

1 YAA A. APORI
yapori@ftc.gov
2 SANDHYA PRABHU
sprabhu@ftc.gov
3 Federal Trade Commission
601 New Jersey Avenue, NW, Rm. 2122
4 Washington, DC 20001
(202) 326-3796, 2040 (voice)
5 (202) 326-2558 (fax)

6 Local Counsel
JENNIFER BRENNAN
7 jmbrennan@ftc.gov
CA Bar No. 225473
8 Federal Trade Commission
10877 Wilshire Boulevard, Suite 700
9 Los Angeles, CA 90024
(310) 824-4334 (voice)
10 (310) 824-4380 (fax)

11 ATTORNEYS FOR PLAINTIFF
FEDERAL TRADE COMMISSION

12 UNITED STATES DISTRICT COURT
13 CENTRAL DISTRICT OF CALIFORNIA

14
15 FEDERAL TRADE COMMISSION,

16 Plaintiff,

17 v.

18 NATURAL SOLUTION, INC., and
ISABEL J. MENDOZA, individually, and
19 as President of Natural Solution, Inc.,

20 Defendants.
21
22

CIVIL ACTION NO.

**COMPLAINT FOR
INJUNCTIVE AND OTHER
EQUITABLE RELIEF**

23
24 Plaintiff, Federal Trade Commission (“FTC” or “Commission”), by its
25 undersigned attorneys alleges as follows:

26 1. The FTC brings this action under Section 13(b) of the Federal Trade
27 Commission Act (“FTC Act”), 15 U.S.C. § 53(b), to secure injunctive and other

1 equitable relief against Defendants for engaging in deceptive acts or practices in
2 connection with the advertising, marketing, sale, and distribution of Knutric, a
3 liquid dietary supplement that purports to prevent and treat prostate cancer, breast
4 cancer, and colon cancer, in violation of Section 5 of the FTC Act, 15 U.S.C.
5 § 45(a).

6 7 **JURISDICTION AND VENUE**

8 2. This Court has subject matter jurisdiction over the FTC's claims
9 pursuant to 15 U.S.C. §§ 45(a) and 53(b), and 28 U.S.C. §§ 1331, 1337(a), and
10 1345.

11 3. Venue in the Central District of California is proper under 15 U.S.C.
12 § 53(b) and 28 U.S.C. § 1391(b) and (c).

13 14 **PLAINTIFF**

15 4. The FTC is an independent agency of the United States government
16 created by statute. 15 U.S.C. §§ 41 *et seq.* The Commission is charged, *inter alia*,
17 with enforcement of Section 5 of the FTC Act, 15 U.S.C. § 45(a), which prohibits
18 unfair or deceptive acts or practices in or affecting commerce. The FTC, through
19 its attorneys, is authorized to initiate federal district court proceedings to enjoin
20 violations of the FTC Act, and to secure such other equitable relief as may be
21 appropriate in each case, including disgorgement of ill-gotten gains and restitution
22 for consumers. 15 U.S.C. § 53(b).

23 24 **DEFENDANTS**

25 5. Defendant Natural Solution, Inc. ("Natural Solution") is a California
26 corporation with a registered address at 163 Limestone Rd., Claremont, CA 91711
27

1 and a principal place of business at 432 N. Barranca Ave., Covina, CA 91723. At
2 all times material to this Complaint, Natural Solution has participated in the acts
3 and practices described in this Complaint. Natural Solution transacts or has
4 transacted business in the Central District of California.

5 6. Defendant Isabel Mendoza is the President of Natural Solution. At
6 all times material to this Complaint, acting alone, or in concert with others, she has
7 formulated, directed, controlled, or participated in the acts and practices of Natural
8 Solution, including the acts and practices set forth in this Complaint. Ms.
9 Mendoza resides in the Central District of California, where she transacts or has
10 transacted business.

11 12 **COMMERCE**

13 7. At all times material to this Complaint, Defendants have maintained a
14 substantial course of trade in or affecting commerce, as “commerce” is defined in
15 Section 4 of the FTC Act, 15 U.S.C. § 44.

16 17 **DEFENDANTS’ BUSINESS PRACTICES**

18 8. Since at least January 2005, and continuing thereafter, Defendants
19 have advertised, marketed, sold, and distributed Knutric to consumers located
20 throughout the United States, specifically targeting Spanish-speaking consumers.
21 Defendants state that Knutric consists primarily of 20 medicinal plants and 6
22 minerals. Defendants claim that Knutric can effectively prevent and treat
23 numerous health ailments, including prostate cancer, breast cancer, and colon
24 cancer.

25 9. To induce consumers to purchase Knutric, Defendants, directly or
26 through third parties, have disseminated or caused to be disseminated, television
27

1 advertisements and ordering information for Knutric, including but not limited to,
2 the attached Plaintiff's Exhibits, Exhibit 1 ("PX 1") and Exhibit 2.¹

3 10. In numerous instances, Defendants have disseminated long-form
4 television advertisements ("infomercials"), approximately 30 minutes in duration.

5 11. The advertisements feature spokespersons who tout the benefits of
6 Knutric, medical endorsements, and testimonials from several consumers who
7 purportedly recount their personal experiences and successes with Knutric. *See*
8 PX 1.

9 12. One Knutric infomercial includes statements that the 20 plants and 6
10 minerals contained in Knutric are necessary to prevent the development of serious
11 chronic diseases. More specifically, a spokesperson states that:

- 12 • "Knutric is the ideal treatment to avoid and fight dangerous diseases
13 like cancer, diabetes, breast cancer, arthritis, high cholesterol,
14 heartburn, prostate cancer and much more." *See* PX 1 at 5-6, 13.
- 15 • "Knutric is a formula with 20 medicinal plants and 6 minerals that
16 will help you to fight and prevent terrible sickness like cancer of the
17 colon, diabetes, fever, coughing, asthma, hair loss, infections, heart
18 attacks and much more." *See* PX 1 at 10, 14, 17, 20, 25, 26.

19 13. In addition to these statements, the same infomercial includes medical
20 endorsements from two people identified as Dr. Alma Millan and Dr. Ruben Valle
21 Catalan. Dr. Millan, who is identified as a "naturopath," describes Knutric as "[a]
22 wonderful product . . . [w]hich is, really, a combination of science and nature."
23 *See* PX 1 at 7. The infomercial identifies Dr. Catalan as a "doctor of general and
24

25 ¹ Exhibit 2 is a VHS tape of a Knutric infomercial that is lodged
26 separately.
27

1 homeopathic medicine.” Dr. Catalan claims to have prescribed
2 Knutric to his own patients and endorses Knutric as an effective treatment for
3 various ailments. See PX 1 at 21-22.

4 14. Defendants reinforce their claims with respect to the prevention and
5 treatment of cancer by including several visual images and demonstrations in the
6 advertisements.

- 7 • In one such image, as Dr. Millan discusses the benefits of Knutric, a
8 bar graph appears. The bar graph, entitled “Principal Malignant
9 Tumors in Mexico in 1996,” appears to reflect the frequency with
10 which various types of tumors are found in the Mexican population.
11 Each bar corresponds to the following types of tumors: uterine wall
12 tumors, breast tumors, prostate tumors, endometrium tumors,
13 ganglion tumors, stomach tumors, tracheal tumors, bronchial and lung
14 tumors, ovarian tumors, testicular tumors, tumors of the bladder, and
15 others. Each bar is also accompanied by two numerical figures, the
16 significance of which is unclear.
- 17 • In another image, the following words appear in the center of the
18 screen:

19 *COLON CANCER*

20 *DIABETES*

21 *FEVER*

22 *COUGH*

23 *ASTHMA*

24 *LOSS OF HAIR*

25 *INFECTIONS*

26 *HEART ATTACKS*

1 *AND MUCH MORE*

2 In the next frame, two bottles of Knutric appear, and in the right
3 margin of the screen the following message is displayed:

4 "TREATMENT FOR 4 MONTHS."

5 • In yet another image, an infomercial presents a demonstration of the
6 efficacy of Knutric using a container of water and a light bulb. A
7 spokesperson places a light bulb into clear water and notes that the
8 light bulb fails to illuminate because it does not contain "essential
9 minerals your body needs." The spokesperson proceeds to add
10 Knutric to the water, at which point the light bulb illuminates.

11 15. Defendants represent, directly and by implication, that Knutric is
12 effective in preventing and treating cancer. In fact, there is no scientific evidence
13 to support this claim.

14 16. Defendants reinforce the notion that Knutric is endorsed by the
15 medical community in telephone conversations with customers. Customers who
16 call the toll-free number displayed in a Knutric infomercial or commercial are
17 connected to an operator who typically asks them about the health problems or
18 diseases they suffer from and how they learned about Knutric. If customers ask
19 for specific information about how Knutric prevents and treats particular diseases,
20 they receive a follow-up call from someone claiming to be either a doctor or a
21 representative from the Knutric laboratory who provides them with additional
22 details about Knutric's benefits.

23 17. Knutric is typically purchased as a set of two bottles (amounting to a
24 two-month supply) for a cost of one hundred and seventy dollars (\$170). In
25 addition to the two bottles of Knutric, the delivery package includes additional
26 promotional materials (in both Spanish and English) attesting to the benefits and
27

1 efficacy of the product. The package also includes information about re-ordering
2 Knutric by telephone.

4 **VIOLATIONS OF THE FTC ACT**

5 18. Section 5 of the FTC Act, 15 U.S.C. § 45(a), prohibits unfair or
6 deceptive acts or practices in or affecting commerce. Misrepresentations or
7 omissions of material fact constitute deceptive acts or practices prohibited by
8 Section 5 of the FTC Act.

10 **COUNT I**

11 19. In numerous instances, in the course of advertising, marketing,
12 selling, and distributing Knutric, Defendants have represented, expressly or by
13 implication, that use of Knutric can prevent and treat prostate cancer, breast
14 cancer, and colon cancer.

15 20. The representations set forth in Paragraph 19 were not substantiated
16 at the time the representations were made. Therefore, the making of the
17 representations set forth in Paragraph 19 constitutes a deceptive practice in or
18 affecting commerce, in violation of Section 5(a) of the FTC Act, 15 U.S.C.
19 § 45(a).

21 **CONSUMER INJURY**

22 21. Consumers throughout the United States have suffered, and continue
23 to suffer, monetary loss and possible physical injury resulting from Defendants'
24 unlawful acts and practices. Defendants also have been unjustly enriched as a
25 result of their unlawful acts and practices. Absent injunctive relief, Defendants
26 are likely to continue to injure consumers, reap unjust enrichment, and harm the
27

1 public interest.

2
3 **COURT'S AUTHORITY TO GRANT RELIEF**

4 22. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this
5 Court to grant preliminary and permanent relief, rescission of contracts and
6 restitution, disgorgement of ill-gotten gains, and other equitable relief to prevent
7 and remedy any violations of any provision of law enforced by the FTC.

8
9 **PRAYER FOR RELIEF**

10 WHEREFORE, the FTC, pursuant to Section 13(b) of the FTC Act, 15
11 U.S.C. § 53(b), and the Court's inherent equitable powers, requests that this Court:

12 (a) Award the FTC such preliminary injunctive and ancillary relief as
13 may be necessary to avert the likelihood of consumer injury during the pendency
14 of this action and to preserve the possibility of effective final relief, including but
15 not limited to, a temporary restraining order and a preliminary injunction;

16 (b) Award the FTC such other and additional relief as the Court may
17 determine to be just and proper;

18 (c) Permanently enjoin Defendants from violating the FTC Act as alleged
19 herein;

20 (d) Award such equitable relief as the Court finds necessary to redress
21 injury to consumers resulting from Defendants' violations of Section 5 of the FTC
22 Act, including but not limited to, rescission of contracts and restitution, and
23 disgorgement of ill-gotten gains by Defendants; and

24 (e) Award the FTC the costs of bringing this action and such other
25 equitable relief as the Court may determine to be just and proper.

1 Dated: September __, 2006

Respectfully Submitted,

2 William Blumenthal
3 General Counsel

4
5 Jennifer Brennan
6 Yaa A. Apori
7 Sandhya Prabhu

8 Attorneys for Plaintiff
9 Federal Trade Commission

10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28