

Judge Berman

WILLIAM E. KOVACIC
General Counsel

BARBARA ANTHONY
Regional Director
Northeast Region

MICHELE STOLLS (MS 3618)
DONALD G. D'AMATO (DD 3008)
Federal Trade Commission
One Bowling Green, Suite 318
New York, NY 10004
(212) 607-2829 (phone)

Attorneys for Plaintiff

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

FEDERAL TRADE COMMISSION,

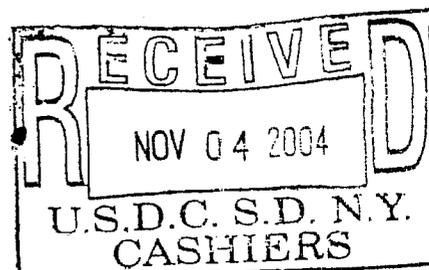
Plaintiff,

v.

CHK TRADING CORP.,
CHK TRADING CO., INC., and
CHONG KIM,

Defendants.

04 CV 8686
ECF CASE



Civil No. CV-

**COMPLAINT FOR
PERMANENT INJUNCTION
AND OTHER
EQUITABLE RELIEF**

Plaintiff, the Federal Trade Commission ("FTC" or "Commission"), through its undersigned attorneys, for its Complaint alleges:

1. Plaintiff FTC brings this action under Section 13(b) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 53(b), to secure a permanent injunction, rescission of contracts and restitution, disgorgement of ill-gotten gains, and other equitable relief against the Defendants for engaging in deceptive acts or practices and false advertisements for food, drugs,

devices, services or cosmetics, in or affecting commerce in connection with the advertising, marketing and sale of Hanmeilin Cellulite Cream in violation of Sections 5(a) and 12 of the FTC Act, 15 U.S.C. §§ 45(a) and 52.

JURISDICTION AND VENUE

2. This Court has jurisdiction over this matter pursuant to 15 U.S.C. §§ 45(a), 52, 53(b) and 28 U.S.C. §§ 1331, 1337(a), and 1345.

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

THE PARTIES

4. Plaintiff, the Federal Trade Commission, is an independent agency of the United States Government created by statute. 15 U.S.C. §§ 41-58. The Commission enforces Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or affecting commerce. The Commission also enforces 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 Commission, through its own attorneys, may initiate federal district court proceedings to enjoin violations of the FTC Act and to secure such equitable relief, including rescission of contracts and restitution, and the disgorgement of ill-gotten gains caused by Defendants' law violations, as may be appropriate in each case. 15 U.S.C. § 53(b).

5. Defendant CHK Trading Corp. is a New York corporation, doing business as Hanmeilin Cosmetics and Shangrila, with offices located at 39 West 32nd Street, Suite 300, New York, New York 10001. Defendant CHK Trading Co., Inc., doing business as Hanmeilin Cosmetics and Shangrila, is a New Jersey corporation, with offices located at 8 Garden Place,

Apt. 281, Edgewater, New Jersey 07020. CHK Trading Corp. and CHK Trading Co., Inc. (collectively, "CHK") transact, or have transacted, business in this District and throughout the United States through the advertising, marketing, and sale of Hanmeilin Cellulite Cream, among other products, via advertisements and the Internet site, www.ezcellulite.com.

6. Defendant Chong Kim, also known as Chong Hwan Kim, Chong H. Kim and Charles Kim ("Chong Kim"), is the president of CHK Trading Corp. and CHK Trading Co., Inc. He is also a director of CHK Trading Co., Inc. He resides at 8 Garden Place, Apt. 281, Edgewater, New Jersey 07020. At all times relevant to this Complaint, acting individually or in concert with others, Chong Kim has formulated, directed, controlled, or participated in the acts or practices of CHK, including the acts or practices alleged in this Complaint. Chong Kim has transacted business in the Southern District of New York.

7. Defendants CHK Trading Corp. and CHK Trading Co., Inc. sell the same product, have the same president and are under his common ownership and control, use similar names, have identical assumed or alternate names, use the same accountant, use the same website, use the same merchant bank and account number to process consumer payments via credit cards, share the same telephone company account, and cooperate and act in concert to carry out the Defendants' business practices as alleged herein. They constitute a common enterprise for purposes of this proceeding.

COMMERCE

8. The acts and practices of Defendants alleged in this Complaint are in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

DEFENDANTS' COURSE OF CONDUCT

9. Since at least November 2003, Defendants have advertised, promoted, offered for sale, and sold products to the public throughout the United States, including a purported weight loss product called Hanmeilin Cellulite Cream.

10. Hanmeilin Cellulite Cream is a topical cream which contains the following ingredients: purified water, evening primrose extract, horsetail extract, thea sinensis extract, caprylic/capric triglyceride, stearic acid, butylene glycol, glycerl stearate, cetyl alcohol, stearyl alcohol, microcrystalline wax, polysorbate 60, sorbitan sesquioleate, carbomer, triethanolamine, tocopheryl acetate, trisodium edta, methylparaben, propylparaben, ethylparaben, phenoxyethanol, and fragrance. The fees charged for the cream are \$75 per jar for four jars, \$85 per jar for two jars and \$95 per jar for one jar, which are charged to consumers' credit cards after they supply their account information over the telephone. The product comes with directions to apply Hanmeilin Cellulite Cream on the buttocks, stomach and thighs and massage until the cream is completely absorbed. The suggested application is twice a day.

11. Defendants advertise and offer Hanmeilin Cellulite Cream for sale to Spanish-speaking consumers through *TeleRevista*, a national magazine. The advertisements include a reference to the company's website: www.ezcellulite.com. Spanish-speaking consumers can purchase the product direct from the company by calling the company's toll-free 800 number or the company's New York office telephone number.

12. To induce Spanish-speaking consumers to purchase Hanmeilin Cellulite Cream, Defendants have disseminated, or caused to be disseminated, advertisements for Hanmeilin Cellulite Cream, including but not limited to the attached Exhibits A-C (English-language

translations follow each exhibit). Exhibit A contains the following statements or depictions, among others (an English-language translation follows the quote):

[EXCERPTS FROM THE ADVERTISEMENT]

Celulitis, Estrías, Pierda Peso y Pulgados

CHINESE HERBAL 100% NATURAL

HANMEILIN CELLULITE CREAM

* * *

HANMEILIN CELLULITE CREAM

1) CELULITIS:

Es una condición de la piel que afecta a más del 90% de las mujeres. La retención de líquidos y las células de grasa agrandadas empujan la piel hacia arriba.

1. Desvanecera la celulitis...despues se disolvio la grasa y redujo la celula adiposa.

2) AREAS ESPECIFICAS:

Es la acumulación de grasa en areas como cadera, abdomen, rostro, pantorrilla, muslo, brazo, etc... Más de 80% de las mujeres la sufren. Visible aumento de talla y peso.

2. Reducción de peso y talla (100% pérdida de grasa. Reducción de la célula adiposas. Recupera la figura.

3) SOBREPESO Y OBESIDAD:

La acumulación de la grasa es mayor por consiguiente la célula adiposa esta agrandada en la mayor parte del cuerpo. Aumento de talla y peso. 20% de la población mundial la sufre.

3. Reducción de peso (10 a 95 libras). Eliminacion de grasa. Reduccion de la celula adiposa. Reduccion de talla (de 14 a 8 - 12 a 8 - 10 a 6). Es la forma más saludable y correcta de perder peso.

* * *

GRAN DIFERENCIA

USTED OBTENDRA MAS DE 5 BENEFICIOS

* * *

- Elimina la grasa.
- Reduce el tamaño de la célula adiposa. [graphic]
- Elimina la celulitis y estrías....

* * *

- Pierde 15 libras de su estómago de 6 a 9 semanas. [graphic with text: Todo En Uno]
- Puede ser usada en cualquier parte de su cuerpo.

* * *

- Reduzca su talla de 14-6, 12-6, 10-4 y más hasta 50 libras.

* * *

REDUCE	TABLETAS, JUGOS, DIETAS, BATIDOS	OTRAS CREMAS	EDERMOLOGIA [sic]	HANMEILIN
CELULITIS	NO	NO	TEMPORAL- MENTE	SI
PULGADAS	TEMPORAL- MENTE	NO	NO	SI
PESO	WATER, "YO- YO," MUSCLE	NO	NO	SI
CELULA ADIPOSA	NO	NO	NO	SI
FIRMESA Elasticidad	NO	NO	NO	SI
* SOLAMENTE PUEDE SER VERDADERA Y ORIGINAL AQUELLAS QUE PUEDEN SOLUCIONAR Y ACTUAR EN LOS 3 PROBLEMAS * SOLAMENTE HANMEILIN PUEDE SOLUCIONAR 1 O LOS 3 PLOBLEMAS [sic] JUNTOS				

[Photo] Yo tengo 32 años, madre de seis niños y mido 5.4. Tuve a mi ultimo bebe el 30 de mayo de 1997 dejándome con 215 libras.

Lei el anuncio de **HANMEILIN CELLULITE CREAM** y decidi probarlo. Después de usarlo he perdido 65 libras sin ejercicios, sin pasar hambrey [sic] todo el crédito se lo debo a Hanmeilin....

Exhibit A, *TeleRevista*, November 2003, p. 17; December 2003, p. 39, May 2004, p. 7, June 2004, p. 7, and September 2004, p. 13. [emphasis in original]

[TRANSLATION]

**Cellulite, Stretch Marks, Lose Weight and Inches
CHINESE HERBAL 100% NATURAL
HANMEILIN CELLULITE CREAM**

* * *

HANMEILIN CELLULITE CREAM

1) CELLULITE:

A skin condition affecting more than 90% of women. Fluid retention and enlarged fat cells push the skin upward.

1. It will make the cellulite vanish...since the fat was dissolved and the adipose cell was reduced.

2) SPECIFIC AREAS:

The accumulation of fat in areas such as the hips, abdomen, face, calves, thighs, arms, and so forth... More than 80% of women have it. Noticeable increase of size and weight.

2. Weight and size reduction (100% loss of fat. Reduction of adipose cells. The figure comes back..[]]

3) OVERWEIGHT AND OBESITY:

The accumulation of fat is greater, therefore the adipose cell is enlarged in most of the body. Increase of size and weight. 20% of the world's population suffers from it.

3. Weight reduction (10 to 95 pounds). Elimination of fat. Reduction of the adipose cell. Size reduction (from 14 to 8 - 12 to 8 - 10 to 6). The most healthy and correct way to lose weight.

* * *

BIG DIFFERENCE

YOU WILL GET MORE THAN 5 BENEFITS

* * *

- Eliminates the fat.
- Reduces the size of the adipose cell. [graphic]
- Eliminates cellulite....

* * *

- Lose 15 pounds from your stomach in 6 to 9 weeks. [graphic with text: all in one]
- Can be used anywhere on your body.

* * *

- Reduce your size from 14-6, 12-6, 10-4 and more up to 50 pounds.

* * *

REDUCE	PILLS JUICES, DIETS, SHAKES	OTHER CREAMS	EDERMOLOGY [sic]	HANMEILIN
CELLULITE	NO	NO	TEMPORARILY	YES
INCHES	TEMPORARILY	NO	NO	YES
WEIGHT	WATER, "YO- YO," MUSCLE	NO	NO	YES
ADIPOSE CELL	NO	NO	NO	YES
FIRMNESS Elasticity	NO	NO	NO	YES
* ONLY THOSE THAT CAN SOLVE AND ACT ON THE 3 PROBLEMS CAN BE AUTHENTIC AND ORIGINAL * ONLY HANMEILIN CAN SOLVE 1 OR ALL 3 PROBLEMS AT THE SAME TIME				

[Photo] I'm 32, mother of six, and 5'4". I had my last baby on May 30, 1997 and ended up weighing 215 pounds.

I read the ad for **HANMEILIN CELLULITE CREAM** and decided to try it. After using it I have lost 65 pounds without exercise, without going hungry, and all the credit goes to Hanmeilin....

Translation of Exhibit A. [emphasis in original]

13. Exhibit B contains the following statements, among others (an English-language translation follows the quote):

[EXCERPTS FROM THE ADVERTISEMENT]

HANMEILIN
ANOS ADELGANZANDO Y EMBELLECIENDO A LAS PERSONAS.

* * *

...En la actualidad hay tantas variedades de productos, dietas, ejercicios para el tratamiento de la Cellulitis y Pérdida de Peso... En nuestra oficina hemos recibido cantidad de personas que han probado todo tipo de dietas... Les hemos explicado que nosotros contamos, entre otras técnicas, con una Crema llamada Hanmeillin, con una confianza de 5000 años de historia. Hecha a base hierbas chinas, 100% natural y los resultados han sido altamente positivos y permanentes.

Para que Ud. pueda tomar el control de su cuerpo, eliminar la celulitis, bajar de peso...y hacer realidad en tener 'Un Cuerpo Esbelto sin Cellulitis', las siguientes explicaciones son para Usted:

* * *

Hanmeillin Cellulite Cream, ataca la reducción de la grasa en la Célula Adiposa, resolviendo verdaderamente el problema.

¿Por qué ciertas personas pierden peso en ciertas areas y otras siguen intactas con el problema?

Esto no pasará con Hanmeillin [sic] porque esta crema ataca la grasa en la Célula Adiposa, resolviendo el problema. No pasa igual con las muchas dietas y ejercicios que hay en este ambiente.

Sobrepeso y Obesidad:

Hanmeillin [sic] actua quitando la grasa de la Célula Adiposa, las mismas que están aumentadas de tamaño en la mayo parte del cuerpo, produciendo obesidad y sobrepeso.

Historia de cómo surge Hanmeillin [sic]:

...Estos miles de años de tradición herbácea china y la tecnología de los años venideros se combinaron para producir la: Cream 'HANMEILIN' [sic], la única y original que hace posible desaparecer la celulitis, quema la grasa, propiciando la reducción de peso y así lucir una figura esbelta....

Las ventajas que tiene 'Hanmeillin' [sic], sobre las otras cremas que existen en el mercado, es que después de las resultados obtendios, pueden dejar de usarla. Elimina la grasa y reduce el tejido grasoso. Pierde pulgadas en todas las áreas aplicadas y sobre todo.... Las otras cremas del mercado nunca puede dejar de usarlas porque le resurge el problema....

* * *

...La Crema para la Celulitis de 'Hanmeilin' es la fórmula del éxito. La crema reducirá su estómago y le disminuirá pulgadas en otras partes del cuerpo....

P.¿Las pulgadas que he perdido retornarán?

R. No. Nuestra experiencia demuestra que las pulgadas perdidas no retornarán mientras Ud. mantenga su peso actual...Con nuestra increíble crema para la celulitis 'Hanmeilin' Ud. continuará perdiendo celulitis, marcas de estrías y grasa. Ud. evitará que esas pulgadas aumenten nuevamente con bueno hábitos de alimentación.

* * *

[TRANSLATION]

HANMEILIN
SLIMMING AND BEAUTIFYING PEOPLE FOR YEARS

* * *

...These days there are so many varieties of products, diets, exercises for the treatment of Cellulite and Weight Loss... At our office we have seen a number of people who have tried all types of diets... We have explained to them that we have, among other techniques, a Cream called Hanmeillin [sic], with a dependability of 5000 years of history. Made from Chinese herbs, 100% natural and the results have been highly positive and permanent.

So that you can take control of your body, eliminate cellulite, lose weight...and make 'A Svelte, Cellulite-free Body' a reality, the following explanations are for you:

* * *

Hanmeillin [sic] Cellulite Cream tackles fat reduction in the Adipose Cell, really solving the problem.

Why do some people lose weight in certain areas while others continue to have the problem?

This will not happen with Hanmeillin [sic] because this cream attacks the fat in the Adipose Cell, solving the problem. The same thing does not happen with the many diets and exercises that are around.

Overweight and Obesity:

Hanmeillin [sic] acts by removing the fat from the Adipose Cell[s] which are increased in size in most of the body, producing obesity and overweight.

Story of how Hanmeillin [sic] was developed:

...These thousands of years of Chinese herbaceous tradition and the technology of the future years combined to produce the: 'HANMEILIN' [sic] Cream, the only and original [cream] that makes it possible to get rid of cellulite, burns fat, reducing weight and thus giving you a svelte figure....

The advantages of 'Hanmeillin,' [sic] over the other creams that exit [sic] on the market is [sic] that after the results are achieved you can stop using it. It eliminates the fatty tissue. You lose inches in all the areas [to which it is] applied....

* * *

...‘Hanmeilin’ Cellulite Cream is the formula for success. The cream will reduce your stomach and take inches off other parts of your body....

Q. Will the inches I have lost return?

A. No. Our experience shows that the lost inches will not return as long as you maintain your current weight...With our incredible ‘Hanmeilin’ cellulite cream you will continue to lose cellulite, stretch marks, and fats. You will keep those inches from coming back with good eating habits.

* * *

Translation of Exhibit B. [emphasis in original]

14. Exhibit C contains the following statements or depictions, among others (an English-language translation follows the quote):

[EXCERPTS FROM THE ADVERTISEMENT]

reportaje

¿POR QUE LA ACUMULACION DE GRASA EN CIERTAS AREAS DEL CUERPO?

* * *

Nuestro cuerpo tiene debajo de la piel una capa conformada por células grasosas. Las células grasosas, como su nombre lo indicia, están compuestas por grasa; en nuestro cuerpo tenemos más o menos alrededor de 300 to 1200 billones de estas células. Entre más grasa contenga la célula más grande será su tamaño y más será aumento de peso y pulgadas. Cuando estas células aumentan en tamaño, no solo usted notará que sube de peso, sino también vendrán otros problemas como son la celulitis y los problemas de área específica. Muchos productos en el mercado prometen ayudar a bajar de peso, pero estos nunca reducen el tamaño de la célula grasosa o sea que nunca se elimina grasa....

* * *

¿POR QUE HANMEILIN?..

Porque HANMEILIN reduce el tamaño de la célula grasosa, reduciendo así la grasa dentro de ella; es por eso que con HANMEILIN, al eliminar la celulitis, también bajará de peso. Esta crema es a base de HERBAS CHINAS 100% naturales. Esta fórmula fue descubierta hace más

de 5000 años y ha sido perfeccionada a través de los años. La crema penetrará la célula y al eliminar la grasa dentro de ella, esta reducirá en tamaño y quedará vacía. El peso que usted pierde no lo volverá a recuperar....

* * *

[photographs] [caption] **Evelyn ahora exitosa! ¡Usted también puede!**

Querido; [sic] Hanmeilin

04/12/04

Les escribo esta carta en agradecimiento por lo que han hecho por mi. También espero que todo aquel que la lea y se identifique con mi problema, sepa que ha encontrado la solución. Hace dos años gané el concurso de Miss American Teen New York 2002 para representar mi estado. En aquel entonces lucía bien, no pesaba más de cien libras y me sentía muy conforme. Después de que terminó el concurso me despreocupe de mi apariencia física y comencé a comer más de lo usual y a deshoras; entonces empecé a notar que mi cintura se estaba perdiendo y mi abdomen lucía gorda.... En fin al ver que había engordado comencé a tratarme con todo lo que me sugerían, cosas como dietas, ejercicios, té, pastillas, masajes.... Todos estos métodos funcionaron al comienzo, dándome resultados temporales, lucía bien, más o menos por un mes y después volvía al mismo peso que supuestamente había perdido y otra vez el mismo problema. Todo esto hasta que leí sobre HANMEILIN en el Internet y decidí probarlo. Era mi última esperanza.... Después de un mes comencé a ver resultados al usar la crema; hoy ya han pasado seis meses después de haber usado el producto y no he vuelto a recuperar el peso que perdí, mi abdomen ha vuelto a lucir como antes. Espero que al igual que yo otras personas se animen a usarla para que obtengan los mismos resultados. Gracias. Evelyn Ocampo.

* * *

Exhibit C, *TeleRevista*, June 2004, p. 43. [emphasis in original]

[TRANSLATION]

feature

WHY DOES FAT ACCUMULATE IN CERTAIN AREAS OF THE BODY?

* * *

Our body has a layer of fat cells under the skin. The fat cells, as their name indicates, are made of fat; our body has more or less about [sic] 300 to 1200 billion of these cells. The more fat the cell contains the bigger it will be and the greater the gain of weight and inches will be. When these cells grow larger, you will notice that not only do you gain weight, but you will also have other problems such as cellulite and specific problem areas. Many products on the market promise to help you lose weight, but they never reduce the size of the fat cell, that is, the fat is

never eliminated....

* * *

WHY HANMEILIN?

Because HANMEILIN reduces the size of the fat cell, thus reducing the fat inside it; that is why with HANMEILIN, when you eliminate cellulite, you will also lose weight. This cream is based on 100% natural CHINESE HERBS. This formula was discovered more than 5000 years ago and has been perfected over the years. The cream will penetrate the cell and, when it eliminates the fat inside it, the cell will shrink in size and will remain empty. You will not regain the weight you lose....

* * *

[photographs] [caption] **Evelyn now a success! You can be too!**

Dear; [sic] Hanmeilin

04/12/04

I am writing you this letter to thank you for what you have done for me. I also hope that everyone who reads it and identifies with my problem will know that he/she has found the answer. Two years ago I won the 2002 Miss American Teen New York contest to represent my state. I looked good then, I didn't weigh more than a hundred pounds and I was very happy. After the contest I became less concerned with my physical appearance and I started to eat more than usual and at odd times; then I began to notice I was losing my waistline and my abdomen looked fat.... Finally, when I saw I had grown fat, I began treating myself with everything they suggested to me, things like diets, exercises, tea, pills, massages.... All these methods worked at first, giving me temporary results, I looked good for more or less a month and then I went back to the same weight that I had supposedly lost and the same problem all over again. All this until I read about HANMEILIN on the Internet and decided to try it. It was my last hope.... After a month I started to see results when I used the cream; now six months have gone by after having used the product and I have not gained back the weight I lost, my abdomen looks like it did before. I hope that, like me, others will be encouraged to use it so that they can obtain the same results. Thank you. Evelyn Ocampo.

* * *

Translation of Exhibit C. [emphasis in original]

15. Defendants advertise and offer Hanmeilin Cellulite Cream to English-speaking and Korean-speaking consumers over the Internet on their website: www.ezcellulite.com. English-speaking and Korean-speaking consumers can purchase the product direct from the company by mail, by email, by calling the company's toll-free 800 number, or by calling the company's New York office telephone number.

16. To induce English-speaking consumers to purchase Hanmeilin Cellulite Cream, Defendants have disseminated, or caused to be disseminated, advertisements for Hanmeilin Cellulite Cream, including but not limited to the attached Exhibit D from the company's website. This advertisement contains the following statements or depictions, among others:

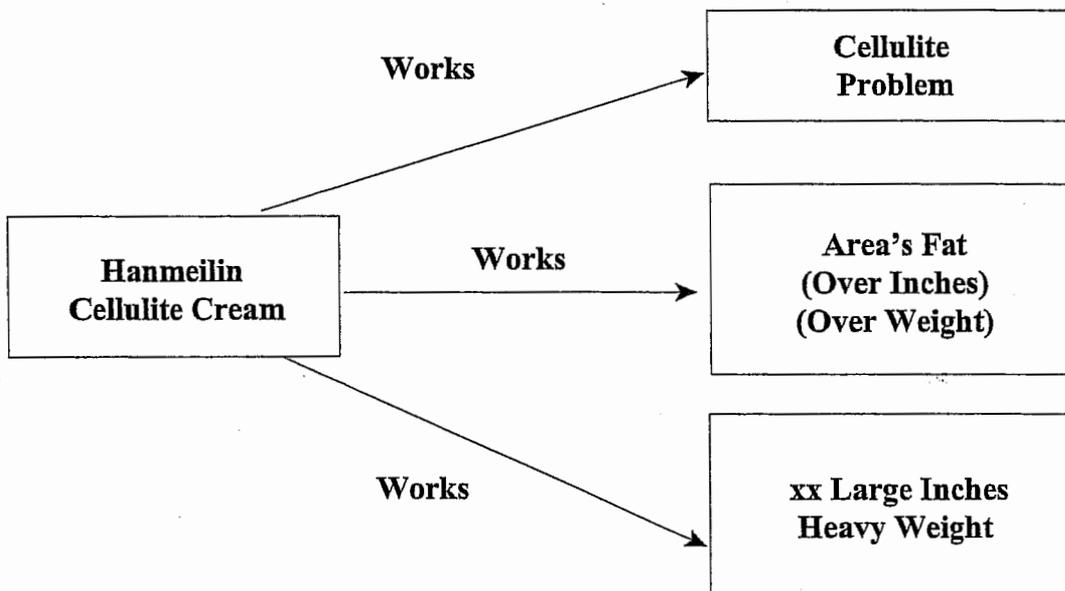
[EXCERPTS FROM ENGLISH-LANGUAGE PORTION OF WEBSITE]

* * *

Why is Hanmeilin Unique?

The evidence is conclusive. Human body have [sic] 300 - up to 1,200 billions [sic] of fat cell [sic].

"The more fat makes more enlarged fat cells which cause [sic] cellulite problem, over inches and weight."



Hanmeilin Herbal Cellulite Cream

- Hanmeilin work [sic] on any three problem [sic]
- Size of enlarged fat cell can be reduced by HML because of eliminated excess fat
- Specifically designed to targeted [sic] cellulite and areas that you have bigger fat cells with excess fat

Other Creams

- They say reduce cellulite, lose inches
- They don't say lose weight
- No weight lose [sic], never lose fat

Diet pills & products

- If cellulite is not eliminated in small area, never lose fat
You lose water and muscle only
Temporarily weight lose [sic]. Come back!
Doesn't lose fat in cell so weight lose [sic] not permanent

* * *

How can HANMEILIN Cellulite Cream change your looks in 4-8 weeks?

[Graphic from left to right of shape of human being reducing in size]
[Graphic from left to right of fat cells reducing in size]

The picture shown at the [sic] above is the complete process of eliminating excess fat in the fat cell by **HANMEILIN Cellulite Cream**... As more fat is eliminated through normal eliminating channel of the body, you will experience that **the clothes is [sic] looser (1c)** and be able to **wear smaller size of clothes (1d)**... After the water is gone, you will see a **remarkable result** in the fat cell size reduced area by the **shape and weight (3)**.

* * *

Hanmeilin's Cellulite Cream

- You can lose 20 Lbs more [sic] faster than Liposuction
- Best record 95 Lbs

Liposuction

- Expensive
- Dangerous

- xx large over inches
- heavy weigh [sic] (20 Lbs, 50 Lbs, 100 Lbs etc)
- Only one area at a time
- One area takes 4-8 months

* * *

Exhibit D (www.ezcellulite.com). [emphasis in original]

17. To induce Korean-speaking consumers to purchase Hanmeilin Cellulite Cream, Defendants have disseminated, or caused to be disseminated, advertisements for Hanmeilin Cellulite Cream, including but not limited to the attached Exhibit E from the company's website (an English-language translation follows Exhibit E). This advertisement contains the following statements or depictions, among others:

[TRANSLATION OF EXCERPTS FROM
KOREAN-LANGUAGE PORTION OF WEBSITE]

* * *

Hanmeilin Cellulite cream, which has been known for its proven effects in the United States for the past 16 years, will help you make your bodyline leaner and smoother.

* * *

Fantastic effect [sic] to make a more beautiful body shape and to keep your body slim!

- Diet cream using pure extracts from the natural herbs!

* * *

- Burns the fat from hard-to-lose area [sic]!
- Simultaneous fat removal from partial areas and the entire body! (Belly, dual chin, thigh, calves, hip, face, etc.)
- Remove [sic] cellulite areas, which even the dermatologists find hard to treat! (Dimply, "orange peel" area on thighs or hips)
- Select the parts where you want to lose fat and treat at [sic] the convenience of your home!

* * *

Guaranteed satisfaction – Removal of cellulite, partial fat, fat from entire body....

- Only the products that can remove both cellulite and partial body fat are the scientific original products that can burn fat from the entire body!....
- The best diet program recommended by Dr. Manuel C. Pazos, a world’s [sic] renowned obesity specialist!

* * *

- For those people who cannot exercise due to physical reasons! (hypertension, diabetic patients, orthopedic patients)
- Superior product with no yo-yo syndrome!

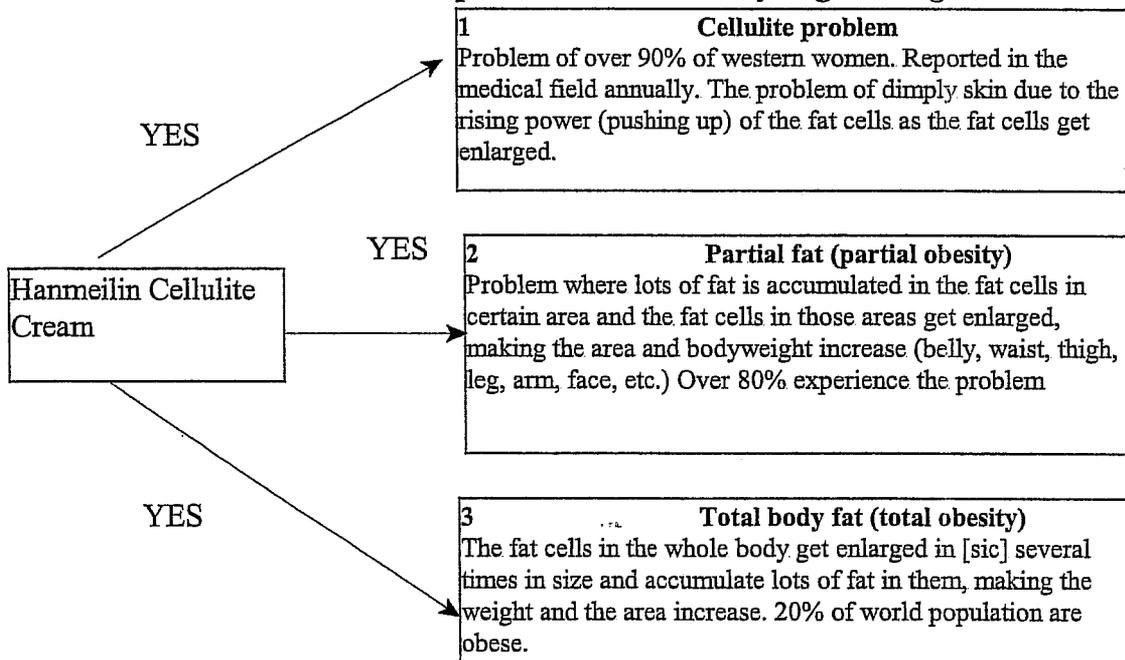
* * *

Why only Hanmeilin?

Guaranteed effect that you can find out before you use. Human [sic] has 30 billion to 120 billion of fat cells in the body.

Fat cells accumulate lots of fat in them when their size increases in [sic] several times. The enlarged fat cells cause the problems such as cellulite, partial obesity, entire body obesity, increase in body weight.

3 problems occur when you gain weight due to fat cell



Cellulite Cream shows great effect to solve 3 problems

1. By removing the fat, the enlarged cells become smaller.
The reduction of expansive force, the pushing up disappears.

2. Weight loss and area reduction

(Cell reduction)
(100% fat loss)

3. Weight loss and size reduction
10, 20, 50...95 pounds loss record
(100% fat loss)
Size reduction 14-8, 12-6, 10-4

- Hanmeilin solves all 3 problems
- Revolutionary effect of removing fat
in the fat cells and restoring the enlarged fat cells to its [sic]
original size
- Special cream that solves the problem of cellulite
and partial obesity with state-of-the-art technology

Similar Creams

Advertise that it can make body
Slim and reduce size. However,
It doesn't say it can lose weight.
No weigh [sic] loss means that
there [sic] no removal of fat

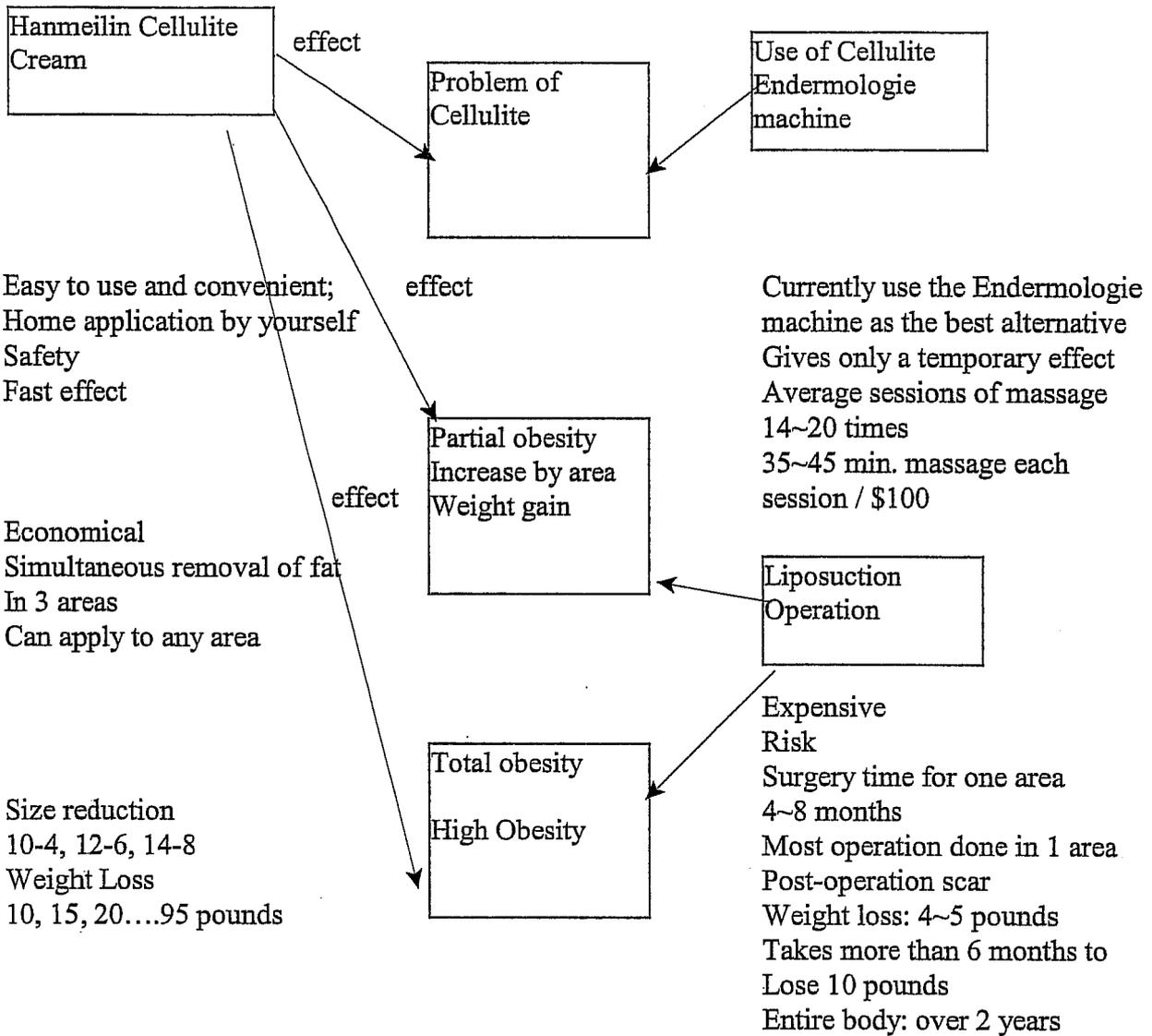
Diet tablets
Diet pills (all tablets)
Diet products
Only advertise weight loss
No advertisement on removal
Of cellulite, partial obesity
The fact that it cannot
remove Cellulite
(small amount of fat) is that
the fat still remains and weight
loss is achieved due to removal
of water content and muscles
Even more weight increase
Due to Yo-yo syndrome
- there is not a single product
that solves 3 problems
It cannot reduce the enlarged
Fat cells because it cannot
remove the fat within the fat cells
- The partial obesity and cellulite
still remains even after weight
loss

* * *

Hanmeilin Cellulite Cream offers 5 multifunctional effects.

Removal of Cellulite, partial obesity, firmer skin, chapped skin, smoother skin

* * *



The effect of Hanmeilin cannot be compared with anything.

* * *

How does the Hanmeilin Herbal Cellulite Cream work?

* * *

- Hanmeilin can rapidly remove 20 pounds of fat without any risk.

20 pounds: 3~ 4 months, recorded 95 pounds weight loss

[Left picture]
Enlarged fat cells with lots of stored fat and cellulite

[Middle picture]
Fat-removed cell
Removal of Cellulite

[Right picture]
Enhanced elasticity and cells that restored the normal size

[Bottom picture]
Becomes tender (because of the empty space after the fat cluster in the fat cell is removed)
Once the fat is removed, the fat cells become smaller which results in the area reduction and weight loss; Cellulite disappears.

Comparison between Hanmeilin Herbal Cellulite Cream and Liposuction

[In English in original]

Hanmeilin's Cellulite Cream

Liposuction

[Korean translation starts here]

- loss of 20 pounds faster than liposuction
- Recorded 95 pounds of weight loss
- Less risky
- Huge weight loss (20 pounds, 50 pounds, 100 pounds, etc.)

- limited to removal of 5 pounds due to risk
- In case of removing 10 pounds of fat, the operation should be done in 2-3 times and the time takes 6 months

* * *

Translation of Exhibit E (www.ezcellulite.com). [emphasis in original]

THE FTC ACT

18. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits unfair or deceptive acts or practices in or affecting commerce. Section 12(a) of the FTC Act, 15 U.S.C. § 52(a), prohibits

the dissemination of any false advertisement in or affecting commerce for the purpose of inducing, or which is likely to induce, the purchase of food, drugs, devices, services, or cosmetics. For the purposes of Section 12 of the FTC Act, 15 U.S.C. § 52, Hanmeilin Cellulite Cream is a “drug” or “cosmetic” as defined in Sections 15(c) and (e) of the FTC Act, 15 U.S.C. §§ 55(c) and (e). As set forth below, Defendants have engaged and continue to engage in violations of Sections 5(a) and 12 of the FTC Act in connection with the advertising, marketing and sale of Hanmeilin Cellulite Cream.

COUNT ONE

19. Through the means described in Paragraphs 12, 13, 14, 16 and 17, including through the statements and depictions contained in the advertisements attached as Exhibits A-E, Defendants have represented, expressly or by implication, that:

(a) Hanmeilin Cellulite Cream, when rubbed into the skin, causes permanent weight loss;

(b) Hanmeilin Cellulite Cream, when rubbed into the skin, causes substantial weight loss, including as much as 10 to 95 pounds; and

(c) Hanmeilin Cellulite Cream, when rubbed into the skin, eliminates fat and cellulite.

20. In truth and in fact:

(a) Hanmeilin Cellulite Cream, when rubbed into the skin, does not cause permanent weight loss;

(b) Hanmeilin Cellulite Cream, when rubbed into the skin, does not cause substantial weight loss, including as much as 10 to 95 pounds; and

(c) Hanmeilin Cellulite Cream, when rubbed into the skin, does not eliminate fat and cellulite.

21. Therefore, Defendants' representations as set forth in Paragraph 19 above are false or misleading and constitute a deceptive practice, and the making of false advertisements, in or affecting commerce, in violation of Sections 5(a) and 12 of the FTC Act, 15 U.S.C. §§ 45(a) and 52.

COUNT TWO

22. Through the means described in Paragraphs 12, 13, 14, 16 and 17, including through the statements contained in the advertisements attached as Exhibits A-E, Defendants have represented, expressly or by implication, that Hanmeilin Cellulite Cream, when rubbed into the skin, causes permanent weight loss, causes substantial weight loss, including as much as 10 to 95 pounds, and eliminates fat and cellulite.

23. In truth and in fact, Defendants did not possess and rely upon a reasonable basis that substantiated the representations set forth in Paragraph 22 above, at the time the representations were made.

24. Therefore, the making of the representations as set forth in Paragraph 22 above constitutes a deceptive practice, and the making of false advertisements, in or affecting commerce, in violation of Sections 5(a) and 12 of the FTC Act, 15 U.S.C. §§ 45(a) and 52.

INJURY

25. Consumers throughout the United States have suffered and continue to suffer substantial monetary loss as a result of Defendants' unlawful acts or practices. In addition, the Defendants have been unjustly enriched as a result of their unlawful practices. Absent injunctive

relief by this Court, the Defendants are likely to continue to injure consumers, reap unjust enrichment, and harm the public interest.

THIS COURT'S POWER TO GRANT RELIEF

26. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant injunctive and such other relief as the Court may deem appropriate to halt and redress violations of the FTC Act. The Court, in the exercise of its equitable jurisdiction, may award other ancillary relief, including but not limited to, rescission of contracts and restitution, and the disgorgement of ill-gotten gains, to prevent and remedy injury caused by Defendants' law violations.

PRAYER FOR RELIEF

Wherefore, Plaintiff FTC, pursuant to Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), and the Court's equitable powers, requests that this Court:

- (a) Award the Plaintiff such preliminary injunctive and ancillary relief as may be necessary to avert the likelihood of consumer injury during the pendency of this action and to preserve the possibility of effective final relief, including, but not limited to temporary and preliminary injunctions and an order freezing assets;
- (b) Permanently enjoin Defendants from violating the FTC Act as alleged herein;
- (c) Award such equitable relief as the Court finds necessary to redress injury to consumers resulting from Defendants' violations of Sections 5(a) and 12 of the FTC Act, including, but not limited to, rescission of contracts and restitution, and the disgorgement of ill-gotten gains by the Defendants; and
- (d) Award the Plaintiff the costs of bringing this action, and such other equitable

relief as the Court may determine to be just and proper.

DATED: New York, New York
November 3, 2004

Respectfully submitted,

WILLIAM E. KOVACIC
General Counsel

BARBARA ANTHONY
Regional Director

Michele Stolls

MICHELE STOLLS (MS 3618)
DONALD G. D'AMATO (DD 3008)

ATTORNEYS FOR PLAINTIFF
FEDERAL TRADE COMMISSION
Northeast Region
One Bowling Green, Suite 318
New York, NY 10004
Telephone (212) 607-2829
Facsimile (212) 607-2822