

**UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION
OFFICE OF ADMINISTRATIVE LAW JUDGES**

In the Matter of)	
)	
TELEBRANDS CORP.,)	Docket No. 9313
)	
TV SAVINGS, LLC, and)	PUBLIC DOCUMENT
)	
AJIT KHUBANI.)	
_____)	

**ANSWER OF RESPONDENTS TELEBRANDS
CORPORATION, TV SAVINGS, LLC AND AJIT KHUBANI**

Respondents Telebrands Corp. (“Telebrands”), TV Savings, LLC (“TV Savings”) and Ajit Khubani (“Khubani”), by their undersigned counsel, hereby answer the Federal Trade Commission (“Commission”) Complaint as follows:

1. Respondents admit the allegations of Paragraph 1 of the Complaint.
2. Respondents admit the allegations of Paragraph 2, except that they deny that TV

Savings’ principal place of business is 79 Two Bridges Road, Fairfield, New Jersey 07004.

Respondents aver that TV Savings’ present principal place of business is 53 Robinson Boulevard, Orange, Connecticut 06477.

3. Respondents admit the allegations of the first sentence of Paragraph 3, except to deny any implication that Khubani’ sole position with Telebrands is that of President; Respondents aver that Khubani is President and Chief Executive Officer of Telebrands. Respondents admit the allegations of the second sentence of Paragraph 3, except to deny that the Respondents have engaged in any wrongdoing as alleged in the Complaint. Respondents deny the allegations of the third sentence of Paragraph 3 of the Complaint, except to admit that

Khubani's office is located at 79 Two Bridges Road, Fairfield, New Jersey 07004, which are the same as those of Telebrands.

4. To the extent Paragraph 4 asserts conclusions of law, no response is required. Respondents deny the allegations of Paragraph 4 and aver the following as the basis for the denial: Respondents have worked together concerning the Ab Force product insofar as Telebrands and TV Savings entered into a services agreement related to the marketing and distribution of the Ab Force product and insofar as Khubani is the President and CEO of Telebrands and the Manager of TV Savings. To the extent the allegations of Paragraph 4 imply that there was a "common enterprise" beyond the arrangements described above, Respondents deny that implication.

5. To the extent Paragraph 5 asserts conclusions of law, no response is required. Respondents specifically deny that they have engaged in any wrongdoing as alleged in the Complaint.

The Ab Force EMS Device

6. Respondents deny the characterization of the Ab Force product contained in the first sentence of Paragraph 6 of the Complaint and aver the following: The Ab Force product is comprised of (1) a black elasticized belt; (2) a thin, diamond-shaped pad measuring approximately 9 by 5 inches that is purple on one side and silver/gray on the other; (3) a warning and instruction label attached to the silver/gray side of the pad that divides the silver/gray side of the pad into two areas; and (4) a small, battery-powered control unit which is attached to the purple side of the pad. There are two versions of the Ab Force, a single mode version (which allows users to select the intensity of the massage) and a six-mode version (which allows users to select the intensity of the massage and the type of the massage). Respondents admit the

allegations of the second sentence of Paragraph 6 of the Complaint. With regard to the third sentence of Paragraph 6, Respondents admit that the user's manual for the Ab Force (1) warns users that water-based electro conductive gel must be used on the pad to make it work and (2) instructs users to apply a thin, uniform amount of gel on the two silver/gray areas of the pad before use. Respondents admit that the user's manual also contains instructions for use, but deny that the user's manual specifically instructs users to place the pad against the abdomen, bicep or thigh. Respondents further deny that the third sentence of Paragraph 6 accurately describes or characterizes the entire contents of the user's manual.

Advertising and Promotion of the Ab Force EMS Device

7. Respondents admit the allegation in the first sentence of Paragraph 7 of the Complaint that the advertising and promotional materials for the Ab Force included 60 and 120 second television commercials. Respondents deny the remaining allegations of the first sentence of Paragraph 7 of the Complaint, and aver as follows: the implication contained in that sentence that there was a complete marketing roll-out of the product beginning in December 2001 and continuing through May 2002 is incorrect because (1) in December 2001 radio and print test advertisements began to be disseminated on a limited basis and (2) the roll-out of the 60 and 120 second television spots ended on or about April 7, 2002 with telemarketing scripts being used thereafter until approximately May 5, 2002 by Cyber City Teleservices and West Telemarketing Corporation; and the responsibility for the creation and dissemination of the advertising was governed by a Services Agreement entered into between Telebrands and TV Savings on or about January 22, 2002. Respondents deny the allegations of the second sentence of Paragraph 7 of the Complaint and aver that some advertisements promoted the Ab Force for \$10 each, but that the price of the Ab Force product sometimes sold for more than \$10 per unit because of the number

of units offered (*e.g.*, in a Double Offer), the product package offered (*e.g.*, a package with applicator gel or additional batteries), and because the consumer also paid a shipping and handling charge. Respondents admit the allegations of the third sentence of Paragraph 7 of the Complaint, and aver that the amount alleged also includes separately listed shipping and handling charges.

8. Respondents admit the allegations of the first sentence of Paragraph 8 of the Complaint. Respondents admit that the television spots appeared more than 10,000 times on cable, satellite, and broadcast television outlets in major national markets. Respondents lack information sufficient to admit or deny the remaining allegations of Paragraph 8 and therefore deny those allegations.

9. Respondents deny the characterization of the Ab Force advertisements contained in Paragraph 9 of the Complaint and aver that the advertisements speak for themselves.

10. Respondents admit that although the statements identified in Paragraph 10 of the Complaint, including all subparts, appeared in the advertisements identified, Respondents deny that each statement was taken in context, was quoted completely, or constitutes the entirety of the advertisements at issue.

11. Respondents admit that before the time period in which the Ab Force commercials appeared, numerous EMS devices other than the Ab Force product were offered for sale in the United States, and that three such products were the AbTronic, the AB Energizer, and the Fast Abs products. Respondents lack information sufficient to admit or deny the remaining allegations of Paragraph 11 and therefore deny those allegations.

12. Respondents lack information sufficient to admit or deny the allegations of Paragraph 12 and therefore deny those allegations.

13. Respondents lack information sufficient to admit or deny the allegations of Paragraph 13 and therefore deny those allegations.

14. Respondents lack information sufficient to admit or deny the allegations of Paragraph 14 and therefore deny those allegations.

15. Respondents lack information sufficient to admit or deny the allegations of Paragraph 15 and therefore deny those allegations.

16. Respondents lack information sufficient to admit or deny the allegations of Paragraph 16 and therefore deny those allegations.

17. Respondents lack information sufficient to admit or deny the allegations of Paragraph 17 and therefore deny those allegations.

18. Respondents lack information sufficient to admit or deny the allegations of Paragraph 18 and therefore deny those allegations.

Violations of Sections 5 and 12 of the FTC Act

19. Respondents deny the allegations of Paragraph 19 of the Complaint.

20. Respondents deny the allegations of Paragraph 20 of the Complaint, and specifically deny that any of the alleged representations of Paragraph 19 were made in any advertisements for the Ab Force product.

21. Respondents deny the allegations of Paragraph 21 of the Complaint, and specifically deny that any of the alleged representations of Paragraph 19 were made in any advertisements for the Ab Force product.

22. Respondents deny the allegations of Paragraph 22 of the Complaint, and specifically deny that any of the alleged representations of Paragraph 19 or 21 were made in any advertisements for the Ab Force product.

23. To the extent Paragraph 23 states a conclusion of law, no response is required.
Respondents deny any factual allegations in Paragraph 23 of the Complaint.

To the extent the Complaint can be read to make any other specific allegations that were not admitted or denied above, those allegations are denied.

WHEREFORE, the premises considered, Respondents request that the Complaint be dismissed.

Date: October 23, 2003

Respectfully submitted,

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Ajit Khubani

CERTIFICATES OF SERVICE AND CONFORMITY

I hereby certify that on October 23, 2003, pursuant to Federal Trade Commission Rules of Practice § 4.2(c) and § 4.4(b), I caused the foregoing Answer of Respondents Telebrands Corporation, TV Savings, LLC and Ajit Khubani to be filed and served as follows:

(1) an original and one (1) paper copy filed by hand delivery and an electronic copy in Microsoft Word format filed by e-mail to:

Donald S. Clark, Secretary
Federal Trade Commission
600 Pennsylvania Avenue, N.W.
Rm. H-159
Washington, D.C. 20580
E-mail: secretary@ftc.gov

(2) one (1) paper copy served by hand delivery to:

The Honorable Stephen J. McGuire
Chief Administrative Law Judge
600 Pennsylvania Avenue, N.W.
Rm. H-112
Washington, D.C. 20580

(3) one (1) paper copy by first-class mail and by facsimile to:

Constance M. Vecellio, Esq.
Senior Counsel
600 Pennsylvania Avenue, N.W.
NJ-2115
Washington, D.C. 20580
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(4) and one (1) paper copy each by first class mail to:

Walter Gross
600 Pennsylvania Avenue, N.W.
NJ-2127
Washington, D.C. 20580

Amy Lloyd
600 Pennsylvania Avenue, N.W.
NJ-2260
Washington, D.C. 20580

I further certify that the electronic copy sent to the Secretary of the Commission is a true and correct copy of the paper original, and that a paper copy with an original signature is being filed with the Secretary of the Commission on the same day by other means.

Theodore W. Atkinson, Esq.