**COMMISSIONERS:** 

Edith Ramirez, Chairwoman Maureen K. Ohlhausen

Joshua D. Wright Terrell McSweeny



In the Matter of	)	PUBLIC
LabMD, Inc., a corporation	)	Docket No. 9357
Respondent.	)	

RESPONDENT'S MOTION TO STRIKE COMPLAINT COUNSEL'S OPPOSITION TO RESPONDENT'S MOTION TO DISQUALIFY CHAIRWOMAN EDITH RAMIREZ OR, IN THE ALTERNATIVE, MOTION FOR LEAVE TO FILE REPLY IN SUPPORT OF MOTION TO DISQUALIFY COMMISSIONER EDITH RAMIREZ

On April 27, 2015, Respondent LabMD, Inc. ("LabMD") filed a Motion to Disqualify Commissioner Edith Ramirez ("Motion to Disqualify") from the administrative proceedings because she has been irrevocably tainted by her involvement in the Federal Trade Commission's ("FTC") response to a Congressional investigation. On April 30, 2015, without citation to any rule permitting it to do so, Complaint Counsel filed an Opposition to Respondent's Motion to Disqualify (the "Opposition"). Complaint Counsel had no authority to file this Opposition and LabMD hereby moves to strike it.

Under applicable Commission Rule 4.17, 16 C.F.R. § 4.17, LabMD's Motion to Disqualify is decided directly by the Commission. The subject matter and relief sought – potential disqualification of a tainted Commissioner – do not invoke Complaint Counsel's interests, such that Complaint Counsel may "oppose" or respond to the motion. Indeed, in contrast to other FTC motion rules which expressly allow for an opposition and establish the

procedures for filing the same,<sup>1</sup> Commission Rule 4.17 overtly omits any provision allowing Complaint Counsel a response to the Motion to Disqualify. The Opposition, therefore, is improper and should be stricken from the administrative record.

If, however, Complaint Counsel is permitted to file its Opposition, LabMD should be permitted an opportunity to submit a reply brief. Among other issues, Complaint Counsel has mischaracterized the relevant facts and law. Accordingly, to the extent that Complaint Counsel's Opposition is not stricken, LabMD requests leave to file the attached Reply (*see* Exhibit A).

#### **CONCLUSION**

For the reasons stated above, LabMD respectfully requests that this Court grant its Motion to Strike or, in the alternative, Motion for Leave to File a Reply.

Dated: May 6, 2015

Respectfully submitted,

Einf. No

Daniel Z. Epstein, Esq.

Prashant K. Khetan, Esq.

Patrick J. Massari, Esq.

Erica L. Marshall, Esq.

Cause of Action

1919 Pennsylvania Ave., NW Suite 650

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<sup>&</sup>lt;sup>1</sup> See, e.g., Commission Rules 3.22 (16 C.F.R. § 3.22), 3.24 (16 C.F.R. § 3.24), 3.38 (16 C.F.R. § 3.38); see also Cipollone v. Liggett Group, 505 U.S. 504, 508 (1992) (the expression of one thing is the exclusion of another, expressio unius est exclusion alterius).

RDR/BJEM

Reed D. Rubinstein, Esq. William A. Sherman, II, Esq. Dinsmore & Shohl, LLP 801 Pennsylvania Ave., NW Suite 610 Washington, DC 20004

Phone: (202) 372-9100 Facsimile: (202) 372-9141

Email: reed.rubinstein@dinsmore.com

Counsel for Respondent, LabMD, Inc.

# **EXHIBIT A**

**COMMISSIONERS:** 

Edith Ramirez, Chairwoman

Maureen K. Ohlhausen

Joshua D. Wright Terrell McSweeny

In the Matter of	)	PUBLIC
LabMD, Inc., a corporation	)	Docket No. 9357
Respondent.	)	
	)	

## RESPONDENT'S REPLY IN SUPPORT OF MOTION TO DISQUALIFY COMMISSIONER EDITH RAMIREZ

Respondent LabMD, Inc. ("LabMD") filed a Motion to Disqualify Commissioner Edith Ramirez (the "Motion") on the ground that she has been irrevocably tainted by her integral involvement in the Federal Trade Commission's ("FTC") response to a Congressional investigation by the House Committee on Oversight and Government Reform ("OGR") into the conduct of FTC and Tiversa, Inc. in the instant proceedings. Complaint Counsel filed an Opposition that warrants this Reply.

Complaint Counsel mischaracterized the evidence as three letters from OGR "as well as documents related to these letters." *See* Opp'n at 2. In fact, it is Chairwoman Ramirez's integral involvement in the *response* and damage control *arising out of* the three OGR letters that is at issue here. *See* Mot. at 8. Attached to the Motion were FTC's own documents, which establish a clear pattern of pre-judgment, extraneous pressure on the Chairwoman, and the appearance of impartiality. *See, e.g., Aera Energy v. Salazar*, 642 F.3d 212, 221 (D.C. Cir. 2011).

Moreover, Complaint Counsel failed to distinguish any of the authorities cited by LabMD, which require Chairwoman Ramirez to disqualify herself from the proceedings. *See* Mot. At 7-9 (citing ATX v. Dep't of Transp., 41 F.3d 1522, 1527 (D.C. Cir. 1994); Pillsbury Co.

v. Federal Trade Comm'n, 354 F.2d 952, 963-65 (5th Cir. 1966); District of Columbia Fed'n of Civic Ass'ns v. Volpe, 459 F.2d 1231, 1246 (D.C. Cir.), cert. denied, 405 U.S. 1030 (1972)).

#### **CONCLUSION**

For these reasons, and those previously raised, LabMD respectfully requests that Chairwoman Ramirez disqualify herself and abstain from any further participation in this matter.

Dated: May 6, 2015

Respectfully submitted,

Daniel Z. Epstein, Esq.

Prashant K. Khetan, Esq.

Patrick J. Massari, Esq.

Erica L. Marshall, Esq.

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Counsel for Respondent, LabMD, Inc.

**COMMISSIONERS:** 

Edith Ramirez, Chairwoman

Maureen K. Ohlhausen

Joshua D. Wright Terrell McSweeny

In the Matter of	)	PUBLIC
LabMD, Inc., a corporation	)	Docket No. 9357
Respondent.	)	
	)	

#### MEET AND CONFER STATEMENT

On May 4, 2015, Prashant Khetan, counsel for Respondent, LabMD, Inc. ("LabMD"), met and conferred by telephone with Laura VanDruff, Complaint Counsel, regarding the subject of the instant Motion to Strike and, in the alternative, Motion for Leave to File a Reply. Complaint Counsel did not consent to the Motion to Strike and did not consent to the Motion for Leave to File a Reply. On May 5, 2015, Erica L. Marshall, counsel for Respondent, LabMD, met and conferred by email with Laura VanDruff, Complaint Counsel, and confirmed that she did not consent to the Motion to Strike or the Motion for Leave to File a Reply.

Dated: May 6, 2015

By: Eight.

COMMISSIONERS:

Edith Ramirez, Chairwoman
Maureen K. Ohlhausen
Joshua D. Wright
Terrell McSweeny

In the Matter of

PUBLIC

LabMD, Inc., a corporation

Docket No. 9357

#### [PROPOSED] ORDER

IT IS HEREBY ORDERED THAT, upon due consideration, Respondent LabMD, Inc.'s Motion to Strike is hereby GRANTED, Complaint Counsel's Opposition to Respondent's Motion to Disqualify Commissioner Edith Ramirez be and is hereby stricken from the record, and LabMD Inc.'s Motion for Leave to File a Reply in Support of its Motion to Disqualify Commissioner Edith Ramirez is moot:

Or, IN THE ALTERNATIVE,

Respondent.

IT IS HEREBY ORDERED that, upon due consideration, Respondent LabMD, Inc.'s Motion for Leave to File a Reply in Support of its Motion to Disqualify is hereby GRANTED, and LabMD Inc.'s Reply attached hereto as Exhibit A shall be filed as part of the record.

Commissioner	

#### **CERTIFICATE OF SERVICE**

I hereby certify that on May 6, 2015, I caused to be filed the foregoing document electronically through the Office of the Secretary's FTC E-filing system, which will send an electronic notification of such filing to the Office of the Secretary:

Donald S. Clark, Esq. Secretary Federal Trade Commission 600 Pennsylvania Ave., NW, Rm. H-113 Washington, DC 20580

I also certify that on May 6, 2015, I caused hand-delivery of twelve paper copies of the foregoing document to the following address: Document Processing Unit, RFO Receiving Constitution Center, 400 7<sup>th</sup> Street SW, 5<sup>th</sup> Floor, Suite 5610, Washington, DC 20024.

I also certify that I delivered via electronic mail and caused to be hand-delivered a copy of the foregoing document to:

The Honorable D. Michael Chappell Chief Administrative Law Judge Federal Trade Commission 600 Pennsylvania Ave., NW, Rm. H-110 Washington, DC 20580

I further certify that I delivered via electronic mail a copy of the foregoing document to:

Alain Sheer, Esq.
Laura Riposo VanDruff, Esq.
Megan Cox, Esq.
Ryan Mehm, Esq.
John Krebs, Esq.
Jarad Brown, Esq.
Division of Privacy and Identity Protection
Federal Trade Commission
600 Pennsylvania Ave., N.W.
Room CC-8232
Washington, D.C. 20580

Dated: May 6, 2015 By: /s/ Patrick J. Massari

#### **CERTIFICATE OF ELECTRONIC FILING**

I certify that the electronic copy sent to the Secretary of the Commission is a true and correct copy of the paper original and that I possess a paper original of the signed document that is available for review by the parties and the adjudicator.

Dated: May 6, 2015

By:

/s/ Patrick J. Massari

#### Notice of Electronic Service

I hereby certify that on May 06, 2015, I filed via hand a paper original and electronic copy of the foregoing LabMD's Mtn. to Strike Complaint Counsel's Opp. to LabMD's Mtn. to Disqualify Comm'r Edith Ramirez, Or in the Alternative for Leave to File a Reply in support of LabMD's Mtn. to Disqualify Comm'r Ramirez, with:

D. Michael Chappell Chief Administrative Law Judge 600 Pennsylvania Ave., NW Suite 110 Washington, DC, 20580

Donald Clark 600 Pennsylvania Ave., NW Suite 172 Washington, DC, 20580

I hereby certify that on May 06, 2015, I filed via E-Service of the foregoing LabMD's Mtn. to Strike Complaint Counsel's Opp. to LabMD's Mtn. to Disqualify Comm'r Edith Ramirez, Or in the Alternative for Leave to File a Reply in support of LabMD's Mtn. to Disqualify Comm'r Ramirez, with:

John Krebs Attorney Federal Trade Commission jkrebs@ftc.gov Complaint

Jarad Brown Attorney Federal Trade Commission jbrown4@ftc.gov Complaint

Sunni Harris Esq. Dinsmore & Shohl LLP sunni.harris@dinsmore.com Respondent

Daniel Epstein Cause of Action daniel.epstein@causeofaction.org Respondent

Patrick Massari Counsel Cause of Action patrick.massari@causeofaction.org Respondent

Prashant Khetan Senior Counsel Cause of Action prashant.khetan@causeofaction.org Respondent

Alain Sheer Federal Trade Commission asheer@ftc.gov

#### Complaint

Laura Riposo VanDruff Federal Trade Commission lvandruff@ftc.gov Complaint

Megan Cox Federal Trade Commission mcox1@ftc.gov Complaint

Ryan Mehm Federal Trade Commission rmehm@ftc.gov Complaint

Erica Marshall Counsel Cause of Action erica.marshall@causeofaction.org

I hereby certify that on May 06, 2015, I filed via other means, as provided in 4.4(b) of the foregoing LabMD's Mtn. to Strike Complaint Counsel's Opp. to LabMD's Mtn. to Disqualify Comm'r Edith Ramirez, Or in the Alternative for Leave to File a Reply in support of LabMD's Mtn. to Disqualify Comm'r Ramirez, with:

William Sherman, II Attorney Dinsmore & Shohl, LLP william.sherman@dinsmore.com Respondent

> Patrick Massari Attorney