



OFFICE OF THE
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COUNTY OF SHASTA

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**DISTRICT ATTORNEY ANNOUNCES \$1.5 MILLION
SETTLEMENT WITH IOVATE HEALTH SCIENCES, INC.**

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FOR IMMEDIATE RELEASE
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District Attorney Stephen Carlton announced today that dietary supplement distributors Iovate Health Sciences, Inc., a Canadian corporation, and its American affiliate, Iovate Health Sciences USA, Inc., have agreed to pay a total of \$1.5 million in civil penalties and costs in the settlement of a lawsuit brought by the district attorney's offices in Shasta, Napa, Alameda, Marin, Monterey, Orange, Santa Clara, Santa Cruz, Solano and Sonoma counties. The lawsuit alleged that the company engaged in false and misleading advertising in connection with the marketing and sale of certain of its dietary supplement products, and violated Proposition 65, which requires a warning label on products that expose the consumer to over one-half microgram of lead per day.

The settlement pertains to Iovate products marketed and sold throughout the state of California, and requires the Iovate companies to pay \$1,200,000 in civil penalties that will provide support for the future enforcement of California consumer protection laws. The agreement also provides for \$300,000 in investigative costs. It is the second largest multi-district attorney dietary supplement settlement of its kind in California history.

The Iovate companies market and sell dietary supplement products in California and throughout the U.S. and Canada. The district attorneys' lawsuit accused Iovate of making false and misleading representations in connection with the marketing and sale of certain of its products, including Accelis, nanoSLIM, Cold MD, Germ MD, EZ-Swallow Rapid-Tabs, Germ MD Effervescent Tablets, Allergy MD, and Allergy MD Rapid-Tabs.

It also alleged that lovate's Cold MD product was an unapproved new drug, the sales and distribution of which are illegal under California law.

The investigation also revealed that lovate was marketing and selling a product containing lead in violation of California's Proposition 65, which requires that all products containing more than one-half of a microgram of lead be marked with warning labels. Laboratory tests revealed that certain lots of its Cold MD product contained significantly more than one-half microgram of lead in a single dose of the product. lovate did stop selling Cold MD back in 2008.

The federal government does not regulate the dietary supplement market. Unlike prescription medication, dietary supplements do not need to be pre-approved by FDA before they can be sold to consumers. A dietary supplement can be sold in the United States without prior government approval or proof that it is either safe or effective for its intended use.

The lovate companies did not admit fault or liability, but have agreed to abide by comprehensive court orders to prevent any future unfair or deceptive business practices.