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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

INSTANT CHECKMATE, LLC;
TRUTHFINDER, LLC; THE CONTROL
GROUP MEDIA COMPANY, LLC;
INTELICARE DIRECT, LLC; and
PUBREC, LLC,

Defendants.

Case No.: 23-CV-1674 TWR (MSB)

**STIPULATED ORDER FOR
PERMANENT INJUNCTION, CIVIL
PENALTY JUDGMENT, AND
OTHER RELIEF AS TO
DEFENDANTS INSTANT
CHECKMATE, LLC,
TRUTHFINDER, LLC, THE
CONTROL GROUP MEDIA
COMPANY, LLC, INTELICARE
DIRECT, LLC, AND PUBREC, LLC**

(ECF No. 7)

Presently before the Court is the Joint Motion for Entry of Stipulated Order for Permanent Injunction, Monetary Judgment, and Other Relief (ECF No. 7, "Joint Mot.") filed by Plaintiff the Federal Trade Commission (the "Commission" or "FTC") and the Settling Defendants Instant Checkmate, LLC; TruthFinder, LLC; The Control Group Media Company, LLC; Intelicare Direct, LLC; and PubRec LLC. On September 11, 2023, the Commission filed its Complaint for Permanent Injunction, Other Equitable Relief, and Civil Penalties and Demand for Jury Trial (ECF No. 1, "Complaint") pursuant to Sections 13(b) and 16(a)(1) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 53(b)

1 and 56(a)(1), and Section 621(a) of the Fair Credit Reporting Act (“FCRA”), 15 U.S.C.
2 § 1681s(a). The Settling Defendants waived service of the Summons and the Complaint.
3 Through counsel, the Commission and the Settling Defendants have stipulated to the entry
4 of this Stipulated Order for Permanent Injunction, Civil Penalty Judgment, and Other
5 Relief (the “Stipulated Order”) to resolve all matters in dispute in this action between them.
6 Having reviewed the Parties’ filings and pursuant to the Parties’ Stipulation, the Court
7 **GRANTS** the Joint Motion and **ORDERS** as follows:

8 **FINDINGS**

- 9 1. This Court has jurisdiction over this matter.
- 10 2. The Complaint charges that Defendants participated in deceptive and unfair
11 acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, and in violation
12 of the FCRA, 15 U.S.C. §§ 1681–1681x, in the promotion and sale of background reports.
- 13 3. The Settling Defendants neither admit nor deny any of the allegations in the
14 Complaint, except as specifically stated in this Stipulated Order. Only for purposes of this
15 action, the Settling Defendants admit the facts necessary to establish jurisdiction.
- 16 4. The Settling Defendants waive any claim that they may have under the Equal
17 Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action through
18 the date of this Stipulated Order, and agree to bear their own costs and attorneys’ fees.
- 19 5. The Settling Defendants and the Commission waive all rights to appeal or
20 otherwise challenge or contest the validity of this Stipulated Order.

21 **DEFINITIONS**

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

23 A. **“Clear(ly) and Conspicuous(ly)”** means that a required disclosure is difficult
24 to miss (*i.e.*, easily noticeable) and easily understandable by ordinary consumers, including
25 in all of the following ways:

- 26 1. In any communication that is solely visual or solely audible, the
27 disclosure must be made through the same means through which the communication
28 is presented. In any communication made through both visual and audible means,

1 such as a television advertisement, the disclosure must be presented simultaneously
2 in both the visual and audible portions of the communication even if the
3 representation requiring the disclosure is made in only one means.

4 2. A visual disclosure, by its size, contrast, location, the length of time it
5 appears, and other characteristics, must stand out from any accompanying text or
6 other visual elements so that it is easily noticed, read, and understood.

7 3. An audible disclosure, including by telephone or streaming video, must
8 be delivered in a volume, speed, and cadence sufficient for ordinary consumers to
9 easily hear and understand it.

10 4. In any communication using an interactive electronic medium, such as
11 the Internet or software, the disclosure must be unavoidable.

12 5. The disclosure must use diction and syntax understandable to ordinary
13 consumers and must appear in each language in which the representation that
14 requires the disclosure appears.

15 6. The disclosure must comply with these requirements in each medium
16 through which it is received, including all electronic devices and face-to-face
17 communications.

18 7. The disclosure must not be contradicted or mitigated by, or inconsistent
19 with, anything else in the communication.

20 8. When the representation or sales practice targets a specific audience,
21 such as children, the elderly, or the terminally ill, “ordinary consumers” includes
22 reasonable members of that group.

23 B. **“Close Proximity”** means that the disclosure is very near the triggering
24 representation. For example, a disclosure made through a hyperlink, pop-up, interstitial,
25 or other similar technique is not in close proximity to the triggering representation.

26 C. **“Consumer Report”** means any written, oral, or other communication of any
27 information by a Consumer Reporting Agency bearing on a consumer’s credit worthiness,
28 credit standing, credit capacity, character, general reputation, personal characteristics, or

1 mode of living, which is used or expected to be used or collected in whole or in part for a
2 Permissible Purpose.

3 D. **“Consumer Reporting Agency”** means any Person which, for monetary fees,
4 dues, or on a cooperative nonprofit basis, regularly engages in whole or in part in the
5 practice of assembling or evaluating consumer credit information or other information on
6 consumers for the purpose of furnishing Consumer Reports to third parties, and which uses
7 any means or facility of interstate commerce for the purpose of preparing or furnishing
8 Consumer Reports.

9 E. **“Covered Record”** means any written or oral communication that includes
10 any of the following information from or about an individual consumer: (1) sex offender
11 status, (2) arrest records, (3) bankruptcy records, (4) liens, (5) eviction records, (6) civil
12 and criminal court record information, and (7) traffic tickets or citations.

13 F. **“Covered Report”** means any written, oral, or other communication of any
14 information on consumers that is assembled or evaluated in whole or in part by any Person
15 that bears on a consumer’s credit worthiness, credit standing, credit capacity, character,
16 general reputation, personal characteristics, or mode of living.

17 G. **“Permissible Purpose”** means:

18 1. In response to the order of a court having jurisdiction to issue such an
19 order or a subpoena issued in connection with proceedings before a Federal grand
20 jury; or

21 2. In accordance with the written instructions of the consumer to whom it
22 relates; or

23 3. To a Person that the Consumer Reporting Agency has reason to believe:

24 a. intends to use the information in connection with a credit
25 transaction involving the consumer on whom the information is to be
26 furnished and involving the extension of credit to, or review or collection of
27 an account of, the consumer; or

28 b. intends to use the information for employment purposes; or

1 c. intends to use the information in connection with the
2 underwriting of insurance involving the consumer; or

3 d. intends to use the information in connection with a determination
4 of the consumer's eligibility for a license or other benefit granted by a
5 governmental instrumentality required by law to consider an applicant's
6 financial responsibility or status; or

7 e. intends to use the information, as a potential investor or servicer,
8 or current insurer, in connection with a valuation of, or an assessment of the
9 credit or prepayment risks associated with, an existing credit obligation; or

10 f. otherwise has a legitimate business need for the information:

11 i. in connection with a business transaction that is initiated
12 by the consumer, including tenant screening; or

13 ii. to review an account to determine whether the consumer
14 continues to meet the terms of the account; or

15 g. executive departments and agencies in connection with the
16 issuance of government-sponsored individually billed travel charge cards; or

17 4. In response to a request by the head of a State or local child support
18 enforcement agency (or a State or local government official authorized by the head
19 of such an agency), if the Person making the request certifies to the Consumer
20 Reporting Agency that:

21 a. the Consumer Report is needed for the purpose of establishing
22 an individual's capacity to make child support payments; determining the
23 appropriate level of such payments; or enforcing a child support order, award,
24 agreement, or judgment;

25 b. the parentage of the consumer for the child to which the
26 obligation relates has been established or acknowledged by the consumer in
27 accordance with State laws under which the obligation arises (if required by
28 those laws); and

1 c. the Consumer Report will be kept confidential, will be used
2 solely for a purpose described in subparagraph 4(a). above, and will not be
3 used in connection with any other civil, administrative, or criminal
4 proceeding, or for any other purpose; or

5 5. To an agency administering a State plan under Section 454 of the Social
6 Security Act, 42 U.S.C. § 654, for use to set an initial or modified child support
7 award; or

8 6. To the Federal Deposit Insurance Corporation or the National Credit
9 Union Administration as part of its preparation for its appointment or as part of its
10 exercise of powers, as conservator, receiver, or liquidating agent for an insured
11 depository institution or insured credit union under the Federal Deposit Insurance
12 Act or the Federal Credit Union Act, or other applicable Federal or State law, or in
13 connection with the resolution or liquidation of a failed or failing insured depository
14 institution or insured credit union, as applicable.

15 H. **“Person”** means any individual, partnership, corporation, trust, estate,
16 cooperative, association, government or governmental subdivision or agency, or other
17 entity.

18 I. **“Settling Defendants”** means Instant Checkmate, LLC, TruthFinder, LLC,
19 The Control Group Media Company, LLC, Intelicare Direct, LLC, and PubRec, LLC,
20 individually, collectively, or in any combination, and their successors and assigns.

21 J. **“Unexpected Material Connection”** means any relationship that might
22 materially affect the weight or credibility of a review or endorsement and that would not
23 reasonably be expected by consumers.

24 **ORDER**

25 **I. FAIR CREDIT REPORTING ACT MONITORING PROGRAM**

26 **IT IS ORDERED** that the Settling Defendants must not advertise, market, promote,
27 or offer for sale any Covered Report unless they first establish and implement, and
28 thereafter maintain, a comprehensive monitoring program (hereinafter, the “Monitoring

1 Program”) to regularly review, assess, and determine the extent to which each Settling
2 Defendant is operating in whole or in part as a Consumer Reporting Agency, and, if so, to
3 regularly review, assess, and determine the extent to which the Settling Defendant is
4 engaged in business activities prohibited by Section II of this Stipulated Order, entitled
5 “Prohibited Business Activities.” To satisfy this requirement, each Settling Defendant or
6 the Settling Defendants together must, at a minimum:

7 A. Document in writing the content, implementation, and maintenance of the
8 Monitoring Program;

9 B. Designate a qualified employee or employees to coordinate and be responsible
10 for the Monitoring Program;

11 C. Assess and document, prior to the inception of the Monitoring Program and
12 at least once every twelve (12) months thereafter, the extent to which the Covered Reports
13 promoted or offered for sale by the Settling Defendants are Consumer Reports, and the
14 extent to which the Settling Defendants are acting as a Consumer Reporting Agency,
15 including the extent to which users regularly use Covered Reports provided by the Settling
16 Defendants for Permissible Purposes. Such assessment shall include, at a minimum, a
17 review of:

18 1. All products and services offered or sold;

19 2. Marketing and advertising materials used to promote, offer, or sell
20 those products and services (including but not limited to any website content,
21 advertisements, blog posts, testimonials, published statements, customer service
22 scripts, search engine advertising keywords, push notifications, and any method or
23 device used to direct Persons to a website);

24 3. Any measures to prevent users from using a Settling Defendant’s
25 products or services for Permissible Purposes (*e.g.*, disclaimers, certifications,
26 account terminations, user verification, or blocking) and available evidence or
27 information relating to the effectiveness of those measures;

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1 4. All users whom the Settling Defendants have reason to believe have
2 used or intended to use one or more Covered Reports for a Permissible Purpose, all
3 actions taken by the Settling Defendants to permanently prevent each such user from
4 accessing Covered Reports, and the dates on which such actions were effective; and

5 5. Any evidence of or information about how users of the Settling
6 Defendants' products or services use, intend to use, or expect to use those products
7 or services (including but not limited to consumer correspondence, consumer
8 reviews, consumer complaints, and consumer testimonials);

9 D. Design, implement, maintain, and document compliance with safeguards to
10 assure that the Settling Defendants do not sell, offer, or make available Covered Reports
11 for a Permissible Purpose, unless the requirements of this Stipulated Order that would
12 apply to a Consumer Report are satisfied as to that product or service. Such safeguards
13 must include, at a minimum:

14 1. Training of all officers, employees, and advertising affiliates, and all
15 agents and independent contractors to the extent that their job duties are relevant to
16 the content of this Stipulated Order, at onboarding and at least every twelve (12)
17 months thereafter, on this Stipulated Order's requirements, activities that would
18 violate those requirements, and relevant specific job duties relating to compliance
19 with this Stipulated Order;

20 2. Refraining from advertising, marketing, promoting, describing, or
21 offering for sale any product or service that involves Covered Reports as suitable or
22 appropriate for any Permissible Purpose, unless the requirements of this Stipulated
23 Order that would apply to a Consumer Report are satisfied as to that product or
24 service;

25 3. Reviewing, prior to their publication or implementation, of all
26 marketing and advertising materials used by the Settling Defendants to offer,
27 promote, or sell those products and services (including but not limited to any
28 advertisements, blog posts, testimonials, published statements, customer service

1 scripts, search engine advertising keywords, push notifications, and any method or
2 device used to direct Persons to a website);

3 4. Requiring affiliate marketing partners by contract to obtain prior
4 written approval from the Settling Defendants for all unique advertising and
5 marketing copy used to offer, promote, or sell Covered Reports;

6 5. Clearly and Conspicuously disclosing permissible and impermissible
7 uses of any Covered Reports under this Stipulated Order;

8 6. Clearly and Conspicuously requiring each user, before the purchase of
9 any product or service, prior to running any people search or background report
10 search, and annually thereafter, to certify:

11 i. that the user will not use Covered Reports to make decisions
12 about or in connection with hiring, promoting, reassigning, or continuing to
13 employ any person, including current or potential volunteers and household
14 employees such as childcare workers, contractors, or home health aides;

15 ii. that the user will not use Covered Reports to make decisions
16 about or in connection with renting or selling a house, apartment, or other
17 residential property to any person;

18 iii. that the user will not use Covered Reports to make decisions
19 about or in connection with lending money or extending credit to any person;

20 iv. that the user will not use Covered Reports in connection with the
21 underwriting of insurance; and

22 v. that the user will not use Covered Reports for any purpose related
23 to any eligibility determination about a person.

24 7. Procedures to onboard users, including requiring users to agree to
25 contracts or terms and conditions prohibiting the use of Covered Reports provided
26 by the Settling Defendants for any Permissible Purpose and Clear and Conspicuous
27 disclosure of such terms and conditions;

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1 8. Implementing user access controls, such as controls on the number of
2 Covered Reports obtained per day and investigation of accounts with excessive or
3 suspicious patterns of obtaining Covered Reports;

4 9. Conducting ongoing reviews, tests, or audits of:

5 i. the ways that users use or expect to use the Settling Defendants'
6 products or services;

7 ii. the extent to which each Settling Defendant's officers,
8 employees, agents, advertising affiliates, and independent contractors have
9 implemented and are complying with the Monitoring Program; and

10 iii. the effectiveness of the Monitoring Program at detecting and
11 preventing use of Covered Reports for Permissible Purposes; and

12 10. Implementing and complying with procedures to actively identify and
13 investigate users who are using, have used, or likely intend to use Covered Reports
14 for one or more Permissible Purposes and to permanently prevent those users from
15 accessing Covered Reports within three (3) business days after a Settling Defendant
16 becomes aware of the user's use of Covered Reports for a Permissible Purpose; and

17 E. Evaluate and adjust the Monitoring Program in light of any changes to a
18 Settling Defendant's operations or business arrangements, or any other circumstance that
19 the Settling Defendants know or have reason to know may materially affect the Monitoring
20 Program's effectiveness. At a minimum, each Settling Defendant must evaluate the
21 Monitoring Program every twelve (12) months and implement modifications based on the
22 results; and

23 F. At least once every twelve (12) months, provide: (1) the written program
24 required by Subsection I.A and any evaluations thereof or updates thereto; and (2) the
25 assessments and documentation required by Subsection I.C to the Settling Defendants'
26 board of directors or governing body or, if no such board or equivalent governing body
27 exists, to a senior officer responsible for regulatory compliance.

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1 2. obtain a certification that the user will not use the information from the
2 Consumer Report in violation of any applicable Federal or State equal employment
3 opportunity law or regulation; and

4 3. provide with the Consumer Report, unless it has been previously
5 provided, a summary of the consumer’s rights under the FCRA (attached hereto as
6 **Attachment B** to this Stipulated Order).

7 E. Furnishing a Consumer Report to any Person whom the Settling Defendants
8 do not have reason to believe has a Permissible Purpose to receive the Consumer Report;
9 and

10 F. Failing to conduct a reasonable reinvestigation, free of charge, if a consumer
11 disputes the completeness or accuracy of any item of information contained in a Consumer
12 Report about that consumer that is offered, sold, published, or made available by the
13 Settling Defendants and record the current status of the disputed information in, or delete
14 the disputed information from, any Consumer Report that is offered, sold, published, or
15 made available by the Settling Defendants before the end of the 30-day period beginning
16 on the date on which the Settling Defendants receive notice of the dispute.

17 **III. PROHIBITION AGAINST MISREPRESENTATIONS TO CONSUMERS**
18 **REGARDING COVERED REPORTS**

19 **IT IS FURTHER ORDERED** that the Settling Defendants; their officers, agents,
20 employees; and all other Persons in active concert or participation with any of them, who
21 receive actual notice of this Stipulated Order, whether acting directly or indirectly, in
22 connection with advertising, marketing, promoting, or offering any product or service, are
23 **PERMANENTLY RESTRAINED AND ENJOINED** from misrepresenting, expressly
24 or by implication:

25 A. The effect of utilizing any mechanism to remove or flag as inaccurate certain
26 items of information in Covered Reports;

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1 B. The extent to which, or the probability that, any consumer has or may have
2 Covered Records, the Settling Defendants have found Covered Records, or that there are
3 possible or probable Covered Records;

4 C. The accuracy or completeness of the information contained in the Covered
5 Reports;

6 D. That a traffic ticket or a traffic citation in a Covered Report is a criminal or
7 arrest record; or

8 E. Any other fact concerning Covered Records or Covered Reports or any of the
9 information therein, such as their accuracy, nature, characteristics, or content; or any
10 restrictions, limitations, or conditions on users' ability to access, alter, use, correct, or
11 delete them.

12 **IV. INJUNCTION CONCERNING MISREPRESENTATIONS IN VIOLATION**
13 **OF SECTION 5 OF THE FTC ACT**

14 **IT IS FURTHER ORDERED** that the Settling Defendants; their officers, agents,
15 employees, and attorneys; and all other persons in active concert or participation with any
16 of them, who receive actual notice of this Stipulated Order, whether acting directly or
17 indirectly, in connection with promoting or offering for sale any good or service are
18 **PERMANENTLY RESTRAINED AND ENJOINED** from making, or assisting others
19 in making, any misrepresentation, expressly or by implication, about

20 A. What a user can do or achieve with the product or service; or

21 B. The status of any person providing a review or endorsement of a good or
22 service, including a misrepresentation that the reviewer or endorser is an unbiased or
23 ordinary user of the good or service.

24 **V. REQUIRED DISCLOSURES OF UNEXPECTED MATERIAL**
25 **CONNECTIONS**

26 **IT IS FURTHER ORDERED** that the Settling Defendants; their officers, agents,
27 employees; and all other persons in active concert or participation with any of them, who
28 receive actual notice of this Stipulated Order, whether acting directly or indirectly, in

1 connection with promoting or offering for sale any Covered Report or related good or
2 service, are **PERMANENTLY RESTRAINED AND ENJOINED** from making, or
3 assisting others in making, any representation, expressly or by implication, about any
4 reviewer or endorser of such good or service without disclosing, Clearly and
5 Conspicuously, and in Close Proximity to that representation, any Unexpected Material
6 Connection between such reviewer or endorser and (1) the Settling Defendants; or (2) any
7 other individual or entity affiliated with the good or service.

8 **VI. MONITORING OF ENDORSERS**

9 **IT IS FURTHER ORDERED** that within ninety (90) days of the date of entry of
10 this Stipulated Order, the Settling Defendants; their officers, agents, employees, and
11 attorneys; and all other persons in active concert or participation with any of them, who
12 receive actual notice of this Stipulated Order, whether acting directly or indirectly, in
13 connection with promoting or offering for sale any Covered Report or related good or
14 service, must take steps sufficient to ensure compliance with Subsection B of the Section
15 of this Stipulated Order titled Injunction Concerning Misrepresentations in Violation of
16 Section 5 of the FTC Act and the Section of this Stipulated Order titled Required
17 Disclosures of Unexpected Material Connections. Such steps shall include, at a minimum:

18 A. Providing each reviewer or endorser of any Covered Report or related good
19 or service with a clear statement of his or her responsibilities to disclose Clearly and
20 Conspicuously and in Close Proximity to the endorsement, in any review, online video,
21 social media posting, or other communication endorsing the good or service, the reviewer
22 or endorser's Unexpected Material Connection to the Settling Defendants, or any other
23 individual or entity affiliated with the good or service; and obtaining from each such
24 reviewer or endorser a signed and dated statement acknowledging receipt of that statement
25 and expressly agreeing to comply with it. For the purpose of this subsection, the term
26 "signed" may include a verifiable electronic or digital form of signature, to the extent that
27 such form of signature is recognized as a valid signature under applicable Federal law or
28 State contract law;

1 B. Establishing, implementing, and thereafter maintaining a system to monitor
2 and review the representations and disclosures of reviewers and endorsers with any
3 Unexpected Material Connection to the Settling Defendants, or any other individual or
4 entity affiliated with the good or service to ensure compliance with the Subsection B of the
5 Section of this Stipulated Order titled Injunction Concerning Misrepresentations in
6 Violation of Section 5 of the FTC Act and the Section of this Stipulated Order titled
7 Required Disclosures of Unexpected Material Connections. The system shall include, at a
8 minimum, monitoring and reviewing the endorsers' reviews, online videos, and social
9 media postings;

10 C. In the event an Unexpected Material Connection is not disclosed, contacting
11 each reviewer or endorser to request such a disclosure. If such disclosure is not made or
12 the review or endorsement is not removed, the Settling Defendants shall contact the
13 platform on which the review or endorsement appears requesting its removal; and

14 D. Creating reports showing the results of the monitoring required by
15 Subsections B and C of this Section.

16 **VII. MONETARY JUDGMENT FOR CIVIL PENALTY**

17 **IT IS FURTHER ORDERED** that:

18 A. Judgment in the amount of **Five Million, Eight Hundred Thousand, Dollars**
19 **(\$5,800,000)** is entered in favor of the Commission against the Settling Defendants, jointly
20 and severally, as a civil penalty.

21 B. The Settling Defendants are ordered to pay to the Commission, by making
22 payment to the Treasurer of the United States, **Five Million, Eight Hundred Thousand,**
23 **Dollars (\$5,800,000)**, which, as the Settling Defendants stipulate, their undersigned
24 counsel holds in escrow for no purpose other than payment to the Commission. Such
25 payment must be made within seven (7) days of entry of this Stipulated Order by electronic
26 fund transfer in accordance with instructions previously provided by a representative of the
27 Commission.

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1 **VIII. ADDITIONAL MONETARY PROVISIONS**

2 A. The Settling Defendants relinquish dominion and all legal and equitable right,
3 title, and interest in all assets transferred pursuant to this Stipulated Order and may not seek
4 the return of any assets.

5 B. The Settling Defendants acknowledge that their Taxpayer Identification
6 Numbers (Social Security Numbers or Employer Identification Numbers), which the
7 Settling Defendants must submit to the Commission, may be used for collecting and
8 reporting on any delinquent amount arising out of this Stipulated Order, in accordance with
9 31 U.S.C. § 7701.

10 **IX. COOPERATION**

11 **IT IS FURTHER ORDERED** that the Settling Defendants must fully cooperate
12 with representatives of the Commission in this case and in any investigation related to or
13 associated with the transactions or the occurrences that are the subject of the Complaint.
14 Such Settling Defendants must provide truthful and complete information, evidence, and
15 testimony. Such Settling Defendants must cause the Defendants’ officers, employees,
16 representatives, or agents to appear for interviews, discovery, hearings, trials, and any other
17 proceedings that a Commission representative may reasonably request upon five (5) days’
18 written notice, or other reasonable notice, at such places and times as a Commission
19 representative may designate, without the service of a subpoena.

20 **X. ORDER ACKNOWLEDGMENTS**

21 **IT IS FURTHER ORDERED** that the Settling Defendants obtain
22 acknowledgments of receipt of this Stipulated Order:

23 A. Each Defendant, within seven (7) days of entry of this Stipulated Order, must
24 submit to the Commission an acknowledgment of receipt of this Stipulated Order sworn
25 under penalty of perjury.

26 B. For fifteen (15) years after entry of this Stipulated Order, each Settling
27 Defendant must deliver a copy of this Stipulated Order to: (1) all principals, officers,
28 directors, and LLC managers and members; (2) all employees having managerial

1 responsibilities for conduct related to the subject matter of the Stipulated Order and all
2 agents and representatives who participate in conduct related to the subject matter of the
3 Stipulated Order; and (3) any business entity resulting from any change in structure as set
4 forth in the Section titled Compliance Reporting. Delivery must occur within seven (7)
5 days of entry of this Stipulated Order for current personnel. For all others, delivery must
6 occur before they assume their responsibilities.

7 C. From each individual or entity to which a Settling Defendant delivered a copy
8 of this Stipulated Order, that Defendant must obtain, within thirty (30) days, a signed and
9 dated acknowledgment of receipt of this Stipulated Order.

10 **XI. COMPLIANCE REPORTING**

11 **IT IS FURTHER ORDERED** that the Settling Defendants make timely
12 submissions to the Commission:

13 A. One (1) year after entry of this Stipulated Order, each Settling Defendant must
14 submit a compliance report, sworn under penalty of perjury:

15 1. Each Settling Defendant must: (a) identify the primary physical, postal,
16 and email address and telephone number, as designated points of contact, which
17 representatives of the Commission may use to communicate with Defendant; (b) identify
18 all of that Defendant's businesses by all of their names; telephone numbers; and physical,
19 postal, email, and Internet addresses; (c) describe the activities of each business, including
20 the goods and services offered; the means of advertising, marketing, and sales; and the
21 involvement of any other Defendant; (d) describe in detail whether and how that Defendant
22 is in compliance with each Section of this Stipulated Order; and (e) provide a copy of each
23 Order Acknowledgment obtained pursuant to this Stipulated Order, unless previously
24 submitted to the Commission.

25 B. For fifteen (15) years after entry of this Stipulated Order, each Settling
26 Defendant must submit a compliance notice, sworn under penalty of perjury, within
27 fourteen (14) days of any change in the following:

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1 A. Accounting records showing the revenues from all goods or services sold;

2 B. Personnel records showing, for each person providing services in relation to
3 any aspect of this Stipulated Order, whether as an employee or otherwise, that person's:
4 name, addresses, telephone numbers, job title or position, dates of service, and (if
5 applicable) the reason for termination;

6 C. Records of all consumer complaints and refund requests related to the subject
7 matter of this Stipulated Order, whether received directly or indirectly, such as through a
8 third party, and any response;

9 D. All unique sales or customer service scripts, form letters or emails,
10 advertisements, or other marketing materials related to the subject matter of this Stipulated
11 Order;

12 E. All employee manuals and training materials related to the subject matter of
13 this Stipulated Order; and

14 F. All records necessary to demonstrate full compliance with each provision of
15 this Stipulated Order, including all submissions to the Commission.

16 **XIII. COMPLIANCE MONITORING**

17 **IT IS FURTHER ORDERED** that, for the purpose of monitoring the Settling
18 Defendants' compliance with this Stipulated Order and any failure to transfer any assets as
19 required by this Stipulated Order:

20 A. Within fourteen (14) days of receipt of a written request from a representative
21 of the Commission, each Settling Defendant must submit additional compliance reports or
22 other requested information, which must be sworn under penalty of perjury; appear for
23 depositions; and produce documents for inspection and copying. The Commission is also
24 authorized to obtain discovery, without further leave of the Court, using any of the
25 procedures prescribed by Federal Rules of Civil Procedure 29, 30 (including telephonic
26 depositions), 31, 33, 34, 36, 45, and 69.

27 B. For matters concerning this Stipulated Order, the Commission is authorized
28 to communicate directly with each Settling Defendant. The Settling Defendants must

1 permit representatives of the Commission to interview any employee or other Person
2 affiliated with any Settling Defendant who has agreed to such an interview. The Person
3 interviewed may have counsel present.

4 C. The Commission may use all other lawful means, including posing, through
5 its representatives as consumers, suppliers, or other individuals or entities, to the Settling
6 Defendants or any individual or entity affiliated with the Settling Defendants, without the
7 necessity of identification or prior notice. Nothing in this Stipulated Order limits the
8 Commission's lawful use of compulsory process, pursuant to Sections 9 and 20 of the FTC
9 Act, 15 U.S.C. §§ 49, 57b-1.

10 **XIV. RETENTION OF JURISDICTION**

11 **IT IS FURTHER ORDERED** that this Court retains jurisdiction of this matter for
12 purposes of construction, modification, and enforcement of this Stipulated Order.
13 Specifically, in accordance with the Parties' Consent to Jurisdiction by a United States
14 Magistrate Judge and Order of Reference, (*see* ECF No. 16), the Honorable Michael S.
15 Berg, United States Magistrate Judge, **SHALL RETAIN** continuing and exclusive
16 jurisdiction over the Parties and all matters relating to the litigation and settlement
17 agreement, including the administration, interpretation, construction, effectuation,
18 enforcement, and consummation of the agreement and this Stipulated Order.

19 **IT IS SO ORDERED.**

20 Dated: October 11, 2023

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22 _____
23 Honorable Todd W. Robinson
24 United States District Judge
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