

**Press Releases** 

August 19, 2009

## MADIGAN FILES LAWSUITS AGAINST ACAI BERRY COMPANIES

## Illinois Attorney General Goes After Aggressive Marketers Making False Endorsement Claims and Deceptively Charging Consumers after "Free Trials"

Chicago — Attorney General Lisa Madigan today urged consumers to be cautious of signing up for free trials of acai berry products. Madigan filed consumer fraud lawsuits against three suppliers and a local affiliate marketer of acai berry products charging that the companies lure customers with free trial offers - through aggressive Internet marketing techniques - and then charge customers' credit cards prematurely, do not always supply the product and make it nearly impossible to cancel.

"For thousands of dieters, the quest for a miracle product has become a nightmare," said Attorney General Madigan. "Far too often, consumers end up losing their money - not weight - in these deals."

Madigan filed three lawsuits today in the Chancery Division of the Circuit Court of Cook County.

In addition, Harpo, Inc., producers of "The Oprah Winfrey Show" and "The Dr. Oz Show," along with Dr. Mehmet Oz, filed a trademark infringement complaint today against 40 Internet marketers of dietary supplements, including acai berry products among others. The Attorney General's office and representatives from Chicago-based Harpo, Inc., coordinated an investigation of consumer complaints - many provided to the Attorney General's office by Harpo - revealing the deceptive practices of these companies. Neither Ms. Winfrey nor Dr. Oz has ever sponsored or endorsed any acai berry or dietary supplement product.

"The acai berry supplement sales programs are among the most aggressive that we have seen using misleading sales tactics to scam consumers," said Attorney General Madigan. "Consumers should always be skeptical and educate themselves instead of blindly believing any endorsement claims. Also, consumers need to be very wary of weight loss and health claims that sound too good to be true."

Madigan filed two separate lawsuits against three suppliers and their related entities. In the first lawsuit against an acai berry supplement supplier, Madigan sued **Advanced Wellness Research**, its successor, **Netalab**, and **Nicholas Molina**, the former president of Advanced Wellness and an agent of Netalab. Both companies are based in Florida and operate out of a fulfillment center in Wood Dale, Ill. Madigan's second supplier lawsuit is against **Crush LLC** and its owner, **TMP Nevada**, **Inc**., based in Utah.

The complaints against the suppliers allege that these companies engage in a very similar scam to market and sell acai berry supplements. According to the complaints, the companies offer consumers a "free trial" to entice them to sign up by providing a credit card number for shipping and handling charges. The companies use the "free trial" period to hook the consumers into a continuity sales program, where consumers are often unaware that they have agreed to buy a monthly supply of acai berry supplements (or other health supplement products) for \$29 to \$89 per month unless they cancel their orders within 14 days. Many consumers do not even receive shipment of the trial supplements before they are billed for the first monthly installment shipment. As part of this scam, consumers then find it very difficult to cancel future orders. The companies often bill consumers' credit cards for a few months supply before the consumers are able to cancel the orders or cancel their credit card payments.

In the third complaint filed today, Madigan sued Amirouche & Norton, LLC and Larby Amirouche, an affiliate marketer that uses Internet search engines, pop-up ads, Web sites, and advertising on social networking sites to drive Internet traffic to suppliers' Web sites. Madigan's complaint alleges that the marketer misleads consumers through false advertising and false endorsements. Affiliate marketers like Amirouche & Norton are generally paid by sellers for driving traffic to their sites. The affiliate marketers receive compensation when Internet users click-through to the sellers' sites and commission for sales resulting from traffic that they route to the sellers' site.

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"We must hold these Internet scammers accountable for their role in a seedy marketing game that steers unsuspecting consumers to online schemes," Madigan said. "We also need to send a clear message to other marketers and networks in the business of designing misleading, traffic enticing schemes."

Madigan's three suits ask the court to enter a permanent injunction barring the defendants from selling dietary supplements or continuing with misleading marketing schemes that impact Illinois consumers. The lawsuits also ask the court to order the defendants to pay restitution for consumers who have lost money and civil penalties of \$50,000 for violating the Illinois Consumer Fraud and Deceptive Business Practices Act.

Assistant Attorney General Adam Sokol is handling the cases for Madigan's Consumer Fraud Bureau.

Consumers who want to file a complaint with Madigan's office can download a complaint form from the Attorney General's Web site at <u>www.illinoisattorneygeneral.gov</u> or call the Consumer Fraud Hotline at:

Chicago Consumer Fraud Hotline: 1-800-386-5438 Springfield Consumer Fraud Hotline: 1-800-243-0618 Carbondale Consumer Fraud Hotline: 1-800-243-0607 Spanish Language Hotline: 1-866-310-8398

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