1 2 3 4 5 6 7 8 9 10 11	 WILLIAM BLUMENTHAL General Counsel PETER B. MILLER KIAL S. YOUNG Federal Trade Commission 600 Pennsylvania Ave. NW, Room NJ-3212 Washington, DC 20580 (202) 326-2629 (Miller) (206) 220-6350 (Young) (202) 326-3259 (fax) JEFFREY A. KLURFELD Regional Director JOHN D. JACOBS CA Bar No. 134154 Federal Trade Commission 10877 Wilshire Boulevard, Suite 700 Los Angeles, CA 90024 (310) 824-4360 (voice) (310) 824-4380 (fax) 	
12 13	ATTORNEYS FOR PLAINTIFF	
14	UNITED STATES DIS	
15	CENTRAL DISTRICT C	DF CALIFORNIA
16	FEDERAL TRADE COMMISSION,	
17	Plaintiff,	CIVIL NUMBER
18 19	V.	CV-04-8190-DSF (JTLx)
17		
20	WINDOW ROCK ENTERPRISES, INC., also d/b/a WINDOW ROCK HEALTH	FIRST AMENDED
20 21	LABORATORIES, also d/b/a	FIRST AMENDED COMPLAINT FOR PERMANENT
	LABORATORIES, also d/b/a	FIRST AMENDED COMPLAINT FOR PERMANENT INJUNCTION AND OTHER EQUITABLE
21	LABORATORIES, also d/b/a CORTISLIM, INFINITY ADVERTISING, INC.,STEPHEN F. CHENG, SHAWN M. TALBOTT, GREGORY S. CYNAUMON, PINNACLE MARKETING CONCEPTS,	FIRST AMENDED COMPLAINT FOR PERMANENT INJUNCTION AND
21 22	LABORATORIES, also d/b/a	FIRST AMENDED COMPLAINT FOR PERMANENT INJUNCTION AND OTHER EQUITABLE
 21 22 23 24 25 	LABORATORIES, also d/b/a CORTISLIM, INFINITY ADVERTISING, INC.,STEPHEN F. CHENG, SHAWN M. TALBOTT, GREGORY S. CYNAUMON, PINNACLE MARKETING CONCEPTS, INC., AND THOMAS F. CHENG	FIRST AMENDED COMPLAINT FOR PERMANENT INJUNCTION AND OTHER EQUITABLE
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Plaintiff, the Federal Trade Commission ("FTC" or "Commission"), through its undersigned attorneys, hereby alleges as follows:

1. The FTC brings this action under Section 13(b) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 53(b), to secure permanent injunctive relief, restitution, disgorgement, and other equitable relief against Defendants for their deceptive acts or practices and false advertisements in connection with the advertising, marketing, and sale of an alleged weight-loss product, "CortiSlim," and an alleged stress-relief product, "CortiStress," in violation of Sections 5(a) and 12 of the FTC Act, 15 U.S.C. §§ 45(a) and 52.

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JURISDICTION AND VENUE

2. This Court has subject matter jurisdiction over this matter pursuant to 15 U.S.C. §§ 45(a), 52 and 53(b), and 28 U.S.C. §§ 1331, 1337(a), and 1345.

3. Venue in this district is proper under 15 U.S.C. § 53(b) and 28 U.S.C. § 1391(b) and (c).

THE PARTIES

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

5. Defendant Window Rock Enterprises, Inc. is a California corporation with its headquarters and principal place of business at 18032-C Lemon Drive,

Suite 331, Yorba Linda, California 92886. Defendant Window Rock Enterprises, 1 2 Inc. transacts or has transacted business under its own name and through various formal and informal "d/b/a" entities, including but not limited to "Window Rock 3 Health Laboratories" and "CortiSlim" (Window Rock Enterprises, Inc. and its 4 formal and informal d/b/a entities collectively, "Window Rock"). In addition, 5 Window Rock is the owner of or has applied for numerous U.S. trademarks, 6 including but not limited to "Breakthroughs with Dr. Greg," "CortiSlim," 7 "CortiPlex," "LeptiPlex," "Insutrol," "CortiStress," "Cortisol Control," "Cortisol 8 9 Blocker," "CortiLean," "CortiThin," "CortiSleep," "CortiSolve," and "CortiTrim." Beginning in or about 2003, Window Rock, acting alone or in concert with others, promoted, marketed, offered for sale, and caused to be distributed CortiSlim and CortiStress to consumers throughout the United States. During times relevant to this Complaint, Window Rock has transacted or transacts business in the Central District of California.

6. Defendant Infinity Advertising, Inc. is a Nevada corporation registered to do business in California at 8170 Woodsboro Avenue, Anaheim, California 92807. Defendant Gregory S. Cynaumon is president of and controls Infinity Advertising. According to the Internet website operated on behalf of Cynaumon, <u>www.drgreg.org</u>, Infinity Advertising uses Cynaumon's "intimate understanding of consumer psychology coupled with his experience as both a radio and television program host" to develop advertising and marketing campaigns. Infinity Advertising developed advertising and marketing campaigns for CortiSlim and CortiStress. Beginning in or about 2003, Infinity Advertising, acting alone or in concert with others, promoted, marketed, offered for sale, and caused to be distributed CortiSlim and CortiStress to consumers throughout the

United States. During times relevant to this Complaint, Infinity Advertising has 2 transacted or transacts business in the Central District of California.

3 7. Defendant Stephen F. Cheng is President of Defendant Window Rock. Stephen Cheng, together with Defendants Cynaumon and Talbott, is part of 4 5 a joint venture to create, manufacture, market, and sell CortiSlim. Stephen Cheng produced and directed at least one CortiSlim infomercial, including a CortiSlim infomercial that was set in his house. Individually or in concert with others, Stephen Cheng formulates, directs, controls, or participates in the policies, acts, or practices of Window Rock, including the acts or practices alleged in this Complaint. During times relevant to this Complaint, Stephen Cheng also worked as Operations Manager for and received payment from Defendant Pinnacle Marketing Concepts, Inc. Stephen Cheng resides in the Central District of California and, during times relevant to this Complaint, has transacted business in the Central District of California.

8. Defendant Shawn M. Talbott ("Talbott") is author of the book "The Cortisol Connection: Why Stress Makes You Fat and Ruins Your Health" ("Talbott Book") and has publicly stated that he formulated CortiSlim and CortiStress. Talbott, together with Defendants Stephen Cheng and Cynaumon, is part of a joint venture to create, manufacture, market, and sell CortiSlim. Individually or in concert with others, Talbott has promoted, marketed, offered for sale, and caused to be distributed CortiSlim and CortiStress. Talbott appears in at least three advertisements of approximately 30 minutes in length ("infomercials") for CortiSlim and at least one infomercial for CortiStress that were broadcast on network and cable television channels, in short-form television advertisements for CortiSlim that were broadcast on network and cable television channels, and also in print advertisements for CortiSlim. Talbott resides in Utah and, during times

relevant to this Complaint, has transacted business in the Central District of 2 California.

Defendant Gregory S. Cynaumon ("Cynaumon") is the president of 3 9. and controls Defendant Infinity Advertising, Inc. According to the Internet 4 5 website operated on his behalf, www.drgreg.org, Cynaumon is a "co-creator" of CortiSlim. Cynaumon, together with Defendants Stephen Cheng and Talbott, is 6 7 part of a joint venture to create, manufacture, market, and sell CortiSlim. Individually or as an officer of Infinity Advertising or in concert with others, Cynaumon has promoted, marketed, offered for sale, and caused to be distributed CortiSlim and CortiStress. Cynaumon appears in at least three infomercials for CortiSlim and one infomercial for CortiStress that were broadcast on network and cable television channels and also appears personally in short-form television and radio advertisements for CortiSlim. Cynaumon resides in the Central District of California and, during times relevant to this Complaint, has transacted business in the Central District of California.

10. Defendant Pinnacle Marketing Concepts, Inc. is a California corporation with its headquarters and principal place of business at 601 Valencia Avenue, Suite 100, Brea, California 92823. Defendant Pinnacle Marketing Concepts, Inc. transacts or has transacted business under its own name and through various formal and informal "d/b/a" entities, including but not limited to "PMC Health Products" (collectively, "Pinnacle"). Beginning in or about 2003, Pinnacle, acting alone or in concert with others, promoted, marketed, offered for sale, and caused to be distributed CortiSlim and CortiStress to consumers throughout the United States, including but not limited to by disseminating the television advertisements alleged in this Complaint for broadcast on network and cable television channels and by providing telemarketing sales, customer service,

and other CortiSlim- and CortiStress-related marketing services. Pinnacle provided CortiSlim- and CortiStress-related services to and was compensated for those services by Defendant Window Rock under a non-written agreement between Defendant Thomas Cheng and his brother, Defendant Stephen Cheng. During times relevant to this Complaint, Defendant Stephen Cheng worked for and received payment from Pinnacle as its Operations Manager. While working as Operations Manager for Pinnacle, Defendant Stephen Cheng was involved in developing marketing materials for CortiSlim and CortiStress. During times relevant to this Complaint, Pinnacle has transacted or transacts business in the Central District of California.

11. Defendant Thomas F. Cheng is President of Defendant Pinnacle.
Individually or in concert with others, Thomas Cheng formulates, directs, controls,
or participates in the policies, acts, or practices of Pinnacle, including the acts or
practices alleged in this Complaint. Thomas Cheng also received payments from
Defendant Window Rock in addition to payments for the CortiSlim- and
CortiStress-related services performed by Pinnacle. Thomas Cheng resides in the
Central District of California and, during times relevant to this Complaint, has
transacted business in the Central District of California.

COMMERCE

12. The acts and practices of Defendants, as alleged herein, are in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

DEFENDANTS' COURSE OF CONDUCT

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13. Since at least August 2003, Defendants have engaged in the advertising, promotion, offering for sale, and sale of a purported weight-loss product called "CortiSlim" and a purported stress-relief product called

"CortiStress" to consumers located throughout the United States, including but not limited to by infomercials and shorter advertisements broadcast on network and 2 cable television channels, by radio advertisements, by print advertisements, and by 3 Internet websites, including www.cortislim.com, www.cortisol.com, and 4 5 www.cortisol.biz.

CortiSlim

CortiSlim is marketed as a "cortisol control weight loss formula." 14. CortiSlim contains three proprietary blends: CortiplexTM, LeptiplexTM, and InsutrolTM, as well as vitamin C, calcium, and chromium. Cortiplex purportedly "controls cortisol levels within a healthy range to help reduce fat storage and promote fat mobilization – especially fat stored around the midsection in the tough-to-lose abdominal area" and consists of magnolia bark extract (Magnolia officinalis; 1.5% honokiol), beta-sitoserol, and Suntheanine® (100% L-theanine). Leptiplex purportedly "helps to naturally control appetite, increase energy levels, and stimulate metabolism" and consists of green tea leaf extract (Camellia sinenisis: 50% epigallocatechin gallate [EGCG]) and bitter orange peel extract (Citrus aurantium; 5% synephrine). Insutrol purportedly "balances blood sugar and insulin levels to help reduce cravings and let you stick to your healthy eating plan" and consists of banaba leaf extract (Lagerstromia speciosa; 1% corosolic acid) and vanadyl sulfate (vanadium).

15. To induce consumers to purchase CortiSlim, Defendants disseminated multiple versions of CortiSlim infomercials on network and cable television channels throughout the United States, including Access Television, Travel Channel, and Discovery Channel.

The version of the CortiSlim infomercial that first aired on or about 16. August 25, 2003 is presented as a program called "Breakthroughs," and a

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"Breakthroughs" logo appears in the lower right-hand corner of the screen throughout the infomercial. The infomercial discusses CortiSlim in a talk show format that features Cynaumon as a "host," a female "co-host," and Talbott as a "guest." In addition, several "callers" are heard during the infomercial, some asking questions about CortiSlim and others purporting to recite their personal experiences with CortiSlim. At several points during the infomercial, a toll-free telephone number appears on-screen and viewers are invited to call the number for more information about Dr. Talbott's book or CortiSlim. When the toll-free number appears on-screen, no oral or written disclaimer is given that "Breakthroughs" is in fact a paid advertisement for CortiSlim; the paid advertisement disclaimers appear only at the very beginning and very end of the infomercial. Cynaumon states that viewers who call the toll-free number and mention "Breakthroughs" will receive a special discount from Dr. Talbott. The infomercial does not indicate or reveal that Cynaumon and Talbott are part of a joint venture to create, manufacture, market, and sell CortiSlim. Instead, CortiSlim is presented as being Dr. Talbott's product.

17. The version of the CortiSlim infomercial that first aired on or about August 25, 2003, and the version that first aired on or about October 26, 2003, include, among others, the following statements or depictions regarding CortiSlim:

 August 25, 2003 CortiSlim Infomercial

 a) DR. GREG CYNAUMON: Hello, and welcome to Breakthroughs, the program that introduces you to people who are literally changing lives.
 ON SCREEN: Dr. Greg Cynaumon "Breakthroughs" Host

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1		DR. GREG CYNAUMON: I'm your host Dr. Greg Cynaumon,
2		and between my radio program and, of course, here on
3		Breakthroughs, I've had the luxury of meeting and interviewing
4		some of the brightest people in the world. I can promise you,
5		without fear of contradiction, that I have never looked more
6		forward to introducing anyone to my audience, and I'll tell you
7		why. It's because this doctor has literally changed my life.
8		And if you've ever struggled with your weight, I am sure he is
9		going to change your life as well.
10	b)	DR. GREG CYNAUMON: And I'll tell you what, I'm
11		going to introduce you to my guest. His name is Dr. Shawn
12		Talbott and he wrote the book on cortisol and how cortisol
13		keeps you fat.
14		ON SCREEN: Dr. Shawn Talbott
15		Dir. of Preventative Medicine
16		DR. GREG CYNAUMON: He is the pioneer in cortisol
17		hormone research.
18	c)	DR. GREG CYNAUMON: Now, what do I mean when I say
19		that Dr. Talbott literally changed my life? This [showing
20		photograph of self] was me about 30 pounds ago. What he has
21		shown me has literally led to my losing 30 pounds faster than
22		anything I've ever tried in my life.
23	d)	DR. GREG CYNAUMON: You and I know each other,
24		I've read all of your material, but tell the audience, how did
25		you get to be such an authority on cortisol.
26		ON SCREEN: Dr. Shawn Talbott
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Dir. of Preventative Medicine

DR. SHAWN TALBOTT: Sure, Greg. I've been studying cortisol and weight and exercise for about the last 15 years. My Master's Degree is from the University of Massachusetts in Physiology. My Ph.D. is in Nutritional Biochemistry from Rutgers. I'm a fellow of the American Institute of Stress and the American College of Sports Medicine, and right now, I'm on the faculty at the University of Utah.

e) DR. SHAWN TALBOTT: ... [W]hat I don't want people to do is excessively worry about their diet or obsess about how much exercise they're doing. I want them to do those things. You have to do diet, you have to do exercise, but control cortisol is what's going to be the answer.

f) DR. GREG CYNAUMON: Now, obviously, Dr. Talbott, you have studied this issue of cortisol and stress and how it keeps us fat more than anybody I've ever run into. But that's not exactly why we wanted you on the program today. You have found -- you have discovered the missing piece of the diet puzzle and I want you to talk about that today because this is it. This is what I lost 30 pounds on and I'd like you to tell our viewers why you have discovered what nobody else has discovered before in this product.

g) CALLER VALERIE: ... I've tried every diet out there and when I start to lose the weight I hit a plateau. Also, I gain all the weight back plus more. Can you tell me why this happens?

1	DR. 7	TALBOTT: I sure can The problem that you're
2	exper	riencing is that diet has caused your cortisol levels to go
3	throu	gh the roof and that cortisol increases appetite, changes
4	metal	polism, and gets us to store fat in places we don't want to
5	have	it.
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7	DR. 0	GREG CYNAUMON: Any doubt in your mind CortiSlim
8	will w	vork?
9	DR. S	SHAWN TALBOTT: No doubt in my mind. CortiSlim is
10	the so	olution for her.
11	h) DR. S	SHAWN TALBOTT: I don't know how many people
12	comp	lain to me that they can't lose that last 20 pounds, so to
13	speak	. For women, a lot of times, they call, it their pooch; for
14	men,	they call it their love handles. It's that stress fat that we
15	keep	around our mid-sections. No amount of exercise, no
16	amou	int of diet is going to get rid of that. You need the cortisol
17	contr	ol, and CortiSlim brings that.
18	i) DR. (GREG CYNAUMON: It occurs to me that a lot of you are
19	intere	ested in calling to get more information about Dr. Talbott's
20	wond	erful book, his information about CortiSlim, how this can
21	work	for you, how it worked for me and that number is up on
22	your	screen right now.
23	ON S	CREEN: 1-800-901-7915
24	DR. O	GREG CYNAUMON: And when you call, be sure you
25	ment	ion Breakthroughs because I understand Dr. Talbott has
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1		graciously given a sizeable discount for our viewers who call in
2		for information or to order his products.
3	j)	CALLER JENNY: I'm a single, working mom and I've
4		got two boys and I have a very stressful job, but in the last year
5		I've gained a lot of weight and I have tried every product you
6		can think of. Will your product help me?
7		DR. SHAWN TALBOTT: I think it will. You're a
8		stereotypical case of a high-stress lifestyle. You're trying to
9		raise some kids, you have a stressful job. Those are situations
10		that will increase your cortisol levels. CortiSlim is the way to
11		go. It will control your cortisol levels, you'll feel more in
12		control, your appetite will be controlled and you'll burn more
13		calories.
14	k)	DR. GREG CYNAUMON: Okay, Steve [caller] how have you
15		personally done with the weight loss and CortiSlim?
16		STEVE: It's been absolutely amazing. After the first few
17		weeks I lost 15 pounds and the most amazing thing, I've been
18		able to keep it off. I've been able to work out and try to diet
19		before, but I've lost a little weight here and there, but I've never
20		found anything that allows me to lose the weight and keep it
21		off. And not just that, I'm just healthier overall
22	1)	DR. GREG CYNAUMON: Now, Steve lost a lot of weight, 14
23		pounds in two weeks. And I know you always want to say,
24		look, everybody's different. Thirty pounds in a month, I was
25		thrilled with, right? I mean, to me, that's tremendous.
26		JILL BROWN [Co-Host]: Um-hum.
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DR. GREG CYNAUMON: Steve's pretty typical?DR. SHAWN TALBOTT: He is pretty typical.JILL BROWN: Wow.

. . .

DR. GREG CYNAUMON: It's amazing. Steve, thanks for the call and congratulations, 15 pounds is significant. Thirty pounds in 30 days was great for me. And I know you always want to say – and I want to say as a doctor, too – everybody's different. You're all going to find the right level. But this is the first time I have ever seen something work this quickly. CortiSlim for me, 30 pounds; CortiSlim for Steve, 15 pounds very quickly.

DR. SHAWN TALBOTT: That's right. Everybody's going to be a little bit different with how much weight they lose in a certain amount of time. But the thing that will be the same for everybody is that they're losing fat. They're not losing water, they're not losing muscle, they're losing fat from around their middle and that's —

DR. GREG CYNAUMON: And inches.

DR. SHAWN TALBOTT: And inches, exactly. And that's very noticeable.

m) DR. GREG CYNAUMON: ... Dr. Talbott, this is all about stress and what you're really telling us is you do not have to change your lifestyle.

DR. SHAWN TALBOTT: That's right, Greg. It's very impractical to tell people to avoid stress or to cut stress out of

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your lives. Our lives are filled with stress. And so, in the context of this stressful 21st Century lifestyle, you need to teach your metabolism to adapt to that, and that's exactly what CortiSlim does.

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- n) DR. SHAWN TALBOTT: As we age, our bodies don't use cortisol as appropriately as it should. But a product such as CortiSlim teaches our body to use that cortisol and we get back down to that youthful weight where we're supposed to be.
- o) DR. GREG CYNAUMON: Wow. You know, as a Doctor of Psychology and someone who has personally struggled with this whole weight loss issue in the past, CortiSlim works. And quite frankly, I wouldn't risk my reputation as a doctor on any product that I didn't feel as strongly about and the one that I have used personally to lose the weight that I've lost, and we're hearing from the callers that are losing weight as well. . . .
- p) DR. SHAWN TALBOTT: Doctors have known about cortisol and the effect that can have on metabolism for a long time.
 JILL BROWN: Wow.

DR. SHAWN TALBOTT: It's only just recently we've been able to crack the code and come up with a solution.

 q) DR. GREG CYNAUMON: It works. And as both a Doctor of Psychology and someone who has dieted all my life, I couldn't encourage you more to call the number on the screen and order CortiSlim for yourself or for someone you love, someone who struggles with weight loss, whether you want to lose 30 pounds or 15 pounds, it doesn't matter. You figure out what you want

1		to lose, this is the product that can help you do it. Call them
2		right away. The number is on your screen. And be sure
3		please be sure when you call to find out, whether it's about the
4		book or to order the CortiSlim product, mention Breakthroughs
5		because Dr. Talbott has graciously allowed a huge discount
6		when you call.
7	r)	DR. GREG CYNAUMON: I want to go back to what we
8		talked about a little bit earlier because it's essential that people
9		understand weight loss is an issue. But what you've done here,
10		why we're having you on Breakthroughs is that you have
11		combined every weight loss issue that is important to people,
12		metabolism, cortisol control, obviously, and all these other
13		different issues. Please speak to that for a moment.
14		DR. SHAWN TALBOTT: That's right. When people approach
15		weight loss, they really need to do it in more of a holistic
16		manner. They can't just look at appetite control or you can't
17		even look just at cortisol control. You really need to come at it
18		from many systems at the same time. So, we're talking about
19		cortisol control and blood sugar control and appetite regulation
20		and thermogenesis where we're increasing our calorie
21		expenditure.
22	s)	DR. GREG CYNAUMON: And this is something that if I've
23		got the cortisol hormone under control, my blood sugar is more
24		in control?
25		DR. SHAWN TALBOTT: That's exactly it. It's like dominos.
26		cortisol is the first piece of the puzzle. Unless you get that
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1		cortisol piece under control, the others are not going to be able
2		to normalize.
3		DR. GREG CYNAUMON: That's a huge point.
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5		DR. GREG CYNAUMON: It's amazing. You really have
6		formulated so much here for people to think about. It's
7		probably best that they call and ask some questions.
8		DR. SHAWN TALBOTT: The key factor here is that a
9		product like CortiSlim addresses all of the metabolic control
10		points that are the underlying cause of weight gain. Other
11		products, they address the symptoms. They don't address the
12		cause that we're talking about here, CortiSlim.
13		DR. GREG CYNAUMON: And that's the breakthrough part of
14		this because it addresses the thermogenics that you taught us
15		about, and that is that it will help you burn calories and burn fat
16		even while you're not exercising and not worrying about it. It's
17		going to control the cortisol so your stress levels are going to
18		come down. It's going to tell your body, let go of that extra
19		weight you've been hanging on to, right?
20		DR. SHAWN TALBOTT: That's right.
21	t)	DR. GREG CYNAUMON: And you know what the biggest
22		piece is? You're looking at people and telling them, it isn't
23		your fault that you're heavy.
24		DR. SHAWN TALBOTT: That's exactly it.
25		DR. GREG CYNAUMON: This has been your body doing this
26		to you.
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DR. SHAWN TALBOTT: That's exactly it. It's a metabolic factor. It's not something that's your fault, it's metabolism. And there are easy ways that we can control your metabolism and guide it in the right direction.

DR. GREG CYNAUMON: This is a product -- thank you - that I am going to stay on the rest of my life because it's helped
 me lose the weight and it helps me control the weight. Thank
 you so much for that. You know, as both a Doctor of
 Psychology and as someone who has dieted all my life, I
 couldn't encourage you more to call the number on your screen
 and order CortiSlim for yourself or for some loved one who
 struggles with weight loss. What a great thing you can do for

I've said it before, I wouldn't risk my reputation as a doctor or invite someone on my program that I didn't have ultimate confidence in. Now, add to that the fact that I've personally used CortiSlim and lost 30 pounds and I, literally, could not be more confident that this is a great product and this is an incredible man.

 v) DR. SHAWN TALBOTT: CortiSlim really is the result of 15 years of work. I've looked at this area for 15 years and exercise and nutrition and metabolism, and CortiSlim is the first comprehensive product that addresses all of those different points that will lead people toward weight loss.

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1		DR. GREG CYNAUMON: I understand your passion and your
2		research for 15 years has been to come up with this product.
3		You've done it. Congratulations.
4	w)	DR. GREG CYNAUMON: Well, sadly, that is all the time
5		we have. So, for all of us here at Breakthroughs, thanks for
6		joining us. Until next time, I'm Dr. Greg Cynaumon saying,
7		we'll see you then.
8	October 26	5, 2003 CortiSlim Infomercial
9	x)	UNIDENTIFIED FEMALE VOICE: Since taking CortiSlim
10		for three-and-a-half weeks, I've lost four inches from my waist
11		and my hips.
12	y)	DR. SHAWN TALBOTT: Actually, my research career
13		started out looking at this yo-yo effect [weight loss followed by
14		weight gain] and how it can destroy your bones, and what we
15		found was this increase in cortisol. And as we studied cortisol
16		more and more and more, we knew, great, it's bad for your
17		bones, but it's also encouraging this metabolism to become a
18		weight-gaining metabolism instead of a weight maintaining or
19		a weight loss metabolism.
20	z)	CALLER JENNY: In the last two years I've gained over 30
21		pounds and I've tried every diet out there and nothing's worked
22		until now. I've been on CortiSlim for about three weeks and
23		I've lost 14 pounds.
24	aa)	DR. SHAWN TALBOTT: [W]hat I don't want to do is fool
25		people into thinking their metabolism can do things that it
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1		won't do. I'm really just giving them the research so they can
2		use it to have some benefits.
3		DR. GREG CYNAUMON: Absolutely the right way to do it.
4		And it is that research that first made a believer out of me and
5		then, of course, it was losing 30 pounds that proved Dr. Talbott
6		is right.
7	ab)	DR. GREG CYNAUMON: In fact, I tell my radio program
8		listeners, no offense to casual dieters, but if you only want to
9		lose five to ten pounds, then non-prescription CortiSlim is
10		probably not for you. CortiSlim is really for people who are
11		absolutely exasperated with dieting and you want to lose
12		between 10 and 50 pounds quickly, safely, and you want to
13		keep it off for life.
14	ac)	CALLER STEVE: I first heard about CortiSlim through
15		Dr. Greg's radio show. I've been taking CortiSlim now for
16		four-and-a-half months and I've got to tell you, CortiSlim has
17		changed my life. I have a lot of stress in my life and I used to
18		be such a big stress eater and I just loved eating and I put on 40
19		pounds, and I never really thought that I'd be able to get back
20		to my normal weight. I've got to tell you, I was so ashamed of
21		the way I was eating and putting on weight, but taking
22		CortiSlim, I've lost all that weight, I feel trim again. I've
23		gotten down to my regular weight. I've never felt better in my
24		life and thank you to CortiSlim.
25	ad)	DR. GREG CYNAUMON: You know, you said
26		something at the top of the show and you and I talked about
27		this before the program today, you've been studying cortisol
28		for 15 years. That's a lot of time to be studying and focus, but
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1		you didn't bring CortiSlim out five years ago or ten years ago
2		or 11 years ago, you're bringing it out now. Has the body of
3		research finally caught up? I mean, help me with that.
4		DR. SHAWN TALBOTT: Right. It's just come to a point
5		where we can do something about it. We've known about this
6		cortisol causing problems for decades, even longer than the 15
7		years that I've been studying it. But now we're at a point
8		where we can do something about it and that's why a product
9		like CortiSlim can come out now.
10	ae)	DR. SHAWN TALBOTT: CortiSlim doesn't work by
11		suppressing appetite. It works by modulating cortisol levels,
12		which secondarily will help control appetite. It's a very subtle
13		difference, but it's an important difference. What people will
14		see in CortiSlim is a combination of the most effective cortisol
15		controllers, the most effective blood sugar controllers, and the
16		most effective thermogenesis agents that will work with their
17		metabolism to give them the benefits they're looking for
18		without the side effects.
19	af)	DR. GREG CYNAUMON: But, first, as an author, a
20		doctor and host of this program, I wouldn't risk my reputation
21		unless I was thoroughly impressed with both my guest, Dr.
22		Talbott, and his research into weight loss, and I suppose losing
23		30 pounds personally convinced me as well.
24	18. To	induce consumers to purchase CortiSlim, Defendants also
25	disseminated at	least three advertisements of approximately 60 seconds in length
26	on network and	cable television channels throughout the United States, including
27	WCBS-TV and	the Outdoor Life Network. The short-form advertisements feature
28	Cynaumon and	Talbott separately promoting CortiSlim. A toll-free telephone

number is given during the short-form advertisements for callers interested in
 getting more information or purchasing CortiSlim. One such short-form
 advertisement includes, among others, the following statements or depictions
 regarding CortiSlim:

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I'm Dr. Greg Cynaumon . . . CortiSlim is the weight-loss capsules created by my associate, Dr. Talbott, for people who are disgusted with diets and quickly want to lose 15 pounds or more. Dr. Talbott's hormone research has been featured in Ladies Home Journal, Psychology Today, and Redbook. The conclusion? It's not your fault that you're overweight. Stress causes you to overproduce a fatretaining hormone called cortisol and it directs fat to be stored in cells around your tummy, thighs and stomach. Non-prescription CortiSlim controls cortisol so you release those excess pounds, and CortiSlim stifles your appetite while enhancing your metabolism so you eat less as you burn calories and shed inches. Drop 15 to 50 pounds quickly and keep it off for life with CortiSlim.

19. To induce consumers to purchase CortiSlim, Defendants also
disseminated at least one 30-second and three 60-second radio ads, including at
least two 60-second radio ads on KFI-AM in Los Angeles that feature Cynaumon.
Two such radio ads include, among others, the following statements regarding
CortiSlim:

a) DR. GREG CYNAUMON: I'm Dr. Greg Cynaumon, to tell you about a conversation I had with a listener who also happens to be a physician. She'd heard about CortiSlim and called to ask about the clinical studies. Now, at first I thought she was checking CortiSlim out for her patients, but it became apparent this was about her own weight problem. She said she'd struggled to lose 20, maybe 25 pounds since her daughter

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was born, but nothing worked. . . . She studied the journals and knew right away that her hormones were causing her weight problem. Now, two months later, she's down 22 pounds, she isn't embarrassed to talk to her patients, and her husband can't believe the difference. Oh, and she tells all her patients about CortiSlim. Results vary, but don't miss the most significant weight loss breakthrough in twenty years. CortiSlim.

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b) DR. GREG CYNAUMON: I'm Dr. Greg Cynaumon, to introduce you to a renowned heart surgeon who found himself 25 pounds overweight, stressed out, and himself a candidate for a stroke or heart attack. The doctor knew that he had to take the weight off quickly and safely, but like so many of us, he failed in his own weight loss wars. Now, obviously, doctors have access to the latest journals and weight loss medications, but non-prescription CortiSlim was his professional choice. Why? Because only CortiSlim is the new science in weight loss, and only CortiSlim blocks the destructive hormones that have been proven to keep you fat. This surgeon recognized that CortiSlim is the missing piece of the weight loss puzzle that you and I have been desperately searching for. Now, 25 pounds lighter, the doc recommends all natural CortiSlim to his high risk patients who need to lose weight or face the reality of a heart attack or stroke. And he completely ascribes [sic] to my encouragement to dieters: if you only have one diet left in you, make it CortiSlim.

26 20. Defendants also advertise, promote and market CortiSlim via several
27 Internet websites, including <u>www.cortislim.com</u> (substantially similar content can
28 be accessed at two other Internet websites also operated on behalf of Window

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1	Rock, <u>www.corti</u>	sol.com and www.cortislim.biz). At times relevant to this	
2	Complaint, this Internet website has included, among others, the following		
3	statements or dep	victions regarding CortiSlim:	
4	a)	If you take CortiSlim everyday, you WILL reach your weight	
5		loss goals If you stop taking CortiSlim, but still have	
6		stress in your life, your cortisol levels will shoot back up, and	
7		the whole fat-making process will start again (emphasis	
8		original).	
9	b)	Only CortiSlim has over 15 years of University and private	
10		research behind it! Only CortiSlim has been called THE NEW	
11		SCIENCE IN WEIGHT LOSS! And only CortiSlim was	
12		formulated by Dr. Shawn Talbott – the scientist who literally	
13		"wrote the book" on cortisol – the primary stress hormone that	
14		can make us fat and ruin our health! ONLY CortiSlim has	
15		over 15 years of research and HARD SCIENCE behind it	
16		and only CortiSlim uses a proprietary patent-pending blend	
17		formulated for maximum cortisol-control and potency by Dr.	
18		Shawn Talbott himself! (emphasis original)	
19	c)	OVER 100 DOCTORS HAVE ALREADY ORDERED	
20		CortiSlim! Why have so many doctors and nurses already	
21		ordered CortiSlim! Because they understand the science	
22		they respect Dr. Shawn Talbott and his findings, and they have	
23		access to the latest research on cortisol and its role in weight	
24		gain. (emphasis original)	
25	d)	CortiSlim is an all-natural dietary supplement that works with	
26		your body's metabolism to control cortisol levels within a	
27		healthy range and help you lose weight. By modulating	
28		cortisol levels, CortiSlim removes one of the primary	
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1		physiological signals for weight gain. In addition to a powerful
2		effect on controlling cortisol levels, CortiSlim also provides
3		all-natural ingredients to help balance blood-sugar (to reduce
4		cravings), and maximize metabolism (to boost energy
5		expenditure and fat-burning).
6		e) Who has high cortisol levels? Within our fast-paced modern
7		world, a better question might be "Who doesn't have elevated
8		levels?" – because elevated levels of cortisol are so
9		widespread.
10		f) Anybody who leads a stressful lifestyle and wants to lose
11		weight can benefit from CortiSlim. CortiSlim is formulated to
12		promote weight loss, increase energy levels, and control
13		appetite in the millions of Americans who experience stress on
14		a daily basis. This makes CortiSlim the perfect product for
15		everyone from athletes, to executives, to soccer moms, and
16		everyone in between.
17		g) "Success Story": (The Rev.) Fr. Scott, California – On
18		day seven, I weighed myself, not knowing what to
19		expect and for the first time in two months - I had actualy
20		[sic] lost some weight! TEN FULL POUNDS!!!! Is anybody
21		else seeing this kind of amazing result? This product is so
22		amazing that I cannot believe that I am the only one!! During
23		this past week, I made no other changes than adding CortiSlim
24		to my supplement routine! All I can say is "it's a miracle!" -
25		and I've seen a few in my time as a minister! Thanks be to God
26		and Dr. Talbott!!! (emphasis original)
27	21.	Defendants also advertise, promote and market CortiSlim by print
28	advertiseme	ents in nationally distributed magazines, including but not limited to
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advertisements that appeared in the January 5, 2004 issue of "First for Women"
 magazine; the March 2004 issue of "Cosmopolitan" magazine; and the April 20,
 2004 issue of "Family Circle" magazine. The print advertisements make, among
 others, the following statements:

- With CortiSlim you actually lose inches . . . and then pounds. 5 a) "That's because CortiSlim acts quickly to release the body's 6 grip on fat cells from the abdomen, belly, and thighs," adds Dr. 7 8 Talbott. 9 **b**) Lose 15, 20, 35 pounds (or more) naturally with CortiSlim! See results right away! ... You'll soon notice your clothes are 10 c) fitting better as you lose inches . . . followed by pounds. And 11 12 CortiSlim takes the edge off your appetite and cravings, too. Lose 15, 20, 35 pounds (or more) with ALL NATURAL 13 d) 14 CortiSlim! (emphasis original) "With CortiSlim, I felt less stressed, more positive and had 15 e) 16 fewer cravings right away. And then, gradually, I started losing 17 inches and pounds." Eight months, 64 pounds and five dress 18 sizes later, Cindy nervously tried on that [20-year-old] faded 19 prom dress – and it FIT!" (emphasis original) 20 f) Dr. Talbott formulated CortiSlim to: Control the FAT-STORING cortisol hormone & release 21 22 fat cells from your abdomen & belly; 23 Balance blood sugars (within normal levels) resulting in
 - fewer cravings & more consistent energy levels;
 - **Burn** calories more efficiently through thermogenesis;
 - Ease "stress eating" signals and provide a calming effect & heightened sense of well-being;
 - **Suppress** appetite naturally, so you simply eat less.

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22. Consumers purchased CortiSlim via the Internet or by calling a toll free telephone number that connected to a call center operated by Defendant
 Pinnacle. Defendants charged \$49.99, plus shipping and handling, for a 60 capsule bottle of CortiSlim; discounts and reduced shipping and handling costs are
 available with purchases of multiple bottles. Defendants represent that one bottle
 constitutes a one-month supply of CortiSlim if taken at the recommended dosage
 of two capsules per day, with the dosage not to exceed six capsules per day.
 Defendants suggest "advanced dosages" for "individuals who have high levels of
 stress or have difficulty with losing weight."

23. Some callers to a call center operated by Defendant Pinnacle heard
pre-recorded messages featuring Defendant Cynaumon, alone or with Defendant
Talbott, before being connected to a live person. The call center conveyed to
consumers, among other things, the following statements or depictions regarding
CortiSlim:

15	a)	CortiSlim sends an all-clear message to these fat cells [around
16		your tummy, your hips, your thighs, and, of course, the love
17		handles] to release those excess stored pounds;
18	b)	CortiSlim lowers your cortisol hormone and it gives your body
19		the opportunity to naturally get rid of fat in the – in the midriff
20		section and the thigh area of your body;
21	c)	CortiSlim works in a very different way from other weight
22		control products. It works by controlling cortisol.
23	d)	As long as you take [CortiSlim] twice a day, every day, then
24		you'll lose weight. Then, once you reach your goal, you want
25		to just maintain like one a day, one every other day.
26	e)	Q. Would I need to diet or exercise?
27		A. You don't have to, but, I mean, if you do, you're going to
28		benefit a lot more. But it's not something that you have to –
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you know, diet and exercise in order to see results because it does help suppress your appetite and eliminate your cravings.

<u>CortiStress</u>

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24. CortiStress is marketed as a "cortisol control stress relief formula." CortiStress contains Cortiplex[™] (one of the three proprietary blends described in Paragraph 14, above), as well as vitamin B1 (thiamin HCl), vitamin B2 (riboflavin), vitamin B6 (pyridoxine HCl), vitamin C, pantothenic acid, calcium, and magnesium.

9 25. To induce consumers to purchase CortiStress, Defendants disseminated at least one version of an infomercial on network and cable television 10channels throughout the United States, including TVN Direct. The version of the 11 12 CortiStress infomercial that first aired on or about September 29, 2003 is presented as a program called "Breakthroughs." The infomercial discusses CortiStress in a 13 talk show format that features Cynaumon as a "host" and Talbott as a "guest." At 14 several points during the infomercial, a toll-free telephone number appears on-15 16 screen and viewers are invited to call the number for more information about Dr. 17 Talbott's book or CortiStress. When the toll-free number appears on-screen, no oral or written disclaimer is given that "Breakthroughs" is in fact a paid 18 19 advertisement for CortiStress; the paid advertisement disclaimers appear only at the 20 very beginning and very end of the infomercial. Cynaumon states that viewers who call the toll-free number and mention "Breakthroughs" will receive a special 21 discount from Dr. Talbott. The infomercial does not indicate or reveal that 22 23 Cynaumon and Talbott are part of a joint venture to create, manufacture, market, 24 and sell CortiSlim and have similar common business interests in CortiStress. 25 Instead, CortiStress is presented as being Dr. Talbott's product.

26 26. The version of the CortiStress infomercial that first aired on or about
27 September 29, 2003 includes, among others, the following statements or depictions
28 regarding CortiStress:

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1	a)	DR. GREG CYNAUMON: Hello, and welcome to
2		Breakthroughs, a program that introduces you to people who
3		are literally changing lives. And today on Breakthroughs, I'm
4		going to introduce you to a doctor and a researcher who has
5		written a book literally, written the book on stress
6		My guest is the author of The Cortisol Connection. He
7		has written the book and he is the preeminent researcher on
8		cortisol and stress and how it brings about problems in your
9		life, such as cancer, heart attack, diabetes, other problems you
10		never even thought about. We're going to talk about them
11		today
12	b)	DR. GREG CYNAUMON: I know a lot about your
13		background. In fact, we came and found you at the University,
14		but tell the audience a little bit about yourself.
15		ON SCREEN: Dr. Shawn Talbott
15 16		ON SCREEN: Dr. Shawn Talbott DR. SHAWN TALBOTT: Well, that's right, Greg. You found
16		DR. SHAWN TALBOTT: Well, that's right, Greg. You found
16 17		DR. SHAWN TALBOTT: Well, that's right, Greg. You found me at the University of Utah, where I'm on the faculty of
16 17 18		DR. SHAWN TALBOTT: Well, that's right, Greg. You found me at the University of Utah, where I'm on the faculty of nutrition, I do my research there now and now my research
16 17 18 19		DR. SHAWN TALBOTT: Well, that's right, Greg. You found me at the University of Utah, where I'm on the faculty of nutrition, I do my research there now and now my research is focused on this area of stress and how it impacts our health.
16 17 18 19 20		DR. SHAWN TALBOTT: Well, that's right, Greg. You found me at the University of Utah, where I'm on the faculty of nutrition, I do my research there now and now my research is focused on this area of stress and how it impacts our health. DR. GREG CYNAUMON: So, Dr. Talbott, you've written
16 17 18 19 20 21		DR. SHAWN TALBOTT: Well, that's right, Greg. You found me at the University of Utah, where I'm on the faculty of nutrition, I do my research there now and now my research is focused on this area of stress and how it impacts our health. DR. GREG CYNAUMON: So, Dr. Talbott, you've written about it, you've done the research. Is there a connection
 16 17 18 19 20 21 22 		DR. SHAWN TALBOTT: Well, that's right, Greg. You found me at the University of Utah, where I'm on the faculty of nutrition, I do my research there now and now my research is focused on this area of stress and how it impacts our health. DR. GREG CYNAUMON: So, Dr. Talbott, you've written about it, you've done the research. Is there a connection between stress and disease?
 16 17 18 19 20 21 22 23 		 DR. SHAWN TALBOTT: Well, that's right, Greg. You found me at the University of Utah, where I'm on the faculty of nutrition, I do my research there now and now my research is focused on this area of stress and how it impacts our health. DR. GREG CYNAUMON: So, Dr. Talbott, you've written about it, you've done the research. Is there a connection between stress and disease? DR. SHAWN TALBOTT: There's an absolute link between
 16 17 18 19 20 21 22 23 24 		 DR. SHAWN TALBOTT: Well, that's right, Greg. You found me at the University of Utah, where I'm on the faculty of nutrition, I do my research there now and now my research is focused on this area of stress and how it impacts our health. DR. GREG CYNAUMON: So, Dr. Talbott, you've written about it, you've done the research. Is there a connection between stress and disease? DR. SHAWN TALBOTT: There's an absolute link between stress and disease, and this is a link we've known about for
 16 17 18 19 20 21 22 23 24 25 		 DR. SHAWN TALBOTT: Well, that's right, Greg. You found me at the University of Utah, where I'm on the faculty of nutrition, I do my research there now and now my research is focused on this area of stress and how it impacts our health. DR. GREG CYNAUMON: So, Dr. Talbott, you've written about it, you've done the research. Is there a connection between stress and disease? DR. SHAWN TALBOTT: There's an absolute link between stress and disease, and this is a link we've known about for decades. Our grandmothers even knew that stress was bad for

1	c)	DR. GREG CYNAUMON: The viewers at home watching this
2		thinking, how do I know if I have too much cortisol in my
3		system. How do you help them?
4		DR. SHAWN TALBOTT: It's very important that people
5		understand their exposure to cortisol. And to that end, I've
6		developed what I call a cortisol self-test. People can answer
7		some very simple lifestyle questions that will give them a good
8		idea of what their exposure to cortisol might be. So, what I'd
9		like people to do right now is grab a pen, grab a piece of paper
10		and let's score some of these. Answer yes or no to the
11		following questions. We'll go through 10 throughout the
12		course of the program and at the end of the program, we'll score
13		them and you'll find out if you're a Stress Jess or a Strain Jane
14		or a Relaxed Jack, wherever you fall on the scale.
15	d)	DR. GREG CYNAUMON: And, again, you're saying there is
16		no doubt in your mind based on the research you've done, the
17		research of others and what you've seen with your clients and
18		patients who come in to see you, that there is a connection
19		between too much stress, over-production of cortisol and
20		diseases that can kill you.
21		DR. SHAWN TALBOTT: There's no doubt. That is what the
22		scientific evidence tells us. Too much stress, too much
23		cortisol, increased risk for these diseases. It's more dangerous
24		for people than inactivity. It's more dangerous than smoking.
25		It's more dangerous than high cholesterol. Cortisol is the
26		villain. It's the demon we need to control.
27	e)	DR. GREG CYNAUMON: Dr. Talbott, what I like is that you
28		haven't just preached problem, problem, problem, never a

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solution, you have taken your 15 years of research and how
you've studied and lived this subject and you have formulated
what I'm holding here which is called CortiStress. Is this the
answer to cortisol and too much stress in your life?
DR. SHAWN TALBOTT: CortiStress is the answer for people
who want to control their cortisol levels within a normal range.
You know, as a scientific researcher, we need to study the
problems. But as a health educator, I am really excited about
bringing a solution to people, and CortiStress is that solution.
DR. GREG CYNAUMON: Now, I want to share with the
audience something that you and I talked about before the

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program, and that is the scientific evidence that talks about cortisol, that stress hormone, and the connection with cancer. Are we getting people's attention that stress and cortisol can be killers?

DR. SHAWN TALBOTT: Well, I think you hit the nail right on the head there, Greg. We are getting people's attention. We're getting people's attention because these are scary diseases. They're very scary diseases. But I don't want to just get people's attention to scare them. I want to get their attention so I can educate them that there are proactive steps that they can take to reduce the risk of some of these diseases. DR. GREG CYNAUMON: And you created a proactive approach to stress and cortisol so you don't get these diseases. DR. SHAWN TALBOTT: It's CortiStress.

g) DR. SHAWN TALBOTT: ... [CortiStress is] a combination of natural products that works with the body's metabolism

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1		DR. SHAWN TALBOTT: Anybody who has a stressful
2		lifestyle, anybody who wants to be proactive in controlling
3		their cortisol levels, CortiStress is a product that's made for
4		them.
5	h)	ON SCREEN: 1-800-615-8814
6		DR. GREG CYNAUMON: All right. For our viewers, I want
7		to make sure that you have the 800 number. In fact, I
8		understand it's on your screen. If you would like to call and get
9		more information about Dr. Talbott's Cortisol Connection
10		book, I would encourage you to do that. It's a tremendous
11		book, it could save your life. I'd also like to take the second
12		encouragement and ask you to call that number on the screen
13		and find out more about CortiStress and how that works in
14		concert with the book and actually helps you be proactive
15		about some of these health problems and terrible risks that
16		we've been talking about today on the program.
17	i)	DR. GREG CYNAUMON: Now, I know there are a lot of
18		people out there, as a Doctor of Psychology, who don't know
19		they're under stress. When you get down to it, they're under a
20		tremendous amount of stress. Who out there should not be
21		taking CortiStress? Is there anybody that isn't under stress
22		these days?
23		DR. SHAWN TALBOTT: You know, I can't even think of a
24		single person that would not want to take CortiStress because
25		it's not so much about controlling your feelings of stress. It
26		will certainly do that. It's about controlling normal metabolism
27		of the stress hormone, cortisol, and everybody can benefit from
28		that.

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DR. SHAWN TALBOTT: ... And, you know, you brought up a very good point. Sometimes people will not realize the stress they're under. I'll even get clients who say they thrive on stress. And what they do is they thrive on that feeling of adrenaline, which is very short-term. Cortisol comes at the same time that adrenaline does, but it sticks around and cortisol causes the problems. So anybody who has a fast-paced lifestyle, no matter what that means, they can benefit from CortiStress.

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j) ON SCREEN: 1-800-615-8814

DR. GREG CYNAUMON: Well, we're talking about stress with my guest Dr. Talbott and how stress can be literally killing you and you don't even know it. I want to encourage you -there's a number up on your screen -- to make a phone call and ask about his research that went into the Cortisol Connection.

ON SCREEN: The Cortisol Connection

Why Stress Makes You Fat and Ruins Your Health --And What You Can Do About It

DR. GREG CYNAUMON: It is all about stress, it is all about how stress creates cortisol. The questions, the answers, the solutions are in this book. Call the number on your screen. Also, I want to make sure that we at least get in here right now, that Dr. Talbott's 15 years of research into this book has also led to 15 years of research into the formulation of a tremendous product, but you're going to understand more how that fits into the stressful lifestyle and helps to control cortisol as we go, and that phone number is on your screen as well.

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DR. GREG CYNAUMON: ... Dr. Talbott, I know that a lot k) of the viewers are probably looking at us and saying, fine, I 2 3 understand the research that's gone into this and 15 years of your life into CortiStress. They want to know how to take it 4 and what is it going to do for them if they take this on an on-5 going basis. 6 DR. SHAWN TALBOTT: CortiStress is a product that people 8 should be taking every single day, day in and day out, for the 9 specific activity of controlling cortisol levels in that range that they want to be in. We already know from the science that if 10 cortisol levels are high, it leads down the road to increasing 12 your risk for osteoporosis and obesity and diabetes and Alzheimer's and cancer and you name it, cardiovascular 13 14 disease. Controlling cortisol is a very important aspect, perhaps the most important aspect, of reducing your risk for 15 16 some of these problems. This product is more important than 17 their multivitamin, than their energy product, than any other dietary supplement that they can take because it gets at the root 18 19 of many of the problems that we're talking about today, cortisol 20 control. DR. GREG CYNAUMON: And this [CortiStress] taken over 1) 22 the course of as long as I want to stay healthy and, hopefully, 23 God willing, cancer free, heart risk free, this is what's going to keep my system non-toxic. 24 DR. SHAWN TALBOTT: That's exactly right. People will 25 sometimes say, well, how long do I take CortiStress for? And 26 27 I'll go right down the road that you started on, you take that

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CortiStress for as long as you want to have good health.

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ON SCREEN: 1-800-615-8814

DR. GREG CYNAUMON: Amazing. All right. I know you want to call. Let me put the number up on the screen. In fact, I understand the number is up on the screen right now. I want you to call and find out more information about the book, the Cortisol Connection by Dr. Talbott. It's his research that backed up a lot of what we're talking about here. He is the leading person in the industry. In fact, University research is now coming out and supporting a lot of what Dr. Talbott's been talking about for some time now and you are on the cutting edge of this. And by all means, you just saw the experiment, so you know exactly what I'm talking about.

CortiStress, if you're interested in a healthy health care regimen that's going to keep you safe from some of these things that we're talking about, I really would recommend you make a phone call, find out about it and, of course, we do this for all of our folks who come on our program, ask and mention Breakthroughs when you come on the program and you'll get a significant discount. But you have to call the number on the screen and you need to mention Breakthroughs for that discount. Okay? Make that phone call.

n) DR. SHAWN TALBOTT: ... If you scored three or more
 ["yes" answers on the cortisol self-test], it's not gloom or doom.
 This is action time. This is the time where you need to be
 proactive, you need to do something about it. That something
 is take CortiStress. CortiStress is going to normalize your
 cortisol levels. It's going to reduce your risk of some of those
 problems we talked about and it's the right way to go.

1		DR. GREG CYNAUMON: We are talking about, again, heart
2		attacks, cancer, diabetes, stroke, hypertension. Is there
3		anything we're leaving out?
4		DR. SHAWN TALBOTT: We're talking about every modern
5		lifestyle disease that is associated with this fast-paced 21st
6		century lifestyle. And if you're living in that lifestyle, like
7		everybody is, you have to take CortiStress, you have to control
8		your cortisol.
9	o)	ON SCREEN: The Cortisol Connection
10		Why Stress Makes You Fat and Ruins Your Health
11		And What You Can Do About It
12		1-800-615-8814
13		DR. GREG CYNAUMON: If you want to get more
14		information about the Cortisol Connection, Dr. Talbott's book,
15		I would highly recommend you make that phone call. Also,
16		please make a phone call and find out about CortiStress. Call
17		the number on your screen. I recommend you do it. And when
18		you do, mention Breakthroughs and you will get a nice
19		discount. Thank you. We do that for the folks who show up on
20		our program. And I think it will change your life.
21	p)	DR. GREG CYNAUMON: So, for all of us here at
22		Breakthroughs, for Dr. Talbott, thank you for sharing your time
23		with us today. Until next time, we'll see you on Breakthroughs.
24	27. Co	nsumers purchased CortiStress by calling a toll-free telephone
25	number that connected to a call center operated by Defendant Pinnacle.	
26	Defendants charged \$49.99, plus shipping and handling, for a 90-capsule bottle of	
27	CortiStress. Defendants represent that one bottle constitutes a one-month supply	
28	of CortiStress if	taken at the recommended dosage of three capsules per day, with

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the dosage not to exceed six capsules per day. Defendants suggest that CortiStress
 can be taken at a higher dosage "[w]hen you feel more stress or you know that
 you'll be in a stressful situation."

SECTIONS 5 AND 12 OF THE FTC ACT

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28. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits unfair or deceptive acts or practices in or affecting commerce. Section 12(a) of the FTC Act, 15 U.S.C. § 52(a), prohibits the dissemination of any false advertisement in or affecting commerce for the purpose of inducing, or which is likely to induce, the purchase of food, drugs, devices, services, or cosmetics. As set forth below, Defendants have engaged and are continuing to engage in such unlawful practices in connection with the marketing and sale of CortiSlim and CortiStress.

29. For the purposes of Section 12 of the FTC Act, 15 U.S.C. § 52, CortiSlim and CortiStress are each either a "food" or a "drug" pursuant to Section 15(b) and (c) of the FTC Act, 15 U.S.C. § 55(b) and (c).

DECEPTIVE ACTS OR PRACTICES IN VIOLATION OF THE FTC ACT COUNT ONE

Unlawful Claims Regarding Weight Loss Benefits of CortiSlim

30. Through the means described in Paragraphs 14 through 23, Defendants have represented, expressly or by implication, that:

- a) CortiSlim causes weight loss of 10 to 50 pounds or more for virtually all users;
- b) CortiSlim causes users to lose as much as 4 to 10 pounds per week over multiple weeks;
- c) CortiSlim causes users to lose weight specifically from the abdomen, stomach, and thighs;
- d) CortiSlim causes rapid and substantial weight loss;
- e) CortiSlim causes long-term or permanent weight loss;
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f) The efficacy of CortiSlim and all its ingredients is demonstrated by over 15 years of scientific research; and
g) CortiSlim causes weight loss.

31. The representations set forth in Paragraph 30 are false or were not substantiated at the time the representations were made. Therefore, the making of the representations set forth in Paragraph 30 constitutes a deceptive practice, and the making of false advertisements, in or affecting commerce, in violation of Sections 5(a) and 12 of the FTC Act, 15 U.S.C. §§ 45(a) and 52.

COUNT TWO

Unlawful Claims Regarding

Health and Disease Prevention Benefits of CortiStress

32. Through the means described in Paragraphs 24 through 27, Defendants have represented, expressly or by implication, that taking the recommended daily dosage of CortiStress will reduce the risk of or prevent conditions such as osteoporosis, obesity, diabetes, Alzheimers' disease, cancer, and cardiovascular disease.

33. The representations set forth in Paragraph 32 are false or were not substantiated at the time the representations were made. Therefore, the making of the representations set forth in Paragraph 32 constitutes a deceptive practice, and the making of false advertisements, in or affecting commerce, in violation of Sections 5(a) and 12 of the FTC Act, 15 U.S.C. §§ 45(a) and 52.

COUNT THREE

Deceptive Format for CortiSlim and CortiStress Infomercials

34. Through the means described in Paragraphs 15, 16, 17, 25, and 26, Defendants have represented, expressly or by implication, that the August 25, 2003 CortiSlim infomercial and the September 29, 2003 CortiStress infomercial referenced herein are independent television programs and not paid commercial advertising.

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35. In truth and in fact, the August 25, 2003 CortiSlim infomercial and the September 29, 2003 CortiStress infomercial are not independent television programs and are paid commercial advertising. Therefore, the making of the representation set forth in Paragraph 34 constitutes a deceptive practice, in or affecting commerce, in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

CONSUMER INJURY

Consumers throughout the United States have suffered and continue to 36. suffer substantial monetary loss because of Defendants' violations of the FTC Act. In addition, Defendants have been unjustly enriched as a result of their unlawful acts and practices. Absent injunctive relief by this Court, Defendants are likely to continue to injure consumers, reap unjust enrichment, and harm the public interest.

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THIS COURT'S POWER TO GRANT RELIEF

37. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant injunctive and such other relief as the Court may deem appropriate to halt and redress violations of the FTC Act. The Court, in the exercise of its equitable jurisdiction, may award ancillary or other relief, including, but not limited to, rescission of contracts and restitution, and the disgorgement of ill-gotten gains caused by Defendants' violations of law.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff FTC requests that this Court, as authorized by Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), and pursuant to its own equitable powers:

Permanently enjoin Defendants from violating Sections 5(a) and 12 of (a) the FTC Act, 15 U.S.C. §§ 45(a) and 52, in connection with the offer, sale, advertising, or other promotion or distribution of CortiSlim, CortiStress, weightloss products, or any foods, drugs, dietary supplements, devices, cosmetics, or other products, services, or programs;

Award all temporary and preliminary injunctive and ancillary 1 (b) 2 monetary relief that may be necessary to avert the likelihood of consumer injury 3 during the pendency of this action, and to preserve the possibility of effective final 4 relief, including, but not limited to, temporary and preliminary injunctions; 5 (c) Award such equitable relief as the Court finds necessary to redress injury to consumers resulting from Defendants' violations of the FTC Act, 6 7 including, but not limited to, rescission of contracts and restitution, and the disgorgement of ill-gotten gains; and 8 9 Award the Plaintiff the costs of bringing this action, and such other (d)10 equitable relief as the Court may determine to be just and proper. 11 12 Dated: April 28, 2005 **Respectfully Submitted**, 13 WILLIAM BLUMENTHAL General Counsel 14 15 PETER B. MILLER KIAL S. YOUNG 16 Federal Trade Commission 600 Pennsylvania Ave. NW, Room NJ-3212 Washington, DC 20580 (202) 326 -2629 (Miller) (206) 220-6350 (Young) (202) 326-3259 (fax) 17 18 19 20 JEFFREY A. KLURFELD 21 **Regional Director** 22 JOHN D. JACOBS CA Bar No. 134154 23 Federal Trade Commission 10877 Wilshire Boulevard, Suite 700 Los Angeles, CA 90024 (310) 824-4360 (voice) 24 (310) 824-4380 (fax) 25 26 ATTORNEYS FOR PLAINTIFF 27 28 -39-