

UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT

FEDERAL TRADE COMMISSION, and
STATE OF CONNECTICUT,

Plaintiff,

-against-

LEANSPA, LLC, a Connecticut limited liability
company,

NUTRASLIM, LLC, a Connecticut limited
liability company,

NUTRASLIM U.K. LTD, also d/b/a LEANSPA
U.K. LTD., an United Kingdom limited liability
company, and

BORIS MIZHEN, individually and as an officer
of LEANSPA, LLC, NUTRASLIM, LLC, and
NUTRASLIM U.K. LTD,

LEADCLICK MEDIA, INC., a California
corporation, and LEADCLICK MEDIA, LLC, as
a successor limited liability company, and

RICHARD CHIANG, individually and as an
officer of LEADCLICK MEDIA, INC.

Defendants, and

ANGELINA STRANO and CORE LOGIC, INC.

Relief Defendants.

Case No. 3:11-CV-1715 (JCH)

The Honorable Janet C. Hall

December 23, 2013

**JOINT MOTION FOR ENTRY OF STIPULATED ORDER FOR PERMANENT
INJUNCTION AND MONETARY JUDGMENT AS TO BORIS MIZHEN, LEANSPA,
LLC, NUTRASLIM, LLC, NUTRASLIM U.K., LTD. (ALSO D/B/A LEANSPA U.K.,
LTD.) AND ANGELINA STRANO**

Plaintiffs, the Federal Trade Commission (“FTC” or the “Commission”) and the State of Connecticut (“State”), and Defendants Boris Mizhen (“Mizhen”), LeanSpa, LLC (“LeanSpa”), NutraSlim, LLC (“NutraSlim”), and NutraSlim U.K., Ltd. (also d/b/a LeanSpa U.K., Ltd.) (“NutraSlim U.K.”) (the “LeanSpa Defendants”) and Relief Defendant Angelina Strano (“Strano”) hereby move for entry of the attached Stipulated Order for Permanent Injunction and Monetary Judgment as to the LeanSpa Defendants and Relief Defendant Strano (the “Proposed Final Order”).

The Proposed Final Order would require, *inter alia*, the LeanSpa Defendants and Strano to disgorge assets valued at approximately \$5.7 million to \$7 million. Specifically, the Proposed Final Order requires the LeanSpa Corporate Defendants to disgorge all of their assets, requires Mizhen to disgorge almost all of his existing assets, and requires Strano to disgorge assets she owns to satisfy the relief claim against her. Assets to be disgorged include the Fellsmere Farm, LLC brokerage accounts, a piece of real property located at 3124 Boston Post Road, and Mizhen’s and Strano’s joint checking account.

In support of this motion, the parties state as follows:

1. Plaintiffs commenced this action on November 7, 2011 by filing their Complaint against the LeanSpa Defendants for injunctive and other equitable relief pursuant to Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §53(b), Section 917(c) of the Electronic Fund Transfer Act (“EFTA”), 15 U.S.C. § 1693o(c), and Section 42-110m of the Connecticut Unfair Trade Practices Act (“CUTPA”), Conn. Gen. Stat. §42-110b, *et seq.*

2. On November 14, 2011, the Court granted in part Plaintiffs’ request for an *ex parte* temporary restraining order (“TRO”), and issued an *ex parte* TRO freezing the LeanSpa Defendants’ assets until a hearing could be held. (Dkt. No. 24).

3. On November 22, 2011, the Court entered the Stipulated Preliminary Injunction Order between the Plaintiffs and the LeanSpa Defendants. (Dkt. No. 36).

4. On July 26, 2012, Plaintiffs filed their Amended Complaint for Permanent Injunction and Other Equitable Relief, adding Strano as a relief defendant. (Dkt. No. 90).

5. Plaintiffs filed their Second Amended Complaint for Permanent Injunction and Other Equitable Relief on February 19, 2013. (Dkt. No. 201).

6. Plaintiffs filed their Third Amended Complaint for Permanent Injunction and Other Equitable Relief on August 28, 2013, adding CoreLogic, Inc. as a relief defendant. (Dkt. No. 246).

7. Plaintiffs, the LeanSpa Defendants, and Relief Defendant Strano have agreed to and stipulated to the attached Proposed Final Order. In agreeing and stipulating to the Proposed Final Order, the LeanSpa Defendants and Relief Defendant Strano neither admit nor deny any of the allegations in the Third Amended Complaint, except as specifically stated in the Proposed Final Order. The stipulated Proposed Final Order includes provisions that, *inter alia*:

(A) permanently ban the LeanSpa Defendants from marketing or selling a negative-option continuity plan (Section I);

(B) permanently enjoin the LeanSpa Defendants from making certain misrepresentations, including, but not limited to, misleading or unsubstantiated weight-loss claims and other health claims (See Sections II – V);

(C) require the LeanSpa Defendants to monitor all of their affiliate marketers when selling any good or service (Section IX);

(D) enter a judgment in the amount of thirty-two million seven hundred twenty-five thousand four hundred fifty three dollars (\$32,725,453) in favor of the Plaintiffs

against the LeanSpa Defendants as equitable monetary relief that shall be suspended upon the completion of a number of asset transfers (Section X);

(E) enter a judgment in the amount of two hundred ninety-seven thousand dollars (\$297,000), to be satisfied in accordance with the terms of the Proposed Final Order, in favor of Plaintiffs against Relief Defendant Strano (Section XI);

(F) outline the remaining duties and responsibilities of the Temporary Receiver (Section XV);

(G) require the LeanSpa Defendants to submit to compliance reporting (Section XVII) and various recordkeeping provisions (Section XVIII); and

(H) require the LeanSpa Defendants and the Relief Defendant to submit to various compliance monitoring provisions (Section XIX).

WHEREFORE, the parties respectfully request that the Court enter the attached Stipulated Order for Permanent Injunction and Monetary Judgment as to the LeanSpa Defendants and Relief Defendant Strano to resolve all matters of dispute between them in this action.

Dated: December 23, 2013

Respectfully submitted,

/s/Darren H. Lubetzky

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Dated: December 23, 2013

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Dated: December 23, 2013

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Dated: December 23, 2013

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CERTIFICATE OF SERVICE

This is to certify that on the 23rd day of December 2013, I electronically filed the foregoing Joint Motion for Entry of the Stipulated Order for Permanent Injunction and Monetary Judgment as to Defendants LeanSpa, LLC, NutraSlim, LLC, NutraSlim U.K., Ltd. (also d/b/a LeanSpa U.K., Ltd.) and Boris Mizhen and Relief Defendant Angelina Strano with the Clerk of the Court using the CM/ECF system. Notice of this filing will be sent to all parties by operation of the Court's electronic filing system. Parties may access this filing through the Court's CM/ECT system.

/s/Darren H. Lubetzky

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