] with our 30-day fast results money-back guarantee. If, for any reason, you're not completely satisfied with your new[,] leaner, tighter shape, simply return it for a complete refund of the purchase price, no questions asked."
- ON SCREEN TEXT: **"30-DAY Risk Free Money Back Guarantee."** Ex. B at 21; *see also* Ex. B at 4, 23, 30-33, 43, 47-49, 53-54, 59-62 (similar graphic or verbal guarantees); Ex. D at 21-22, 32-34, 43, 49-50, 64-65 (same).
- **b.** MALE ANNOUNCER: "Fast Abs, the no-sweat workout comes with a full one-year limited warranty and is backed by a 30-day fast results money back guarantee." Ex. B at 31-32, 47-48, 60; Ex. D at 32-33, 49, 64.
- **c.** "You must be totally thrilled and amazed with your toned abs without the work, or simply return the System for a full refund of your purchase price, less S&H" Ex. G (print ads).
- **d.** "Try Fast Abs without risk for 30 full days. If you're not completely satisfied, send it back for a complete refund of the purchase price (less S&H), guaranteed." Ex. F (<u>TVinventions.com</u>).
- 23. Neither the Fast Abs Promotional Materials nor the instruction booklet or packaging for the Fast Abs device informs consumers how they may return the product. Some consumers received written materials with the product identifying United Fitness and providing a Connecticut address. Other consumers never received these materials and were unable to return Fast Abs within the 30-day return period because they were unable to identify the company responsible for handling returns or customer service. In some cases, consumers dialed the telephone numbers displayed during Fast Abs infomercials and reached telephone representatives who refused to provide return information and/or provided consumers with a so-called "customer service" telephone number, which was either continuously busy or put them on "hold" for extended periods of time.
- **24.** Defendants' infomercials repeatedly have claimed that Fast Abs is backed by a

1	"full one-year limited warranty." Ex. B at 32, 47, 60; Ex. D at 32, 49, 64 (emphasis added).	
2	When some consumers received the device, however, it was accompanied by a "Fast Abs Thirty	
3	(30) Day Limited Warranty" card that explicitly disclaimed all other "written or express	
4	warrant[ies]." Ex. I (emphasis added). This 30-day warranty runs "from the original date of	
5	purchase." Id.	
6	Defendants' Delivery Practices	
7	25. The Fast Abs infomercials, print promotions, and website have stated that the product	
8	will be delivered in approximately four to six weeks. Ex. B at 33, 48, 61; Ex. D at 43, 50,	
9	65; Ex. F at 3-4; Ex. G at 2, 3. Similarly, Defendants have told customers who ordered	
10	the product by telephone that the product will arrive within four to six weeks. In	
11	numerous instances, Defendants did not ship the product for delivery within four to six	
12	weeks. Furthermore, Defendants did not advise these consumers of the delay, offer them	
13	an opportunity to cancel the order, and did not provide a prompt refund.	
14		
15	<u>DEFENDANTS' VIOLATIONS OF THE FTC ACT</u>	
16	26. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits unfair or deceptive acts or	
17	practices in or affecting commerce. Section 12 of the FTC Act, 15 U.S.C. § 52(a),	
18	prohibits the dissemination of any false advertisement in or affecting commerce for the	
19	purpose of inducing, or which is likely to induce, the purchase of food, drugs, devices,	
20	services, or cosmetics. For the purposes of Section 12 of the FTC Act, 15 U.S.C. § 52,	
21	Fast Abs is a "device" pursuant to Section 15(d) of the FTC Act, 15 U.S.C. § 55(d). As	
22	set forth below, Defendants have engaged and are continuing to engage in such unlawful	
23	practices in connection with the marketing and sale of Fast Abs.	

COUNT ONE FALSE CLAIMS - LOSS OF INCHES AND FAT

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7. Through the means described in Paragraphs 10 and 15-18, Defendants have represented, expressly or by implication, that Fast Abs causes loss of inches and fat.

In truth and in fact, Fast Abs does not cause loss of inches and fat. Therefore, the making of the representations set forth in Paragraph 28 constitutes a deceptive practice, and the making of false advertisements, 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 FALSE CLAIMS - WELL-DEFINED ABDOMINAL MUSCLES

29. Through the means described in Paragraphs 10, 15-17, and 19, Defendants have represented, expressly or by implication, that Fast Abs causes well-defined abdominal muscles (*e.g.*, "rock hard abs" or "washboard abs").

In truth and in fact, Fast Abs does not cause well-defined abdominal muscles (*e.g.*, "rock hard abs" or "washboard abs"). Therefore, the making of the representations set forth in Paragraph 30 constitutes a deceptive practice, and the making of false advertisements, 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 FALSE CLAIMS - EQUIVALENT TO OR MORE EFFECTIVE THAN EXERCISE

Through the means described in Paragraphs 10, 15-17, and 20, Defendants have represented, expressly or by implication, that use of Fast Abs (a) for ten minutes is equivalent to 600 sit ups and (b) is more efficient and effective than regular exercise.

32. In truth and in fact, use of Fast Abs (a) for ten minutes is not equivalent to 600 sit-ups and (b) is not more efficient and effective than regular exercise. Therefore, the making of the representations set forth in Paragraph 32 constitutes a deceptive practice, and the making of false advertisements, in or affecting commerce, in violation of Sections 5(a) and 12 of

the FTC Act, 15 U.S.C. §§ 45(a) and 52.

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Through the means described in Paragraphs 10, 15-17, and 21, Defendants have represented, expressly or by implication, that Fast Abs is safe for use over the chest

COUNT FOUR FALSE CLAIMS - SAFE FOR USE OVER CHEST AREA

and/or pectoral area.

In truth and in fact, Fast Abs is not safe for use over the chest and/or pectoral area.

Therefore, the making of the representations set forth in Paragraph 34 constitutes a

violation of Sections 5(a) and 12 of the FTC Act, 15 U.S.C. §§ 45(a) and 52.

deceptive practice, and the making of false advertisements, in or affecting commerce, in

COUNT FIVE FAILURE TO DISCLOSE SAFETY RISKS

Through the means described in Paragraphs 10, 15-17, and 21, Defendants have represented, expressly or by implication, that Fast Abs is safe for all users. In connection with repeated references to safety, Defendants have failed to disclose or to disclose adequately in their pre-sale promotional materials that Fast Abs is not safe for all users. In fact, Fast Abs should not be used by people with implanted cardiac pacemakers; it poses health risks for use over or near cancerous lesions, and swollen, infected or inflamed areas or skin eruptions, *e.g.*, phlebitis, thrombophlebitis, varicose veins; and Fast Abs' safety has not been established for pregnant women. These facts would be material to consumers in their purchase of Fast Abs.

36. In light of the representations made in Paragraph 21, Defendants' failure to disclose or to

disclose adequately the material information about health risks set forth in Paragraph 36 was, and is, a deceptive practice, and constitutes false 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.

COUNT SIX FALSE CLAIMS – FAILURE TO MAKE A PROMPT REFUND

37. Through the means described in Paragraphs 10, 15-17, and 23, Defendants have represented, expressly or by implication, that Defendants provide timely refunds to consumers who request refunds pursuant to Defendants' "fast results" money-back guarantee.

In truth and in fact, in many instances, Defendants did not provide timely refunds to consumers who requested refunds pursuant to Defendants' "fast results" money-back guarantee. Therefore, the making of the representation set forth in Paragraph 38 constitutes a deceptive practice in or affecting commerce, in violation of Sections 5(a) and 12 of the FTC Act, 15 U.S.C. § 45(a).

COUNT SEVEN FALSE CLAIMS – FAILURE TO PROVIDE A ONE-YEAR LIMITED WARRANTY

39. Through the means described in Paragraphs 10, 15-17, and 25, Defendants have represented, expressly or by implication, that Fast Abs comes with a "full one-year limited warranty."

40. In truth and in fact, Fast Abs does not come with a full one-year limited warranty.

Defendants have substituted a 30-day warranty that explicitly disclaims all other "written or express warrant[ies]" for the represented one-year limited warranty. Therefore, the making of the representation set forth in Paragraph 40 constitutes a deceptive practice in

COUNT EIGHT VIOLATION OF THE MAIL ORDER RULE

- 41. The Mail Or Telephone Order Merchandise Rule ("Mail Order Rule") was promulgated by the FTC on October 22, 1975, under the FTC Act, 15 U.S.C. § 41 *et seq.* On September 21, 1993, the Mail Order Rule was amended under Section 18 of the FTC Act, 15 U.S.C. § 57a, and the amendments took effect March 1, 1994. The Mail Order Rule applies to orders placed by mail, telephone, facsimile transmission, or the Internet.
- 42. At all times material hereto, Defendants have engaged in the sale of merchandise ordered by mail, telephone, or the Internet, in commerce.
- 43. In numerous instances, after having solicited orders for the merchandise and received "properly completed orders," as that term is defined in Section 435.2(d) of the Mail Order Rule, 16 C.F.R. § 435.2(d), and having been unable to ship the merchandise to the buyer within the Mail Order Rule's applicable time, as set forth in Section 435.1(a)(1) of the Mail Order Rule ("applicable time"), 16 C.F.R. § 435.1(a)(1), Defendants:
 - **a.** Violated Section 435.1(b)(1) of the Mail Order Rule, 16 C.F.R. § 435.1(b)(1), by failing, within the applicable time, to offer to the buyer, clearly and conspicuously and without prior demand, an option either to consent to the delay in shipping or to cancel the order and receive a prompt refund; and
 - **b.** Having failed within the applicable time to ship the merchandise or to offer the buyer the option to either consent to a delay or to cancel the buyer's order and receive a prompt refund, violated Section 435.1(c)(5) of the Mail Order Rule, 16 C.F.R. § 435.1(c)(5) by failing to deem the order canceled and to make a prompt refund to the buyer, as "prompt refund" is defined in Section 435.2(f) of the Mail Order Rule, 16 C.F.R. § 435.2(f).

Pursuant to Section 18(d)(3) of the FTC Act, 15 U.S.C. § 57a(d)(3), violations of the Mail Order Rule constitute unfair or deceptive acts or practices in or affecting commerce, in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

CONSUMER INJURY

45. Consumers throughout the United States have suffered and continue to suffer substantial monetary loss and may suffer physical injury as a result of Defendants' unlawful acts or practices. In addition, Defendants have been unjustly enriched as a result of their 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

46. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant injunctive and such other relief as the Court may deem appropriate to halt and redress violations of the FTC Act. The Court, in the exercise of its equitable jurisdiction, may award other ancillary relief, including consumer redress, disgorgement, and restitution, to prevent and remedy injury caused by Defendants' law violations.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff Federal Trade Commission, pursuant to Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), and the Court's own equitable powers, requests that this Court:

- 1. Permanently enjoin Defendants from violating Sections 5(a) and 12 of the FTC Act and the Mail Order Rule, as alleged herein, including committing such violations in connection with the advertising or sale of food, drugs, dietary supplements, devices, cosmetics, or other products, services or programs;
 - 2. Award Plaintiff all temporary and preliminary injunctive and ancillary relief that may

1	be necessary to avert the likelihood of consumer injury during the pendency of this action, and to		
2	preserve the possibility of effective and final relief, including, but not limited to, temporary and		
3	preliminary injunctions and an accounting;		
4	3. Award such equitable relief as the Court finds necessary to redress injury to consumers		
5	resulting from Defendants' violations of Sections 5(a) and 12 of the FTC Act and the Mail Order		
6	Rule, including, but not limited to, rescission of contracts and restitution, other forms of redress,		
7	and the disgorgement of ill-gotten gains; and		
8	4. Award Plaintiff the costs of bringing this action and such other equitable relief as the		
9	Court may determine to be just and proper.		
10			
11			
12	Respectfully submitted,		
13	WILLIAM E. KOVACIC		
14	General Counsel		
15	ELAINE D. KOLISH		
16	Associate Director for Enforcement		
17	JONI LUPOVITZ		
18	Assistant Director for Enforcement		
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20			

Dated: May , 2002.