## DECISION AND ORDER

The Federal Trade 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 Denver Regional Office proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent with violation of the Federal Trade Commission Act; and

The respondent, its attorney, and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the 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, or that the facts as alleged in such complaint, other than jurisdictional facts, are true, and waivers and other provisions as required by the Commission's Rules; and

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 prescribed 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 Pre-Paid Legal Services, Inc., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Oklahoma, with its office and principal place of business located at 321 E. Main Street, in the City of Ada, State of Oklahoma.

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.

#### DEFINITIONS

For purposes of this order:

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a. "Living trust" means a trust into which an individual can place all of his or her assets during his or her lifetime and, by transferring ownership of the assets to the name of the trust, thereby remove the assets from the individual's estate.

b. "*Probate*" is the legal process that validates a will, the legal document that contains instructions to the court on how assets and liabilities are to be divided and distributed at death.

# ORDER

# I.

It is ordered, That respondent Pre-Paid Legal Services, Inc., a corporation, its successors and assigns, and its officers, and respondent's agents, representatives, and employees, directly or through any corporation, subsidiary, division, or other device, including through any individual or entity with whom or which respondent has contracted to provide pre-paid legal services, in connection with the advertising, promoting, offering for sale, or sale of living trusts, do forthwith cease and desist from misrepresenting, in any manner, directly or by implication, orally or in writing, that:

- A. The use of a living trust avoids all probate and administrative costs.
- B. At death, a living trust allows assets to be distributed immediately or almost immediately.
- C. A living trust cannot be challenged.
- D. Living trusts are prepared by local attorneys.
- E. A living trust protects against catastrophic medical costs.
- F. A living trust is the appropriate estate planning device for every consumer.
- G. There are no disadvantages to a living trust.

# II.

It is further ordered, That respondent Pre-Paid Legal Services, Inc., a corporation, its successors and assigns, and its officers, and respondent's agents, representatives and employees, directly or through any corporation, subsidiary, division, or other device, including through any individual or entity with whom or which respondent has contracted to provide pre-paid legal services, in

connection with the offering for sale or sale of living trusts, do forthwith cease and desist from failing to disclose, clearly and conspicuously, in writing, and prior to the consummation of the sale, the following information:

A. Living trusts may be challenged on similar grounds as wills.

B. Living trusts may not be appropriate in all instances, and all estate planning options should be examined before determining which estate plan best suits a particular individual's needs and wishes.

# III.

It is further ordered, That respondent Pre-Paid Legal Services, Inc., a corporation, its successors and assigns, and its officers, and respondent's agents, representatives and employees, directly or through any corporation, subsidiary, division, or other device, including through any individual or entity with whom or which respondent has contracted to provide pre-paid legal services, in connection with the offering for sale or sale of living trusts, do forthwith cease and desist from failing to disclose, clearly and conspicuously, in writing, and prior to the consummation of the sale, the following information, if true:

A. The availability of informal probate under this state's statutes allows minimal or no contact with the courts and reduces the time required to probate a will.

B. The transfer of an individual's assets into the living trust is not included in the price of creating the living trust.

C. It is the sole responsibility of the purchaser of the living trust to transfer assets into the trust.

D. Creditors have a longer period of time to file a claim against a living trust than against a probated estate.

# IV.

It is further ordered, That respondent Pre-Paid Legal Services, Inc., a corporation, its successors and assigns, and its officers, and respondent's agents, representatives and employees, directly or through any corporation, subsidiary, division, or other device, in connection with the advertising, promoting, offering for sale, or sale of living trusts by any individual or entity with whom or which

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respondent has contracted to provide pre-paid legal services, do forthwith cease and desist from failing to take reasonable steps sufficient to determine, commencing with the beginning of such a contractual relationship and continuing throughout the relationship, whether the promotion or sale involves any acts or practices prohibited by paragraphs I, II and III of this order. Such steps shall include, but are not limited to, evaluating, on a basis independent of the individual or entity with whom or which respondent has contracted to provide pre-paid legal services, the terms or conditions of sale, the adequacy of any disclosures, the representations made and the truthfulness of these representations (for the purposes herein, evaluating may, but need not, include reviewing advertisements, sales scripts and sales manuals, interviewing officers and employees, ascertaining the number and nature of consumer complaints and blind testing of oral representations).

# V.

It is further ordered, That respondent Pre-Paid and its successors and assigns shall, in accordance with the provisions of this Part, offer a refund in the amount of one hundred sixty-five dollars (\$165.00) to every purchaser of a living trust, except for (1) those purchasers residing in states with which Pre-Paid has previously settled, and (2) all other purchasers who have previously received refunds from either Pre-Paid or the American Association for Senior Citizens ("AASC").

A. Within thirty (30) days of the date that this order becomes final, respondent shall compile and submit to the Commission a current mailing list containing the names and last known addresses of all AASC members for whom living trusts were prepared by Pre-Paid and who reside in states with which Pre-Paid has not previously settled. Respondent shall also compile and submit to the Commission a list of all AASC members to whom respondent has paid refunds, indicating the amount of each refund and the date the refund was issued. In compiling these lists, respondent shall search all relevant records in the possession, custody, or control of the respondent, including but not limited to its unincorporated divisions, joint ventures, partnerships, operations under other names, affiliates, and all directors, officers, partners, employees, agents, consultants, franchisees, and any other person or entity, including independent contractors, working for or on behalf of any of the foregoing.

B. The Commission shall compile and maintain a list of consumers potentially eligible to receive refunds based on the information respondent is required to produce pursuant to V.A, above, and supplemented by such further relevant information in the Commission's possession or that comes to the Commission's attention.

C. The Commission or its designated agent shall mail a notification letter substantially in the form set out in Appendix 1 to all persons the Commission has reason to believe are eligible consumers, to advise each of: (a) the settlement with Pre-Paid, and (b) the consumer's right to receive a refund.

D. The Commission shall enclose with each notification letter described in V.C, above, a claim form substantially in the form set out in Appendix 2. Refund eligibility shall be based on submission of such form, which has been signed by either the AASC member or the beneficiary, next-of-kin or other representative of the member, if the member is deceased.

E. Any potentially eligible consumer who does not submit a completed and executed claim form in response to the Commission's notification letter by the date specified in the notification letter shall not be eligible to participate in the distribution; provided, that the Commission may in its discretion accept and process an untimely response to the notification letter.

F. The funds from any returned checks, and checks not cashed within 60 days after the distribution date, shall be redeposited into the redress fund for possible redistribution.

# VI.

It is further ordered, That the consumer redress fund shall be established, administered, distributed and terminated under the direction and control of the Commission and/or its designated agent. Respondent shall be notified, upon request, as to how the consumer refunds are distributed, but shall have no right to contest the manner of distribution chosen by the Commission. Within 30 days of completing the distribution of refunds pursuant to Part V of this order, the Commission or its designated staff will provide written notification to the escrow agent specified in the Escrow Agreement attached as Appendix 3 to return to the Commission for transmittal to Pre-Paid any funds remaining in the escrow account that were not paid to consumers or to cover administrative costs of the escrow

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account. Nothing in this provision shall be construed to limit Pre-Paid's obligation under Parts V and VI of this order to provide consumer refunds.

# VII.

It is further ordered, That, for a period of three (3) years from the date of issuance of this order, respondent, and its successors and assigns, shall maintain and upon request make available to a representative of the Federal Trade Commission for inspection and copying all documents relating to the advertising, promoting, offering for sale, or sale of living trusts that are developed, written, reviewed, authorized, or used by respondent, its successors and assigns, its officers, and its agents, representatives and employees, directly or through any corporation, subsidiary, division, or other device, or by any individual or entity with whom or which respondent has contracted to provide pre-paid legal services.

# VIII.

It is further ordered, That respondent shall notify the Federal Trade Commission, through its Denver Regional Office unless otherwise directed, at least thirty (30) days prior to any proposed change in the respondent, such as dissolution, assignment, or sale resulting in the emergence of a successor corporation, the creation or dissolution of new corporations, subsidiaries or affiliates of the respondent, the planned filing of a bankruptcy petition, or any other corporate change that may affect compliance obligations arising out of this order.

# IX.

# It is further ordered, That respondent shall:

A. Within thirty (30) days of service of this order upon it, provide a copy of this order to each of respondent's current principals, officers, directors and managers and to all personnel, agents and representatives who are or have been participating or engaging in any manner in respondent's sales activities relating to living trusts.

B. For a period of three (3) years from the date of issuance of this order, provide a copy of this order to each of respondent's principals, officers, directors and managers, and to all personnel, agents and

representatives who are participating or engaging in any manner in respondent's sales activities relating to living trusts within three (3) days after the person assumes his or her position.

# Χ.

It is further ordered, That this order will terminate on April 4, 2017, or twenty years from the most recent date that the United States or the Federal Trade Commission files a complaint (with or without an accompanying consent decree) in federal court alleging any violation of the order, whichever comes later; provided, however, that the filing of such a complaint will not affect the duration of:

A. Any paragraph in this order that terminates in less than twenty years;

B. This order's application to any respondent that is not named as a defendant in such complaint; and

C. This order if such complaint is filed after the order has terminated pursuant to this paragraph.

Provided further, that if such complaint is dismissed or a federal court rules that the respondent did not violate any provision of the order, and the dismissal or ruling is either not appealed or upheld on appeal, then the order will terminate according to this paragraph as though the complaint was never filed, except that the order will not terminate between the date such complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

# XI.

It is further ordered, That respondent shall, within sixty (60) days of service of this order upon it, and at such other times as the Federal Trade Commission may require, file with the Commission a report, in writing, setting forth in detail the manner and form in which it has complied with this order.

# FEDERAL TRADE COMMISSION DECISIONS

Decision and Order

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### **APPENDIX 1**

# UNITED STATES OF AMERICA FEDERAL TRADE COMMISSION DENVER REGIONAL OFFICE

1961 Stout Street, Suite 1523 Denver, CO 80294-0101 (303) 844-2271

Dear AASC Member:

The Federal Trade Commission has entered into a settlement agreement with Pre-Paid Legal Services, Inc. ("Pre-Paid"), the organization which provided living trusts to members of the American Association for Senior Citizens ("AASC"). The FTC charge AASC and Pre-Paid with making certain misrepresentations, as well as with failing to disclose important information, in the course of marketing and selling living trusts. The agreement reached between Pre-Paid and the Federal Trade Commission is for settlement purposes only and does not constitute an admission of wrongdoing on the part of Pre-Paid.

In settlement of this matter, Pre-Paid has agreed to make partial refunds to AASC members. To be eligible for this refund, you must sign and return the enclosed claim form. If you have already received a refund from Pre-Paid or AASC, you are not eligible for this refund.

Sincerely,

Federal Trade Commission

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#### **APPENDIX 2**

#### UNITED STATES OF AMERICA FEDERAL TRADE COMMISSION DENVER REGIONAL OFFICE

1961 Stout Street, Suite 1523 Denver, CO 80294-0101 (303) 844-2271

#### **CLAIM FORM**

Name

Address\_\_\_\_\_\_City/State/Zip

This Claim Form is to be used in connection with your request for a refund from Pre-Paid Legal Services, Inc. ("Pre-Paid"). Please read the Letter enclosed with this Claim Form. THIS CLAIM FORM MUST BE RECEIVED BY THE FTC AT THE ADDRESS SHOWN ABOVE NO LATER THAN\_\_\_\_\_\_, 199\_. (60 day turn-around). A self-addressed envelope is provided for your convenience. Please affix the proper postage.

#### INSTRUCTIONS

1. Please check the appropriate box to indicate your status:

- [] As a member of the American Association for Senior Citizens ("AASC"), I received a living trust from Pre-Paid Legal Services, Inc. I have not received a refund from either AASC or Pre-Paid.
- [] \_\_\_\_\_, the AASC member who received the living trust, is legally incompetent or deceased, and I am the beneficiary, next-of-kin or other representative of that person. Neither the AASC member nor myself, on behalf of that AASC member, has received a refund from either AASC or Pre-Paid.
- 2. If your name and/or address as they appear at the top of this form are different, or the information is otherwise incorrect, please enter the change(s) in the line(s) to the right.

#### PRIVACY ACT NOTICE

This information is being collected in order to make a distribution of funds paid to the Federal Trade Commission in connection with an Agreement Containing Consent Order to Cease and Desist issued to Pre-Paid Legal Services, Inc. by the Commission pursuant to 15 U.S.C. 45. In addition, this information may be disclosed for other purposes authorized by the Privacy Act, 5 U.S.C. 552a, 47 Fed. Reg. 32,622, including disclosure to other government agencies. Failure to provide the requested information could delay processing or, in some cases, make it impossible for us to process your claim.

Under penalty of perjury, I certify that the foregoing is true and correct to the best of my knowledge and belief.

Signature

Date

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#### **APPENDIX 3**

#### ESCROW AGREEMENT

Whereas, Pre-Paid Legal Services, Inc. ("Pre-Paid" or "proposed respondent"), has agreed with the staff of the Federal Trade Commission ("the Staff") to settle a certain proposed complaint against it; and

Whereas, as part of the settlement of the proposed complaint for alleged violations of Section 5 of the Federal Trade Commission Act ("FTC Act"), Pre-Paid and the staff have agreed that Pre-Paid will pay partial consumer refunds to those who purchased living trusts from the American Association for Senior Citizens ("AASC"); and

Whereas, the staff requires as a condition of its recommendation of the proposed settlement to the Commission that one hundred thirty thousand dollars (\$130,000) be held in escrow to secure payment of the redress, pending final approval of the settlement and issuance of the order by the Commission, before being disbursed as directed by the terms of the proposed Agreement Containing Consent Order to Cease and Desist;

*Now, therefore,* in consideration of the premises and mutual covenants, agreements and conditions herein contained, Pre-Paid and the staff do hereby agree to and with each other as follows:

1. Gilardi & Co., in its capacity as a redress contractor (FTC contract #L-1127), shall serve as the Escrow Agent. Within fortyeight (48) hours of signing the Proposed Agreement Containing Consent Order to Cease and Desist to the Commission for final approval, the proposed respondent shall pay to Escrow Agent the amount of one hundred thirty thousand dollars (\$130,000), to be held in escrow in an interest-bearing account to secure payment of the refunds in trust for consumers, by depositing the same into an account ("the escrow fund") as designated by the Escrow Agent. Pre-Paid will pay said amount by a certified or cashier's check(s) or wire transfer.

2. Except as provided in paragraphs four and five of this Agreement and Part V of the proposed Agreement Containing Consent Order to Cease and Desist, proposed respondent agrees to make no claim to or demand for the return of the escrow fund or any portiion thereof, directly or indirectly, through counsel or otherwise, and, in the event of bankruptcy of proposed respondent, proposed respondent agrees that the funds are not part of the debtor's estate and that the estate does not have any claim or interest therein.

3. The refund amounts so held in escrow shall be disbursed in accordance with the proposed Agreement Containing Consent Order to Cease and Desist executed by the parties. The Escrow Agent shall be compensated for its management of the escrow fund by the escrow fund.

4. This Agreement shall be irrevocable, and the escrow fund shall be used for no purpose other than payment of the consumer refunds as specified in the Agreement Containing Consent Order to Cease and Desist and to compensate Escrow Agent. The parties agree, however, that this fact is not and will not be interpreted as an admission or acknowledgment by either side that any dominion, title or interest, either legal or equitable, in the principal of the escrow fund remains in Pre-Paid. The Escrow Agent shall return to the Commission for transmittal to Pre-Paid any money remaining in the escrow fund after reimbursement to all consumers who request a refund as soon as practicable after the conclusion of the process of disbursement of the consumer refunds.

5. In the event that the proposed Agreement Containing Consent Order to Cease and Desist does not receive final approval from the Commission, the Escrow Agent shall terminate the escrow account and return all funds to the Commission for transmittal to proposed respondent. The parties agree, however, that this fact is not an admission or acknowledgment by either side that any dominion, title, or interest, either legal or equitable, in the principal of the funds remains in Pre-Paid.

In witness whereof, each of the parties caused this Escrow Agreement to be executed on its behalf by its duly authorized representatives.

#### FEDERAL TRADE COMMISSION DECISIONS

#### Complaint

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#### IN THE MATTER OF

## UNO RESTAURANT CORPORATION, ET AL.

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

#### Docket C-3730. Complaint, April 4, 1997--Decision, April 4, 1997

This consent order prohibits, among other things, the Massachusetts-based pizza corporations from misrepresenting the existence or amount of fat or any other nutrient or substance in any pizza or other baked crust food products.

# Appearances

For the Commission: John T. Dugan. For the respondent: Craig Fochler, Wildman, Harold, Allen & Dixon, Chicago, IL.

## COMPLAINT

The Federal Trade Commission, having reason to believe that Uno Restaurant Corporation, Pizzeria Uno Corporation, and Uno Restaurants, Inc., corporations ("respondents"), have 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 Uno Restaurant Corporation is a Delaware corporation with its principal office or place of business at 100 Charles Park Road, West Roxbury, Massachusetts.

2. Respondent Pizzeria Uno Corporation is a Delaware corporation with its principal office or place of business at 100 Charles Park Road, West Roxbury, Massachusetts.

3. Respondent Uno Restaurants, Inc. is a Massachusetts corporation with its principal office or place of business at 100 Charles Park Road, West Roxbury, Massachusetts.

4. Respondents have manufactured, advertised, labeled, offered for sale, sold, and distributed products to the public, including thin crust pizzas known as "Thinzettas," which are "foods" within the meaning of Sections 12 and 15 of the Federal Trade Commission Act.

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

# UNO RESTAURANT CORPORATION, ET AL.

#### Complaint

6. Respondents have disseminated or have caused to be disseminated advertisements for thin crust pizzas, including but not necessarily limited to the attached Exhibits A1, A2, and B. These advertisements contain the following statements:

A. Customer: "Me, I Like to watch what I eat." Chef: "Then keep watching . . ." Announcer: "Introducing great tasting low fat thin crust pizzas."

(Exhibit A1, television commercial transcript, and Exhibit A2, television commercial videotape).

B. "Uno's menu is full of 23 new tempting items. Try our 3 new Deep Dish or 8 new Lowfat Thin Crust Pizzas."

(Exhibit B, print advertisement).

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7. Through the means described in paragraph six, respondents have represented, expressly or by implication, that their Thinzettas thin crust pizzas are low in fat.

8. In truth and in fact, in most cases respondents' Thinzettas thin crust pizzas are not low in fat. Six out of nine types of Thinzettas thin crust pizzas contained from 14 to 36 grams of fat per serving at the time of dissemination of the advertisements referred to in paragraph six. Therefore, the representation set forth in paragraph seven was, and is, false or misleading.

9. The acts and practices of respondents 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.

FEDERAL TRADE COMMISSION DECISIONS

#### Complaint

# 123 F.T.C.

# EXHIBIT A1

# PIZZERIA UNO TELEVISION COMMERCIAL TRANSCRIPT

chicken?Chef:Chicken, you ask? Take thisAnnouncer:Uno challenges your appetite with over twenty new dishes, like our chicken mushroom marsala with fettucine. [alternate version: Uno challenges your appetite with over twenty new dishes, like our grilled chicken breast sandwich with roasted red peppers].
our chicken mushroom marsala with fettucine. [alternate version: Uno challenges your appetite with over twenty new dishes, like
our grilled chicken breast sandwich with roasted red peppers.
Super: At participating Restaurants Only.
Customer 2: Me, I like to watch what I eat.
Chef: Then keep watching
Announcer: Introducing great tasting low fat thin crust pizzas. We have over twenty new dishes all made the Uno way. Your way to great food.
Super: Prices May Vary.
Customer 3: Hey, you forgot the appetizers!
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Chef: I don't think so.

# EXHIBIT A2

# EXHIBIT A2 IS A VIDEO TAPE

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Complaint

#### EXHIBIT B



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## DECISION AND ORDER

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

The respondents, their attorney, and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents 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 respondents that the law has been violated as alleged in such complaint, or that the facts as alleged in such complaint, other than jurisdictional facts, are true and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have 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 prescribed 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 Uno Restaurant Corporation is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Delaware, with its offices and principal place of business located at 100 Charles Park Road, West Roxbury, Massachusetts.

Respondent Pizzeria Uno Corporation is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Delaware, with its offices and principal place of business located at 100 Charles Park Road, West Roxbury, Massachusetts.

Respondent Uno Restaurants, Inc. is a corporation organized, existing, and doing business under and by virtue of the laws of the Commonwealth of Massachusetts, with its offices and principal place

of business located at 100 Charles Park Road, West Roxbury, Massachusetts.

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

# ORDER

#### DEFINITIONS

For purposes of this order, the following definitions shall apply:

1. Unless otherwise specified, "respondents" shall mean Uno Restaurant Corporation, Pizzeria Uno Corporation, and Uno Restaurants, Inc., corporations, their successors and assigns and their officers, agents, representatives and employees.

2. "In or affecting commerce" shall mean as defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. 44.

# I.

It is ordered, That respondents, directly or through any corporation, subsidiary, division, or other device, in connection with the manufacturing, labeling, advertising, promotion, offering for sale, sale, or distribution of pizzas, or any other food product containing a baked crust, in or affecting commerce, shall not misrepresent, in any manner, expressly or by implication, through numerical or descriptive terms or any other means, the existence or amount of total fat or any other nutrient or substance in such product. If any representation covered by this Part either expressly or by implication conveys any nutrient content claim defined (for purposes of labeling) by any regulation promulgated by the Food and Drug Administration, compliance with this Part shall be governed by the qualifying amount for such defined claim as set forth in that regulation.

II.

Nothing in this order shall prohibit respondents from making any representation for any product that is specifically permitted in labeling for such product by regulations promulgated by the Food and Drug Administration pursuant to the Nutrition Labeling and Education Act of 1990.

# III.

It is further ordered, That respondents Uno Restaurant Corporation, Pizzeria Uno Corporation, and Uno Restaurants, Inc. and their successors and assigns shall, for five (5) years after the last date of dissemination of any representation covered by this order, maintain and upon request make available to the Federal Trade Commission for inspection and copying:

A. All advertisements and promotional materials containing the representation;

B. All materials that were relied upon in disseminating the representation; and

C. All tests, reports, studies, surveys, demonstrations, or other evidence in their possession or control that contradict, qualify, or call into question the representation, or the basis relied upon for the representation, including complaints and other communications with consumers or with governmental or consumer protection organizations.

# IV.

It is further ordered, That respondents Uno Restaurant Corporation, Pizzeria Uno Corporation, and Uno Restaurants, Inc. and their successors and assigns shall deliver a copy of this order to all current and future principals, officers, directors, managers, and franchisees, and to all current and future employees, agents, and representatives having responsibility for the preparation of advertising or promotional materials. Respondents shall deliver this order to current personnel within thirty (30) days after the date of service of this order, and to future personnel within thirty (30) days after the person assumes such position or responsibilities.

It is further ordered, That respondents Uno Restaurant Corporation, Pizzeria Uno Corporation, and Uno Restaurants, Inc. and their successors and assigns shall notify the Commission at least thirty (30) days prior to any change in the corporation(s) that may affect compliance obligations arising under this order, including but not limited to a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor corporation; the 1038

#### Decision and Order

creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this order; the proposed filing of a bankruptcy petition; or a change in the corporate name or address. Provided, however, that, with respect to any proposed change in the corporation about which respondents learns less than thirty (30) days prior to the date such action is to take place, respondents shall notify the Commission as soon as is practicable after obtaining such knowledge. All notices required by this Part shall be sent by certified mail to the Associate Director, Division of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, Washington, D.C.

# VI.

It is further ordered, That respondents Uno Restaurant Corporation, Pizzeria Uno Corporation, and Uno Restaurants, Inc. and their successors and assigns shall, within sixty (60) days after the date of service of this order, and at such other times as the Federal Trade Commission may require, file with the Commission a report, in writing, setting forth in detail the manner and form in which they have complied with this order.

# VII.

This order will terminate on April 4, 2017, or twenty (20) years from the most recent date that the United States or the Federal Trade Commission files a complaint (with or without an accompanying consent decree) in federal court alleging any violation of the order, whichever comes later; provided, however, that the filing of such a complaint will not affect the duration of:

A. Any Part in this order that terminates in less than twenty (20) years;

B. This order's application to any respondent that is not named as a defendant in such complaint; and

C. This order if such complaint is filed after the order has terminated pursuant to this Part.

Provided, further, that if such complaint is dismissed or a federal court rules that the respondent did not violate any provision of the order, and the dismissal or ruling is either not appealed or upheld on appeal, then the order will terminate according to this Part as though the complaint had never been filed, except that the order will not

# FEDERAL TRADE COMMISSION DECISIONS

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terminate between the date such complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

#### IN THE MATTER OF

## THE ADMINISTRATIVE COMPANY, ET AL.

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

#### Docket C-3731. Complaint, April 14, 1997--Decision, April 14, 1997

This consent order prohibits, among other things, a Texas-based corporation and its officer from making certain false, misleading or unsubstantiated claims concerning the benefits and appropriateness of living trusts or any legal instrument or service they offer and requires the respondents to clearly and conspicuously disclose to consumers that such trusts may be legally challenged on similar grounds as wills, that living trusts may not be appropriate in all instances, and that the transfer of an individual's assets into a living trust is not included in the price of creating the trust.

# Appearances

For the Commission: *Elizabeth M. Palmquist.* For the respondents: *Tony Chiccio, Chiccio & Associates* Dallas, TX.

# COMPLAINT

The Federal Trade Commission, having reason to believe that The Administrative Company, a corporation, Michael P. McIntyre, individually and as an officer and director of The Administrative Company, and Pre-Paid Legal Services, Inc. ("Pre-Paid"), a corporation (collectively, "respondents"), have violated the provisions of Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. 45, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, alleges:

PARAGRAPH 1. Respondent Michael P. McIntyre's current address is 4328 Hollow Oak, Dallas, Texas.

Respondent The Administrative Company has ceased doing business. Its address is the same as that of Michael P. McIntyre.

Respondent Pre-Paid Legal Services, Inc., is an Oklahoma corporation, with its principal office or place of business at 321 E. Main Street, Ada, Oklahoma.

PAR. 2. Respondents, at all times relevant to this complaint, have advertised, promoted, offered for sale, and sold living trusts to consumers. A living trust is a trust into which an individual can place all of his or her assets during his or her lifetime and, by transferring

ownership of the assets to the name of the trust, thereby remove the assets from the individual's estate.

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

PAR. 4. In the course of marketing their products to the public, respondents, directly or through commissioned sales agents, have caused to be disseminated sales literature concerning living trusts, including, but not necessarily limited to, the attached Exhibits 1 and 2. This literature contains the following statements:

(a) It is your legal right as a UNITED STATES Tax Payer to establish a Living Trust. By establishing a Living Trust, at your death your estate avoids PROBATING YOUR WILL which can COST SEVERAL THOUSANDS of dollars in legal and executor fees and TAKE SEVERAL YEARS before being transferred to your family and loved ones. YOU RETAIN FULL CONTROL OF ALL ASSETS!

YOU COULD SAVE THOUSANDS OF HARD EARNED DOLLARS! Exh. 1.

(b) A LIVING TRUST eliminates ALL PROBATE FEES and COST.... With a LIVING TRUST, your family will not have to go through probate, and can avoid paying expensive probate fees and costs. Exh. 2, p. 18.

(c) A LIVING TRUST allows a quick DISTRIBUTION to your heirs. Assets in probate court are often frozen two years or more, even with a WILL. A LIVING TRUST allows these same assets to be distributed within days to your loved ones, since a LIVING TRUST avoids Probate Court. Exh. 2, p. 17.

(d) Total assets [pass through a] living trust [to] spouse or heirs [in] 1-3 days. Exh. 2, p. 24.

(e) A LIVING TRUST prevents a WILL CONTEST. ... Through a LIVING TRUST your wishes will be carried out without interference. Exh. 2, p. 17.

(f) Membership entitles you to:

1. FREE LEGAL SERVICES FOR PREPARATION OF A REVOCABLE LIVING TRUST BY A QUALIFIED ATTORNEY IN YOUR STATE AND A FREE "POUR-OVER" WILL. Exh. 2, p. 8.

(g) AN A-B LIVING TRUST protects against catastrophic MEDICAL COSTS. . . . With an A-B LIVING TRUST, if you become seriously ill, your trustee can make gifts of your property to your heirs, and three years thereafter, can seek government benefits for your care, so that the bulk of your estate will go to your heirs. Exh. 2, p. 19.

(h) Is There Anything Bad About a Living Trust? No. There is nothing bad about a Living Trust. Exh. 2, p. 20.

PAR. 5. Through the use of the statements contained in the sales literature referred to in paragraph four, including, but not necessarily limited to, the sales literature attached as Exhibits 1 and 2, respondents have represented, directly or by implication, that:

- (a) The use of a living trust avoids all probate and administrative costs.
- (b) At death, a living trust allows assets to be distributed immediately or almost immediately.
- (c) A living trust cannot be challenged.
- (d) Living trusts are prepared by local attorneys.
- (e) A living trust protects against catastrophic medical costs.
- (f) A living trust is the appropriate estate planning device for every consumer.
- (g) There are no disadvantages to a living trust.

PAR. 6. In truth and in fact:

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(a) A living trust does not always avoid probate and administrative costs.

(b) The use of a living trust does not necessarily result in immediate distribution of assets since creditors may file claims against the trust instrument.

(c) A living trust is not immune from challenge.

(d) Most living trusts prepared for AASC members were not prepared by local attorneys. Instead, of the 3,064 living trusts prepared for AASC members in 43 states, approximately 3,000 were prepared by an Arizona attorney licensed to practice law solely in Arizona and New York.

(e) A living trust does not protect against catastrophic medical costs.

(f) A living trust is not appropriate for everyone. The determination of whether a living trust is appropriate for a particular consumer requires an examination of the assets that compose the consumer's estate, the potential tax consequences of the estate plan, and the objectives of the consumer.

(g) There are disadvantages to a living trust. For example, while probate law imposes a statutory deadline beyond which creditors can no longer file claims against a will, in some states, there is no law limiting the time that creditors may file claims against a trust instrument.

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

PAR. 7. Through the use of the statements contained in the sales literature referred to in paragraph four, including, but not necessarily

# FEDERAL TRADE COMMISSION DECISIONS

#### Complaint

limited to, the sales literature attached as Exhibits 1 and 2, respondents have represented, directly or by implication, that at the time they made the representations set forth in paragraph five, respondents possessed and relied upon a reasonable basis that substantiated such representations.

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

PAR. 9. In their advertising, promoting, offering for sale, and sale of living trusts, respondents have failed to disclose that the transfer of an individual's assets into the living trust was not included in the price paid for creating the living trust and that it would be the responsibility of the individual purchaser to transfer assets into the trust, once created, or to arrange for another individual or entity to do so. This fact would be material to consumers in deciding whether to purchase a living trust and from whom to purchase a living trust. The failure to disclose this fact was, and is, a deceptive act or practice.

PAR. 10. The acts and practices of respondents as alleged in this complaint constitute unfair or deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act.

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Complaint

# EXHIBIT 1

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OPEN IMMEDIATELY!	1	<b>TO</b>	
	A37A 081 4812 1 VENTURA AVE N MATEO CA 9		
It is your legal right as a UNITE		ayer to establish a Living Tru	
By establishing a Living Trust, at WILL which can COST SEVER fees and TAKE SEVERAL YEAR ones. YOU RETAIN FULL CONTR	AL THOUSANDS ( S before being tran	of dollars in legal and execu sferred to your family and low	itor
OF HAR INFORMATION IS AVAILABL		LARS! IN A FREE LIVING TRUST	
Just fill out an	d return this postag	e paid card.	
Name:	1		
Ages: Male Female	*****	CAR-RT-SORT++ CR-02	DO D
County:	A374,081	4812 5264 1549	
Home Phone: ()	541 NENTURA	AVE	
	SAN MALEO CI	4 94403-3223	
Exhibit 1		a	-
		×	

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# EXHIBIT 2



# NATIONWIDE NON-PROFIT ORGANIZATION

1155 15th Street, N.W. Suite 810 Washington, D.C. 20005

1-800-880-1310

Exhibit 2

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1047

Complaint

# **EXHIBIT 2**



Dear Member:

We welcome you to the wonderful world of meaningful benefits and services provided as part of your membership in THE AMERICAN ASSOCIATION FOR SENIOR CITIZENS.

As the senior officer of this non-profit Association, and one who is on the sunny side of sixty, I assure you I value my membership and enjoy the many benefits available to all of our members.

This Association was founded several years ago and entrusted with the responsibility of getting the message to people our age so that we can receive every benefit and advantage to make sure the dollars we have spent a lifetime earning and saving will pass on to our heirs as intact as Uncle Sam will allow.

With this responsibility as our driving force, our Association explored every conceivable avenue available before making the decision to educate our membership on the value and importance of REVOCABLE LIVING TRUSTS.

It is also important for you to know and understand what this Association is committed to in regard to a PRE-PAID LEGAL benefit that actually pays the legal fees for your REVOCABLE LIVING TRUST, and provides many other legal benefits. Look at the following pages to understand our commitment to you in this respect.

In addition, we have sought meaningful and worthwhile consumer benefits and services for our membership. We are sure you can recognize the value of these benefits for you and your family. We are happy you have joined our "YOUNG AT HEART" adult Association. A living trust is the most important gift you can give to your loved ones.

Also, a portion of American Association of Senior Citizens membership dues are used to support the research efforts of medical research facilities, and others, as they seek better treatment and cures relating to our senior citizens. AASC Medical Research Foundation's charter, as explained in the following section, is to continually stay abreast of current research efforts throughout the United States to determine who should receive financial support from the Foundation.

Please know we are here to make things a little better for you and all of our growing family of members. As soon as we receive your application I will see that your membership kit is forwarded to you.

Warmest personal regards,

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Donald T. Berlinn Executive Director

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# Complaint

EXHIBIT 2



# MEDICAL RESEARCH FOUNDATION

# **EXHIBIT 2**

As Directors on the Board of AASC Medical Research Foundation, we are charged with guiding the Foundation to fulfill its charter of supporting worthy medical research that relates to better health care for our senior citizens.

In many cases, this money has a direct impact on community awareness, education and health care delivery.

# About our President . . .

Donovan F. Ward, M.D. AASC Medical Research Foundation President.

Past President of the American Medical Association.

A Fellow of the American College of Surgeons.

President of the Fifty Year Club of American Medicine.

Member of the AMA's committees on Medical Practice and Public Relations.

Past President and National Director, American Health Care Advisory Foundation.



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123 F.T.C.

# **EXHIBIT 2**

# Our other Directors are...



Robert P. Ewing, is past Chairman and President of Bankers Life and Casualty Company and is a Trustee of the MacArthur Foundation, a Director of Evanston Illinois Hospital and a former Director of the Health Insurance Association of America.



Denis J. Fu, M.D., a practicing physician in Hawaii, has served as a medical consultant for various state and national development programs.



Alexander L. Sadowski, D.D.S., has accumulated over 1000 hours of continuing education, served on the New Mexico State Dental Association's Finance Committee and is both past president and secretary of the Southwest District Dental Society.

1991 American Association for Senior Citizens



Joseph W Lawrence, M.D., has a long and distinguished career in Public Health and is currently the Health Officer for Lee County, Florida, a position he has held since 1960.



Donald T. Berlinn, has been Vice President of IT Life Insurance Company Agency and President of Medical Air Services Association, the nation's first nationwide air ambulance service. Currently President of Affordable Dental Connection and Association Management Group and President of American Association for Senior Citzens.



Howard E. Cartwright, of Chicago is past CEO of College of American Pathologists, past Director of College of American Pathologists Foundation and a member of American Association of Medical Society Executives.



Samuel R. Sherman, M.D., has a long list of accomplishments including: past President of the California Medical Association.

All of our listed Directors are also members of the Advisory Board of American Association of Senior Citizens and advise the Association on developing new benefits or improving existing benefits for. our senior citizens.

# THE ADMINISTRATIVE COMPANY, ET AL.

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Complaint

# **EXHIBIT 2**

Financial support is provided by the AASC Medical Research Foundation to the following and other research facilities:

- American Medical Association
- American Heart Association
- American Public Health Foundation
- Alzheimers Disease and Related Disorders Association
- California Medical Education and Research Foundation
- Leukemia Research Foundation
- Mt Sinai Foundation
- National Multiple Sclerosis Society
- National Kidney Foundation
- Regional Cancer Treatment Center Iowa
- University of Iowa Dept. of Immunology
- University of San Francisco Cardiovascular Research

#### In addition, the Foundation has given grants to the following, and others:

ON LOK Senior Health Services lowa Methodist Health Foundation March of Dimes — Walk America University of Iowa College of Medicine San Antonio Area Lupus Foundation Tulane University Medical Center, Dept. of Pediatric-Cardiology Cancer Counseling, Inc. Tarrant County Cancer Care Services Cystic Fibrosis Foundation Univ. of Connecticut Health Center Jean Marie Colbert Bone Marrow Transplant Center Children's Heart Foundation

Fred Hutchinson Cancer Research Center Cancer Research Foundation of North Texas Allegheny-Singer Research Institute University of Florida — Oncology St. Jude's Children's Hospital Sloan-Kettering Cancer Center North California Transplant Bank ALS & Neuromuscular Research Foundation Children's Hospital Medical Center Florida Geriatric Research Foundation Regional Cancer Foundation Children's Memorial Foundation Cancer Care Services

The AASC Medical Research Foundation was formerly known as the American Health Care Advisory Association Foundation, providing financial support to the above and other research facilities.

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## FEDERAL TRADE COMMISSION DECISIONS

Complaint

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# EXHIBIT 2





A few of the most common personal worries and business activities needing an actomey's professional counsel and assistance include:

Debt Collection Collection F Justo Transaction F Justo Transaction E Justs M victorn Collection C Jummula Threads 8 Consumer Fraud Taxes Forming a Corporation Property Purchase Manufacturer Problems

An American Stock Exchange Company Paid Over 80,000 Attorneys

Paid Over \$80,000,000 in Legal Fees Over 5,000,000 Members Have Access to Services Nationwide

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# THE ADMINISTRATIVE COMPANY, ET AL.

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Complaint

**EXHIBIT 2** 

embership entitles you to: FREE LEGAL SERVICES FOR PREPARATION OF A REVOCABLE LIVING TRUST BY A QUALIFIED ATTORNEY IN YOUR STATE AND A FREE "POUR-OVER" WILL (see following section) 2 LEGAL SERVICES AT DEATH 3 **IN-OFFICE ATTORNEY CONSULTATION** UNLIMITED TELEPHONE CONSULTATIONS WITH A PROVIDER 4 ATTORNEY 5 MOTOR VEHICLE LEGAL SERVICE TRIAL DEFENSE FUND 6 **IRS AUDIT PROTECTION** 7 LEGAL ASSISTANCE IN MANY CASES 8

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123 F.T.C.

EXHIBIT 2

nlimited Telephone Consultations:

- As a member of AASC, you may call the Pre-Paid Legal Toll-Free Number, 1-800-654-7757, from 8:30 a.m.-5:00 p.m. any business day. Pre-Paid Legal will direct you to your provider attorney for legal advice.
- You do not need to guess about your legal rights or spend hundreds of dollars for consultations with an attorney. In the privacy of your own home, you simply call the attorney and he will answer questions concerning ANY personal or legal matters.

The following are just a few examples of the types of questions you may need answered:

- "I am 67 years old and collecting social security. Is it legal for me to claim a deduction for a dependent who earns an income?"
- "My company is trying to force me into retirement by offering me an early retirement buyout. What are my rights?"
- 3. "It has been 12 weeks since I was in the hospital and my insurance company has still not paid the \$1,500 hospital bill. How long do they have to settle the claim?"
- 4. "My neighbor's teenage son, despite my requests to stop, continues to play loud music that keeps me awake at night. Is there anything I can do?"
- "I had a contractor fix my roof, it still leaks and the contractor will not return my call. What can I do?"
- 6. "My husband is in a nursing home. I do not feel he is getting the proper care. Aren't there certain standards set by the state that nursing homes must follow? What are my husband's options?"
- "I inherited some land in another state and I would like to lease it out. How do I do this?"

In addition to advising you of your rights, the attorney, if necessary, will personally call or send a letter to help resolve your problem.

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Complaint

#### **EXHIBIT 2**

# *p* to 50 Hours Legal Assistance at Death:

Everyone needs a lawyer upon the death of a family member for settlement of the estate and consultation with the surviving spouse or children:

- To finalize trust documents
- To resolve liens contesting the trust, including the IRS
- For out-of-state property settlements and property sales
- For deed transfers
- To resolve claims of creditors, including hospitals, funeral homes, etc.
- For protection against any person who attempts to challenge the estate

The settlement of an estate is a complicated and lengthy process. Gualified attorneys usually charge between \$175—\$300 per hour for their services. This translates into a cost of approximately \$8,750 — \$15,000 for 50 hours of legal assistance to settle an estate. As a member of AASC, your membership entitles you to up to 50 hours of legal assistance, depending on your member classification.

#### A True Story:

A Senior Citizen of Dixon, Illinois joined AASC in June of 1991. In July, 1991, he passed away. His children, rather than beginning the long and costly process of finding an attorney to probate his estate, simply called the AASC members' toll-free number. A Pre-Paid Legal attorney immediately began to settle the estate.

"My father only became a member six weeks ago but we feel so fortunate that he did. We immediately called a provider attorney and were so relieved to learn that we would have the legal work on my father's estate done immediately thanks to Pre-Paid Legal. The service is invaluable," said the daughter.

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## EXHIBIT 2

*In-Office Consultation:* ONE PER YEAR

AASC provides its members with a Living Trust. Each year it should be reviewed and updated with changes concerning:

- Any Legal Matter
- Investments.
- Deeds
- Property and Real Estate
- Cars, Trucks and Equipment
- Bank Accounts
- C.D.'s

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Complaint

EXHIBIT 2

otor Vehicle Legal Service Expense Benefits:

Nearly every American drives some form of motor vehicle every day. You are at risk, every time you get behind the wheel of your car.

AASC is proud to offer you a wide variety of coverage in the area of motor vehicles. Read below to discover the valuable benefits you will have after enrollment.

 MINOR LEGAL EXPENSES: If a licensed member, spouse, or any covered dependent, while driving any licensed motor vehicle, is accused of an alleged traffic violation, the Company pays your attorney fees, pursuant to the following schedule:

Up to \$75 for legal assistance regarding such charge; up to \$125 for legal assistance requiring court appearance; up to \$200 for legal assistance which includes trial work.

- MAJOR LEGAL EXPENSES: If a licensed member, spouse or any covered dependent, while driving any licensed motor vehicle, is accused of a criminal charge such as manslaughter, involuntary manslaughter, negligent homicide or vehicular homicide, the Company will pay your attorney fees based on a maximum hourly rate of \$100.
- SUSPENDED DRIVER'S LICENSE: The Company provides for professional assistance, and if necessary, maintenance of your driver's license. The Company will pay a reasonable attorney fee for the suspended driver's license services up to \$250 per occurrence to your attorney.
- LEGAL COLLECTION SERVICE: Should your licensed auto, private boat or motorcycle be damaged in an accident, the Company will assist you in collecting damages done to your vehicle. The Company provides legal assistance, win, lose, or draw, in collecting damages when your auto, private boat or motorcycle is involved in an accident, and will pay up to \$250 per occurrence to your attorney.
- PERSONAL INJURY LEGAL EXPENSES: The Company will pay your attorney fees. win, lose, or draw, up to \$250 per occurrence to collect or file for personal injuries of \$1000 or less received while driving, riding, or when struck as a pedestrian by any motor vehicle.

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123 F.T.C.

EXHIBIT 2



All too often you read in the paper about someone being sued over what you would consider a trivial matter... It couldn't happen to you. But everday, people just like you are sued by neighbors, friends, co-workers, even family. In this sue happy society, it is great to know that your AASC membership offers benefits to cover just that.

The Company will pay up to a maximum of \$5,000 in attorney fees the first membership year for either the member or member's spouse, if he or she is named Defendant or Respondent in a covered civil or criminal action in a court of law. The criminal action must be one which arises out of the direct performance of the Covered Person's employment activities. The trial defense fund benefit will even pay for the attorney even though your insurance company may have retained one for you, if the choice of attorney is not yours and you feel you need your own personal attorney.

#### BENEFITS TO BE PAID AS FOLLOWS:

Benefits are based on a maximum hourly rate of \$100 and are to be paid as follows:

Up to \$250 for any and all legal services rendered in defense of the covered lawsuit prior to the actual trial.

**Up to \$300** per day for each actual day of trial, including covered criminal preliminary hearings not to exceed an annual aggregate trial defense fund of \$5,000 per membership.

Upon renewal of the membership the Covered Person will receive additional trial defense benefits at no additional cost to the member. The trial defense fund increases, as follows:

**2nd** Year Renewal The trial defense fund will be increased to an annual aggregate sum of \$10,000 per membership payable up to \$300 for any and all legal services rendered prior to trial and up to \$350 per day for each actual day of trial, including criminal preliminary hearings.

**3rd** Wear Renewal The trial defense fund will be increased to an annual aggregate sum of \$15,000 per membership payable up to \$350 for any and all legal services rendered prior to trial and up to \$400 per day for each actual day of trial, including criminal preliminary hearings.

**4th** Year Renewal Year Renewal The trial defense fund will be increased to an annual aggregate sum of \$20,000 per membership payable up to \$400 for any and all legal services rendered prior to trial and up to \$450 per day for each actual day of trial, including criminal preliminary hearings.

**5th** Year Renewal Year Renewal The trial defense fund will be increased to an annual aggregate sum of \$25,000 per membership payable up to \$450 for any and all legal services rendered prior to trial and up to \$500 per day for each actual day of trial, including criminal preliminary hearings.

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Complaint

# EXHIBIT 2

RS Audit Protection Service:

I.R.S. ... The idea of an audit strikes fear in even the most careful tax payer. Why not enjoy the peace of mind that the AASC membership offers through the IRS Audit Protection Service? Here are the details.

The Company will pay up to a maximum of \$5,000 in professional fees for either the member, spouse, or dependent children, to the member's choice of any licensed public, accountant, certified public accountant, enrolled agent or attorney or any combination thereof when a member is notified in writing by the Internal Revenue Service (IRS) of an audit of such member's tax return or such member is requested in writing to appear at the offices of the IRS concerning such member's tax return.

#### **BENEFITS TO BE PAID AS FOLLOWS:**

Up to \$100 for consultation, advice and/or assistance, upon receipt of written notice from the IRS that the member's tax return is being audited or such member is requested in writing to appear at the offices of the IRS concerning such member's tax return.

In the event settlement is not achieved with the IRS within thirty (30) days, then up to \$250 beginning on the thirty-first (31) day to provide the member, spouse, or dependent children representation at the audit and at the audit and for negotiations, conferences, telephone conversations, settlement conferences, subsequent thereto, but prior to the institution of litigation.

In the event settlement is not achieved without litigation, then payment will be made up to the balance of \$5,000 in professional fees in either event of the IRS suing the member or the member paying the disputed tax and then suing the IRS. Such payment to be made at up to a rate of \$300 per day of each day of trial appearance.

Coverage begins with the return due on April 15 of the year this contract is effective.

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# **EXHIBIT 2**

egal Assistance in Many Cases:

AASC membership provides legal assistance in many cases including the following....

#### PHONE CALLS AND LETTERS ON YOUR BEHALF

A letter or phone call from your Plan Attorney can get you the results you want fast and cut through the red tape. You and your Plan Attorney can now decide together when this is the best legal step for you. There is no charge for the first letter. (Any further fees are to be set by the Plan Attorney and are the sole responsibility of the Named Member on the Contract.)

#### **REVIEW OF CONTRACTS AND DOCUMENTS**

You can have an unlimited number of legal documents of up to three pages each reviewed by your Plan Attorney, free of charge. Your Plan Attorney will give you an analysis of the documents and suggest changes for your benefit or any other necessary procedures, before you sign!

#### LEGAL FORMS BENEFIT

Imagine having access to the most often needed legal documents — just a phone call away!

The documents you need will be prepared for you at a greatly **reduced rate**, but don't worry, still with the same care and concern for your welfare. A list of legal forms available, along with the nominal charges, will be in your contract packet. Complete information about the forms you need can be obtained with just a phone call to your Plan Attorney.

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# **EXHIBIT 2**



# ALL ABOUT A LIVING TRUST

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**EXHIBIT 2** 

dvantages of a Living Trust

# PROBATE:

A LIVING TRUST avoids a complex PROBATE proceeding. Probate is the court process designed to transfer title of assets to your heirs. A Probate is required even when there is a WILL The Probate Court procedure is complicated by laws requiring your Executor to obtain special court approval to take any actions, including paying your bills, and distributing your assets.

With a LIVING TRUST, the title to property is transferred through the trust, so that your heirs can easily receive these assets, and will not have to go through complex Probate Court proceedings.

# ) **DISTRIBUTION**:

A LIVING TRUST allows a quick DISTRIBUTION to your heirs. Assets in probate court are often frozen two years or more, even with a WILL.

A LIVING TRUST allows these same assets to be distributed within days to your loved ones, since a LIVING TRUST avoids Probate Court.

# ) PRIVACY:

A LIVING TRUST is completely PRIVATE. There is no privacy with a public Probate Court Proceeding.

A LIVING TRUST is a private document, the size and distribution of your estate remains confidential.

# WILL CONTEST:

A LIVING TRUST prevents a WILL CONTEST. In Probate Court, anyone can easily contest a WILL, even without a lawyer.

Through a LIVING TRUST your wishes will be carried out without interference.

#### CONTROL:

A LIVING TRUST enables you to CONTROL your assets. By making a gift of all of your property to your heirs, you may eliminate probate. However, once the gift is made you have lost ownership of your property, which you may later need for your support.

A LIVING TRUST allows you to retain control of your property, and upon your demise, YOU CONTROL WHEN AND HOW MUCH YOUR BENEFICIARY WILL RECEIVE.

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# THE ADMINISTRATIVE COMPANY, ET AL.

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Complaint

EXHIBIT 2

# DISABLED HEIRS:

A LIVING TRUST preserves benefits for DISABLED HEIRS. A disabled heir generally loses government assistance payments upon receiving an inheritance.

A LIVING TRUST can authorize your successor trustee to make special distributions for a disabled heir while still preserving government benefits.

#### 7 PROBATE FEES:

A LIVING TRUST eliminates ALL PROBATE FEES and COST. Probate fees are based on the entire value of an estate, without deducting bills or mortgage.

The probate expense can be as much as the following, or more:

GROSS ESTATE SIZE	APPROXIMATE EXPENSES	
\$100.000.	\$10.000.	
\$300,000.	\$30,000.	
\$500,000.	\$50,000.	

This example also applies to all other mortgaged property owned in every state. If a couple owns property in four states there would be four probates required.

With a LIVING TRUST, your family will not have to go through probate, and can avoid paying expensive probate fees and costs.

# **JOINT TENANCY:**

A LIVING TRUST avoids JOINT TENANCY problems. Joint tenancy is a method of avoiding probate, where, upon death of one co-owner, the survivor becomes the full owner of the property.

- As an owner, your child has the power to interfere with your decision to sell or refinance the property.
- If your child should go through divorce, the other spouse may claim an interest in the property.
- If your child should owe taxes, the tax collector may take your property to satisfy the tax obligation.
- If your child should be found liable in any lawsuit, your property may be sold to pay the judgment.

With a LIVING TRUST, probate is entirely avoided and there is not exposure of your assets to the debts or liabilities of your child.

#### 9 CONSERVATOR: A LIVING TRUST av

A LIVING TRUST avoids a CONSERVATOR. If you ever become incapacitated, the Probate Court will appoint a conservator to manage your property, and your estate will be required to pay court fees and costs for the conservatorship each year.

With a LIVING TRUST, your trustee can manage your property if you are unable to handle your affairs, and there are no court fees and costs.

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## EXHIBIT 2

## 1 INCOME TAXES:

A LIVING TRUST saves sizeable INCOME TAXES. When a couple holds property or stocks in joint tenancy, the surviving spouse is required to pay a capital gains tax upon sale. This tax is based upon one-half of the increase in value of the property since the time of its purchase.

In a LIVING TRUST, title is transferred into the trust. This entirely eliminates the Federal Capital Gains Tax on all increases in value up to the date of death.

# ESTATE TAXES:

An A-B LIVING TRUST saves substantial ESTATE TAXES. Estate taxes are paid to the federal government for the transfer of property upon death. Federal estate taxes are based on the size of the estate and are imposed where the net value of an estate is larger than \$600,000.00. The Federal Estate Taxes are almost one-half of the estate after deducting \$600,000.00.

A Living Trust saves substantial estate taxes as follows:

NET ESTATE	APPROXIMATE TAX SAVINGS
\$ 800,000.	\$ 75,000.
\$1,000,000.	\$153,000.
\$1,200,000.	\$235,000.

# ) MEDICAL COSTS:

AN A-B LIVING TRUST protects against catastrophic MEDICAL COSTS. If you should ever require care in a convalescent hospital or long term nursing home, the medical expense could eventually wipe out your estate, thereby denying you the opportunity to leave your property to your loved ones.

With an A-B LIVING TRUST, if you become seriously ill, your trustee can make gifts of your property to your heirs, and three years thereafter, can seek government benefits for your care, so that the bulk of your estate will go to your heirs.

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Complaint

EXHIBIT 2

uestions Most Commonly Asked

#### Q: Is There Anything Bad About a Living Trust?

A: No. There is nothing bad about a Living Trust. It is a traditional and well-proven estate planning tool that has been used, in one form or another, for hundreds of years.

Any problems people have with a property prepared Living Trust have nothing to do with the trust itself, but with the property left out of it because they failed to change titles and beneficiary designations to the name of their trust. The trust still works - but any property left out risks being probated. If you desire to completely avoid probate, all assets must be in your Living Trust. It does not take much time to change the titles and beneficiary designations, and once it is done your Living Trust is easy to maintain.

#### Q: Where Should I Keep My Living Trust Documents?

A: We suggest that you make several copies of your original documents and give a copy to each of your back-up trustees. Make sure you tell them where the original documents are located. We suggest you keep the original trust document in your safe deposit box or another safe place and keep one copy at home so you can review it from time to time. (Make sure your safety deposit box is titled in the name of your trust, so your back-up trustee will have no trouble gaining access)

#### Q: Can I Put Out-Of-State Property Into The Trust?

A: Yes, you can, and in fact, you should. If you do not transfer out-of-state property into your trust, your heirs will need to have a separate probate in each state in which you own real estate. This may result in probate fees for each state. If, however, the property is transferred into your trust, the probate systems of all of the states involved are avoided.

#### Q: What If I Move To Another State?

A: Call Pre-Paid Legal at 1-800-654-7757 to locate a Pre-Paid attorney nearest you. Ask for a review. Most states follow the same general rules, so if something needs changing, only those parts are changed that need to be under the laws of that state. You do not need a completely new document.

#### Q: What If I Buy Property In Another State?

A: Before you buy property in another state, especially real estate, check to make sure it can be titled in the same way as in your home state. A bank or title insurance company in the state where the property is located can tell you if the title you want to use is acceptable in that state.

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123 F.T.C.

# EXHIBIT 2

- Q: Does Transferring Property Into a Trust Cause a Reappraisal Of The Property So That Property Taxes Are Raised?
- A: No, it does not. Revenue and Taxation Code 62 specifically states that a transfer into a Revocable Living Trust does not cause a reappraisal of the property.

#### Q: How Should Property And Accounts Be Titled?

A: As a general rule, all of your property should be titled in the name of your trust. Here are some examples:

If you are single:

"(your name), Trustee under trust dated (insert date you signed your trust)."

If you are married:

"(your name and your spouse's name), Trustees under trust dated (insert date you signed your trust)."

Very often you will see the letters "UTD" used as a shortened version of the words "under trust dated."

- Q: If I Own Partial Interest In Property With Others, Can I Transfer That Interest Into A Trust?
- A: Yes. You can transfer your share of any property into the trust without affecting the shares of the others.
- Q: If I Want To Sell Assets Or Add New Assets To The Trust, Will I Need To Return To The Attorney's Office Each Time?
- A: No, you will not. You can sell assets and add new assets yourself without requiring a change of the trust.
- Q: Can I Sell Assets I Have In The Trust Without Any Complications?
- A: Yes, you can. You can freely sell your property even if it is in the name of the trust. The only difference will be that escrow company officials may ask for a copy of the trust documents.
- Q: Can IRAs, KEOGHS And Other Tax Deferred Investments Be Transferred Into The Trust?
- A: IRAs, KEOGHS and other tax deferred investments cannot be transferred into the trust. However, the trust can be the beneficiary of those investments. Each case must be discussed with an attorney to determine whether it is better to name the trust as beneficiary, or the individuals themselves as beneficiaries.

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## EXHIBIT 2

## Q: What About Adding Other Persons On My Accounts, Deeds, Etc.?

A: Never add another person on the title of your property or your accounts (this includes parents and children) without first checking with your attorney. It could cause you or your family some very serious problems, possibly even defeating the purposes of your trust or exposing you to a lawsuit.

#### Q: When Will I Need To Update My Living Trust?

A: There is no special time to change your trust, although it is a good idea to review your living trust at least every year. As a general rule, you should change your trust anytime it no longer is what you want. Any major change in your family, such as marriage, divorce, death, adoption, birth, etc. should cause you to think about your trust. If one of your trustees/guardians can no longer fulfill their responsibilities you should make changes accordingly.

Remember that you should keep a separate list of your Special Gifts.

#### Q: How Do I Fund My Trust?

- A: YOU CAN FUND YOUR TRUST BY THE FOLLOWING THREE STEPS:
  - Go to your bank and change the name on savings, money market and certificate of deposit accounts to the name of the family trust. Also, place trust in safety deposit box.
  - If you own stocks or bonds, contact your stock broker to change the name to the name of the family trust.
  - Finally, if you have real estate, you may use the Quick-Claim Deed to transfer it yourself or you may contact a title company to transfer the title to the name of the family trust.

IF YOU HAVE ANY QUESTIONS CONCERNING THE FUNDING OF YOUR TRUST, CALL **PRE-PAID LEGAL** AT 1-800-654-7757.

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123 F.T.C.

# EXHIBIT 2

# D isadvantages of Going Through Probate

- 1. Impounded or frozen accounts
- 2. Impounded safety deposit box
- 3. Probate court cost (10% or more)
- 4. Waiting period (1-3 years)
- 5. Attorney fees (very costly)
- 6. Administration fees
- 7. Public disclosures
- 8. Impounded mail
- 9. Forced asset liquidations
- 10. Expensive litigation
- 11. Possible Federal Estate Taxes and/or State Inheritance Taxes

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Complaint

**EXHIBIT 2** 



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**EXHIBIT 2** 

# Preventing These Situations

#### A LIVING TRUST WOULD HAVE PREVENTED THIS SITUATION:

Martha had been a widow for just one year when she put all of her property, including her house, into joint ownership with her married son. She did this thinking that when she died, her property would automatically go to her son without the need for probate.

Several years later, her son and his wife separated and Martha decided to sell her house so she could move in with her son. But she soon discovered **she could not sell the house** without her daughter-in-law's signature on the deed. The daughter-in-law was still legally married to her son and was entitled by law to a "marital interest" in the property. **The title company would not insure clear title to the buyer** without the daughterin-law's signature because it was not clear what her "interest" would be — and the daughterin-law's sign unless she got part of the money when the house was sold. Martha was stuck! She did not know that joint ownership with a married person can include that person's spouse. And because Martha had placed her house in joint ownership. Martha lost control of her own home.

#### A LIVING TRUST WOULD HAVE PREVENTED THIS SITUATION:

Bill and Agnes were an elderly couple who put everything they owned ... including their home and stock ... in their adult unmarried daughter's name. They believed that this would avoid probate and that all of their property would pass directly to their daughter who was an only child, when they were both gone. A year later, Bill died of a heart attack. Several months after that, the daughter was killed in an auto accident.

Agnes never believed she would survive both her husband <u>and</u> daughter. To add to her distress, **Agnes now owned** <u>nothing</u> in her own name. Everything was in her daughter's name! She was forced to probate her daughter's estate to get back her <u>own</u> property.

During this long process she had to rely on the court to grant her living expenses. Sometimes the court would approve expenses . . . sometimes not. And during a declining stock market, she helplessly watched the value of her stocks fall to only a fraction of their previous value because the court could not react in time for them to be sold quickly enough. Agnes lost her financial independence plus a substantial portion of her assets to probate . . . just trying to get back what was hers in the first place.

#### THE CONSEQUENCES IF A JOINT OWNER CANNOT SIGN:

Most married couples own their property jointly, and they assume that if one of them becomes disabled or incompetent, the other can continue to take care of their personal and financial affairs without interruption. But look at what happened to Henry and Mary:

Henry and Mary were successful and responsible adults. They made safe investments and planned carefully for their future. They owned everything jointly and even had WILLS, leaving everything to each other. But in just seconds their lives changed dramatically. Henry was in a tragic car accident, and suffered extensive head injuries and

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#### Complaint

# EXHIBIT 2

brain damage. Mary could continue to write checks and pay their day to day bills because only one of their signatures was required on their checking account. But soon the cash started running out, and Mary realized she needed to sell some of their investments, and maybe their house, to pay for Henry's care and the other bills. Mary was unable to sell any of their jointly owned property without both signatures, and since Henry could not sign his name, the only way Mary could sell their property was to place Henry into a probate guardianship and have the court sign for him. Henry's WILL was no help at all because he was still alive.

Mary had no idea how expensive and cumbersome this legal "joint ownership" can be. Not only did she have to deal with Henry's situation and the effect of this tragedy on their personal lives, but she also had to deal with the court system. She was especially frustrated that she had to pay for the court to approve the sale of their own property and then get the court's approval on how Henry's share of that money was spent even when it was used to pay their personal bills and take care of Henry! When Henry finally died more than five years later, Mary found herself back in probate court — this time to probate Henry's WILL

THE SAME THING CAN EASILY HAPPEN TO YOU if you own property through joint ownership. Many older parents list their adult sons or daughters as joint owners on their property (especially real estate and C.D.s), mainly to avoid probate when they die. And many mistakenly assume that their adult child will automatically be able to take over for them if they become disabled or incompetent. Most people just do not know how easily joint ownership can lead to a probate guardianship.

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# EXHIBIT 2



OTHER MEMBERSHIP BENEFITS & SERVICES

Complaint

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# FEDERAL TRADE COMMISSION DECISIONS

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# EXHIBIT 2

# Listen to What People Say About Medical Air Services:

#### Louis C. Timm

716-328-9824 · Rochester, New York

"We could not have asked for better treatment, in fact we have been telling our friends about MASA."

#### Lee and Violet Frost

618-832-6538 • Anna, Illinois

"We are satisfied with your service we take every opportunity to encourage friends to enroll in MASA."

# Mrs. James (Thelma) Wilkinson

515-652-3244 • Ottumiba, Iowa

"We have only good thoughts and remarks to make of Medical Air Services."

#### Mr. Victor S. Kalinoski

218-681-4767 . Thief River Falls, Minnesota

"It was a 400 mile trip one way. We were very pleased in that no time was wasted and everything seemed very well planned. We recommend this service very highly."

#### Harold and Ruth Wendt

715-229-2770 . Owen, Wisconsin

"I am now well on the way to recovery from open heart surgery while in Texas in April. We express our special thanks for the fine and prompt service Medical Air Services provided during our emergency. Besides providing air service home, we especially appreciated having a driver take our automobile 1700 miles to Wisconsin."

#### Christine J. Adamson

313-659-6080 . Flushing, Michigan

"We feel this service is very valuable for the security it provided and we feel it is one of the best investments we have ever made."

#### Bruce Theel

701-477-5244 . Rolla, North Dakota

"Your company is providing a critical medical service to the population living in remote areas, without air facilities closer to major medical centers. Could you sell hospitals such a service, so that more people are informed of this marvelous service you give at such a reasonable rate?"

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#### Katherine G. Bennett

716-637-6468 . Brockport, New York

"The Bennetts are staunch believers that 6:5" yone should be a member of Medical Air Services. You showed concern far beyond the service anyone could expect."

#### Margaret Kreutzer

204-326-9972 . Edinburg, Texas

"I am very pleased with the services I received from your company after the death of my husband."

#### Frankie Adkins

512-428-2534 . Brunswick, Missouri

"We made a call to Medical Air Services and found out our daughter's flight to be with her critically ill father would be taken care of. We certainly thank your "flight for life" service and don't intend to be without it."

#### Mrs. Joyce Evans

816-638-4561 . Urich, Missouri

"Words cannot express what I feel for your company. You were all so helpful and courteous. I would love to enroll some of my friends who have not heard of your services. Please send me some enrollment applications."

#### Stanley Snodgrass

513-922-4562 . Cincinnati, Ohio

MASA will always be a part of our insurance program as long as it is available to us. On a scale of one to ten, we rate you a ten plus."

#### Mr. and Mrs. Robert Taylor

612-894-9709 · Burnsville, Minnesota

"We wish to thank you for the "hassle free" way in which you handled all the arrangements to fly me and my injured husband home after he fractured a vertebra in his back. We say thanks for all your help."

#### Helen Redekal

507-938-4241 . Canby, Minnesota

"In this day and age it is very difficult to believe some company would stand behind their promises and react so efficiently and promptly in our crisis. I highly recommend this service to each and everyone."

# THE ADMINISTRATIVE COMPANY, ET AL.

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Complaint

**EXHIBIT 2** 



- Over 30,000 participating neighborhood pharmacies
- Fill all your prescription needs AT or BELOW average wholesale prices



ail Order Pharmacy

# The preferred option for maintenance medications!

- TOLL FREE ORDER Comparison cost line
- NO shipping or handling charges
- Doctor-Verified prescriptions
- Easy to use

30

Convenient at-home delivery



# Savings that really add up!

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# FEDERAL TRADE COMMISSION DECISIONS

## Complaint

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**EXHIBIT 2** 

# **I** ffordable Dental Connection Free & Discounted Dental Service

- FREE Diagnosis
- FREE Dental History
- FREE Bite Wing X-Rays
- FREE Flouride Treatment for Children
- FREE Oral Hygiene Instructions
- FREE Oral Cancer Examination



# Discounts of 20% to 50% off the Dental Providers "usual and customary" fees.

- Prosthodontists
- Implantologists
- Oral Surgeons

- General Dentistry
- Orthodontists
- Endodontists

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Complaint

**EXHIBIT 2** 

yewear Savings SPECS brings you savings at Sears, Montgomery Ward, JC Penney, Dillard's, Marshall Fields, Royal Optical, and

many other stores.

You receive the SPECS Vision Plan free as part of your membership benefit package. The SPECS Vision Plan is designed to offer both you and your family savings of up to 60% on all your eyecare needs.

Simply present the SPECS card at any of the 1,500 participating Sears, Montgomery Ward, JC Penney, Dillard's, Marshall Fields, Royal Optical and many other eyewear departments located throughout the country and let the savings begin. It's so easy! There's no waiting, no forms to complete, and no limitations — all merchandise is included. Most locations are open evenings and weekends for your convenience. And, you can pay for your order with your store credit card.



TYPICAL SAVINGS	
Frames Frames up to \$54 retail — you save 60% Frames \$55 to \$74 — you save 60% Frames over \$74	\$30.00
Lenses Single Vision — you save 45% Bifocal — you save 40% Trifocal — you save 40% Lenticular — you save 50%	\$50.00 \$60.00
Contact Lenses & Non-Prescription Sunglasses 20% Discount from regular retail prices	
Eye Examinations* Spectacle: \$5 off regular fee Contact: \$10 off regular fee	
*Eye Examinations are provided by Doctors of Optometry located in or adjacent to departments. The fee for fitting and dispensing spectacles uncluding unlimited adjustme There is no dispensing fee for contacts.	

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EXHIBIT 2



- All world famous name brands.
- When is a \$400 hearing aid better than an \$800 hearing aid?

When it's the same hearing aid!!

30 day No cost - No obligation FREE home trial



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Complaint

**EXHIBIT 2** 

*D iscount Shopping Service Members save up to 50% on thousands of nationally advertised items.* 

As a Member you'll enjoy huge savings through substantial discounts on most major consumer purchases. It's easy. Just pick up the phone and you'll receive the guaranteed lowest price available for the item you want. Use your price to comparison shop at your local stores.

- Audio Equipment
- Cameras
- Carpeting
- China and Silverware
- Diamonds
- Fine Jewelry
- Furniture
- Personal Computers
- Luggage

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- Major Appliances
- Pianos and Organs

- Sewing Machines
- Video Recorders
- Exercise Equipment
- Televisions
- Typewriters
- Video Tapes
- Binoculars
- Air Conditioners

# Plus thousands of other items!

# You'll save hundreds of dollars!

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# EXHIBIT 2



Save hundreds and hundreds of dollars each year on your grocery bills.

# Saving Money on groceries has never been easier.

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# **EXHIBIT 2**

G ift Catalog Our members SAVE Up to 80%

Cameras • Jewelry • Household Appliances • Silver Plate Luggage • China • Watches • Telephones Silverware • Tools • Leather Goods • Fur Coats

Receive impressive savings on gifts for Birthdays Anniversaries Weddings Graduations Christmas

# SAMPLE SAVINGS

Item	Suggested Retail	Your Price
Ladies or mens quartz Diamond Watch		\$ 23.00
35mm Camera - auto focus. auto wind, auto loading	.\$ 269.00	\$ 69.00
Cordless telephone	.\$ 179.00	\$ 59.00
Ladies Black Eel-Skin purse	.\$ 345.00	
Norwegian blue Fox fur coat	.\$1250.00	.\$256.00

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123 F.T.C.

EXHIBIT 2

acation & Travel Discounts

Your membership travel services are waiting for you NOW. Let our travel consultants accommodate you!



\$100,000 FAEE Travel Accident Insurance on selected flights Discounts from many of the

- Prompt, courteous, professional assistance
- Lowest currently available air fares
- Up to 5% off on air fares to many destinations worldwide



37

# world's most desired resorts, cruise lines, and tour packages

# Get that dream vacation!

# otel, Motel, Resort Condominium Discounts



# Guarantees 50% Savings

- At over 2000 hotels, motels, and resort condominiums.
- Available at thousands of destinations worlwide.

1.

The world can be yours!

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EXHIBIT 2





For a nominal service charge you'll receive a computer printout showing the dealers cost for the make and model you want.

Information that gives you a price advantage!

Knowing what your dealer knows can get you the very best price on the car you want.

sed Car Discounts

Outstanding savings on late-model pre-owned cars.



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For a modest fee, you will receive a price quote for the late-model car of your choice that will also include the retail price and trade-in value.

Make your best deal!

Every car is prepared for sale under guidelines which meet the highest standards and conditions.

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# FEDERAL TRADE COMMISSION DECISIONS

## Complaint

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# **EXHIBIT 2**



- Send in a roll of film for processing Receive a new roll of film FREE.
- MONEY BACK GUARANTEE: You pay only for the prints that come out!

J iscounts on Flowers

- Over 5,000 participating Florists worldwide.
- Open 24 hours a day 7 days a week



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# **P** ar Rental Discounts

SAVE 10% to 40% every time you rent a car!

- Free upgrade in car class at Hertz, Avis, National.
- Special exclusive flat-rates at National and Alamo.



And we are negotiating new entertainment discounts every day that will be added to your membership as available!

Something for everyone!

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Complaint

**EXHIBIT 2** 

# AASC

NATIONWIDE NON-PROFIT ORGANIZATION

\$1591, American Association for Senior Citizens

# Decision and Order

# 123 F.T.C.

# DECISION AND ORDER

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

The respondents, the attorney for the individual respondent, and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents 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 respondents that the law has been violated as alleged in such complaint, or that the facts as alleged in such complaint, other than jurisdictional facts, are true, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have 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 prescribed 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 The Administrative Company is a corporation organized under and by virtue of the laws of the State of Texas, with its current address at 4328 Hollow Oak, in the City of Dallas, State of Texas. The Administrative Company has ceased doing business.

Respondent Michael P. McIntyre's current address is 4328 Hollow Oak, in the City of Dallas, State of Texas.

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

## Decision and Order

## DEFINITIONS

# For purposes of this order:

a. "Living trust" means a trust into which an individual can place all of his or her assets during his or her lifetime and, by transferring ownership of the assets to the name of the trust, thereby remove the assets from the individual's estate.

b. "Probate" is the legal process that validates a will, which is a legal document that contains instructions to the court on how an individual's assets and liabilities are to be divided and distributed at death.

# ORDER

# I.

It is ordered, That respondents The Administrative Company, a corporation, its successors and assigns, and its officers; Michael P. McIntyre, individually and as an officer and director of The Administrative Company; and respondents' agents, representatives, and employees, directly or through any corporation, subsidiary, division, or other device, in connection with the advertising, promoting, offering for sale, or sale of living trusts, do forthwith cease and desist from misrepresenting, in any manner, directly or by implication, orally or in writing, that:

- A. The use of a living trust avoids all probate and administrative costs.
- B. At death, a living trust allows assets to be distributed immediately or almost immediately.
- C. A living trust cannot be challenged.
- D. Living trusts are prepared by local attorneys.
- E. A living trust protects against catastrophic medical costs.
- F. A living trust is the appropriate estate planning device for every consumer.
- G. There are no disadvantages to a living trust.

# FEDERAL TRADE COMMISSION DECISIONS

Decision and Order

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# II.

It is further ordered, That respondents The Administrative Company, a corporation, its successors and assigns, and its officers; Michael P. McIntyre, individually and as an officer and director of The Administrative Company; and respondents' agents, representatives and employees, directly or through any corporation, subsidiary, division, or other device, in connection with the promoting, offering for sale, or sale of living trusts, do forthwith cease and desist from failing to disclose, clearly and conspicuously, in writing, and prior to the consummation of the sale, the following information:

A. Living trusts may be challenged on similar grounds as wills.

B. Living trusts may not be appropriate in all instances, and all estate planning options should be examined before determining which estate plan best suits a particular individual's needs and wishes.

# III.

It is further ordered, That respondents The Administrative Company, a corporation, its successors and assigns, and its officers; Michael P. McIntyre, individually and as an officer and director of The Administrative Company; and respondents' agents, representatives and employees, directly or through any corporation, subsidiary, division, or other device, in connection with the promoting, offering for sale, or sale of living trusts, do forthwith cease and desist from failing to disclose, clearly and conspicuously, in writing, and prior to the consummation of the sale, the following information, if true:

A. The availability of informal probate under this state's statutes allows minimal or no contact with the courts and reduces the time required to probate a will.

B. The transfer of an individual's assets into the living trust is not included in the price of creating the living trust.

C. It is the sole responsibility of the purchaser of the living trust to transfer assets into the trust.

D. Creditors have a longer period of time to file a claim against a living trust than against a probated estate.

Decision and Order

# IV.

It is further ordered, That respondents The Administrative Company, a corporation, its successors and assigns, and its officers; Michael P. McIntyre, individually and as an officer and director of The Administrative Company; and respondents' agents, representatives and employees, directly or through any corporation, subsidiary, division, or other device, in connection with the advertising, promoting, offering for sale, or sale of any legal instrument, service or program, do forthwith cease and desist from making, directly or by implication, orally or in writing:

A. Any statement or representation of material fact that is false or misleading; and

B. Any statement or representation about the advantages, risks or consequences of such legal instrument, service or program unless, at the time of making the statement or representation, they possess and rely upon a reasonable basis.

# V.

It is further ordered, That, for a period of five (5) years from the date of issuance of this order, respondents, and their successors and assigns, shall maintain and upon request make available to representatives of the Federal Trade Commission for inspection and copying all documents relating to living trusts or the preparation of living trusts that are developed, written, reviewed, authorized, or used by respondents, their successors and assigns, their officers, and their agents, representatives and employees, directly or through any corporation, subsidiary, division, or other device.

# VI.

It is further ordered, That, in connection with the advertising, promoting, offering for sale, or sale of living trusts, respondents shall maintain, for a period of five (5) years from the date of issuance of this order, books, records, and accounts which, in reasonable detail, will demonstrate compliance with this order and accurately, fairly, and completely reflect the incomes, disbursements, transactions, and use of monies by respondents and, upon reasonable notice, make such books, records, and accounts available to representatives of the Federal Trade Commission for inspection and copying.

## FEDERAL TRADE COMMISSION DECISIONS

Decision and Order

# VII.

It is further ordered, That the corporate respondent shall notify the Federal Trade Commission, through its Denver Regional Office unless otherwise directed, at least thirty (30) days prior to any proposed change in the corporate respondent, such as dissolution, assignment, or sale resulting in the emergence of a successor corporation, the creation or dissolution of new corporations, subsidiaries or affiliates of the respondent, the planned filing of a bankruptcy petition, or any other corporate change that may affect compliance obligations arising out of this order.

# VIII.

It is further ordered, That respondent Michael P. McIntyre shall, for a period of five (5) years from the date of issuance of this order, notify the Federal Trade Commission, through its Denver Regional Office unless otherwise directed, within forty-five (45) days of the discontinuance of his present business or employment, including selfemployment and of his affiliation with a new business or employment, including self-employment. Each notice of affiliation with any new business or employment shall include the respondent's new business address and telephone number, current home address and a statement describing the nature of the business or employment and his duties and responsibilities.

# IX.

# It is further ordered, That respondents shall:

A. Within thirty (30) days of service of this order upon them, provide a copy of this order to each of respondents' current principals, officers, directors and managers and to all personnel, agents and representatives who are or have been participating or engaging in any manner in respondents' living trust sales activities.

B. For a period of five (5) years from the date of issuance of this order, provide a copy of this order to each of respondents' principals, officers, directors and managers, and to all personnel, agents and representatives who are participating or engaging in any manner in respondents' living trust sales activities, within three (3) days after the person assumes his or her position.

# Decision and Order

X.

It is further ordered, That this order will terminate on April 14, 2017, or twenty years from the most recent date that the United States or the Federal Trade Commission files a complaint (with or without an accompanying consent decree) in federal court alleging any violation of the order, whichever comes later; provided, however, that the filing of such a complaint will not affect the duration of:

A. Any paragraph in this order that terminates in less than twenty years;

B. This order's application to any respondent that is not named as a defendant in such complaint; and

C. This order if such complaint is filed after the order has terminated pursuant to this paragraph.

Provided further, that if such complaint is dismissed or a federal court rules that the respondent did not violate any provision of the order, and the dismissal or ruling is either not appealed or upheld on appeal, then the order will terminate according to this paragraph as though the complaint was never filed, except that the order will not terminate between the date such complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

# XI.

It is further ordered, That respondents shall, within sixty (60) days of service of this order upon them, and at such other times as the Federal Trade Commission may require, file with the Commission a report, in writing, setting forth in detail the manner and form in which they have complied with this order.

## FEDERAL TRADE COMMISSION DECISIONS

#### Complaint

#### 123 F.T.C.

#### IN THE MATTER OF

# HULING BROS. CHEVROLET, INC., ET AL.

# CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATIONS OF SEC. 5 OF THE FEDERAL TRADE COMMISSION ACT, THE TRUTH IN LENDING ACT AND REGULATION Z

## Docket C-3732. Complaint, April 14, 1997--Decision, April 14, 1997

This consent order requires, among other things, the Seattle, Washington, automobile dealerships to correctly calculate the annual percentage rate ("APR") for financed purchases in accordance with Regulation Z, and to include in a clear and conspicuous manner all the disclosures required by law when a triggering term is used in an advertisement. The consent order prohibits the respondents from misrepresenting the terms of financed deals, the APR, the amount of any periodic payment, the availability of any advertised credit terms, the sale price, or the availability of any rebate.

# Appearances

For the Commission: *Charles Harwood* and *George Zweibel*. For the respondents: *James Aiken*, *Aiken & Fein*, Seattle, WA.

# COMPLAINT

The Federal Trade Commission, having reason to believe that Huling Bros. Chevrolet, Inc., a corporation; Huling Buick, Inc., a corporation; and Huling Bros. Chrysler/Plymouth, Inc., a corporation, have violated the Truth in Lending Act ("TILA"), 15 U.S.C. 1601-1667e, as amended, and its implementing Regulation Z, 12 CFR Part 226, and the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. 41-58, as amended, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues this complaint and alleges:

PARAGRAPH 1. Huling Bros. Chevrolet, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Washington, with its principal place of business located at 4755 Fauntleroy Way S.W., Seattle, Washington.

PAR. 2. Huling Buick, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Washington, with its principal place of business located at 4545 Fauntleroy Way S.W., Seattle, Washington.

PAR. 3. Huling Bros. Chrysler/Plymouth, Inc., is a corporation organized, existing and doing business under and by virtue of the
laws of the State of Washington, with its principal place of business located at 4550 Fauntleroy Way S.W., Seattle, Washington.

PAR. 4. In the ordinary course and conduct of their business, respondents have been engaged in the dissemination of advertisements that promote, directly or indirectly, credit sales and other extensions of closed-end credit in consumer credit transactions, as the terms "advertisement," "credit sale," "closed-end credit," and "consumer credit" are defined in the TILA and Regulation Z.

PAR. 5. The acts and practices of respondents alleged in this complaint have been and are in or affecting commerce, as "commerce" is defined in the FTC Act.

## COUNT ONE

PAR. 6. Respondent Huling Bros. Chevrolet, Inc., in the course and conduct of its business, on numerous occasions has disseminated, or caused to be disseminated, advertisements that state annual percentage rates as well as monthly payment amounts and vehicle sales prices. In fact, in many instances, the advertisements understate the annual percentage rates by more than 1/4 of 1 percentage point, thereby failing to disclose accurately the annual percentage rate.

PAR. 7. Respondent's aforesaid practice violates Sections 107 and 144(c) and (d) of the TILA, 15 U.S.C. 1606 and 1664(c) and (d), and Sections 226.22(a) and 226.24(b) and (c) of Regulation Z, 12 CFR 226.22(a) and 226.24(b) and (c), and constitutes an unfair or deceptive act or practice, in violation of Section 5(a) of the FTC Act, 15 U.S.C. 45(a).

## COUNT TWO

PAR. 8. Respondents Huling Bros. Chevrolet, Inc., Huling Buick, Inc., and Huling Bros. Chrysler/Plymouth, Inc., in the course and conduct of their business, on numerous occasions have disseminated, or caused to be disseminated, advertisements that state the amount or percentage of any downpayment, the number of payments or period of repayment, or the amount of any payment, but fail to state the annual percentage rate.

PAR. 9. Respondents' aforesaid practice violates Section 144(d) of the TILA, 15 U.S.C. 1664(d), and Section 226.24(c) of Regulation Z, 12 CFR 226.24(c).

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## COUNT THREE

PAR. 10. Respondents Huling Bros. Chevrolet, Inc., and Huling Buick, Inc., in the course and conduct of their business, on numerous occasions have disseminated, or caused to be disseminated, advertisements that state conflicting monthly payment amounts for the same transaction, thereby failing to disclose accurately the terms of repayment.

PAR. 11. Respondents' aforesaid practice violates Section 144(d) of the TILA, 15 U.S.C. 1664(d), and Section 226.24(c) of Regulation Z, 12 CFR 226.24(c), and constitutes an unfair or deceptive act or practice, in violation of Section 5(a) of the FTC Act, 15 U.S.C. 45(a).

## COUNT FOUR

PAR. 12. Respondents Huling Bros. Chevrolet, Inc., Huling Buick, Inc., and Huling Bros. Chrysler/Plymouth, Inc., in the course and conduct of their business, on numerous occasions have disseminated, or caused to be disseminated, advertisements that state terms of repayment (such as monthly payment amounts) or annual percentage rates that are not actually arranged or offered by respondents.

PAR. 13. Respondents' aforesaid practice violates Section 142 of the TILA, 15 U.S.C. 1662, and Section 226.24(a) of Regulation Z, 12 CFR 226.24(a), and constitutes an unfair or deceptive act or practice, in violation of Section 5(a) of the FTC Act, 15 U.S.C. 45(a).

## COUNT FIVE

PAR. 14. Respondents Huling Bros. Chevrolet, Inc., Huling Buick, Inc., and Huling Bros. Chrysler/Plymouth, Inc., in the course and conduct of their business, in numerous instances including but not limited to Exhibits A and B, have disseminated, or caused to be disseminated, advertisements offering new motor vehicles that state monthly payment amounts, sale prices, and rebates. In many instances, the advertisements represent that "College Graduate" or "1st Time Buyer" rebates are available in conjunction with a payment plan in which monthly payments are at one amount for the first 12 months and are approximately double that amount thereafter ("Half Payment Program"). In fact, these rebates are not available to purchasers who choose the Half Payment Program.

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### Complaint

PAR. 15. Respondents' aforesaid practice constitutes an unfair or deceptive act or practice, in violation of Section 5(a) of the FTC Act, 15 U.S.C. 45(a).

## COUNT SIX

PAR. 16. Respondent Huling Buick, Inc., in the course and conduct of its business, has disseminated, or caused to be disseminated, advertisements that state a rate of a finance charge, but fail to state the rate as an "annual percentage rate," using that term or the abbreviation "APR."

PAR. 17. Respondent's aforesaid practice violates Section 144(c) of the TILA, 15 U.S.C. 1664(c), and Section 226.24(b) of Regulation Z, 12 CFR 226.24(b).

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## EXHIBIT A



## EXHIBIT B



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## DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft complaint that the Seattle Regional Office proposed to present to the Commission for its consideration and that, if issued by the Commission, would charge the respondents with violation of the Truth in Lending Act, 15 U.S.C. 1601 *et seq.*, and its implementing Regulation Z, 12 CFR 226, and the Federal Trade Commission Act, 15 U.S.C. 45 *et seq.*; and

The respondents, their attorney, and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents 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 respondents that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Acts and Regulation, 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 prescribed 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 Huling Bros. Chevrolet, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Washington, with its principal place of business located at 4755 Fauntleroy Way S.W., Seattle, Washington.

2. Respondent Huling Buick, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Washington, with its principal place of business located at 4545 Fauntleroy Way S.W., Seattle, Washington.

3. Respondent Huling Bros. Chrysler/Plymouth, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Washington, with its principal place

of business located at 4550 Fauntleroy Way S.W., Seattle, Washington.

4. The Federal Trade Commission has jurisdiction over the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

## ORDER

## I.

It is ordered, That respondents Huling Bros. Chevrolet, Inc., a corporation, its successors and assigns, and its officers; Huling Buick, Inc., a corporation, its successors and assigns, and its officers; and Huling Bros. Chrysler/Plymouth, Inc., a corporation, its successors and assigns, and its officers; and respondents' agents, representatives and employees, directly or through any corporation, subsidiary, division, or other device, in connection with any advertisement to promote, directly or indirectly, any extension of consumer credit, as "advertisement" and "consumer credit" are defined in the Truth in Lending Act ("TILA"), 15 U.S.C. 1601-1667e, as amended, and in Regulation Z, 12 CFR Part 226, do forthwith cease and desist from:

A. Misrepresenting in any manner, directly or by implication, the terms of financing the purchase of a vehicle, including but not limited to the annual percentage rate, the amount of any periodic payment amount, or the availability of any advertised credit term; the sale price; or the availability of any advertised rebate.

B. Stating a rate of finance charge without stating the rate as an "annual percentage rate" or the abbreviation "APR," using that term, and failing to calculate the rate in accordance with Regulation Z. If the annual percentage rate may be increased after consummation, the advertisement shall state that fact. The advertisement shall not state any other rate, except that a simple annual rate or periodic rate that is applied to an unpaid balance may be stated in conjunction with, but not more conspicuously than, the annual percentage rate.

(Sections 144 and 107 of the TILA, 15 U.S.C. 1664 and 1606, and Sections 226.24(b) and 226.22 of Regulation Z, 12 CFR 226.24(b) and 226.22)

C. Stating the amount or percentage of any downpayment, the number of payments or period of repayment, the amount of any payment, or the amount of any finance charge, without stating

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accurately, clearly and conspicuously, all of the terms required by Regulation Z, as follows:

(1) The amount or percentage of the downpayment;

(2) The terms of repayment; and

(3) The "annual percentage rate," using that term or the abbreviation "APR." If the annual percentage rate may be increased after consummation of the credit transaction, that fact must also be disclosed.

(Section 144 of the TILA, 15 U.S.C. 1664, and Section 226.24(c) of Regulation Z, 12 CFR 226.24(c))

D. Failing to state only those terms that actually are or will be arranged or offered by the creditor, in any advertisement for credit that states specific credit terms, as required by Regulation Z.

(Section 142 of the TILA, 15 U.S.C. 1662, and Section 226.24(a) of Regulation Z, 12 CFR 226.24(a))

E. Failing to comply in any other respect with the Truth in Lending Act, 15 U.S.C. 1601-1667e, as amended, or its implementing regulation, Regulation Z, 12 CFR Part 226, as amended.

## II.

It is further ordered, That respondents, and their successors and assigns, shall distribute a copy of this order to all present or future officers, agents, representatives, and employees having responsibility with respect to the subject matter of this order, and that respondents, and their successors and assigns, shall secure from each such person a signed statement acknowledging receipt of said order.

## III.

It is further ordered, That each respondent, and its successors and assigns, shall notify the Commission at least thirty (30) days prior to any proposed change in its corporate entity, such as dissolution, assignment or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries, or any other change in the corporation that may affect compliance obligations arising out of the order.

## IV.

It is further ordered, That for five (5) years after the date of service of this order respondents, and their successors and assigns, shall maintain and upon request make available all records that will demonstrate compliance with the requirements of this order.

## V.

It is further ordered, That respondents, and their successors and assigns, shall, within sixty (60) days of the date of service of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which they have complied with this order.

## VI.

This order will terminate on April 14, 2017, or twenty (20) years from the most recent date that the United States or the Federal Trade Commission files a complaint (with or without an accompanying consent decree) in federal court alleging any violation of the order, whichever comes later; provided, however, that the filing of such a complaint will not affect the duration of:

A. Any paragraph in this order that terminates in less than twenty (20) years;

B. This order's application to any respondent that is not named as a defendant in such complaint; and

C. This order if such complaint is filed after the order has terminated pursuant to this paragraph.

Provided further, that if such complaint is dismissed or a federal court rules that the respondent did not violate any provision of the order, and the dismissal or ruling is either not appealed or upheld on appeal, then the order will terminate according to this paragraph as though the complaint was never filed, except that the order will not terminate between the date such complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

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## IN THE MATTER OF

## 1554 CORPORATION, ET AL.

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

## Docket C-3733. Complaint, April 14, 1997--Decision, April 14, 1997

This consent order prohibits, among other things, the California company, doing business as The Mellinger Company, and its president from making any unsubstantiated success, profitability, performance, benefits, efficacy or success rate claims with regard to a business opportunity product or service. The consent order also prohibits the respondents from using testimonials or endorsements that make deceptive or unsubstantiated representations.

## Appearances

For the Commission: Justin Dingfelder, Lemuel Dowdy and Jonathan Cowen.

For the respondents: Shirley Johnson, Washington, D.C.

## COMPLAINT

The Federal Trade Commission, having reason to believe that 1554 Corporation, a corporation, and Brainerd L. Mellinger, III, individually as an officer of 1554 Corporation ("respondents"), have violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, alleges:

PARAGRAPH 1. Respondent 1554 Corporation is a California corporation, with its office and principal place of business located at 6100 Variel Ave., Woodland Hills, CA. Respondent 1554 Corporation has traded and done business as The Mellinger Company.

Respondent Brainerd L. Mellinger, III, is president of the corporate respondent. Individually, or in concert with others, he formulates, directs and controls the acts and practices of the corporate respondent, including the acts and practices alleged in this complaint. His principal office or place of business is the same as that of the corporate respondent.

PAR. 2. Respondents have, individually or in concert with others, created and disseminated advertisements for the Mellinger World Trade Mail Order Plan ("Mellinger Plan"), and have offered for sale

and sold the Mellinger Plan to consumers who respond to their advertisements.

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

PAR. 4. Respondents' advertisements for the Mellinger World Trade Mail Order Plan include, but are not necessarily limited to, the attached Exhibits A-D. These advertisements contain the following statements:

A. A program-length television advertisement for the Mellinger Plan, identified as "Mellinger's Secret Treasures" (Exhibit A):

(1) Announcer: "How would you like to earn substantial income right from the comfort of your own home? . . . Living a luxurious lifestyle with long-term security for you and your family." (P. A1)

(2) Endorser: "Doesn't matter what age, what your background is, what your education is. The sooner you get started, the sooner you start making money." (P. A2)

(3) Host: "His name is Brainerd Mellinger III, and he makes it easier than ever for people to make riches they've only dreamed of." (P. A3)

(4) Endorser: "On my first customer my first day with the World Traders I made twelve thousand dollar profit." (P. A4)

(5) Host: "Brainerd, these folks are making a lot of money, and enjoying every minute of it." (P. A13)

(6) Brainerd Mellinger, III: "If you've ever dreamed of riches and living a luxurious lifestyle, give us a call right now." (P. A17)

(7) Endorser: "You will be successful. It's been proven time and time again." (P. A17)

(8) Endorser: "I started off with \$250 that my husband gave me, and last year I earned over \$35,000, and I did it all with the help of the Mellinger Company." (P. A21)

(9) Endorser: "Get involved with Mellinger, and if you stick with them they have the support team there for you, they can make something like this possible for you." (P. A23)

(10) Endorser: "Anybody today that really wants to work, and has the initiative to get out and try something new, this plan definitely makes it about as easy as pie." (P. A25)

(11) Announcer: "Kirk may not be a rocket scientist, but with the help of the Mellinger World Trade Plan he has launched a company with sky-rocketing profits. Today is a typical business day, and Kirk is shipping out more than 400 hats. The profits are all his." (P. A36)

(12) Endorser: "[A]nyone that gets involved with this is gonna really find [it] exciting, interesting, and create an income for themselves. It's fantastic." (P. A38)

(13) Host: "The Mellinger Plan makes it so easy to achieve financial independence. Why isn't everyone doing it?" (P. A42)

Brainerd Mellinger, III: "Good question. Well -- it's just that they don't know about the Mellinger Plan yet. They aren't aware that this fabulous opportunity for success

### Complaint

and riches is waiting for them. And that's why I'm here today. I want to tell everyone that they can make money, like some of the folks you've seen on our show. The Mellinger company shows you how, step by step. And we make it simple and fun . . . . " (P. A43)

B. A magazine advertisement for the Mellinger Plan (Exhibit B):

2 valuable New Reports Can Make You Rich! I'll send both to you FREE! You've seen me on T.V.! Now I'm ready to help you get a fast start! Discover How to Be Independent -- Be Your Own Boss -- Make Big Money in your own, IMPORT/EXPORT MAIL ORDER BUSINESS! ... Enjoy earnings probably far greater than you ever dreamed any job could pay.

Join these successful Men and Women! ...

"Mellinger has the answers! I'm looking at \$25,000. year's income -- just 2 hours a day part-time." [endorser]

"Just one world trade transaction paid me \$5,000 profit! Yes...follow the Mellinger Plan!" [endorser]

C. Mellinger Internet site (http://www.tradezone.com) (Exhibit C):

SUCCESSFUL INTERNATIONAL TRADERS MEMBERS[.] HOW PLAN BROUGHT SUCCESS TO THEM! ...

Having trouble sleeping one night, [endorser] turned on his TV and became enthralled by a Mellinger infomercial. A phone call brought him full details about the Mellinger Plan. "I was so impressed with what I saw, I immediately began following the Mellinger Plan and became a Member of International Traders. I began putting the Plan into practice and started showing Import products. In less than two months, I had generated well over \$2,000 in business."...

The Mellinger Plan provided exactly what [endorser] needed...."I would tell you this works for you. It's very good for beginners like myself." She reported sales of \$1200. right away and with her early momentum she says she is looking now at earnings of \$6000. a month!

D. A pamphlet mailed to consumers who request information about the Mellinger Plan (Exhibit D):

START AT HOME...make money your very first day!

MEN & WOMEN--Welcome to your exciting, high-income, full-or part-time future in Import/Export/Mail Order. Follow the Mellinger Plan as it guides your every step. Nothing has been left to chance. Each easily followed step is based 100% upon many years of successful business experience!

SUCCESS STORIES in World Trade! Read these ACTUAL REPORTS of MONEY-MAKING ....

\* \* \*

Concentrating on imported sports equipment, [endorser] took in \$35,000.00 the first year, devoting only a few hours a day.

PAR. 5. Through the use of the statements contained in the advertisements and promotional materials referred to in paragraph four, including but not limited to the advertisements attached as Exhibits A-D, respondents have represented, directly or by implication, that:

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A. Consumers who use the Mellinger Plan typically succeed in readily starting and operating profitable businesses;

B. Consumers who use the Mellinger Plan typically earn substantial income; and

C. Endorsements appearing in Exhibits A-D reflect the typical or ordinary experience of members of the public who have used the Mellinger Plan.

PAR. 6. Through the use of the statements contained in the advertisements referred to in paragraph four, including but not necessarily limited to the advertisements attached as Exhibits A-D, respondents have represented, directly or by implication, that at the time they made the representations set forth in paragraph five, respondents possessed and relied upon a reasonable basis that substantiated such representations.

PAR. 7. In truth and in fact, at the time they made the representations set forth in paragraph five, respondents did not possess and rely upon a reasonable basis that substantiated such representations. Therefore, the representation set forth in paragraph six was, and is, false and misleading.

PAR. 8. The acts and practices of respondents as alleged in this complaint constitute unfair or deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act.

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### EXHIBIT A

# "Mellinger's Secret Treasures" MST-1 Final On Air Script

DISCLAIMER GRAPHIC

FONT: TESTIMONIALS USED IN THIS PROGRAM REPRESENT BEST CASE RESULTS. RESULTS WILL VARY DEFENDING ON INDIVIDUAL EFFORTS AND PRODUCT SELECTION.

### Narrator:

The following program is a paid advertisement for the Mellinger World Trade Mail Order Plan, by The Mellinger Company.

#### TEASE:

#### Narrator:

COVER: CU WOMAN COUNTING MONEY

COUPLE, WORKING AT TABLE IN THEIR KITCHEN YACHT

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DREAM SHOTS : MAN TAKING GOLF SWING FAMILY & DCG IN PCCL

ZOOM OUT FROM CU: SHOT OF TREASURE CHEST OVERFLOWING WITH JEWELS, PEARLS AND

DISS. TO SHOT OF TREASURE CHEST OVERFLOWING WITH MELLINGER IMPORTS. ZCOM IN TO CU.

TV PAN ACROSS CHEST OF IMPORTS.

IRAPHS C

FONT: SET & FREE INFIRT TYPE FIF

.

How would you like to earn substantial income right from the comfort of your own home? Working the hours you want--part time or full time. Enjoying the freedom of not having to answer to a boss.

Living a luxurious lifestyle with long-term security for you and your family.

Well, you don't have to discover a secret treasure to make your dreams . come true. Stay tuned because we're going to reveal a modern day i preasure ... that can put you on the road to success and happiness. It's a cime-tested formula that's been used by hundreds if phousands of people all over the world.

We 11 also cell you now you can receive an ensuring oriental import appriatel? SING WE THE ANTIGUES ...

- - - -

## EXHIBIT A

# "Mellinger's Secret Tressures" MST-1 Final On Air Script

S- A2

flash FREE TESTIMONIAL

TESTIMONIAL

FONT: CAROLYN KAFLAN INTERNATIONAL TRADER

Carolva Kaplan: Doesn't matter what age, what your background is, what your education is. The sconer you get started, the sconer you scart making money.

#### Rev Hanson:

. The Mellinger Company has a plan set up. Step one, two, three, four, it's, it's so simple.

SHOW TITLE SEQUENCE: CU TREASURE CHEST OF IMPORTS

PONT: RCY HANSON INTERNATIONAL TRADER

1 Narrator:

. It's all next on "Mellinger's Secret

Treasures."

#### INTRO

PAN ACROSS EURASIA MAP | Richard V/O:

SUPERIMPOSE VARIOUS PICTURES OF MARCO POLO OVER MAP

PECTURE OF MARCO RETURNED HOME W. TREASURE

RICHARD ANDERSON IN KOWLSON LOCATION

ANDERSON AND TELEVISION 

700 years ago, a brave young merchant. named Marco Polo

craveled 18.000 miles to discover the riches of the orient.

" He came home with exclic preasures and opened up trade routes that helped merchants build untold fortunes.

#### Richard:

Hello C'm Richard Anderson, here in one dables cary of Hong Kong to intersuce to jou a motern day Marco

### Complaint

### 123 F.T.C.

## EXHIBIT A

# "Mellinger's Secret Treasures" MET-1 Final On Air Scrigt

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PAN ADROSS HONG KONG SKYLINE

BRAINERD WALKS DOWN A LANE OF STANLEY MARKET.

Richard V.C .:

and he make suches they've only dreamed of.

BRAINERD W/ FAN

COVER OF BRAINERD IN STANLEY MARKET STORE, LOOKING AT CLOTHES HANGERS

PONT: HONG KONG STANLEY MARKET

PONT: ALL PRICES CUCTED ARE BASED ON CUANTITY FROM AN OVERSEAS SUPPLIER AND ARE SUPPLIER AND ARE SUBJECT TO CHANGE AND AVAILABILITY.

BRAINERD AT STANLEY MARKET FINDING MAGIC RAZOR.

CU ON MAGIC RAZOR

FONT: PROFIT MAY VARY DUE TO OPERATING COSTS.

# ERAINERS IN STANLEY MARKET W PITFOURSI SACHETS

TO IN POTFOURAD SACHETS IT FRIM DIFFERENT ANGLE

FONT -0821 1977 878 5201 818 <u>11</u> \*1

ament and an end

makes it easier than ever for people to

His mame is Brainerd Mellinger the 110.

. He goes on global product cours searching the world over for sources of exciting, low priced imports. Then shows you how so market them from your name, as selling prices up to th times their cost and more!

#### Richard V/C:

look at what Brainerd's already found! First - a really handy item: The Magic Racor. It's great for travel or at home and sells in leading canalogs for as much as thirteen dollars, but you pay only a dollar. That's a 13.1 markup.

#### Richard V/C:

Then lack at these lovely potpourst. esonets International Traders menzers duy these scentes closed hangebs for unly sunt; fure cents ged set of two and geau then the 202 a get-

## EXHIBIT A

#### "Wallinger & Gerrer Treasures" MST-t Final In Air Script = 24

Chat's an 18 to 1 markup'

GACSS PROFIT, \$11.35

FONT: PROFIT MAY VARY DUE TO OPERATING ITETS

TESTIMONIAL

FONT: PRINCE ADEMOLA SGUMMANWO INTERNATIONAL TRADER

BRAINERD W' SAMURAI SWORDS

FONT: BUY FCR..... \$41 SELL FOR.....<u>\$175</u> GROSS PROFIT.\$135

Prince Courbaiwe:

In my first sustames my first day with the World Traders I made twelve thousand dollar profit.

Richard V/O:

And finally these detailed replicas of ancient Samurai swords. Intriguing conversation pieces that people will PONT: FROFIT MAY VARY gladly pay sis ici. ... DUE TO OPERATING COSTS. Xellinger's International Traders members buy these for only \$40. That's a \$113 gross profit on each set!

#### END OF OPENING

#### MELLINGER SIX - SEGMENT CNE

RCCHARD IN CHAIRMAN'S SUITE, GRAND HYATT HONG KONG. Richard: You know, we sli dream of being wealthy. and 5'm here today with Brainerd Mellinger the third, to show you just now to make that dream come save on your own impost export mail trdet clathess. 7211 227 77 782 3817 Rachard to Brainerd FONT:

## Complaint

## 123 F.T.C.

F A5

## EXHIBIT A

### 'Mellinger's Secret Treasures' MST-1 Final In Air Script

HONG KONG

Well Bosinerd, everyone assumes that starting a dusiness is a big risk. What's different about the Mellinger World Trade Mail Order Flan? And why do so many people do so well? <u>Brainerd:</u>

The main thing is that my family's company has developed and perfected this formula over four generations. And we show you how to start with very little, just like my grandfather did, and make money right from the start. So there's virtually no down side.

You don't need any special business experience or education. We make it simple and fun.

## Richard:

CKay, Sp. let's get started. What's the first secret of your Susiness Success Formula?

## Braigerd:

Well, number one is finding really nocproducts you can mark up for profits You knw markup is the key.

BRAINER2

PONT: BRAINERD L. MELLINGER III, PRESIDENT/C.E.C. THE MELLINGER COMPANY SHOTS OF 4 GENERATIONS OF MELLINGERS PONT: THE MELLINGERS

BRAINERD & RICHARD

RICHARD

### BRAINERC

FONT: MELLINGER BUSINESS SUCCESS SECRET 41 SELL PRODUCTS AT ROOM MARKUPS, WOU NEEP ALL THE FROFITS RITHAED ANT SRAINERS IN STANLEY MARKET

## 1554 CORPORATION, ET AL.

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### Complaint

## EXHIBIT A

Mellinger & Secret Treasures' MST-1 p A6 Final In Air Script

<u>Richard:</u> Which is why we re here in Hong Kong right.

> Brainerd: Exactly

ARIEL OF KING KING IMPORTS ON TABLE

CU ON PUPPY

RICHARD AND BRAINERD W. PUPPY

FONT: FROFIT MAY VARY DUE TO OPERATING COSTS. RICHARD

BRAINERS

PONT: CVER 14.000 DUALOTY PRODUCTS DRAWLING COMMANDS DAGIUSEL ACTA SHOES

## Brainerd:

low cost products.

like this lifelike, plush puppy. Puppy Barks

Hong Kongvis just one of the many

product scouts find fascinating.

incernational markets where my global

Richard:

It barks when you pet 111

Brainerd:

This retails for as much as twenty four dollars, and you only pay \$5.50 That's an easy \$17.50 profit.

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Richardi
```

Theor's incredible: <u>Brainerd:</u> It is incredible: We offer you over 24,000 hand ploked, easy-to-sell, publicy products of choose from: All ints without naving to leave your home 2.13 step of step guidance

±−1° . . . . . .

### Complaint

## 123 F.T.C.

= A7

## EXHIBIT A

Richard:

Brainerd:

#### 'Mellinger's Secret Treasures' - MST-1 Final Dn Air Script

So you can do everything in the comforts of your own home.

Precisely! And many people prefer

With your own import/export mail order business you can explore exclic markets

around the world. And, in many cases, your travel is tax deductible as a

this is a golden opportunity.

ALCHARD

RICHARD & BRAINERS

working from nome without any travel. But if you've ever dreamed of world bravel,

EXOTIC TRAVEL COVER SHOTS: RIVER AT SUNSET

INTERNATIONAL TRADERS IN STANLEY MARKET LOOKING AT SCARVES

INTERNATIONAL TEADERS IN STANLEY MARKET LCOKING AT BIRD CAGES

FONT: CONSULT YOUR ACCOUNTANT FOR ALLOWABLE DEDUCTIONS.

RICHARD

Pris and the

## Richard:

1750213

business expense.

17 MEMEERS N SUPPLIERS & PRODUCTS

CLEFFERENT SHOT OF IT MEMBERS W SUPPLIERS Breinerd, aren't some Mellinger World Trade members here with us in Hong Xong? <u>Brainerd V.O.:</u> Yes, and they re learning first hand from my global product scouts how op find the very cest deals on ceartiful criental

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## EXHIBIT A

"Mellinger s Secret Treasures" - MST-1 Final On Air Script 5 A3

1119

RICHARD & BRAINERD

BRAINERC

RICHARD

BRAINERD

RICHARD

ERAINERS SHAKING HANDS And meeting with some of our leading with Albert CHAN Asian suppliers. Richard: . You know, Brainerd, this is such an exciting, glamorous business. Do you have to invest a lot of money to get scarted? Brainerd: Not at all, Richard. Richard: How's that possible? Brainerd: Well, it's secret number 2 of the Mellinger Business Success Formula. called Drop Shipping.

PONT: MELLINGER BUSINESS SUCCESS SECRET #2: DROP SHIPPING. NC NEED TO STOCK PRODUCTS.

MELLINGER EMPLOYEE SORTING PRODUCT INTO BOXES

RICHARD & BRAINERD

RICHARD & BRAINERD

ANDERS IN US

Richard: Drop shipping? Brainerd: Yes, chat's how my facher scarted, in a garage with less than \$120 and went on to make millions. Richard: Well, how does this drop shipping work? Brainerd: Well for example cake this 35mm Spiris Camera from the Irlent

emai: 1 (11)+4

### Complaint

## 123 F.T.C.

## EXHIBIT A

"Mellinger's Secret Tressures" MST-1 Final On Air Script

5 A9

It automatically taxes four quick snots In a row.

#### Richard:

Boy, chis would be great for capturing any action like sports or the kids at play.

#### Brainerd:

RICHARD & BRAINERD W/ CAMERA CU CN CAMERA

ERAINERD

PONT: 52 COST DOES NOT INCLUDE SHIPPING AND DUTY CHARGES.

RICHARD

BRADNERD

BRAINERS & RICHARD

Yes, and it costs only two dollars, but you don't pay a cent until after you sell it. You simply run an ad offering is for \$15. Then when the checks come pouring in you put the \$13 gross profit right in your pocket -- send the orders and the \$2 cost per camera to the supplier. Then the supplier sends the cameras directly to your customers for you.

#### Richard:

That's amazing! So you don't pay for anyching until it is sold?

Stainerd:

6

That's right. No inventory to buy, no employees to pay. Before you know it your business is expanding beyond your wildest dreams.

### Richard:

Live successful incornational Traders menness Fred and Jacquia Wend.

4-10 1101 ----

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## EXHIBIT A

#### "Mellinger's Secret Treasures" - MST-1 Final On Air Script =. A10

## Braiserd:

Narrator:

Exactly. FEATURE #1: FRED AND CACQUEE WENE' .

L mate of the	 1	a los a sur	 0.00

WIDE SHOT, FRED AND JACQUIE WALKING IN THE BEACH FACING CAMERA. FONT: MELLINGER SUCCESS PROFILE

For over 30 years, 58 year old Fred Wenz was on the road. His claimess kept him away from home and his wife Jacquie.

#### Jacquie Werz:

Besides the financial rewards that we've gained from the Mellinger Plan, and using it. I have my husband home again.

#### Fred Wess:

It's really great being at home, but, you know, all the travelling I used to do puts a lot of wear and tear on the body, and now I'm now able to spend more quality time with my wife.

### Narrator:

From his home in Marshfield, Massachusetts, Fred has taken the Mellinger Plan and has added his own special twist that has been guite successful

Several years ago when we first started ennighting at the Mellinger show in Las

.

FRED AND JACQUIE WENZ INTERNATIONAL TRADERS

DISSOLVE TO TWO SHOT OF FRED AND JACQUIE

FRED AND JACQUIE WORKING TOGETHER AT DESK

FRED ID BY HIMSELF MCU Fred Wennes

## 21753 17 143 VE343 TRADE 8915

eram 11-19-44

123 F.T.C.

## EXHIBIT A

"Mellinger's Secret Treasures" MST-1 Pinal On Air Script

F-A11

Vegas, was where we noticed that a lot of customers were asking how they can get started in buying merchandise without capital expenditure of large inventories. We said, lets take the Mellinger Flan and couple to with our Product group.

: Well, it worked. In fact, it was so successful that they decided to come up : with a sure fire system to ensure success for their distributors.

We then developed what we call the ; Perfect Starter Kit, for lack of a better name. The Starter Kit, there

' are two types. There's one that's got 40 pieces of jewelry. Another one's gos

73 pieces of jewelry. And everyching in there has been a proven factor that for

mail order or distributors, party

#### Fred Wens: CU ON PERFECT STARTER KIT, PAN DOWN

FRED, JACQUIE AND DAUGHTER W/ DISFLAY AT TRADE SHOW BOOTH CU PAN ACROSS KITS

FRED AND DADQUDE DISPLAYING JEWELRY AT TRADE SHOW BOOTH

ECT PAN ACROSS JEWELRY

## FRED AND JACQUIE PACKING PRIDUCT

FRED AND HENRY LOCKENG AT MAP IN OFFICE WALL FAN THER WEARERS DO

9731 2 .......

Narrator: Fred and Jacquie's success grew to the

plans, you name it.

pound where they isthed into partnership with Henry Paliset. Togeones oney now swn an efficient assembly plant and a successful PAR ACTORS SHOWN . STONEDER WHERE THE LADES TABLE

FRED AND JACQUIE WORKING AT DESK Narrator: TOGETHER

.

### Complaint

## EXHIBIT A

#### "Mellinger's Secret Treasures' MST-1 p. A12 Final On Air Script

 CU ON JEWELRY
 stinning jewelry. What's really

 FRED AND JACQUIE
 convenient. Fred and Jacquie actually

 WORKING TOGETHER AT
 run the Business right out of their

 DESK
 nome.

 FRED AND JACQUIE ON
 Fred Wenz:

 COUCH TOGETHER
 COUCH TOGETHER

CU ON CALCULATOR CU TAKING PRODUCT OUT OF BOX

FRED O/C PONT: FRED WENZ INTERNATIONAL TRADER

FRED RECEIVING FAX

FRED C/C

#### FRED AND CASCUTE WALKING ON BEACH FRET AND FACTORE ON TOTAL TODETHER

FONT: CASINIE WENT

One of the beauties about running a business out of your home is that you can do what you want, when you want. where you want, and how you want. The profits margins are absolutely fancastic, especially if you're directly importing. You can expett profits of up to 10:1, which is absolucely phenomenal. One of the best things about the Mellinger World Trade Plan is that you do not have to have any experience whatscever. There is no formal education required. You can do it in the privacy of your own home. either full time or part time. And then the amazing part is, is that by putting all of this effort in, you can then go to your post office dox of mail cox, and get all sorts of theods tomang 22

#### Cacquie Wenz:

c m really chrolled at the fact that C mave my muscant home now and we re

### Complaint

## 123 F.T.C.

## EXHIBIT A

# "Mellinger & Secret Treasures" MST-1 final 26 Air Script

5 A13

INTERNATIONAL TRACER working cogether at home, and 2 don't have to wait every dight for a celephone call in order to communicate with him. If I have a question of a problem 2 can now curn to him and just ask it.

### RICHARD & BRAINERD

#### BRAINERD

PONT: BRAINERD L. MELLINGER 101, FRESIDENT/C.E.O., THE MELLINGER COMPANY

TESTIMONIAL

FONT: CAROLYN KAPLAN INTERNATIONAL TRADER

#### TESTIMONIAL

FONT: KATHY LAND INTERNATIONAL TRADER

#### TEASE:

RICHARD

FONT: THIS PROBAM IS A FAID AD VERTISEMENT TIR THE MELLINGER COMPANY

ARCEL 17 BIGG KOND SATILINE

leftat 1 kultura

1124

## Richard: Brainerd, these folks are making a lot

of money, and enjoying every minute of . 15.

### Brainerd:

The Mellinger World Trade Mail Order Plan shows you how, every single step of the way.

#### Carolvn Kaplan:

This has given me life. It's made me, happy and I feel good, and I'm making money.

#### Kathy Land:

See my smile? I'm just really excited about it, cause I know that there's nothing but money shead.

Richard: Stay tuned for Mellinger's shird moneymaking secret and learn how you can buy descinating products at delow wholesale prices

## EXHIBIT A

Narrator:

#### 'Mellinger's Secret Treasures' MST-1 Final On Air Script

5. A14

FONT: STAY TUNED FOR MELLINGER'S 3RD MONEY MAKING SECRET:

COMMERCIAL #1 (2:30):

800# DISPLAYED OVER ANIMATED GRAPHID. DISSOLVE IN FLASHING FONT: CALL NOW FOR YOUR FREE INFORMATION!

EVE IN DISPLAY SHOT OF MATERIAL FROM MAILING "A" FONT: CALL FREE

SHOT OF "IMPORT/EXPORT MAIL ORDER BUSINESS" BOCKLET

SHOT OF "HOW TO START IN MAIL ORDER" BOOKLET"

PONT: CALL NOW FOR YOUR FREE SAMPLE INPORT!

DISPLAY SHOT OF MATERIAL FLASEING PONT: FREELL!

TESTIMONIAL DVE SCX WITH GLOBE FONT: MELLINGER FONT: 1-800-300-0000

FRACUCT SHOT FONT:

~

Call this coll free number right now and we'll send you everything you need to know about how

to get started with the Mellinger World Trade Mail Order Plan. Including, absolutely free, this fascinating guide on the import/export mail order business... a special, condensed mini mail order

course...

Plus: your exciting free sample import.

You get all three of these absolutely free, with no obligation, if you call now:

#### Fred Wens:

To be very honest with you, I swear by the Mellinger Plan, really. It has given us evarything that we wanted. <u>Martator:</u>

9mar 1.+11+++

### Complaint

## 123 F.T.C.

## EXHIBIT A

#### "Mellinger's Secret Treasures" MST-1 Final On Air Script F A15

of Incernational Traders with immediate access to

over 24,000 products

from around the world.

CALL FOR COMPLETE DETACLS ON COST OF THE MELLINGER FLAN

Inde you receive the complete Mellinger World Trade Mail Order Flad, you automatically become a member

IT LOGO FLIES IN

CATALOG SHOTS

FONT: SVER 24,000 QUALITY PRODUCTS

DVE IN SHOTS OF IMPORTS. PONTS: DNCQUE! EKCITING! INCREDIBLE FROFIT MAXERS!

WENZ'S WORKING TOGETHER AT DESK

FONT: BE YOUR OWN BOSS! CAROLYN KAPLAN COUNTING MONEY

PONT: MAKE EXTRA INCOME!

FONT: OVER 45 YEARS OF EXPERSENCE

MELLINGER PEOPLE AT WORK

VELLINGER FEOFLE WIRKING WITH IT MEDBERS IN REARING AUG IVER PHONE

Unique and exciting products that you can market at substantial profits.

Be your own boss. Working in the comfort of your own home. Making extra income -- spare time or full time.

CURRENT FOCTAGE OF Mr. Mellinger's calented, dedicated MELLINGER BOILDING WITH FEOPLE WAVING. Ceam of experts brings you

aves 43 years of experience in the ingif: export mail order business. They 11 gave you one personal, scep by step guidante you need is susseed ...

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etal di cara

1108

## Complaint

## EXHIBIT A

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# "Mellinger's Secret Treasures" (MST-1) Final On Art Script

5 A16

HELF YOU EVERY STEP OF THE WAY.

PAN OVER PRODUCT FILLED

PONT: HELP YOU SELECT NEW PRODUCTS

PONT: ADVERTISE AT LITTLE OR NO COST

ANSCN W/ PRODUCT

FONT: AND MARKET YOUR PRODUCTS EFFECTIVELY

MELLINGER PRINTING PRESS TURNING OUT STATIONARY & BUSINESS CARDS. PONT: PRINT BUSINESS CARDS

BRAINERD MEETING IT MEMBER IN OFFICE

IT MEMBER CN PHONE FONT: ANSWER ANY QUESTIONS YOU HAVE!

SHORT CUTS OF IT MEMBERS FROM FEATURES

FONT: 1-303-303-0090

MAN CR WOMAN WALKS TO MAIL ECK, OPENS IT, AND THUMBS THROUGH PILE OF ENVELOPES SMOLING.

FONT OUT THE MIDDLEMAN TT'S LOCKING AT DATALLS FONT: CEAL DIRECT WITH THE SCIENCE

nelp you select hot new products that can generate substantial profits....

n: ::::...

> and how to market your products effectively.

They'll even print your business cards and stationary.

And gladly answer any questions you may have, in person or over the phone.

People all over the United States and Canada have used the plan successfully -PONT: CALL NEW FOR YOUR FREE SAMPLE IMPORT starting with very little, with no special education of background.

> Get started now, Learn how to but out the middleman.

Seal direct with the source ...

ettam 00+02+4+

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### Complaint

## 123 F.T.C.

## EXHIBIT A

# Mellinger's Secret Treasures' MST-1 S- A17 Final Cn Air Script

cuy below wholesale...

CU CATALOG PONT: BUY BELOW WHOLESALE

and make money right from the start...

CU ADDING CHECKS ON CALCULATOR PONT: MAKE MONEY RIGHT FROM THE START IT'S ON COUCH READING BROCHURES

BRAINERD FROM VICTORIA PEAK.

part time or full time.

### Brainerd:

screen now.

Hills, California. There's no obligation, No salesman will call.

opportunity, NCW!

If you've ever dreamed of riches and | living a luxirious lifestyle, give us a call right now.

Call the toll free number on your

Cr write to us at: The Mellinger Company, 6100 Variel Avenue, Woodland

Take advantage of this incredible

Narrater:

TAG PAGE: Get your free sample IMPORT! CALL OR WRITE:

THE MELLINGER CC. 6100 VARIEL AVE. DEPT B WCODLAND HILLS, CA 91367

IF PHONE LINES ARE BUSY, KEEP TRYING. 1-600-000-0000 TESTIMONIAL DVE BOX W/ GLOBE

PONT: 1-802-202-2022

Rey Hansen: You will be successful. In's been proven time and time again.

## SEGMENT DE

Richard:

RICHARD & BRAINERD FCNT:

eran 10-10-94

1108

## Complaint

## EXHIBIT A

#### "Mellinger's Secret Treasures" MST-1 Final On Air Script

IR, we've learned two secrets of the HONG KONG Mellinger success formula. What's the chird? PONT: MELLINGER BUSINESS SUCCESS SECRET 43: CUT CUT MIDDLE MEN. BUY DIRECTLY FROM SOURCE. Brainerd: Well, the third secret -- and listen carefully, this is really important -you've got to dut out all the middle men. PONT: PRICE COMPARISONS ARE BASED CN COMPARABLE QUANTITIES. Richard: Middle men. Brainerd: They can easily eat up most of your profiles. So we show you how to buy directly from the source at below wholesale prices. Richard: RICHARD How can you find the source? Brainerd: RICHARD & BRAINERS We do it for you by searching the world. over for new product ideas. When you receive the Mellinger Plan and join International Traders you immediately have access to over 24,101 exciting products. Richard: 24,222 products." Braineri: BRA INERI All pasefully boosen.dor their

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### 123 F.T.C.

5.A19

## EXHIBIT A

"Mellinger's Secret Treasures" MST-1 Final On Aut Script

CU WONDER KNIFE PONT: QUALITY CU TOY JEEP PONT: SALABILITY CU PUPPY PONT: MARK UP CU AQUA SHOES FONT: PROFIT

easy salability,

g1a1117,

and profit.

And every month you'll receive information on many new product opportunities.

DRCP SHIP DIRECTORY

FONT: DIRECTORY OF FOREIGN SUPPLIERS

BRAINERD

SRAINERD

FONT: BRAINERD L. MELLINGER III, PRESIDENT/C.E.O., THE MELLINGER COMPANY

RICHARD

PONT: RICHARD ANDERSON, FILM AND TELEVISION STAR

BRAINERD

FONT: FURTHER INFORMATION ON THE COST OF THE MELLINGER PLAN IS AVAILABLE WHEN YOU CALL.

RICHARD & BRAINERS

#### FONT: MELLINGER BUBINESS SYDIESS SEIRET BA: FREE ADVERTISING

enst 1.-1. 1.

Plus, International Traders Members also receive a confidential directory listing hundreds of foreign suppliers. You easily contact them direct. There are no middle men. And we collect ho commission.

#### Richard:,

Now, wait a minute, the Mellinger Company gets nothing?

### Brainerd:

No commission to us. You get the suppliers' below wholesale prices Nobody takes a cut.

#### Richard:

D.R. So now you have your product. How do you curn this into a quick profit?

#### Brainerd:

Weill

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## Complaint

### EXHIBIT A

## "Mellinger's Secret Tressures" MST-1 Final in Air Script

chat brings us to Success Secret Number
4. Free advertising.
We show you how to advertise your.
product at little or no cost.

Lisa Garcia:

For example, the International Trader member received a free ad worth over \$2,000 in a national magazine. As an International Trader, I may be able to do the same for you. <u>Richard:</u> (to camera) Talking to people who have used the Mellinger Plan has shown me over and over again that dreams do come true, and almost anything is possible. Watch

# PEATURE #2: CARCEYN KAPLAN

1215 · · ·

Carolyn:

CAROLYN WALKING THROUGH GIFT SHOP

This is African Gift shops. This is my ' baby.

CAROLYN WALKING ONTO HER BALCONY

FONT: MELLINGER SUCCESS PROFILE

LISA IN OFFICE

PONT: LISA GARCIA ADVERTISING MANAGER THE MELLINGER CC.

CU ARTICLE ON FREE ADVERTISING

RICHARD & BRAINERD

LISA GARCIA

baby. <u>Narratori</u> Noc long ago, 40 year old Carolyn Kaplan of Aclants Georgia had her entire life turned upside down when she was diagnosed with severe recurring migraine masignes and officially

randered classies

eman 10-10-54

₽ A20

## Complaint

123 F.T.C.

## EXHIBIT A

#### "Mellinger's Secret Treasures" MST-1 p.A21 Final On Air Script

CAROLYN FONT: CAROLYN KAPLAN INTERNATIONAL TRADER Carolyn:

I was unemployable with the migraine headaches because I wasn't dependable. I didn't know when they were going to strike or how long they were going to last, so it put me in a situation where no employer would employ me, and I had to do something.

I started off with \$250 that my husband gave me, and last year I earned over \$35,000, and I did it all with the help of the Mellinger Company. I'm real proud of that.

#### Clifford:

Cnce we found out she had learned about the Mellinger program, we saw how quickly she, her spirit picked up and how she just became, she had a rest for life. I think that one of the best programs out today is the Mellinger Program through what it has done for her, my aunt, as brought ner morale back up.

#### Narratori

Carolyn started with one gift shop in Atlanta, but her business grew so rapidly that, sne needed to open up another shop in a different part of town

CU PERFUME BOTTLES IN STORE CU CHESS SET IN STORE

CLIFFORD FONT: CLIFFORD HUGHES INTERNATIONAL TRADER

CAROLYN WORKING IN STORE CLIFFORD

COVER OF AFRICAN BIFT

CARCLYN IN STORE WITH INSTOMER

87 M. .. . . . . . . . . . . .

1108

## Complaint

## EXHIBIT A

Carolyn:

opened.

### "Mellinger's Serret Treasures" MST-1 3 A22 Final On Air Script

COVER OF INTERNATIONAL GALLERIES STORE

CARCLYN

CARGLYN COUNTING MONEY

CU ARTICLES: "US FAMILIES DRIFTING APART" "UNEMPLOYMENT ON THE RISE"

CAROLYN WOTH PRODUCT FROM STORE

CLIFFORD WORKING CLIFFORD AND PATRICK

CLIFFORD HUGHES

it's amazing to me how all this has
come together in such a short time.
I make money. I sell. No matter what
the economy is like, I sell.
<u>Narrator:</u>
Keeping families together in such

This is my newest shop, international Galleries, which is just recently

Xaeping families cogether in such uncertain times is not an easy task. But Carolyn, with help from the Mellinger company, has been able to do just that by bringing her nephew Clifford and her son Patrick into her thriving business.

## Clifford:

I don't think people really understand, actually, how easy the Mellinger Plan has been to learn about basic business functions. Since I started working here I learned, I've been learning a lot about just the import/export business a lot. My aunt showed me the plan and I just have, just really kind of failer in lave with it. It's taught me a lot

eman Claiman

### Complaint

## 123 F.T.C.

= A23

## EXHIBIT A

"Mellinger's Secret Treasures" MST-1 Final 3n Air Script

CU ON SEWELRY ON DISPLAY, TILT UP TO CAROLYN

Carolyn:

: would advise anyone who's sitting inere thinking well, i have a job or you know. I'm disabled or I'm confined to a wheelchair, or whatever reason. I'm a single mother. Listen. Set involved with Mellinger, and if you stick with them they have the support team there for you, they can make something like this possible for you. <u>Richard:</u> Darolyn Kaplan demonstrates just what

we're attempting to say today. Stainerd, your company's doing something very special. Allowing

people to do things that they've dreamed of doing all their life. <u>Brainerd:</u>

Yes, and it's the wonderful freedom that comes from being your own boss, the master of your own destiny. And we show you exactly how to do it, step by step.

#### Braizerd (voice over':

With The Mellinger Mail Inder Plan you're never alone. You sutomatically become a memoer of International Traierz-- "

FONT: YOUR RESULTS MAY VARY.

RICHARD & BRAINERD

#### BRAINERD

FONT: BRAINERD 1. MELLINGER III., FRESIDENT/C.E.C., THE MELLINGER COMPANY

MELLINGER CO. WAVE SUTSIDE HEADQUARTERS

BRAINERD

487411 11+12+34
#### EXHIBIT A

## "Mellinger's Satret Treasures' MST-1 Final in Air Soript

WORLD MAP W TRADE ROUTES IT LOGO

# FONT: CRGANIZATION CF IMPORTERS, EXPORTERS AND DIRECT MARKETERS

BRAINERS

BRAINERD AND STAFF IN OFFICE

CHRIS HARDENBROCK AND CO-WORKER

FONT: WE HELP YOU EVERY STEP OF THE WAY

LISA CN PHONE

PONT: WE HELP YOU EVERY STEP OF THE WAY

BRAINERD WITH CLIENT IN OFFICE

ANSON IN OFFICE

FONT: ANSCN JACKSON WORLD TRADE CONSULTANT THE MELLINGER COMPANY

RICHARS & BRAINERD

#### TESTIMUAL IN I THE STUDY IN THE 18-11 17-19-2-

our huge world wide organization of importers, exporters, and direct marketers.

Ince you've joined this exclusive group, cop actch experts help you in every phase of your business.

#### Braiserd:

+ You can call, write, or visit.

And we'll give you prompt, personalized assistance.

#### Asser Jackson:

Any member of International Traders can pick up the phone and call me. I'm there to work with them and help them find the big money making products and market then effectively and inexpensively.

#### Richard:

And how much time and effort does it cake to be a success at this? Brainerd:

It's up to you. You can work full time of start off in your space time. Jia liegier: The Mellunger Flam has enabled fie to

5. A24

#### 123 F.T.C.

#### EXHIBIT A

= A25

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FONT: JIM SEIGLER INTERNATIONAL TRADER

TESTIMONIAL

DVE IN BOX W/ GLOBE FONT: MARK MILLER INTERNATIONAL TRADER

PONT: RESULTS VARY DEPENDING ON HOW MUCH TIME INVESTED AND OTHER FACTORS. \_ move in a total career change from working for a large corporation to \_ being my own boss.

Mark Miller:

"Mellinger's Sected Treasures" - XST-1 Final On Air Script

> ; Anybody today that really wants to work, and has the initiative to get out and try something new, this plan definitely makes it about as easy as pie.

Ton't go sway. When we come back Brainerd will reveal one of the most important moneymaking secrets.

TEASE:

Richard:

#### RICHARD

PONT: THIS PROGRAM IS A PAID ADVERTISEMENT FOR THE MELLINGER COMPANY

ARIEL SHOT OVER HONG KONG SKYLINE

PONT: STAY TUNED FOR MORE MCNEY MAKING SECRETS.

END OF SEGMENT 2

COMMERCIAL THO

8004 DISPLAYED OVER ANIMATED GRAPHIC. DISSOLVE IN PLASHING PONT: CALL NOW FOR YOUR FREE INFORMATION: DVE IN DISPLAY SHOT OF MATERIAL FRIM MAILING

.

PONT: CALL FREE

 <u>Narrator:</u>
 Call this toll free number right now and we'll send you

everything you need to know about how to get started with the Mellinger World Trace Mail Inter Flan.

47311 10-11-9-4

#### EXHIBIT A

"Mellinger's Secret Treasures" MST-1 p. A26 Final Ch Air Script

mail order business....

Including, absolutely free, this fascinating guide on the import 'export

a special, condensed mini mail order

SHOT OF "IMPORT/EXPORT MAIL ORDER ECSINESS" BCORLET

SHOT OF "HOW TO START IN MAIL ORDER" BOOKLET"

FONT: CALL NOW FOR YOUR FREE SAMPLE IMPORT!

DISPLAY SHOT OF MATERIAL FLASHING FONT: FREE!!!

TESTIMONIAL DVE BOX WITH GLOBE FONT: MELLINGER FONT: 1-BCC-200-0000

PRODUCT SHOT

FONT: CALL FOR COMPLETE DETAILS ON COST OF THE MELLINGER PLAN

IT LOGO FLIES IN.

CATALOG SHOTS FONT: SVER 24.333 SUALITY PRODUCTS

CVE IN ERITS OF INDIRTS FONTS: FONTS: EXISTENT EXISTENTS Flus. your exciting free sample import. You get all three of these absolutely free, with no obligation, if you call now! Ron Hart:

C'm creating my own job security. That's what this is all about. This is a way that you can control your own destiny.

#### Narrator:

c24758...

Choe you receive the complete Mellinger World Trade Mail Order Flan, you automatically become a member

```
of International Traders
with immediate access to
over 14,000 products
```

from around the world. Unique and exploring products that you can market at substancial products

HERE 100 00 044

#### Complaint

123 F.T.C.

#### EXHIBIT A

"Mellinger's Secret Treasures' MST-1 p A27 Final Cn Air Script

INCRECIBLE PROFIT MAXERS!

TESTEMONIAL DVE BOX W GLOBE FONT: MELLINGER

#### Toni Mahon:

I'm having a delightful time. I have learned, I have learned so much more than I could had I gone to college for 4 years.

Be your own boss. Working in the

income -- spare time or full time.

Mr. Mellinger's talented, dedicated

team of experts brings you

WENZ'S WORKING TOGETHER Natrator: AT DESK

FONT: comfort of your own home. Making extra BE YOUR OWN BOSS! CAROLYN KAPLAN COUNTING MCNEY

FONT: MAKE EXTRA INCOME!

CURRENT FOOTAGE OF MELLINGER BUILDING WITH PEOPLE WAVING.

FONT: CVER 45 YEARS OF EXPERIENCE MELLINGER PEOPLE AT WORK.

MELLINGER PEOPLE WORKING WITH IT MEMBERS IN PERSON AND OVER PHONE.

over 45 years of experience in the import/export mail order business. They'll give you the personal, step by step guidance you need to succeed....

FONT: HELP YOU EVERY STEP OF THE WAY, PAN OVER PRODUCT FOLLED CHEST

FONT: HELP YOU SELECT NEW PRODUCTS FAN ACROSS ADS IN SOOR

YONT: ACTINE AT STATE IN NO SERT

celp you select not new products that dan generate substantial profits ...

show you now to advertise at little of 52 2321 .

67312 1 - 1, - <del>1</del> -

#### EXHIBIT A

"Mellinger's Secret Treasures" MST-1 Final On Air Script

ANSON W: PROBUCT

FONT: AND MARKET YOUR PRODUCTS EFFECTIVELY

MELLINGER PRINTING PRESS TURNING CUT STATIONARY & BUSINESS CARDS.

PONT: PRINT BUSINESS CARDS

BRAINERD MEETING IT MEMBER IN OFFICE

IT MEMBER ON PHONE

FONT: ANSWER ANY QUESTIONS YOU HAVE!

SHORT CUTS OF IT MEMBERS FROM FEATURES

FONT: CALL NOW FOR YOUR FREE SAMPLE IMPORT FONT: 1-800-000-0000

MAN CR WCMAN WALKS TO MAIL ECX, OPENS IT, AND THUMES THROUGH PILE OF ENVELOPES SMILING.

FONT: CUT OUT THE MIDDLEMAN!

FONT: DEAL DIRECT WITH THE SOURCE

CU CATALOG

PONT: BUY BELOW WHOLESALE

TU ADDING CHECKS IN CALCULATOR

FONT: MAKE MONEY ALENT FROM THE START

IT & IN TIVEN READING

gast time of full time

amage 11-11-11-14

9 A29

and how to market your products effectively.

. They'll even point your business cards and stationary.

And gladly answer any questions you may have, in person or over the phone.

People all over the United States and Canada have used the plan successfully, starting with very little, with no special education or background. Get started now. Learn how to cut out the middleman...

IT'S LOCKING AT CATALOG deal direct with the source...

buy below wholesale ...

and make money right from the start...

#### Complaint

#### 123 F.T.C.

#### EXHIBIT A

## "Mellinger's Secret Tressures" MST-1 Final On Air Script

5 A29

BRAINERD FROM VICTORIA PEAK	Brainerd:
	If you've ever dreamed of riches and
	living a luxurious lifestyle, gove us a
	call right now.
TAG PAGE: Get Your free sample import: Call or write:	Narrator:
	Call the toll free number on your
	j screen now.
THE MELLINGER CO. 6100 VARIEL AVE. DEPT 5 WCODLAND HILLS, CA 91367	Or write to us at: The Mailinger
	Company, 6100 Variel Avenue, Woodland
	Hills, California.
	There's no obligation,
	No salesman will call.
IF PHONE LINES ARE BUSY, KEEP TRYING,	Take advantage of this incredible
1-600-000-0000	sppersunicy, NOW:

#### 1 SEGMENT 3

RICHARD AND BRAINERD

1-800-000-0000

#### Richard: Welcome back to Mellinger's Secret

Treasures. I'm here in Hong Kong with Brainerd Mellinger the Third, our , modern day Marco Polo, on one of his glabal product cours. RICHARD & BRAINERS And he's revealing CU FAN ACROSS DISPLAY OF PLAN BOOKS his secret formula in the import export mail order business. SICHARS AND BRACNERS New Brainerd. let's talk about produces Hew do you know what's going

to sell and what a net?

emain 17+11+24

1108

#### Complaint

#### EXHIBIT A

#### "Mellinger's Secret Tressures" MST-1 P-A30 Final On Air Script

#### BRACNERS

FONT: MELLINGER BUSINESS SUCCESS SECRET =5: FINDING PRODUCTS THAT SELL EASILY AND QUICKLY.

#### RICHARD & BRAINERD

CU CN HAND AND GOLD SNAKE BRACELET

#### CU CAROLYN HOLDING VASE | novel,

CU HANDS HOLDING GOLD CLOCK

BRAINERD

CU ON AQUA SHOE

#### PONT: BUY FOR. 53 SELL FOR. <u>525</u> GROSS PROFIT.522

FONT: FROFIT MAY VARY DUE TO CPERATING COSTS.

#### RICHARD

FONT: RICHARD ANDERSON FILM AND TELEVISION STAR

#### BRAINERD

FONT: BRACHERD 1. MELLINGER, FRESIDENT C.E.S. THE MELLINGER CINEARY FONT:

4-4 9 -5-2-

,

.

#### Brainerd:

Well, Richard, that's very important. The fifth secret of the Mellinger Success Formula is finding really hot products.

#### Brainerd V/O:

We look for quality products that are unique, novel,

and appealing to many people.

#### Brainerd:

like these agua shoes. They're one of the hottest new items.

#### Richard:

You know, I've seen shoes like these in scores and they sell up to \$40.

#### Brainerd:

But International Traders can sell them for \$25 because they get them for only \$3.

#### Richard:

Tell me, how do you find products like That?

#### Brainerd:

All you have to do is follow the Mellinger World Trade Mail Order Flan We give you everything you need to get started fast

#### Complaint

#### 123 F.T.C.

#### EXHIBIT A

#### "Mellinger & Secret Treasures' MST-1 Final In Air Script

guidance.

F A31

RESULTS MAY VARY DEPENDING ON TIME INVESTED AND OTHER FACTORS

CHRIS AT SUPPLIER'S LUNCHEON, HONG KONG

PONT: CHRIS HARDENBROCK IMPORT MANAGER THE MELLINGER CC.

BRAINERD LOOKING AT JEWBLRY IN STANLEY MARKET

BRAINERD LOCKING AT MAGIC RAZOR IN STANLEY MARKET

RICHARD

PONT: LAS VEGAS

ESTABLISHING SHOT DOWN BRIGHT LIGHTS OF VEGAS STREET

WIDE SHOT OF TRADE SHOW

SPAFHIC OF TURNING SLOBE W LVE'D NAMES OF CONTRIES FLYING OUT FROM SEMINE IT Chris Hardenbrook: Hong Kong is just one of the great international trade centers we travel to in our search for reputable suppliers of new moneymaking products. We check it out for you - make sure the supplier is reliable, has readily

The products, and step by step

available product, it's of the highest quality, and is easily sellable.

#### Richard: (To Camera)

Now, we're going to jump from Hong Xong to the United States because I want to show you success in action.

#### Richard V/O:

At this annual trade show/convention, the Mellinger Company puts the whole world of exciting products under one roof.

#### LAS VEGAS FEATURE: ERAINERD & RICHARD ROAM THE FLOOR LOOKING AT FRODUCTS, SPEAKING TO VENDORS. IT MEMBERS COMMENT ON THEIR SUCCESSES

RICHARD

Richard V.O.: International Traders can pick up

excolo new money makeda doom

Agus Adrics Europe Esli, Sound Literats Dielsch (S2051

emain: 11-11 -

1108

#### Complaint

#### EXHIBIT A

"Mellinger's Secret Treasures" MST-1 C A32 Final Cn Air Script

BRAINERD & RICHARD AT LAS VEGAS TRACE SHOW AT EGYPTIAN PAPYRUS CISPLAY

CU ON PAPYRUS

FONT: SUY FOR.....54 SELL FOR.....54 GRCSS PROFIT:545 <u>Brainerd:</u> Richard, look at this, Beautiful Spyptian papyrus: <u>Richard:</u> Oh: That's beautiful: That's King Tut and his wife on a hunting party.

Brainerd:

That's right. You can buy this for three dollars and minety dents and sell it for as much as fifty dollars.

PONT: PROFIT MAY VARY DUE TO OPERATING COSTS.

BRAINERD AND RICHARD AT TRADE SHOW DISPLAY FOR CALYPSO CUP

Richard: Well that's a chirteen to one mark-up! Richard: : Brainerd, What in the world is this? Brainerd: Spill Buster Richard: Spill...7 Brainerd: Euster. Richard: Bustes. Brainerd: That's right lit's the dest mobile. beverage noider on the market. Richard: This is stating"

TT SPILLEUSTER

eran 11-11-4-

#### 123 F.T.C.

#### EXHIBIT A

## "Mellinges"s Secret Treasures" MST-1 Final On Air Script

P. 433

#### Braiserd: Yeah. It keeps beverages from spilling

in mobile homes, BRAINERD AND RICHARD AT TRADE SHOW DISPLAY FOR CALYPSO CUP cars and boats.

Is it easy to install?

Richard:

FONT: BUY FCR.....5 9.00 SELL FOR....<u>520.00</u> GRCSS PROFIT.511.00

PONT: PROFIT MAY VARY DUE TO OPERATING COST.

RICHARD AND BRAINERD

Brainerd: 59.00 Richard: And, well, what do you sell it for? Brainerd: \$25.00 Obviously, the Mellinger Trade Show in Las Vegas was hugely successful and fum. But you don't have to travel beyond your mail box if you don't want

#### BRAINERS

FONT: BRAINERD 1. MELLINGER. FRESIDENT D.E.D. THE MELLINGER COMPANY

TUTELE OF SOFA W FLAD

amar 1.-11+++

ic. Isn't that right Brainerd? Brainerd: Right! You can do absolutely everything in the comfort of your own

Braiderd V.C. :

n::::::

Brainerd: A child could install it. Richard: Cast?

Richard:

#### EXHIBIT A

## "Mellinger a Secret Treasures" NST-1 Final On Air Script

finger tips.

products.

each month.

F A34

CU ON CATALOG - HANT TURNING PAGES

PONT: CVER 24,000 QUALITY PRODUCTS

PAN UP PAGE CF NEW PRODUCTS

BRAINERD & RICHARD RICHARD PICKS UP A COPY OF "TRADE Flus, Inc OPPORTUNITIES" MAGAZINE. receive "

FAN SPREAD OF T.C. MAGAZINES

CU PAGE OF T.C. MAGAZINE

PONT: AN EXCLUSIVE PUBLICATION FOR MEMBERS CNLY

RICHARS

ERAINERD

Plus, International Trader Members also receive "Trade Opportunities Magazine".

The Mellinger Company puts the

ireasures of the world right at your

Every member of Incernational Traders

has access to over 24,000 profit making

And we continually give you new ones

#### Brainerd:

1

That's right Richard. You find out ' about the hottest new products every month in our magazine. And you won't find this on any newsstand. It's an exclusive publication with all kinds of money making information, for members chiy.

#### Richard:

So you simply pick a product, run at ad if you choose mail order, and you're in were way.

1

And anyone can do 157

Ersinerd:

Anyone who a willing to follow but single step of step plan.

123 F.T.C.

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#### EXHIBIT A

#### "Mellinger's Secret Treasures" MST-1 Q: A35 Final On Air Script

PONT: MELLINGER BUSINESS	And that's our 6th secret of the	
SUCCESS SECRET =6: LEARN FROM THE EXPERTS. SAVE TIME AND MONEY.	Mellinger Success Formula learn from	
	ene experte, not from your own	
	- mistakes.	
BRAINERD & RICHARD	<u>Richard:</u>	
	well, misiskes can be expensive and	
	1 time consuming:	
PONT:	: Brainerd:	
1-300-000-0000	They sure can. And with our plan you	
	don't need to start from scratch. All	
	you have to do is pick up the phone and	
	. call us right now.	
	We'll show you how to make money right	
	from the start.	
PEATURE #3	11 XIRE YAGER	
JAG LEAVING DRIVEWAY	Rodney Benn V/O:	
FONT: MELLINGER SUCCESS PROFILE	So, Kirk, you started your business at	
CCC233 FROFILS	the age of nineteen. Now, let's be	
	' honest. Were you some kind of a wiz	
	<pre>kid or something in school3</pre>	
INTERIOR SHOT - XIRK AND RODNEY DRIVING IN	<u>Rick Yacer:</u>	
CAG	. No, not really. I played sports and	
	had a good time, and nothing, just went	
	ba stheal	
FONT: RODNEY BENN	Rodzev:	
YON IT RELATE SEAL	New be dinner. How were your grades	
	Cake"	
	<u>Lizk</u> ,	
	sversje - Aversje predes	

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#### Complaint

#### EXHIBIT A

## "Mellinger's Secret Treasures" MST+1 Final On Air Script

= A36

#### Rodnev: Amazing. What made you start the

business in the first place? Kirk: Well, I was looking for a good business orogram, and I ran across the Mellinger program with imported items, and mailed i off for it, and was able to get into some real easy businesses with imported i trems. Rodney: let's talk about the Mellinger Plan itself. Sc. what was it like? Did you think it was easy, that something just about anybody could follow? Kirk: Ch, definitely. You know, I have one year of college and I'm no genius. Rodnev: Ne rocket scienzist. Kirk: No, no rocket sciencist. Narrator: Kirk may not be a rocket scientist, but wich the help of the Mellinger World Teade Flan ne has launched a company with any-rothening profiles Today is A

topical dustress day and

JAG TURNING INTO DRIVEWAY

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#### Complaint

#### 123 F.T.C.

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## EXHIBIT A

#### "Mellinger's Secret Treasures" MST-1 5- A37 Final Cn Air Script

FONT: YOUR RESULTS MAY VARY RODNEY AND KIRK GOING TO BOKES OF HATS	Kirk is shipping out more than 400 nats. The profits are all his.		
ROENEY AND KIRK GOING TO BOKES OF HATS	nats. The profits are all his.		
RCDNEY AND KIRK BY BOXES OF PRODUCT	Rodney:		
Lokes of Proble.	Well, this must be the product.		
	<u>Kirk:</u>		
	: Yeah, we have the pith or the solar fan		
	hat has a solar volted cell on cop.		
ZOOM INTO CU ON HAT	Rodney:		
	So this is a solar cell that collects		
	<sup>1</sup> the sun's rays and turns it into		
	electricity?		
	<u>Kirk:</u>		
	<sup>1</sup> Yeah, exactly. Or you have a battery		
	backup for shade or night time. Yeah,		
	and what it does is with a moistaned		
	sponge here, it works just like an		
	' induct cold system on your head. It's		
	fantastic.		
RCONEY AND KIRK	Rodney:		
	Ah ha. It's a great idea.		
	<u>Kirk:</u>		
	Oh yean.		
CC 84C	It's one of the best items I've found,		
	I've found, you know, just basically		
	through and of the Mellinger programs.		
CU ROOMEN	Rodzey:		
	Really? What was it like when the		
	duced oug money eterned to soll un?		
emay 11519494			

1108

#### Complaint

#### EXHIBIT A

#### "Mellinger's Secret Treasures" - MST-1 Final On Air Script ₹ A38

Kirk: RCENEY AND KIRE BY PCCL PONT: THIS PROGRAM IS A PAID ADVERTISEMENT FOR THE MELLINGER COMPANY " Dh. it was fantastic. You know, I'm able to spend a lot more time with my . family, and go on vacations... and enjoy outings, and dinners, and KIRK AND FAMILY SWIMMING IN PCCL swimming, and boating, you know.... Rodney: Having a fuller life. Kirk: Exactly. Enjoying a lot of, you know, activities. Brainerd Mellinger's World Trade · Program has been very beneficial to FONT: KIRK YAGER INTERNATIONAL TRADER myself and my family, and I think that anyone that gets involved with this is gonna really find exciting, interesting, and create an income for themselves. It's fancastic. So, my ; advice would be to give it a try. You know. That's all I can say is give it a try.

END OF SEGMENT I

#### COMMERCIAL THREE

800# CISPLAYED OVER AMINGTED GRAPHIC CISSCIVE IN FLASHING Narracor: Call this toll free number right now CALL NOW FOR YOUR FREE and we 11 send you

eman: 11+11+34

CU KIRK

#### 123 F.T.C.

#### EXHIBIT A

#### "Mellinger's Secret Treasures" MST-1 Final Ch Air Script

F A39

DVE IN DISPLAY SHOT OF MATERIAL FROM MAILING "A" FONT: CALL FREE

SHOT OF "IMPORT/EXPORT MAIL ORDER BUSINESS" BOCKLET

SHOT OF "HOW TO START IN MAIL ORDER" BOOKLET"

PONT: CALL NOW FOR YOUR FREE SAMPLE IMPORT!

DISPLAY SHOT OF MATERIAL PLASHING PONT: FREE!!!

TESTIMONIAL DVS BOX WITH GLOBE FONT: MELLINGER FONT: 1-800-000-0000

#### PRODUCT SHOT

FONT: CALL FOR COMPLETE DETAILS ON COST OF THE MELLINGER PLAN to get started with the Mellinger World Trade Mail Order Plan. - Including, absolutely free, this fascinating guide on the import export

everything you need to know about now -

mail order business...
 a special, condensed mini mail order
 course...

<u>Plus</u> your exciting free sample import.

You get all three of these absolutely ! free, with no obligation, if you call now:

#### Bernard Alexander:

It's very easy, everything is spelled out from A to Z. You just follow the information and direction they give

#### yeu. Narrator:

. Once you receive the complete Mallinger World Trade Mail Order Flan, you automatically become a member.

IT LOGO FLIES IN.

CATALCS SHETS

FONT: IVER 14 IN IVALITY FRICUTS

imer scalna the world

over 14,111 products

of International Traders

with immediate access it

eman: 11×13×34

#### EXHIBIT A

#### "Mellinger & Secret Treasures" MST-1 Final In Air Script

5 A40

DVE IN SHOTS OF IMPORTS. FONTS: UNIQUE! EXCITING! INCREDIBLE PROFIT MAKERS!

TESTIMONIAL DVE BOX W GLOBE FONT: MELLINGER Unique and exciting products that you can market at substantial profits.

#### Nabil Assad:

The Mellinger Frogram, is changed my life. Is made a professional out of me. Is taught me one thing, to work smart, don't work hard.

#### WENZ'S WORKING TOGETHER | <u>Narrator:</u> AT DESK **PONT:** BE YOUR OWN BOSS! | 1 Se your ow

BE YOUR OWN BOSS! | Be your own boss. Working in the CAROLYN KAPLAN COUNTING - comfort of your own home. Making extra MONEY -- spare time or full time.

Mr. Mellinger's talented, dedicated

CURRENT FOOTAGE OF MELLINGER BUILDING WITH PEOPLE WAVING.

FONT: MAKE EXTRA INCOME!

FONT: OVER 45 YEARS OF EXPERIENCE

MELLINGER PEOPLE AT WORK.

MELLINGER PEOPLE WORKING WITH IT MEMBERS IN PERSON AND OVER PHONE.

PONT: HELP YOU EVERY STEP OF THE WAY.

PAN OVER PRODUCT FILLES CHEST

FONT: HELF YOU BELECT

ROLE IN BOAR ESCRIPTION

over 45 years of experience in the import/export mail order business.
They'll give you the personal, step by step guidance you need to succeed....

help you select hot new products that can generate substantial profits...

anow you now to advective at little of the total

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#### 123 F.T.C.

#### EXHIBIT A

#### "Mellinger's Secret Treasures" MST-1 Final On Air Script

effectively.

and stationary.

and how to market your products

They'll even print your business cards

And gladly answer any questions you may

have, in person or over the phone.

People all over the United States and Canada have used the plan successfully,

scarting with very little, with no

5 A41

PONT: ADVERTISE AT LITTLE OR NO COST

ANSON W/ PRODUCT

FONT: AND MARKET YOUR PRODUCTS EFFECTIVELY

MELLINGER PRINTING PRESS TURNING OUT STATIONARY & BUSINESS CARDS.

FONT: PRINT BUSINESS CARDS BRAINERD MEETING IT MEMBER IN OFFICE

IT MEMBER ON PHONE

PONT: ANSWER ANY QUESTIONS YOU HAVE!

SHORT CUTS OF IT MEMBERS FRCM FEATURES

FONT: CALL NOW FOR YOUR FREE SAMPLE IMPORT

FONT: 1-800-000-0000

MAN OR WOMAN WALKS TO MAIL BOX, OPENS IT, AND THUMES THROUGH FILE OF ENVELOPES SMILING.

FONT: CUT CUT THE MIDDLEMAN!

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PONT: DEAL DIRECT WITH THE SCURCE

CU CATALOG

PONT: BUY BELOW WHOLESALE

TU ADDING CHECKS CH CALCULATCA

FONT:

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special education or background.

| Get started now, learn how to cut out the middleman...

IT'S LOCKING AT CATALOG deal direct with the source...

buy below wholesale ...

and make money ragat from the start :

## 1554 CORPORATION, ET AL.

1153

9 A42

#### Complaint

#### EXHIBIT A

#### "Mellinger's Secret Tressures" (MST-1) Final On Aur Script

MAKE MONEY RIGHT FROM THE START

IT'S ON COUCH READING BROCHURES BRAINERD FROM VICTORIA PEAK part time or full time.

Brainerd:

If you've ever dreamed of riches and living a loxurious lifestyle, give us a call right how.

TAG PAGE: GET YOUR FREE SAMPLE IMPORT! CALL OR WRITE:

THE MELLINGER CC. 5100 VARIEL AVE. DEPT B WCODLAND HILLS, CA 91367

IF PHONE LINES ARE BUSY, KEEP TRYING. 1-800-002-0000

RICHARD AND BRAINERD AT KOWLCON LOCATION

<u>Narrator:</u> Call the toll free number on your screen now. Or write to us at: The Mellinger Company, 6100 Variel Avenue, Woodland Hills, California.

There's no obligation, No salesman will call.

CLOSE

Richard: You know, this is an exciting opportunity. Now Brainerd, you have told us the six secret treasures of the Mellinger Business Success Formula. I've got fust one last question for you. The Mellinger Flan makes it so easy 10 senseve fundatial independence.

amaw 11-11-14

#### Complaint

## 123 F.T.C.

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## EXHIBIT A

"Mell:	Final On Alt Script XST-1 S- A43		
	Why isn't everyone doing 117		
	Brainerd:		
	Good question.		
	Well it's just that they don't know		
	about the Mellinger Flam yet. They		
	aren't aware that this fabulous		
	opportunity for success and riches is		
	waiting for them. And that's why I'm		
	here today.		
BRAINERD	I want to tell everyone		
	that they can make money,		
CAROLYN AND CLIFFORD IN			
STORE	our show. The Mellinger Company shows		
	you how, step by step,		
JACQUIE AND FRED ON BEACH	And we make it simple and fun, but the		
	first step is up to you.		
FONT:	Pick up the phone and dial the toll		
1-800-000-0000	free number on your screen now.		
	There's absolutely no obligation. As		
	scon as you call, the Mellinger Company		
	is behind you every scep of the way.		
	And we'll get you started on the roads		
	to richesfast. Our operators are		
	scanding by 24 hours a day for your		
	convenience. So call now!		
TESTIMONIAL	Roy Eanser:		
PONT	28 you want metical advice you go to a		
1-619-000-0000	scorre of you want lagat advice you		
	go to an atterney		

eman 10-19-94

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#### Complaint

## EXHIBIT A

#### "Mellinger's Secret Treasures" MST-1 Final On Air Script P 244

If you want mail order advice you go to che Mellinger Company.

#### Carelys Kaplas:

The Mellinger Company really has opened up many new avenues of my life. My family is the world, and it's just great.

#### Rirk Yager:

Anyone that gets involved with this is gonna really find it exciting. inceresting and create an income for chemselves that's fantastic, so, my advice would be to give it a try.

#### Nazzator:

The preceding program was a paid advertisement for The Mellinger World Trade Mail Order Plan by The Mellinger Company.

FONT: 1-800-302-3000

TESTIMONIAL

TESTIMONIAL PONT: 1-900-000-0000

DISCLAIMER GRAPHIC

#### Complaint

123 F.T.C.

x

#### EXHIBIT B



EXHIBIT C

Mellinger Company

http://www.noboss.com/mellingr.html

PRIME-CATEGORY: Consumer Services CATEGORY: Import/Export

SOURCE: The Mellinger Company

OFFER: become a member of International Traders, gain introduction and access to hundreds of carefully screened foreign suppliers carrying over 20,000 imports plus gain information regarding profit potential as export agent for domestic manufacturers.

COST: \$198 or payments of \$15 to start. \$18.90 for 12 months.

THE PACKAGE: Receive 20 Section Mellinger World Trade/Mail Order Plan, Supplement and 11-piece Visualizer Kit. When paid in full, receive 3 Year International Traders Membership, Free sample Imports, Trade Agreements, Drop Ship Directory, Trade Opportunities Magazine for 3 years (published bimonthly) and sample portfolio of business forms. Free personal telephone consultation available to members. Visa/Mastercard payment accepted.

In addition, the Platinum Profession Training includes round-trip air fare transportation and hotel accommodations at a 4-star hotel while attending 3 days of factory training and Master Certificate as a Professional Glass Repair Technician.

Bonus Book "How To Run Mail Order Advertising" for orders within 14 days of receipt of information.

MARKETING TECHNIQUE: sell imports by mail. Members-only Drop-Ship Plan enables you to start without product investment.

MISCELLANEOUS: Mellinger family active in world trade and mail order for over 90 years. You deal directly with overseas suppliers, cut out middlemen and keep all profits. International Traders Trade Show Convention in Las Vegas held annually for International Traders members.

TYPICAL EARNINGS: Examples of earnings of individual members (1) borrowed \$500 to start, made \$45,000 after 6 months, (2) first year brought \$30,000: recently had sales of \$41,920 in a single day, (3) first year sales of \$55,000; now serve 250 customers are 'trying for a million'.

GEOGRAPHIC AVAILABILITY: USA

ADDITIONAL INFORMATION: For full details on this Business Opportunity simply.

#### REQUEST TO BE SENT DETAILED INFORMATION

or you can write :

The Mellinger Company 6100 Variel Avenue, Dept NOBOSS Woodland Hills, CA 91367 6100 Variel Avenue, Dept NOBOSS Woodland Hills, CA 91367

NOTE: this "Listing" has NOT been reviewed-for-accuracy by the Source

TO TOP

## Complaint

123 F.T.C.

## EXHIBIT D



## 4 Generations of Mellinger experience guide you to Success and Fortune!



B.L. Mellinger III President/CEO, The Mellinger Co.

In the pages of this book, Linvile you lo discover how the Mellinger World Trade/Mell Order Business Plan can Trade Mall Order Buttinser Plan can help bring out independence, security and probably more money insi you was elearned. Provedly, can tall you have the plobal Mellinger Organisation I direct many ambitious man and women. The ambitious man and women. In helping you get your task, pomitable atart in World Tade/Mail Order!



The Mellinger family has been directly active in World Trade/Mail Order for nearly 80 years! Starting with Great Grandfather Louis Meilinger, our family has directed the flow of millions upon millions of dollars of goods to buyers through the malls. The Mellinger family plays a key role in making World Trade/Mall O der a profitable career for ambilious men and women! You enjoy the full benefit of this vast experience as you follow Mellinger guidance.

As you begin following the Mellinger Plan and become a Member of International Traders, we put you at once in direct contact with leading suppliers overseas offering you thousands of fast-selling imports below wholesale. We show how to cut out middlemen so you keep all profits. And we guide you step by step in marketing your imports for big profits in Mall Order and many other ways. This is the nernational Traders way to business successi



The most respected Mail Order business family in the world leads you to security and Independence

B.L. INFLLENCER JR. Foundor, the Notifunger Pion, Merizating Ungoit product discourties by Nali Order, he quickly built a multimillion-dolfar buildnese. The will profil big with guidence established by this World Thede/Mail Order researce. B.L. MELLINGER SR. In the 20s and 20s, Mr. Mottinger built and operated one of America's meal prosperous Mail Order/Direct Selling hrms. Retiring washiny, he last a price-less legacy of experience from which neuroanse bonalit greatly today.



LOUIS O. MELLINGER Louis G. MeLLinker Barly In the santury, he foresee a boundless huture in World Thedefiled Order. He guided his son into a career where the Mellinger tamity became globally respected leaders of trade sxpanelon and international business.



## Start fast in your own profitable **HOME IMPORT/EXPORT** MAIL ORDER BUSINESS

MEN & WOMEN-Welcome to your exciting, high-income, luit or part-Ime future in Import/Export/Mail Order! Follow the Mellinger.Plan as It guides your every step. Nothing has been left to cliance Each easily followed step is based 100% upon many years of successful experiencel Your Import/Export/Mall Order business is Ident list in our person, family or retirement operation. Age ... location unst experience doesn't matter! Unlike most new enterprises, your World Trade/Met Order business can be started at home in spare lights with almost no overhead .... and with thry capital. The Mellinger Plan opening this exceptional opportunity to you ... now!

Start with choice of 24,221

BUY BELOW WHOLESALE

Always deal direct --- keep ALL profils!

fantastic import bargainsi

EXHIBIT D

MELLINGER PRODUCT SCOUTS across the world open doors to hundreds of carefully screaned foreign suppliers. Members of International Traders (Membership is free when you follow the Mellinger Plan) Immediately have access to over 20,000 of loday's most startling import values. The Mellinger Plan guiden you in marketing your import selections by Mall Order as well as many other ways for quick, easy profitel Deal in one Import or many Even buy one at a time. You stways buy below wholesale You siways dant direct cutiling out all middlemen . . . so you keep all profital

KING TUT PAPYRUS SCROLL



WATCHES -LOW IMPORT PRICES-ALL BTYLES

DOLLS FROM

MAXIBUM PROPITS WITH MULTI-PURPOBE RADIO LIGHT

.

Now you may share personally in this remarkable discovery! An exact likeness of the treasured King Tut Golden Mask, This limited edition of handpainted acrolls is a labulous import to be enjoyed for all timal

# Start without product investment!

The Mellinger lamily developed and refind a unique drop shipment plan in sule use by today's international traders Membors Ideal for the new men with limited capital. The Mellinger Place strees exactly how to do it, starting the very day you receive the Mellinger Plant Line They Ship suppliers are reveated emotionally





The MELLINGE WORLD TRADE MAIL ORDER **BUSINESS PLAN** 





#### **Priceless Mellinger** worldwide supplier contacts help you **CASH IN FAST!**

Man and women enjoying greatest success in World Trade/Mail Order... are those offering new products FIRSTI A valuable benefit of the Mellinger Plan is Ires Membership in International Traders. This exclusive worldwide organization immediately puts you in dwect touch with leading innovative suppliers abroad ready to do business with you) Mellinger Executives and Scouts travel

widely, visiting suppliers, factorias and handcraft centers.. negotiating best below-wholesale pricest I.T. Members get news of product discoveries quickly! You turn over the job of product searching lo the expense Membership starts you at once with free

import samples plus everything needed to turn your samples into profitable orders. Next, you get exclusive Trade Agreements with top overseas suppliers, oligning hundreds of last-moving imports you can deal in right away.

You receive Trade Opportunities magazina (published bi-monthly) ... svailable only to I.T. Members. Each issue reveals brand-new product discoveries. You contact suppliers directly Every panny of prolit is yours to keep!

Fantastic bargains to be turned at once into big profital With this global organization working night and day, International Traders Members have almost unlimited sources of dazzling new imports.

## The Woman's Role

#### In World Trade/Mail Order

Import/Export offers success and profit to anyone with ambition and ability to make good. Woman have a very special "sixth sense" about choosing products to offer by Mall Order and other ways we show you...especially imports needing the "feminine touch." Husband/wife teams have created many highly successful businesses.

Products like these you buy DIRECT: DIAMONDS COMPUTERS SECURITY PRODUCTS AUTO ACCESSORIES BEER STEINS DINNERWARE GERMAN CLOCKS CHRISTMAS GIFTS TELESCOPES COSMETICS FISHING BODS CUTLERY SETS ELECTRONIC GAMES SPINNING REELS ATHLETIC GEAR WATCHES

CEBAMICS

RADIOS

time home business

Turn Import Values Like These Into immediate **Big Profitsi** Enjoy all the benefits of being your own boss in your own part-time or full-**START WITH CHOICE OF 24,221** TODAY'S HOTTEST NEW PRODUCTS! Hundreds more discovered every monthl PROFITS...SECURITY... INDEPENDENCEI How often have you talked about getting into your own business? Now think seriously about your opportunity to start ... quickly In your own home Import/Export/ Mail Order business. No employees to hire or pay. Little or no investment in products. Even keep your present job income while operating in spare hours. No store or warehouse to rent, For your lastest possible start, the Mellinger Plan reveals how to handle orders without putting up a panny of your own monsy. Everything you will do la based 100% on positive, proved practical "doing!" Our lounder started with almost nothing, determined to "make it on his own!" He drew on experience of his successful forebearers. His herd-sarned methods are yours to follow in the Mellinger Plant You can start in the garage or at the kitchen table. Our family did! Avoid usual newcomer's costly mistekes thanks to the Mellinger Plant Remember. . . dealing DIRECT means you keep all the profits. More money to save and work with! Carelully screened suppliers in Africa, Italy, Austria, Germany, Latin America, Asia, Australia and many other lands... prefer to do business with International Traders Members. We find the Imports. You pick them. The Mellinger Plan shows how to sell by mail and many other ways. You can't get rich working for someone else. You CAN make il big being your own boss in your own businese as so many I.T. Members have proved! Your bi-monthly Trade Opportunities magazine brings contacts with hundreds of suppliers. Many can be sources for personal use. Save on offers of watches, cameras, furniture, tools,

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your own and enses. Plan ronics, etc. Always save the International Tradara wayi Com 20301 a contacted for a



FEDERAL TRADE COMMISSION DECISIONS

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EXHIBIT D

The MELLINGER WORLD TRADE MAIL ORDER BUSINESS PLAN .

#### You are never alone when you follow the Mellinger Plan

The Metilinger Team is needy to help you make money! Bries are some of the key international Taders staff... Intelly dedicated to helping ambitious men and women get a last start to World Tade/Mail Order profile. Experts In all aspects of World Trade/Mall Order work for your success. Discover what this learn can do for you... send for the complete Mellinger Plan to examine seven full days in your own home!



HAL TRYLOR Vice President/CFO As Meilinger Comp-troller, he brings many years of finan-cial experience that can assist in dealing with raising opera-ting capital for your business. 13

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BL MELLINGER III Presidence of the second secon to Thitle Opportunities megazine.

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CHRIS HARDENSTOOK Import Manager Supervises vast corps of Meltinger Global Product Scouts, One of the world's most knowledgeable ex-perts on import product enurces.



World Trade Consultant Whether you need advice on just startsovice on just start-ing out, or have a question in one per-ticular area, Pit has your anawer. You may call or write are limed any time!

World Inde Consultant Ask Laura .... and know you are get-ting the most accuquestions. You may contact her by phone or call for an ap-



KRISTIN LARSON Office Manager Mrs. Larson's man-And Lanson's man-agerial skills keep The Meilinger Co. opensing at top eth-clency. She will speed your call to I.T. Headquarters.

Import Assistant Her background in World Trade helpe you create vital contacts with im-portant aversess suppliers. Seek her advice on any World Thade topic.



Sales Director John manages all LIBA M. GARCIA activities for peak activities for peak his expertise on to you by closely working with 1.T. Consultants. LIBA M. GARCIA Advantising Manager Her advice guides you in advertising your imports for post Mall Order with answers.



JOHN MORDAN Mail Order Publication Benefit from his wide contacts with Important publishers. Learn from him when, where, how to run your Mail Order ada for most profitable results.



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I huru's time sure way to judge a product or service that is to get the opinion of users. These original influis are on the in our offices. They are not the Instal "tostinonials" They show the confidence roming from being well informed. The same Molingur World Trade/Mail Order Plen and same individual Consultation Service that guided these Hernhers of International Traders is available to you





Hub and Margaret Evans Minimizering from a jub related injury, Mr. Evans their thing the knind his answer in the Mellinger than the analysis who, Margaret, devole just one the familiarys a work to their business and report that your sales of \$55,000 00 including a single -1 iy student \$5 000 00! They now serve about

tilcole Allen



# SUCCESS STORIES in World Trade! Read these ACTUAL REPORTS of MONEY-

MAKING...told by Members of INTERNATIONAL TRADERS International



Alter aleven years as an executive for a steam-ship line Mr. Stollenberg North Trade. Using Mellinger advice, one of his products enjoyed Mall Order sales of more than \$13,000.00 without his spanding avan a single dollar on advartis-ing. His single day's sales have run as high as \$32,000.00 and anlicipates sales of more than \$450,000.00 in the coming year.



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in an eight week course al a local collegel Since the Seminar I make it a point, balore making any impor-tant decision, to look to the Mellinger Plan."

> used in his business. Us-ing Mail Ordertechniques taught by Meilinger, he marketed "LitterCatch" and a janitorial sales plan, "Cleaning For Cash". The result? \$200,000.00 annual sales!

Slewart Heatter & Tony Schwartz These two gentlemen received Free Advertising by following Mellinger advice. This publicity brought profit of \$12,000 in only 10 daysl About the Mellinger Plan, they state. "The World Tradu/Mail Order Plan has given us a very real sense mat dreams can be had as reality. It is the most comprehensive plan of its kind. We are fruly grateful for not only the Plan ilself, but to the stall at Mollinger also

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Pat Almong Marketing har own creation, the "Wacky Umbrella," Pat reports a single day's sales as high as \$1,700. Estimated earnings in the next 12 months ... \$50,000. 10 \$80,000.

MEN-WOMEN Each of these successful I.T. Mam-bars started as a World Trade/Mail Ders lanted as a Wond Irsoer Main Order newcomer. The Malinger Plan changed their lives...bring-ing success, money, accurity! We invite you to axamine the Malinger Plan for 7 hull days. Discover what The Plan holds for you!

Why Imports are best for Mail Order!

Imported products bring you two vital requirements for Mail Order success... fow cost and distinctive appeat. Many imports come from countries where people work for 34. a day. Cost is low. You make giant profits marking up prices many limes. Imports come from countries of diliterent backgrounds and cultures. They offer newness and unique sppeal. Their low prices, tresh idees and top quality are snapped up by Mall Order buyers.

Hicois Allen This 26 year colformer private secretary knew exactly what she wanted when she contacted The Mellinger Co., "I wanted my own business and I wanted to make moneyt" in two months after starting with a borrowed \$500.00, she had paid of ther previous bills and in six months made \$45,000.001 She gives the Mellinger World Trade/Mail Order Plan and her Membership in Interna-tional Tradews great credit for her rapid success. Do it this way, she aays, and "anything can be done!"

Mall Order is the ideal business to start in spare hours. . . with only a liny investment. You can operate from anywhere. . . In hours you choose. Go after orders from coast to coast . . . which means your prospect for profit is just about unlimited. Discover the thrill of opening piles of envelopes containing orders and money?







Fred Olivo

C. Richard Carpenter "I learned more at a Mel-linger World Trade/Mail Order Seminar than I did ä.

Brian Winch Mr. Winch used the Mell-inger Product Research Program to locate a source for his "Liller-Caich", a cleanup tool used in his business. Us-ing Mail Order Just

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start to profils.

Dramatic world changes open amazing opportunities for Exporters, From flower seeds to buildnzers \_ from a feer deal lars to millions! The Mellinger Plan shows how to contact good ers and manufacturers of products needed in other i hundron. We tell you what products are needed, who movis throw more cions could be browlind

The Mellinger Plan comes from four highly successful generations of one family- a name Instantly associated with World Trade and Mall Order. When you look at the lacis. when you ask questions. . . you discover quickly why so many smbillious men dud women succeed by following the Meilinger Plan. Compare. . . then decide. ASK THESE QUESTIONS-INSIST UPON ANSWERS-THEN DECIDE QUESTIONS. 1 dun mas COLUMN ! UNITE S POLPI BITTE Can you start with at least 24,000 products? -\* No No NO tio 115 Can you choose from 1008 of new prickets No . 100 No No 14

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MELLINGER WORLD TRADE/

MAIL ORDER BUSINESS PLAN Gives you everything

Will you be invited to an annual Trada Show/Convention each year...talk perjoins with suppliers? Yill you have to pay a fee for the "privilege" of a buying products? Will your name be given to bealing oversets : suppliers, opening doors to exclusive offers? Will you get saling materials bit products, and " copy, photos, sales surveys" Will you get free Mandership In I Cal Sord Will you get actual earryle traperts for fast (1987) Can you order supplies at special lost rases! 1'r Informada, Imolosa, atwatopea, carda? 1 Can you get FREE Mail Order add in restored 137 - 1° F (B) Will you get a private copy of Trade (C. Opportunities magnetic, posted with it artarilles magicant, potted slip has WE you be late to find draitly stricted, builting Will youl to state to they personal products of a special, direct prices?

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Can you start without investment in produces?



Exporter's r



The MELLINGER

The day you open the Mellinger World Trade/Mell Order Plan. you can make your first import transaction. Do it within 10 minutes! That's a fact! instantly, you get the feel of this exciting business. You get everything needed to make money last, Including free Membership In International Traders. Al once, you are in direct contact with suppliers all over the world! We show you how to get high-profit orders by mall, from stores and Individuals, at swap meets...many ways to make money. THE MELLINGER PLAN is a complete business plan you put to work from the day the mall carrier delivers it!

#### Personal Step-by-Step guidance

It's like having experienced friends at your sidel if you have a question about suppliers, products, are a domining shipping. . anything shipping a domining bouryour business. ... jusi pick up the phone. A skilled counselor is ready to help. Also you will be invited to personally conducted Mellinger Seminars near your home for individual guidance!

#### FREE Specialty Merchandise Catalogs

As your business grows, you may want to expand your lines. One way is to profit with products offered by local merchandise jobbers, international Taders Members get sources for merchandles catalogs. ...tree, You will deal directly with these sources without each of directly with these sources without paying a fee for the privilege of buying wholesale.

#### Sources for U.S. Manufacturers

As a Member of International Traders, you may contact domestic manufacturers for products in which you can deal. Products like cosmetics, vitamins, clothing, lools, auto and garden auguliss. Take in many millions of dollars annually in Mall Order. Cash in on this bonenza with Mellinger contacts.

We show you how to set up shop without paying rent or employees...how you can use the very same Plan that developed Mellinger World Trade/Mall Order business bringles in many millions of dollars!





#### Yours FREE as a member of



# 6 Valuable Exclusive Trade Agreements

#### You don't have to invest a penny in merchandise

Unitary you pair International Traders, you receive topartate trade Agrouments for theirsands of toparts from major overseas suppliers in leading Conto Irado conters. Every detail is revealed. So comptore are triese Agreements you should computer an indica Appendix to show a show a commutate baraady of nake profile baraads de at an indicate the show a how (a) solving the are included

#### Personal Consultation and Guidance

ting of the important services included with the Lullinger Plan is the privilage of consulting with unt experte sa your businesa progresses Our stall .. t skilled specialists is ready to help you. Call on is for individual glidance in importing, exporting, alcontaing, salos, record keeping, Mail Order and my related topic. This service alone may be worth mutry times the cost of your Plan.

you are iswited TO MR. MELLINGER'S PERSONAL SEMINARS NEAR YOUR HOME

Many Imports we discover are available to you in small quantities even one at a time. You can start by ordering samples or just a lew imports. As the money rolls in, you can expand, ordering larger quantities at even lower, direct, below-wholesale prices. Compare your import bargains with department store prices Think of the giant markup! You can start your small business at home, supplying stores, friends and others seeking erciling new products buildon't know where to lind them!

#### FREEIMPORTS with I.T. Membership. Show and start

taking orders the day they arrivel

These actual sample imports are a Mellinger Plan PLUS. We send them to you lor one Important reason... to give you an instant start to profit. Show your amples and take orders right away, Let people see these unusual imports from faraway places...get heir reaction of delight and wonder! With each import comes full supplier ordering directions which help you introduce other Imports in which help you lines from which they are selected. These imports give you a quick start in your newly satabilished World Trade/Mail Order business.

## Make DROP SHIPMENTS from shroad without investing in stock

Hore's how this unique plan works: (1) Marely show samples (or plane works): post set by All' mail or officiaries when plane and the set of the set of the set of the best set. (Note) cost, Show and the set of the "Soft drawd Import set outpone, All the time you character to set outpone, All the time you Idea direct import cost. Bruoment at the line you directly to your customer. At the time you bin international Traders, you get a large I.T. brane Bhits Directory with names and Drop Ship Directory tull profit in advance YOUN risk and get your go direct from Paris o

Your business goals and needs are what we'll be talking about. We meet informally near your home. We get to know each other right swey home. We get to know set to the mining the set like, a tamily gathering. We sit down together as we answer and discuss your questions, fou get sevence news of hot new imports and how to salt them. Only I.T. Mambers are invited to attend. Plan to join usi

#### PLUS...all these additional Mellinger aids for a quick, easy start in your business!

#### How to Start In World Trade

The basice you need to locate customers, how to handle inquiries, how to price products, all sboul documents needed, hundreds of other subjects. A vital reference that guides you stepby-slep as you start in World Trade/Mall Order. \*

Membership in International Traders Free Membership arranged. The I.T. Seal on your business cards and stationery identifies you as a Member of this global organization. Opens doors to opportunities lightly closed to outsiders. Entitles you to priviteges you could never enjoy any other way.

Invitation to Trada Show/Convention Each year, the giant Mallinger Trade Show Convention in Las Vegas la host to suppliers and I.T. Members from all over the world. You will be invited. Meet famous suppliers in person ... , see and deal in over 10,000 newest products ... hear lamous Mall Order/World Trade personalilies. \*

How to Export for Blg Profile Plan shows how export sales are made to buyers abroad...also how to contact manulacturers of products needed in other countries. All profil. No investment. You are continually advised what products are in demand for export with names and addresses. \*

#### Your Personal I. T. Member Subscription to TRADE OPPORTUNITIES Magazine

Every other month as an International Traders Member, you receive your own personal copy of your official magazine. Features trade leads for hundreds of newest import products, helpful articles by Mellinger World Trade/Mail Order expents and names and addresses of overseas firms seeking export products. Trade Opportunities magazine is available only to T. Members for their exclusive benelit and profit.

#### **Profitable Marketing of Imports** Plan gives guidance for doing profilable

business by Mail Order and many othar ways to turn imports into big money. Direct Selling, Swap Meets, Party Plan, Cart Merchandising and Fund Raising are just some of the ways you can boost your earnings.

11-Place World Trade Visualizer Kit Complete set of forms used in World Trade Includes Quotation and Foreign Order Forms, Bill of Lading, Cartilicate of Origin, Export Declaration, Counsular Invoice, common U.S. and Canadian Duties. Easy to understand as you see tham.

World Trade Membership Certificate As you join International Traders, you raceiva a beautiful Certificate certifying your entrance Into World Trade/Mail Order, Frame and hang it on your wall ... an Impressive symbol of your career. Display your Certificate proudly to all who visit your business

\* Big Portfolio of Business Forms Carrying on your business with lorsign suppliers and customers, you will need printed forms ... letterheads, envelopes, invoices and purchase forms. A large sample assortment is Included with I.T. Membership. You may order supplies at big discount.



FEDERAL TRADE COMMISSION DECISIONS

EXHIBIT D

Complaint



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Q: You say I can start immediately. How? A: The day you receive the Mellinger Plan, you get exect, easily followed instructions for mak-ing your first import transaction. You could be making your first supplier contact within 10 minutes.

Q: How soon can I start making money? A: Now soon can i stern making non-pri A: The minute you become a Member of international Traders, I send you actual sample imports. With these imports plus supplier introductions i include, you can start taking prolitable orders at once. You can operate on my prop Ship Plan. You can collect your profit even before paying for products.

Q: How do I hear about new products? A: Every other month, you receive Trade Oppor-bunities magazine (exclusively for I.T. Members), revealing trade loads for hundreds of products, plus moneymaking news, ideas and export leads.

Q: Do I need previous experience? U: Do f need previous experience? A: Not at all The Mellinger Plan is a complete home business plan. Follow it and you have everything you need to start and operate your business. Successful II. Membere come from all walks of Ills... ell ages...all kinds of backgrounds. Your sincers ambilion to make money is what's really important!

Q: Does Mellinger Import and export? A: Indeed Our watehouse receives almost daily shipments from abroad, filling orders for contacts who have depended upon us for decades. Our World Tades cativities piace us in an envisible position to inform 1,7. Members because the able position to about what's really going on.

Q: Is my I.T. Membership renewable? A: Yes, you can renew Membership. We have many Members with I.T. service records of 25 years or more.

Q: Do I need a lot of cepital to start? A: Probably no other business can be started A: Probably no other business can be surred with so little . . . and pay off so big! Following the Mellinger Plan, you actually need no investment in products. Later, as you grow bigger, you can stock your products for quick delivery.

Q: Can I start without guilting my job? A: Yes, most newcomers start at home in spare hours. Keep present income while building your World Trade/Mail Order business. Consider going full-time only when you are ready.

Q: What If I have questions? A: It's unlikely because The Plan is so up-to-date and revised constantly. Still, if a question does come up. the Mellinger Consultation Staff will promptly answeryour question by phone or

Q: Do you check suppliers personally? A: Mellinger Executives and Product Scouls visit suppliers and factories in overseas trade centers. We spend large amounts of money doing this. When you see a product offered in *Trade Opportunities*, you know the supplier has been carefully checked first!

Q: Can I deduct foreign Iravel from my laxes? Q: Can I deduct foreign travel from my taxe? A: As an softwol T. Members, you are in business. The tax laws permit deduction of business, related travel for the purpose of meeting and dealing with overseas suppliers... or any expanse having to do with your Import/Export business, Remember, you do not have to travel unless you want to. The Mellingar Plan does the hard work of product searching for you.

Q: What ere the opportunities for women? A: Exactly the same as for meni I.T. Membership includes a large proportion of woman and husband/wile teams eatining line pari-time and full-time incomest

#### Now-let us send you this 5-Volume World Trade/Mail Order Plan

Examine the Plan 7 Full Days Before You Decide

In these pages, you have read many facts about exciting opportunities for starting your own import/Export/Mall Order business from home. You have read about ambitious men and women who profiled spare-time and full-time tollowing the Mellinger Plan. You've learned how we held you get started ... how we invite you to join International Traders for exclusive direct belowwholesale import offers. But we do not ask you to make a decision on this information alone. See

The Plan for yoursell read it disciputions complete and nasy it is to follow. We invite you to send for the Mellinger World Trade/Mail Outer Plan (all 5 volumes) to examine for 7 hull days in the gulat of your home. Then, and only three. decide if this is the opportunity for profits security and personal success you have elways looked for. We know from generations of experience we can help you win fortune in your own business. But it is you who must dor who

Mail 7-Day

**Home Inspection** 

Request. .. NOW

Seeing is believing . . . and understanding! That's why we will send you the Meilinger Plan on a 7-day exemination. Exemine The Plan. . . find out what it can do for you!



- . WORLD TRADE BANKING PROCEDURE
- . HOW TO HANDLE MAIL ORDERS . NOW TO GET PROFESSIONAL AD HELP FREE
- . FREE ADVERTIBING IN NATIONAL PUBLICATIONS HOW TO TRAVEL ABROAD TAX FREE
- . MEETING WITH SUPPLIERS FROM OVERSEAS
- HOW TO PRICE IMPORTS FOR TOP PROFITS
- COMPLETE WORLD TRADE REFERENCE SECTION

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#### EXHIBIT D



# There comes a lime when success hinges on a decision ... a change in life's direction. Perhaps you are at that turning point now....

Your decision....today...to enter the world of World Trade/Mail Order is ONLY TO LOOK AT THE MELLINGER PLAN. I do not want you to obligate yoursell in any way whatsoever. Just iook and consider. This could be your opportunity to look back in years to come and

say, "I got my start the right way. ...struck it rich ... not only in money, but in all the good things of life!"

**Follow The Mellinger** Plan to World Trade/ **Mail Order Profits** We are ready now to help you get your fast start in your own profitable business. THIS IS YOUR DAY OF DECISION

> You will be taking your first all-important step by tilling out and mailing the enclosed Home Inspection Request, in return, I will send the Mellinger World Trade/Mail Order Business Plan to inspect and discuss for seven full days.

BRellinger

Start small at home... as others did ... move ahead when you are ready



It's only fair and right Purchase of a product or service should come within an agreement to refund your money if you are not satisfied. The Mallinger Co. does this without question... for a very important reason. Wo want you to be sure you are not only pleased with the Mellinger Plan but that you know you can be a succass. Read the Money-Back Guarantee. It is olfered for your protection. llerod for your protection

THE MELLINGER CO.

6100 Variel Avenue, Woodland Hills, CA 91367-3779 U.S.A.

POSITIVE MONEYA ALCAN POSITIVE MONEYA POSITIVE