

NEWS RELEASE

Luther Strange

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FOR IMMEDIATE RELEASE

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AG ANNOUNCES FINAL ORDER AGAINST SPORTS PERFORMANCE COMPANY FOR UNSUPPORTED, DANGEROUS HEALTH CLAIMS

(MONTGOMERY) – Attorney General Luther Strange said today’s court order granting permanent injunctive relief against SWATS Edge Performance Chips LLC is an important victory to protect the consumers of Alabama from unsupported and dangerous health claims made by the Birmingham-area sports performance company.

Jefferson County Circuit Judge Caryl Privett has permanently enjoined SWATS and its principal officers--Mitchell Ross and Christopher Key--from doing business in Alabama or with Alabama consumers. More specifically, the court permanently barred the defendants “individually and through any other name” from engaging in the sports supplement, general nutrition, athletic training, and pain management industries, as a supplier, seller, or servicer in any consumer transaction, within or from Alabama, or with Alabama consumers from another location including the internet. Judge Privett found SWATS and its officers to be in violation of 263 counts of the Alabama Deceptive Trade Practices Act, as charged by the Attorney General’s Consumer Protection Section in a civil lawsuit. She also made permanent the previous appointment of a receiver to safeguard remaining assets and to handle consumer claims against the company.

“I am very pleased by the Court’s decision to issue a final order for the protection of Alabama’s consumers,” said Attorney General Strange. “The extreme and even absurd nature of health claims made by this company could be harmful to those who might rely on these products and believe their health needs were being met. But even more worrisome were the potential dangers from some of the products themselves. Our action and the judge’s order should serve as a warning that we will not allow companies to defraud and endanger the consumers of Alabama. I am proud of the outstanding work by our Consumer Protection Section to bring this case to a successful conclusion.” The case was handled by Assistant Attorneys General Noel Barnes, Kyle Beckman and Cameron McEwen.

In today’s order, the court concluded: “Defendants have engaged in 263 unlawful acts and practices under the Deceptive Trade Practices Act...The State has proven, through its evidence and the testimony of its many expert witnesses, that Defendants sold mislabeled, misleading, and in some cases, dangerous products to the public.” The court made a factual finding that numerous SWATS products “were sold under false pretenses, many of which are troubling to the extreme. Defendants’ Cooling



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Concussion Cap in particular represents a significant danger...Defendants' willful ignorance and contravention of the laws that protect consumers from sham science and medicine justifies an order permanently barring them from being involved in these fields in the future."

SWATS is a Wisconsin limited liability company that had been doing business in the Jefferson County city of Fultondale since its formation in 2011. On September 5, 2013, Attorney General Strange filed a civil complaint and a motion for a temporary restraining order, which was granted that same day. Following a hearing on September 19, a preliminary injunction was granted.

Among the products sold by SWATS were a "Cooling Concussion Cap" that the Court described as "simply a black compression style "skull cap" intended to be dipped into cooling liquid; sprays and tablets purporting to contain potent doses of a hormone produced by deer that is called IGF-1, or insulin-like growth factor, as well as performance and pain management chips that the court said resembled holographic stickers.

Consumers and creditors should make claims directly to the Receiver, GlassRatner Management and Realty Advisors, before a deadline of January 31, 2014. Claims must be regarding activities or business conducted by SWATS through September 5, 2013. Claims may be filed through the receivership website, www.swatsreceivership.com, or by mail or other delivery to SWATS Receivership, c/o GlassRatner Management and Realty Advisors LLC, 3424 Peachtree Road, Suite 2150, Atlanta, GA., 30326. Claims must include all documentation and other information and supportive evidence. It is required that all materials must arrive at Receiver's office or website by January 31, 2014.