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**Texas Attorney General Charges Mannatech with Unlawful, Misleading
Sales Practices**

Illegal scheme markets supplements as cure for cancer, improved health

DALLAS – Texas Attorney General Greg Abbott today charged Coppell-based Mannatech, Inc., its owner, Samuel L. Caster, and several related entities with operating an illegal marketing scheme in violation of state law. Today’s enforcement action stems from a large-scale investigation by state authorities, who examined Mannatech’s dubious claims about the health benefits of its products.

Documents filed in Travis County district court reveal Mannatech’s scheme to exploit families, including those challenged by cancer, Down’s syndrome, cystic fibrosis and other serious illnesses. According to investigators, exaggerated claims about the therapeutic benefits of Mannatech’s dietary supplements and nutritional products were unlawfully used to increase sales. The attorney general’s enforcement action asserts that Mannatech’s deceptive practices pose a health risk to seriously-ill consumers who may forgo traditional medical attention because of the company’s false claims.

“Texans will not tolerate illegal marketing schemes that prey upon the sick and unsuspecting,” Attorney General Abbott said. “Aided by an army of multi-level sellers and their fictitious claims about its products, Mannatech has aggressively marketed supplements to countless unwitting purchasers. With today’s enforcement action, the Office of the Attorney General seeks to shut down an elaborate scheme to defraud innocent consumers across the nation.”

Mannatech, a self-described “global wellness solutions provider,” claims scientific validation from the field of glycoscience, which is the legitimate study of sugars, their structure and how they function. Through its multi-level marketing network, Mannatech claims that its proprietary products’ main ingredients, glyconutrients, enhance the body’s cell-to-cell communication and improve overall health.

Today’s lawsuit charges Mannatech with encouraging their salespersons’ false statements by allowing sellers to continue utilizing various sales tools, brochures, videotapes and personalized Web sites that exaggerate the supplements’ effectiveness. According to investigators, the defendants encourage product user “testimonials” that tout their supplements’ alleged healing effects. These exaggerated testimonials, along with misleading “before and after” photos, are displayed prominently in seminar booths, brochures, videos, sales associates’ personal Web sites and training materials. Together, these marketing techniques mislead consumers into believing that the supplements dramatically cure or treat

serious illnesses.

In fact, the company's health claims are not supported by legitimate scientific studies, nor are its products approved as drugs by the U.S. Food and Drug Administration.

The defendants are accused of violating the Texas Deceptive Trade Practices Act, which can result in civil penalties of \$20,000 per violation. In addition to DTPA violations, the attorney general, along with the Texas Department of State Health Services, also charges Mannatech with violating the Texas Food, Drug, and Cosmetic Act. Under the Act, the defendants face penalties of up to \$25,000 per day, per violation.

Mannatech Inc. sells its nutritional supplements in 10 countries, including the U.S., through more than 500,000 independent sales distributors worldwide. It is traded on the NASDAQ stock exchange under the symbol, "MTEX."

Consumers who encounter a business that is making false claims may file a complaint with the Attorney General's Consumer Protection Division at (800) 252-8011 or online at www.oag.state.tx.us.

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