

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

In the Matter of)
)
TELEBRANDS CORP.,)
a corporation,)
)
TV SAVINGS, LLC,)
A limited liability company, and)
)
AJIT KHUBANI,)
Individually and as president of)
Telebrands Corp. and sole member)
of TV Savings, LLC.)
_____)

Docket No. 9313

THIRD SET OF JOINT STIPULATIONS

Pursuant to this Court’s request on May 6, 2004 that the parties work together to reach a stipulation regarding the testimony of Jon Nokes, the parties jointly stipulate that if called to testify at the hearing in this matter, Jon Nokes would have offered the following testimony. This testimony was derived from a declaration made by Jon Nokes during the hearing in this matter. Respondents have agreed that the following portions of that declaration may be considered by the Court in lieu of Mr. Nokes' appearance at the hearing, and in lieu of a post-hearing deposition of Mr. Nokes. Accordingly, the parties stipulate that the following statements by Mr. Nokes may be considered by the Court in the determination of this matter:

1. Jon Nokes is the Chief Executive Officer of Smart Inventions, Inc. ("SI"). He is also the CEO of TV Products Fulfillment ("TVP") and Smart Living, Inc. ("SLI").

He has personal knowledge of the following facts, and if called as a witness, he would and could testify competently thereto.

2. SI, TVP and SLI did not participate in the direct response marketing of the Ab Tronic product. They had no involvement in the preparation or airing of the television commercial, and were not the direct response sellers of that product.

3. SLI was a party to retail distribution agreement with CCI Cad Can Industries, Inc., the manufacturer of the Ab Tronic, pursuant to which SLI was authorized to contact retailers and accept orders for the Ab Tronic product. SLI then shipped retail units to U.S. retailers who ordered the products on a wholesale basis. Pursuant to the standard retailer purchase terms imposed on SLI by the retailers, these shipments were almost always on a "guaranteed return" basis under which the retailer withheld payments to cover any units that did not sell, and subsequently returned those units. SLI performed no advertising for these units.

4. TVP has no direct information regarding the dollar amount of Ab Tronic sales, as it was not the seller and thus merely received information from the telemarketer and the credit card company. TVP does have information regarding the total number of Ab Tronic units shipped to direct response customers. Mr. Nokes' best recollection is that the number of AbTronic units shipped was approximately 600,000 or more units.

5. Mr. Nokes' best recollection is that SLI's net sales of retail units of Ab Tronic were approximately 45,000 to 48,000 units.

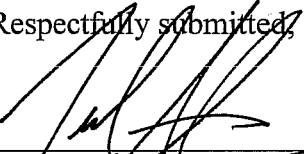
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Dated: May 14, 2004

Respectfully submitted,



Edward F. Glynn
Theodore W. Atkinson
VENABLE LLP
575 7th Street, N.W.
Washington, DC 20004-1601
(202) 344-8000

Attorneys for Respondents
Telebrands Corp., TV Savings,
LLC, and Ajit Khubani



Connie Vecellio (202) 326-2966
Walter Gross (202) 326-3319
Amy M. Lloyd (202) 326-2394
Joshua Millard (202) 326-2454

Division of Enforcement
Bureau of Consumer Protection
Federal Trade Commission
600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580

CERTIFICATE OF SERVICE

I hereby certify that on this 14th day of May, 2004, I caused a copy of this *Third Set of Joint Stipulations* to be served as follows:

One original and one copy, plus one copy in electronic format to Donald Clark, Secretary, Federal Trade Commission, 600 Pennsylvania Ave., N.W., Washington D.C. 20580.

Two courtesy copies to the Chambers of the Honorable Stephen J. McGuire, Chief Administrative Law Judge, Federal Trade Commission, 600 Pennsylvania Ave., N.W., Washington D.C. 20580.

One printed copy, plus one copy in electronic format to Edward F. Glynn, Jr., Esq. and Theodore W. Atkinson, Esq., Venable LLP, 575 Seventh St. N.W., Washington, D.C. 20004, counsel for the Respondents.

_____/s/_____
JOSHUA S. MILLARD