

IN THE MATTER OF
TRAVEL KING, INC., ET AL.

OPINION, ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION ACT

Docket 8949. Amended Complaint, May 17, 1974-Order, Sept. 30, 1975*

Order requiring four west coast travel agencies located in Seattle, Wash., and San Francisco, Calif., among other things to cease making false claims about "psychic surgery" and promoting tours for such surgery, which has been misrepresented as an actual surgical operation by which diseased tissue or disease-causing material is removed from the body using only the bare hands. The order further requires respondents to send notices to past purchasers and to those who inquire about such tours in the future warning them of the serious danger involved.

Appearances

For the Commission: *Gregory L. Colvin, Randall H. Brook, Barry E. Barnes and Rachel P. Goodisman.*

For the respondent: *David C. Stewart, DeGarmo, Leedy, Oles & Morrison, Seattle, Wash., Michael W. Palmer, Baker & McKenzie, San Francisco, Calif., Richard Kelleher and Douglas A. Baum, Kelleher, Murphy & Nelson, Jerry Kindinger, Ryan, Bush, Swanson & Hendel and Albert Hanan, Seattle, Wash.*

AMENDED COMPLAINT

The Federal Trade Commission, having reason to believe that Travel King, Inc., d/b/a Travel King, Inc. & Ramble Tours, Phil-Am Travel Agency, Inc., Gem Travel Service, Inc., and Ramble Travel and Tours, Inc., corporations; Yuda Galazan and Nyla Ford, individually and as officers and directors of Ramble Travel and Tours, Inc.; Ronald Brown, individually and as an officer of Travel King, Inc.; Adeline C. Heredia and Emile H. Heredia, individually and as officers of Phil-Am Travel Agency, Inc.; and Laurence C. Marquez and Marian E. Butterfield, individually and as officers of Gem Travel Service, Inc., hereinafter referred to as respondents, have violated the provisions of the Federal Trade Commission Act, and that a proceeding in respect thereof would be in the public interest, hereby issues this complaint:

PARAGRAPH 1. Travel King, Inc., d/b/a Travel King, Inc. & Ramble Tours (hereinafter "Travel King"), is a Washington corporation, with its corporate office at 1200 - 153rd N.E., Bellevue, Wash., and a branch office at 1401 Seattle Tower Bldg., Seattle, Wash.

* Reported as amended by order of May 31, 1974 of the administrative law judge.

Phil-Am Travel Agency, Inc. (hereinafter "Phil-Am") is a California corporation, with its corporate office at 210 Post St., Suite 205, San Francisco, Calif. and another place of business at 407 Alaska Bldg., Seattle, Wash.

Gem Travel Service, Inc. (hereinafter "Gem") is a California corporation, with its office and principal place of business at 703 Market St., Room 405, San Francisco, Calif.

Ramble Travel and Tours, Inc. (hereinafter "Ramble"), is a Washington Corporation, with its corporate office at 1401 Seattle Tower Bldg., Seattle, Wash. Ramble was formed in December 1973 to succeed Travel King in the operation of the business located at that address.

Yuda Galazan is an individual and is presently managing and purchasing the business of the Travel King branch office located at 1401 Seattle Tower Bldg. He also is an officer, director, and the sole shareholder of Ramble Travel and Tours, Inc. He formulates, directs and controls the policies, acts and practices of Ramble and the aforementioned Travel King branch office, including those hereinafter set forth, and his business address is 1401 Seattle Tower Bldg., Seattle, Wash.

Nyla Ford is an individual and a former officer and principal shareholder of Travel King, and a present officer and director of Ramble. Together with Yuda Galazan, she formulates, directs and controls the policies, acts and practices of Ramble and the Travel King branch office including those hereinafter set forth, and her business address is 1401 Seattle Tower Bldg., Seattle, Wash.

Ronald Brown is an individual and an officer and principal shareholder of Travel King. He formulates, directs and controls the policies, acts and practices of Travel King, including those hereinafter set forth. His business address is 1200 - 153rd N.E., Bellevue, Wash.

Adeline C. Heredia and Emile H. Heredia are individuals and officers and the principal shareholders of Phil-Am. They formulate, direct and control the policies, acts and practices of Phil-Am, including those hereinafter set forth, and their business address is 210 Post Street, Suite 205, San Francisco, Calif.

Laurence C. Marquez and Marian E. Butterfield are individuals and officers and principal shareholders of Gem Travel Service, Inc. They formulate, direct and control the policies, acts and practices of Gem, including those hereinafter set forth, and their business address is 703 Market St., Room 405, San Francisco, Calif.

PAR. 2. Respondents Travel King, Phil-Am, and Gem each operate a general travel agency business, including the sale or arrangement of transportation, accommodations, and other services for travelers.

Allegations below of respondents' present acts or practices include past acts or practices.

PAR. 3. In the course of their businesses, respondents make arrangements for residents of Washington and other states to travel to the Philippines on the tours described below. Promotional materials, letters, contracts, business correspondence, monies and other documents are transmitted between respondents' offices and agents who refer customers to them, customers, common carriers, and other business organizations located in various States of the United States and in other nations of the world. Accordingly, respondents are engaged in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. Respondents Travel King, Phil-Am, and Gem advertise, offer for sale and sell to the general public package tours to the Philippines so that customers may undergo "psychic surgery," purported to be a treatment by which the body is entered without surgical instruments, using only the bare hands. The treatment is also known as "psychic healing," "faith healing," and "spiritual" or "spirit healing" and is performed by persons not licensed in the Philippines or elsewhere to practice medicine.

PAR. 5. Respondents engage in written, oral and visual representations which have the tendency and capacity, directly or by implication, to lead members of the general public to believe that the "psychic surgery" performed in the Philippines is an actual surgical operation, that the body is thereby opened, and that diseased tissue or disease-causing material is thereby removed from the human body. Respondents do so by using, or causing to be used, some means of promotion, including but not limited to one or more of the following:

A. Public dissemination of brochures prepared, printed and paid for with the assistance of certain major international airline companies, specifically Northwest Airlines, Inc. and Pan American World Airways, Inc.

B. Public dissemination of other materials.

C. Newspaper advertisements.

D. Showing of films at public meetings.

PAR. 6. In truth and in fact:

A. The so-called "psychic surgery" performed in the Philippines is not an actual surgical operation, the body is not thereby opened, and neither diseased tissue nor disease-causing material is thereby removed from the human body.

B. Respondents lack a reasonable basis for representations leading members of the general public to believe that the "psychic surgery" performed in the Philippines is an actual surgical operation, that the

body is thereby opened, and that diseased tissue or disease-causing material is thereby removed from the human body.

Therefore, the acts and practices referred to in Paragraphs Four and Five are deceptive and unfair.

PAR. 7. Persons suffering from many types of ailments, including cancer, heart disease, multiple sclerosis, blindness, deafness, paralysis, diabetes and arthritis may be led to believe by respondents' promotions that "psychic surgery" is an actual surgical operation, that the body is thereby opened, and that diseased tissue or disease-causing material is thereby removed from the human body. Thus, respondents' promotions of Philippine psychic surgery prey upon and exploit the frustrations and hopes of people who are seriously ill, and their families. Respondents are travel agents, not licensed physicians, and therefore are not qualified to diagnose, advise or select patients for any operation. Further, respondents disclaim responsibility for any medical consequences to their customers during their travel to the Philippine Islands or afterwards. People who are seriously ill, and their families, are vulnerable to the influence of respondents' promotions which hold out a tantalizing hope which the medical profession, by contrast, cannot offer. Therefore, the acts and practices referred to in Paragraphs Four and Five are unfair.

PAR. 8. The result of the respondents' aforesaid misleading, deceptive and unfair acts and practices is that people who are seriously ill may be and are induced to forego conventional medical treatment, thereby worsening their condition and, in some cases, hastening death. Further, the aforesaid acts and practices cause people who are seriously ill and their families to spend large amounts of money and be subjected to the inconvenience of traveling for a nonexistent "operation."

PAR. 9. The respondents' acts and practices are all to the prejudice and injury of the public and constitute unfair and deceptive acts and practices in commerce in violation of Section 5 of the Federal Trade Commission Act.

INITIAL DECISION BY DANIEL H. HANSCOM, ADMINISTRATIVE
LAW JUDGE

FEBRUARY 28, 1975

ALLEGATIONS OF COMPLAINT

An amended complaint issued May 17, 1974,¹ charging respondents with promoting, offering for sale and selling package tours to the

¹ The original complaint was issued Jan. 8, 1974, naming as respondents only the corporate travel agencies, Travel

(Continued)

Philippines so that customers could undergo "psychic surgery," purporting to be a treatment by which the body is entered without surgical instruments "using only the bare hands." According to the complaint, respondents engaged in written, oral and visual representations which had the tendency and capacity to lead members of the public to believe that "psychic surgery" performed in the Philippines is an actual surgical operation, that the body is opened, and that disease-causing material is thereby removed. The complaint further alleged that respondents had no reasonable basis for the representations made, and that persons suffering from many types of ailments including cancer, heart disease, multiple sclerosis, blindness, deafness, paralysis, diabetes and arthritis may be led to believe that "psychic surgery" is an actual surgical operation, that the body is opened and diseased tissue removed. According to the complaint, the frustrations and hopes of the seriously ill and their families were exploited, and the representations had the tendency and capacity to induce the seriously ill to forego conventional medical treatment worsening their condition and in some cases hastening death, or to cause them to spend large amounts of money and to undergo the inconvenience of traveling for a nonexistent "operation." The acts and practices of respondents were challenged as unfair, misleading and deceptive, and violative of Section 5 of the Federal Trade Commission Act.²

ANSWERS

The answers denied any violation of the Federal Trade Commission Act, denied the material allegations of the complaint, denied that respondents made any representations, directly or by implication, that "psychic surgery" was an actual surgical operation by which diseased tissue or disease-causing material was removed from the human body, and denied that respondents lacked a reasonable basis for any representations that were made. Most respondents raised affirmative defenses that the tours arranged to visit "psychic healers," "faith healers" or "spiritual healers" in the Philippines, insofar as the

King, Inc., Phil-Am Travel Agency, Inc., and Gem Travel Service, Inc. At a prehearing conference held Mar. 6, 1974, in Seattle, Wash., complaint counsel advised of their intention to amend the complaint to add a number of individual respondents, one additional corporate respondent, Ramble Travel and Tours, Inc., and to make certain substantive changes in the allegations. The motion to amend was certified to the Commission together with respondents' opposition on Apr. 5, 1974. The Commission granted the motion to amend and on May 17, 1974, issued an amended complaint which was served on all individual and corporate respondents between May 23 and June 3, 1974. Answers to the amended complaint were filed between June 18 and 26. A timetable for pretrial proceedings was issued by the undersigned on June 24, 1974, setting dates for the completion of discovery, exchange of lists of witnesses and documents, and setting Sept. 9, 1974, for commencement of hearings on the merits.

² In addition to a cease and desist order, and certain other relief, restitution for persons purchasing package tours from respondents was sought by complaint counsel. Restitution was not included in the "Notice Order" issued either with the original or the amended complaint. Complaint counsel advised of their intention to seek restitution at the pretrial conference of Mar. 6, 1974, and subsequently filed a "Notice of Intent to Seek Restitution from Corporate and Individual Respondents" on Mar. 22, 1974.

customer and the healers were concerned, were basically religious experiences or activities "imbedded in the religious doctrine of the Christian religion," and that the complaint amounted to an attempted regulation of religious action involving the "testing of the truth or falsity of the religious beliefs" of customers and "faith healers," "spiritual healers," or "psychic healers" in violation of the First Amendment. Travel King, Inc., further alleged that it had nothing to do with what took place between the "customers and the healers." Individual respondent Ronald Brown denied that he was ever actively involved in the operation of Travel King, Inc., and denied any responsibility for the "formulation, direction, arrangement, or administration" of package tours by that corporate respondent.

PROCEEDINGS

Hearings were held between Sept. 9, 1974, and Sept. 24, 1974. Forty-eight witnesses testified, 33 being called by complaint counsel and 15 by respondents. The exhibits received numbered 134, 131 being introduced by complaint counsel and the balance by respondents. The exhibits include promotional literature, advertisements, films, TV scripts, respondents' correspondence with tour members and prospective members, internal memoranda, newspaper articles and clippings which were reproduced and distributed by one or another of respondents, medical reports, and similar materials. The transcript numbers 2,388 pages.

The briefing schedule issued requiring proposed findings to be filed by Nov. 15, 1974, and replies by Nov. 27, 1974. On Nov. 6, 1974, complaint counsel requested an extension of time for findings to Dec. 13, 1974, and to Jan. 10, 1975, for replies. This was granted by the undersigned as to all parties provided an extension of time for filing the initial decision to Feb. 28, 1975, was granted by the Commission. Such an extension was granted on Dec. 17, 1974.

BASIS OF DECISION

This matter is now before the undersigned for initial decision based on the allegations of the complaint, answers, evidence, and the proposed findings of fact, conclusions and briefs filed by respondents and complaint counsel. All proposed findings of fact, conclusions and arguments not specifically found or accepted herein are rejected. The undersigned, having considered the entire record, and all the contentions of both sides, makes the following findings and conclusions, and issues the order set out at the end hereof:

FINDINGS OF FACT

RESPONDENTS

Travel King, et al.

1. Travel King, Inc., was incorporated in 1969 in the State of Washington. From September 1972 to February 1974, Travel King had its main office in Bellevue, Washington, a suburb of Seattle. From April 1973 to May 1974, a branch office was maintained in downtown Seattle which did business as Travel King, Inc. & Ramble Tours. Although Travel King still exists as a corporate entity, it has had no place of business since May 1974 and, according to its answer and that of Nyla Ford, it is no longer doing business.

2. Ramble Travel & Tours, Inc. (hereinafter "Ramble") was incorporated in the State of Washington on Dec. 7, 1973. Ramble's corporate offices were located in downtown Seattle, Wash., where Ramble did business from Dec. 7, 1973, until May 1974, using the trade names Travel King and Travel King & Ramble Tours. The business purpose of the formation of Ramble was to operate a travel agency and to succeed Travel King in the operation of the downtown Seattle business. Ramble continued using the same name as its predecessor in order to maintain name identification with its customers and also continued using the same travel brochures.

3. In 1971, Nyla Ford began purchasing the business of Travel King. In September 1972, Ronald Brown became half-owner of the business, Nyla Ford remaining owner of the other half. This dual ownership continued until February 1973, when Ronald Brown acquired Nyla Ford's interest, corporate respondent Travel King being in financial difficulties. Since Feb. 1, 1973, individual respondent Ronald Brown has been the sole owner of Travel King, Inc. Nyla Ford has been president of Travel King from September 1972 until the present. She was an incorporator. She also served as vice president and a director of Ramble Travel & Tours, Inc., from Dec. 7, 1973, until February 1974. However, she held no stock in Ramble.

4. Yuda Galazan has been president of Ramble Travel & Tours, Inc., from its incorporation on Dec. 7, 1973, to the present, owning 100 percent of its stock. Prior to the formation of Ramble, Mr. Galazan was active during the fall of 1973 in the management of the downtown Seattle office of Travel King, Inc., and engaged in the promotion of "psychic surgery" tours to the Philippines as later set out herein.

For the above see admissions and answers to interrogatories of Travel King, Inc., and individual respondents connected therewith; see also, CX 1, 3-4; Galazan, Tr. 882-83; Ford, Tr. 1786-1793, 1786-91.

Phil-Am, et al.

5. Phil-Am Travel Agency, Inc. is incorporated in the State of California with its corporate office and principal place of business in San Francisco. A branch office is located in Seattle, Wash., and is managed by Jesus Ma. (Jesse) Jose. Other branches are located in Los Angeles, San Diego, Stockton, San Jose, and Honolulu. Adeline C. Heredia and Emile H. Heredia each own 50 percent of the stock in Phil-Am. Adeline Heredia is the president of the corporation, and Emile Heredia is the secretary. Together they have authority over Phil-Am and its employees, and formulate, direct and control the policies, acts and practices of Phil-Am. See admissions and answers to interrogatories of Phil-Am and Emile H. and Adeline Heredia; see also Adeline Heredia, Tr. 1534.

Gem, et al.

7. Gem Travel Service, Inc., is a California corporation with its office and principal place of business in San Francisco. Laurence C. Marquez is president and chief executive officer, holding 50 percent of the outstanding stock. Marian E. Butterfield is secretary-treasurer of Gem and also owns 50 percent of the outstanding stock. Together they formulate, direct and control the policies, acts and practices of Gem. See admissions and answers to interrogatories of Gem, Laurence C. Marquez and Marian E. Butterfield.

Representations to the Public by Travel King

8. Travel King, Inc. disseminated travel brochures, advertisements and promotional literature, and sponsored promotional meetings, including film showings in hotels and similar places in the Seattle metropolitan area, to market tours to the Philippines. Representations were made to members of the public in connection with the promotion of such tours that "healers" in the Philippines, variously known as "psychic surgeons," "psychic healers," "faith healers" and "spiritual" or "spirit healers," or the like, would open bodies with their bare hands, remove diseased tissue or disease-causing material, and that thereby many persons were cured of serious, even terminal illnesses, as well as of chronic conditions of a troublesome, painful, or incapacitating nature.

9. "RAMBLE TOURS TO THE PHILIPPINES" is the tour brochure used by Travel King to describe the Philippine tour. Travel King requested Northwest Orient Airlines to distribute this brochure widely. The schedule provides for "Visit to Famous Spiritualist of The Philippines," and contains a release to be signed by the tour member for any "responsibility regarding any treatment or treatments administered by the Faith Healers" (CX 2). "TOUR TO THE PHILIPPINES" (CX 5) is a single sheet which sets out the cost of the tour, and also contains a summary of the basic information provided in CX 2. The reservation application form (CX 6), which Travel King, and

also Mr. Galazan, used for a time during the beginning of these group tours, likewise provides for a release for any treatment or treatments by "Faith Healers." Mr. Galazan testified that CX 2, 5 and 6 were sent in the mail to interested customers and to past tour customers for them to pass on to other people (see admissions of Travel King and Galazan; Galazan, Tr. 820, 830-35, 867-68).

10. "QUESTIONS YOU MAY HAVE" (CX 7A-B) is a description issued by Travel King and Mr. Galazan in the promotion of its tours to the Philippines describing "psychic surgery," stating that it is not connected with any one church but that "people of all faiths" are healed, that "anyone" can be helped, and that "upward of 70% are happy with the results." The leaflet lists major and minor ailments which may be treated, guarantees appointments, and states that many doctors go to the Philippines "for treatment themselves," and that other doctors are "researching" the phenomenon. The leaflet was prepared in the fall of 1973 when the travel agency became involved in answering questions about health, so that those who worked in the office could answer questions. It was distributed to those inquiring about the tours, and was mailed to those who signed up as tour members prior to departure. The printing was paid for either by Mr. Galazan directly or by Travel King, Inc., with Mr. Galazan eventually reimbursing the travel agency (Galazan, Tr. 815-18; Tr. 1830-31).

11. "QUESTIONS YOU MAY HAVE" was distributed to the public, as stated, in connection with the promotion of tours to the Philippines by Travel King. Among other statements in this leaflet were the following (CX 7A-B): There are men in the Philippines who have (or claim to have) the powers to heal and/or operate on persons without instruments of any kind. They do this with no sanitation, and no pain, entering the body with their hands, operating in a matter of minutes, and with prayer closing the body leaving no scar.

* * * * *

WHAT TYPE OF CURES? Cancer, coronary, multiple sclerosis, blindness, deafness, tumors, diabetes, blood clots, arthritis, etc.; these are some ailments people have claimed were cured. Some have been told they only have months to live and others who have minor ailments.

* * * * *

HOW DOES OUR AMERICAN MEDICAL ASSOCIATION FEEL ABOUT THIS? Most doctors due to their training are sceptical, and yet we have many doctors going for treatment themselves, as well as others around the world who are now in the process of researching all available information.

12. CX 8A-H is a series of photocopied newspaper, news letter, and magazine articles conveying the impression that the human body is opened with the bare hands, that diseased tissue or disease-causing material is removed curing serious or terminal illnesses. Numerous references are made to actual surgery with the bare hands, the body being opened, and diseased tissue or disease-causing material being removed.

13. Hundreds of copies of the foregoing newspaper articles were printed by Mr. Galazan and distributed at various public film showings sponsored by Travel King held during the fall of 1973. Ms. Hasson, the Travel King office manager, recalled delivering multiple copies of CX 8A-H in bulk to one of the film showings held during September or October of 1973 (Galazan, Tr. 830-33, Hasson, Tr. 1901).

Public Film Showings and Advertising Thereof

14. Travel King sponsored a number of public meetings, announced by advertisements in major Seattle newspapers, at which films depicting Philippine "healers" were shown to the public. The advertisements were placed during the fall of 1973 in the Seattle Post-Intelligencer, the Seattle Times, and other papers such as the Aberdeen Daily World (CX 9, 10, 14-16, 192, 193 AND 197). The advertisement of Oct. 6, 1973, in the Seattle Post-Intelligencer was as follows (CX 10):

NOTICE TO PUBLIC

DUE TO OVERWHELMING REQUEST
THERE WILL BE ANOTHER SHOWING
OF ASTOUNDING FILMS ON

PHILIPPINE PSYCHIC HEALING

SUNDAY, OCT. 7th, 1 P.M.

HOLIDAY INN

BELLEVUE, WN.

FREE TO PUBLIC

15. The public meetings were held in Seattle, Bellevue, Bellingham, and Everett, and several hundred people attended each of them. Ms. Ford and Mr. Galazan attended representing Travel King, with Mr. Galazan acting as master of ceremonies at at least one of them. At these meetings, individuals known as Tom Muchlinski, Elaine Shinn, or both, spoke concerning "faith healing." Mr. Galazan described Travel King's tours and services. During these meetings, Ms. Ford also spoke to those attending and described the tours offered by Travel King to the Philippines (admissions of Travel King and Galazan; Dr. Wallace, Tr. 753).

16. The record contains the film, provided by Mr. Galazan, shown at these public meetings or one similar to it (CX 80; Galazan, Tr. 825-26; see also C. Wright, Tr. 120-130). It depicts "psychic surgery." The film must be seen to comprehend its full impact. It records a series of "operations" on individuals, each of whom is shown lying on a table surrounded by onlookers. The "psychic surgeon" or "faith healer" appears to have his hands, surrounded by blood, in a depression in one part or another of the patient's body, and appears to have opened or to be opening it with his bare hands, without anesthesia or surgical instruments of any sort, and to be removing tissue or other material from inside. During the "operation," the "psychic surgeon" or "faith healer" from time to time holds up to the view of the onlookers what appears to be tissue or material removed from the body. Thereafter, the abdomen, or other part of the anatomy which appears on the film to have been opened, is wiped clean by the "psychic surgeon" or "faith healer," or his attendants. No marks of any incision are seen, and there is no scar. The patient arises and walks away. See CX 80; CX 79 and CX 81 are other reels of film depicting "psychic surgery" which, as described later herein, were shown at meetings connected with or sponsored, directly or indirectly, by respondents Gem and Phil-Am, or those promoting tours with those respondents.

17. Travel King tour brochures (CX 2), "QUESTIONS YOU MAY HAVE" (CX 7A-B), and the photocopied newspaper, newsletter and magazine material (CX 8A-H), were distributed at the Travel King film showings (admissions of Travel King and Galazan; Galazan, Tr. 823-834).

18. During the Sept. 30, 1973, meeting, sponsored by Mr. Galazan and typical of these Travel King film showings (see CX 192 and CX 193; Galazan, Tr. 821-24). Tom Muchlinski, mentioned in finding 15, told the assembled crowd that before he went to the Philippines he had a heart problem which made it difficult for him to walk and which necessitated his taking many nitroglycerin pills. He also told the group he no longer needed to take the pills and showed a film (similar to CX

80) of the kind of "psychic surgery" he experienced. Mr. Muchlinski also showed the group what he claimed was a piece of cholesterol removed from his heart by the psychic surgeons with their bare hands. A woman who claimed to be "legally blind" also spoke at the meeting, telling how she had been operated on in the Philippines by the "psychic surgeons," and that they had improved her vision. Mr. Galazan introduced the various people who spoke about their operations to the audience. The cost of the hotel room in which the meeting was held was shared equally by Travel King, Inc. and Mr. Galazan (Galazan, Tr. 823-833).

19. The film showing held on Oct. 7, 1973 (see CX 10), was similar to the September 30 showing. At this time, Mr. Muchlinski, and other people, again came forward and gave testimonials about the "psychic surgery" they had received in the Philippines. When people asked whether they could be cured of specific diseases, they were told there might be hope for them. Several people signed up at the meeting itself to go on the next Travel King tour. The same literature that was distributed at the Sept. 30, 1973, meeting was also made available at the Oct. 7, 1973, meeting (Galazan, Tr. 858-864). Nyla Ford estimated that about 500 people came to the September meeting and 700 to the October meeting (Ford, Tr. 1824-1832). Additional film showings for audiences also numbering several hundred were held on Nov. 4 and Nov. 17, 1973, at which Mr. Galazan was present (Galazan, Tr. 890A-B; see CX 14, 15 and 16). Mr. Muchlinski's expenses in promoting Travel King's "psychic surgery" tours were paid by Mr. Galazan (Tr. 864-65).

20. Dr. John Wallace is a psychiatrist and teacher of psychiatry at the University of Washington School of Medicine. He is also a consultant to other doctors on the counseling of patients and families of patients who are ill with life-threatening diseases, such as cancer or heart disease. In November 1973, Dr. Wallace saw an ad for a "psychic healing" film showing by Travel King. He subsequently attended the showing at the Olympic Hotel in Seattle (CX 14 and 15 are copies of the advertisements for the showing which appeared in Seattle papers). Dr. Wallace identified Mr. Galazan, Elaine Shin (Shinn), and Mr. Wallinski (Muchlinski) as the principal persons involved in the showing, and identified a Travel King Brochure (CX 2) and promotional document entitled, "QUESTIONS YOU MAY HAVE" (CX 7) as being distributed (Dr. Wallace, Tr. 698-701). Dr. Wallace testified that the films were identified verbally as "showing psychic surgical operations taking place in the Philippines" (Dr. Wallace, Tr. 701). At one point there was a comment by one of the film showings "There it is, the tumor is out" (Dr. Wallace, Tr. 720). Dr. Wallace testified with respect to the audience and the effect of the film at the Olympic Hotel (Tr. 722, 724-25, and 729):

There were 100 to 150 people present in the Spanish Ballroom. Both sexes, all ages

