

UNITED STATES OF AMERICA
CONSUMER PRODUCT SAFETY COMMISSION

In the Matter of)	
)	
STAR NETWORKS USA, LLC)	CPSC DOCKET NO. 13-2
)	
)	
)	
)	
Respondent.)	

COMPLAINT COUNSEL'S
FIRST SET OF REQUESTS FOR ADMISSIONS TO RESPONDENT
STAR NETWORKS USA, LLC

Pursuant to 16 C.F.R. § 1025.34, Complaint Counsel hereby requests that Respondent Star Networks USA, LLC, serve upon Complaint Counsel, within thirty (30) days, written answers, under oath, to each of the Requests for Admissions set forth below.

DEFINITIONS

1. "You," "your," "Respondent", "Star Networks", and "Star Networks USA, LLC," mean the Respondent to whom these discovery requests are directed (including, if previously known under different names), including all past and present officers, directors, representatives, agents, and employees of the Respondent, all other past and present Persons acting or purporting to act on the Respondent's behalf (including, but not limited to, all past or present agents and employees exercising discretion, discharging duties, making policy, or making decisions with respect to the Respondent), and all past and present parents, subsidiaries, divisions, or branches of the Respondent.

2. “Person” means any natural person, entity, group, corporation, company, partnership, joint venture, firm, association, proprietorship, agency, board, authority, commission, office, or other business or legal entity, whether private or governmental, and whether foreign or domestic.

3. “Documents” means the original, and any nonidentical copy, of any written, printed, reproduced, graphic, photographic, electronic, audio, visual, or computer records, however produced or reproduced, of any kind or description, whether prepared by you or by any other Person, that is in your possession, custody, or control, including, but not limited to, the following: electronic mail; electronically stored information; papers; notes; books; letters; telecopies; facsimiles; photographs; motion pictures; videotapes; video disks; audio recordings; drawings; schematics; manuals; blueprints; intra- and interoffice Communications; transcripts; minutes; reports; audio recordings; affidavits; statements; pleadings; summaries; indices; analyses; evaluations; agreements; calendars; appointment books; diaries; telephone logs; tabulations; charts; graphs; data sheets; computer tapes, disks, cards, printouts, and programs; microfilm; microfiche; social media Communications, including, but not limited to, information posted on or transmitted through social networking platforms (*e.g.*, MySpace, LinkedIn and Facebook), digital file-sharing services (*e.g.*, Flickr), blogs and microblogs (*e.g.*, Twitter); instant messages, customer reviews and/or comments posted on the your website(s) relating to the Subject Products; and all drafts, alterations, and/or amendments of or to any of the foregoing. The term includes all drafts of a Document and all copies that differ in any respect from the original, including any notation, underlining, marking, or information not on the original. The term also includes information stored in or

accessible through computer or other information retrieval systems (including computer archives or backup systems), together with instructions and all other materials necessary to use or interpret such data compilations.

4. “Relating to” or “related to” means consisting of, referring to, describing, discussing, constituting, evidencing, containing, mentioning, concerning, pertaining to, citing, summarizing, analyzing, or bearing any logical or factual connection with the matter discussed.

5. “Identify” or “identity,” when used with respect to an individual, means to provide the individual’s present or last known name, residential address, telephone number, occupation, job or position, job title(s), employer, employer department and/or subject area in which the individual works, business affiliation, and business or employment address, and the individual’s relationships or associations, if any, to the Respondent.

6. “Identify” or “identity,” when used with respect to a business, entity, building, or place, means the present or last known name, address, and telephone number, and all former names, of that business, entity, building, or place, its state of incorporation, registration, or organization, the identity and address of its registered agent in each state where it is present and doing business or has a place of business, its present officers, directors, and shareholders, and its relationship, if any, to the Respondent.

7. “Identify” or “identity,” when used with respect to a Document, means the name or title of the Document, a description of the Document or record, including its date of preparation and transmission, the author, sender, and recipient, a summary of the subject matter, and the identity of the Person who currently has custody of, possession of,

or control over the document. You may also identify a Document by providing a complete and legible copy thereof, and by stating that you have done so.

8. “Identify,” when used with respect to a Communication, means to describe in detail, the nature and content of the Communication, state the date of the Communication, identify all Persons to and from whom the Communication was made, and identify all Persons hearing, witnessing, and/or present during the Communication.

9. “Communications” means any disclosure, transfer, or exchange of information or opinion, however made, including, but not limited to, e-mails, voice mails, fax, memoranda, inquiries, reports, claims, and complaints.

10. “Subject Products” means Magnicube Magnet Balls (Magnicube Spheres) and Magnicube Magnet Cubes (Magnicube Cubes).

11. “Complaint” shall mean the Complaint and any amendments to the Complaint filed in this action, CPSC Docket 13-2.

12. “Answer” shall mean the Answer and Defenses of Respondent Star Networks USA, LLC, and any amendments to the Answer and Defenses, filed in this action.

13. “Interrogatories” shall mean Complaint Counsel’s First Set of Interrogatories to Respondent Star Networks USA, LLC, served upon the Respondent.

14. “Requests for Production” shall mean Complaint Counsel’s First Set of Requests for Production of Documents and Things to Respondent Star Networks USA, LLC, served upon the Respondent.

INSTRUCTIONS

A. The answers to these Requests for Admissions shall specifically admit or deny the matter or set forth in detail the reasons why the answering party cannot truthfully admit or deny the matter. A denial shall fairly meet the substance of the requested admission.

B. When good faith requires that a party qualify an answer or deny only a part of the matter to which an admission is requested, the party shall specify the portion that is true and qualify or deny the remainder.

C. Identify each Person who assisted or participated in preparing and/or supplying any of the information given in a response to or relied upon in preparing the answers to these Requests for Admissions.

D. The words “and” and “or” shall be construed conjunctively or disjunctively, as necessary, to make the request inclusive rather than exclusive. The word “including” shall be construed to mean without limitation. The words “any” and “all” shall be construed to make the request inclusive rather than exclusive.

E. The use of the past tense shall include the present tense, and the use of the present tense shall include the past tense to make all definitions and discovery requests inclusive rather than exclusive.

F. The singular shall include the plural, and vice versa.

G. These Requests for Admissions shall be read, interpreted, and answered in accordance with these instructions and the definitions set forth here. If the meaning of any word or phrase used here is unclear, the Respondent’s attorneys are requested to contact Complaint Counsel to resolve any ambiguity. If any request cannot be answered

in full after exercising the required diligence, it shall be answered to the extent possible, with a full statement of all efforts to answer fully and an explanation of all reasons a full answer cannot be made.

H. Pursuant to 16 C.F.R. § 1025.31, the Respondent is under a continuing duty to supplement their responses to these discovery requests without further request from Complaint Counsel. A Respondent who has responded to a discovery request with a response that was complete when made is under a duty to supplement that response to include information later obtained.

REQUESTS FOR ADMISSIONS

1. All of the Subject Products were imported by Star Networks.
2. The Subject Products were and are distributed in commerce by Star Networks.
3. Star Networks distributed in commerce the Subject Products, as the term “distribution in commerce” is defined in the Consumer Product Safety Act, 15 U.S.C. § 2052(a)(8).
4. Star Networks is a “distributor” of the Subject Products as that term is defined in the Consumer Product Safety Act, 15 U.S.C. § 2052(a)(7).
5. Star Networks is a “retailer” of the Subject Products as that term is defined in the Consumer Product Safety Act, 15 U.S.C. § 2052(a)(13).
6. Star Networks is the importer of record for the Subject Products.
7. Star Networks is organized as a limited liability company under the laws of Delaware.

8. Star Networks is headquartered at 26 Commerce Road, Suite B, Fairfield, NJ 07004.

9. The Subject Products are “consumer products,” as that term is defined in the Consumer Product Safety Act, 15 U.S.C. § 2052(a)(5).

10. The Subject Products are manufactured by Dongyang Huale Electronics, LTD, Hengdian Industrial Area, Dongyang Zhejiang, China.

11. Magnicube Spheres are spherically shaped magnets.

12. Magnicube Spheres consist of individual magnets that are packaged as aggregated masses of magnets.

13. Magnicube Spheres consist of loose-as-received magnets.

14. Magnicube Spheres consist of individual magnets that are approximately 5.0 mm to 6.0 mm in diameter.

15. Magnicube Spheres consist of individual magnets each of which has a surface flux index greater than $50\text{kg}^2\text{mm}^2$.

16. Magnicube Spheres consist of individual magnets each of which has a surface flux index greater than $435.1\text{kg}^2\text{mm}^2$.

17. An individual Magnicube Spheres magnet is capable of attracting to another similar magnet across a distance of 1.5 cm or greater.

18. Magnicube Spheres magnets may connect in configurations such as strings, rings, or clumps.

19. Magnicube Spheres magnets can attract to non-magnetic ferrous items such as steel ball bearings.

20. The attraction force between two individual Magnicube Spheres magnets that are separated by 1.5 cm is approximately 0.5 grams or .001 lb.

21. Magnicube Spheres have been distributed in commerce since August 2010.

22. As of August 14, 2013, Star Networks is currently distributing Magnicube Spheres in commerce.

23. As of August 14, 2013, Star Networks is currently offering Magnicube Spheres for sale on the website www.magnicube.com.

24. The website, www.magnicube.com, was designed by Star Networks.

25. The website, www.magnicube.com, is operated by Star Networks.

26. More than 21,000 sets of Magnicube Spheres have been distributed in commerce since August 2010.

27. Magnicube Spheres are offered for sale on www.magnicube.com in sets of 125, 216, 343 or 1,027 magnets.

28. Magnicube Spheres are available in a variety of color coatings.

29. Magnicube Spheres distributed in sets of 125 magnets are packaged in a foam-lined tin container.

30. The purchase price for a 125 magnet set of Magnicube Spheres ranges from \$29.95 to \$17.95.

31. Magnicube Spheres distributed in sets of 216 magnets are packaged in a foam-lined tin container.

32. Some Magnicube Spheres distributed in sets of 216 magnets are packaged in either a foam-lined tin container or a velvet-lined box.

33. The purchase price for a 216 magnet set of Magnicube Spheres ranges from \$49.95 to \$24.95.
34. Magnicube Spheres distributed in sets of 343 magnets are packaged in a foam-lined tin container.
35. The purchase price for a 343 magnet set of Magnicube Spheres ranges from \$49.95 to \$34.95.
36. Magnicube Spheres distributed in sets of 1,027 magnets are packaged in a velvet-lined box.
37. The purchase price for a 1,027 magnet set of Magnicube Spheres ranges from \$99.95 to \$79.95.
38. Magnicube Cubes are cube-shaped magnets.
39. Magnicube Cubes consist of individual magnets that are packaged as aggregated masses of magnets.
40. Magnicube Cubes consist of loose-as-received magnets.
41. Magnicube Cubes consist of individual magnets that are approximately 5.0 mm in diameter.
42. Magnicube Cubes consist of individual magnets each of which has a surface flux index greater than $50\text{kg}^2 \text{mm}^2$.
43. Magnicube Cubes consist of individual magnets each of which has a surface flux index greater than $441.9 \text{kg}^2\text{mm}^2$.
44. An individual Magnicube Cubes magnet is capable of attracting to another similar magnet across a distance of 1.5 cm or greater.

45. Magnicube Cubes magnets may connect in configurations such as strings, rings, or clumps.

46. Magnicube Cubes magnets can attract to non-magnetic ferrous items such as steel ball bearings.

47. The attraction force between two individual Magnicube Cubes magnets that are separated by 1.5 cm is approximately 0.9 grams or .002 lb.

48. Magnicube Cubes have been distributed in commerce since August 2010.

49. As of August 14, 2013, Star Networks is currently distributing Magnicube Cubes in commerce.

50. As of August 14, 2013, Star Networks was offering Magnicube Cubes for sale on the website www.magnicube.com.

51. More than 480 sets of Magnicube Cubes have been distributed in commerce since August 2010.

52. Magnicube Cubes are offered for sale on www.magnicube.com in sets of 125 or 216 magnets.

53. Magnicube Cubes are available in a variety of color coatings.

54. Magnicube Cubes distributed in sets of 125 magnets are packaged in a foam-lined tin container.

55. The purchase price for a 125 magnet set of Magnicube Cubes ranges from \$29.95 to \$19.95.

56. Magnicube Cubes distributed in sets of 216 magnets are packaged in a foam-lined tin container.

57. The purchase price for a 216 magnet set of Magnicube Cubes is \$26.95.

58. A “Magnicube Duo Edition” can be purchased on www.magnicube.com.
59. The “Magnicube Duo Edition” offered for sale on www.magnicube.com consists of individual magnets packaged in a container holding 250 magnets.
60. The “Magnicube Duo Edition” consists of 125 Magnicube Spheres and 125 Magnicube Cubes.
61. The “Magnicube Duo Edition” is packaged in a foam-lined tin.
62. The purchase price for the “Magnicube Duo Edition” is ranges from \$34.95 to \$59.95.
63. More than 17 sets of the “Magnicube Duo Edition” have been distributed in commerce since August 2010.
64. Beginning on or about August 2010 through August 14, 2013, the following warning statement appeared on the home page of www.magnicube.com:
- Keep Away from All Children!** This product is NOT intended to be inhaled or swallowed, magnets should not be put in nose or mouth. Magnets that are inhaled or swallowed may stick to intestines, which may lead to serious injury or death. Immediate medical attention is required if magnets are inhaled or swallowed. Recommended age 14+.
65. From sometime after August 2010 through August 14, 2013, the following warning statement appeared on the “Safety Notice” page of www.magnicube.com:
- Magnicube products are NOT toys for children[.] Recommended age 14+. Magnicube Magnet Balls and Magnet Cubes are not manufactured, distributed, promoted, labeled, or intended for children. Ingestion Hazard – this product represents an ingestion Hazard, DO NOT ingest magnets. Magnets that are inhaled or swallowed may stick to intestines, which may lead to serious injury or death.

Immediate medical attention is required if magnets are inhaled or swallowed.

66. Star Networks distributed the Subject Products in foam-lined tins with the following warning statement, contained on a sticker on the underside of the tin:

WARNING: Keep Away From All Children! This product is NOT intended to be inhaled or swallowed, magnets should not be put in nose or mouth. Magnets that are inhaled or swallowed may stick to intestines, which may lead to serious injury or death. Immediate medical attention is required if magnets are inhaled or swallowed. Recommend age 14+.

67. Star Networks distributed the Subject Products in velvet-lined boxes with the following warning statement, contained on the underside of a cardboard sleeve that wraps around the box:

WARNING: Keep Away From All Children! This product is NOT intended to be inhaled or swallowed, magnets should not be put in nose or mouth. Magnets that are inhaled or swallowed may stick to intestines, which may lead to serious injury or death. Immediate medical attention is required if magnets are inhaled or swallowed. Recommend age 14+.

68. In November 2012, the Subject Products were advertised on www.magnicube.com as a “toy.”

69. In November 2012, the Subject Products were advertised on www.magnicube.com by encouraging consumers to “get out of your daze with your new toy.”

70. As of August 14, 2013, the Subject Products were advertised on www.magnicube.com as a magnetic puzzle.

71. As of August 14, 2013, the Subject Products were advertised on www.magnicube.com as a “3 dimensional puzzle.”

72. As of August 14, 2013, the Subject Products were advertised on www.magnicube.com as a “magnetic puzzle gift” item.

73. As of August 14, 2013, the following statement appears on the “Features and Benefits” page of www.magnicube.com: “Using the Magnicube can assist in figuring out geometry which can lead to better scoring in standardized testing.”

74. From November 2011 through July 2012, some quantity of the Subject Products were sold on the website www.amazon.com.

75. In May 2012, the Subject Products sold on www.amazon.com were displayed alongside other toys on the website.

76. From November 2011 through July 2012, some of the Subject Products were sold on www.amazon.com and were accompanied by the following warning on the website:

WARNING: CHOKING HAZARD – WARNING: KEEP AWAY FROM ALL CHILDREN. Do not put in mouth or nose. This product contains small magnets. Swallowed magnets can stick together across intestines causing serious infections and death. Seek immediate medical attention if magnets are swallowed or inhaled. **CHOKING HAZARD** – Small parts. Not for children under 3 yrs. **CHOKING HAZARD** – Toy contains a small ball. Not for children under 3 yrs.

77. On June 14, 2012, Star Networks authorized the sale of the Subject Products on the website www.groupon.com.

78. When the Subject Products were sold on www.groupon.com, the following warning appeared on the website: “Recommended for ages 14 and up. Keep out of reach of children.”

79. An individual Magnicube Spheres magnet is too small to carry a legible warning or label of any kind.

80. An individual Mangicube Cubes magnet is too small to carry a legible warning or label of any kind.

81. Star Networks took steps to preserve the Documents and information in the company’s files that relate to the Subject Products.

82. Star Networks did not take steps to preserve the Documents and information in the company’s files that relate to the Subject Products.

Mary B. Murphy / @SP

Mary B. Murphy, Assistant General Counsel
Division of Compliance
Office of the General Counsel
U.S. Consumer Product Safety Commission
Bethesda, MD 20814
Tel: (301) 504-7809

Jennifer Argabright, Trial Attorney
Richa Shyam Dasgupta, Trial Attorney

Complaint Counsel for
U.S. Consumer Product Safety Commission
Bethesda, MD 20814

CERTIFICATE OF SERVICE

I hereby certify that on August 15, 2013, I served Complaint Counsel's First Set of Requests for Admissions to Star Networks USA, LLC, as follows:

Original and three copies by hand delivery and one copy by electronic mail, to the Secretary of the U.S. Consumer Product Safety Commission: Todd A. Stevenson.

One copy by certified mail and one copy of electronic mail to counsel of record:

David C. Japha
The Law Offices of David C. Japha, P.C.
950 S. Cherry Street, Suite 912
Denver, CO 80246
davidjapha@japhalaw.com
*Counsel for Respondents Zen Magnets,
LLC and Star Networks USA, LLC*

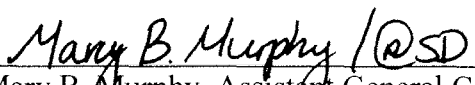
Erika Z. Jones
Mayer Brown LLP
1999 K Street N.W.
Washington, D.C. 20006
ejones@mayerbrown.com
Counsel for Respondent Craig Zucker

John R. Fleder
Hyman, Phelps & McNamara, P.C.
700 Thirteenth Street, N.W.
Suite 1200
Washington D.C. 20005
jfleder@hpm.com
Counsel for Respondent Craig Zucker

Timothy L. Mullin, Jr.
Miles & Stockbridge P.C.
100 Light Street
Baltimore, MD 21202
tmullin@milesstockbridge.com
Counsel for Respondent Craig Zucker

One copy by electronic mail to the Trustee for MOH Liquidating Trust:

Julie Beth Teicher, Trustee
MOH Liquidating Trust
Erman, Teicher, Miller, Zucker & Freedman, P.C.
400 Galleria Officentre, Suite 444
Southfield, MI 48034


Mary B. Murphy, Assistant General Counsel
Complaint Counsel for
U.S. Consumer Product Safety Commission