

September 15, 2008

Fraud Discovery Institute Inc
9770 Carroll Center Rd
Ste F
San Diego, CA 92126

Attn: Christopher Grell, Esq
Barry Minkow

Re: Bodycote Job Number 108621

Dear Christopher Grell Esq, Barry Minkow

Enclosed is the revised report for Bodycote job number 108621. Per your request, we have changed the ID's as follows:

Originally Reported As:

Medifast 70 French Vanilla Shake
FV-52210 46133

Medifast 710 Dutch Chocolate Shake
DC-70-52110 49805

Now Reported As:

Medifast 70 French Vanilla Shake
FV-52210 46133

29498B2EXP110709OUD
Medifast 710 Dutch Chocolate Shake
DC-70-52110 49805
29648V1EXP010710OUD

We apologize for any inconvenience this may have caused you.

Please return or destroy the original laboratory report previously sent to you.

Sincerely,

Bodycote Testing Group



Eric W. Lindsay
General Manager
EWL:lo

September 15, 2008

Fraud Discovery Institute Inc
9770 Carroll Center Rd
Ste F
San Diego, CA 92126

Attn: Christopher Grell, Esq
Barry Minkow

Job No: 108621R1

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REVISED LABORATORY REPORT

Samples Received: Two (2) Samples
Date Received: 09/11/2008
Original Report Issued: 09/12/2008
Purchase Order No: CREDIT CARD

The samples were analyzed as follows:

Analysis

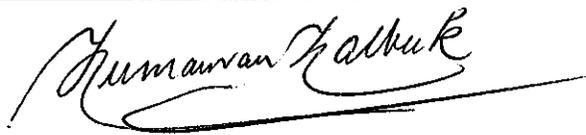
Page

Lead for CA Prop 65 by SOP 7130, Rev 5
Selected Metals by SOP 7040, Rev 9

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Michael Shelton
Senior Staff Chemist



Herman van Halbeek, Ph.D.
Senior Staff Chemist

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Page 1 of 4

Lead for CA Prop 65 by SOP 7130, Rev 5
Quantitative Analysis Report
Isotope Dilution Inductively Coupled Plasma-Mass Spectrometry

<u>Sample ID</u>	<u>Lead(µg/g)</u>	<u>Serving Size (g)</u>	<u>Lead (µg/serving)</u>
Medifast 70 Dutch Chocolate Shake DC70-52110 49805 29648V1EXP010710OUD	0.0458	32.4	1.48
Medifast 70 French Vanilla Shake FV70-52210 46133 29498B2EXP110709OUD	0.0312	31.2	0.973
Detection Limit:	0.002		

Date Analyzed: 09-12-08

Quality Control Summary

Sample: Medifast 70 French Vanilla Shake FV70-52210 46133, 29498B2EXP110709OUD

<u>Analyte</u>	<u>Sample Result</u>	<u>Duplicate Result</u>	<u>Average Result</u>	<u>Sample RPD</u>	<u>Spike Conc</u>	<u>Spike Result</u>	<u>Spike % Rec</u>
Lead	0.0312	0.0352	0.0332	12.0	0.995	0.968	94
Control Limits:				<25			80 - 120

Date Analyzed: 09-12-08

Selected Metals by SOP 7040, Rev 9
Quantitative Analysis Report
Inductively Coupled Plasma-Mass SpectrometryParts Per Million ($\mu\text{g/g}$)

<u>Sample ID</u>	<u>Parts Per Million</u> <u>($\mu\text{g/g}$)</u>	<u>Detection</u> <u>Limit ($\mu\text{g/g}$)</u>	<u>Serving</u> <u>Size (g)</u>	<u>Micrograms</u> <u>Per Serving</u>
Medifast 70 Dutch Chocolate Shake DC70-52110 49805, 29648V1EXP010710OUD				
Arsenic	0.035	0.003	32.4	1.1
Cadmium	0.035	0.003	32.4	1.1
Mercury	ND	0.003	32.4	ND (<0.1)
Detection Limit:	0.003	0.003	0.003	0.003

Date Analyzed: 09-12-08

Selected Metals by SOP 7040, Rev 9
Quantitative Analysis Report
Inductively Coupled Plasma-Mass Spectrometry

<u>Sample ID</u>	<u>Parts Per Million (µg/g)</u>	<u>Detection Limit (µg/g)</u>	<u>Serving Size (g)</u>	<u>Micrograms Per Serving</u>
Medifast 70 French Vanilla Shake FV70-52210 46133, 29498B2EXP110709OUD				
Arsenic	0.030	0.003	31.2	0.94
Cadmium	0.018	0.003	31.2	0.56
Mercury	ND	0.003	31.2	ND (<0.09)
Detection Limit:	0.003	0.003	0.003	

Date Analyzed: 09-12-08

Quality Control Summary

Sample: Medifast 70 French Vanilla Shake FV70-52210 46133, 29498B2EXP110709OUD

<u>Analyte</u>	<u>Sample Result</u>	<u>Duplicate Result</u>	<u>Average Result</u>	<u>Sample RPD</u>	<u>Spike Conc</u>	<u>Spike Result</u>	<u>Spike % Rec</u>
Arsenic	0.030	0.034	0.032	NA	2.5	2.88	114
Cadmium	0.018	0.018	0.018	NA	2.5	2.13	84
Mercury	ND	ND	ND	NA	0.25	0.210	84

Date Analyzed: 09-12-08

Sample: Laboratory Fortified Blank (LFB)

<u>Analyte</u>	<u>Blank Result</u>	<u>Spike Conc</u>	<u>Spike Result</u>	<u>Spike % Rec</u>
Arsenic	ND	2.5	2.14	86
Cadmium	ND	2.5	2.12	85
Mercury	ND	0.25	0.247	99

Date Analyzed: 09-12-08

September 16, 2008

Fraud Discovery Institute Inc
9770 Carroll Center Rd
Ste F
San Diego, CA 92126

Attn: Christopher Grell, Esq
Barry Minkow

Job No: 108690

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LABORATORY REPORT

Samples Received: Two (2) Samples
Date Received: 09/08/2008
Date Requested: 09/15/2008
Purchase Order No: NO CHARGE

The sample was analyzed as follows:

Analysis

Page

Lead for CA Prop 65 by SOP 7130, Rev 5

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Michael Shelton
Senior Staff Chemist



Samina N. Hussain
Senior Chemist

Lead for CA Prop 65 by SOP 7130, Rev 5
Quantitative Analysis Report
Isotope Dilution Inductively Coupled Plasma-Mass Spectrometry

<u>Sample ID</u>	<u>Lead(µg/g)</u>	<u>Serving Size (g)</u>	<u>Lead (µg/serving)</u>
Medifast 70 French Vanilla Shake Lot 29651B3EXP123109OUD FV-52210 46133	0.040	31.2	1.25
Medifast 70 Dutch Chocolate Shake Lot 29649V1EXP010810OUD DC70-52110 49805	0.045	32.4	1.46
Detection Limit:	0.02		

Date Analyzed: 09-16-08

Quality Control Summary

Sample: Medifast 70 Dutch Chocolate Shake DC70-52110 49805 Lot 29649V1EXP010810OUD

<u>Analyte</u>	<u>Sample Result</u>	<u>Duplicate Result</u>	<u>Average Result</u>	<u>Sample RPD</u>	<u>Spike Conc</u>	<u>Spike Result</u>	<u>Spike % Rec</u>
Lead	0.0449	0.0499	0.0474	NA	1.00	0.981	93
Control Limits:				<25			80 - 120

Date Analyzed: 09-16-08



ANALYTICAL LABORATORIES IN ANAHEIM, INC.
2951 Saturn Street Unit C, Brea, CA 92821 Phone:(714)524-9988 Fax:(714)524-9926
Website: <http://www.analytical-lab.com>

Fraud Discovery Institute, Inc.
9770 Carroll Center Rd.
San Diego, CA 92126
Tel: (858) 549-7729 Fax: (858) 547-6359
Job #: 27031 Sample: Medifast Dutch Chocolate Shake
Lot #:

Attn: Barry Minkow
Receive Date: 09/15/2008
Report Date: 09/19/2008

Analysis	Claim	Result
Per Serving		
Arsenic		0.914 mcg/32.4g
Lead		0.914 mcg/32.4g
Cadmium		1.04 mcg/32.4g
Mercury		< 0.0324 mcg/32.4g

Method: ICP/MS for Mercury, Cadmium, Lead, Arsenic

Chemist:

[Signature] 09/19/2008

Director, David Ji:

[Signature] 09/22/2008



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Fraud Discovery Institute, Inc.
9770 Carroll Center Rd.
San Diego, CA 92126
Tel: (858) 549-7729 Fax: (858) 547-6359
Job #: 27030 Sample: Medifast French Vanilla Shake
Lot #:

Attn: Barry Minkow
Receive Date: 09/15/2008
Report Date: 09/19/2008

Analysis	Claim	Result
Per Serving		
Arsenic		1.11 mcg/31.2g
Lead		0.521 mcg/31.2g
Cadmium		0.618 mcg/31.2g
Mercury		0.0462 mcg/31.2g

Method: ICP/MS for Mercury, Cadmium, Lead, Arsenic

Chemist:

09/19/2008

Director, David Ji:

09/19/2008



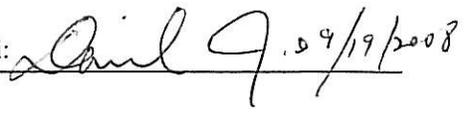
ANALYTICAL LABORATORIES IN ANAHEIM, INC.
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Website: <http://www.analytical-lab.com>

Fraud Discovery Institute, Inc.
9770 Carroll Center Rd.
San Diego, CA 92126
Tel: (858) 549-7729 Fax: (858) 547-6359
Job #: 27030 Sample: Medifast French Vanilla Shake
Lot #:

Attn: Barry Minkow
Receive Date: 09/15/2008
Report Date: 09/19/2008

Analysis	Claim	Result
Arsenic		35.7 ppb
Lead		16.7 ppb
Cadmium		19.8 ppb
Mercury		1.48 ppb

Method: ICP/MS for Mercury, Cadmium, Lead, Arsenic

Chemist:  09/19/2008 Director, David Ji:  09/19/2008



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Website: <http://www.analytical-lab.com>

Fraud Discovery Institute, Inc.
9770 Carroll Center Rd.
San Diego, CA 92126
Tel: (858) 549-7729 Fax: (858) 547-6359
Job #: 27031 Sample: Medifast Dutch Chocolate Shake
Lot #:

Attn: Barry Minkow
Receive Date: 09/15/2008
Report Date: 09/19/2008

<u>Analysis</u>	<u>Claim</u>	<u>Result</u>
Arsenic		28.2 ppb
Lead		28.2 ppb
Cadmium		32.1 ppb
Mercury		< 1 ppb

Method: ICP/MS for Mercury, Cadmium, Lead, Arsenic

Chemist:

09/19/2008

Director, David Ji:

09/19/2008

Law Offices of Christopher E. Grell

Attorneys At Law specializing in ephedra litigation, asbestos, dietary supplements, and PPA
The Broadlake Plaza, 360 22nd Street, Suite 320, Oakland, California 94612
Telephone: 510-832-2980 Fax: 510-832-2986

February 16, 2009

Dear Mr. Minkow;

I reviewed your expert's report on Medifast, Inc (including the update), the lab reports from BodyCote and Analytical Labs (both FDA approved labs), the Medifast web site with special focus on suggested frequency of consumption for the products tested and your 'Madoff/Medifast' pyramid and Ponzi comparison. As the Co-Founder of the Dietary Supplement Safety Committee with expertise on Prop 65, I have come to the following conclusions relating to your test results of certain popular Medifast products:

1. Medifast French Vanilla: The first test showed .973 mcg of lead per single serving. This is 109% or 1.09X's more than the .50 mcg of lead per day allowed under Prop 65. If the Attorney General ever decided to apply Prop 65 to this product, a warning label would be required based on just this one serving. If the recommended servings of two or three times a day are included, the number obviously goes up to between 309% or 3.09X's to 584% or 5.84X's higher than what Prop 65 would allow.

The second test of the same French Vanilla type product showed 1.25 mcg per single serving. This is 205% greater or 2.05X's higher than the .50mcg per day set forth in Prop 65. Again, if you added the total servings per day, the exposure would be substantially higher.

2. Medifast Dutch Chocolate: The test showed 1.48 mcg per single serving. This is 296% or 2.96X's more than Prop 65 allows.

The second test showed 1.46 mcg per single serving which is 292% or 2.92X's greater than Prop 65 allows.

In addition to the number of servings per day, these products are typically used with many other products that a person is supposed to take under the Medifast weight management plan. If these products showed similar lead levels, the potential for serious injury increases significantly.

Indeed, in order to sell as much product as possible and because, based on your expert's report, Medifast relies upon a closed system whereby little actual retailing to those outside the scheme or who are not "coaches", the "consumer" aka the

"coaches" are compelled to consume even higher than normal amounts of the product leading to even greater risk.

In short, it would appear, based largely on the company's realization that the best way to move product, when traditional retailing is not an option, is to get the "coaches " to purchase and consume the product in predictable and profitable time tables, leading to excessive consumptions of lead as well as other heavy metals that were detected in the tests that were done, that Medifast is putting profits over safety.

I also have some preliminary concern about Medifast's claim that their products do not appear to be involved with the "peanut" recall. As you may know, Medifast's competitor, Slimfast, made recalls relating to their products that contain peanuts, even though no reports of adverse events were made. Medifast on the other hand, has made no recalls of their nutritional bar products even though Medifast knows that these products are "Manufactured in a facility that uses tree nuts, wheat and peanuts."

In my view, the better part of wisdom would dictate that the company reconsider this apathetic approach to a very serious issue especially when certain competitors have already taken steps to protect the public against possible salmonella poisoning from contaminated products that either contain peanuts or that are "manufactured in a facility" where peanuts are used.

Indeed, in light of the fact that a number of Medifast's clinical studies, which Medifast relies on to promote the safety and efficacy of their products, were "funded" by Medifast, in my opinion, the safety of Medifast's products should be viewed with considerable suspicion.

Respectfully,

Christopher E Grell, Esq.