



Federal Trade Commission Protecting America's Consumers

For Release: 11/5/2011

In FTC 'Hoodia' Weight Loss Case, Settlement Requires Defendants to Turn Over Assets

One is Banned from Marketing Dietary Supplements, Another from Making Weight-loss Claims

As part of its ongoing efforts to stop bogus health claims, the Federal Trade Commission settled charges brought against three people and two companies for deceptively advertising a supposed weight-loss supplement ingredient. One defendant is banned from making any weight-loss claims related to foods, drugs, or dietary supplements and must turn over a vacation home and other assets to the FTC; another is banned from the dietary supplement business; and all defendants are barred from making any more deceptive claims. The marketers were part of a [scheme](#) that supplied manufacturers of weight-loss supplements with a substance they claimed was a derivative of the plant *Hoodia gordonii* ("hoodia"), which is native to southern Africa. Under the settlements:

- [David J. Romeo](#), and two companies he controlled, Nutraceuticals International LLC and Stella Labs LLC, are banned from making any weight-loss claims while marketing foods, drugs, and dietary supplements. The settlement imposes a \$22.5 million judgment against Romeo and the two companies, which will be suspended when Romeo forfeits his vacation home in Vermont, and assigns to the FTC the right to collect on \$635,000 in business loans owed to him. If it is later determined that the financial information Romeo gave the FTC was false, the full amount of the judgment will become due.
- Nutraceuticals International principal [Craig Payton](#) is banned from marketing any foods, drugs, or dietary supplements. The order against Payton does not require him to forfeit any assets, as they were already seized in an unrelated federal drug case.
- Nutraceuticals International marketing executive [Deborah B. Vickery](#) is required to pay a \$4 million judgment, which has been suspended due to her inability to pay. If it is later determined that the financial information she gave the FTC was false, the full amount of the judgment will become due.
- All five defendants are prohibited from making any false or unsupported claims about foods, drugs, or dietary supplements, and from helping others to make these claims. They also are barred from misrepresenting the results of any scientific study.

In its 2009 [complaint](#), the FTC alleged that the defendants made false and deceptive claims about hoodia and its effectiveness as a treatment for obesity, and falsely claimed that their ingredient was hoodia when it was not.

The complaint also alleged that the defendants falsely and deceptively claimed their product would enable consumers to lose weight and suppress appetites; was scientifically proven to suppress appetite, resulting in weight loss; and was clinically proven to reduce caloric intake by 1,000 to 2,000 calories per day.

The defendants also provided deceptive advertising and promotional materials to trade customers, who then had the means to deceive consumers that bought the purported weight-loss products.

The FTC dropped its charge against a fourth individual, Zoltan Klivinyi, who served as an officer of Nutraceuticals International, but is no longer residing in the United States.

The FTC has more information on this topic for consumers. See [Weighing the Evidence in Diet Ads](#).

The Commission votes authorizing the staff to file the stipulated orders were 5-0. The U.S. District Court for the District of New Jersey entered the orders against Craig Payton and Deborah B. Vickery on August 2, 2010. The court entered the order against David J. Romeo, Nutraceuticals International LLC, and Stella Labs LLC on October 27, 2011.

NOTE: A consent decrees is for settlement purposes only and does not constitute an admission by the defendant that the law has been violated. Consent decrees have the force of law when approved and signed by the District Court judge.

The Federal Trade Commission works for consumers to prevent fraudulent, deceptive, and unfair business practices and to provide information to help spot, stop, and avoid them. To file a complaint in English or Spanish, visit the FTC's online [Complaint Assistant](#) or call 1-877-FTC-HELP (1-877-382-4357). The FTC enters complaints into Consumer Sentinel, a secure, online database available to more than 2,000 civil and criminal law enforcement agencies in the U.S. and abroad. The FTC's website provides free information on a variety of [consumer topics](#). Like the FTC on [Facebook](#) and follow us on [Twitter](#).

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(Stella Nutraceuticals NR)

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Related Items:

Federal Trade Commission v. David J. Romeo, individually, and in his capacity as an officer of Stella Labs, LLC, and Nutraceuticals International, LLC, Stella Labs, LLC, a limited liability company, Nutraceuticals International, LLC, a limited liability company, Deborah B. Vickery, individually and as an employee of Stella Labs and Nutraceuticals, V. Craig Payton, individually, and in his capacity as an officer of Stella Labs, LLC, and Zoltan Klivinyi, individually, and in his capacity as an officer of Nutraceuticals International, LLC.

(United States District Court District of New Jersey)
FTC File No. 082 3130

Consumer Information:

- [Weighing the Evidence in Diet Ads](#)
- [Who Cares: Weight Loss Promises](#)

Business Information:

- [Red Flag: Bogus Weight Loss Claims](#)

Last Modified: Thursday, November 3, 2011