

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS**

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

AVROM BORIS LASAROW, individually and as
an officer of L HEALTH LTD., formerly known as
LASAROW HEALTHCARE TECHNOLOGIES

or practices and false advertisements in violation of Sections 5(a) and 12 of the FTC Act, 15 U.S.C. §§ 45(a) and 52.

The Commission and defendants Kristi Zuhlke Kimball and New Consumer Solutions LLC (“the NCS Defendants”) stipulate to the entry of this Stipulated Final Judgment and Order for Permanent Injunction and Other Equitable Relief (“Order”) to resolve all matters in dispute in this action between them.

THEREFORE, IT IS ORDERED as follows:

FINDINGS

1. This Court has jurisdiction over this matter.
2. The Complaint charges that Defendants participated in deceptive acts or practices in violation of Sections 5 and 12 of the FTC Act, 15 U.S.C. §§ 45 and 52, in the advertising and sale of Mole Detective, Mole Detective 2, Mole Detect, and Mole Detect Pro.
3. The NCS Defendants neither admit nor deny any of the allegations in the Complaint, except as specifically stated in this Order. Only for purposes of this action, the NCS Defendants admit the facts necessary to establish jurisdiction.
4. The NCS Defendants waive any claim that they may have under the Equal Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action through the date of this Order, and agree to bear their own costs and attorney fees.
5. The NCS Defendants waive all rights to appeal or otherwise challenge or contest the validity of this Order.

DEFINITIONS

For the purpose of this Order, the following definitions apply:

1. “Corporate Defendant NCS” means New Consumer Solutions LLC, its successors and assigns.
2. “Individual Defendant Kimball” means Kristi Zuhlke Kimball.
3. “The NCS Defendants” means Individual Defendant Kimball and Corporate Defendant NCS, individually, collectively, or in any combination.
4. “Defendants” means all of the Defendants named in the caption of this Order, individually, collectively, or in any combination.
5. “Advertising” and “promotion” means any written or verbal statement, illustration, or depiction designed to effect a sale or create interest in the purchasing of products or services, regardless of the medium.
6. “Device” means, as defined in Section 15 of the FTC Act, 15 U.S.C. § 55, an instrument, apparatus, implement, machine, contrivance, implant, in vitro reagent, or other similar or related article, including any component, part, or accessory, which is—
 - A. Recognized in the official National Formulary, or the United States Pharmacopeia, or any supplement to them,
 - B. Intended for use in the diagnosis of disease or other conditions, or in the cure, mitigation, treatment, or prevention of disease, in man or other animals, or
 - C. Intended to affect the structure or any function of the body of man or other animals, andwhich does not achieve any of its principal intended purposes through chemical action within or

manufacturing, labeling, advertising, promotion, offering for sale, sale, or distribution of any Device, are hereby permanently restrained and enjoined from making, or assisting others in making, expressly or by implication, including through the use of a Device name, endorsement, depiction, or illustration, any representation that the Device

A. Detects or diagnoses melanoma or risk factors of melanoma, or

B. Increases users' chances of detecting melanoma in early stages,

unless the representation is non-misleading and, at the time of making such representation, the NCS Defendants possess and rely upon competent and reliable scientific evidence to substantiate that the representation is true. For purposes of this Section, competent and reliable scientific evidence shall consist of human clinical testing of the Device that is sufficient in quality and quantity, based on standards generally accepted by experts in the relevant field, when considered in light of the entire body of relevant and reliable scientific evidence, to substantiate that the representation is true. Such testing shall be blinded, conform to actual use conditions, include a representative range of skin lesions, and be conducted by res02 20.99 - a

of Records Relating to Competent and Reliable Human Clinical Tests or Studies are available for inspection and production to the Commission.

III.

MONETARY JUDGMENT AND CONSUMER REDRESS

IT IS FURTHER ORDERED that:

A. Judgment in the amount of Three Thousand Nine Hundred Thirty Dollars (\$3,930) is entered in favor of the Commission against the NCS Defendants, jointly and severally, as equitable monetary relief.

B. The NCS Defendants are ordered to pay to the Commission Three Thousand Nine Hundred Thirty Dollars (\$3,930). Such payment must be made within 7 days of entry of this Order by electronic fund transfer in accordance with instructions provided by a representative of the Commission.

C. The NCS Defendants relinquish dominion and all legal and equitable right, title, and interest in all assets transferred pursuant to this Order and may not seek the return of any assets.

D. The facts alleged in the Complaint will be taken as true, without further proof, in any subsequent civil litigation by or on behalf of the Commission, including in a proceeding to enforce its rights to any payment or monetary judgment pursuant to this Order, such as a nondischargeability complaint in any bankruptcy case.

E. The facts alleged in the Complaint establish all elements necessary to sustain an action by the Commission pursuant to Section 523(a)(2)(A) of the Bankruptcy Code, 11 U.S.C. § 523(a)(2)(A), and this Order will have collateral estoppel effect for such purposes.

F. The NCS Defendants acknowledge that their Taxpayer Identification Numbers (Social Security Numbers or Employer Identification Numbers), which the NCS Defendants must submit to the Commission, may be used for collecting and reporting on any delinquent amount arising out of this Order, in accordance with 31 U.S.C. § 7701.

G. All funds paid to the Commission pursuant to this Order may be deposited into a fund administered by the Commission or its designee to be used for equitable relief, including consumer redress and any attendant expenses for the administration of any redress fund. If a representative of the Commission decides that direct redress to consumers is wholly or partially impracticable or money remains after redress is completed, the Commission may apply any remaining money for such other equitable relief (including consumer inform

B. Making any representation for any product that is specifically permitted in labeling for such product by regulations promulgated by the Food and Drug Administration pursuant to the Nutrition Labeling and Education Act of 1990.

V.

REQUIREMENT TO PROVIDE CUSTOMER LIST

IT IS FURTHER ORDERED that the NCS Defendants are permanently restrained and enjoined from directly or indirectly:

A. Failing to provide sufficient customer information to enable the Commission to efficiently administer consumer redress. If a representative of the Commission requests in writing any information related to redress, the NCS Defendants must provide it, in the form prescribed by the Commission, within 14 days;

B. Disclosing, using, or benefitting from customer information, including the name, address, telephone number, email address, social security number, other identifying information, or any data that enables access to a customer's account (including a credit card, bank account, or other financial account), that any Defendant obtained prior to entry of this Order in connection with the advertising or sale of any Melanoma App; and

C. Failing to destroy such customer information in all forms in their possession, custody, or control within 30 days after entry of this Order.

Provided, however, that customer information need not be disposed of, and may be disclosed, to the extent requested by a government agency or required by law, regulation, or court order.

VI.

**PRESERVATION OF RECORDS RELATING TO COMPETENT AND RELIABLE
HUMAN CLINICAL TESTS OR STUDIES**

IT IS FURTHER ORDERED that, with regard to any human clinical test or study (“test”) upon which the NCS Defendants rely to substantiate any claim covered by this Order, the NCS Defendants shall secure and preserve all underlying or supporting data and documents generally accepted by experts in the field as relevant to an assessment of the test, including, but not necessarily limited to:

- A. All protocols and protocol amendments, reports, articles, write-ups, or other accounts of the results of the test, and drafts of such documents reviewed by the test sponsor or any other person not employed by the research entity;
- B. All documents referring or relating to recruitment; randomization; instructions, including oral instructions, to participants; and participant compliance;
- C. Documents sufficient to identify all test participants, including any participants who did not complete the test, and all communications with any participants relating to the test; all raw data collected from participants enrolled in the test, including any participants who did not complete the test; source documents for such data; any data dictionaries; and any case report forms;
- D. All documents referring or relating to any statistical analysis of any test data, including, but not limited to, any pretest analysis, intent-to-treat analysis, or between-group analysis performed on any test data; and

E. All documents referring or relating to the sponsorship of the test, including all contracts and communications between any sponsor and the test's researchers.

Provided, however, the preceding preservation requirement shall not apply to a Reliably Reported test, unless the test was conducted, controlled, or sponsored, in whole or in part (1) by any Defendant, or by any person or entity affiliated with or acting on behalf of any Defendant, including officers, agents, representatives, and employees, or by any other person or entity in active concert or participation with any Defendant ("Defendant's affiliates"), or (2) by the supplier or manufacturer of the product at issue, or (3) by a supplier to any Defendant, to Defendant's affiliates, or to the product's manufacturer of any ingredient or component contained in such product.

For any test conducted, controlled, or sponsored, in whole or in part, by the NCS Defendants, the NCS Defendants must establish and maintain reasonable procedures to protect the confidentiality, security, and integrity of any personal information collected from or about participants. These procedures shall be documented in writing and shall contain administrative, technical, and physical safeguards appropriate to the NCS Defendants' size and complexity, the nature and scope of the NCS Defendants' activities, and the sensitivity of the personal information collected from or about the participants.

VII.

ORDER ACKNOWLEDGMENTS

VIII.

COMPLIANCE REPORTING

IT IS FURTHER ORDERED that the NCS Defendants make timely submissions to the Commission:

A. Sixty days after entry of this Order, each NCS Defendant must submit a compliance report, sworn under penalty of perjury.

1. Each NCS Defendant must: (a) identify the primary physical, postal, and email address and telephone number, as designated points of contact, which representatives of the Commission may use to communicate with that Defendant; (b) identify all of that Defendant's businesses by all of their names, telephone numbers, and physical, postal, email, and

has any ownership interest; and (c) describe in detail such Defendant's involvement in each such business, including title, role, responsibilities, participation, authority, control, and any ownership.

B. For 10 years following entry of this Order, each NCS Defendant must submit a compliance notice, sworn under penalty of perjury, within 14 days of any change in the following:

1. Each NCS Defendant must report any change in: (a) any designated point of contact; or (b) the structure of Corporate Defendant NCS or any entity that any NCS Defendant has any ownership interest in or controls directly or indirectly that may affect compliance obligations arising under this Order, including: the creation, merger, sale, or dissolution of the entity or any subsidiary, parent, or affiliate that engages in any acts or practices subject to this Order.

2. Additionally, Individual Defendant Kimball must report any change in: (a) name, including aliases or fictitious name, or residence address; or (b) title or role in any business activity, including any business for which such Defendant performs services, whether as an employee or otherwise, and any entity in which such Defendant has any ownership interest, and identify the name, physical address, and Internet address of the business or entity.

C. Each NCS Defendant must submit to the Commission notice of the filing of any bankruptcy petition, insolvency proceeding, or any similar proceeding by or against such Defendant within fourteen days of its filing.

D. Any submission to the Commission required by this Order to be sworn under penalty of perjury must be true and accurate and comply with 28 U.S.C. § 1746, such as by

concluding: “I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on: _____” and supplying the date, signatory’s full name, title (if applicable), and signature.

E. Unless otherwise directed by a Commission representative in writing, all submissions to the Commission pursuant to this Order must be emailed to DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to: Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, D.C. 20580. The subject line must begin: *FTC v. Avrom Boris Lasarow, et al.*

IX.

RECORDKEEPING

IT IS FURTHER ORDERED that the NCS Defendants must create certain records for 10 years after entry of the Order, and retain each such record for 5 years. Specifically, Corporate Defendant NCS and Individual Defendant Kimball, for any business that she, individually or collectively with any other Defendants, is a majority owner or controls directly or indirectly, must maintain the following records:

- A. Accounting records showing the revenues from all products or services sold;
- B. Personnel records showing, for each person providing services, whether as an employee or otherwise, that person’s: name; addresses; telephone numbers; job title or position; dates of service; and, if applicable, the reason for termination;
- C. Records of all complaints and refund requests, whether received directly or indirectly, such as through a third party, and any response;

[Handwritten signature]

