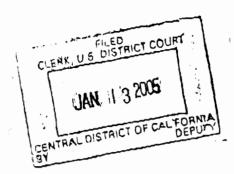


DEBRA W. YANG United States Attorney LEON W. WEIDMAN Assistant United States Attorney Chief, Civil Division 3 GARY PLESSMAN Assistant United States Attorney 4 Chief, Civil Fraud Section California Bar Number 101233 5 Room 7516, Federal Building 300 North Los Angeles Street 6 Los Angeles, California 90012 Telephone: (213) 894-2474 Facsimile: (213) 894-2380 7 8 Attorneys for Plaintiff United States of America 9



#### UNITED STATES DISTRICT COURT CENTRAL DISTRICT OF CALIFORNIA SOUTHERN DIVISION

UNITED STATES OF AMERICA,

v. .

Plaintiff,

CIVIL ACTION

į

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

BODY WISE INTERNATIONAL, INC., and JESSE A. STOFF, M.D.,

Defendants.

SACV 05-43 DOC (ANx)

## COMPLAINT FOR CIVIL PENALTIES, INJUNCTIVE AND OTHER RELIEF

Plaintiff, United States of America, acting upon the notification and authorization to the Attorney General by the Federal Trade Commission ("Commission"), for its Complaint alleges that:

1. Plaintiff brings this action under Sections 5(a), 5(l), 12, 13(b) and 16(a) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 45(a), 45(l), 52, 53(b) and 56(a), to obtain monetary civil penalties, consumer redress and/or disgorgement, injunctive and other relief for Defendants' violations of the Federal

Trade Commission Act and a final cease and desist order issued by the Commission.

#### JURISDICTION AND VENUE

- 2. This Court has jurisdiction over this matter under 28 U.S.C. §§ 1331, 1337(a), 1345 and, 1355 and under 15 U.S.C. §§ 45(a), 45(l), 52, 53(b) and 56(a).
- 3. Venue in the United States District Court for the Central District of California is proper under 15 U.S.C. § 53(b) and under 28 U.S.C. §§ 1391(b-c) and 1395(a).

#### THE DEFENDANTS

- 4. Defendant **Body Wise International, Inc.** ("Body Wise") is a Nevada corporation with its principal office and place of business located at 2802 Dow Avenue, Tustin, California 92789.
- 5. Defendant **Jesse A. Stoff, M.D.** ("Stoff") does business within the Central
- District of California. His business address is Immune Consultants, LLC, 2507
- 14 North 1st Avenue, Tucson, Arizona 85719. Defendant Stoff is a consultant to Body
- 15 Wise and derives financial compensation from the sale of Body Wise products.
- Individually and in concert with others, Stoff has formulated, directed, controlled or participated in the acts and practices set forth herein.
- 18 6. At all times mentioned herein, Defendants have been engaged in the labeling,
- advertising, promotion, offering for sale, sale or distribution of nutritional
- 20 supplements that purportedly prevent, mitigate or treat certain diseases and/or
- 21 medical conditions. Each of Defendants' nutritional supplements is a "food" or
- "drug," within the meaning of sections 12 and 15 of the Federal Trade Commission
- 23 Act, 15 U.S.C. §§ 52, 55.
- 24 7. Defendants maintain, and at all times mentioned herein have maintained, a
- course of trade in or affecting commerce, as "commerce" is defined in Section 4 of
- 26 the FTC Act, 15 U.S.C. § 44.

27

1

2

3

4

5

6

7

8

9

10

11

28

# 

#### PRIOR COMMISSION PROCEEDING

- 8. In a Commission proceeding bearing Docket No. C-3617, the Commission's complaint charged that Body Wise violated Sections 5(a) and 12 of the FTC Act, 15 U.S.C. §§ 45(a) and 52, by making unsubstantiated advertising claims for weight-loss and cholesterol-reduction products. On September 25, 1995, the Commission issued a final decision and order against Body Wise to cease and desist certain advertising practices ("Commission's order"). The Commission's order was served upon Body Wise on October 9, 1995, and by operation of law became final and enforceable thereafter. The Commission's order has remained in full force and effect ever since. (A copy of the Commission's order is attached to this Complaint as Appendix A).
- 9. The Commission's order includes the following provisions:

#### **ORDER**

"For the purposes of this Order, the following definitions shall apply:

- A. "Distributor" means any person, other than direct employees of Body Wise, who has sold nutritional supplements on behalf of Body Wise or who has received any compensation in connection with the sale of nutritional supplements on behalf of Body Wise, whether such person is characterized as a consultant, associate, distributor or otherwise.
- B. "Competent and reliable scientific evidence" means tests, analyses, research, studies or other evidence based on the expertise of professionals in the relevant area, that have been conducted and evaluated in an objective manner by persons qualified to do so, using procedures generally accepted in the profession to yield accurate and reliable results.

\* \* \*

27

28

IT IS FURTHER ORDERED that Body Wise International, Inc., a corporation, its successors and assigns, and its officers, directors, representatives, agents, and employees, directly or through any corporation, subsidiary, division or other device, in connection with the advertising, packaging, labeling, promotion, offering for sale, sale or distribution of nutritional supplements, food or drugs, as "food" and "drug" are defined in sections 12 and 15 of the Federal Trade Commission Act, 15 U.S.C. §§ 52 and 55, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing or assisting others in representing, in any manner, directly or by implication, that the nutritional supplement, food or drug:

e. provides, can provide, or helps provide any other health benefit;

unless, at the time of making such representation, respondent possesses and relies upon competent evidence that substantiates the representation.

III.

IT IS FURTHER ORDERED that Body Wise International, Inc., a corporation, its successors and assigns, and its officers, directors, representatives, agents and employees, directly or through any corporation, subsidiary, division or other device, in connection with the advertising, packaging, labeling, promotion, offering for sale, sale or distribution of nutritional supplements, food or drugs, as "food" and "drug" are defined in

28

sections 12 and 15 of the Federal Trade Commission Act, 15 U.S.C. §§ 52 and 55, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from misrepresenting, in any manner, directly or by implication, the existence, contents, validity, results, conclusions, or interpretations of any test or study.

\* \* \*

#### V.

IT IS FURTHER ORDERED that Body Wise International, Inc., a corporation, its successors and assigns, and its officers, directors, representatives, agents and employees, directly or through any corporation, subsidiary, division or other device, in connection with the advertising, packaging, labeling, promotion, offering for sale, sale or distribution of nutritional supplements, food or drugs, as "food" and "drug" are defined in sections 12 and 15 of the Federal Trade Commission Act, 15 U.S.C. §§ 52 and 55, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from failing to disclose, clearly and prominently, a material connection, when one exists, between a person providing an endorsement for any such product, as "endorsement" is defined in 16 C.F.R. § 255.0(b), and respondent or any other individual or entity manufacturing, labeling, advertising, promoting, offering for sale, selling, or distributing such product. For the purposes of this Order, "material connection" shall mean any relationship that might materially affect the weight or credibility of the endorsement and would not reasonably be expected by consumers."

4

5

6

7

10

11

12

13

14

15

16

18

19 20

21

22

23 24

25

Immune.

27 28

#### **DEFENDANTS' COURSE OF CONDUCT**

- 10. Defendant Body Wise promotes, offers for sale, sells or distributes numerous Body Wise-branded nutritional supplements directly to consumers and through a network of "consultants." The consultants, who are often independent health care providers, agree to retail Body Wise products from their homes or as a part of their ongoing businesses.
- Since April 2000, Defendant Body Wise has labeled, advertised, promoted, 11. offered for sale, sold, or distributed, throughout the United States and parts of Canada, AG-Immune, a product for human consumption containing an ingredient referred to as "antigen infused dialyzable bovine colostrum/whey" or "AI/E-10." The active ingredients in each dose of AG-Immune are as follows:
  - 100 milligrams (mg.) AI/E-10
  - 300 mg. arabinogalactin
  - 50 mg. maitake mushroom
  - 50 mg. astragalus.
- 12. Since Defendant Body Wise introduced AG-Immune in April 2000,
- Defendant's sales of AG-Immune have exceeded \$14 million.
- 13. Defendant Body Wise markets AG-Immune as a product that triggers the
  - immune system and prevents or treats numerous diseases or conditions or their
  - symptoms in human beings, including cancer.
  - In April 2000, Defendant Body Wise contracted with Defendant Stoff to 14.
  - consult, explain the benefits, describe his personal clinical observations, endorse,
  - and popularize the Body Wise products containing AI/E-10, including AG-
  - Body Wise pays Defendant Stoff 50¢ per unit of AI/E-10 products sold. 15.
- Body Wise has paid Stoff over \$250,000 for his services. 26
- Defendants Body Wise and Stoff promote AG-Immune to consumers via a 16. publication and an audiotape:

A. "The Ultimate Nutrient: Clinically Proven Benefit for Anyone Suffering Weakened Immune Function, Irritable Bowel Syndrome, Chronic Fatigue Syndrome, Candida Albicans, Arthritis and Rheumatism, Infection, Hepatitis C, Colds and Flu, Sinusitis, HIV/AIDS, Heart Disease, Lupus, Cancer," a publication authored by Defendant Jesse A. Stoff, and B. "The Killer Within," an audiotape authored by and featuring Defendant Jesse A. Stoff.

Defendant Body Wise and its consultants recommend that consumers seeking specific information about the use and benefits of AG-Immune in the treatment, cure or mitigation of a wide variety of serious diseases or conditions, including weakened immune function, irritable bowel syndrome, chronic fatigue syndrome, candida albicans, arthritis and rheumatism, infection, hepatitis C, colds and flu, sinusitis, HIV/AIDS, heart disease, lupus, and cancer, purchase these materials from defendant Body Wise or its consultants. Information on how to order these materials is also available on Defendant Body Wise's Internet web site, <a href="https://www.bodywise.com">www.bodywise.com</a>.

- 17. "The Ultimate Nutrient" and "The Killer Within" were used to generate public interest in AI/E-10 products and promote their use.
- 18. Since April 2000, Defendants have made unsubstantiated claims in advertising and other promotional materials that AG-Immune is effective for use in the cure, mitigation or prevention of disease in human beings; and have falsely claimed that these claims are substantiated. Defendants' false and unsubstantiated advertising is set forth in greater detail below.

#### **DEFENDANTS' ADVERTISING OF AG-IMMUNE**

19. Since April 2000, Defendants have disseminated or caused to be disseminated advertisements and promotional materials for AG-Immune including, but not necessarily limited to, the attached Exhibits A-I. These advertisements and promotional materials contain the following statements:

- a. "Nothing compares to the immune supporting power of Ai/E<sup>10</sup>.TM . . . A double-blind clinical study shows that antigen infused bovine colostrum/whey extract improves the immune system function in healthy people. (Exhibit A-1).
- b. Your immune system is a complicated network of cells and biochemicals that act as a defense system for your body. Its job is to seek-and-destroy all foreign invaders. If your immune system is weakened, it won't be able to fend off the destructive effects of invasive organisms or poisons. If your immune system is overworking, it can result in autoimmune disorders, such as chronic fatigue syndrome, ulcerative colitis, rheumatoid arthritis, Crohn's disease and lupus. Autoimmune illness results when the immune system reacts to normal components of the body as if they were foreign substances and produces antibodies against them.

A strong immune system will include active natural killer (NK) cell function, an important component in maintaining good health. They are the body's primary defense against developing virally-infected cells and cancer cells. However, these cells must be "activated" in order to be effective and this is achieved through a complex communication network within the body. If this communication network is compromised, however, there will be a reduction in NK cell activity. AG-Immune can help your body reverse this process. (Exhibit A-2).

Body Wise International explicitly makes no claims for nutrient efficacy, or the treatment, mitigation, prevention or cure of disease. If you are ill, we recommend you see a qualified physician. Individuals providing their Body Wise testimonials or endorsements, including

physicians and other health care professionals, have a financial interest in promoting the sale of Body Wise products. This statement has not been evaluated by the U.S. Food and Drug Administration.

c. **AG-Immune** includes an immune system 'trigger' which gives your immune system specific, coded information on how to respond. When used in clinical studies, Ai/E<sup>10</sup>TM, the patented proprietary ingredient in **AG-Immune**, supports and 'triggers' large increases in the production of natural killer (NK) cell activity without the risk of overstimulating or otherwise confusing the immune function, as other products do.\* (Exhibit A-2).

\*Refer to the book 'The Ultimate Nutrient," by Jesse Stoff, M.D., Insight Consulting, AZ 2000.

Body Wise International explicitly makes no claims for nutrient efficacy, or the treatment, mitigation, prevention or cure of disease. If you are ill, we recommend you see a qualified physician. Individuals providing their Body Wise testimonials or endorsements, including physicians and other health care professionals, have a financial interest in promoting the sale of Body Wise products. This statement has not been evaluated by the U.S. Food and Drug Administration.

- d. When compromised, your immune system forgets what and when to attack. AG-Immune includes an immune system trigger which gives your immune system specific, coded information on how to respond.
  - Jesse Stoff, M.D.

One of the nation's top immunologists (Exhibit A-2). Body Wise International explicitly makes no claims for nutrient efficacy, or the treatment, mitigation, prevention or cure of disease. If you are ill, we recommend you see a qualified physician. Individuals providing their Body Wise testimonials or endorsements, including physicians and other health care professionals, have a financial interest in promoting the sale of Body Wise products. This statement has not been evaluated by the U.S. Food and Drug Administration.

#### e. A Unique Immune System Trigger

Think of your immune system as the engine that keeps your body running smoothly; Ai/E<sup>10</sup>TM acts as the trigger or spark which fires up the engine and helps it work properly without misfiring. (Exhibit A-3).

f. The **AG-Immune** formula combines the "triggering" activity of Ai/E<sup>10</sup>TM with nutritional "fuels" that feed and energize your immune system. References in the field of natural medicine show:

\* \* \*

■Reduces risk of colon disease (decreases harmful bacteria entobacters)

\* \* \*

- ■Used in cancer treatment in China
- ■Increases Interferon production
- •Known to support and accelerate immunological reactions
  \* \* \*
- ■Stimulates cytokine production interferon, interleukins, natural killer cells (NK) and tumor necrosis factors (Exhibit A-3).
- g. 'With antigen infused dialyzable bovine colostrun/whey extract (Ai/E<sup>10</sup>TM), in conjunction with nutritional fuels, I have been able to activate the immune systems of hundreds and hundreds of people. I believe this is the most powerful nutrient ever created for immune modulation.' *Jesse Stoff, M.D.*" (Exhibit A-4).

Body Wise International explicitly makes no claims for nutrient efficacy, or the treatment, mitigation, prevention or cure of disease. If you are ill, we recommend you see a qualified physician. Individuals providing their Body Wise testimonials or endorsements, including physicians and other health care professionals, have a financial interest in promoting the sale of Body Wise products. This statement has not been evaluated by the U.S. Food and Drug Administration.

#### h. Scientific Validation for AG-Immune<sup>TM</sup> Ingredient

Body Wise® International is pleased to announce the first double-blind placebo-controlled study of the effects on immune function created by the oral intake of antigen infused bovine colostrum/whey extract. A proprietary form of this extract, designated  $\text{Ai/E}^{10\text{TM}}$  is an integral part of the formulation in the exclusive Body Wise products AG-Immune<sup>TM</sup> and Relief<sup>TM</sup>. . . .

In this recent double-blind-placebo-controlled study,\* 20 healthy people took 100 mg of antigen infused bovine colostrum/whey extract (a main ingredient in the AG-Immune and Relief products) or a placebo three times a day for 15 days. At the end of the 15-day trial, there was a significant increase in natural killer (NK) cells, tumor necrosis factor (TNF), and macrophage activity – important immune system components – in the people taking the antigen infused bovine colostrum/whey extract. There was no significant improvement in immune system function in the people taking the placebo. This study shows that antigen infused bovine colostrum/whey extract helps to support the protective functions of the immune system.

[graphic photograph of cells]

NK Cells Killing a Cancer Cell

\*Stoff, JA. 'The Examination of Immune Response Modulation in Humans by Antigen Infused Dialyzable Bovine Colostrum/Whey Extract Utilizing a Double Blind Study.' Tucson, AZ: Immune Consultants: 2001.

These statements have not been evaluated by the Food and Drug Administration. These products are not intended to diagnose, treat, cure or prevent any disease. (Exhibit B).

i. Confronting the Cold and Flu Season Head on with AG-Immune $^{\rm TM}$  and Relief $^{\rm TM}$ 

Isn't It About Time You Protected Your Immune System?

Q. What do you get when you add AG-Immune<sup>TM</sup> and a bottle of Relief<sup>TM</sup> to the medicine cabinet for every member of your family?

A. A strong healthy, and happy family ready to take on the cold and flu season.

These statements have not been evaluated by the Food and Drug Administration. These products are not intended to diagnose, treat, cure or prevent any disease. (Exhibit C).

- j. Our son Austin, who has asthma, started taking **AG-Immune** and the Body Wise products in February 2001. We noticed a difference within 4 days of him taking the products. Within five days all of our son's symptoms were completely gone. His congestion and cough have cleared up and he is able to sleep through the night. (Exhibit D). Individuals providing their Body Wise testimonials or endorsements, including physicians and other healthcare professionals have a financial interest in promoting the sale of Body Wise products.
- k. I have lupus. After starting the Body Wise products in September 2000, I have been living my life everyday without pain. I no longer

have to spend my life in doctors' offices or in the hospital. I also sleep regularly. I attend outings with my friends, golf, and play with my dogs on the beach. This is all possible with **AG-Immune** and Body Wise. (Exhibit D).

Individuals providing their Body Wise testimonials or endorsements, including physicians and other healthcare professionals have a financial interest in promoting the sale of Body Wise products.

 Every Day Your Body Is Under Attack And The Results Can Be Deadly.

The best thing you can do is to bolster your immune system so it can defend itself from infection and foreign invaders. We believe Body Wise International's all natural AG-Immune<sup>TM</sup> formula is the most powerful product ever created to promote a healthy immune system.

. . and a healthier future. And while it's [sic] primary ingredient,
Ai/E<sup>10</sup>TM, has proven to be clinically effective for use with both immune and autoimmune disorders \* you don't have to be immune

immune and autoimmune disorders,\* you don't have to be immune system challenged to enjoy the amazing benefits of this exciting new supplement. Think of it as a prudent preventative measure that promotes optimal health by increasing the activity of natural killer (NK) cells – your body's last line of defense against illness and disease.

\*Refer to the book *The Ultimate Nutrient*, by Jesse Stoff, M.D., Insight, Consulting, AZ 2000. (Exhibit E-1).

m. AG-Immune has already changed the lives of thousands of people across North America. Imagine what it could do for you . . . Candida

...one day I happened to notice that, on the cover of *The Ultimate*Nutrient booklet\*, candida was listed as one of the areas  $Ai/E^{10}$  was

clinically successful in treating. I began taking two a day and literally – within 36 hours – the pain began to dissipate. After only three weeks, my symptoms were completely gone! I have been on Body Wise for almost eight years and at the risk of sounding over-dramatic. I have to say, the products have **definitely changed my quality of life.** 

#### Shingles

In late February, I was diagnosed with shingles on my face, scalp and throat. It's been extremely painful. I tried vitamins and subscription [sic] medicines, but without relief. However, after one week of adding **AG-Immune** to my nutritional program the pain started diminishing. Four weeks later, I'm pleased to report that **my pain has disappeared** and so have the symptoms.

Consumer Notice: Personal testimonials are the reflections of individual experiences and are not typical of the results that you will obtain. If you have a medical condition, we recommend that you consult a health-care professional. Individuals providing their Body Wise testimonials or endorsements, including physicians and other health care professionals, are Body Wise Independent Consultants and have a financial interest in promoting the sale of Body Wise products. The statements herein have not been evaluated or approved by the Food and Drug Administration or the Federal Trade Commission. Body Wise makes no claim that its products are meant to treat, diagnose, cure or prevent disease. All Body Wise consultants are independent contractors.

\*Refer to the book *The Ultimate Nutrient*, by Jesse Stoff, M.D., Insight, Consulting, AZ 2000. (Exhibit E-1).

#### n. Allergies

I couldn't be more excited about **AG-Immune**<sup>TM</sup>! My daughter has had severe allergies since she was six months old. . . . I often had to miss work to care for her. Then Body Wise introduced **AG-Immune** and I began adding two capsules a day to her applesauce. I couldn't believe the difference in her! No more sneezing, no more runny nose, and now she can play outside almost all day."

(A "Consumer Notice" identical to that set forth in Paragraph 12(m) appears in small print at the bottom of the page). (Exhibit E-2).

#### o. "Poison Ivy

I became exposed to poison ivy and my dermatologist said it would take two weeks to clear up. He gave me a prescription for some topical cream. After I added **AG-Immune** to my nutritional program, I experience absolutely no itching or discomfort whatsoever, and the rash only lasted about ten days. **Quite amazing!**"

(A "Consumer Notice" identical to that set forth in Paragraph 12(m)

(A "Consumer Notice" identical to that set forth in Paragraph 12(m) appears in small print at the bottom of the page). (Exhibit E-2).

#### p. "Asthma

For several years, my athletic 16-year-old son has been an asthma sufferer and was subject to frequent respiratory infections. Since adding the nutritional support of four **AG-Immune** a day, he's needed no breathing treatments, had no upper respiratory infections and has only occasionally used an inhaler. As a concerned parent, **I'm** thrilled."

(A "Consumer Notice" identical to that set forth in Paragraph 12(m) appears in small print at the bottom of the page). (Exhibit E-2).

#### q. "Fibromyalgia

My 28-year-old daughter has suffered with fibromyalgia for three years now. She added six **AG-Immune** capsules a day to her nutritional regimen and after ten days, **her symptoms subsided.** She has been feeling some healing affects – mild cold-like symptoms – but her pain, numbness, fatigue, headaches, etc., have subsided. **Thank you, Body Wise!**"

(A "Consumer Notice" identical to that set forth in Paragraph 12(m) appears in small print at the bottom of the page). (Exhibit E-2).

#### r. "Hyperactive Thyroid

For the past seven weeks, I've been fighting a health problem that totally depleted my energy. . . . Finally, the doctors determined that I had a virus or infection which caused me to have a hyperactive thyroid. I was told no medication would resolve this problem and that recovery time was four to five months. Ironically, my **AG-Immune** arrived that evening. After two weeks of adding it to my nutritional regimen, I felt 100 percent recovered. Now I'm able to work a full day and have great energy!"

(A "Consumer Notice" identical to that set forth in Paragraph 12(m) appears in small print at the bottom of the page). (Exhibit E-2)

#### s. "Toenail Fungus

I originally began adding **AG-Immune** to my nutritional regimen for my allergies and soon discovered it was helping a secondary problem I hadn't considered. I have had a fungus under my big toenail for over 15 years. I have even had it surgically removed to try to correct the problem. . . . I have been on **AG-Immune** for two months now and **I now have a healthy toenail**. . . ."

(A "Consumer Notice" identical to that set forth in Paragraph 12(m) appears in small print at the bottom of the page). (Exhibit E-3).

#### t. "Rheumatoid Arthritis

About six months ago, rheumatoid arthritis struck my hands and feet with pain and swelling. After hearing Jesse Stoff at the ELC, I started adding the nutritional support of six **AG-Immune** daily. Within a week, the pain and swelling has subsided. When I write, I don't have pain and there's very little swelling."

(A "Consumer Notice" identical to that set forth in Paragraph 12(m) appears in small print at the bottom of the page). (Exhibit E-3).

#### u. "Stamina

When my fit, athletic wife added two **AG-Immune** to her Body Wise nutritional program, she started experiencing **incredible results**. Within her first week, she started a running program. . . . Six weeks into her **AG-Immune** regimen, she now runs a mile for speed one day, then two miles for endurance the next. . . . She's noticed a **significant increase in energy and overall tone** as well as an **improved positive attitude**."

(A "Consumer Notice" identical to that set forth in Paragraph 12(m) appears in small print at the bottom of the page). (Exhibit E-3).

#### v. "Hepatitis B

Unfortunately, when [my mother] had her hip replacement done two years ago, she apparently contracted Hepatitis B. Over the past year, she has become increasingly fatigued and developed a badly swollen, inflamed liver. Unfortunately, her doctor was unable to help her with this condition. . . . [W]e added the nutritional support of four **AG-Immune** a day. This week her doctor told her that the liver was normal and that she need not return for three months."

(A "Consumer Notice" identical to that set forth in Paragraph 12(m) appears in small print at the bottom of the page). (Exhibit E-3).

#### w. "Sinusitis and Chronic Fatigue

For the past ten years I've been a chronic sinus infection sufferer. . . . [T]he years of infection and antibiotics left me with a lack of stamina and symptoms of chronic fatigue. I started **AG-Immune** – six a day – and felt **completely revitalized** after the second day."

(A "Consumer Notice" identical to that set forth in Paragraph 12(m) appears in small print at the bottom of the page). (Exhibit E-3).

#### x. "Canker Sores

"Two weeks ago, my three-year-old daughter got her first bout of canker sores. . . . [S]he complained that it hurt to swallow. . . . [S]he would not eat. . . . I decided to mix a half a capsule of **AG-Immune** in her rice milk at breakfast, then the other half at lunchtime in her chamomile tea. At dinnertime, I mixed another half capsule in her evening water. To my amazement, the next morning she woke me up saying how hungry she was. . . . She ate [breakfast] without a complaint. . . ."

(A "Consumer Notice" identical to that set forth in Paragraph 12(m) appears in small print at the bottom of the page). (Exhibit E-4).

#### y. "Mononucleosis

My 13-year-old niece Paige had been in bed for three weeks with mononucleosis and wasn't getting better. My sister-in-law started her on the nutritional support of two **AG-Immune** capsules the first day and then four capsules for the next three days. She was back to school the following day!"

(A "Consumer Notice" identical to that set forth in Paragraph 12(m) appears in small print at the bottom of the page). (Exhibit E-4).

#### z. "Chronic Fatigue and Epstein Barr

I've had Chronic Fatigue and the Epstein-Barr Virus for years which has resulted in many challenges. I added **AG-Immune** to my nutritional supplement program in April when it first came out and also followed the Dr. Jesse Stoff regimen of reducing stress and getting more rest. I feel better than I ever have in my life."

(A "Consumer Notice" identical to that set forth in Paragraph 12(m) appears in small print at the bottom of the page). (Exhibit E-4).

#### aa. "Announcing new AG-Immune!

...  $Ai/E^{10}$  is an amazing nutrient found in AG-Immune. ... Some of the conditions which are highly resistant to cure, but for which  $Ai/E^{10}$  in clinical use has proven to be very effective are:

- Cancer
- Irritable Bowel Syndrome
- Colds and flu
- Chronic Fatigue Syndrome
- Sinusitis
- Candida Albicans
- Arthritis and Rheumatism
- Heart Disease
- Infection
- Lupus
- Hepatitis C

(Exhibit F).

bb. If you're like me, you know there are killers, biological killers, waiting in the shadows to claim your life, and you know it's not only celebrities, you have friends and relatives recently diagnosed with

breast cancer, prostate cancer, maybe even lupus, chronic fatigue syndrome or hepatitis C. (Exhibit G-1).

\* \* \*

On this audio, you're going to hear about the most powerful breakthrough in human nutrition in the last 100 years. It is now possible to modulate your immune system, to make yourself more resistant to these ravaging, chronic and infectious diseases that are the result of modern life and a suppressed immune system. (Exhibit G-3).

\* \* \*

Let's join Dr. Jesse Stoff in a recent interview. (Exhibit G-6)

MALE INTERVIEWER: You and Tom Tierney recently collaborated to formulate an immune modulation product, using a component, which has been referred to as the ultimate nutrient. What is it about this product that modulates the immune system so quickly and effectively?

DR. STOFF: The most effective immune modulator that has yet to be discovered is this wonderful compound of communication molecules referred to as Ai/E<sup>10</sup>. Ai/E<sup>10</sup>, of course, is the most potent component of AG-Immune. Ai/E<sup>10</sup> is a unique combination of molecules that enables the immune system to turn back on its identification process to identify things that are potential risks to our body. Then Ai/E<sup>10</sup> goes further to turn on the modulating effect of restoring the ability of the immune system to create an effective counter attack to search for and destroy abnormal cells, to search for and destroy virally infected cells, to help our body in the detoxification process. (Exhibit G-13).

\* \* \*

DR. STOFF: In my practice, I have specialized in working with people with severe and chronic diseases. Now, I specialize in doing research and in consulting with physicians who are continuing to work with these patients. I have seen many, many cases of patients where cancers can be reversed and put into a state of long-term remission, where severe and chronic infectious diseases, hepatitis C, Epstein-Barr virus can also be stopped and reversed through a process of immune support, detoxification, and critically immune modulation. (Exhibit G-16-17).

\* \* \*

I [DR. STOFF] recently completed a double blind study on 20 people where half of them were given a placebo and half were given the pure Ai/E<sup>10</sup> complex. The results were astounding to see in how quickly the immune system was able to restore its modulating function and its protective function in helping to reduce our risk of getting future illness. (Exhibit G-18).

\* \* \*

MALE INTERVIEWER: Dr. Stoff, we recognize that individual cases cannot predict the experience of our listeners, but. . . . One patient, age 77 with prostate cancer, saw his NK level rise from seven to 757 over 21 months and cancer in remission. Another, 56-year-old, in 16 months experiences an NK level increase from 26 to 399 and chronic fatigue syndrome is resolved. A 38-year-old with chronic infection went from four to 368 in 31 months and was normalized. Others had significant results in three to six months." (Exhibit G-20-21).

1	cc.	
2		"Antigen Infused Dialyzable
3		<b>Bovine Colostrum/Whey Extract</b>
4		The
5		Ultimate
6		Nutrient
7		Clinically Proven Benefit
8		for Anyone Suffering
9		Weakened Immune Function
10		Irritable Bowel Syndrome
11		Chronic Fatigue Syndrome
12		Candida Albicans
13		Arthritis & Rheumatism
14		Infection
15		Hepatitis C
16		Colds and Flu
17		Sinusitis
18		HIV/AIDS
19		Heart Disease
20		Lupus
21	Cancer	
22	Jesse A. Stoff, M.D.	
23		(Exhibit H).
24	dd.	BIG BEAR SEMINAR
25	MARSHA: My name is MARSHA HART and I'm really glad to have	
26		all you here this evening to hear about the immune wellness
27		seminar that TOM TIERNEY'S gonna do. (Exhibit I-10).
28		

TOM: . . . And allow me to just read this in case it's hard to read this from where you're sitting. If your [sic] like me, I would say, oh come on, are you kidding? The Ultimate Nutrient clinically proven benefit for anybody suffering from... Anybody? Weakened immune function, Irritable Bowl [sic] Syndrome, Chronic Fatigue Syndrome, Candida, Arthritis, Rheumatism, Infection, Hepatitis C, Colds, Flu, Sinusitis, HIV, Lupus, Cancer and the like. Show me, and why doesn't my doctor know? Okay, so the book gives you the results of 107 human clinicals. (Exhibit I-28).

So what does it take to move you up here, which is good. A healthy population. Well, intervention with an antigen infused therapy. Every single day. Just like taking a Centrum vitamin or something like that. So, when you are down here with a depressed immune system, really depressed. Wow, deep trouble. So let's look at some of those clinical cases that doctor STOFF has shared with us. And I want to reinforce, I'm not here as a physician because I'm not.

\*\*\*Now why don't you take that patient? That happens to be a 48-year-old male with Chronic Fatigue Syndrome, Psoriasis, an NK level 21 which we can all tell is poor, on that chart. JESSE'S treated that

The number one preventable cancer is colon cancer. Number one preventable cancer. Slow growing easy to detect, and the first thing you do is you start to notice uh, \*\*\* colon \*\*\* get polyps. Well, and this is a guy problem, this particular case is a beer drinker. Beer predisposes you to colon cancer \*\*\*. Now this guy had a lot of colon polyps. He was a polyp factory. No wonder. He had an NK count of

man for 20 months to put a \*\*\* an NK count of 780, and things look

good. (Exhibit I-29).

one. You might as well say nothing. You talk about sneezing and saying goodbye to him. JESSE treated him, 26 months, brought his NK level to an acceptable range. Polyps are gone. (Exhibit I-29-30). Now let's go and talk about that woman, case number eleven. 42 years old, Ovarian Cancer, JESSE treated her for 15 months. Complete remission. She started out with an NK count of 23. Brought it up to \*\*\*. You know this goes on and on. (Exhibit I-30). By the way, in the statistics, he tells you about the cases that don't. And he told me personally that these 107 cases, he lost an additional three people, but they presented themselves with him, when all other treatments have failed. So what we advocate is a prevention strategy, it's called know this stuff. Buy it for yourself \*\*\* I want to be proactive and I can do something about it, cause you can. This is the trade name for the antigen infused extract it's called AIE-10." (Exhibit I-30).

### VIOLATIONS OF THE COMMISSION'S ORDER FIRST CAUSE OF ACTION

- 20. Through the means described in Paragraph 19, Defendant Body Wise International, Inc., in connection with the labeling, advertising, promotion, offering for sale, sale, or distribution of AG-Immune, has represented, expressly or by implication, including through the use of expert endorsements and consumer testimonials, that:
  - A. AG-Immune prevents, mitigates, treats, cures or improves the symptoms of the following diseases or conditions: Allergies; AIDS; Asthma; Cancer; Candida; Canker Sores; Chronic Fatigue Syndrome; Cold; Colon Disease; Crohn's Disease; Epstein Barr; Fibromyalgia; Flu; Heart Disease; Hepatitis B; Hepatitis C; HIV; Hyperactive Thyroid; Infection; Irritable

Bowel Syndrome; Lupus; Mononucleosis; Poison Ivy; Rheumatoid Arthritis; Shingles; Sinusitis; Toenail Fungus; and Ulcerative Colitis; and,

#### B. AG-Immune:

- 1. triggers or activates the immune system to prevent or treat diseases or conditions;
- 2. increases the activity and/or the production of natural killer (NK) cells to prevent or treat diseases or conditions;
- 3. gives the immune system specific, coded information on how to respond to diseases or conditions; and
- 4. improves immune system function to prevent or treat diseases or conditions.
- 21. Defendant Body Wise International, Inc. has made the representations set forth in Paragraph 20 without possessing and relying upon competent and reliable scientific evidence that substantiates the representations, thereby violating Part II of the Commission's order.

#### SECOND CAUSE OF ACTION

- 22. Through the means described in Paragraph 19, Defendant Body Wise International, Inc., in connection with the labeling, advertising, promotion, offering for sale, sale, or distribution of AG-Immune, has represented, expressly or by implication, that scientific research demonstrates that AG-Immune prevents, mitigates, treats, cures or improves the symptoms of Irritable Bowel Syndrome; Chronic Fatigue Syndrome; Candida Albicans; Arthritis and Rheumatism; Infection; Hepatitis C; Colds and Flu; Sinusitis; HIV/AIDS; Heart Disease; Lupus and Cancer.
- 23. In truth and in fact, scientific research does not demonstrate that the use of AG-Immune prevents, mitigates, treats, cures or improves the symptoms of Irritable Bowel Syndrome; Chronic Fatigue Syndrome; Candida Albicans; Arthritis and Rheumatism; Infection; Hepatitis C; Colds and Flu; Sinusitis; HIV/AIDS;

5

6

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

therefore misrepresented the existence, contents, validity, results, conclusions or interpretations of tests, studies or research, thereby violating Part III of the

#### THIRD CAUSE OF ACTION

- 24. The advertisements and promotional materials described in Paragraph 19(d), (g), (bb), and (cc) contain endorsements by Dr. Jesse A. Stoff. A material connection exists between Defendant Jesse A. Stoff and Defendant Body Wise International, Inc., in that he is a consultant to the company and derives financial compensation from the sale of Body Wise products containing the ingredient  $Ai/E^{10}$ .
- Defendant Body Wise International, Inc. has failed to disclose, clearly and 25. prominently, the material connection between Defendant Stoff and Body Wise International, Inc., in violation of Part V of the Commission's order.

#### **VIOLATIONS OF SECTIONS 5 AND 12 OF THE FTC ACT**

Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits unfair or deceptive 26. 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, cosmetics or services. For the purposes of Section 12 of the FTC Act, 15 U.S.C. § 52, AG-Immune is either a "food" or "drug" pursuant to Section 15(b) and (c) of the FTC Act, 15 U.S.C. § 55(b) and (c). As set forth below, Defendants have engaged in such unlawful practices in connection with the labeling, advertising, promotion, offering for sale, sale or distribution of AG-Immune.

#### FOURTH CAUSE OF ACTION

Through the means described in Paragraph 19(d), (g), (bb), and (cc), 27. Defendant Jesse A. Stoff, in connection with the labeling, advertising, promotion,

offering for sale, sale, or distribution of AG-Immune, has represented, expressly or by implication, including through the use of expert endorsements, that:

- A. AG-Immune prevents, mitigates, treats, cures or improves the symptoms of Irritable Bowel Syndrome; Chronic Fatigue Syndrome; Candida Albicans; Arthritis and Rheumatism; Infection; Hepatitis C; Colds and Flu; Sinusitis; HIV/AIDS; Heart Disease; Lupus and Cancer; and
- B. AG-Immune:
  - 1. triggers or activates the immune system to prevent or treat diseases or conditions;
  - 2. increases the activity and/or the production of natural killer (NK) cells to prevent or treat diseases or conditions;
  - 3. gives the immune system specific, coded information on how to respond to diseases and conditions; and
  - 4. improves immune system function to prevent or treat diseases or conditions.
- 28. Through the means described in Paragraph 19(d), (g), (bb), and (cc), Defendant Jesse A. Stoff has represented, expressly or by implication, that he possessed and relied upon a reasonable basis that substantiated the representations set forth in Paragraph 27, at the time the representations were made.
- 29. In truth and in fact, Defendant Jesse A. Stoff did not possess and rely upon a reasonable basis that substantiated the representations set forth in Paragraph 27 at the time the representations were made. Therefore, the representations set forth in Paragraph 28 constitute deceptive practices, 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.

#### FIFTH CAUSE OF ACTION

30. Through the means described in Paragraph 19(d), (g), (bb), and (cc), Defendant Jesse A. Stoff has represented, directly or by implication, that, at the

time he made the representations set forth in Paragraph 27, he possessed and relied upon a reasonable basis for such representations, consisting of an actual exercise of his represented expertise in the causes and treatments of the diseases and conditions identified in Paragraph 27 at least as extensive as an expert in their treatment would normally conduct in order to support the conclusions represented in the endorsement.

31. In truth and in fact, at the time he made the representations set forth in Paragraph 27, Defendant Jesse A. Stoff did not possess and rely upon such a reasonable basis for such representations. Therefore, Defendant Jesse A. Stoff's representations set forth in Paragraph 30 constitute deceptive practices, 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.

#### SIXTH CAUSE OF ACTION

- 32. Through the means described in Paragraph 19(d), (g), (bb), and (cc), Defendant Jesse A. Stoff has represented, expressly or by implication, that scientific research demonstrates that AG-Immune prevents, mitigates, treats, cures or improves the symptoms of Irritable Bowel Syndrome; Chronic Fatigue Syndrome; Candida Albicans; Arthritis and Rheumatism; Infection; Hepatitis C; Colds and Flu; Sinusitis; HIV/AIDS; Heart Disease; Lupus and Cancer.
- 33. In truth and in fact, scientific research does not demonstrate that AG-20 Immune prevents, mitigates, treats, cures or improves the symptoms of Irritable Bowel Syndrome; Chronic Fatigue Syndrome; Candida Albicans; Arthritis and Rheumatism; Infection; Hepatitis C; Colds and Flu; Sinusitis; HIV/AIDS; Heart Disease; Lupus and Cancer. Therefore, Defendant Jesse A. Stoff's representations set forth in Paragraph 32 constitute deceptive practices, 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.

1

3

4

5

10

11

12

13

14

15

16

17

18

19

21

22

23

24

25

26

27

#### **CONSUMER INJURY**

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

## CIVIL PENALTIES, REDRESS, INJUNCTIVE AND OTHER EQUITABLE RELIEF

- 35. Each dissemination of an advertisement containing any representation in violation of the Commission's order in one or more of the ways described above constitutes a separate violation for which plaintiff seeks monetary civil penalties.
- 36. Section 5(1) of the FTC Act, 15 U.S.C. § 45(1), as modified by Section 4 of the Federal Civil Penalties Inflation Adjustment Act of 1990, 28 U.S.C. § 2461, as amended, and Section 1.98(c) of the Commission's Rules of Practice, 16 C.F.R.
- § 1.98(c), authorizes the Court to award monetary civil penalties of not more than \$11,000 for each violation of the Commission's order.
- 37. Under Sections 5(1) and 13(b) of the FTC Act, 15 U.S.C. §§ 45(l) and 53(b), this Court is authorized to issue a permanent injunction against Defendants' violations of the Commission's order and the FTC Act, and to grant ancillary relief, including consumer redress, disgorgement, and restitution to prevent and remedy any violations of any provision of law enforced by the Commission.
- 38. This Court, in the exercise of its equitable jurisdiction, may award other ancillary relief to remedy the injury caused by Defendants' violations of the law.

#### PRAYER FOR RELIEF

WHEREFORE, Plaintiff requests this Court, pursuant to 15 U.S.C. §§ 45(l) and 53(b), and pursuant to the Court's own equitable powers, to:

2

- (1) Enter judgment against Defendants and in favor of Plaintiff for each violation alleged in this Complaint;
- (2) Award Plaintiff monetary civil penalties from Defendant Body Wise International, Inc. for each violation of the Commission's order alleged in this Complaint;
- (3) Enjoin Defendant Body Wise International from violating the Commission's order issued in FTC Docket No. C-3617;
- (4) Enjoin Defendants from engaging in, or assisting others engaged in, violations of the FTC Act;
- (5) Award such relief as the Court finds necessary to redress injury to consumers resulting from Defendants' violations of the FTC Order and the FTC Act; including, but not limited to, rescission of contracts, the refund of monies paid, and the disgorgement of ill-gotten monies;
- (6) Order Defendants to pay the costs of this action; and

1	(7) Award Plaintiff such additional relief as the Court may deem just and			
2	proper.			
3	Dated:, 2005			
4 5	Of Counsel:	FOR THE UNITED STATES OF AMERICA		
6 7 8	ELAINE D. KOLISH Associate Director Division of Enforcement  ROBERT M. FRISBY Assistant Director	PETER D. KEISLER Assistant Attorney General Civil Division U.S. Department of Justice DEBRA W. YANG		
9	Division of Enforcement	United States Attorney		
10	JOEL N. BREWER	By: GARY PLESSMAN		
11	ROBIN P. SPECTOR Attorneys Division of Enforcement	Assistant United States Attorney Room 7516, Federal Building 300 North Los Angeles Street Los Angeles, California 90012 (213) 894-2474 (voice) (213) 894-2380 (facsimile)		
12 13	Federal Trade Commission 600 Pennsylvania Avenue, NW Washington, DC 20580	Los Angeles, California 90012 (213) 894-2474 (voice)		
14	washington, DC 20380			
15		EUGENE M. THIROLF Director Office of Consumer Litigation		
16		<b>C</b>		
17		By: ELIZABETH STEIN Trial Attorney		
18 19		Trial Attorney Office of Consumer Litigation U.S. Department of Justice		
20		Washington, DC 20044		
21		(202) 307-0486 (voice) (202) 514-8742 (facsimile)		
22				
23				
24				
25				
26				
27				