

IN THE MATTER OF

CHECKPOINT SYSTEMS, INC.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SEC. 5 OF THE FEDERAL TRADE COMMISSION ACT

*Docket C-3796. Complaint,*¹ April 6, 1998--Decision, April 6, 1998*

This consent order prohibits, among other things, the New Jersey-based manufacturer of electronic article surveillance equipment from entering into any agreement that prohibits, restricts, impedes, interferes with, restrains, places limitations on, or advises against engaging in truthful, non-deceptive advertising, comparative advertising or promotional and sales activities. In addition, the consent order nullifies the agreement, between Sensormatic Electronics Corporation and Checkpoint Systems, Inc., to restrict advertising and promotional claims about each other's products or services.

Appearances

For the Commission: *William Lanning, Michael McNeely, and William Baer.*

For the respondent: *Frank Newell, Montgomery, McCracken, Walker & Rhoad, Philadelphia, PA.*

DECISION AND ORDER

The Federal Trade Commission ("Commission"), having initiated an investigation of certain acts and practices of the respondent named in the caption hereof, and the respondent having been furnished thereafter with a copy of a draft of complaint which the Bureau of Competition proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge the respondent with violation of the Federal Trade Commission Act; and

The respondent and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondent of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

¹ * Complaint previously published at 125 FTC 587 (1998).

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondent has violated the said Act, and that a complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of sixty (60) days, now in further conformity with the procedure described in Section 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings and enters the following order:

1. Respondent Checkpoint Systems, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Pennsylvania with its office and principal place of business located at 101 Wolf Drive, Thorofare, New Jersey.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent, and the proceeding is in the public interest.

ORDER

I.

It is ordered, That, as used in this order, the following definitions shall apply:

A. "*Respondent*" means Checkpoint Systems, Inc.

B. "*Checkpoint Systems, Inc.*" means Checkpoint Systems, Inc., its directors, officers, employees, agents and representatives, predecessors, successors, and assigns; its subsidiaries, divisions, groups and affiliates controlled by Checkpoint Systems, Inc., and the respective directors, officers, employees, agents, and representatives, successors, and assigns of each.

C. "*Sensormatic Electronics Corporation*" means Sensormatic Electronics Corporation, its directors, officers, employees, agents and representatives, predecessors, successors, and assigns; its subsidiaries, divisions, groups and affiliates controlled by Sensormatic Electronics Corporation, and the respective directors, officers, employees, agents, and representatives, successors, and assigns of each.

D. "*EAS system*" means electronic article surveillance equipment, including, but not limited to, sensors, deactivation equipment, labels or tags, source tags or labels, and any other component parts or related products.

II.

It is further ordered, That within three (3) days after the date this order becomes final, respondent shall declare null and void Section 4, the "Negative Advertising" provision, of the June 27, 1993 agreement between Sensormatic Electronics Corporation and respondent.

III.

It is further ordered, That respondent, directly or indirectly, or through any person, corporation, subsidiary, division or other device, in connection with the manufacture, advertising, offering for sale, sale or distribution of any EAS system, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, forthwith cease and desist from:

A. Entering into, attempting to enter into, organizing, continuing, or acting in furtherance of any agreement or combination, or carrying out any agreement, either express or implied, that prohibits, restricts, impedes, interferes with, restrains, places limitations on, or advises against engaging in truthful, non-deceptive advertising, comparative advertising, and promotional and sales activities; and

B. Encouraging, advising, pressuring, assisting, inducing, or attempting to induce any non-governmental person or organization to engage in any action prohibited by this order.

IV.

It is further ordered, That respondent shall:

A. Within thirty (30) days of the date on which this order becomes final, provide a copy of this order to all of its directors and officers;

B. For a period of three (3) years from the date on which this order becomes final, and within ten (10) days after the date on which any person becomes a director or officer of respondent, provide a copy of this order to such person; and

C. Require each person to whom a copy of this order is furnished pursuant to subparagraphs IV.A and B of this order to sign and submit to its respective employer named as a respondent within thirty (30) days of the receipt thereof a statement that: (1) acknowledges receipt of the order; (2) represents that the undersigned has read and understands the order; and (3) acknowledges that the undersigned has been advised and understands that non-compliance with the order may subject the respondent to civil penalties for violation of the order.

V.

It is further ordered, That respondent shall:

A. Within sixty (60) days from the date on which this order becomes final, and annually thereafter for three (3) years on the anniversary of the date this order becomes final, and at such other times as the Commission may by written notice to the respondent require, file with the Commission a verified written report setting forth in detail the manner and form in which respondent has complied and is complying with this order;

B. For a period of three (3) years after the order becomes final, maintain and make available to the staff of the Federal Trade Commission for inspection and copying, upon reasonable notice, all records of communications with EAS competitors of respondent relating to any aspect of advertising, and records pertaining to any action taken in connection with any activity covered by parts II, III, IV, and V of this order; and

C. Notify the Commission at least thirty (30) days prior to any proposed change in corporate respondent such as dissolution, assignment, sale resulting in the emergence of a successor corporation, or the creation or dissolution of subsidiaries or any other change in the corporation that may affect compliance obligations arising out of this order.

VI.

It is further ordered, That this order shall terminate on April 6, 2018.

Commissioner Thompson and Commissioner Swindle not participating.

IN THE MATTER OF

ROGER J. CALLAHAN

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SECS. 5 AND 12 OF THE FEDERAL TRADE COMMISSION ACT

Docket C-3797. Complaint, April 6, 1998--Decision, April 6, 1998

This consent order prohibits, among other things, the California-based respondent from making claims, in radio and television infomercials, about Dr. Callahan's Addiction Breaking System and its ability to reduce an individual's compulsive desire to eat and any claims that the product cures addictions and compulsions, such as smoking, eating, and using alcohol or heroin. In addition, the consent order requires the respondent to pay \$50,000 in consumer redress.

Appearances

For the Commission: *Russell Damtoft, Mary Tortorice, Charluta Pagar, Theresa McGrew and C. Steven Baker.*

For the respondent: *Curtis W. Morris, Lamb, Morris and Lobello, San Dimas, CA.*

COMPLAINT

The Federal Trade Commission, having reason to believe that Roger J. Callahan, individually ("respondent"), has 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 Roger J. Callahan has manufactured, advertised, offered for sale, sold, and distributed products to the public, including Dr. Callahan's Addiction Breaking System. Individually or in concert with others, he participated in the acts or practices alleged in this complaint. His principal office or place of business is 45350 Vista Santa Rosa, Indian Wells, California.

2. Respondent entered into an agreement with Mega Systems, Inc., a corporation which creates and distributes program-length radio and television commercials which run for 30 minutes or less and fit within normal radio and television broadcasting time slots. The television commercials were and are broadcast on network, independent and cable television stations throughout the United States. The radio commercials were and are broadcast on network and independent radio stations throughout the United States. In at least one of Mega Systems, Inc.'s program-length television commercials,

respondent acted as the guest and promoted Dr. Callahan's Addiction Breaking System.

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

4. Respondent has created and disseminated advertisements for Dr. Callahan's Addiction Breaking System, including but not necessarily limited to the attached Exhibit A. This advertisement contains the following statements:

A. Trudeau: "He [Dr. Callahan] has been a best-selling author whose revolutionary treatment for losing weight and quitting smoking takes less than three minutes with 95 percent success. If you smoke and want to quit, or if you want to lose weight once and for all, today's show could be an answer to your prayers."

"[T]he treatments that you discovered, that you invented get rid of addictions like food addictions so people can lose weight easily without trying to diet. They can just lose the weight because they reduce the urge to overeat. You can reduce smoking, alcoholism, any type of compulsion, depression, jealousy."

Callahan: "It's revolutionary because it works with a high success rate that's never before been possible."

Trudeau: "[I]f you have any addiction, whether it be for food, if you're overweight, if you have a smoking addiction, if your children are addicted to drugs -- any compulsion, anything whatsoever, we recommend you call the 800 number..."

Callahan: "What we mean is that their addictive urge, that uncontrollable urge is gone, completely gone, and they feel fine."

"And when we eliminate the anxiety, they don't need the heroin; they don't need the alcohol. The withdrawal is gone." (Television Infomercial Script.)

5. Through the means described in paragraph four, respondent has represented, expressly or by implication, that for all or virtually all users:

A. Dr. Callahan's Addiction Breaking System reduces an individual's compulsive desire to eat, leading to significant weight loss.

B. Dr. Callahan's Addiction Breaking System reduces an individual's compulsive desire to eat, leading to significant weight loss without the need to diet or exercise.

C. Dr. Callahan's Addiction Breaking System cures addictions and compulsions, including but not limited to, smoking, eating, and using alcohol or heroin.

6. In truth and in fact:

A. Dr. Callahan's Addiction Breaking System does not reduce an individual's compulsive desire to eat, and as such, Dr. Callahan's Addiction Breaking System does not lead to significant weight loss.

B. Dr. Callahan's Addiction Breaking System does not reduce an individual's compulsive desire to eat, and as such, Dr. Callahan's Addiction Breaking System does not lead to significant weight loss without the need to diet or exercise.

C. Dr. Callahan's Addiction Breaking System does not cure addictions and compulsions, including but not limited to, smoking, eating, and using alcohol or heroin. Indeed, Dr. Callahan's Addiction Breaking System simply consists of a video tape in which Dr. Callahan demonstrates a series of tapping one's face, chest, and hand, rolling one's eyes, and humming.

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

7. Through the means described in paragraph four, respondent has represented, expressly or by implication, that he possessed and relied upon a reasonable basis that substantiated the representations set forth in paragraph five, at the time the representations were made.

8. In truth and in fact, respondent did not possess and rely upon a reasonable basis that substantiated the representations set forth in paragraph five, at the time the representations were made. Therefore, the representation set forth in paragraph seven was, and is, false or misleading.

9. The acts and practices of respondent 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.

Commissioner Thompson and Commissioner Swindle not participating.

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EXHIBIT A

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FEDERAL TRADE COMMISSION

FTC MATTER NO.: 942-3278

TITLE: DR. CALLAHAN'S ADDICTION BREAKING
TECHNIQUE TELEVISION INFOMERCIAL

PAGES: 1 THROUGH 28

MSI/SALBERG COMPLAINT EXHIBIT G
TRUDEAU COMPLAINT EXHIBIT F
CALLAHAN COMPLAINT EXHIBIT A

EXHIBIT A

PROCEEDINGS

1
2 ANNOUNCER: The following is a paid commercial program
3 brought to you by Mega Systems.

4 MR. TRUDEAU: Thanks again for joining me. I'm Kevin
5 Trudeau, and this is another edition of "A Closer Look."

6 Millions of people are addicted to food and are
7 overweight, constantly struggling with diet after diet, exercise
8 program after exercise program, yet more people are fat today
9 than ever before. Millions, too, are addicted to cigarettes and
10 can't quit, and probably millions more suffer from some kind of
11 addiction, compulsion, or phobia.

12 My guest today is Dr. Roger Callahan, an expert in the
13 field of addictions, phobias, stress, and traumas. He has been
14 featured on virtually every major TV and radio talk show,
15 including "Donahue" and CNN. He has been a best-selling author
16 whose revolutionary treatment for losing weight and quitting
17 smoking takes less than three minutes with 95 percent success.
18 If you smoke and want to quit, or if you want to lose weight once
19 and for all, today's show could be an answer to your prayers.

20 Dr. Callahan, thanks for being my guest today.

21 DR. CALLAHAN: Kevin, a pleasure to be with you.

22 MR. TRUDEAU: You know, I have to tell the viewing
23 audience how I met you because it was a fascinating story. As
24 you know, we do a series of infomercials like this where we
25 market different products, and I saw your ad in an airline

EXHIBIT A

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1 magazine for the five-minute phobia cure. And I thought, you
2 know, that would be a great product for us to market if it works,
3 and I called you on the phone to discuss it with you, find out
4 your background; and I learned all about your, you know,
5 expertise and the books you've authored with the major book
6 publishers and your experience on CNN and "Donahue" and so forth.

7 And you said, Kevin, not only will we get rid of
8 phobias, but the treatments that you discovered, that you
9 invented get rid of addictions like food addictions so people can
10 lose weight easily without trying to diet. They can just lose
11 the weight because they reduce the urge to overeat.

12 You can reduce smoking, alcoholism, any type of
13 compulsion, depression, jealousy. And I was fascinated. I said
14 really, can you get rid of smoking? He said, Oh, yeah. I said
15 well, doctor, I smoke cigars, about six cigars a day, if you
16 remember this conversation -- I was calling you on the phone.

17 DR. CALLAHAN: Yes, I do, yeah.

18 MR. TRUDEAU: And I said I had gone to, for the last
19 six years, the top people in various fields trying to get rid of
20 --

21 DR. CALLAHAN: You mentioned some names to me, and they
22 were, indeed, the top people.

23 MR. TRUDEAU: The top people in hypnotists. I bought
24 subliminal tapes. I bought other types of tapes. I'd been to,
25 you know, different types of therapies -- biofeedback. I got

EXHIBIT A

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1 accupressure, acupuncture. I, I got the patch. I got an ear
2 clip that uses some type of Chinese thing. I got magnets --
3 everything to try to quit. I bought little devices to try to cut
4 down, and nothing worked. And worse, I was just more stressful
5 trying to quit.

6 And you said, "Well, Kevin, the next time you have an
7 urge to smoke a cigar, you call me." So I called you on the
8 phone a few days later because for the first two days I didn't
9 want to call you. I was afraid you were going to take the cigar
10 away from me.

11 So I called you on the phone and said, "Doctor, I really
12 have to smoke a cigar right now. And I remember this because it
13 wasn't that I wanted to; I had to.

14 DR. CALLAHAN: Yes.

15 MR. TRUDEAU: And a lot of people that are watching, if
16 you have an addiction to cigarettes or food, you know it's true
17 If you want Haagen Daz Ice Cream, if you want pizza, if you want
18 hamburgers or French fries, or if you want a cigarette, you get
19 to that point, as you know, it's a have to: you have to smoke.

20 DR. CALLAHAN: Yeah. That's the keynote of addiction.

21 MR. TRUDEAU: Right.

22 DR. CALLAHAN: It's an irresistible, uncontrollable
23 urge --

24 MR. TRUDEAU: -- to do it.

25 DR. CALLAHAN: -- which is destructive in some way.

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EXHIBIT A

1 MR. TRUDEAU: Oh, sure.

2 DR. CALLAHAN: And hurtful.

3 MR. TRUDEAU: And I said-- you said on a scale of one
4 to ten, where is it? And I says it's about a nine and a half.
5 You said fine. You gave me and walked me through the treatments
6 --

7 DR. CALLAHAN: Right.

8 MR. TRUDEAU: -- on the phone. It took less than five
9 minutes. It's a simple treatment you just do. Very simple, very
10 easy. And the urge reduced from a nine and a half to a one or
11 zero. It was gone.

12 DR. CALLAHAN: Yeah. That's right.

13 MR. TRUDEAU: I said, Doctor, I swear to you, I'm not
14 going to smoke this cigar, but I'm convinced it will come back,
15 the urge, if not tonight, tomorrow. And you said fine, if it
16 comes back, call me.

17 DR. CALLAHAN: Yeah.

18 MR. TRUDEAU: I said that's a deal. Six months passed,
19 and I never had the urge to smoke a cigar. I never smoked a
20 cigar.

21 DR. CALLAHAN: Right.

22 MR. TRUDEAU: It was incredible. Now, this is not
23 uncommon. You see this all the time in your practice.

24 DR. CALLAHAN: Yeah. We see that all the time. More
25 frequently, a person will have to repeat the simple treatment.

EXHIBIT A

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1 Once they learn how to do the treatment, --

2 MR. TRUDEAU: Right.

3 DR. CALLAHAN: -- it only takes a minute or less.

4 MR. TRUDEAU: Yeah. It seems, it seems --

5 DR. CALLAHAN: Because once you know it and once the
6 person learns how to do it, they can do it without thinking about
7 it, and it takes less than a minute.

8 MR. TRUDEAU: Now, this is a revolutionary approach to
9 addictions.

10 DR. CALLAHAN: Oh, yes, yes. It's revolutionary in the
11 sense that nothing in psychology could have explained or
12 predicted this. It's revolutionary because it works with a high
13 success rate that's never before been possible.

14 And what we're doing, Kevin, is we're actually --when
15 we do the treatment, we're actually getting to the fundamental
16 causal level of the problem. It's not like just distraction or
17 reducing the symptom. We're actually getting at the core base of
18 the problem. I had to study quantum physics to really understand
19 that in more detail.

20 MR. TRUDEAU: Now, I remember you were on CNN --

21 DR. CALLAHAN: Yes.

22 MR. TRUDEAU: -- because with people who are
23 overweight, they have this uncontrollable urge to eat, whether it
24 be chocolate or candy bars or, you know, hamburgers, french
25 fries. People watching know they have addictions to Waagen Das

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EXHIBIT A

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1 ice cream. You know, we eat too much food.

2 DR. CALLAHAN: Right.

3 MR. TRUDEAU: And, again, they eat when they are not
4 hungry.

5 DR. CALLAHAN: Yes.

6 MR. TRUDEAU: I mean, you authored the book, "Why Do I
7 Eat When I'm Not Hungry?" Right?

8 DR. CALLAHAN: That's right.

9 MR. TRUDEAU: But you were on CNN, and you had a very
10 interesting experience you were sharing with me.

11 DR. CALLAHAN: Yes. It was my third time on CNN. The
12 previous two times I helped some people with anxiety problems,
13 very quickly, who called in for help. This time the anchor said,
14 I hear you've been developing something with addiction. Well,
15 see if you can help me right now. I'm dying for some chocolate.

16 And the anchor who was with her joked and says, Yes.
17 She's going to eat her pencil. And she really looked desperate,
18 and it was serious. At first, I didn't know if she was joking
19 because they were laughing. And she says, no, it's very serious.
20 So I took her through the treatment. She was in Georgia, and I
21 was in a studio in L.A. And in about two minutes, because she
22 didn't know what they were all about -- two or three minutes --
23 her urge was not only gone, but you've seen a clip of that, you
24 know --

25 MR. TRUDEAU: Yes.

EXHIBIT A

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1 DR. CALLAHAN: She does something like this, which is
2 very interesting. She says -- and we're telling her all the
3 while to think how good the chocolate would be. We're not trying
4 to turn her off.

5 MR. TRUDEAU: That's right.

6 DR. CALLAHAN: She said at the end of the treatment,
7 "Ooh, I don't even want any." Remember that?

8 MR. TRUDEAU: That's right.

9 DR. CALLAHAN: Isn't that interesting? We get that
10 every once in a while. Also, she became very relaxed. Her whole
11 being changed. Her manner changed because that, that power that
12 was driving that urge coming from a very deep level of being, was
13 simply dissipated. It was gone, not there anymore.

14 MR. TRUDEAU: And now you also find that when people
15 give themselves the treatment, because it just takes less than
16 five minutes, that their face sometimes changes, the stress
17 reduction goes down so much.

18 DR. CALLAHAN: That's right. Their face changes. I
19 had one patient who was addicted to pain pills, and it was very
20 serious because she was getting pain pills from a number of
21 different doctors, -- you know, one doctor would never give her
22 that many -- and she found that it made her relax, the only thing
23 that made her relax, but it was a terribly dangerous thing she
24 was doing. And I treated her. After the second meeting, by
25 telephone -- we treated her by telephone -- after second session.

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EXHIBIT A

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1 she didn't want, she didn't want any anymore, and about a week
2 later she called up and she said, you know, this is really
3 interesting. My friends are coming up to me and asking if I had
4 plastic surgery, I look so much better. She looked younger. All
5 the strain and stress and everything was gone out of her face.

6 We have people, too, who are very pale and they are low
7 on energy. After treatment, color comes into their face. They
8 feel so much better. So we know that a lot of physiologic and
9 chemical changes result as a function of this simple treatment.
10 It's a very deep, basic thing.

11 MR. TRUDEAU: Now, we were talking about smoking, and I
12 had a friend of mine, Jack Freeman, who is -- he's from
13 Charlotte, North Carolina. We had went to Las Vegas, and he, for
14 15 years, this guy smoked two and a half packs of cigarettes a
15 day.

16 Now, imagine, he's on the plane from Charlotte to
17 Chicago for about two hours without a cigarette. He gets off the
18 plane, and the plane was a little delayed because we were running
19 late. He says, Kevin, I have to smoke a cigarette. I said,
20 well, you can't. We have to just get right on this plane.
21 They're going to leave.

22 We hop on. Now we get another three hours to Las
23 Vegas. This guy is in the plane climbing the walls. Now, when
24 someone doesn't have a cigarette, what's going on there? Let's
25 talk about that phenomenon just for a moment.

EXHIBIT A

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1 DR. CALLAHAN: I wrote a book called -- it's published
2 in Germany -- called "The Anxiety Addiction Connection" because I
3 found there is an addiction between anxiety and addictions. And
4 all addictions, Kevin, whether it's to nail biting, hair pulling,
5 heroine, cocaine, pain pills, cigarettes, chocolate, -- you name
6 it -- all addictions are a result of anxiety, and they are an
7 attempt to -- a wrong attempt, a tragic attempt to mask or
8 tranquilize the anxiety. And it just doesn't work. It doesn't
9 take care of the problem.

10 MR. TRUDEAU: So that's what people go on diets for?
11 If they try to stop cold smoking they are climbing the walls and
12 they are irritable?

13 DR. CALLAHAN: Yes, that's right. That's what it is.
14 They are having an anxiety attack. Even heroin withdrawal, I
15 found, is actually an anxiety attack.

16 MR. TRUDEAU: Really? Not physiological?

17 DR. CALLAHAN: No. Well, there are physiological
18 elements, but they are very minor, very minor. What I was
19 trained, and most professionals still believe, that in the heroin
20 addiction the problem is mainly physiologic. It's not at all.
21 There is a lot of evidence now to show that. It's not at all.

22 MR. TRUDEAU: Well, this fellow, Jack, when he was, you
23 know, climbing the walls on the plane, I walked him through the
24 treatments. We're sitting right next to him on the plane.

25 DR. CALLAHAN: Yeah.

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EXHIBIT A

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1 MR. TRUDEAU: And within two to three minutes, the urge
2 went from a ten -- actually, he said it was an 11 -- went from an
3 11 down to a zero, and he said I don't want the cigarette. I
4 have no urge. Then he goes, I can't believe it.

5 DR. CALLAHAN: Yeah.

6 MR. TRUDEAU: The meal came, and we started talking,
7 and he was eating. They were cleaning up all the plates, and he
8 had not finished his meal yet; he was still eating. He noticed
9 he was the last guy done eating, and he didn't even eat his
10 entire meal. And he grabbed me, and he says, Kevin that's the
11 slowest I've ever eaten in my life.

12 DR. CALLAHAN: Oh, yeah.

13 MR. TRUDEAU: Now, isn't that interesting? It seemed
14 to change everything.

15 DR. CALLAHAN: Yes. What happened is -- and they all
16 report this after the addiction treatment. They unanimously
17 almost will say, you know, I feel very relaxed.

18 MR. TRUDEAU: Right.

19 DR. CALLAHAN: I feel very calm inside. And that's
20 what it was. He didn't have that frantic kind of a need to push
21 and shove the meal down. So it's better for his digestion also.

22 MR. TRUDEAU: Oh, sure.

23 DR. CALLAHAN: But, you know, there is something very
24 important for people -- you said at the opening, if they want to
25 quit smoking.

EXHIBIT A

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1 MR. TRUDEAU: Right.

2 DR. CALLAHAN: Let me tell you something: Some of them
3 don't want to quit smoking. I recommend those who don't want to
4 quit smoking but have to fly across country or attend meetings
5 where they are not allowed to smoke, do this treatment and watch
6 what it can do for them. And they find that it's not going to
7 drive them crazy to be without their cigarettes, they may change
8 their mind about it.

9 MR. TRUDEAU: They may want to.

10 DR. CALLAHAN: But even if they never want to, at least
11 they are going to have more control over it. It's not going to
12 be running them, not controlling them. They can regain control.

13 MR. TRUDEAU: That's funny, because we both know a
14 major celebrity, who will be nameless, who just yesterday just
15 did the treatment because "I don't want to quit; I like smoking."
16 I said, well, do this treatment anyways, and then smoke the
17 cigarette. We did the treatment. He didn't want to smoke it.
18 He says you know something? Maybe I do want to really quit.

19 DR. CALLAHAN: Sure.

20 MR. TRUDEAU: Because he was afraid, as you mentioned,
21 to try to quit because he thought it was going to be very
22 difficult and stressful and so forth.

23 DR. CALLAHAN: Oh, yeah. I know how difficult it is
24 when I quit 30-some years ago. It was terrible. I went through
25 hell. And there are people who -- most smokers have tried it.

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EXHIBIT A

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1 and they find that, Jesus, I'd rather die of lung cancer or heart
2 disease than end up in a mental hospital. That's the way it
3 stands for them.

4 MR. TRUDEAU: Right, right. For those of you watching
5 who do want information on Dr. Callahan's techniques, it's a
6 videotape where you, in just about 15 minutes, explain and show
7 the treatment, how to apply it.

8 I highly recommend it. I've seen this in-action. It's
9 probably the most revolutionary thing you can do, if you have any
10 addiction, whether it be for food, if you're overweight, if you,
11 have a smoking addiction, if your children are addicted to drugs
12 -- any compulsion, anything whatsoever, we recommend you call the
13 800 number and get information on the video because it really
14 could change your life. And it's something that I feel very
15 passionate about because I've seen the results for myself and in
16 my own life.

17 Now, let's talk about weight loss. We've talked about
18 smoking, but people out there -- and I'm one of them -- we like
19 to eat food. You know, I --

20 DR. CALLAHAN: Almost all of us are.

21 MR. TRUDEAU: It's a very pleasurable experience.

22 DR. CALLAHAN: Yeah. And it really is, yeah.

23 MR. TRUDEAU: And sometimes you eat to the point -- and
24 I think people can relate to this -- you eat when you're not
25 hungry. You just go past that point.

EXHIBIT A

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1 DR. CALLAHAN: Or it's so good, and you can't resist
2 it. See, that's the key element. If you could resist it, then
3 you don't have any problem.

4 MR. TRUDEAU: Right.

5 DR. CALLAHAN: And there are very few people like that,
6 they can just resist it. "Oh, I'll lose a few pounds. I'll just
7 leave this out and leave that out," and they don't have any
8 trouble, but most of us have trouble; and that's what we mean by
9 addiction.

10 MR. TRUDEAU: It seems that a lot of these diets that
11 people try would work if you followed through on them, --

12 DR. CALLAHAN: Yeah.

13 MR. TRUDEAU: -- but people, quote, cheat, or they
14 can't -- because they are just being driven -- at ten o'clock at
15 night they open up the refrigerator and out comes the Haagen Daz.

16 DR. CALLAHAN: The editor who bought my book, "Why Do I
17 Eat When I'm Not Hungry?" -- she was at Doubleday at the time --
18 she and her husband are very nice people, and they love good
19 food. In fact, they go over to Italy -- they go to Bologna and
20 study the special gourmet cooking that they have there and so
21 forth, and she always has been over 30-some pounds, and she'd
22 always go crazy when she was there because it was so good and she
23 could not resist it.

24 Well, she read the book, of course, that she bought.
25 She later left Doubleday, so that's relevant for the rest of this

EXHIBIT A

14

1 story because at the International Book Fair, my agent was there,
2 -- I think it was at Brussels -- and he said that she was telling
3 everybody that for the first time she could go to Bologna and
4 only eat smaller amounts. She didn't have to eat so much. The
5 drive was gone, that extra urge. That addictive urge was gone,
6 so she was raving about it to everybody.

7 MR. TRUDEAU: She could really enjoy the food --

8 DR. CALLAHAN: But she could still enjoy good food --

9 MR. TRUDEAU: -- without feeling guilty --

10 DR. CALLAHAN: -- without feeling guilty.

11 MR. TRUDEAU: -- and actually reduce weight because she
12 could eat normally without having that urge.

13 DR. CALLAHAN: Exactly. Isn't that wonderful?

14 MR. TRUDEAU: It's fascinating. Now, you had mentioned
15 about some of the talk shows you've been on radio, because you've
16 been on many --

17 DR. CALLAHAN: Yeah.

18 MR. TRUDEAU: -- and you treat people right over the
19 phone in a few minutes.

20 DR. CALLAHAN: They call -- we tell them to call -- you
21 know, I'll tell you why I do this. It's very simple. When I
22 wrote my first book, it was a Book-of-the-Month Club selection on
23 romantic love, and like every other author, I just went on show
24 after show and just discussed the concepts in the book.

25 But when I wrote the "Five-minute Phobia Cure," I knew

EXHIBIT A

15

1 nobody in their right mind would believe me or even should
2 believe me because it's so outrageous, it's so revolutionary. So
3 I told all the producers, get people who have these problems, and
4 let me show you.

5 So when I was appearing on the radio shows and I had
6 just discovered the addiction treatment, I told the listening
7 audience because I wanted to show people what we could do, so
8 they didn't just have to take my word for it. You know, in the
9 privacy of your office, you can make any claim you want. Nobody
10 knows the difference.

11 MR. TRUDEAU: Sure, you can. Right, right, right.

12 DR. CALLAHAN: So I wanted to show the world that we
13 really had something quite real and powerful. And so we had -- I
14 urged anyone calling in who had any addictive urge for anything
15 -- we've had people call in for -- who needed to shoot up with
16 heroin, they needed to take the extra alcoholic drank, they were
17 -- the first one who called was on the way to the refrigerator,
18 she said, and she heard me say that. She stopped, picked up the
19 phone, and called.

20 She says, I'm on my way to the refrigerator right now.
21 I'm in there to get my favorite desert, that ice cream with
22 chocolate on it. She said, I can't resist that stuff. Is there
23 anything you can do for me?

24 In a matter of about a minute and a half, in her case,
25 she didn't want it, didn't need it. Now, listen to this: 104

