

For Immediate Release

Title: Non Profit Consumer Advocate Group teams up with FDI; files formal complaint against Medifast, Inc (NYSE:ME) with law enforcement

Sub title: FDI to roll out You Tube video interviews of past Medifast, Inc (NYSE:MED) “coaches” who enrolled in the business opportunity only to conclude it was an endless chain

Friday, May 22nd, 2009 San Diego, CA

Pyramid Scheme Alert Founder and nationally recognized expert Robert Fitzpatrick released a copy of a letter he authored that was sent to various law enforcement agencies yesterday that was also signed by Fraud Discovery Institute, Inc Co-Founder Barry Minkow (www.frauddiscovery.net). The letter essentially establishes irrefutable points of similarity between Medifast, Inc and YTB and essentially establishes that if applied consistency, the same result experienced in the YTB case would apply to Medifast, Inc (NYSE:MED).

The points of similarity between the 2008 prosecution of YTB and Medifast, Inc. and forwarded to law enforcement were first reported in a release by FDI earlier this week and include the following:

1. Both identify themselves as “multi-level marketing” companies that offer all consumers an “income opportunity” based upon selling their product and recruiting other consumers into the business opportunity.
2. Both companies charge a fee of hundreds of dollars for the opportunity to earn income from reselling the income opportunity.
3. Both employ 10-levels of pyramid recruiters, which grants enormous financial leverage to the top recruiters while dooming the latest recruits to positions of loss unless they are able to build their own “downline” of new consumer/investors.
4. Both employ an “endless chain” incentive to consumers for investing in the business and purchasing the products. Regardless of market size and saturation in any given area both companies promote continuous and unlimited recruitment of more sales people.
5. Both utilize pay plans that drive endless chain recruiting activity over retail sales. The plans pay more to the recruiters than the retailers and apply payment formulas that transfer the greater share of total payments to the top levels of the pyramid.
6. Both companies showed remarkable growth in the midst of an economic downturn and within respective industries and product sectors that are contracting. Such dramatic upturns under these conditions are classic red flags.

The Fraud Discovery Institute, Inc also announced that they will begin profiling stories of past “coaches” of Medifast, Inc who attempted to succeed in the business opportunity but failed because of the endless chain, pyramid compensation plan that rewards recruitment over retailing. “Google is wonderful tool” said Barry Minkow, Co-Founder of the Fraud Discovery Institute, Inc. “When people who want to join Medifast, Inc first “Google” the company, YouTube will pop up and the potential recruit will be educated from those with first hand experience about how much money they did not make with a business opportunity that boasts of a potential “\$8,000 to \$20,000 per month in income.”

By allowing past recruits to tell their story, FDI hopes to ‘level the playing field’ for the potential Medifast, Inc recruit.