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DA Announces \$925,000 Consumer Protection Settlement with Makers of Relaxium Sleep Aid

San Diego County District Attorney <u>Summer Stephan</u> announced today that the diet supplement company, American Behavioral Research Institute, LLC, ("ABRI"), maker of Relaxium, agreed to a Court ordered judgment that includes injunctive relief and civil penalties and costs of \$925,000. The judgment was entered today in the Santa Cruz Superior Court and arose from alleged violations the California Automatic Renewal Law (ARL) and False Advertising Law (FAL). The Automatic Renewal Law is designed to prevent companies from automatically renewing subscriptions without the consumer's knowledge. The False Advertising Law is designed to prevent companies from making unsupported claims about their products.

"We are committed to protecting customers by ensuring they aren't deceived by automatically renewing charges that are not properly disclosed," DA Stephan said. "Consumers are bilked out of millions of dollars when companies violate our automatic renewal laws, but working with our law enforcement partners across California, we are holding such companies accountable."

The District Attorney Offices of San Diego County, Santa Clara County, Santa Cruz County, Los Angels County, Santa Barbara County and the City Attorney of Santa Monica filed the civil action as part of the California Automatic Renewal Task Force (CART). An investigation by CART found that the company did not properly disclose to its customers that their subscriptions would be automatically renewed after a trial period. Under California law, online businesses must clearly and conspicuously disclose all automatic renewal charges, terms of sale and obtain affirmative consent to those recurring charges from the consumer.

The lawsuit filed in Santa Cruz County Superior Court by the joint taskforce of prosecutors, reached a stipulated resolution against the out of state company that imposes an injunction and assesses civil penalties and costs. It also orders restitution specifically to California consumers through a class action case already arranged.

ABRI cooperated in this resolution and, without admitting liability, agreed to change its misleading advertising disclosures in its advertisements, product packaging and website.

The California Auto Renewal Task Force (CART) primarily investigates businesses for violations of the California Automatic Renewal Law and federal statutes regulating automatic renewal contracts. However, when appropriate, it investigates other law violations in conjunction



with ARL violations. Deputy District Attorney Stephen Spinella with the DA's Consumer Protection Unit assisted in the case for the San Diego County District Attorney's Office.

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About the San Diego County District Attorney's Office

The San Diego County DA's Office prosecutes all felony crimes in the county and misdemeanor crimes committed outside the City of San Diego. The office files about 40,000 criminal cases a year and balances prosecution with numerous crime prevention programs. District Attorney Summer Stephan leads the office of more than 1,000 dedicated employees who pursue fair and equal justice, and support victims daily across San Diego County.

