

For Immediate Release

Title: Former SEC Division of Enforcement lawyer sites potential independence and conflict of issues problems between Medifast (NYSE:MED) and their independent, outside auditors in four-page letter to Commission

Sub Title: Expert's letter sites possible stock-touting of Medifast (NYSE:MED) stock by company's single-officed, New Jersey based, outside auditors through their alleged independent investment entity. Expert also notes that PCAOB cited Medifast auditors for significant deficiencies in three of six audit engagements reviewed by them, or 50% of audits in their sample.

June 9th, 2009 San Diego, CA

Is the Medifast, Inc (NYSE:MED) independent auditor moonlighting as the company's stock promoter to investor clients? That appears to be the conclusion of a six-week investigation conducted by the Fraud Discovery Institute, Inc who today released several documents (www.frauddiscovery.net) including a letter from Michael Brown, who in addition to working in the SEC Enforcement Division served as the General Counsel for three nationwide securities broker-dealers which uniquely qualifies him to identify alleged impropriety and conflicts of interest issues.

According to the letter by securities expert Michael Brown and other evidence just released on a web site specifically dedicated to the Fraud Discovery Institute's almost year-long investigation of Medifast, Inc (www.medifraud.net), Medifast's outside accountants, Bagell, Josephs & Levine & Company, LLC, have over the past three years (http://bagelljosephs.com/abt_partners.html), also operated B JL Wealth Management, LLC (<http://bjlwealth.com/new/bjlwealth/gate.asp>) at the same address of the audit firm and have many of the same partners in both firms.

The investigation revealed that B JL Wealth Management, LLC recommended the purchase of Medifast stock to an operative of the Fraud Discovery Institute, Inc, which appears to cross the line of independence according to Mr. Brown, who asserts that *"if such conduct is indeed occurring, then it would appear that B JL's independence as MED's outside auditor has been compromised."*

Other evidence just released includes a recent and now resolved PCAOB (Public Company Accounting Oversight Board) letter of concern (http://www.pcaobus.org/Inspections/Public_Reports/2008/Bagell_Josephs_Levine.pdf) and the various recent dismissals of Bagell Josephs Levine & Company, LLC by certain clients (please see http://www.google.com/search?sourceid=navclient&ie=UTF-8&rlz=1T4HPIC_enUS315US315&q=%2b%22bagell+josephs%22+%2bdismisssed).



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The Fraud Discovery Institute, Inc has forwarded their findings to the newly appointed Director of the Division of Enforcement at the SEC, Mr. Robert Khuzami. According to Barry Minkow, Co Founder of the Fraud Discovery Institute, Inc "This is a disturbing finding and one that seems to pass the test of 'the appearance of impropriety'. In a post Enron/Sarbanes-Oxley environment, for an independent, outside auditor that is in this case the corroborator of Medifast's recent blow-out earnings-- which has subsequently induced massive public investment thus dramatically increasing Medifast's stock price-- to apparently have a stake in the game is troubling."