



Herbalife's Distributors may have Product Liability for Lead says Dietary Supplement Safety Committee Co-Founder, reports Fraud Discovery Institute

Legal expert warns of potential distributor liability for sales of Herbalife (NYSE:HLF) products

For Immediate Release

SAN DIEGO/EWORLDWIRE/May 22, 2008 --- Although Herbalife (NYSE: HLF) may dismiss potential liability and other legal ramifications from the sales of multiple products that materially exceed California's Proposition 65, their distributors may not share their apathy towards potential legal liability according to Christopher Grell, Attorney and Co-Founder of the Dietary Supplement Safety Committee. In a memo posted on the Fraud Discovery Institute (FDI) Web site ('<http://www.frauddiscovery.net>'), Mr. Grell states that: "If a person is injured as a result of the lead in Herbalife's products, and sues the distributor, the distributor, no matter if it is a single person or a company, is potentially liable for all damages sustained by the person under product liability law for both under both negligence and strict liability."

Said FDI Co-founder Barry Minkow, "Herbalife has publicly stated that the Prop 65 law is a non-issue as it lists numerous chemicals of which lead is only one. However, legal expert Christopher Grell notes that Proposition 65 enforcement actions in the past have prompted manufacturers to decrease the lead content in ceramic tableware and wineries to eliminate the use of lead-containing foil caps on wine bottles. Proposition 65 has also succeeded in spurring significant reductions in California of air emissions known to cause cancer and birth defects. Proposition 65 has benefited Californians, and it has become a cost of companies doing business in the state."

According to the co-founder of the non-profit Dietary Supplement Safety Committee, because of the undisputed evidence that Herbalife's products contain excessive lead levels, if distributors are sued for injuries in a product liability case, it would be difficult if not impossible for distributors to claim that they were not negligent because they did not know about the lead problem since liability is also based on what distributors should have known. "As a result of the recent reports, distributors would be hard pressed to argue that no reasonable person would have known of the danger of selling a lead laden product to an unsuspecting consumer," state Minkow.

"If Herbalife continues to ignore the law and their responsibility to warn the consumer of the risks involved in using their products, distributors may find themselves facing a product liability lawsuit and a claim for punitive damages based on the grounds that they acted with reckless and willful disregard for the public welfare by selling a product they knew was dangerous," added Minkow.

Symptoms of lead poisoning are pain, numbness or tingling of the extremities, muscular weakness, headache, loss of appetite, abdominal pain, memory loss, mood disorders, reduced sperm count, abnormal sperm, fatigue, depression and heart failure.

"The bravado in which Herbalife is dealing with law-breaking lead levels may not be shared with their distributors. It is easy for a deep pocket public company with layers of lawyers to shrug off potential liability, but that approach may not be shared with the average distributor especially when punitive damages are not covered by insurance," suggested Minkow.

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