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IN THE UNITED STATES OF AMERICA BEFORE THE FEDERAL TRADE COMMISSION OFFICE OF THE ADMINISTRATIVE LAW JUDGES

In the Matter of	) Docket No.: 9329
DANIEL CHAPTER ONE, a corporation, and	) ) ) PUBLIC DOCUMENT
JAMES FEIJO, individually, and as an officer of Daniel Chapter One	

## RESPONDENTS' FIRST REQUEST FOR ADMISSIONS

Pursuant to FTC Rule of Practice 3.32 and the Court's scheduling order of October 28, 2008, Respondents Daniel Chapter One and James Feijo, individually and as an officer of Daniel Chapter One, propound their first request for admissions on Complaint Counsel and request that Counsel respond to them within 20 days by electronic mail and with paper copies to the address shown above.

## **INSTRUCTIONS AND DEFINITIONS**

A. "Respondent" or "Respondents" shall mean each Respondent in this proceeding as listed in the Complaint in *In the Matter of Daniel Chapter One*, Federal Trade Commission Docket No. 9329.

7. Admit or Deny: Concerning the Comments referred to in Request for Admission #6, the FTC Commission's vote was 5-0 authorizing the FTC staff to issue the Comments in response to the FDA's request.

8. Admit or Deny: Within the Comments, the FTC staff issued the following statement:

The FTC's approach to advertising for products like foods, over-the-counter ("OTC") drugs, and dietary supplements, while generally consistent with that of the FDA for these products, is also understandably more flexible, allowing a broader range of claims so long as they are accurate and not misleading. The Commission's law enforcement approach seeks to ensure that products and services are marketed in a manner that is truthful and not misleading, and that consumers have adequate information to make well-informed purchasing decisions.

9. Admit or Deny: Within the Comments, the FTC staff issued the following statement:

[T]he Commission has particularly rigorous substantiation requirements for health and safety claims. The Commission recognizes, of course, that even these rigorous standards require vigorous enforcement when false and misleading advertising occurs. However, available evidence suggests that the general benefits of an enforcement approach that encourages dissemination of truthful information, while vigorously attacking misleading claims when they occur, produces benefits for consumers.

10. Admit or Deny: Within the Comments, the FTC staff issued the following statement:

Striking the right balance depends on the nature of the claims and the risks that result from deception. Applicable First Amendment law looks in part to the availability of less restrictive alternatives, such as mandated disclosures, in assessing the legality of outright bans on potentially misleading commercial speech.

11. Admit or Deny: Within the Comments, the FTC staff issued the following statement:

Empirical evidence suggests that if consumers receive more and better information about nutrition and health, consumers are able to make better-informed choices about the food products they purchase. This, in turn, creates economic incentives for companies to develop healthier food products to satisfy consumers. Consumers thus would benefit if the FDA expanded its use of regulatory approaches that allow the dissemination of truthful and non-misleading claims about the nutrient content and health benefits of foods.

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- 12. Admit or Deny: The government does not have a substantial interest in preventing the dissemination of truthful commercial information in order to prevent members of the public from making bad decisions with the information.
- 13. Admit or Deny: The FTC has no regulation that sets forth the criteria for determining what is a "misleading" claim.
- 14. Admit or Deny: The FTC has no regulation that sets forth criteria for determining what is a "potentially misleading" claim.
- 15. Admit or Deny: the FTC has no regulation that sets forth the criteria for determining what are representations "by implication," as you use the quoted phrase in paragraphs 14 and 15 of your Complaint against Respondents.
- 16. Admit or Deny: Within the Comments, the FTC staff issued the following statement:

Advertising and labeling can be extremely effective tools to educate consumers about diet-disease relationships, to increase their awareness of diseases, to inform them of different treatment options, and to empower them to manage better their own health. The ability to present information in advertising and labeling can also provide a strong incentive to competitors to develop new products and to improve existing products, giving consumers more and better choices.

17. Admit or Deny: Within the Comments, the FTC staff issued the following statement:

[I]t appears that some of the benefits of information about the relative nutritional and health benefits of different food products may have decreased as a result of regulatory policies intended to limit health claims to the "best" dietary choices..."

- 18. Admit or Deny: The FTC issued a policy statement titled "FTC Policy Statement Regarding Advertising Substantiation" found at www.ftc.gov/bcp/guides/ad3subst.htm, which states standards used by the FTC.
- 19. Admit or Deny: The FTC has no regulations that set forth the standards or criteria for advertising substantiation.

- 20. Admit or Deny: The FTC issued a guide titled "Dietary Supplements: An Advertising Guide for Industry" found at www.ftc.gov/bcp/edu/pubs/business/adv/bus09.shtm, which states standards used by the FTC.
- 21. Admit or Deny: The FTC uses standards for the regulation of dietary supplements in addition to those found in the guide identified in Request for Admission #20.
- 22. Admit or Deny: Some consumers do not benefit from conventional cancer treatments, as you use the phrase "conventional cancer treatments" in Attachment A of your Complaint against Respondents (hereinafter referred to as "conventional cancer treatments").
- 23. Admit or Deny: Some consumers who suffer from cancer believe that conventional cancer treatments are harmful.
- 24. Admit or Deny: Some consumers who suffer from cancer believe that natural remedies, which include dietary supplements, will provide more health benefits in response to their cancer than conventional cancer treatments provide.
- 25. Admit or Deny: Some consumers who have suffered from cancer have avoided conventional cancer treatments as a matter of personal or religious choice.
- 26. Admit or Deny: Some consumers who have suffered from cancer prefer to use natural remedies, which include dietary supplements, over conventional cancer treatments as a matter of personal or religious choice.
- 27. Admit or Deny: The preference of some consumers who have suffered from cancer for the use of natural remedies, which include dietary supplements, is based on information about traditional use of those natural remedies.
- 28. Admit or Deny: Some consumers who have avoided conventional cancer treatments and who have instead used natural remedies, which include dietary supplements, have experienced cure or remission of their cancer.
- 29. Admit or Deny: Without information that comes from claims by supplement manufacturers about the traditional use of natural remedies, including dietary supplements, consumers would have less access to information about traditional use of natural remedies.

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SWANKIN & TURNER Attorneys for Respondents

Bv:

James S. Turner

1 Swankin & Turner James S. Turner 2 1400 16<sup>th</sup> Street, NW, Suite 101 Washington, DC 20036 3 Ph: 202-462-8800 4 Fax: 202-26506564 Email: jim@swankin-turner.com 5 6 7 IN THE UNITED STATES OF AMERICA BEFORE THE FEDERAL TRADE COMMISSION 8 OFFICE OF ADMINISTRATIVE LAW JUDGES 9 10 In the Matter of Docket No.: 9329 11 DANIEL CHAPTER ONE, **CERTIFICATE OF SERVICE** a corporation, and 12 JAMES FEIJO, 13 individually, and as an officer of 14 **Daniel Chapter One** 15 16 I certify that on December 16, 2008, I served by electronic mail and caused to be served 17 by Federal Express for delivery on December 17, 2008, Respondents' First Set of Interrogatories 18 to Complaint Counsel, Respondents' First Request for Production of Documentary Materials and 19 Tangible Things, and Respondents' First Request for Admissions on the following individuals: 20 21 Theodore Zang, Jr. Esq. Federal Trade Commission - Northeast Region 22 One Bowling Green, Suite 318 23 New York, NY 10004 24 Carole A. Paynter, Esq. Federal Trade Commission - Northeast Region 25 One Bowling Green, Suite 318 26

New York, NY 10004

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David W. Dulabon, Esq. Federal Trade Commission – Northeast Region One Bowling Green, Suite 318 New York, NY 10004

I further certify that on December 16, 2008, I served by electronic mail a courtesy copy of Respondents' First Request for Admissions on the Office of the Administrative Law Judges at oalj@ftc.gov.

I further certify that on December 16, 2008, I served one copy by electronic mail at secretary@ftc.gov, and caused to be served by Federal Express for delivery on December 17, 2008, the original and two copies of Respondents' First Request for Admissions on the Secretary of the Federal Trade Commission at:

Office of the Secretary Federal Trade Commission 600 Pennsylvania Avenue, NW, Room H-159 Washington, DC 20580

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