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# These cosmetic stores inside Ontario malls promise customers better skin. Instead, a growing number say they've been tricked into high-cost loans

The stores' management deny using deceitful sales tactics. But more and more disgruntled customers are demanding justice.

July 27, 2025   



Richard Lautens Toronto Star

By Frédéric Plante Investigative Reporter

Ashell Campbell was returning shoes at the [Scarborough Town Centre](#) when, somewhere between Baskin-Robbins and Sephora, a saleswoman from a cosmetics store called the Soap Tree offered her a free skin cream sample.

The woman noted Campbell's acne scarring and suggested a product that could help. Campbell, a 29-year-old community mental health worker, tried the cream and liked the result. "Why not? I'll treat myself," she thought, and bought it.

The saleswoman was not done. She insisted on a quick "skin assessment," pushed Campbell to try an expensive LED skin care wand and urged her to sign up for discounts on future purchases from the shop. Campbell initially said no but relented. She followed the woman to another store, called Orogold, a short walk away.

To create the customer account, Campbell answered a few questions and handed her debit card and driver's licence to the woman, who filled a form on a tablet. Then, she turned the screen toward Campbell and directed her to sign her name.

Campbell had no idea she was signing up to be saddled with a [crushing debt](#).

The Star spoke with 12 customers who allege they were tricked or coerced into signing up for high-cost loans by staff at a group of four cosmetics stores in Scarborough and London, Ont., to purchase expensive skin care devices. All but one ended up thousands of dollars in debt.

The cosmetics stores fly distinct banners — the Soap Tree, Orogold, Royal Bee — and they are run by either Itzhak Chernobelsky or Eliran Cherniavsky, former business partners.

Customers recounted relentlessly insistent pitches that included limited, confusing or false information bombarded at them until they broke down and signed up for deals they didn't understand — deals they soon regretted but could not cancel. Five customers said their initials or signature were forged or copied on contracts without their knowledge.

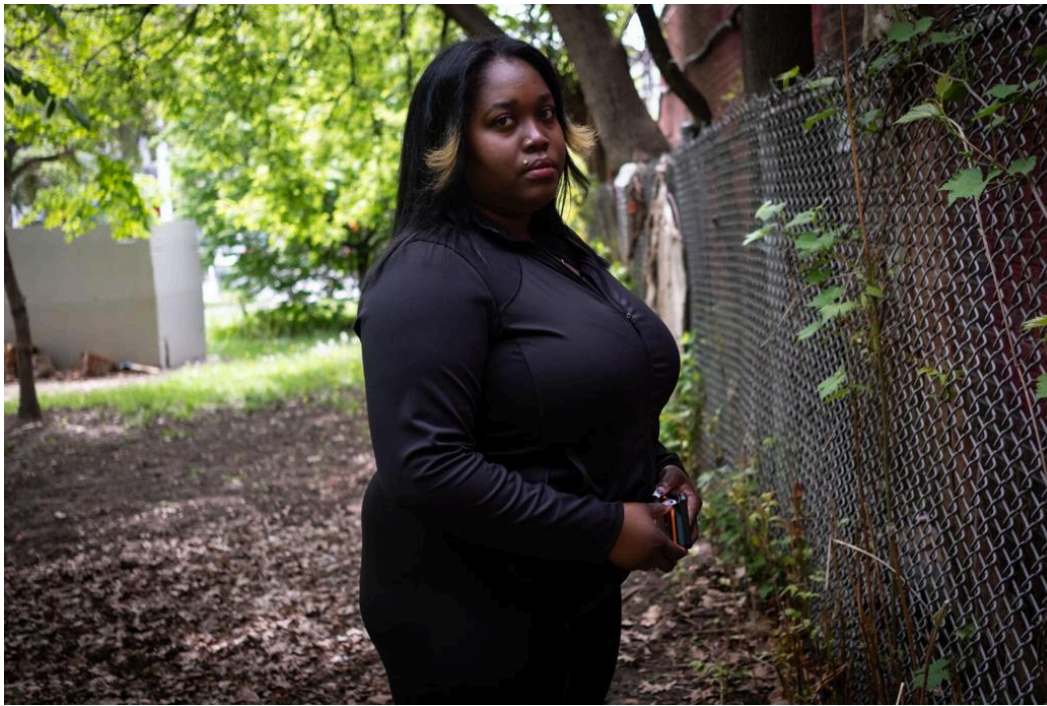
The stores' online reviews are mixed, but dozens chronicle similar, one-star experiences. More than 80 people signed an [online petition](#) created in April demanding accountability for the shops.

Chernobelsky and Cherniavsky broadly denied the allegations of deceitful sales tactics, but did not address specific cases. Cherniavsky said "there has been no forgery of signatures or initials" at his stores.

In the days after the Star contacted the stores' management, six customers said staff got in touch to offer full or partial refunds. One customer said she got her nearly \$10,000 loan cancelled, along with an apology for the staff's conduct.

At the Scarborough Town Centre's Orogold store last October, Campbell signed the tablet to create the customer account, but grew suspicious and asked the saleswoman if she was doing a credit check. She said yes. Campbell was dumbfounded.

"That is not what you told me you were doing, and I don't approve of that," she recalled saying. "It's already done," the woman flatly answered, Campbell said.



Ashell Campbell alleges an employee from the Soap Tree store at the Scarborough Town Centre signed her up for a high-cost loan to purchase a \$7,500 cosmetic device without her consent.

Giovanni Capriotti For the Toronto Star

She not only did a credit check; Campbell found out she had signed up for a high-cost loan with a third-party lender, LendCare, to purchase the \$7,500 Perfectio Plus LED wand she had reluctantly tried.

On its website, the maker of the Perfectio Plus and other wands describes it as “the most powerful home use anti-wrinkle device.” The Perfectio Plus “will rejuvenate your skin’s appearance and structure using dual action techniques, red LED light, and topical heat.”

With a 19.9 per cent interest rate and other fees, Campbell now owed \$9,321 to LendCare. It would take two years to pay it off in biweekly installments of \$179.25. In a copy of the contract shared with the Star, the signature Campbell recalled scrawling on the tablet screen appears on the last of eight pages, which features no details of the loan. Her initials appear on other pages, but Campbell said she did not put them anywhere.

She had recently taken out a loan for a new car and feared more borrowing might jeopardize her plan to buy a house with her partner. “I said to her, like, ‘I don’t want the product. I don’t want to take this home. I want to leave it here. I need you to undo this process,’” Campbell said about the saleswoman. “And she’s like, ‘No, it’s too late for that.’”

### **Staff accused of falsely touting medical expertise**

Prof. [Hassan M. Ahmad](#) of York University’s Osgoode Hall Law School said the staff’s alleged actions could fall under misleading, deceptive or “unconscionable” representations, which include undue pressure and are prohibited by the [Ontario Consumer Protection Act](#) and federal law. The stores could be held liable for damages in court for such conduct, he said.

Two customers interviewed by the Star, Denise Gill and Jacqueline D'Souza, filed small claims lawsuits against Orogold, claiming staff at the Scarborough location made false, fraudulent and unconscionable representations. Orogold denied the allegations and both cases are awaiting a hearing.



**Orogold's conduct is not accidental but an intentional business strategy.**

Others, like Paula Rios Benavides, are considering suing. Rios is one of four customers interviewed by the Star who allege staff falsely touted medical expertise to sell beauty products.

When she agreed to undergo a free facial and consultation at the Orogold store in London's CF Masonville Place, Rios thought it was going to be with a health-care professional. That's what a salesman told her a few days earlier, when Rios, a personal support worker from El Salvador, was strolling around the mall. She said the salesman offered a face cream sample and, pleased with the result, Rios bought three products. Then he offered the consultation with their in-house skin care specialist, "Dr. Leo."

In a small room at the back of the store, Leo performed the assessment and allegedly told Rios that her skin was in bad health for her age. She was 67 at the time. He even allegedly said it presented a risk of skin cancer. Eight customers told the Star that staff made derogatory remarks on their skin's appearance or health during sales pitches.

Leo suggested Rios buy a Perfectio X LED wand.

Rios, who has been delaying retirement for financial reasons, said she was not interested and tried to leave on several occasions. But she felt trapped in the small room, with "Dr. Leo" positioned between her and the door. The high-pressure sales pitch continued for more than an hour and a half, she said. Eventually, she gave up and agreed to buy the \$7,500 device, with the intention of returning it at a later date, when Leo wouldn't be there.

Leo Shapiro told the Star that he sold a device to Rios but denied that he misrepresented himself as a doctor or applied undue pressure to close the sale. Shapiro said that he explained everything to Rios and that she was initially happy with the deal.

Rios and her son, Eddie Benavides, who has been helping her navigate the fallout of the transaction, said Shapiro did not explain any of the terms of the LendCare loan she signed up for. Rios was left on the hook for \$10,221.





Eddie Benavides has been helping his mother navigate the fallout from her purchase of products from Orogold.

Nicole Osborne The Toronto Star

The law firm Rios hired sent a letter to Orogold and LendCare in March alleging fraudulent practices and demanding a full refund, the cancellation of the loan, and a commitment from Orogold to “cease deceptive sales practices.”

“We are aware of numerous individuals who have experienced identical misconduct, including misrepresentation of loan agreements, misleading refund policies, and aggressive sales tactics targeting vulnerable consumers,” the letter, signed by Lerner LLP lawyer Alfonso E. Campos Reales, says. “Orogold’s conduct is not accidental but an intentional business strategy.”

Orogold did not respond to Rios’s letter, her son said. Soon after, LendCare sent a letter threatening legal action for the “delinquent” loan she had ceased to pay after placing a hold on her credit card.

### **What she thought was a freebie ended up costing over \$13,000**

After Jenny Babakwanza, a 34-year-old school lunch supervisor, signed up for what she thought was a subscription for skin care treatments, she believed the Perfectio Plus wand was one of the freebies that the Scarborough Orogold salesman had thrown into the generous offer.

The wand was actually \$6,637, plus tax. She had unwittingly signed up for a loan with a 29.9 per cent interest rate with LendCare to purchase the device over four years, nearly doubling its price tag to \$13,135.

The LendCare agreements detail other costs.

All but one of the nine contracts reviewed by the Star include a \$149 administrative fee. They all feature a \$75 fee for each instance when a payment can’t go through because of insufficient funds or other issues, as well as a 10 per cent interest rate

increase in case of default. “For example: If the Interest Rate ... is 29.9%, then, upon you failing to make a payment on time, the Interest Rate on your Credit Agreement will increase to 39.9%,” the contracts say in fine print.

An annual percentage rate — which is the interest rate plus other fees — of 35 per cent or more is criminal in Canada. This legal limit is not mentioned in the contracts.



Jenny Babakwanza thought she was signing up for a subscription for skin care treatments. Instead, she unwittingly signed up for a 29.9% interest rate loan to purchase a pricy skincare device.

Richard Lautens Toronto Star

Sabrina Anzini, a spokesperson for LendCare’s parent company, Goeasy Ltd., which describes itself as “one of Canada’s leading non-prime consumer lenders,” said interest rate increases don’t exceed the criminal rate and the 39.9 per cent rate quoted in the contracts’ default scenario “is simply an illustrative example.”

Tahira Dawood, a staff lawyer at the [Public Interest Advocacy Centre](#) (PIAC), a non-profit advocating for consumers’ rights, said deceptive and aggressive sale tactics such as those alleged against the cosmetics stores often target “vulnerable consumers, including seniors who are forced to purchase products they don’t want.” She said high-cost loans such as those offered by LendCare force low-income consumers “into a cycle of debt” as they take up more loans to pay for previous loans.

Holly Unruh, another spokesperson for Goeasy, said “we disagree with the characterization that our products create a cycle of debt.” She said LendCare applicants “undergo credit and affordability assessments” for loans and payment schedules she described as transparent, predictable and affordable.

In 2021 [submissions](#) to the Ontario government as part of consultations on “alternative financial services,” PIAC recommended licensing high-cost lenders, imposing stronger disclosure requirements and establishing a cooling-off period that would allow customers to change their mind in the days after entering high-cost loans, among other measures.

Praveen Senthinathan, a spokesperson for the Ministry of Public and Business Service Delivery and Procurement, said the government “continues to consider the feedback received” in the consultations.

Ahmad, of York University, said that LendCare — depending on what the lender knew of the sales staff’s conduct — could also face civil liability if found to be negligent. D’Souza, one of the customers who sued Orogold, also included LendCare among defendants, accusing it of wilful blindness regarding Orogold’s conduct creating “a predatory lending scheme.” LendCare denied the allegations, saying it had “limited knowledge” of Orogold’s business practices.

Unruh, one of the spokespersons for Goeasy, said the lender asks merchants to “disclose financing terms and obtain informed consent” from customers. “We require merchants to follow clear onboarding and disclosure standards, including use of DocuSign, identity verification, and confirmation that loan terms are clearly presented,” she said.

Addressing the cosmetics stores’ sales tactics, Unruh said LendCare has “raised these concerns” with merchants but did not elaborate on the results. “While we take every concern seriously and have addressed the matter directly with the merchant, these issues must be considered in the context of the merchant’s overall transaction volume and track record,” she said.

Neither Unruh nor Anzini answered questions about the number of complaints to LendCare relating to Orogold, the Soap Tree and Royal Bee.

Chernobelsky, who runs the company behind two of the stores — the Orogold and Soap Tree stores in Scarborough — said he was surprised to hear about the customers’ allegations. “We cannot sign any customer without their consent,” he said of the third-party loans.

“There were incidents in the past, but we also let go of staff who wasn’t up to our standards, so these things should not be happening anymore,” he said.

Chernobelsky and Cherniavsky founded the company behind the other pair of stores in London — the Royal Bee in White Oaks Mall and another Orogold in CF Masonville Place that closed in February. Chernobelsky left that company in 2023.



**There were incidents in the past, but we also let go of staff who wasn’t up to our standards, so these things should not be happening anymore.**

Cherniavsky said he is familiar with a few cases of dissatisfied customers but that the process ensures clients know what they get into. “It’s not just: sign here and here, and you’re good to go. It doesn’t happen that way, you know, there is a need to provide a piece of ID. There’s a need to provide banking information,” he said. “It simply cannot happen without the client’s co-operation.”

“I don’t put a signature on anything I don’t read,” Cherniavsky said. “I encourage everyone to look at what they’re signing before they’re signing it.”

## After the Star asked questions, some customers offered refunds

Campbell emailed LendCare to try to get her loan cancelled, but its initial response made her feel even more anxious. “Sorry for your experience. When you signed the agreement which means you fully understand the contract,” a customer service representative answered. “I would suggest contacting the merchant to see on your concern. We are the finance lender.”

Campbell then called LendCare and a staff member told her she was the third person within a week to complain about Orogold, which raised a red flag, the staff member said. Campbell said LendCare cancelled her loan.

Babakwanza tried multiple times to return her device and get her loan cancelled, to no avail. In January, she left the LED wand at the store anyway. She continued paying biweekly installments but, shortly after the Star reached out to Chernobelsky, she got an email from a customer service representative offering a refund, minus a 15 per cent restocking fee for opened products.

In another case, an Orogold Scarborough store employee told a Star reporter posing as a customer that they would not offer a refund for an LED wand “because it’s a medical device.”

Cherniavsky said his stores issue refunds on a case-by-case basis, for example when a device interferes with a medical issue. After his staff offered refunds to customers who spoke with the Star, he said: “We were not aware of many of these complaints and we have no intention to keep clients unhappy. We appreciate the fact that it was brought to our attention and reached out to clients to rectify the situation where possible.”

Chernobelsky said his stores have a no-return policy but there can be exceptions. Unsatisfied customers should reach out again, “especially if the product is unopened,” he said.

“Obviously, we will do everything possible to help them out.”

*With files from Sheila Wang*



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