

Press Releases

September 16, 2016

MADIGAN URGES ILLINOIS RESIDENTS TO SUBMIT CLAIMS FOR \$3 MILLION HERBALIFE SETTLEMENT

Chicago — Attorney General Lisa Madigan today urged Illinois residents who were victims of Herbalife nutrition company's multilevel marketing scheme to file a complaint with her office to benefit from an additional \$3 million settlement with the company. The Illinois settlement is in addition to the Federal Trade Commission's nationwide \$200 million settlement with Herbalife.

Under the Illinois agreement, Herbalife, which sells global nutrition and weight management products, must pay an additional \$3 million in relief to affected Illinois members who participated in Herbalife at any point from 2009 through the present. The FTC reached a separate \$200 million settlement with Herbalife that will provide reimbursement to impacted members nationwide, including in Illinois.

Illinois Herbalife members who have not yet filed a complaint with Madigan's office should submit a complaint online or contact Madigan's Consumer Fraud Hotline:

1-800-386-5438 (Chicago) 1-800-243-0618 (Springfield) 1-800-243-0607 (Carbondale)

"I encourage anyone who was a victim of Herbalife's scheme to contact my office to obtain additional relief on top of what is being provided nationally," Madigan said.

Madigan alleged that Herbalife's current business model involved luring members with promises of lavish rewards for selling the company's products, when in fact, the majority of incentives were given to people who recruited others to sell the company's products. As a result, most people who joined Herbalife never made any money from the company but lost the costs of starting a business.

The FTC settlement requires Herbalife to change its business model to ensure all compensation is based on retail sales that are verified. It also prohibits Herbalife from making statements that indicate that participation in Herbalife is likely to result in a lavish lifestyle, such as you "can quit your job," "be set for life," "earn millions of dollars," or "make more money than they ever have imagined or thought possible." That also includes images of opulent mansions, private helicopters, private jets, yachts and exotic automobiles in their promotions.

Division Chief Deborah Hagan, Senior Consumer Counsel Charles Fergus, and Assistant Attorneys General Jacob Gilbert and Gregory Jones handled the case for Madigan's Consumer Fraud Bureau.

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