UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS EASTERN DIVISION

)
FEDERAL TRADE COMMISSION,)
Plaintiff,) Case No. 11 C 2485
v.)) n (Judge
RICARDO JOSE LABRA, individually,) Magistrate Judge
Defendant.)
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<u>COMPLAINT FOR PERMANENT INJUNCTION</u> <u>AND OTHER EQUITABLE RELIEF</u>

Plaintiff, the Federal Trade Commission ("FTC"), for its Complaint alleges:

1. The FTC brings this action under Sec undem33(b) 0.0.1tF

which prohibits unfair or deceptive acts or practic

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Cleanse, Colon Healing, ColoPure Cleanse, NatraClean Colon Cleanse, Colotox, and Liquiboost (collectively, the "Colon Cleanse Products"), work-at-home kits, teeth whiteners, and skin cream.

9. Defendant promotes these products through websites designed to look like news reports. These sites use domain names such as consumernewspick.com and theconsumerweeklydigest.com and include headings or titles such as "News Alerts" and "Special Report." The sites often include the names and logos of major broadcast and cable television networks, falsely representing that the reports on the sites have been seen on these networks.

10. The sites purport to provide objective investigative reports authored by reporters or commentators typically pictured on the sites. The supposed authors of the reports claim to have tested the products on themselves and experienced dramatic and positive results. Following the reports are "responses" or "comments" that appear to be independent statements made by ordinary consumers.

11. In fact, Defendant's news reports are fake. Reporters or commentators pictured on the sites are fictional and never conducted the tests or experienced the results described in the reports. The "responses" and "comments" following the reports are simply additional advertising content, not independent statements from ordinary consumers.

12. Defendant also promotes products, including the Acai Berry Products and the Colon Cleanse Products, through websites designed to look like personal blogs. These sites use domain names such as kristingotskinny.com and rachaels-blog.com and include headings such as "Kristin's Weightloss Blog, Story of How I Lost 53 lbs of Fat Using a 'Duo Diet," and "Rachael's (me) Weightloss story Blog, How I Lost Weight Using a 'Wonder Berry' Pill." The

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sites purport to be ordinary, independent consumers' blogs describing personal experiences using the featured products and the positive results achieved.

13. The sole purpose of Defendant's websites is to promote the featured products on behalf of third-party merchants who then sell the products on other websites. Defendant's promotional websites are designed to entice consumers to click on links that will transfer them to a merchant's website. Defendant receives a commission or other payment for each consumer who clicks on a link and ultimately makes a purchase or signs up for a "free trial" on the merchant's website. In this context, Defendant commonly is referred to as an "affiliate marketer."

14. Defendant has failed to disclose in a clear and conspicuous manner that he is not objectively evaluating these products and, in fact, is being paid to promote the products. Defendant's websites either fail entirely to disclose these facts, or fail to do so adequately. The relevant information, if disclosed at all, typically appears in small type at the bottom of the web page, following the fake consumer comments, well below the links to the products being sold.

15. In promoting products through his websites, Defendant also makes deceptive claims about the products. Defendant has represented, for example, that the Acai Berry Products, alone or in combination with the Colon Cleanse Products, cause rapid and substantial weight loss. Defendant typically claims on his sites that reporters and others who tested the Acai Berry Products, alone or in combination with the Colon Cleanse Products, lost twenty-five pounds or more in four weeks without any special diet or intense exercise.

16. In truth and in fact, the Acai Berry Products, alone or in combination with the Colon Cleanse Products, do not cause rapid and substantial weight loss. Defendant does not possess or rely upon a reasonable basis to substantiate representations that consumers who use

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affecting commerce, in violation of Sections 5(a) and 12 of the FTC Act, 15 U.S.C. §§ 45(a) and 52.

COUNT TWO

Misrepresentations (Fake News Reports)

22. Through the means described in Paragraphs 8 through 16 of this Complaint,

Defendant has represented, directly or indirectly, expressly or by implication, that:

a. Defendant's websites are objective news reports;

b. Objective news reporters have performed independent tests demonstrating

the effectiveness of the products featured; and

c. The comments following the "articles" on Defendant's websites express the views of independent consumers.

23. In truth and in fact:

a. Defendant's websites are advertisements made to appear as objective news reports;

b. Objective news reporters have not performed independent tests demonstrating the effectiveness of the products featured; and

c. The comments following the "articles" on Defendant's websites do not express the views of independent consumers.

24. Therefore, the making of the representations as set forth in Paragraph 22 of this Complaint constitutes a deceptive act or practice, in or affecting commerce, in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

COUNT THREE

Failures to Disclose (Connection to Seller)

25. In numerous instances in connection with the advertising, marketing, promotion, offering for sale, or sale of Acai Berry Products, Colon Cleanse Products, and other products, including through the means described in Paragraphs 8 through 16 of this Complaint, Defendant has represented, directly or indirectly, expressly or by implication, that the content of his websites has been authored by an objective journalist who has conducted independent tests.

26. Institutes instances in which Defendant has made the representation set forth in Paragraph 25 of this Complaint, Defendant has failed to disclose or disclose adequately to consumers that the content of Defendant's websites has not been authored by an objective journalist but is in fact an advertisement placed by Defendant. Defendant receives commissions or other payments when consumers purchase thehfi.n000 fTEA(at)Etj5a@800 0.0000 TD(los)Tj14.0400 0.0000 TD(etj64)

THIS COURT'S POWER TO GRANT RELIEF

29. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant injunctive and such other relief as the Court may deem appropriate to halt and redress violations of any provision of law enforced by the FTC. The Court, in the exercise of its equitable jurisdiction, may award ancillary relief, including rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies, to prevent and remedy any violation of any provision of law enforced by the FTC.

PRAYER FOR RELIEF

Wherefore, Plaintiff FTC, pursuant to Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), and the Court's own equitable powers, requests that the Court:

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D. Award Plaintiff the costs of bringing this action, as well as such other and

additional relief as the Court may determine to be just and proper.

Respectfully submitted,

WILLARD K. TOM General Counsel

DATED: April 13, 2011

/s/ Joannie T. Wei

Joannie T. Wei Steven M. Wernikoff Federal Trade Commission 55 West Monroe Street, Suite 1825 Chicago, Illinois 60603 (312) 960-5634 [telephone main] (312) 960-5600 [facsimile] jwei@ftc.gov [email] swernikoff@ftc.gov [email] Attorneys for Plaintiff FEDERAL TRADE COMMISSION