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1 individually, collectively, or in any combination.

2 2. “ & R U S R U ” D n e w s H u m o s L a b s , I n c H / Q a G m D s i t Q a n d W  
3 assigns.

4 3. <sup>3</sup> , Q G L Y L G m e x s K u o a l S a r k a n H a n d M i c h e l S c a n D o n Q W V ‘

5 4. <sup>3</sup> & R P r e a k s a s d e f i n e d i n S e c t i o n 4 o f t h e F T C A c t , 15 U.S.C. § 44.

6 5. <sup>3</sup> & R Y H U m e n G t h e L u n o b i l i t y P r o g r a m a n d M i n i K i d s a n d a n y p r o d u c t ,  
7 program, device, or service for children or adults that purports to alter the brain’s structure or  
8 function; improve cognitive abilities or provide benefits from improved cognitive abilities,  
9 including improved performance on everyday tasks, in school, at work, or in athletics; treat,  
10 mitigate, prevent, or delay the onset of cognitive impairment or disorders, including cognitive  
11 impairment related to aging; or provide an assessment of cognitive abilities.

12 6. “ & O H D E Q V S D Q K R & V O \

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c. An audible disclosure, including by telephone or streaming video, must be

1 variety of games targeting cognitive abilities such as memory, attention, speed, flexibility, and  
2 problem solving.

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4 9. <sup>3</sup> 0 D W& HR UQ LQ DH OF W L R Q ' means any relationship that materially affects the  
5 credibility of any endorsement and that would not be reasonably expected by consumers.

6 10. <sup>3</sup> 3 H U V R Q ' means a natural person, an organization, or other legal entity, including a  
7 corporation, partnership, sole proprietorship, limited liability company, association, cooperative,  
8 or any other group or combination acting as an entity.

9  
10 11. <sup>3</sup> 5 H O L D E O \ 5 H S R U W H G '



1 implication, any representation, other than representations covered under Section I of this Order,  
2 about the benefits or efficacy of any Covered Product, including performance on everyday tasks,  
3 unless the representation is non-misleading, and, at the time of making such representation,  
4 Defendants possess and rely upon competent and reliable scientific evidence that is sufficient in  
5 quality and quantity based on standards generally accepted in the relevant scientific fields, when  
6 considered in light of the entire body of relevant and reliable scientific evidence, to substantiate  
7 that the representation is true.  
8

9  
10 For purposes of this Section, competent and reliable scientific evidence means tests,  
11 analyses, research, or studies (1) that have been conducted and evaluated in an objective manner  
12 by qualified persons; (2) that are generally accepted in the profession to yield accurate and  
13 reliable results; and (3) as to which, when they are human clinical tests or studies, all underlying  
14 or supporting data and documents generally accepted by experts in the field as relevant to an  
15 assessment of such testing as set forth in the Section XIII, titled Preservation of Records Relating  
16

17 For purposes of this Section, competent and reliable scientific evidence means tests, analyses, research, or studies (1) that have been conducted and evaluated in an objective manner by qualified persons; (2) that are generally accepted in the profession to yield accurate and reliable results; and (3) as to which, when they are human clinical tests or studies, all underlying or supporting data and documents generally accepted by experts in the field as relevant to an assessment of such testing as set forth in the Section XIII, titled Preservation of Records Relating to the Covered Product.

1 test, study, or research involving any Covered Product; or

2 B. That the benefits of any Covered Product are scientifically proven.

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4 A. Judgment in the amount of Fifty Million Dollars (\$50,000,000.00) is entered in  
5 favor of the Commission against Corporate Defendant as equitable monetary relief.

6 B. Corporate Defendant is ordered to pay to the Commission Two Million Dollars  
7 (\$2,000,000.00), which, as Corporate Defendant stipulates, its undersigned counsel holds in  
8 escrow for no purpose other than payment to the Commission. Such payment must be made  
9 within seven (7) days of entry of this Order by electronic fund transfer in accordance with  
10 instructions previously provided by a representative of the Commission. Upon such payment,  
11 the remainder of the judgment is suspended, subject to the Subsections below.

12  
13 C. The Commission's agreement to the suspension of part of the judgment is  
14 expressly premised upon the truthfulness, accuracy, and completeness of Corporate Defendant's  
15 audited and unaudited financial statements and related documents (collectively, "financial  
16 representations") submitted to the Commission, namely:

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18 1. The 2012 U.S. Corporate Income Tax Declaration for an IRS *e-file*  
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1 B. The facts alleged in the Complaint will be taken as true, without further proof, in  
2 any subsequent civil litigation by or on behalf of the Commission in a proceeding to enforce its  
3 rights to any payment or monetary judgment pursuant to this Order, such as a  
4 nondischargeability complaint in any bankruptcy case.  
5

6 C. The facts alleged in the Complaint establish all elements necessary to sustain an  
7 action by the Commission pursuant to Section 523(a)(2)(A) of the Bankruptcy Code, 11 U.S.C.  
8 § 523(a)(2)(A), and this Order will have collateral estoppel effect for such purposes.  
9

10 D. Corporate Defendant acknowledges that its Taxpayer Identification Number  
11 (Employer Identification Number), which Corporate Defendant previously submitted to the  
12 Commission, may be used for collecting and reporting on any delinquent amount arising out of  
13 this Order, in accordance with 31 U.S.C. § 7701.  
14

15 E. All money paid to the Commission pursuant to this Order may be deposited into a  
16 fund administered by the Commission or its designee to be used for equitable relief, including  
17 consumer redress and any attendant expenses for the administration of any redress fund. If a  
18 representative of the Commission decides that direct redress to consumers is wholly or partially  
19 impracticable or money remains after redress is completed, the Commission may apply any  
20 remaining money for such other equitable relief (including consumer information remedies) as it  
21 determines to be reasonably related to Defendants' practices alleged in the Complaint. Any  
22 money not used for such equitable relief is to be deposited to the United States Treasury as  
23 disgorgement. Defendants have no right to challenge any actions the Commission or its  
24 representatives may take pursuant to this Subsection.  
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28 , 7 , 6 ) 8 5 7 + ( 5 2 5 ' ( 5 (officer, Corporate Defendant, its  
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1 employees, and attorneys, and all other persons in active concert or participation with any of  
2 them, shall within fourteen (14) days provide a list of all customers who subscribed to the

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1 the exact wording and format in Attachment B, that appears on the Lumosity website  
2 immediately after the subscriber logs in and prior to access to any Lumosity games and remains  
3 on the website for a period of ninety (90) days from initial posting or until the subscriber replies  
4 by clicking on a link in the email, web, or mobile notice described in Subsections A (1)-2 9 0 0 9 nem1( A) C  
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majority owner or directly or indirectly controls, and each Corporate Defendant, must deliver a copy of this Order to: (1) all principals, officers, directors, LLC managers and members, employees, agents, and representatives who participate in conduct related to the subject matter of the Order; and (2) any business entity resulting from any change in structure as set forth in Section XI, titled Compliance Reporting. Delivery must occur within seven (7) days of entry of this Order for current personnel. For all others, delivery must occur before they assume their responsibilities.

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

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, 7 , 6 ) 8 5 7 + ( 5 2 5 ' ( 5 ( ' that Defendants make timely submission  
Commission:

A. Sixty (60) days after entry of this Order, each Defendant must submit a compliance report, sworn under penalty of perjury.

1. Each Defendant must: (a) designate at least one telephone number and an email, physical, and postal address as 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 email, Internet, physical, and postal addresses; (c) describe the activities of each business, including the products and services offered, the means of advertising, marketing, and sales, and the involvement of any other Defendant (which Individual Defendants must describe if they know or should know due to their own involvement); (d) describe in detail whether and how that Defendant is in compliance with each Section of this



1 bankruptcy petition, insolvency proceeding, or similar proceeding by or against such Defendant  
2 within fourteen (14) days of its filing.

3  
4 D. Any submission to the Commission required by this Order to be sworn under  
5 penalty of perjury must be true and accurate and comply with 28 U.S.C. § 1746, such as by  
6 concluding: “I declare under penalty of perjury under the laws of the United States of America  
7 that the foregoing is true and correct. Executed on: \_\_\_\_\_” and supplying the date, signatory’s  
8 full name, title (if applicable), and signature.

9  
10 E. Unless otherwise directed by a Commission representative in writing, all  
11 submissions to the Commission pursuant to this Order must be emailed to DEbrief@ftc.gov or  
12 sent by overnight courier (not the U.S. Postal Service) to: As  
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1 position; dates of service; and, if applicable, the reason for termination;

2 C. Complaints and refund requests, whether received directly or referred from a third  
3 party, and any response, in connection with any Covered Product;  
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1 who did not complete the test, and all written or recorded communications with any participants  
2 relating to the test; all raw data collected from participants enrolled in the test, including any  
3 participants who did not complete the test; source documents for such data; any data dictionaries;  
4 and any case report forms;  
5

6 D. All documents referring or relating to any statistical analysis of any test data,  
7 including, but not limited to, any pretest analysis, intent-to-treat analysis, or between-group  
8 analysis performed on any test data; and  
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10 E. All documents referring or relating to any statistical analysis of any test data,  
11 including, but not limited to, any pretest analysis, intent-to-treat analysis, or between-group  
12 analysis performed on any test data; and  
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compliance with this Order:

A. Within fourteen (14)

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Dear [Recipient Name]:

You currently have a Lumosity subscription with an auto-renewal feature – in other words, we automatically charge you to renew your subscription at the end of the current term unless you have turned off the auto-renewal. This notice is to let you know that we recently decided to settle a deceptive advertising lawsuit by the Federal Trade Commission (FTC), the nation’s consumer protection agency. The FTC charged us with making claims that were not supported by science, including claims that using Lumosity:

- Improves performance in school, work, and athletics;
- Delays age-related mental decline and protects against dementia and Alzheimer’s disease; and
- Helps those with ADHD, PTSD, Traumatic Brain Injury, and other health conditions.

Visit the FTC website at [URL] to find out more about the FTC’s lawsuit.

To settle the case, we have agreed – among other things – to let you know that you can avoid future billing by turning off your auto-renewal. Please choose an option below:

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If you would like to review this message again, we also have sent a copy to the email address on

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