



Damage verdict in Avacor hair-regrowth scam upheld

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A state appeals court in San Francisco has upheld \$40 million in damages to 150,000 Californians who sued the manufacturers of the hair-regrowth product Avacor over advertising claims that it was effective in regrowing hair.

An Alameda County jury and judge found the advertising claims false in 2010 and ordered refunds on purchases in California from 2000 through April 20, 2007, a sum reduced by 22.5 percent to reflect the customer-satisfaction rate found in a U.S. Food and Drug Administration survey.

In effect, said the First District Court of Appeal, the jury "determined the fair-market value of the product was zero, perhaps in light of the testimony of (customers) who stated they would not have purchased Avacor had they known the truth about it."

Superior Court Judge Robert Freedman "also concluded Avacor was worthless," the appellate panel said.

The lead defendant in the class-action suit, filed in 2003, was Anthony Imbriolo, president and majority owner of the now-bankrupt Global Vision Products, which sold Avacor. A separate suit against two other officers and stockholders in the company was settled for \$30 million, said L. Timothy Fisher, a lawyer for the plaintiffs.

Another company is now marketing Avacor.

The appeals court ruling, issued Wednesday, is "an important step in the process of getting justice for the people who were defrauded by this scam," Fisher said.

Imbriolo's lawyer was unavailable for comment.

Fisher said the suit challenged ads that claimed Avacor had been clinically tested and proven to regrow hair with a success rate of up to 90 percent.

In its 3-0 ruling, the appeals court rejected Imbriolo's attacks on an expert witness who used a sampling of purchase orders to calculate the average cost per customer, \$390, after Global Vision lost most of its invoice records. The court also said the customers were entitled to restitution from Imbriolo, who "created the Avacor product."

Noting that Global Vision had paid Imbriolo consulting fees, bought him a country house in New York, and transferred as much as \$3 million-plus to his bank accounts in Ireland, the court said he "acquired money wrongfully from the wrongful business practices at issue here."

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<http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2012/04/28/BUGG1OABDN.DTL>

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