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IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF CALIFORNIA

FEDERAL TRADE COMMISSION, Petitioner, v. IAN CHI, Respondent.	)	Case No. _____

PETITION OF THE FEDERAL TRADE COMMISSION FOR AN ORDER TO ENFORCE A CIVIL INVESTIGATIVE DEMAND

Petitioner, the Federal Trade Commission ("FTC" or "Commission") petitions this Court, pursuant to Sections 16 and 20 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 56, and 57b-1, 28 U.S.C. §§ 1337 and 1345, and Fed. R. Civ. P. 81(a)(5), for an order requiring respondent, Ian Chi ("Mr. Chi"), to produce responses to written interrogatories and to document requests, and a sworn verification as to these responses, in response to a Commission Civil Investigative Demand ("CID"), a type of administrative compulsory process, issued to Mr. Chi on May 7, 2012. The CID was issued in the course of a non-public investigation concerning possible violations by Mr. Chi of Sections 5 and 12 of the FTC Act, 15 U.S.C. §§ 45, 52 with respect to the sales, advertising, and marketing of human chorionic gonadatropin (hCG), a drug that is advertised as enabling users to achieve rapid and substantial weight loss results.

Though Mr. Chi initially made a partial response, he has since refused to complete his response and has not substantially complied with the CID. The Commission serves as the primary administrative law enforcement agency for Sections 5 and 12 and Mr. Chi's failure to cooperate and respond to the CID greatly impedes the Commission's ongoing investigation.

The Declaration under penalty of perjury of James A. Prunty, which verifies the allegations of this Petition, is attached hereto as Petition Exhibit ("Pet. Exh.") 1. Additional exhibits are as follows:

Pet. Exh. 2 Resolution Directing Use of Compulsory Process in a Nonpublic Investigation of Unnamed Persons Engaged Directly or Indirectly in the Advertising or Marketing of Dietary Supplements, Foods, Drugs, Devices, or Any Other Product or Service Intended to Provide a Health Benefit or To Affect the Structure or Function of the Body, August 13, 2009 (FTC File No. 0023191);

Pet. Exh. 3 Civil Investigative Demand to Ian Chi, May 7, 2012; and

Pet. Exh. 4 Letter from James A. Prunty to Saman Nasseri, Esq., November 30, 2012.

JURISDICTION

1. The authority of the Commission to issue a CID, and the jurisdiction and venue of this Court to enter an order enforcing it, are conferred by Section 20(c) of the FTC Act, 15 U.S.C. § 57b-1(c), which empowers the Commission to issue CIDs to compel, *inter alia*, the production of documentary evidence and responses to written interrogatories. Sections 20(e) and (h) of the FTC Act, 15 U.S.C. §§ 57b-1(e) and (h), authorize the Commission to invoke the aid of the district courts to enforce a CID in any jurisdiction in which the recipient of a CID "resides, is found, or transacts business." They also authorize the Commission to seek enforcement of a CID in its own name using its own counsel. *Id*.

2. In this case, venue and jurisdiction are proper under Section 20(e) because Mr. Chi is found, and transacts business, in this district. Pet. Exh. 1, ¶¶ 3, 5.

INVESTIGATIVE AND ENFORCEMENT AUTHORITY

3. The Commission is an administrative agency of the United States, organized and existing pursuant to the FTC Act, 15 U.S.C. § 41 *et seq.* The Commission is authorized and

directed by Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), to prohibit unfair methods of competition and unfair or deceptive acts or practices in or affecting commerce.

4. Section 12 of the FTC Act, 15 U.S.C. § 52, authorizes the Commission to prohibit false advertising for the purpose of inducing, directly or indirectly, the purchase of food, drugs, devices, services, or cosmetics.

5. Section 3 of the FTC Act, 15 U.S.C. § 43, empowers the Commission to prosecute any inquiry necessary to its duties in any part of the United States. Section 6 of the Act, 15 U.S.C. § 46, empowers the Commission to gather and compile information concerning, and to investigate from time to time, the organization, business, conduct, practices and management of, any person, partnership or corporation engaged in or whose business affects commerce, with certain exceptions not relevant here. Section 20 of the FTC Act, 15 U.S.C. § 57b-1, empowers the Commission to require by CID the production of documents or other information relating to any Commission law enforcement investigation.

6. An enforcement proceeding is properly instituted by a petition and order to show cause (rather than by complaint and summons) and is summary in nature; discovery or evidentiary hearings may be granted only upon a showing of exceptional circumstances. *See, e.g., EEOC v. Karuk Tribe Hous. Auth.*, 260 F.3d 1071, 1078 (9th Cir. 2001); *FTC v. Carter*, 636 F.2d 781, 789 (D.C. Cir. 1980); *FTC v. MacArthur*, 532 F.2d 1135, 1141-42 (7th Cir. 1976); *United States v. Litton Industries, Inc.*, 462 F.2d 14, 17 (9th Cir. 1972); *see also Appeal of FTC Line of Business Report Litigation*, 595 F.2d 685, 704-05 (D.C. Cir. 1978).

STATEMENT OF FACTS

7. Ian Chi has been engaged in the online sale, advertising, and marketing of hCG through at least three websites: www.noriskhcg.com, www.premierehcg.com, and www.maxhcg.com. Mr. Chi is engaged in, and his business affects, "commerce" as that term is defined in Section 4 of the FTC Act, 15 U.S.C. § 44. Mr. Chi resides, is found, or transacts business within the Southern District of California. Pet. Exh. 1, ¶¶ 3, 5.

8. On August 13, 2009, the Commission issued a "Resolution Directing Use of Compulsory Process in a Nonpublic Investigation of Unnamed Persons Engaged Directly or Indirectly in the Advertising or Marketing of Dietary Supplements, Foods, Drugs, Devices, or Any Other Product or Service Intended to Provide a Health Benefit or To Affect the Structure or Function of the Body." The resolution directed that compulsory process be used to investigate, among other things,

> whether unnamed persons, partnerships, corporations, or others engaged directly or indirectly in the advertising or marketing of dietary supplements, foods, drugs, devices, or any other product or service intended to provide a health benefit or to affect the structure or function of the body have misrepresented or are misrepresenting the safety or efficacy of such products or services, and therefore have engaged or are engaging in unfair or deceptive acts or practices or in the making of false advertisements, in or affecting commerce, in violation of Sections 5 and 12 of the Federal Trade Commission Act, 15 U.S.C. §§ 45 and 52. The investigation is also to determine whether Commission action to obtain redress for injury to consumers or others would be in the public interest.

Pet. Exh. 2.

9. On May 7, 2012, pursuant to the authority of the investigatory resolution, the Commission issued a CID to Mr. Chi requiring him to answer interrogatories and produce documents relating to the subject matter of the investigation, and required full compliance by May 29, 2012. Pet. Exh. 1, ¶ 4; Pet. Exh. 3. FTC investigating staff made multiple attempts to serve Mr. Chi at various addresses and finally effectuated service on June 20, 2012 by e-mailing Mr. Chi a copy of the CID. Pet. Exh. 1, ¶ 5. On July 11, 2012, counsel for Mr. Chi contacted staff and confirmed his receipt of the CID. Pet. Exh. 1, ¶ 5.

10. At about the same time, FTC investigating staff pursued other leads and identified a third website registered by Mr. Chi to sell a third brand of hCG product, in addition to the two websites and products identified in the CID. Staff also learned that Mr. Chi had relationships with credit card processors through several different company names. Pet. Exh. 1, ¶ 6.

11. On July 24, 2012, counsel for Mr. Chi sent FTC staff two compact disks in response to the CID. These disks contained illegible electronic files or files that could not be opened. The disks also contained nonresponsive materials. To the extent the disks included

responsive documents, these documents were disorganized and were not labeled or organized by specification as directed by the CID instructions. Shortly thereafter, staff contacted counsel for Mr. Chi and informed him that the production was unusable and provided counsel detailed instructions to aid in responding to the CID. Pet. Exh. 1, ¶ 7.

12. On October 16, 2012, FTC investigating staff received a series of e-mails and attachments that contained partial responses to only four interrogatories and only three document requests. Pet. Exh. 1, ¶ 8. For some specifications, Mr. Chi's responses were incomplete and did not reflect all of the products, websites, or companies the FTC had identified or traced back to him. For other specifications, Mr. Chi made no response at all. Pet. Exh. 1, ¶ 9.

13. On October 18, 2012, FTC investigating staff contacted counsel for Mr. Chi to inform him that the production remained incomplete. Pet. Exh. 1, ¶ 10.

14. On November 30, 2012, FTC investigating staff sent counsel for Mr. Chi a letter relating the history of the investigation and Mr. Chi's failure to comply. The letter gave Mr. Chi ten days to cure his noncompliance. Pet. Exh. 1, ¶ 12.

15. On December 20, 2012, counsel for Mr. Chi informed staff by telephone that Mr. Chi would not provide any additional information. Pet. Exh. 1, ¶ 13.

16. All of the documents and information requested in the CID are relevant to the Commission's investigation. However, the following documents and information are the most critical to the investigation:

a. Documents and information identifying all of the hCG products sold by Mr. Chi;

b. Documents and information about all of the websites used to facilitate the sales, including the URLs, the content, the tracking information, and the person(s) responsible for their creation and development;

c. The revenue received from all of Mr. Chi's sales of hCG products;

d. The companies and corporate names affiliated with or used in conjunction with the sales of hCG;

e. The person(s) responsible for creating Mr. Chi's advertising;

f. Document and information relating to the testimonials appearing on Mr. Chi's

websites and in his advertising; and

g. Consumer complaints.

17. To date, Mr. Chi has not provided all of these items, has only made a partial response to specifications calling for some of them, and therefore has not even come close to substantial compliance with the CID. As a result, many of the important types of documents and information are missing from the production.

18. Mr. Chi has not objected to the CID on any ground, and has not exhausted his administrative remedies by petitioning the Commission to quash or limit the CID, as provided in FTC Rule 2.7(d)(1), 16 C.F.R. § 2.7(d)(1).[1] Furthermore, Mr. Chi has not sought modification of the CID specifications or extensions of the return dates, as provided in 16 C.F.R. § 2.7(c). Pet. Exh. 1, ¶ 14.

19. The CID is within the Commission's authority, the information and documents sought are reasonably relevant to the Commission's investigation, and the CID does not impose an unreasonable burden on Mr. Chi. Further, Mr. Chi's failure to comply with the CID greatly impedes the Commission's ongoing investigation, forces the Commission to expend additional public resources, and prevents the Commission from completing its investigation in a timely manner. Pet. Exh. 1, ¶ 15.

GROUNDS FOR ENFORCEMENT

I. The scope of issues considered in proceedings to enforce compulsory process is narrow.

20. Although "the court's function is 'neither minor nor ministerial,' the scope of issues which may be litigated in a [compulsory process] enforcement proceeding must be narrow, because of the important governmental interest in the expeditious investigation of possible unlawful activity." *FTC v. Texaco, Inc.*, 555 F.2d 862, 872 (D.C. Cir. 1977) (*en banc*)

[1] The FTC's Rules of Practice related to investigations, 16 C.F.R. Part 2, were amended effective November 9, 2012. All citations in this petition to rules within Part 2 are to the rules in effect at the time the CID was issued.

(internal citation omitted); *NLRB v. North Bay Plumbing, Inc.*, 102 F.3d 1005, 1007 (9th Cir. 1996).

21. This Court's role in a CID enforcement proceeding is thus limited to determining whether the Commission demonstrates that: (1) Congress has granted the authority to investigate; (2) the procedural requirements have been followed; (3) the evidence is relevant and material to the investigation. *EEOC v. Children's Hosp. Med. Ctr.*, 719 F.2d 1426, 1428 (9th Cir. 1983) (hereinafter "*Children's Hospital*"), *overruled on other grounds as recognized in Prudential Ins. Co. of Am. v. Lai*, 42 F.3d 1299 (9th Cir. 1994); *accord FDIC v. Garner*, 126 F.3d 1138, 1142-43 (9th Cir. 1997); *North Bay Plumbing, Inc.*, 102 F.3d at 1007; *SEC v. Nicita*, Civ. No. 07CV0772 WQH (AJB), 2008 WL 170010, at *5 (S.D. Cal. Jan. 16, 2008).

22. The government's burden to demonstrate that these requirements have been satisfied requires only a "minimal showing" and can be demonstrated by an affidavit of an investigating agent. *Garner*, 126 F.3d at 1143. Here, as set forth in the accompanying Declaration of James A. Prunty, the managing attorney for the investigation, the Commission has readily demonstrated that the requirements for enforcement are satisfied.

II. The civil investigative demand should be enforced.

A. Congress granted the FTC the authority to investigate.

23. The Commission's authority to issue the CID is clear. *See* 15 U.S.C. §§ 43, 57b-1. Also without doubt is the Commission's authority to investigate acts and practices that may violate Sections 5(a) or 12 of the FTC Act. *See, e.g., FTC v. Pantron I Corp.*, 33 F.3d 1088, 1095-97 (9th Cir. 1994); *FTC v. Simeon Mgmt. Corp.*, 532 F.2d 708, 710-11 (9th Cir. 1976) (finding FTC had jurisdiction over distributors of hCG pursuant to Sections 5 and 12 of the FTC Act).

B. The procedural requirements have been followed.

24. The CID was issued consistent with FTC regulations and procedures. The CID was issued pursuant to a valid Commission resolution authorizing the issuance of compulsory

process for possible violations of the FTC Act. Pet. Exh. 2. The CID was signed by a Commissioner and was served by the Commission's Secretary, as provided in the Commission's Rules. *See* 16 C.F.R. §§ 2.7, 4.4; Pet. Exh. 3. Indeed, staff served Mr. Chi multiple times, at his request, to ensure he received and was aware of his obligations under the CID. Pet. Exh. 1, ¶ 5. The procedural requirements for the CID were therefore followed.

C. The evidence is relevant and material to the investigation.

25. The purpose of an FTC investigation is defined by the compulsory process resolution that authorizes the CID. *FTC v. Invention Submission Corp.*, 965 F.2d 1086, 1088 (D.C. Cir. 1992); *Texaco*, 555 F.2d at 874. The purpose of this investigation, as defined by the supporting compulsory process resolution, is to determine Mr. Chi has engaged, directly or indirectly, in misrepresentations about the safety or efficacy of hCG, a drug. Pet. Exh. 2. This is a lawful purpose because Congress has authorized the FTC to investigate and enforce Sections 5 and 12 of the FTC Act, 15 U.S.C. §§ 45, 52.

26. The CID in this case seeks information material and relevant to this purpose. The CID requests information related to the sales, advertising, and marketing of hCG. Plainly, this information sought by the CID is reasonably relevant to the Commission's investigation, as it is designed to assist the Commission in ascertaining whether "the law is being violated in some way and . . . to determine whether or not to file a complaint." *Invention Submission Corp.*, 965 F.2d at 1090. As set forth in the accompanying declaration of the managing attorney, Mr. James Prunty, the Commission, through specific interrogatories and document requests, seeks to ascertain whether or not Mr. Chi is violating the FTC Act. Pet. Exh. 1, ¶¶ 1, 4; Pet. Exh. 2. This information specified by the CID is material and relevant to this purpose, under the broad standard of relevance that applies in administrative investigations. *See Phelps v. Soc. Sec. Admin., Office of the Inspector Gen.*, No. 08CV2092-L (BLM), 2009 WL 862167, at *1 (S.D. Cal. Mar. 26, 2009) (citing *SEC v. Nicita*, 2007 WL 1704585, at *3 n. 4 (S.D. Cal. June 13, 2007)).

D. The information sought is not unduly burdensome..

27. The CID contains thirteen written interrogatory specifications and twelve document production requests. The information sought concerns Mr. Chi's sales, advertising, and marketing of hCG, and other related materials and information. These demands are clearly stated and are not unduly burdensome.

28. Moreover, at no point has Mr. Chi claimed the CID is overbroad or unduly burdensome. *Garner*, 126 F.3d at 1145-46 (holding that the party claiming burden must establish the burden) (citing *United States v. Stuart*, 489 U.S. 353, 360 (1989)). Initially, such a claim is properly made through the filing of a petition to quash or limit the CID, but Mr. Chi filed no such petition. 16 C.F.R. § 2.7(d). Nor has Mr. Chi ever requested modifications to the CID specifications or extensions of the CID return date. Because Mr. Chi never raised such a claim – or any claim – to the FTC challenging the CID, Mr. Chi has failed to exhaust his administrative remedies and this Court should decline to hear any claims now. *See Casey v. FTC*, 578 F.2d 793, 796-98 (9th Cir. 1978) ("[F]ailure to exhaust administrative remedies typically precludes judicial relief . . . ."); *see also Amerco v. NLRB*, 458 F.3d 883, 888 (9th Cir. 2006) (citing *Myers v. Bethlehem Shipbuilding Corp.*, 303 U.S. 41, 50-51 (1938)).

PRAYER FOR RELIEF

WHEREFORE, the Commission invokes the aid of this Court and prays:

a. For the immediate issuance of an order directing Mr. Chi to show cause why he should not comply in full with the CID;

b. For a prompt determination of this matter and an order requiring Mr. Chi to fully comply with the CID within ten (10) days of such order, including providing complete responses to the CID's written interrogatories and document requests and a sworn certificate of compliance;

c. For such other relief as this Court deems just and proper.

Respectfully submitted,

DAVID C. SHONKA
Acting General Counsel

JOHN F. DALY
Deputy General Counsel for Litigation

LESLIE RICE MELMAN
Assistant General Counsel for Litigation

s/ Burke W. Kappler
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Attorneys for Petitioner Federal Trade Commission

Petition Exhibit 1

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF CALIFORNIA

FEDERAL TRADE COMMISSION, Petitioner, v. IAN CHI, Respondent.	Case No.

DECLARATION OF JAMES A. PRUNTY

Pursuant to 28 U.S.C. § 1746, I declare as follows:

1. I am employed by the Federal Trade Commission ("Commission" or "FTC") as an attorney. In early 2012 I was assigned to serve as the managing attorney for the FTC's investigation of Ian Chi. This investigation concerns possible violations by Mr. Chi of Sections 5 and 12 of the FTC Act, 15 U.S.C. §§ 45, 52 with respect to the sales, advertising, and marketing of human chorionic gonadatropin (hCG), a drug that is advertised as enabling users to achieve rapid and substantial weight loss results.

2. I am authorized to execute a declaration verifying the facts that are set forth in the Petition of the Federal Trade Commission for an Order To Enforce a Civil Investigative Demand. I have read the petition and the exhibits thereto (hereinafter referred to as "Pet. Exh.") and verify that Pet. Exhs. 2 through 4 are true and correct copies of the original documents. The facts set forth herein are based on my personal knowledge or information made known to me in the course of my official duties.

3. Ian Chi has been engaged in the online sale, advertising, and marketing of hCG through at least three websites. Further investigation confirms that Mr. Chi currently resides or is found in San Diego, California.

4. On May 7, 2012, the Commission issued a Civil Investigative Demand ("CID") to Mr. Chi, requiring him, no later than May 27, 2012, to answer interrogatories and produce

documents relating to the subject matter of the investigation. The CID included thirteen interrogatories and twelve document requests.

5. From May 8, 2012 to July 11, 2012, the FTC attempted to serve the CID on Mr. Chi by delivery service to various addresses of record. On June 20, 2012, at Mr. Chi's request, I e-mailed him a copy of the CID. On July 11, 2012, I received a call from an attorney, Saman Nasseri, who stated that he represented Mr. Chi and confirmed that Mr. Chi had received the CID and resided or could be found in San Diego.

6. At the same time, I pursued other investigational leads. I subsequently learned that, in addition to the two websites and two hCG brands specified in the CID, Mr. Chi used a third website to sell a third brand of hCG. *See, e.g.*, Pet. Exh. 3, at 10 (Specification III.1.). I also learned that Mr. Chi had relationships with credit card processors under several different company names.

7. On July 24, 2012, I received a Federal Express package from Mr. Nasseri containing more than 20,000 files, consisting primarily of programs and encrypted files that were neither relevant to the investigation nor responsive to the specifications of the CID. Of the remaining files, many were in a format that could not be read or did not reference any particular specification of the CID. The production also failed to follow certain CID instructions regarding marking and organizing the documents. These failures made it impossible for the FTC to use this information. On or about August 3, 2012, I contacted Mr. Nasseri to inform him that his production was unusable and emailed him a detailed instruction sheet to aid him in responding to the CID.

8. On October 16, 2012. I received a series of emails from Mr. Nasseri with attachments that partially responded to four interrogatories and three document requests but that failed to respond to the remaining specifications. Mr. Chi's total production of usable information consists of only six pages of interrogatory responses, a one-page price list, and a single electronic spreadsheet with sales data for only one of the three hCG products traced to him.

9. For some of the specifications, Mr. Chi's responses were incomplete because they

did not reflect all of the products, websites, or affiliated companies I identified or traced back to Mr. Chi. For instance, these responses did not reflect the third website described above or any sales of hCG products through this website. These responses also did not identify or reference the affiliated companies used by Mr. Chi in his relationships with credit card processors, although the CID specifically requested such information. These specifications include Document Requests 1, and 2, and Interrogatories 2, 5, 7, and 11. For other specifications, Mr. Chi provided no response at all. These specifications include Document Requests 10, 11, and 12, and Interrogatories 3, 4, 10, 12, and 13. As a result of these deficiencies, critical information is missing from the production.

10. On October 18, 2012, I emailed Mr. Nasseri to identify certain omissions that confirmed that the production was incomplete. That email is attached as Attachment 1 to Pet. Exh. 4.

11. On or about November 6, 2012 I called Mr. Nasseri to ask when I might expect full responses to the CID and was advised that Mr. Chi did not intend to respond further.

12. On November 30, 2012 I wrote to Mr. Nasseri explaining in detail the history of Mr. Chi's noncompliance and itemizing the specifications Mr. Chi had failed to answer or answer completely. That letter is attached as Pet. Exh. 4. That letter gave Mr. Chi ten days – or until December 10, 2012 – to cure his noncompliance.

13. I received no additional information from Mr. Chi between November 30 and December 10, 2012. On December 20, 2012, I spoke with Mr. Nasseri by telephone and he confirmed that Mr. Chi did not intend to produce any additional information or material.

14. The FTC's Rules of Practice provide an administrative remedy and allow for CID recipients to petition the Commission to limit or quash a CID. Mr. Chi has filed no such petition and any such petition would now be untimely. *See* 16 C.F.R. § 2.7(d).[1]

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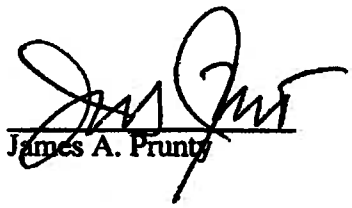
[1] The FTC's Rules of Practice related to investigations, 16 C.F.R. Part 2, were amended effective November 9, 2012. All citations to rules within Part 2 are to the rules in effect at the time the CID was issued.

15. Mr. Chi's failure to comply with the CID greatly impedes the Commission's ongoing investigation, forces the Commission to expend additional public resources, and prevents the Commission from completing its investigation in a timely manner.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on January 30, 2013.



James A. Prunty

Petition Exhibit 2

UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION

COMMISSIONERS: **Jon Leibowitz, Chairman**
Pamela Jones Harbour
William E. Kovacic
J. Thomas Rosch

RESOLUTION DIRECTING USE OF COMPULSORY PROCESS IN A NONPUBLIC INVESTIGATION OF UNNAMED PERSONS ENGAGED DIRECTLY OR INDIRECTLY IN THE ADVERTISING OR MARKETING OF DIETARY SUPPLEMENTS, FOODS, DRUGS, DEVICES, OR ANY OTHER PRODUCT OR SERVICE INTENDED TO PROVIDE A HEALTH BENEFIT OR TO AFFECT THE STRUCTURE OR FUNCTION OF THE BODY

File No. 0023191

Nature and Scope of Investigation:

To investigate whether unnamed persons, partnerships, or corporations, or others engaged directly or indirectly in the advertising or marketing of dietary supplements, foods, drugs, devices, or any other product or service intended to provide a health benefit or to affect the structure or function of the body have misrepresented or are misrepresenting the safety or efficacy of such products or services, and therefore have engaged or are engaging in unfair or deceptive acts or practices or in the making of false advertisements, in or affecting commerce, in violation of Sections 5 and 12 of the Federal Trade Commission Act, 15 U.S.C. §§ 45 and 52. The investigation is also to determine whether Commission action to obtain redress for injury to consumers or others would be in the public interest.

The Federal Trade Commission hereby resolves and directs that any and all compulsory processes available to it be used in connection with this investigation for a period not to exceed ten (10) years from the date of issuance of this resolution. The expiration of this ten (10) year period shall not limit or terminate the investigation or the legal effect of any compulsory process issued during the ten (10) year period. The Federal Trade Commission specifically authorizes the filing or continuation of actions to enforce any such compulsory process after expiration of the ten year period.

Authority to conduct investigation:

Sections 6, 9, 10, and 20 of the Federal Trade Commission Act, 15 U.S.C. §§ 46, 49, 50, and 57b-1, as amended; FTC Procedures and Rules of Practice, 16 C.F.R. § 1.1 et seq. and supplements thereto.

By direction of the Commission. Donald S. Clark

Donald S. Clark
Secretary

Issued: August 13, 2009

Petition Exhibit 3

United States of America
Federal Trade Commission

CIVIL INVESTIGATIVE DEMAND

1. TO

Ian Chi
1067 Lawrence Lane
Lincoln, California 95648-7204

This demand is issued pursuant to Section 20 of the Federal Trade Commission Act, 15 U.S.C. § 57b-1, in the course of an investigation to determine whether there is, has been, or may be a violation of any laws administered by the Federal Trade Commission by conduct, activities or proposed action as described in Item 3.

2. ACTION REQUIRED

☐ You are required to appear and testify.

LOCATION OF HEARING	YOUR APPEARANCE WILL BE BEFORE
	DATE AND TIME OF HEARING OR DEPOSITION

☒ You are required to produce all documents described in the attached schedule that are in your possession, custody, or control, and to make them available at your address indicated above for inspection and copying or reproduction at the date and time specified below.

☒ You are required to answer the interrogatories or provide the written report described on the attached schedule. Answer each interrogatory or report separately and fully in writing. Submit your answers or report to the Records Custodian named in Item 4 on or before the date specified below.

DATE AND TIME THE DOCUMENTS MUST BE AVAILABLE

MAY 29 2012

3. SUBJECT OF INVESTIGATION

See attached resolution

4. RECORDS CUSTODIAN/DEPUTY RECORDS CUSTODIAN	5. COMMISSION COUNSEL
Richard L. Cleland/James A. Prunty Federal Trade Commission 600 Pennsylvania Avenue, NW, Mail Drop NJ-3212 Washington, DC 20580	James A. Prunty, 202-326-2438 Federal Trade Commission 600 Pennsylvania Avenue, NW, Mail Drop NJ-3212 Washington, DC 20580

DATE ISSUED	COMMISSIONER'S SIGNATURE
5/7/12	Donald K. Clark

INSTRUCTIONS AND NOTICES

The delivery of this demand to you by any method prescribed by the Commission's Rules of Practice is legal service and may subject you to a penalty imposed by law for failure to comply. The production of documents or the submission of answers and report in response to this demand must be made under a sworn certificate, in the form printed on the second page of this demand, by the person to whom this demand is directed or, if not a natural person, by a person or persons having knowledge of the facts and circumstances of such production or responsible for answering each interrogatory or report question. This demand does not require approval by OMB under the Paperwork Reduction Act of 1980.

PETITION TO LIMIT OR QUASH

The Commission's Rules of Practice require that any petition to limit or quash this demand be filed within 20 days after service, or, if the return date is less than 20 days after service, prior to the return date. The original and twelve copies of the petition must be filed with the Secretary of the Federal Trade Commission, and one copy should be sent to the Commission Counsel named in Item 5.

YOUR RIGHTS TO REGULATORY ENFORCEMENT FAIRNESS

The FTC has a longstanding commitment to a fair regulatory enforcement environment. If you are a small business (under Small Business Administration standards), you have a right to contact the Small Business Administration's National Ombudsman at 1-888-REGFAIR (1-888-734-3247) or www.sba.gov/ombudsman regarding the fairness of the compliance and enforcement activities of the agency. You should understand, however, that the National Ombudsman cannot change, stop, or delay a federal agency enforcement action.

The FTC strictly forbids retaliatory acts by its employees, and you will not be penalized for expressing a concern about these activities.

TRAVEL EXPENSES

Use the enclosed travel voucher to claim compensation to which you are entitled as a witness for the Commission. The completed travel voucher and this demand should be presented to Commission Counsel for payment. If you are permanently or temporarily living somewhere other than the address on this demand and it would require excessive travel for you to appear, you must get prior approval from Commission Counsel.

Form of Certificate of Compliance*

I/We do certify that all of the documents and information required by the attached Civil Investigative Demand which are in the possession, custody, control, or knowledge of the person to whom the demand is directed have been submitted to a custodian named herein.

If a document responsive to this Civil Investigative Demand has not been submitted, the objections to its submission and the reasons for the objection have been stated.

If an interrogatory or a portion of the request has not been fully answered or a portion of the report has not been completed, the objections to such interrogatory or uncompleted portion and the reasons for the objections have been stated.

Signature _____

Title _____

Sworn to before me this day

_____ _____

_____
Notary Public

_____

*In the event that more than one person is responsible for complying with this demand, the certificate shall identify the documents for which each certifying individual was responsible. In place of a sworn statement, the above certificate of compliance may be supported by an unsworn declaration as provided for by 28 U.S.C. § 1746.

UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION

COMMISSIONERS: **Jon Leibowitz, Chairman**
Pamela Jones Harbour
William E. Kovacic
J. Thomas Rosch

RESOLUTION DIRECTING USE OF COMPULSORY PROCESS IN A NONPUBLIC INVESTIGATION OF UNNAMED PERSONS ENGAGED DIRECTLY OR INDIRECTLY IN THE ADVERTISING OR MARKETING OF DIETARY SUPPLEMENTS, FOODS, DRUGS, DEVICES, OR ANY OTHER PRODUCT OR SERVICE INTENDED TO PROVIDE A HEALTH BENEFIT OR TO AFFECT THE STRUCTURE OR FUNCTION OF THE BODY

File No. 0023191

Nature and Scope of Investigation:

To investigate whether unnamed persons, partnerships, or corporations, or others engaged directly or indirectly in the advertising or marketing of dietary supplements, foods, drugs, devices, or any other product or service intended to provide a health benefit or to affect the structure or function of the body have misrepresented or are misrepresenting the safety or efficacy of such products or services, and therefore have engaged or are engaging in unfair or deceptive acts or practices or in the making of false advertisements, in or affecting commerce, in violation of Sections 5 and 12 of the Federal Trade Commission Act, 15 U.S.C. §§ 45 and 52. The investigation is also to determine whether Commission action to obtain redress for injury to consumers or others would be in the public interest.

The Federal Trade Commission hereby resolves and directs that any and all compulsory processes available to it be used in connection with this investigation for a period not to exceed ten (10) years from the date of issuance of this resolution. The expiration of this ten (10) year period shall not limit or terminate the investigation or the legal effect of any compulsory process issued during the ten (10) year period. The Federal Trade Commission specifically authorizes the filing or continuation of actions to enforce any such compulsory process after expiration of the ten year period.

Authority to conduct investigation:

Sections 6, 9, 10, and 20 of the Federal Trade Commission Act, 15 U.S.C. §§ 46, 49, 50, and 57b-1, as amended; FTC Procedures and Rules of Practice, 16 C.F.R. § 1.1 et seq. and supplements thereto.

By direction of the Commission. Donald S. Clark

Donald S. Clark
Secretary

Issued: August 13, 2009

CIVIL INVESTIGATIVE DEMAND
SCHEDULE FOR PRODUCTION OF DOCUMENTS AND ANSWERS
TO WRITTEN INTERROGATORIES

I. DEFINITIONS

As used in this Civil Investigative Demand, the following definitions shall apply:

A. **"You"** or **"your"** shall mean the person or entity to whom this CID is issued.

B. **"hCG"** shall mean human chorionic gonadatropin and **"hCG products"** shall mean all versions of all formulations of dietary supplements or other products containing, consisting of, or labeled as "hCG" or "homeopathic hCG."

C. **"NO-RISK HCG"** and **"HCG Max"** shall mean all versions of all formulations of these specified products.

D. **"Advertisement"** or **"advertising"** or **"ad"** shall mean any written or oral statement, illustration, or depiction, whether in English or any other language, such as Spanish, that is designed to effect a sale or create interest in the purchasing of goods or services, whether it appears on or in a label, package, package insert, radio, Internet radio, television, cable television, brochure, newspaper, magazine, pamphlet, leaflet, circular, mailer, book insert, free standing insert, letter, catalogue, poster, chart, billboard, public transit card, point of purchase display, film, slide, audio program transmitted over a telephone system, telemarketing script, onhold script, upsell script, training materials provided to telemarketing firms, program-length commercial ("infomercial"), the Internet, or any other medium. **Promotional materials and items** and Web pages are included in the terms **"advertisement," "advertising,"** and **"ad."**

E. **"All documents"** shall mean each **"document,"** as defined below, which can be located, discovered or obtained by reasonable and diligent efforts, including without limitation all documents possessed by: (a) you or your counsel; or (b) any other person or entity under your control.

F. **"And,"** as well as **"or,"** shall be construed both conjunctively and disjunctively, as necessary, in order to bring within the scope of any specification in the Schedule all information and documents that otherwise might be construed to be outside the scope of the specification.

G. **"Any"** shall be construed to include **"all,"** and **"all"** shall be construed to include the word **"any."**

H. **"CID"** shall mean this Civil Investigative Demand, the attached Resolution and the accompanying Schedule, including the Definitions, Instructions, and Specifications.

I. **"Communication"** shall mean any transmission or receipt of facts, information, opinions, or thought, whether conveyed in writing, orally, electronically, or by any other means, including written memorializations of oral communications.

J. A "**copy**" of an "advertisement," as requested in Document Specification C, shall mean:

1. In the case of **print advertisements, including transit/outdoor, direct mail, and free standing inserts,** the advertisement in the form made available for consumers to read.

2. In the case of **radio advertisements, Internet radio advertisements, or other audio programming,** a cassette tape or compact disc (CD) recording, and a written script for each advertisement.

3. In the case of **television ads and infomercials,** a DVD, as well as a photoboard or a transcription of the advertisement.

4. In the case of **advertisements displayed or accessible as Web pages on the Internet or in a similar format on a commercial online service,** a printout of all screens or pages displayed or accessible online; the date the information was initially placed online; all information necessary to view or access the information online (*i.e.* for Web pages, all electronic addresses, or URLs, at which the information is accessible, including any "mirrored" sites and all documents showing metatags for the pages). For similar advertising on commercial online services, provide the name of the commercial online services and the appropriate "Key" "Go" or "Jump" words; a transcript of any audio or video clips contained in the screens or pages, and identification of any audio, video, or other programs necessary to hear or view the clips; the name, mailing address, and telephone number of any entity with whom you arranged for placement of the information online (*i.e.* the owner of the Internet domain name(s) and, if different, the owner of the server(s) through which the Web page is made accessible on the Internet).

5. In the case of **files archived or accessible online (*e.g.*, at FTP sites, on bulletin boards, or as part of a Web page),** the filename and file date of the file, along with the date it initially was posted online; a printout of the file, if feasible; all information necessary to locate, download, and view the file, including, where applicable, the name of the bulletin board and the category, topic, or file area where the file is located; and the identity of any software necessary to decompress the files. In the case of files archived on forums or bulletin boards found in commercial online services, provide the name of the online service and the "Key" "Go" or "Jump" words to access the bulletin board; in the case of files archived or accessible on the Internet at FTP sites, at USENET sites, or on Web pages, all electronic addresses at which the file is available, including any "mirrored" sites; in the case of files archived on dial-in bulletin boards, provide the telephone number to access the bulletin board, and the name, business telephone number, and mailing address of the owner or operator of the bulletin board.

6. In the case of **messages posted on bulletin boards,** a printout of the message posted, the date(s) it was posted, and information sufficient to locate and access the bulletin board areas where the information was posted.

7. In the case of **messages disseminated via e-mail,** a printout of the e-mail message, the date(s) it was sent, and the electronic address from which the message was sent. In addition, if a LISTSERV or other mass mailing mechanism was utilized, provide the name of the LIST used to send the message, the e-mail address for subscribing to the LISTSERV or similar mechanism, and, if different, the e-mail address to which messages are submitted for mass mailing.

K. **"Document"** shall mean the complete original and any non-identical copy (whether different from the original because of notations on the copy or otherwise), regardless of origin or location, of any written, typed, printed, transcribed, taped, recorded, filmed, punched, computer-stored, or graphic matter of every type and description, however and by whomever prepared, produced, disseminated or made, including but not limited to any advertisement, book, pamphlet, periodical, contract, correspondence, file, invoice, memorandum, note, telegram, report, record, handwritten note, working paper, routing slip, chart, graph, paper, index, map, tabulation, manual, guide, outline, script, abstract, history, calendar, diary, agenda, minute, code book or label. "Document" shall also include **Electronically Stored Information.**

L. **"Each"** shall be construed to include **"every,"** and **"every"** shall be construed to include **"each."**

M. **"Electronically Stored Information" ("ESI")** shall mean the complete original and any non-identical copy (whether different from the original because of notations, different metadata, or otherwise), regardless of origin or location, of any electronically created or stored information, including but not limited to electronic mail, instant messaging, videoconferencing, and other electronic correspondence (whether active, archived, or in a deleted items folder), word processing files, spreadsheets, databases, and sound recordings, whether stored on cards, magnetic or electronic tapes, disks, computer files, computer or other drives, cell phones, Blackberry, PDA, or other storage media, and such technical assistance or instructions as will enable conversion of such ESI into a reasonably usable form.

N. **"FTC"** or **"Commission"** shall mean the Federal Trade Commission.

O. **"Identify"** or **"the identity of"** shall be construed to require identification of (a) natural persons by name, title, present business affiliation, present business address and telephone number, or if a present business affiliation or present business address is not known, the last known business and home addresses; and (b) businesses or other organizations by name, address, telephone number, and identities of natural persons who are officers, directors or managers of the business or organization, and contact persons, where applicable.

P. **"Person"** or **"persons"** shall mean all natural persons, corporations, partnerships, or other business associations and all other legal entities, including all members, officers, predecessors, assigns, divisions, affiliates, and subsidiaries.

Q. **"Promotional material"** shall mean any document or thing designed or used to create

interest in the purchasing of goods or services that is not counted as advertising, including, but not limited to: press releases, video news releases, and other communications with any print, television, or radio media, or any website designer, developer, manager, or host, or any online service; coupons; and payments for shelf space.

R. **"Referring or relating to"** shall mean discussing, describing, reflecting, containing, analyzing, studying, reporting, commenting, evidencing, constituting, setting forth, considering, recommending, concerning, or pertaining to, in whole or in part.

S. The singular shall be construed to include the plural, and the plural shall be construed to include the singular.

II. INSTRUCTIONS

A. **Sharing of Information:** The Commission often makes its files available to other civil and criminal federal, state, local, or foreign law enforcement agencies. The Commission may make information supplied by you available to such agencies where appropriate pursuant to the Federal Trade Commission Act and 16 C.F.R. § 4.11 (c) and (j). Information you provide may be used in any federal, state, or foreign civil or criminal proceeding by the Commission or other agencies.

B. **Meet and Confer:** You must contact James A. Prunty at 202-326-2438 as soon as possible to schedule a meeting (telephonic or in person) to be held within ten (10) days after receipt of this CID in order to confer regarding your production of documents and/or information, including but not limited to a discussion of the submission of Electronically Stored Information and other electronic productions as described in these Instructions.

C. **Applicable time period:** Unless otherwise directed in the specifications, the applicable time period for the request shall be from January 1, 2010 through until the date of full and complete compliance with this CID.

D. **Claims of Privilege:** If any material called for by this CID is withheld based on a claim of privilege or any similar claim, the claim must be asserted no later than the return date of this CID. In addition, pursuant to 16 C.F.R. § 2.8A(a), submit, together with the claim, a schedule of the items withheld, stating individually as to each item:

1. the type, specific subject matter, date, and number of pages of the item;

2. the names, addresses, positions, and organizations of all authors and recipients of the item; and

3. the specific grounds for claiming that the item is privileged.

If only some portion of any responsive material is privileged, all non-privileged portions of the material must be submitted. A petition to limit or quash this CID shall not be filed solely for the purpose of asserting a claim of privilege. 16 C.F.R. § 2.8A(b).

E. **Document Retention:** You shall retain all documentary materials used in the preparation of responses to the specifications of this CID. The Commission may require the submission of additional documents at a later time during this investigation. Accordingly, you should suspend any routine procedures for document destruction and take other measures to prevent the destruction of documents that are in any way relevant to this investigation during its pendency, irrespective of whether you believe such documents are protected from discovery by privilege or otherwise. *See* 15 U.S.C. § 50; *see also* 18 U.S.C. §§ 1505, 1519.

F. **Petitions to Limit or Quash:** Any petition to limit or quash this CID must be filed with the Secretary of the Commission no later than twenty (20) days after service of the CID, or, if the return date is less than twenty (20) days after service, prior to the return date. Such petition shall set forth all assertions of privilege or other factual and legal objections to the CID, including all appropriate arguments, affidavits, and other supporting documentation. 16 C.F.R. § 2.7(d).

G. **Modification of Specifications:** If you believe that the scope of the required search or response for any specification can be narrowed consistent with the Commission's need for documents or information, you are encouraged to discuss such possible modifications, including any modifications of definitions and instructions, with James A. Prunty at (202) 326-2439. All such modifications must be agreed to in writing by the Associate Director for the Division of Advertising Practices. 16 C.F.R. § 2.7(c).

H. **Certification:** A responsible corporate officer or duly authorized manager of an affiliated company that submits responses to this CID shall certify that the response to this CID is complete. If the documents are yours then you must personally certify that the response to this CID is complete. This certification shall be made in the form set out on the back of the CID form, or by a declaration under penalty of perjury as provided by 28 U.S.C. § 1746.

I. **Scope of Search:** This CID covers information and documents in your possession or under your actual or constructive custody or control, including, but not limited to, documents in the possession, custody, or control of your attorneys, accountants, directors, officers, employees, and other agents, consultants, or affiliated companies, whether or not such documents were received from or disseminated to any person or entity.

J. **Document Production:** You shall produce the documentary material by making all responsive documents available for inspection and copying at your principal place of business. Alternatively, you may elect to send all responsive documents to James A. Prunty, Federal Trade Commission, Bureau of Consumer Protection, Division of Advertising Practices, 601 New Jersey Ave., N.W., Mail Drop NJ-3212, Washington, D.C. 20001. Because postal delivery to the Commission is subject to delay due to heightened security precautions, please use a courier service such as Federal Express or UPS. Notice of your intention to use the alternative method of compliance shall be given by mail or telephone to James A. Prunty at (202) 326-2438 at least five days prior to the return date.

K. **Document Identification:** Documents that may be responsive to more than one specification of this CID need not be submitted more than once; however, your response should indicate, for each document submitted, each specification to which the document is responsive.

If any documents responsive to this CID have been previously supplied to the Commission, you may comply with this CID by identifying the document(s) previously provided and the date of submission. Documents should be produced in the order in which they appear in your files and without being shuffled or otherwise rearranged; if documents are removed from their original folders, binders, covers, containers, or electronic source in order to be produced, then the documents shall be identified in a manner so as to clearly specify the folder, binder, cover, container, or electronic media or file paths from which such documents came. In addition, number by page (or file, for those documents produced in native electronic format) all documents in your submission, preferably with a unique Bates identifier, and indicate the total number of documents in your submission. In the case of electronic media please indicate the contents of the media.

L. **Production of Copies:** Unless otherwise stated, legible photocopies (or electronically rendered images or digital copies of native electronic files) may be submitted in lieu of original documents, provided that the originals are retained in their original state at the time of receipt of this CID. Further, copies of original documents may be submitted in lieu of originals only if they are true, correct, and complete copies of the original documents; provided, however, that submission of a copy shall constitute a waiver of any claim as to the authenticity of the copy should it be necessary to introduce such copy into evidence in any Commission proceeding or court of law; and provided further that you shall retain the original documents and produce them to Commission staff upon request. A complete copy of each document should be submitted even though only a portion of the document is within the terms of the specification. The document shall not be edited, cut, or expunged and shall include all covering letters and memoranda, transmittal slips, appendices, tables, or other attachments and all other documents referred to in the document or attachments. Copies of marketing materials and advertisements shall be produced in color, and copies of other materials shall be produced in color if necessary to interpret them or render them intelligible.

M. **Electronic Submission of Documents:** The following guidelines refer to the production of any Electronically Stored Information ("ESI") or digitally imaged hard copy documents. Before submitting any electronic production, You must confirm with the Commission counsel named above that the proposed formats and media types will be acceptable to the Commission. The FTC requests Concordance load-ready electronic productions, including DAT and OPT load files.

1. **Electronically Stored Information**: Documents created, utilized, or maintained in electronic format in the ordinary course of business should be delivered to the FTC as follows:

   (a) Spreadsheet and presentation programs, including but not limited to Microsoft Access, SQL, and other databases, as well as Microsoft Excel and PowerPoint files, must be produced in native format with extracted text and metadata. Data compilations in Excel spreadsheets, or in delimited text formats, must contain all underlying data un-redacted with all underlying formulas and algorithms intact. All database productions (including structured data document systems) must include a database

schema that defines the tables, fields, relationships, views, indexes, packages, procedures, functions, queues, triggers, types, sequences, materialized views, synonyms, database links, directories, Java, XML schemas, and other elements, including the use of any report writers and custom user data interfaces;

(b) All ESI other than those documents described in (1)(a) above must be provided in native electronic format with extracted text or Optical Character Recognition (OCR) and all related metadata, and with corresponding image renderings as converted to Group IV, 300 DPI, single-page Tagged Image File Format (TIFF) or as color JPEG images (where color is necessary to interpret the contents);

(c) Each electronic file should be assigned a unique document identifier ("DocID") or Bates reference.

2. **Hard Copy Documents:** Documents stored in hard copy in the ordinary course of business should be submitted in an electronic format when at all possible. These documents should be true, correct, and complete copies of the original documents as converted to TIFF (or color JPEG) images with corresponding document-level OCR text. Such a production is subject to the following requirements:

(a) Each page shall be endorsed with a document identification number (which can be a Bates number or a document control number); and

(b) Logical document determination should be clearly rendered in the accompanying load file and should correspond to that of the original document; and

(c) Documents shall be produced in color where necessary to interpret them or render them intelligible;

3. For each document electronically submitted to the FTC, You should include the following metadata fields in a standard ASCII delimited Concordance DAT file:

(a) **For electronic mail**: begin Bates or unique document identification number ("DocID"), end Bates or DocID, mail folder path (location of email in personal folders, subfolders, deleted or sent items), custodian, from, to, cc, bcc, subject, date and time sent, date and time received, and complete attachment identification, including the Bates or DocID of the attachments (AttachIDs) delimited by a semicolon, MD5 or SHA Hash value, and link to native file;

(b) **For email attachments**: begin Bates or DocID, end Bates or DocID, parent email ID (Bates or DocID), page count, custodian, source

location/file path, file name, file extension, file size, author, date and time created, date and time modified, date and time printed, MD5 or SHA Hash value, and link to native file;

(c) **For loose electronic documents (as retrieved directly from network file stores, hard drives, etc.):** begin Bates or DocID, end Bates or DocID, page count, custodian, source media, file path, filename, file extension, file size, author, date and time created, date and time modified, date and time printed, MD5 or SHA Hash value, and link to native file;

(d) **For imaged hard copy documents**: begin Bates or DocID, end Bates or DocID, page count, source, and custodian; and where applicable, file folder name, binder name, attachment range, or other such references, as necessary to understand the context of the document as maintained in the ordinary course of business.

4. If you intend to utilize any de-duplication or email threading software or services when collecting or reviewing information that is stored in your computer systems or electronic storage media, or if your computer systems contain or utilize such software, you must contact the Commission counsel named above to determine whether and in what manner you may use such software or services when producing materials in response to this Request.

5. Submit electronic productions as follows:

(a) With passwords or other document-level encryption removed or otherwise provided to the FTC;

(b) As uncompressed electronic volumes on size-appropriate, Windows-compatible, media;

(c) All electronic media shall be scanned for and free of viruses;

(d) Data encryption tools may be employed to protect privileged or other personal or private information. The FTC accepts TrueCrypt, PGP, and SecureZip encrypted media. The passwords should be provided in advance of delivery, under separate cover. Alternate means of encryption should be discussed and approved by the FTC.

(e) Please mark the exterior of all packages containing electronic media sent through the U.S. Postal Service or other delivery services as follows:

MAGNETIC MEDIA – DO NOT X-RAY
MAY BE OPENED FOR POSTAL INSPECTION.

6. All electronic files and images shall be accompanied by a production transmittal letter which includes:

   (a) A summary of the number of records and all underlying images, emails, and associated attachments, native files, and databases in the production; and

   (b) An index that identifies the corresponding consecutive document identification number(s) used to identify each person's documents and, if submitted in paper form, the box number containing such documents. If the index exists as a computer file(s), provide the index both as a printed hard copy and in machine-readable form (provided that the Commission counsel named above determines prior to submission that the machine-readable form would be in a format that allows the agency to use the computer files.) The Commission counsel named above will provide a sample index upon request.

A Bureau of Consumer Protection Production Guide is available upon request from the Commission counsel named above. This guide provides detailed directions on how to fully comply with this instruction.

N. **Sensitive Personally Identifiable Information:** If any material called for by these requests contains sensitive personally identifiable information or sensitive health information of any individual, please contact us before sending those materials to discuss ways to protect such information during production.

For purposes of these requests, sensitive personally identifiable information includes: an individual's Social Security number alone; or an individual's name or address or phone number in combination with one or more of the following: date of birth, Social Security number, driver's license number or other state identification number, or a foreign country equivalent, passport number, financial account number, credit card number, or debit card number. Sensitive health information includes medical records and other individually identifiable health information relating to the past, present, or future physical or mental health or conditions of an individual, the provision of health care to an individual, or the past, present, or future payment for the provision of health care to an individual.

O. **Information Identification:** Each specification and sub-specification of this CID shall be answered separately and fully in writing under oath. All information submitted shall be clearly and precisely identified as to the specification(s) or subspecification(s) to which it is responsive.

P. **Submission of Documents in lieu of Interrogatory Answers:** Previously existing documents that contain the information requested in any written Interrogatory may be submitted as an answer to the Interrogatory. In lieu of identifying documents as requested in any Interrogatory, you may, at your option, submit true copies of the documents responsive to the

Interrogatory, provided that you clearly indicate the specific Interrogatory to which such documents are responsive.

Q. **Certification of Records of Regularly Conducted Activity:** Attached is a Certification of Records of Regularly Conducted Activity, which may reduce the need to subpoena an affiliated company to testify at future proceedings in order to establish the admissibility of documents that the company produced in response to this CID. You are asked to execute this Certification and provide it with your response. If the documents are your personal business documents, we ask you to so indicate on the signed Certification.

III. SPECIFICATIONS FOR DOCUMENTS AND THINGS

Demand is made for the following documents and things that are in your actual or constructive possession or control, or in the actual or constructive possession or control of an affiliated company:

1. Two packages, in their original packaging, of each version of every formulation of hCG product manufactured, marketed, offered for sale, sold, or distributed by you, or by any affiliated company, including, but not limited to, HCG Max and NO-RISK HCG marketed or sold on the websites www.maxhcg.com and www.noriskhcg.com, since January 1, 2010.

2. A copy of every advertisement for hCG products, including, but not limited to, HCG Max and NO-RISK HCG, disseminated on or after January 1, 2010 by you or any affiliated company. Your response should include, but not be limited to, package labeling, package inserts, web pages (including metatags used for the purpose of search engine optimization or otherwise directing web traffic), user manuals or handbooks, customer support materials, "customer support group" materials, promotional materials, and marketing materials, that have been disseminated to consumers, distributors or potential distributors (including Internet distributors), retailers, or any other person since January 1, 2010, or that have been prepared for future dissemination or use.

3. All documents, including, but not limited to, tests, reports, studies, scientific literature, and written opinions, upon which you relied to substantiate each of the following claims in advertisements by entities covered by Specification 1 for hCG products, including HCG Max and NO-RISK HCG, regardless of whether you believe these claims are made:

   a. Users typically lose one pound per day;

   b. Users lose up to 25 pounds in 25 days;

   c. These formulations of hCG are the most effective weight loss remedies available;

   c. Weight loss is lasting;

   d. Users lose one to two pounds per day;

e. Results are guaranteed;

f. Products are FDA compliant;

g. Homeopathic hCG is equal to clinical injections;

h. Weight loss is accomplished without exercise and yields amazing results;

i. Users lose as much as 100 pounds;

j. HCG Max contains hCG; and

k. NO-RISK HCG contains hCG.

4. All documents referring or relating to information that tends to call into question or disprove any of the claims listed in Document Specification 3.

5. All documents referring or relating to consumer testimonials or expert endorsements appearing in advertisements for hCG products, including, but not limited to, HCG Max and NO-RISK HCG, requested in Document Specification 2, including, but not limited to, communications, contracts, and agreements between you or any company for which you serve as an officer or director, and any person providing a testimonial or endorsement, compensation paid to such person, and any documents provided to expert endorsers prior to use of their endorsement.

6. All documents referring or relating to marketing plans or strategies for sale of hCG products, including, but not limited to, HCG Max and NO-RISK HCG. This inquiry includes, but is not limited to, all marketing studies and surveys conducted regarding each product.

7. All communications between you or any affiliated company, and any advertising agency, advertising placement agency, or network marketing agency that participated in the creation, production, or dissemination of any advertisement for hCG products, including, but not limited to, HCG Max and NO-RISK HCG.

8. All communications between you or any affiliated company, and any magazine or newspaper publisher, or any television or radio station, Internet radio platform, or network, or any other media outlet concerning any claims, messages, or communications in any proposed or disseminated advertisement for hCG products, including, but not limited to, HCG Max and NO-RISK HCG.

9. All documents referring or relating to consumer complaints concerning hCG products, including, but not limited to, HCG Max and NO-RISK HCG, sold by you or any affiliated company. This inquiry includes, but is not limited to, requests for refunds and any communications between you or any affiliated person or entity and any consumer or

any medical professional concerning any consumer injury or other adverse event relating to the use of the product.

10. All documents referring or relating to any communication between you or any affiliated company or person, and the Food and Drug Administration concerning hCG products, including, but not limited to, HCG Max and NO-RISK HCG.

11. All complaints and answers in any state or federal court litigation, that were either initiated since January 1, 2010 or are currently pending in which you or any affiliated company or person is named as a defendant, and that relates or refers to hCG products, including, but not limited to, HCG Max and NO-RISK HCG.

12. Provide copies of all documents referring or relating to, any communications between you or any affiliated company, and the National Advertising Division of the Council of Better Business Bureaus concerning any advertising for hCG products, including, but not limited to, HCG Max and NO-RISK HCG.

IV. SPECIFICATIONS FOR INTERROGATORY RESPONSES

1. If, for any specification for documents, things, or interrogatory responses, documents that would be responsive to this CID were destroyed, mislaid, transferred, deleted, altered, or overwritten:

   a. Describe in detail the document;

   b. State the date such document was destroyed, mislaid, transferred, deleted, altered, or overwritten;

   c. Describe the circumstance under which such document was destroyed, mislaid, transferred, deleted, altered, or overwritten; and

   d. Identify the person authorizing such action.

2. Provide the following information for any affiliated company that sells hCG products, including, but not limited to, HCG Max and NO-RISK HCG:

   a. Its full legal name and all other names under which it has done business;

   b. The mailing address, street address, and telephone number of its headquarters;

   c. The state(s) in which the Company is incorporated;

   d. The names and titles of all the Company's officers and directors, including all persons who have served as an officer and/or director since it was incorporated;

e. The names and percentages of ownership of all persons or entities holding five percent or more ownership in the Company; and

f. The names, addresses, officers, directors, owners, and states of incorporation of all parents, subsidiaries, affiliate companies, or divisions.

3. Provide your full legal name and address, as well as the business names and addresses under which you have marketed, advertised, offered for sale, sold, or distributed hCG products, including, but not limited to, HCG Max and NO-RISK HCG.

4. Provide the following information for every hCG product, including, but not limited to, HCG Max and NO-RISK HCG, manufactured, marketed, offered for sale, sold, or distributed by you or any affiliated company since January 1, 2010, under, or in connection with, your affiliated company's name, copyright, trademark, or other identifying information:

a. The name and a description of the nature of the product; and

b. The date when the product was first manufactured, marketed, or sold by you or an affiliated company.

5. Provide the following information concerning sales of hCG products, including, but not limited to, HCG Max and NO-RISK HCG, by you or any affiliated company:

a. The per unit wholesale price; the number of units sold in 2010, 2011, and 2012 to date; and the gross sales revenue for 2010, 2011, and 2012 to date;

b. The total dollar amount spent on the advertising, marketing, or other promotion of hCG products, including, but not limited to HCG Max and NO-RISK HCG, in 2010, 2011, and 2012 to date; and

c. The total dollar amount spent on research and development and other science-related expenses for hCG products, including, but not limited to, HCG Max and NO-RISK HCG, in 2010, 2011, and 2012 to date.

If you or any affiliated company maintain financial data on a fiscal schedule that differs from the calendar year schedule, provide this data according to those fiscal years and identify the dates of the fiscal year.

6. For each advertisement for hCG products, including, but not limited to, HCG Max and NO-RISK HCG, requested in Document Specification 2, identify each person presented as a user of the products or who provided a consumer testimonial for such products, and, in addition to the identifying information required under Definition O, for each individual:

a. Describe fully the circumstances under which the results given in the testimonial were achieved, including, but not limited to: (i) describing whether the individual was participating in a weight-loss study at the time of the weight loss, and if so, identifying the study; (ii) whether the individual was restricting caloric intake at the time of the weight loss, and if so, specifying the extent of the calorie restriction; (iii) whether the individual was engaging in an exercise program or regimen, and if so, describing the program or regimen; and (iv) what other drugs or dietary supplements the individual was using at the time of the weight loss, if any;

b. State whether that individual was compensated for appearing in the advertisement(s) or studies, and if so, state the amount of compensation;

c. State whether the individual was compensated on an on-going basis (*e.g.* salary, royalty, promotion payments) and if so, state the amounts paid and schedule or dates of payment;

d. Describe that individual's relationship to you or any affiliated company or any consultant, shareholder, officer, or employee paid by you or any affiliated company; and

e. Describe the process used to confirm that the individual actually achieved the reported results as represented in the advertisements.

7. For each advertisement for hCG products, including, but not limited to, HCG Max and NO-RISK HCG, provided in response to Document Specification 2, describe fully the dates, times, and locations where the advertisement was disseminated. For print advertisements, identify every publication, date, and community of dissemination; for television, radio, or Internet radio advertisements, provide every network, system or station, date, and community of dissemination; and for all other materials, provide sufficient information to permit a determination of how many items were disseminated, when, where, and to whom.

8. Identify all persons, including, but not limited to, all employees, independent contractors, manufacturers, advertising agencies, retailers, resellers, wholesalers, website developers, telemarketing firms, marketing firms, public relations firms, and production companies, who have participated in any way in the marketing of hCG products, including, but not limited to, HCG Max and NO-RISK HCG, or the development, preparation, or placement of the advertisements, promotional materials, packages, labels, and inserts for hCG products, including, but not limited to, HCG Max and NO-RISK HCG, requested in Document Specification 2. Your response should include, but not be limited to, any person or company who participated in the creation or operation of websites owned by you or any affiliated company. Include in your answer a brief description of the services that each individual and/or company has provided, and all identifying information required under Definition O.

9. Identify all persons, including, but not limited to, employees, independent contractors, manufacturers, advertising agencies, retailers, resellers, wholesalers, marketing firms, and public relations firms, who have participated in or contributed to the development or review of substantiation, scientific or otherwise, for any representations made in the advertisements, promotional materials, packages, labels, and inserts for hCG products, including, but not limited to, HCG Max and NO-RISK HCG, requested in Document Specification 2. Your response should include, but not be limited to, all experts (including physicians, scientists, researchers), attorneys, and others, consulted, or upon whose advice, opinion, or expertise you or any affiliated company have relied to substantiate the claims set forth in Document Specifications 3. Include in your answer a brief description of the services that each individual and/or entity has provided, and all identifying information required under Definition O.

10. Describe in detail the process, procedures, guidelines, or standards that were followed during the applicable time period in determining whether or not to approve the dissemination of advertisements for hCG products, including, but not limited to, HCG Max and NO-RISK HCG, identified in response to Document Specification 2, and identify the individual(s) responsible for formulating such procedures, guidelines, or standards, and the individual(s) responsible for approving such advertisements prior to dissemination.

11. Provide the full name and URL for each website referring or relating to hCG products, including, but not limited to, HCG Max and NO-RISK HCG, operated by you or any affiliated company.

12. Identify each consumer who filed a complaint or requested a refund referring or relating to hCG products, including, but not limited to, HCG Max and NO-RISK HCG. For each consumer, describe the complaint or the amount of refund requested, and state what, if anything, was the response.

13. Identify all lawsuits or legal proceedings filed against or otherwise involving you or any affiliated company referring or relating to hCG products, including, but not limited to, HCG Max and NO-RISK HCG. Include in your response the names of all parties, the jurisdiction in which the matter is or was pending, the date filed, the identity of counsel for all parties, and the current status or disposition of the matter.

CERTIFICATION OF RECORDS OF REGULARLY CONDUCTED ACTIVITY
Pursuant to 28 U.S.C. § 1746

1. I, Ian Chi, have personal knowledge of the facts set forth below and am competent to testify as follows:

2. I have authority to certify the authenticity of the records produced by _____ (company name) and attached hereto.

3. The documents produced and attached hereto by _____ (company name) are originals or true copies of records of regularly conducted activity that:

   a) Were made at or near the time of the occurrence of the matters set forth by, or from information transmitted by, a person with knowledge of those matters;

   b) Were kept in the course of the regularly conducted activity of _____ (company name); and

   c) Were made or created by the regularly conducted activity as a regular practice of _____ (company name).

I certify under penalty of perjury that the foregoing is true and correct.

Executed on _____, 2012.

_____
Signature

Petition Exhibit 4

United States of America
FEDERAL TRADE COMMISSION
600 Pennsylvania Avenue, NW
Washington, DC 20580

Division of Advertising Practices
Bureau of Consumer Protection

James A. Prunty
Attorney

202-326-2438
jprunty@ftc.gov

November 30, 2012

Saman Nasseri, Esq.
925 B Street, #402
San Diego, California 92101

RE: Civil Investigative Demand to Ian Chi

Dear Mr. Nasseri:

This letter is a follow-up to our last telephone discussion in early November when you advised me that your client, Ian Chi, does not intend to submit further responses to the civil investigative demand ("CID") issued to him on May 7, 2012. Compliance was due on May 29, 2012. To date we have received no response to most of the CID specifications, and only partial or incomplete responses to others. Unless Mr. Chi takes immediate steps to comply with his obligations under the CID, I will recommend that this matter be referred to our Office of General Counsel for enforcement in federal district court.

Here is the pertinent timeline of Mr. Chi's compliance with the CID:

May 7, 2012	CID issued.
May 29, 2012	CID compliance due.
June 20, 2012	I spoke with Mr. Chi by telephone, and, at his request sent the CID again (which had previously been delivered to his parents' address), to an email address he provided.
July 11, 2012	I received a telephone call from you advising me you represent Mr. Chi and that you received the CID from your client.
July 17, 2012	I received an email from you advising that I would receive responses to the CID within the week.

July 24, 2012	I received a FedEx package from you with two CD-ROMs containing more than 20,000 undifferentiated files of various kinds, including program and hash files. I informed you shortly thereafter that this did not conform to the CID instructions and that most of the files on the CD-ROMs were program and hash files unrelated to the CID. Moreover, I informed you that the files on the CD-ROMs -- many of which could not be opened or read -- were not marked and were produced in such a way that it was impossible to tell which documents related to which CID specifications.
October 16, 2012	I received a series of emails and attachments from you providing partial responses to only four of the interrogatories in the CID. These responses and their deficiencies are discussed in detail below.
October 18, 2012	I sent you an email describing the deficiencies in Mr. Chi's responses. Among others, I notified you that Mr. Chi had not provided a complete response about the revenues he received from the sale of hCG products and he had not provided the names of all websites used to sell homeopathic hCG. This e-mail is attached.
November 6, 2012	Around this date, I called you to ask when we can expect full responses to the CID and was advised by you that your client does not intend to respond further.

In addition, Mr. Chi has asserted no claim of privilege under Part II.D; has not filed a petition to limit or quash under Part II.F; has not requested modification of the specifications under part II.G; has failed to identify the documents produced as required under Part II.K; has failed to follow the instructions for the production of electronic documents under Part II.M; has never requested an extension of time under Commission Rules; and has failed to provide a certification of compliance with the CID. Further, Mr. Chi has not produced documents responsive to the CID specifications that are in the possession of companies and persons with which he did business, or explained why he was unable to obtain those documents.

In sum, except for the unusable CD-ROMs received on July 24, 2012, we have only received one production from Mr. Chi in the form of emails and attachments received on October 16, 2012. Other than providing photographs and labels for Max HCG, only one of at least three hCG brands sold by Mr. Chi, and limited information relating to Google Adwords advertising for that product, Mr. Chi has not responded at all to the twelve document requests (specifications III.1 through 12). Of the thirteen interrogatories, he has only responded to four (specifications IV.5, 8, 9, and 11), but as discussed in my October 18, 2012, e-mail, these responses are incomplete. He has not responded at all to any of the remaining nine interrogatories.

Deficiencies

The following are the specific deficiencies in Mr. Chi's responses.

Specification III: Document Requests

Specification 1	No products produced.
Specification 2	No advertisements or complete websites produced.
Specification 3	No documents responsive to the request for substantiation of the claims stated in the specification.
Specification 4	No documents responsive to request for documents that may disprove claims.
Specification 5	No documents relating to consumer testimonials.
Specification 6	No documents referring to marketing plans or strategies.
Specification 7	No documents between respondent and advertising or network marketing agents.
Specification 8	No communications between respondent and any media outlets relating to advertising.
Specification 9	No documents relating to customer complaints or responses.
Specification 10 - 11	No response to requests for communications between Mr. Chi and affiliated companies or complaints and answers in court litigation relating to hCG products.
Specification 12	No response to request for documents referring or relating to communications with National Advertising Division of the Council for Better Business Bureaus concerning hCG products.

Specification IV: Interrogatory Responses

Specifications IV 1 a - d	No response to question about how documents otherwise responsive have been destroyed, mislaid, deleted, or altered.
Specifications 2 a - f	No response to request to list names and information about affiliated companies.

Specifications 3 & 4	No response to request for full legal names and addresses used to market or sell hCG.
Specifications 5 a - c	Partial response to total sales for only one product line. No response to annual sales, per unit sales, total spent on advertising, marketing, and promotion. As discussed in the attached email, this information is incomplete.
Specifications 6 a - e	No response to request for information concerning testimonials used on websites.
Specification 7	No response to request for times and places where advertising was disseminated.
Specification 8	Incomplete response to identification of persons involved with advertising of hCG products. No complete description given as requested.
Specification 9	Partial response identifies one person who reviewed substantiation. No description or other identifying information given as requested.
Specification 10	No answer to request for explanation of guidelines and standards for approving advertising.
Specification 11	Incomplete answer. Mr. Chi did not list all hCG websites, even after I brought this to your attention. As discussed in the attached email, this information is incomplete.
Specification 12	No answers to request for names of complaining consumers.
Specification 13	No answer to request to identify lawsuits relating to hCG products.

I stand ready to accept your client's full cooperation with the CID, notwithstanding the tardiness of the response. However, if Mr. Chi does not undertake substantial steps to cure these deficiencies and achieve complete compliance within ten business days of receipt of this FedEx letter, I will have no choice but to recommend that this matter be referred to our Office of General Counsel.

Sincerely,

James A. Prunty
Attorney

Attachments
cc: Burke Kappler, Office of General Counsel

Prunty, James A.

From: Prunty, James A.
Sent: Thursday, October 18, 2012 12:14 PM
To: 'saman nasseri'
Subject: RE: Money Spreadsheet

Saman, please call me so we can discuss this spreadsheet. It is unclear whether the sheet represents total sales for maxhcg as well as for noriskhcg. I have also previously brought to your attention that Mr. Chi did business through two merchant services providers, iPayment out of Westlake, CA (under the name I Web Marketing Group), and Intuit Payment Solutions out of Woodland Hills, CA (under the name "Ian Chi").

My concern is that we get a total picture of sales. As I mentioned to you, FTC made an undercover purchase of noriskhcg and was actually charged by Mr. Chi's merchant services provider iPayment (displaying the name I Web Marketing on the client charge). That charge is not reflected in the spreadsheet you sent, which makes me think there are other possible revenues attributable to the sale of hCG products that are not reflected on the sheet.

One of Mr Chi's contracts with First Data shows that his company, Portfolio Financial Group, Inc. did business as HCG Solutions, listing a website, www.premierehcg.com, that he did not disclose in his CID response. While the website is no longer active, it was active in late 2010 and early 2011.

As a general matter, Mr. Chi should be reminded that the CID covers all of his activities involving the marketing, offering for sale, and sale of any hCG products of any kind. The spreadsheet, if it purports to represent complete sales, should break out which sales are attributable to each of the websites. If we have to issue CIDs to other merchant services providers, including Portfolio Financial Group, to get the total revenue picture it will be expensive and time consuming for all concerned. I look forward to discussing this with you at your earliest convenience.

Jim Prunty

Federal Trade Commission
Bureau of Consumer Protection
Division of Advertising Practices
601 New Jersey Avenue, N.W., Room 3212
Washington, DC 20001
DDN 202-326-2438
Fax 202-326-3259
Email: jprunty@ftc.gov

From: snasseri86@gmail.com [mailto:snasseri86@gmail.com] **On Behalf Of** saman nasseri
Sent: Tuesday, October 16, 2012 5:26 PM
To: Prunty, James A.
Subject: Money Spreadsheet

Hello Mr. Prunty, this is the last thing I have for you as of right now. It is a spreadsheet of all transactions and the amount. The total is $25,096. This figure how is not the net gains of the company since this sheet does not include cancellations and chargebacks.

--
Saman Nasseri

Law Offices of Saman Nasseri
925 B Street #402
San Diego, CA 92101
Office: (619) 610 - 9595
Fax: (619) 610 - 9599
www.NasseriLegal.com

JS 44 (Rev. 12/12)

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except asq provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for theq purpose of initiating the civil docket sheet. q *(SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)*

I. (a) PLAINTIFFS
Federal Trade Commission

(b) County of Residence of First Listed Plaintiffq
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys *(Firm Name, Address, and Telephone Number)*
Burke W. Kappler, Office of General Counsel, 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580, tel.: 202-326-2043

DEFENDANTS
Ian Chi

County of Residence of First Listed Defendantq San Diego
(IN U.S. PLAINTIFF CASES ONLY)

NOTE:q IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.q

Attorneys *(If Known)*
Saman Nasseri, Esq., 925 B Street, #402, San Diego, CA, tel: 619-610-9595

'13CV0256 H KSC

II. BASIS OF JURISDICTION *(Place an "X" in One Box Only)*

- ☒ 1q U.S. Governmentq Plaintiffq
- ❒ 3q Federal Question *(U.S. Government Not a Party)*
- ❒ 2q U.S. Governmentq Defendantq
- ❒ 4q Diversityq *(Indicate Citizenship of Parties in Item III)*

III. CITIZENSHIP OF PRINCIPAL PARTIES *(Place an "X" in One Box for Plaintiff and One Box for Defendant)*
(For Diversity Cases Only)

	PTF	DEF		PTF	DEF
Citizen of This Stateq	❒ 1q	❒ 1q	Incorporated *or* Principal Placeq of Business In This Stateq	❒ 4q	❒ 4q
Citizen of Another Stateq	❒ 2q	❒ 2q	Incorporated *and* Principal Placeq of Business In Another Stateq	❒ 5q	❒ 5q
Citizen or Subject of aq Foreign Countryq	❒ 3q	❒ 3q	Foreign Nationq	❒ 6q	❒ 6q

IV. NATURE OF SUIT *(Place an "X" in One Box Only)*

CONTRACT
- ❒ 110 Insuranceq
- ❒ 120 Marineq
- ❒ 130 Miller Actq
- ❒ 140 Negotiable Instrumentq
- ❒ 150 Recovery of Overpaymentq & Enforcement of Judgmentq
- ❒ 151 Medicare Actq
- ❒ 152 Recovery of Defaultedq Student Loansq (Excludes Veterans)q
- ❒ 153 Recovery of Overpaymentq of Veteran's Benefitsq
- ❒ 160 Stockholders' Suitsq
- ❒ 190 Other Contractq
- ❒ 195 Contract Product Liabilityq
- ❒ 196 Franchiseq

REAL PROPERTY
- ❒ 210 Land Condemnationq
- ❒ 220 Foreclosureq
- ❒ 230 Rent Lease & Ejectmentq
- ❒ 240 Torts to Landq
- ❒ 245 Tort Product Liabilityq
- ❒ 290 All Other Real Propertyq

TORTS

PERSONAL INJURY
- ❒ 310 Airplaneq
- ❒ 315 Airplane Productq Liabilityq
- ❒ 320 Assault, Libel &q Slanderq
- ❒ 330 Federal Employers'q Liabilityq
- ❒ 340 Marineq
- ❒ 345 Marine Productq Liabilityq
- ❒ 350 Motor Vehicleq
- ❒ 355 Motor Vehicleq Product Liabilityq
- ❒ 360 Other Personalq Injuryq
- ❒ 362 Personal Injury -q Medical Malpracticeq

PERSONAL INJURY
- ❒ 365 Personal Injury -q Product Liabilityq
- ❒ 367 Health Care/q Pharmaceuticalq Personal Injuryq Product Liabilityq
- ❒ 368 Asbestos Personalq Injury Productq Liabilityq

PERSONAL PROPERTY
- ❒ 370 Other Fraudq
- ❒ 371 Truth in Lendingq
- ❒ 380 Other Personalq Property Damageq
- ❒ 385 Property Damageq Product Liabilityq

CIVIL RIGHTS
- ❒ 440 Other Civil Rightsq
- ❒ 441 Votingq
- ❒ 442 Employmentq
- ❒ 443 Housing/q Accommodationsq
- ❒ 445 Amer. w/Disabilities -q Employmentq
- ❒ 446 Amer. w/Disabilities -q Otherq
- ❒ 448 Educationq

PRISONER PETITIONS

Habeas Corpus:
- ❒ 463 Alien Detaineeq
- ❒ 510 Motions to Vacateq Sentenceq
- ❒ 530 Generalq
- ❒ 535 Death Penaltyq

Other:
- ❒ 540 Mandamus & Otherq
- ❒ 550 Civil Rightsq
- ❒ 555 Prison Conditionq
- ❒ 560 Civil Detainee -q Conditions of q Confinementq

FORFEITURE/PENALTY
- ❒ 625 Drug Related Seizureq of Property 21 USC 881q
- ❒ 690 Otherq

LABOR
- ❒ 710 Fair Labor Standardsq Actq
- ❒ 720 Labor/Managementq Relationsq
- ❒ 740 Railway Labor Actq
- ❒ 751 Family and Medicalq Leave Actq
- ❒ 790 Other Labor Litigationq
- ❒ 791 Employee Retirementq Income Security Actq

IMMIGRATION
- ❒ 462 Naturalization Applicationq
- ❒ 465 Other Immigrationq Actionsq

BANKRUPTCY
- ❒ 422 Appeal 28 USC 158q
- ❒ 423 Withdrawalq 28 USC 157q

PROPERTY RIGHTS
- ❒ 820 Copyrightsq
- ❒ 830 Patentq
- ❒ 840 Trademarkq

SOCIAL SECURITY
- ❒ 861 HIA (1395ff)q
- ❒ 862 Black Lung (923)q
- ❒ 863 DIWC/DIWW (405(g))q
- ❒ 864 SSID Title XVIq
- ❒ 865 RSI (405(g))q

FEDERAL TAX SUITS
- ❒ 870 Taxes (U.S. Plaintiffq or Defendant)q
- ❒ 871 IRS—Third Partyq 26 USC 7609q

OTHER STATUTES
- ❒ 375 False Claims Actq
- ❒ 400 State Reapportionmentq
- ❒ 410 Antitrustq
- ❒ 430 Banks and Bankingq
- ☒ 450 Commerceq
- ❒ 460 Deportationq
- ❒ 470 Racketeer Influenced andq Corrupt Organizationsq
- ❒ 480 Consumer Creditq
- ❒ 490 Cable/Sat TVq
- ❒ 850 Securities/Commodities/q Exchangeq
- ❒ 890 Other Statutory Actionsq
- ❒ 891 Agricultural Actsq
- ❒ 893 Environmental Mattersq
- ❒ 895 Freedom of Informationq Actq
- ❒ 896 Arbitration
- ❒ 899 Administrative Procedureq Act/Review or Appeal of q Agency Decisionq
- ❒ 950 Constitutionality ofq State Statutesq

V. ORIGIN *(Place an "X" in One Box Only)*

☒ 1q Originalq Proceedingq ❒ 2q Removed fromq State Courtq ❒ 3q Remanded fromq Appellate Courtq ❒ 4q Reinstated orq Reopenedq ❒ 5q Transferred fromq Another Districtq *(specify)* ❒ 6q Multidistrictq Litigationq

VI. CAUSE OF ACTION
Cite the U.S. Civil Statute under which you are filing ***(Do not cite jurisdictional statutes unless diversity)***:q
15 U.S.C. s. 57b-1(e) ; 15: 45 - Federal Trade Commission Act
Brief description of cause:q
Enforcement of civil investigative demand

VII. REQUESTED IN COMPLAINT:
❒ CHECK IF THIS IS A **CLASS ACTION** UNDER RULE 23, F.R.Cv.P.q
DEMAND $
CHECK YES only if demanded in complaint:q
JURY DEMAND: ❒ Yesq ☒ Noq

VIII. RELATED CASE(S) IF ANY *(See instructions):*
JUDGEq DOCKET NUMBERq

DATEq
02/01/2013

SIGNATURE OF ATTORNEY OF RECORDq
s/ Burke W. Kappler

FOR OFFICE USE ONLY

RECEIPT #q AMOUNTq APPLYING IFP JUDGEq MAG. JUDGEq