

**UNITED STATES DISTRICT COURT
IN THE NORTHERN DISTRICT OF OHIO
WESTERN DIVISION**

UNITED STATES OF AMERICA,

Plaintiff,

v.

AXIS LED GROUP, LLC, a limited liability
company;

ALG-HEALTH LLC, a limited liability company;
and

ADAM J. HARMON, individually and as an
officer of AXIS LED GROUP, LLC and
ALG-HEALTH LLC,

Defendants.

Case No. _____

**COMPLAINT FOR PERMANENT
INJUNCTION, CIVIL
PENALTIES, AND OTHER
RELIEF**

Plaintiff, the United States of America, acting upon notification and authorization to the Attorney General by the Federal Trade Commission (“FTC” or “Commission”), pursuant to Section 16(a)(1) of the FTC Act, 15 U.S.C. § 56(a)(1), for its Complaint alleges:

1. Plaintiff brings this action under Sections 5(m)(1)(A), 13(b), and 19 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 45(m)(1)(A), 53(b), and 57b; the COVID-19 Consumer Protection Act of the 2021 Consolidated Appropriations Act (the “COVID-19 Act”), Pub. L. No. 116-260, 134 Stat. 1182, Title XIV, § 1401(b)(1); and Section 323.4 of the Made in USA Labeling Rule (the “MUSA Labeling Rule”), 16 C.F.R. § 323.4, which together authorize the Plaintiff to seek, and the Court to order, permanent injunctive relief, monetary relief, civil penalties, and other relief for the numerous acts and practices of Defendants Axis LED Group, LLC, ALG-Health LLC, and Adam J. Harmon in violation of Sections 5(a) and 12 of the FTC Act, 15 U.S.C. §§ 45(a), 52 and in violation of the Made in USA Labeling Rule, 16 C.F.R. Part

323, described herein. These deceptive acts or practices include but are not limited to: (1) the labeling and advertising of certain products containing significant imported content as “Made in USA;” and (2) the making of other false or misleading claims relating to Defendants’ personal protective equipment products and the prevention or mitigation of COVID-19.

Jurisdiction and Venue

2. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1337(a), 1345, and 1355.

3. Venue is proper in this District under 28 U.S.C. §§ 1391(b)(2), (c)(2), and (d), 1395(a), and 15 U.S.C. § 53(b).

Plaintiff

4. This action is brought by the United States of America on behalf of the FTC. The FTC is an independent agency of the United States Government given statutory authority and responsibilities. 15 U.S.C. §§ 41-58. The FTC enforces Sections 5(a) of the FTC Act, 15 U.S.C. §§ 45(a), which prohibits unfair or deceptive acts or practices in or affecting commerce, and Section 12 of the FTC Act, 15 U.S.C. § 52, which prohibits false advertisements for food, drugs, devices, services, or cosmetics in or affecting commerce. The FTC also enforces the COVID-19 Act, which provides for civil penalties for any person who engages in a deceptive act or practice in or affecting commerce associated with the treatment, cure, prevention, mitigation, or diagnosis of COVID-19 for the duration of the COVID-19 public health emergency. Pub. L. No. 116-260, Title XIV, § 1401(b)(1). The FTC also enforces the MUSA Labeling Rule, which prohibits labeling any product with an unqualified “Made in USA” or equivalent claim unless the final assembly or processing of the product occurs in the United States, all significant processing that goes into the product occurs in the United States, and all or virtually all

ingredients or components of the product are made and sourced in the United States. 16 C.F.R. § 323.2.

Defendants

5. Defendant Axis LED Group, LLC (“Axis”) is an Ohio limited liability company with its principal place of business at 520 West Mulberry Street, Bryan, Ohio 43506. Axis transacts or has transacted business in this District and throughout the United States. At all times relevant to this Complaint, acting alone or in concert with others, Axis has advertised, marketed, distributed, or sold light-emitting diode (“LED”) or personal protective equipment (“PPE”) products to consumers throughout the United States.

6. Defendant ALG-Health LLC (“ALG-Health”) is an Ohio limited liability company with its principal place of business at 520 West Mulberry Street, Bryan, Ohio 43506. ALG-Health transacts or has transacted business in this District and throughout the United States. At all times relevant to this Complaint, acting alone or in concert with others, ALG-Health has advertised, marketed, distributed, or sold LED or PPE products to consumers throughout the United States.

7. Defendant Adam J. Harmon (“Harmon”) is the President and Chief Executive Officer of both Axis and ALG-Health. At all times relevant to this Complaint, acting alone or in concert with others, he has formulated, directed, controlled, had the authority to control, or participated in the acts and practices of Axis and ALG-Health, including the acts and practices set forth in this Complaint. Defendant Harmon resided in this District at the time of the matters alleged herein, and, in connection with those matters, transacts, or has transacted, business in this District and throughout the United States.

Common Enterprise

8. Defendants Axis and ALG-Health (collectively, “ALG” or “Corporate Defendants”) have operated as a common enterprise while engaging in the deceptive acts and practices and other violations of law alleged below. Corporate Defendants have conducted the business practices described below through interrelated companies that have common ownership, officers, managers, business functions, employees, and office locations, and that commingled funds.

9. Specifically, at all times relevant to this Complaint, the Corporate Defendants operated under Defendant Harmon’s unified control. Defendant Harmon directed the Corporate Defendants’ business and marketing activities interchangeably through his Axis and ALG-Health email addresses, ordered and received ALG-Health shipments under the Axis name, commingled corporate funds, and housed corporate activities in the same physical space.

10. Because these Corporate Defendants have operated as a common enterprise, each of them is liable for the acts and practices alleged below.

Commerce

11. At all times relevant to this Complaint, Defendants have maintained a substantial course of trade in or affecting commerce, as “commerce” is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

Defendants’ Business Activities

12. Defendant Harmon formed Axis in Ohio in 2015. Exhibit A.

13. Defendant Harmon filed articles of incorporation for ALG-Health in Ohio in June 2020. Exhibit B.

14. As described in Paragraph 9, at all times material to this Complaint, Defendant

Harmon served as an officer of the Corporate Defendants, which he operated as a unified entity.

15. Defendant Harmon holds sole responsibility for, and has directed publication of, all ALG marketing claims.

Defendants have falsely marketed, labeled, and sold wholly imported Chinese lighting products, or products containing significant Chinese inputs, as Made in the United States.

16. Since 2015, ALG has marketed and sold LED lights, tubes, and fixtures to consumers and the United States government.

17. In 2016, the Commission received reports that ALG falsely advertised a line of imported LED bulbs called “Patriot Tubes” as Made in the United States (“MUSA”).

18. Specifically, ALG blanketed its website and social media with unqualified U.S.-origin claims for these products, stating the Company’s “advances in manufacturing processes and efficiency have finally allowed us to produce USA-made products at competitive prices.” Exhibit C.

19. During the FTC’s investigation of these reports, Defendant Harmon admitted Patriot Tubes included significant Chinese components. However, Defendant Harmon claimed Patriot Tubes were assembled in the United States.

20. Defendant Harmon asserted Patriot Tubes qualified as “domestic end products” under the Buy American Act, 41 U.S.C. §§ 8301-8305 (“BAA”),¹ and produced a letter purportedly confirming this fact. Exhibit D.

21. During the 2016 investigation, Defendant Harmon reviewed and acknowledged

¹ BAA establishes preferences for domestic end products and construction materials in government acquisitions, and defines those terms as they are used in that limited context. *See* 48 CFR § 25.003 (stating that for purposes of BAA, “domestic end product[s]” and “domestic construction material[s]” include, among other things, certain manufactured products or materials where either the cost of the components mined, produced, or manufactured in the United States exceeds 50% of the cost of all components, or the product or material is a commercially available off-the-shelf item).

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