

**In the Matter of Creaxion Corp., Mark Pettit, Inside Publications, LLC of Georgia, and
Christopher Korotky**

ANALYSIS OF PROPOSED CONSENT ORDERS TO AID PUBLIC COMMENT

The Federal Trade Commission (“Commission”) has accepted, subject to final approval, an agreement containing a consent order as to Creaxion Corp. and Mark Pettit, and an agreement containing a consent order as to Inside Publications, LLC of Georgia and Christopher Korotky (“respondents”).

The proposed consent orders (“orders”) have been placed on the public record for 30 days for receipt of comments by interested persons. Comments received during this period will become part of the public record. After 30 days, the Commission will again review the orders and the comments received, and will decide whether it should withdraw the orders or make them final.

This matter involves the respondents’ endorsement and advertising format practices with respect to the advertising and promotional campaign they created and implemented for FIT Organic Mosquito Repellent. The complaint alleges that the respondents violated Section 5(a) of the FTC Act by misrepresenting that certain endorsements reflected the independent experiences or opinions of impartial users, and by deceptively failing to disclose that certain endorsers had material connections with the endorsed product, namely that they were paid spokespersons, they were reimbursed for the cost of the product, or they owned or were employed by Creaxion, the public relations firm hired to promote the product. The complaint also alleges that the respondents violated Section 5(a) by misrepresenting that certain advertisements were independent statements and opinions of impartial publications when they actually were paid commercial advertising.

The orders include injunctive relief that prohibit these alleged violations and fences in similar and related conduct. The provisions apply to any product or service.

Part I prohibits misrepresenting the status of any endorser or person reviewing the product or service, including that he or she is an independent user or ordinary consumer of the product or service.

Part II prohibits any representation about any consumer or other endorser of such product or service without disclosing, clearly and conspicuously, and in close proximity to that representation, any unexpected material connection between such endorser and any respondent, or other individual or entity affiliated with the product or service. Each order defines the terms “clearly and conspicuously” and “unexpected material connection.”

Part III prohibits misrepresenting that paid commercial advertising is a statement or opinion from an independent or objective publisher or source.

Part IV requires the respondents, when they use endorsers to advertise or sell a product or service, to take certain steps to make sure the endorsements comply with Parts I and II of the order. Such steps include clearly notifying endorsers of their representation and disclosure responsibilities, creating a monitoring system to review endorsements and disclosures, and terminating any endorser who fails to comply with Parts I and II.

Part V requires the respondents to distribute the order to certain persons and submit signed acknowledgments of order receipt.

Part VI requires the respondents to file compliance reports with the Commission, and to notify the Commission of bankruptcy filings or changes in corporate structure that might affect compliance obligations.

Part VII contains recordkeeping requirements for personnel records, advertising and marketing materials, and all records necessary to demonstrate compliance with the order.

Part VIII contains other requirements related to the Commission's monitoring of the respondents' order compliance.

Part IX provides the effective dates of the order, including that, with exceptions, the order will terminate in 20 years.

The purpose of this analysis is to facilitate public comment on the orders, and it is not intended to constitute an official interpretation of the complaint or orders, or to modify the orders' terms in any way.