



their Complaint for Permanent Injunction and Other Equitable Relief (“Complaint”) in this matter pursuant to Sections 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b); and the Georgia Fair Business Practices Act (“FBPA”), O.C.G.A. §§ 10-1-390 through 10-1-408. Defendants Laptop & Desktop Repair, LLC (“LDR”), and Vadim Olegovich Kruchinin (“Kruchinin”) (collectively, “Defendants”) have failed to file a timely response to Plaintiffs’ Complaint, as the Clerk of Court has noted by entering defaults against each. The Plaintiffs have therefore filed their Motion for Default Judgment and order for permanent injunction and other equitable relief as to Defendants (“Plaintiffs’ Motion”).

The Court has considered the Plaintiffs’ Motion, as well as the entire record in this matter, and hereby **GRANTS** Plaintiffs’ Motion. **IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED** as follows:

### **FINDINGS**

**1.** This Court has jurisdiction over the subject matter of this case and personal jurisdiction over the parties hereto pursuant to 28 U.S.C. §§ 1331, 1337(a), and 1345, and 15 U.S.C. §§ 45(a) and 53(b). Pursuant to 28 U.S.C. § 1367, this Court has jurisdiction over the subject matter of the state law claims asserted by the State of Georgia because those claims are so related to the claims

brought under federal law that they form part of the same case or controversy, and because those claims arise out of the same transactions or occurrences as the claims brought pursuant to 15 U.S.C. §§ 45(a) and 53(b).

**2.** The Plaintiffs' Complaint states claims upon which relief may be granted under Sections 5(a) the FTC Act, 15 U.S.C. § 45(a) and FBPA, § 10-1-393(a);

**3.** Venue in the United States District Court for th

that Defendants violated Section 5(a) of the FTC Act, 15 U.S.C. § 45(a) and Section 393(a) of the FBPA, O.C.G.A. § 10-1-393(a).

**7.** In connection with their marketing, promotion, offering to purchase, or purchasing of Used Electronic Devices from consumers, Defendants have violated Section 5(a) of the FTC Act, 15 U.S.C. § 45(a) by falsely representing to consumers, directly or indirectly, expressly or by implication, that LDR pays the consumers the Quote or an amount close to the Quote, for their Used Electronic Devices.

**8.** In connection with the marketing, promotion, offering to purchase, or

amounts Defendants would pay for their devices, consumers would not have participated in those transactions.

**10.**

FBPA, O.C.G.A. § 10-1-393(a), and to enter equitable monetary relief against Defendants.

**14.** Plaintiffs have established through LDR's 2011 through 2016 tax returns and other evidence that Defendants' net unjust gains from the Defendants' violations of Section 5(a) of FTC Act, 15 U.S.C. § 45(a) and Section 393(a) of the FBPA, § 10-1-393(a) found herein amount to at least \$42,427,260.57.

**15.** Plaintiffs are therefore entitled to equitable monetary relief against Defendants in the amount of \$42,427,260.57, for which Defendants are jointly and severally liable.

**16.** Entry of this Order is in the public interest.

### **DEFINITIONS**

For purposes of this Order, the following definitions apply:

**A.** “**Defendants**” means Defendant Kruchinin and the Corporate Defendant, individually, or collectively.

**B.** “**Corporate Defendant**” means Laptop & Desktop Repair, LLC, also d/b/a cashforiphones.com, cashforlaptops.com, ecyclebest.com, smartphonetraders.com, and sell-your-cell.com and its successors and assigns.

C. **“Defendant Kruchinin”** means Vadim Olegovich Kruchinin, also

**I. BAN RELATED TO THE PURCHASE OF USED ELECTRONIC DEVICES FROM CONSUMERS.**

IT IS ORDERED that Defendants are permanently restrained and enjoined from advertising, marketing, and promoting their willingness to purchase, offering to purchase, or purchasing or assisting others in advertising, marketing, and promoting their willingness to purchase, offering to purchase, or purchasing any Used Electronic Devices from individuals.

**II. PROHIBITION AGAINST MISREPRESENTATIONS**

IT IS FURTHER ORDERED that Defendants, Defendants' officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with advertising, marketing, and promoting their willingness to purchase any good or service, offering to purchase or purchasing any good or service, or promoting or offering for sale any good or service, are permanently restrained and enjoined from misrepresenting or assisting others in misrepresenting, expressly or by implication:

A.

- C. The time within which refunds will be provided or during which rescission of sales or purchases is permitted;
- D. The procedures to request and obtain refunds or rescissions; and
- E. Any other material fact concerning any good or service, such as: the total costs; any material restrictions, limitations, or conditions; or any material aspect of its performance, efficacy, nature, or central characteristics.

### **III. MONETARY JUDGMENT**

to be used for equitable relief, including consumer redress and any attendant expenses for the administration of any redress fund. If Plaintiffs decide that direct redress to consumers is wholly or partially impracticable or money remains after redress is completed, Plaintiffs may apply any remaining money for such other equitable relief (including consumer information remedies) as they determine to be reasonably related to Defendants' practices alleged in the Complaint. All funds not used for the equitable relief described above in this subsection ("remaining funds") are to be divided equally between the Commission and the State of Georgia, with half to be deposited to the U.S. Treasury as disgorgement and half to be deposited to the State Treasury as attorney's fees and costs of ongoing monitoring and enforcement.

**D.** Defendants have no right to challenge any actions Plaintiffs or their representatives may take pursuant to this subsection.

#### **IV. CUSTOMER INFORMATION**

IT IS FURTHER ORDERED that Defendants, Defendants' officers, agents, employees, and attorneys, and all other Persons in active concert or participation with any of them, who receive actual notice of this Order, are permanently restrained and enjoined from, directly or indirectly:

A. Failing to provide sufficient customer information to enable Plaintiffs to efficiently administer consumer redress. If a representative of either Plaintiff

## **V. RECEIVERSHIP TERMINATION**

IT IS FURTHER ORDERED that the Receiver must complete all duties within 120 days after entry of this Order, but any party or the Receiver may request that the Court extend that Receiver's term for good cause.



with each Section of this Order, and (e) provide a copy of each Order Acknowledgment obtained pursuant to this Order, unless previously submitted to Plaintiffs.

**2.** Additionally, Defendant Kruchinin must: (a) identify all telephone numbers and all physical, postal, email and Internet addresses, including all residences; (b) identify all business activities, including any business for which Defendant Kruchinin performs services whether as an employee or otherwise and any entity which he has any ownership interest; and (c) describe in detail Defendant Kruchinin's involvement in each such business, including title, role, responsibilities, participation, authority, control, and any ownership.

**B.** For 20 years after entry of this Order, each Defendant must submit a compliance notice, sworn under penalty of perjury, within 14 days of any change in the following:

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

**C.** Each Defendant must submit to Plaintiffs notice of the filing of any bankruptcy petition, insolvency proceeding, or similar proceeding by or against that Defendant within 14 days of its filing.

**D.** Any submission to Plaintiffs 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 Plaintiffs’ 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, DC 20580. The subject line must begin: FTC v. Laptop & Desktop Repair, LLC, X 1523239. All submissions to the State of Georgia pursuant to this Order must be emailed to [jkneidel@law.ga.gov](mailto:jkneidel@law.ga.gov) or sent to: Jacquelyn L. Kneidel, Office of The Attorney General, Consumer Protection Unit, 2 Martin Luther King, Jr. Dr., Suite 356, East Tower, Atlanta, Georgia 30334.

### **VIII. RECORDKEEPING**

IT IS FURTHER ORDERED that Defendants must create certain records for 20 years after entry of this Order, and retain each such record for 5 years.

C. records of all consumer complaints and refund requests, whether received directly or indirectly, such as through a third party, and any response;

D. all records necessary to demonstrate full compliance with each provision of this Order, including all submissions to Plaintiffs; and

E. a copy of each unique advertisement or other marketing material.

### **IX. COMPLIANCE MONITORING**

IT IS FURTHER ORDERED that, for the purpose of monitoring Defendants' compliance with this Order:

A. Within 14 days of receipt of a written request from a representative of either Plaintiff, each Defendant must: submit additional compliance reports or other requested information, which must



