UNITED STATES DISTRICT COURT FOR THE DISTRICT OF NEW JERSEY

FEDERAL TRADE COMMISSION,)
Plaintiff,))
V.))
CIRCA DIRECT LLC, and ANDREW DAVIDSON,) Civil No. 11-CV-2172 RMB-AMD)
Defendants.))

FEDERAL TRADE COMMISSION'S RESPONSE TO AND NOTICE OF COMPLIANCE WITH THE COURT'S SEPTEMBER 11, 2012, ORDER

On September 11, 2012, the Court conditionally approved the parties' proposed Stipulated Final Judgment and Order ("proposed Order"). The Court conditioned approval upon receipt of materials showing that Plaintiff Federal Trade Commission ("FTC" or "Commission") would create and host a webpage on www.ftc.gov describing the FTC's allegations and evidence and providing links to supporting documents, thus allowing the public "to assess the truth of the FTC's claims." Op. at 17.

The Commission values its public education mission, and the FTC website contains a vast array of information about its cases as well as other consumer education material. The Commission, however, questions the Court's authority to condition entry of the proposed Order, which by its terms is fair, adequate,

reasonable, and in the public interest, on the Commission's publication of certain information. *Local No. 93, Int'l Ass'n of Firefighters v. Cleveland*, 478 U.S. 501, 521-23 (1986) (court's authority to enter consent decree arises from, and is limited by, voluntary agreement of the parties). Notwithstanding this concern, the Commission herein demonstrates its compliance with the Court's September 11, 2012, Order.

In particular, the Commission has prepared a webpage that will:

1. include the following notice at, or near, the top of the webpage:

Notice from the United States District Court for the District of New Jersey: The United States District Court for the District of New Jersey has approved a settlement between the Federal Trade Commission ("the FTC") and Defendants Circa Direct LLC and Andrew Davidson (the "Defendants"). The FTC had alleged that the Defendants falsely marketed certain acai-berry based products as promoting rapid and substantial weight loss when, in fact, they do not. While the Defendants do not admit to these allegations, they have submitted no evidence to this Court to the contrary. Below you may find a summary of the evidence that the FTC contends supports its allegations.

2. then provide: (i) a detailed written summary of the complaint's allegations, including a list of the products that, as set out in the Commission's papers supporting its Motion for a Temporary Restraining Order ("TRO"), Defendants allegedly marketed using fake-news webpages; (ii) a detailed written summary of the documentary evidence, also submitted with the Commission's TRO papers, that demonstrates Defendants'

involvement in the deceptive marketing, with links to supporting documents; and (iii) a detailed written summary of the science supporting the Commission's allegation that Defendants' weight-loss claims regarding certain dietary supplements containing acai berry were scientifically implausible, and a link to a supporting declaration by Dr. Ed Blonz, a nutritional expert.

A copy of the text of the Commission's webpage and an index of the documents to which it will link are attached as Exhibits A and B.

The Commission is completing assembly of this webpage, which will be ready for launch by October 19, 2012. Accordingly, the Commission will publish the webpage within two days of the Court's entry of the proposed Order, on or after October 19, 2012.

Respectfully submitted,

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Attorneys for Plaintiff

October 12, 2012

CERTIFICATE OF SERVICE

I, Elizabeth Tucci, certify that on October 12, 2012, I served, via electronic filing, copies of the foregoing Federal Trade Commission's Response to and Notice of Compliance with the Court's September 11, 2012, Order, including Attachments A and B, on the following counsel for Defendants Andrew Davidson and Circa Direct, LLC:

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> /s/ Elizabeth Tucci Elizabeth Tucci