1 2	WILLIAM BLUMENTHAL General Counsel			
3	Sarah Schroeder (Cal. Bar No. 221528) Linda Badger (Cal. Bar No. 122209)			
4	Kerry O'Brien (Cal. Bar No. 1492 Laura Fremont (Cal. Bar No. 1596			
5	Federal Trade Commission 901 Market Street, Suite 570			
6	San Francisco, CA 94103 Phone (415) 848-5100/ Fax (415)			
7	E-mail address: sschroeder@ftc.g	VC		
8	Attorneys for Plaintiff			
9	Federal Trade Commission			
10				
11	UNITED STATES I NORTHERN DISTRIC			
12	FEDERAL TRADE COMMISSION,			
13	Plaintiff,	Case No.		
14	, V.			
15	LATINOS GROUP PROMOTIONS, and	COMPLAINT FOR INJUNCTIVE		
16	JORGE CARPINTEYRO,	AND OTHER EQUITABLE RELIEF		
17	individually and as President			
18	of Latinos Group Promotions,			
19	Defendants.			
20	Plaintiff, the Federal Trade	e Commission ("FTC"), through		
21	its undersigned attorneys, alleges as follows:			
22	1. Plaintiff FTC brings this action under Section 13(b)			
23	of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C.			
24	§ 53(b), to secure a permanent in	njunction, rescission of		
25	contracts, restitution, disgorgen			
26	other equitable relief against t			
27	Complaint 1			

I

1 deceptive acts or practices in connection with the advertising, 2 marketing, and sale of the dietary supplement products Arcomig 3 and Essiac Formula, which purport to treat, cure, prevent, or 4 lower the risk of numerous serious diseases and health 5 conditions, including cancer, diabetes, lupus, and tinnitus, in violation of Sections 5(a) and 12 of the FTC Act, 15 U.S.C. §§ 6 7 45(a) and 52.

## JURISDICTION AND VENUE

10 2. This Court has subject matter jurisdiction over this 11 matter pursuant to 15 U.S.C. §§ 45(a), 52, and 53(b), and 28 12 U.S.C. §§ 1331, 1337(a), and 1345.

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

#### THE PARTIES

17 Plaintiff, the Federal Trade Commission, is an 4. 18 independent agency of the United States Government created by 19 See 15 U.S.C. §§ 41-58. The FTC enforces Section 5(a) statute. of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or 20 21 deceptive acts or practices in or affecting commerce. The FTC 22 also enforces Section 12 of the FTC Act, 15 U.S.C. § 52, which 23 prohibits false advertisements for food, drugs, devices, 24 services, or cosmetics in or affecting commerce. The FTC may 25 initiate federal district court proceedings, through its 26 attorneys, to enjoin violations of the FTC Act and to secure

Complaint

15 16

13

14

8

9

such equitable relief, including rescission of contracts,
 restitution, and disgorgement of ill-gotten gains, as may be
 appropriate in each case. 15 U.S.C. § 53(b).

Defendant Latinos Group Promotions ("Latinos Group") 4 5. 5 is a closely-held California corporation located at 1318 Maine 6 Avenue, Baldwin Park, California. At all times relevant to this Complaint, acting alone or in concert with others, Latinos Group 7 8 has marketed, distributed, and sold Arcomig and Essiac Formula to consumers throughout the United States. Latinos Group is 9 10 incorporated in California and does business in the Northern District of California. 11

12 6. Defendant Jorge Carpinteyro is president of Latinos 13 Group. At all times relevant to this Complaint, acting 14 individually or in concert with others, Jorge Carpinteyro has 15 formulated, directed, controlled or participated in the acts and 16 practices of Latinos Group, including the various acts and 17 practices set forth herein. Jorge Carpinteyro resides at 1741 18 East Oakridge Circle, West Covina, California, and transacts or 19 has transacted business in the Northern District of California.

#### COMMERCE

7. The acts and practices of the Defendants, as alleged herein, have been in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

20

21

22

23

24

25

26

27

## DEFENDANTS' COURSE OF CONDUCT

8. Since at least 2001, Defendants have advertised, distributed, and sold Arcomig and Essiac Formula, purported cure-all products, nationwide through, but not necessarily limited to, a 30-minute television infomercial and/or Internet websites, including: www.arcomig.tv, arcomig.homestead.com, latinosgroup.com, and latinosgp.homestead.com.

## Arcomig

9 9. Arcomig is a liquid dietary supplement that purports
10 to contain, among other ingredients, angelica, alfalfa, garlic,
11 shaved grass, chamomile, spices, citric acid, English plantain,
12 licorice, echinacea, and sodium benzoate. The Defendants offer
13 three bottles of Arcomig for \$189 directly to consumers
14 primarily through a toll-free telephone number.

15

1

2

3

4

5

6

7

8

# Defendants' Advertisements for Arcomig

16 10. To induce consumers to purchase Arcomig, the Defendants 17 have disseminated or caused to be disseminated advertisements for 18 Arcomig through a 30-minute television infomercial and on 19 Internet websites, including: www.arcomig.tv, 20 arcomig.homestead.com, latinosgroup.com, and 21 latinosqp.homestead.com. These advertisements, including but not 22 necessarily limited to the attached Exhibits A through C, contain 23 the following statements and depictions, among others:

4

26 27

24

25

## a. Excerpts from Internet Website www.arcomig.tv

Many people have health problems such as DIABETES, HIGH CHOLESTEROL, MIGRAINES, ARTHRITIS and diseases as serious as CANCER.... Fortunately, there is now a product that can help solve these and many other health problems: ARCOMIG.

It removes all the cholesterol, deposits, uric acid, toxins, free radicals and malignant cells in a natural and permanent way.

8 ARCOMIG is a registered product and has been approved by 9 the F.D.A. in the United States of America.

WHAT IS ARCOMIG FOR?

ARCOMIG has proven to be very effective in the treatment of DEGENERATIVE DISEASES, such as ARTHRITIS, HIGH CHOLESTEROL, MIGRAINES, DIABETES, AND URIC ACID, and there are also many registered cases of CANCER AND LEUKEMIA.

\* \* \*

In addition to this, ARCOMIG has been used to treat
diseases such as ASTHMA, DIGESTIVE PROBLEMS, LIVER,
KIDNEYS, by eliminating the cause of these diseases as well
as the symptoms, Aches, Dizziness, Ringing in the ear,
Weakness, Exhaustion, Circulatory problems, Blurry Vision,
Sexual impotence, etc.

+++

3. ARCOMIG is not just a juice extracted from exotic fruits, ARCOMIG is the product of serious investigation. The production costs are very high, but the results are very effective, as you will see for yourself. They have been proven through scientific studies performed at prestigious universities.

4. Any medical treatment for DIABETES, CANCER, MIGRAINES, ARTHRITIS, CIRCULATORY PROBLEMS, or any other disease can cost THOUSANDS OF DOLLARS AND MONTHS OF ILLNESS. Your investment in ARCOMIG is very small in comparison, and you will be surprised by the results.

27

Complaint

1

2

3

4

5

6

7

10

12

13

18

19

20

21

22

23

24

25

1	- Exhibit A, portions of website	
2	www.arcomig.tv (original in Spanish and English)	
3	EIGIISII)	
4	b. Excerpts from Internet Websites arcomig.homestead.com,	
5	latinosgrp.homestead.com, and latinosgroup.com	
6 7	ARCOMIG, 100% natural product, with extracts of 27 roots and plants. Natural treatment for CHOLESTEROL, DIABETES, ARTHRITIS, CANCER.	
8 9	ARCOMIG. THOUSANDS ARE SEEING THE MARVELOUS RESULTS DON'T WAIT ANY LONGER!!	
10	ARTHRITIS, DIABETES, CANCER, LEUKEMIA, MIGRAINES, LUPUS,	
11	POOR CIRCULATION, NUMBNESS OF THE EXTREMITIES, INDIGESTION, FATIGUE, DEPRESSION, UNEXPLAINED PAIN, TINNITUS	
12	HOW LONG HAVE YOU SUFFERED WITH THIS ILLNESS?	
13		
14	HOW MUCH HAVE YOU SPENT ON DOCTORS AND TREATMENTS, WITHOUT RESULTS?	
15	DID YOU KNOW THAT THE PHARMACEUTICALS DON'T WANT YOU TO BE	
16 17	COMPLETELY CURED?	
17 18	HOW LONG DO YOU WANT TO KEEP ON SUFFERING WITH THAT	
10	We know there are thousands of natural products that	
20	promise to help you with that illness. But ARCOMIG is the	
21	only 100% natural treatment, PROVEN THROUGH SCIENTIFIC STUDIES at prestigious Cornell University in New York, that	
22	GUARANTEES that your life will not be the same after treatment with ARCOMIG.	
23	* * *	
24	ALL THESE TESTIMONIALS ARE ACTUAL CASES	
25	BONE CANCER	
26	ARTHRITIS AND DIABETES	
27		
	Complaint 6	

1	OSTEOPOROSIS
2	DEFORMING ARTHRITIS LUNG CANCER
3	LUPUS
4	 DIABETES
5	* * *
6	WHAT THE SPECIALISTS THINK:
7	Dr. Gonzalo Juárez
8	Graduate of the National Technical Institute of Mexico, specializing in Family Medicine with 27 years of experience
9	in medicine says this about ARCOMIG: "In my life as a doctor I have seen countless very special
10	cases which, unfortunately, have ended in death. I refer to
11	victims of cancer, diabetes, leukemia, arthritis, uric acid, and cholesterol, just to mention a few. Until I
12	learned about ARCOMIG, there was nothing that could be done for these terrible diseases, I learned about ARCOMIG
13	from a patient whom I had not seen for more than a year,
14	who had stomach cancer, and I say "had" because when I saw him again he told me that a relative had sent him ARCOMIG
15	from Los Angeles, and after just 10 gallons his pain and discomfort had disappeared. I was skeptical, and he got me
16	a few gallons of ARCOMIG for some patients with different diseases, and I am truly amazed at the great, curative
17	wonders of this sensational product. ARCOMIG IS THE TRUE
18	SOLUTION OF THIS CENTURY.
19	Dr. Carlos Ibarra de la Toba Graduate of the University of Houston, TX, says this about
20	ARCOMIG:
21	"Good news for the 37,000,000 Americans who suffer pain and inflammation of the joints due to ARTHRITIS, which is
22	supposedly an "incurable" autoimmune disease; So terrible diseases such as arthritis, which are a torment in
23	the lives of thousands of young people, adults, and
24	seniors, can finally be controlled by this exclusive naturale [sic] product called ARCOMIG."
25	Dr. José de Jesús Mondragón García
26	Graduate of the National Autonomous University of Mexico
27	Complaint 7

1	(UNAM), 15 years in studies and research of patients with
2	DIABETES MELLITUS. He says: "Before I found out about ARCOMIG, I was sure there was no
3	cure for diabetes Now I can tell all my patients that I no longer prescribe medicine for them, now they use only
4	ARCOMIG and I can say that ARCOMIG is the solution to
5	Diabetes Mellitus.
6	*** BONE CANCER
7	"I suffered from bone cancer, the doctors had given up on
8	me After I took FOUR GALLONS OF ARCOMIG, the doctor did a routine examination and was surprised that my cancerous cells were disappearing, only I knew why. I kept
9	taking [it] until I finished 12 gallons of ARCOMIG and my
10	cancer totally disappeared, thanks to God and as the doctors certify. Today I can run, play soccer, and I feel
11	fine."
12	* * *
13	LUNG CANCER "The doctor told me I had cancer in my thyroid and right
14 15	lung. They operated on my Thyroid and were going to perform a biopsy in three months for the lung. I took ARCOMIG
15	beforehand. When the time for the biopsy for the lung operation came around, the Doctor told me that they were
17	now clean and the operation was unnecessary. ARCOMIG had dissolved the lung tumor. I also had chronic arthritis that
18	caused inflammation in my fingers to the point where I
19	couldn't even knit. Now, thanks to God and ARCOMIG, I can knit again, whereas before I couldn't even close my hands.
20	Now I'm very active and can walk a lot without pain. I RECOMMEND ARCOMIG."
21	* * *
22	LUPUS
23	"I had LUPUS in my blood and no doctor could cure me. Then it went to my bones. I heard about ARCOMIG on the radio and
24	decided to buy it. About three weeks after I started taking
25	it I began to feel fine, and after a month there was nothing wrong with me. I had inflamed muscles, bone pain, I
26	had skinn [sic] ulcers, my throat was always inflamed, and I could barely walk. It took me an hour to get up in the
27	Complaint 8

1	morning, I was in so much pain. All these problems disappeared thanks to ARCOMIG, the doctors performed other
2	examinations on me after the treatment with ARCOMIG, not
3	knowing what I was taking, and they were surprised when they concluded that I no longer had lupus and that I was
4	very well. My son David also had an undiagnosed illness, he
5	couldn't run, his throat hurt, he felt as though he had worms on his skin biting his arms. The doctors prescribed lots of penicillin but he didn't improve. I decided to give
6	him ARCOMIG since it had done me so much good and, thank
7	God, it helped him, too. In a short time all his symptoms
8	were gone forever."
9	***
10	POOR CIRCULATION "I had a lot of pain in my legs, arms, and head, I looked
11	like a little old lady. I was living on pain pills, was nauseated, and my vision was a little blurred; I was also
12	having a lot of hot flashes. But since I started taking
13	ARCOMIG, I no longer need pills. I even used to take them to sleep, and now I don't suffer from insomnia; I sleep
	peacefully. I'm healthy now thanks to ARCOMIG."
14	
	* * *
15	OSTEOPOROSIS
15 16	OSTEOPOROSIS "My severe cramping was relieved, I couldn't even get down
	OSTEOPOROSIS
16	OSTEOPOROSIS "My severe cramping was relieved, I couldn't even get down on my knees because I couldn't stand up again. My legs, bones, and arms hurt everything hurt!! After taking ARCOMIG I went to the doctor for a check-up and he x-rayed
16 17	OSTEOPOROSIS "My severe cramping was relieved, I couldn't even get down on my knees because I couldn't stand up again. My legs, bones, and arms hurt everything hurt!! After taking ARCOMIG I went to the doctor for a check-up and he x-rayed my bones. He told me he didn't know how, but my osteoporosis had completely disappeared, now thanks to God
16 17 18	OSTEOPOROSIS "My severe cramping was relieved, I couldn't even get down on my knees because I couldn't stand up again. My legs, bones, and arms hurt everything hurt!! After taking ARCOMIG I went to the doctor for a check-up and he x-rayed my bones. He told me he didn't know how, but my
16 17 18 19 20	OSTEOPOROSIS "My severe cramping was relieved, I couldn't even get down on my knees because I couldn't stand up again. My legs, bones, and arms hurt everything hurt!! After taking ARCOMIG I went to the doctor for a check-up and he x-rayed my bones. He told me he didn't know how, but my osteoporosis had completely disappeared, now thanks to God
16 17 18 19 20 21	OSTEOPOROSIS "My severe cramping was relieved, I couldn't even get down on my knees because I couldn't stand up again. My legs, bones, and arms hurt everything hurt!! After taking ARCOMIG I went to the doctor for a check-up and he x-rayed my bones. He told me he didn't know how, but my osteoporosis had completely disappeared, now thanks to God and ARCOMIG there's nothing wrong with me." *** DIABETES
<ol> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> </ol>	OSTEOPOROSIS "My severe cramping was relieved, I couldn't even get down on my knees because I couldn't stand up again. My legs, bones, and arms hurt everything hurt!! After taking ARCOMIG I went to the doctor for a check-up and he x-rayed my bones. He told me he didn't know how, but my osteoporosis had completely disappeared, now thanks to God and ARCOMIG there's nothing wrong with me." *** DIABETES "I recommend ARCOMIG because two years ago I suffered a diabetic coma since I didn't know I had diabetes and I was
<ol> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> <li>23</li> </ol>	OSTEOPOROSIS "My severe cramping was relieved, I couldn't even get down on my knees because I couldn't stand up again. My legs, bones, and arms hurt everything hurt!! After taking ARCOMIG I went to the doctor for a check-up and he x-rayed my bones. He told me he didn't know how, but my osteoporosis had completely disappeared, now thanks to God and ARCOMIG there's nothing wrong with me." *** DIABETES "I recommend ARCOMIG because two years ago I suffered a diabetic coma since I didn't know I had diabetes and I was released from the hospital on the seventh day after being
<ol> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> </ol>	OSTEOPOROSIS "My severe cramping was relieved, I couldn't even get down on my knees because I couldn't stand up again. My legs, bones, and arms hurt everything hurt!! After taking ARCOMIG I went to the doctor for a check-up and he x-rayed my bones. He told me he didn't know how, but my osteoporosis had completely disappeared, now thanks to God and ARCOMIG there's nothing wrong with me." *** DIABETES "I recommend ARCOMIG because two years ago I suffered a diabetic coma since I didn't know I had diabetes and I was released from the hospital on the seventh day after being in intensive care. I was injected with 70 units of insulin; 35 in the morning and 35 in the evening, but I learned
<ol> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> <li>23</li> </ol>	OSTEOPOROSIS "My severe cramping was relieved, I couldn't even get down on my knees because I couldn't stand up again. My legs, bones, and arms hurt everything hurt!! After taking ARCOMIG I went to the doctor for a check-up and he x-rayed my bones. He told me he didn't know how, but my osteoporosis had completely disappeared, now thanks to God and ARCOMIG there's nothing wrong with me." *** DIABETES "I recommend ARCOMIG because two years ago I suffered a diabetic coma since I didn't know I had diabetes and I was released from the hospital on the seventh day after being in intensive care. I was injected with 70 units of insulin; 35 in the morning and 35 in the evening, but I learned about ARCOMIG through a cousin and I took it. Now I don't
<ol> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> <li>23</li> <li>24</li> </ol>	OSTEOPOROSIS "My severe cramping was relieved, I couldn't even get down on my knees because I couldn't stand up again. My legs, bones, and arms hurt everything hurt!! After taking ARCOMIG I went to the doctor for a check-up and he x-rayed my bones. He told me he didn't know how, but my osteoporosis had completely disappeared, now thanks to God and ARCOMIG there's nothing wrong with me." *** DIABETES "I recommend ARCOMIG because two years ago I suffered a diabetic coma since I didn't know I had diabetes and I was released from the hospital on the seventh day after being in intensive care. I was injected with 70 units of insulin; 35 in the morning and 35 in the evening, but I learned
<ol> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> <li>23</li> <li>24</li> <li>25</li> </ol>	OSTEOPOROSIS "My severe cramping was relieved, I couldn't even get down on my knees because I couldn't stand up again. My legs, bones, and arms hurt everything hurt!! After taking ARCOMIG I went to the doctor for a check-up and he x-rayed my bones. He told me he didn't know how, but my osteoporosis had completely disappeared, now thanks to God and ARCOMIG there's nothing wrong with me." *** DIABETES "I recommend ARCOMIG because two years ago I suffered a diabetic coma since I didn't know I had diabetes and I was released from the hospital on the seventh day after being in intensive care. I was injected with 70 units of insulin; 35 in the morning and 35 in the evening, but I learned about ARCOMIG through a cousin and I took it. Now I don't

1	* * *
2	DEFORMING ARTHRITIS "I was confined to bed for two years with severe RHEUMATIC
3	ARTHRITIS After having been written off by the doctors because, according to them, there was nothing that
4	could cure me, one day at the clinic I met a lady who had
5	the same thing I did, but I was surprised to see that she could walk normally. She told me that she was completely
6	cured because she had taken a product called ARCOMIG. She gave me the information about how to get it and I took A
7	TOTAL OF 12 GALLONS and, thanks to God and ARCOMIG, I am
8	now healthy and giving this testimonial."
9	*** POOR CIRCULATION
10	"I was very depressed. My legs and hands would fall
11	asleep, I had tinnitus, tachycardia, head pain, and insomnia. I suffered from severe constipation and felt
12	very nauseated all day long, as if I were drunk. A sister told me about a product she saw on television, so I bought
13	it and even though it seemed a little expensive they
14	convinced me that it would work. I took 8 GALLONS in all, and now I'm completely healthy, I feel like new, I do not
15	regret having invested in my health. Thanks to ARCOMIG."
16	***
17	RHEUMATISM Mrs. Maria.
18	"I recommend it to everyone who is suffering from the pain of RHEUMATISM and EXHAUSTION"
19	* * *
20	Thousands are finding a REAL SOLUTION to their problems
21	with ARTHRITIS, HIGH CHOLESTEROL, DIABETES, and even CANCER, LEUKEMIA with this extraordinary natural product .
22	•••
23	
24	*** 7. You invest less than \$4.00 A DAY to feel much better,
25	protect your health, and even probably avoid fatal consequences.
26	Compequences.
27	Complaint 10

TESTIMONIALS of LIFE, OF HEALTH ... THANKS TO ARCOMIG!!

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

[ARTHRITIS] [CANCER] [LEUKEMIA] [DIABETES] [TUMORS] [SEXUAL IMPOTENCE] [LEUKEMIA] [RHEUMATISM] [EXHAUSTION] [BRONCHIAL ASTHMA] [POOR CIRCULATION] [EMBOLISM] [BONE PAIN] [TINNITUS] [BURNING FEET]

ARCOMIG has proven to be a great help in the lives of people with degenerative diseases such as those presented below. The treatments have varied from person to person, some people have taken three bottles, others up to 12, what is true is that their quality of life has improved up to 90%.

\* \* \*

"Two years ago I was diagnosed with DIABETES and a year ago I started taking ARCOMIG and the truth is that the results have been very good. I stopped taking pills and I have felt fine."

\* \* \*

"I had a THYROID TUMOR and they were going to operate on me. While they were preparing for surgery, I started taking ARCOMIG, then I went to the doctor and he said to me: 'Ma'am, what are you taking, the tumors were cancerous and they are disappearing,' he gave me another two weeks and when I returned he could no longer take the biopsy because the tumors had disappeared..."

"Our sex life was revived, in my case as a man I could respond to my partner again thanks to ARCOMIG helping me with the sexual impotence while it improved my circulation"

\* \* \*

11

\* \* \*

"They told me I had a CYST ON MY right KIDNEY, I took ARCOMIG and after three weeks I went back for another test and the cyst had disappeared, I also had tinnitus and that went away as well..."

"Now, after taking ARCOMIG, I am healthy, I am cured, and I no longer inject insulin for DIABETES thanks to God and ARCOMIG."

\* \* \*

\* \* \*

"I started taking ARCOMIG for ARTHRITIS, and then they diagnosed my son with ASTHMA and I started giving it to him and the crises started going away. I truly recommend ARCOMIG with all my heart."

\* \* \*

"I was very sick in the hospital, I had an EMBOLISM, I couldn't see well, my vision was blurred, and now, taking ARCOMIG, after God [sic], I see everything more clearly"

+++

"Only someone who suffers with this disease of ARTHRITIS knows that it is very serious and very painful. That's why I recommend that anyone with ARTHRITIS try ARCOMIG, which helped me a lot."

\* \* \*

These are some children from the City of Guadalajara, 15 Mexico, who, after the doctors gave up on them because of LEUKEMIA (CANCER OF THE BLOOD), received treatment with 16 ARCOMIG thanks to the organization CADENA POR LA VIDA, 17 sponsored by various artists and singers.

18 The results have been more than surprising, since these children were condemned to death by this terrible disease and after a year they have not only returned to their homes but have resumed their regular activities thanks to ARCOMIG.

> - Exhibit B, portions of websites arcomig.homestead.com,latinosgrp.homestead.com and latinosgroup.com (originals in Spanish)

Complaint

1

2

3

4

5

6

7

8

9

10

11

12

13

14

19

20

21

22

23

24

25

26

## c. Excerpts from Television Infomercial

If you have a serious problem, you need a serious product to help you.

GUARANTEED

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

WITH SCIENTIFIC STUDIES\*

Arcomig is the only natural product that has been studied in tests run by prestigious universities with results indicating a one hundred percent natural product that renews and purifies your blood, sweeps away uric acid deposits, eliminates toxins and cholesterol, cleans and unclogs all your arteries and veins.

\* \* \*

... my name is [], and I am Adam's mother. They, umm, they diagnosed him with leukemia two years ago and, thank God, (inaudible) for life, it's going to be one year since he's been taking Arcomig, and here is living proof.

#### \* \* \*

Listen to the testimony of a mother with her hopeless son affected by leukemia when he began to take Arcomig.

I am [] and, umm, I am very happy now, umm, that my son is taking Arcomig, because, well, he can't have chemotherapy because of what happened to him and it was growing (begins to cry and covers her face with her hand) . . . Yes, that is, that the leukemia was growing and we began to give him this medicine and thank God it has been decreasing.

\* \* \*

Hello, friends, [] speaking. I want to recommend to you a one hundred percent natural product. This product is called Arcomig .... And it helps to definitely control some cases of cancer, arthritis, diabetes, and other maladies. I recommend it. My wife and I are taking it and we have felt very well quite frankly. It's worth trying, okay?

For people who suffer from depression, for people who cannot sleep, for people who suffer from pain, for people whose hair is even in pain, for people who feel pain even when they breathe, try it. Don't say anything; just try it. I travel constantly to the United States. If a person tries this and doesn't feel a radical change, if you find me in the streets, swear at my mother, but try it.

Arcomig penetrates and destroys those uric acid deposits, eliminating the pain and the principal cause of arthritis.

\* \* \*

\* \* \* That's right, well, just as you say, there are in fact universities in the United States that, well, in fact are already showing an interest and are already studying it and well, they have seen that, that product, independently from alleviating arthritis, diabetes, has also helped cure, umm, some people of cancer, right?

\* \* \*

13 So, there are twenty-eight kids that couldn't be cured with 14 chemotherapy and seven have taken this product and have been saved from cancer, is that right? ... That's right. 15 They were hopeless children that had come to us by means of other people, of friends of ours that have, that have, umm, 16 done us this favor, what I consider a favor. Because it's a great thing for me to be able to help these children, 17 hopeless kids that came to us. Thank God now, now they are 18 becoming healthy and they are doing well, all the children, umm, and we are going to continue to fight for them . . . 19 We are also aware that Arcomig is being studied in different universities in the United States, and that it 20has already been approved and supported by many of them.

14

-Exhibit C, portions of TV Infomercial (attached in storyboard and video format)

Complaint

1

2

3

4

5

6

7

8

9

10

11

12

21

22

23

24

25

26

27

\* \* \*

## Essiac Formula

11. Essiac Formula is a powdered tea that purports to contain burdock root, sheep sorrel, rhubarb root, and slippery elm bark. The Defendants offer five bottles of Essiac Formula for \$169 directly to consumers primarily through a toll-free telephone number.

Defendants' Advertisements for Essiac Formula

To induce consumers to purchase Essiac Formula, the 12. Defendants have disseminated or caused to be disseminated advertisements for Essiac Formula through Internet websites, including *latinosgp.homestead.com*. These advertisements, including but not necessarily limited to the attached Exhibit D, contain the following statements and depictions, among others: Excerpts from Internet Website latinosgrp.homestead.com a. FORMULA ESSIAC . . . Cleanse your arteries and Veins!!! Lose Weight Constantly!!! Free yourself of Toxins and Microbes!!! Combat constant Illness and Pain!!! Prevent and Eliminate CANCEROUS TUMORS !! \* \* \* Some of the main benefits you will receive when taking this Formula are: Prevent fat deposits from forming in veins and arteries (CHOLESTEROL) \* \* \* Improves the function of the Pancreas by better utilizing Insulin in DIABETES problems.

1 \* \* \* ITS VALUABLE ASSISTANCE FOR PEOPLE WITH DIFFERENT TYPES OF 2 CANCER HAS BEEN DEMONSTRATED. 3 You can take this formula to DETOXIFY YOUR BODY, PREVENT DEGENERATIVE DISEASES, REDUCE CHOLESTEROL, REDUCE DIABETES, 4 and in general to ENERGIZE YOUR BODY and provoke a feeling 5 of general wellbeing produced by toxins in the blood [sic]. 6 \* \* \* LOSE WEIGHT BY ELIMINATING ACCUMULATED FAT QUICKLY AND 7 PERMANENTLY!! +++ 8 SURPRISING TESTIMONIALS TALK ABOUT THE DISAPPEARANCE OF CANCEROUS TUMORS 9 10 \* \* \* What does it do? 11 The components of Dr. Brusch's Essiac formula interact and produce a wonderful effect of wellbeing MORE ENERGY, 12 DETOXIFYING EFFECT, and STRESS REDUCTOR in the human body, as well as PREVENTING DEGENERATIVE DISEASES. 13 \* \* \* 14 Therapeutic effects of the Essiac Formula package: 15 REDUCES AND ELIMINATES CANCEROUS TUMORS Prevents the formulation of fat deposits in arterial walls, 16 heart, kidneys and liver. Regulates cholesterol levels, transforming sugars and fats 17 into energy. Stops diarrhea, internal hemorrhage and constipation. 18 Counter the detrimental effects of heavy metal poisoning 19 such as aluminum, lead, and mercury. 20 +++ Liberates the liver of its toxins. 21 Assists the liver in the production of lecithin, which is part of the myelin layer, a fat material that envelops 22 nerve fibers. 23 Reduces and eliminates heavy metal deposits in the tissues. (Especially those that surround the joints) to reduce 24 swelling. Improves pancreatic and vessel function, increasing the 25 effectiveness of insulin. Purifies the blood. 26 27

1 Increases the production or red blood cells. Increases the body's ability to utilize oxygen, increasing 2 the levels of oxygen in cellular tissues. Maintains the potassium-sodium balance in the body in order 3 for fluids to be regulated inside and out of each cell. This way cells are nourished and cleansed. 4 Regulates the amount of oxalic acid send [sic] to the 5 kidneys, this way the risk of bladder, kidney, and urinary tract stones is reduced. 6 \* \* \* 7 Increases the production of antibodies such as T cells and lymphocytes in the thymus gland, which is in charge of the 8 defense of our immune system. Protects cells against free radicals. 9 And lastly a factor X that makes it possible for the 10 curative effects of these components to produce the positive results that you expect. 11 12 - Exhibit D, portions of website 13 latinosgrp.homestead.com (original in 14 Spanish) 15 DEFENDANTS' VIOLATIONS OF THE FTC ACT 16 13. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), 17 prohibits unfair or deceptive acts or practices in or affecting 18 19 commerce. Section 12(a) of the FTC Act, 15 U.S.C. § 52(a), 20 prohibits the dissemination of any false advertisement in or 21 affecting commerce for the purpose of inducing, or which is 22 likely to induce, the purchase of food, drugs, devices, 23 services, or cosmetics. For the purposes of Section 12 of the 24 FTC Act, 15 U.S.C. § 52, Arcomig and Essiac Formula are "food" 25 or "drugs" pursuant to Section 15(d) of the FTC Act, 15 U.S.C. 26 27

§ 55(d). As set forth below, the Defendants have engaged and are continuing to engage in such unlawful practices in connection with the marketing and sale of Arcomig and Essiac Formula.

1

2

3

4

5

6

7

8

9

10

11

12

13

# COUNT I

# False Disease Claims for Arcomig

14. Through the means described in Paragraph 10, including through the statements contained in the advertisements attached as Exhibits A through C, Defendants have represented, expressly or by implication, that Arcomig:

14		a.	Significantly lowers serum cholesterol levels
15			without any change in the user's diet.
16		b.	Treats, causes remission in, or cures cancer,
17			including but not limited to, leukemia, bone
18			cancer, lung cancer, stomach cancer, and tumors.
19		c.	Treats or cures diabetes.
20		d.	Treats or cures lupus.
21		e.	Treats or cures tinnitus.
22		f.	Maltag gaptional tweatments uppegagant for
23		1.	Makes conventional treatments unnecessary for
24			persons with serious diseases, such as cancer and
25			diabetes.
26			
27	Complaint		18

1	15. In ti	ruth and in fact Arcomig does not:
2	a.	Significantly lower serum cholesterol levels
3		without any change in the user's diet.
4	b.	Treat, cause remission in, or cure cancer,
5		including but not limited to, leukemia, bone
6		cancer, lung cancer, and tumors.
7	с.	Treat or cure diabetes.
8 9	d.	Treat or cure lupus.
9 10		
10	e.	Treat or cure tinnitus.
12	f.	Make conventional treatments unnecessary for
13		persons with serious diseases, such as cancer and
14		diabetes.
15	Therefore, Defendants' representations as set forth in Paragraph	
16	14 are false or misleading and constitute deceptive acts or	
17	practices, and the making of false advertisements, in or	
18	affecting commerce, in violation of Sections 5(a) and 12 of the	
19	FTC Act, 15 U.S.C. §§ 45(a) and 52.	
20		
21		<u>COUNT II</u>
22	False Clinical Studies Claims for Arcomig	
23	16. Throu	ugh the means described in Paragraph 10, including
24		atements contained in the advertisements attached
25 26		through C, Defendants have represented, expressly
20 27	as EXHIDICS A (	inough C, Derendants have represented, expressly
21	Complaint	19

or by implication, that scientific studies prove that Arcomig successfully treats numerous serious diseases, including cancer and diabetes.

17. In truth and in fact, scientific studies do not prove that Arcomig successfully treats numerous serious diseases, including cancer and diabetes. Therefore, Defendants' representation as set forth in Paragraph 16 is false or misleading and constitutes a deceptive act or practice, and the making of false advertisements, in or affecting commerce, in violation of Sections 5(a) and 12 of the FTC Act, 15 U.S.C. §§ 45(a) and 52.

## COUNT III

# False Food and Drug Administration Claim for Arcomig

18. Through the means described in Paragraph 10, including through the statements contained in the advertisement attached as Exhibit A, Defendants have represented, expressly or by implication, that the United States Food and Drug Administration has approved, endorsed, or recommended Arcomig products.

19. In truth and in fact, the United States Food and Drug Administration has not approved or endorsed Arcomig products. Therefore, Defendants' representation as set forth in Paragraph 18 is false or misleading and constitutes a deceptive act or

20

Complaint

1	practice, and the making of false advertisements, in or	
2	affecting commerce, in violation of Sections 5(a) and 12 of the	
3	FTC Act, 15 U.S.C. §§ 45(a) and 52.	
4		
5	<u>COUNT IV</u>	
6	Unsubstantiated Disease Claims for Arcomig	
7	20. Through the means described in Paragraph 10,	
8	Defendants have represented, expressly or by implication, that	
9 10	Arcomig:	
10	a. Is effective in the mitigation, treatment, prevention,	
11	or cure of arthritis, rheumatism, osteoporosis, uric	
13	acid, migraines, asthma, depression, impotence,	
14	diseases caused by poor blood circulation, diseases	
15		
16	affecting the heart, liver, kidney or digestive	
17	system, or any illness which is affected by a lowered	
18	or weakened immune system.	
19	b. Prevents degenerative diseases.	
20	21. Defendants did not possess and rely upon a reasonable	
21	basis that substantiated the representations set forth in	
22	Paragraphs 14 and 20 at the time the representations were made.	
23	Therefore, the making of the representations set forth in	
24	Paragraphs 14 and 20 constitutes a deceptive act or practice,	
25	and the making of false advertisements, in or affecting	
26		
27	Complaint 21	

1	commerce, in violation of Sections 5(a) and 12 of the FTC Act,
2	15 U.S.C. §§ 45(a) and 52.
3	
4	COUNT V
5	False Disease Claims for Essiac Formula
6	
7	22. Through the means described in Paragraph 12, including
8	through the statements contained in the advertisement attached
9	as Exhibit D, Defendants have represented, expressly or by
10	implication, that Essiac Formula:
11	a. Significantly lowers serum cholesterol levels
12	without any change in the user's diet.
13	b. Treats, causes remission in, or cures cancer and
14	
15	tumors.
16	c. Treats diabetes.
17	23. In truth and in fact Essiac Formula does not:
18	a. Significantly lower serum cholesterol levels
19	without any change in the user's diet.
20	b. Treat, cause remission in, or cure cancer and
21	tumors.
22	
23	c. Treat diabetes.
24	Therefore, Defendants' representations as set forth in Paragraph
25	22 are false or misleading and constitute deceptive acts or
26	practices, and the making of false advertisements, in or
27	Complaint 22

1	affecting commerce, in violation of Sections 5(a) and 12 of the
2	FTC Act, 15 U.S.C. §§ 45(a) and 52.
3	
4	COUNT VI
5	Unsubstantiated Disease Claims for Essiac Formula
6	
7	24. Through the means described in Paragraph 12,
8	Defendants have represented, expressly or by implication, that
9	Essiac Formula:
10	a. Alleviates the effects of heavy metal poisoning,
11	including poisoning from aluminum, lead, or
12	mercury.
13	b. Is effective in the mitigation, treatment,
14	prevention, or cure of arthritis, kidney and
15	urinary tract stones, indigestion, diarrhea,
16	
17	internal hemorrhaging, constipation, diseases
18	affecting the heart, lungs, liver, or digestive
19 20	system, or any illness which is affected by a
20	lowered or weakened immune system.
21 22	c. Prevents degenerative diseases.
22	25. Defendants did not possess and rely upon a reasonable
23 24	basis that substantiated the representations set forth in
25	Paragraphs 22 and 24 at the time the representations were made.
26	Therefore, the making of the representations set forth in
27	
	Complaint 23

Paragraphs 22 and 24 constitutes deceptive acts or practices, and the making of false advertisements, in or affecting commerce, in violation of Sections 5(a) and 12 of the FTC Act, 15 U.S.C. §§ 45(a) and 52.

#### COUNT VII

## False Weight Loss Claims for Essiac Formula

26. Through the means described in Paragraph 12, including through the statements contained in the advertisement attached as Exhibit D, Defendants have represented, expressly or by implication, that Essiac Formula:

- 14a. Causes rapid and substantial weight loss without15the need to increase exercise or reduce caloric16intake.
  - b. Causes permanent weight loss.
  - 27. In truth and in fact Essiac Formula does not:
    - Cause rapid and substantial weight loss without the need to increase exercise or reduce caloric intake.
      - b. Cause permanent weight loss.

Therefore, Defendants' representations as set forth in Paragraph 25 26 are false or misleading and constitute deceptive acts or 26 practices, and the making of false advertisements, in or

Complaint

6

7

8

9

10

11

12

13

17

18

19

20

21

22

23

27

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

#### COUNT VIII

Unsubstantiated Weight Loss Claims for Essiac Formula

28. Defendants did not possess and rely upon a reasonable basis that substantiated the representations set forth in Paragraph 26 at the time the representations were made. Therefore, the making of the representations set forth in Paragraph 26 constitutes a deceptive act or practice, and the making of false advertisements, in or affecting commerce, in violation of Sections 5(a) and 12 of the FTC Act, 15 U.S.C. §§ 45(a) and 52.

CONSUMER INJURY

29. Consumers throughout the United States have suffered and continue to suffer substantial monetary loss and may suffer physical injury as a result of Defendants' unlawful acts and practices. In addition, Defendants have been unjustly enriched as a result of their unlawful practices. Absent injunctive relief by this Court, Defendants are likely to continue to injure consumers, reap unjust enrichment, and harm the public interest.

25

Complaint

## THIS COURT'S POWER TO GRANT RELIEF

30. 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 the FTC Act. The Court, in the exercise of its equitable jurisdiction, may award other ancillary relief, including, but not limited to, rescission of contracts, restitution, and the disgorgement of ill-gotten gains, to prevent and remedy injury caused by Defendants' law violations.

#### 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 this Court:

1. Permanently enjoin and restrain Defendants from violating Sections 5(a) and 12 of the FTC Act in connection with the advertising, distribution, or sale of food, drugs, dietary supplements, devices, cosmetics, or other health-related products, services, or programs.

2. Award such equitable relief as the Court finds necessary to redress injury to consumers resulting from Defendants' violations of Sections 5(a) and 12 of the FTC Act, including, but not limited to, rescission of contracts,

Complaint

1

1	restitution, and the disgorgement of ill-gotten gains by the	
2	Defendants; and	
3	3. Award Plaintiff such other equitable relief as the	
4	Court may determine to be just and proper.	
5		
6	Respectfully submitted,	
7		
8 9	WILLIAM BLUMENTHAL General Counsel	
9 10	General Counsel	
11	JEFFREY A. KLURFELD	
12	Regional Director	
13	DATED:, 2005	
14	SARAH SCHROEDER	
15	LINDA BADGER KERRY O'BRIEN	
16	LAURA FREMONT Attorneys for Plaintiff	
17	Federal Trade Commission 901 Market Street, Suite 570	
18	San Francisco, CA 94103 (415) 848-5100 (phone)	
19	(415) 848-5184 (facsimile) E-mail address: sschroeder@ftc.gov	
20		
21 22		
22 23		
23		
25		
26		
27	Complaint 27	