



COUNTY OF LOS ANGELES DEPARTMENT OF CONSUMER AFFAIRS

Members of the Board

Gloria Molina
Mark Ridley-Thomas
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich

Pastor Herrera, Jr.
Director

"To Enrich Lives Through Effective and Caring Service"

Tuesday, November 24, 2009

Contact: Pastor Herrera, Jr.: (213) 974-9750 or pherrera@dca.lacounty.gov

Claim Your Refunds Now, Government Agencies Urge Consumer Victims Scammed by Pots and Pans Seller Hy Cite Corporation

LOS ANGELES – The County of Los Angeles Department of Consumer Affairs, along with the California Attorney General's Office, announced today that \$100,000 in consumer refunds is still available as part of a settlement reached last year with Hy Cite Corporation. Hy Cite, which does business as Royal Prestige, was ordered to pay restitution to consumer victims to settle government charges that it deceived consumers into buying its high-priced cookware through false claims and scare tactics. This was the second time the government investigated and sued Hy Cite for deceiving consumers.

Consumer Affairs Director, Pastor Herrera, Jr., urges consumers scammed by Royal Prestige to contact the Department of Consumer Affairs at **1-800-593-8222** to claim their refund.

"Royal Prestige frightened customers into paying thousands of dollars each for pots and pans by telling them that Royal Prestige cookware prevents and cures dangerous diseases, such as cancer, heart attacks and diabetes," Herrera said. **"Royal Prestige was ordered to pay more than \$1,000,000 for their actions, which included restitution for victims. While many victims have received their money back, \$100,000 in refunds remains unclaimed."**

In September 2008, following an investigation by the Department of Consumer Affairs, California Attorney General Edmund G. Brown Jr. secured a \$1 million settlement against Hy Cite. The settlement ordered Hy Cite to give refunds to victims, stop claiming their cookware cures dangerous diseases, and pay \$650,000 in penalties and legal costs.

Hy Cite targeted Latino consumers and neighborhoods in Southern California through in-home demonstrations of their cooking products. To get into homes, salespeople often told consumers they had won a prize. Once inside, salespeople often used false claims and high pressure to convince consumers to buy cookware for up to \$4,500 a set. For example, salespeople regularly performed bogus "tests" on the victim's cookware, and falsely claimed the cookware was unsafe and could cause cancer, heart attacks and diabetes to the consumers and their families.

Salespeople also convinced many consumers to pay for the pots and pans through the company's financing plan. While Hy Cite promised low interest rates, consumers were instead stuck with rates of 24% or higher, leading to missed payments, damaged credit scores and aggressive collection calls.

State v. Royal Prestige
November 24, 2009

The investigation also found that Hy Cite used two separate credit structures for customers based on ethnicity. "Anglo" customers were offered a 90-day payment deferral, contract cancellation, and the use of postdated checks. Latino customers received none of these options.

In addition to the restitution and penalties, the settlement required Hy Cite to pay for an independent monitor to interview future customers to make sure their salespeople follow the law.

To file a complaint and find out if they qualify for a refund, consumer victims should immediately contact:

County of Los Angeles Department of Consumer Affairs
500 W. Temple St., Room B-96
Los Angeles, CA 90012
Phone: 800-593-8222
Website: www.dca.lacounty.gov

- END -