UNITED STATES OF AMERICA BEFORE FEDERAL TRADE COMMISSION

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In the Matter of

NATURAL ORGANICS, INC.,
a corporation, and

DOCKET NO. 9294

GERALD A. KESSLER,
individually and as an officer
of the corporation.

TO: The Honorable James P. Timony Chief Administrative Law Judge

COMPLAINT COUNSEL'S FIRST REQUEST FOR ADMISSIONS BY RESPONDENTS NATURAL ORGANICS, INC. AND GERALD A. KESSLER

Pursuant to Rule 3.32 of the Commission's Rules of Practice, complaint counsel hereby requests that respondents Natural Organics, Inc. ("Natural Organics") and Gerald Kessler, within 10 days after service of this request, admit the truth of the statements set forth below.

I. INSTRUCTIONS

For the purposes of this request, each paragraph and subparagraph constitutes a separate statement of fact and it is to be admitted or denied separately. Pursuant to Rule 3.32(b), you must specifically admit or deny the requested admission, or set forth in detail the reasons why you cannot admit or deny the matter. A denial must fairly meet the substance of the requested admission, and when good faith requires that you qualify your answer or deny only a part of the requested admission, you must specify what portion of it is true and qualify or deny the remainder. In addition, you may not give lack of information or knowledge as a reason for failure to admit or deny unless you state that you have made reasonable inquiry and that the information known or readily obtainable by you is insufficient to enable you to admit or deny. Rule 3.32 (b) requires that your responses be sworn to under oath.

It is not grounds for objection that the requested admission relates to opinions of fact or the application of law to fact. Your belief that the matter of which an admission is requested presents a genuine issue for trial does not, on that ground alone, provide a valid basis for objection.

II. ADMISSIONS

- 1. Exhibit A to the Complaint is a true and correct copy of an advertisement prepared by Natural Organics and disseminated in various magazines throughout the United States since 1997.
- 2. Exhibit A to the Complaint represents or implies that Pedi-Active A.D.D. will improve the attention span of children who have difficulty focusing on school work.
- 3. Consumers viewing Exhibit A to the Complaint could reasonably read it to represent or imply that Pedi-Active A.D.D. will improve the attention span of children who have difficulty focusing on school work.
- 4. Exhibit A to the Complaint represents or implies that Pedi-Active A.D.D. will improve the scholastic performance of children who have difficulty focusing on school work.
- 5. Consumers viewing Exhibit A to the Complaint could reasonably read it to represent or imply that Pedi-Active A.D.D. will improve the scholastic performance of children who have difficulty focusing on school work.
- 6. Exhibit A to the Complaint represents or implies that Pedi-Active A.D.D. will improve the attention span of children who suffer from attention deficit/hyperactivity disorder.
- 7. Consumers viewing Exhibit A to the Complaint could reasonably read it to represent or imply that Pedi-Active A.D.D. will improve the attention span of children who suffer from attention deficit/hyperactivity disorder.
- 8. Exhibit A to the Complaint represent or implies that Pedi-Active A.D.D. will improve the scholastic performance of children who suffer from attention deficit/hyperactivity disorder.
- 9. Consumers viewing Exhibit A to the Complaint could reasonably read it to represent or imply that Pedi-Active A.D.D. will improve the scholastic performance of children who suffer from attention deficit/hyperactivity disorder.
- 10. Exhibit A to the Complaint represents or implies that Pedi-Active A.D.D. will treat or mitigate attention deficit/hyperactivity disorder or its symptoms.
- 11. Consumers viewing Exhibit A to the Complaint could reasonably read it to represent or imply that Pedi-Active A.D.D. will treat or mitigate attention deficit/hyperactivity disorder or its symptoms.
 - 12. Exhibit B to the Complaint is a true and correct copy of an advertisement prepared

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by Natural Organics and disseminated to customers throughout the United States since 1997.

- 13. Exhibit B to the Complaint represents or implies that Pedi-Active A.D.D. will improve the attention span of children who have difficulty focusing on school work.
- 14. Consumers viewing Exhibit B to the Complaint could reasonably read it to represent or imply that Pedi-Active A.D.D. will improve the attention span of children who have difficulty focusing on school work.
- 15. Exhibit B to the Complaint represents or implies that Pedi-Active A.D.D. will improve the scholastic performance of children who have difficulty focusing on school work.
- 16. Consumers viewing Exhibit B to the Complaint could reasonably read it to represent or imply that Pedi-Active A.D.D. will improve the scholastic performance of children who have difficulty focusing on school work.
- 17. Exhibit B to the Complaint represents or implies that Pedi-Active A.D.D. will improve the attention span of children who suffer from attention deficit/hyperactivity disorder.
- 18. Consumers viewing Exhibit B to the Complaint could reasonably read it to represent or imply that Pedi-Active A.D.D. will improve the attention span of children who suffer from attention deficit/hyperactivity disorder.
- 19. Exhibit B to the Complaint represent or implies that Pedi-Active A.D.D. will improve the scholastic performance of children who suffer from attention deficit/hyperactivity disorder.
- 20. Consumers viewing Exhibit B to the Complaint could reasonably read it to represent or imply that Pedi-Active A.D.D. will improve the scholastic performance of children who suffer from attention deficit/hyperactivity disorder.
- 21. Exhibit B to the Complaint represents or implies that Pedi-Active A.D.D. will treat or mitigate attention deficit/hyperactivity disorder or its symptoms.
- 22. Consumers viewing Exhibit B to the Complaint could reasonably read it to represent or imply that Pedi-Active A.D.D. will treat or mitigate attention deficit/hyperactivity disorder or its symptoms.
- 23. Exhibit C to the Complaint is a true and correct copy of a letter Natural Organics sent to consumers who inquired about Pedi-Active A.D.D. in 1997.
- 24. Exhibit C to the Complaint represents or implies that Pedi-Active A.D.D. will improve the attention span of children who have difficulty focusing on school work.

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- 25. Consumers viewing Exhibit C to the Complaint could reasonably read it to represent or imply that Pedi-Active A.D.D. will improve the attention span of children who have difficulty focusing on school work.
- 26. Exhibit C to the Complaint represents or implies that Pedi-Active A.D.D. will improve the scholastic performance of children who have difficulty focusing on school work.
- 27. Consumers viewing Exhibit C to the Complaint could reasonably read it to represent or imply that Pedi-Active A.D.D. will improve the scholastic performance of children who have difficulty focusing on school work.
- 28. Exhibit C to the Complaint represents or implies that Pedi-Active A.D.D. will improve the attention span of children who suffer from attention deficit/hyperactivity disorder.
- 29. Consumers viewing Exhibit C to the Complaint could reasonably read it to represent or imply that Pedi-Active A.D.D. will improve the attention span of children who suffer from attention deficit/hyperactivity disorder.
- 30. Exhibit C to the Complaint represent or implies that Pedi-Active A.D.D. will improve the scholastic performance of children who suffer from attention deficit/hyperactivity disorder.
- 31. Consumers viewing Exhibit C to the Complaint could reasonably read it to represent or imply that Pedi-Active A.D.D. will improve the scholastic performance of children who suffer from attention deficit/hyperactivity disorder.
- 32. Exhibit C to the Complaint represents or implies that Pedi-Active A.D.D. will treat or mitigate attention deficit/hyperactivity disorder or its symptoms.
- 33. Consumers viewing Exhibit C to the Complaint could reasonably read it to represent or imply that Pedi-Active A.D.D. will treat or mitigate attention deficit/hyperactivity disorder or its symptoms.
- 34. Exhibit D to the Complaint is a true and correct copy of a page on Natural Organic's Web site that was disseminated in 2000.
- 35. Exhibit D to the Complaint represents or implies that Pedi-Active A.D.D. will improve the attention span of children who have difficulty focusing on school work.
- 36. Consumers viewing Exhibit D to the Complaint could reasonably read it to represent or imply that Pedi-Active A.D.D. will improve the attention span of children who have difficulty focusing on school work.

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- 37. Exhibit D to the Complaint represents or implies that Pedi-Active A.D.D. will improve the scholastic performance of children who have difficulty focusing on school work.
- 38. Consumers viewing Exhibit D to the Complaint could reasonably read it to represent or imply that Pedi-Active A.D.D. will improve the scholastic performance of children who have difficulty focusing on school work.
- 39. Exhibit D to the Complaint represents or implies that Pedi-Active A.D.D. will improve the attention span of children who suffer from attention deficit/hyperactivity disorder.
- 40. Consumers viewing Exhibit D to the Complaint could reasonably read it to represent or imply that Pedi-Active A.D.D. will improve the attention span of children who suffer from attention deficit/hyperactivity disorder.
- 41. Exhibit D to the Complaint represent or implies that Pedi-Active A.D.D. will improve the scholastic performance of children who suffer from attention deficit/hyperactivity disorder.
- 42. Consumers viewing Exhibit D to the Complaint could reasonably read it to represent or imply that Pedi-Active A.D.D. will improve the scholastic performance of children who suffer from attention deficit/hyperactivity disorder.
- 43. Exhibit D to the Complaint represents or implies that Pedi-Active A.D.D. will treat or mitigate attention deficit/hyperactivity disorder or its symptoms.
- 44. Consumers viewing Exhibit D to the Complaint could reasonably read it to represent or imply that Pedi-Active A.D.D. will treat or mitigate attention deficit/hyperactivity disorder or its symptoms.
- 45. Consumers viewing the trade name Pedi-Active A.D.D. could reasonably read the "A.D.D." as referring to "attention deficit disorder."
- 46. The abbreviation or term "A.D.D." is commonly used by the public to refer to attention deficit disorder.
- 47. The abbreviation or term "A.D.D." is understood by reasonable consumers to refer to attention deficit disorder.
- 48. The abbreviation or terms "A.D.D." is commonly used by the public to refer to attention deficit/hyperactivity disorder.
 - 49. The abbreviation or term "A.D.D." is understood by reasonable consumers to refer

to attention deficit/hyperactivity disorder.

- 50. Natural Organics targeted Pedi-Active A.D.D. to parents of children who have been diagnosed as having attention deficit/hyperactivity disorder or its symptoms.
- 51. Parents have written to Natural Organics about how they have used Pedi-Active A.D.D. to treat their children who have been diagnosed as having attention deficit/hyperactivity disorder.
 - 52. Gerald Kessler is the sole shareholder of Natural Organics.
 - 53. Gerald Kessler has veto power over Natural Organic's advertising.
- 54. Gerald Kessler participated in the development, preparation, or placement of Exhibit A to the Complaint.
- 55. Gerald Kessler participated in the development or preparation, or placement of Exhibit B to the Complaint.
- 56. Gerald Kessler participated in the development or preparation, or placement of Exhibit C to the Complaint.
- 57. Gerald Kessler participated in the development or preparation, or placement of Exhibit D to the Complaint.
 - 58. Gerald Kessler approved the content of Exhibit A to the Complaint.
 - 59. Gerald Kessler approved the content of Exhibit B to the Complaint.
 - 60. Gerald Kessler approved the content of Exhibit C to the Complaint.

- 61. Gerald Kessler approved the content of Exhibit D to the Complaint.
- 62. Employees of Natural Organics participated in the development, preparation, or placement of Exhibit A to the Complaint.
- 63. Employees of Natural Organics participated in the development, preparation, or placement of Exhibit B to the Complaint.
- 64. Employees of Natural Organics participated in the development, preparation, or placement of Exhibit C to the Complaint.
 - 65. Employees of Natural Organics participated in the development, preparation, or

placement of Exhibit D to the Complaint.

- 66. Gerald Kessler controls the activities of the employees of Natural Organics who participated in the development, preparation, or placement of Exhibit A to the Complaint.
- 67. Gerald Kessler controls the activities of the employees of Natural Organics who participated in the development, preparation, or placement of Exhibit B to the Complaint.
- 68. Gerald Kessler controls the activities of the employees of Natural Organics who participated in the development, preparation, or placement of Exhibit C to the Complaint.
- 69. Gerald Kessler controls the activities of the employees of Natural Organics who participated in the development, preparation, or placement of Exhibit D to the Complaint.
- 70. Pedi-Active A.D.D. is a drug within the meaning of Sections 12 and 15 of the Federal Trade Commission Act.
- 71. Pedi-Active A.D.D. is a food within the meaning of Sections 12 and 15 of the Federal Trade Commission Act.

Respectfully submitted,

Matthew D. Gold Kerry O'Brien

Linda K. Badger

Complaint Counsel Western Region Federal Trade Commission 901 Market Street, Suite 570 San Francisco, CA 94103 (415) 356-5266

Dated: October 4, 2000

CERTIFICATE OF SERVICE

This certifies that a copy of Complaint Counsel's First Request for Admissions by Respondents Natural Organics, Inc. and Gerald A. Kessler was served by Federal Express on October 4, 2000, on the following:

Mark Landau, Esq.
John M. Desiderio, Esq.
Fran Obeid, Esq.
Kaplan, Thomashower & Landau LLP
26 Broadway
New York, NY 10004

Milton A. Bass, Esq. 2 Sutton Place South New York, NY 10022

James P. Timony Chief Administrative Law Judge Federal Trade Commission 600 Pennsylvania Ave., N.W. Washington, D.C. 20580

> Matthew D. Gold Kerry O'Brien Linda K. Badger