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 14 FEDERAL TRADE COMMISSION

15 UNITED STATES DISTRICT COURT  
 16 FOR THE CENTRAL DISTRICT OF CALIFORNIA

17 FEDERAL TRADE COMMISSION,  
 18

19 Plaintiff,

20 v.

21 AURA LABS, INC., a corporation, also  
 d/b/a AuraLife and AuraWare, and

22 RYAN ARCHDEACON, individually and  
 as an officer of AURA LABS, INC.,

23 Defendants.  
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Case No. 8:16-cv-2147-DOC  
 (KESx)\_

ORDER FOR PERMANENT  
 INJUNCTION AND  
 MONETARY JUDGMENT [3]

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1 3. Defendants neither admit nor deny any of the allegations in the Complaint,  
2 except as specifically stated in this Order. Only for purposes of this action,  
3 Defendants admit the facts necessary to establish jurisdiction.  
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5 4. Defendants waive any claim that they may have under the Equal Access to  
6 Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action through  
7 the date of this Order, and agree to bear their own costs and attorney fees.  
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9 5. Defendants waive all rights to appeal or otherwise challenge or contest the  
10 validity of this Order.  
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## 12 **DEFINITIONS**

13 For the purpose of this Order, the following definitions apply:

14 A. **“Clear(ly) and Conspicuous(ly)”** means that a required disclosure is  
15 difficult to miss (*i.e.*, easily noticeable) and easily understandable by ordinary  
16 consumers, including in all of the following ways:  
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18 1. In any communication that is solely visual or solely audible, the  
19 disclosure must be made through the same means through which the  
20 communication is presented. In any communication made through both  
21 visual and audible means, such as a television advertisement, the disclosure  
22 must be presented simultaneously in both the visual and audible portions of  
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1 the communication even if the representation requiring the disclosure is  
2 made in only one means.

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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  
6 text or other visual elements so that it is easily noticed, read, and  
7 understood.

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

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

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16 5. The disclosure must use diction and syntax understandable to  
17 ordinary consumers and must appear in each language in which the  
18 representation that requires the disclosure appears.

19  
20 6. The disclosure must comply with these requirements in each medium  
21 through which it is received, including all electronic devices and  
22 face-to-face communications.



1           1.     Recognized in the official National Formulary, or the United States  
2           Pharmacopeia, or any supplement to them,

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4           2.     Intended for use in the diagnosis of disease or other conditions, or in  
5           the cure, mitigation, treatment, or prevention of disease, in man or other  
6           animals, or

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8           3.     Intended to affect the structure or any function of the body of man or  
9           other animals, and which does not achieve any of its principal intended  
10          purposes through chemical action within or on the body of man or other  
11          animals and which is not dependent upon being metabolized for the  
12          achievement of any of its principal intended purposes.

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14       E.     “**Endorsement**” means, as defined in 16 C.F.R. § 255.0(b), any advertising  
15       message (including verbal statements, demonstrations, or depictions of the name,  
16       signature, likeness or other identifying personal characteristics of an individual or  
17       the name or seal of an organization) that consumers are likely to believe reflects  
18       the opinions, beliefs, findings, or experiences of a party other than the sponsoring  
19       advertiser, even if the views expressed by that party are identical to those of the  
20       sponsoring advertiser. The party whose opinions, beliefs, findings, or experience  
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1 the message appears to reflect will be called the endorser and may be an  
2 individual, group, or institution.

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4 F. **“Material Connection”** means any relationship that materially affects the  
5 weight or credibility of any Endorsement and that would not be reasonably  
6 expected by consumers.

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8 G. **“Measure”** or **“Measures”** means to calculate, approximate, estimate,  
9 predict, or otherwise ascertain the value, number, quantity, amount, or degree of  
10 something.

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12 H. **“Person”** means a natural person, an organization, or other legal entity,  
13 including a corporation, partnership, sole proprietorship, limited liability  
14 company, association, cooperative, or any other group or combination acting as an  
15 entity.

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17 I. **“Reliably Reported,”** for a human clinical test or study, means a report of  
18 the test or study has been published in a peer-reviewed journal, and such  
19 published report provides sufficient information about the test or study for experts  
20 in the relevant field to assess the reliability of the results.  
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1 **ORDER**

2 **I. PROHIBITED REPRESENTATIONS REGARDING**  
3 **BLOOD PRESSURE**

4 **IT IS ORDERED** that Defendants, Defendants' officers, agents,  
5 employees, and attorneys, and all other Persons in active concert or participation  
6 with any of them, who receive actual notice of this Order, whether acting directly  
7 or indirectly, in connection with the manufacturing, labeling, advertising,  
8 promotion, offering for sale, sale, or distribution of any Covered Product, are  
9 permanently restrained and enjoined from making, or assisting others in making,  
10 expressly or by implication, including through the use of a product or program  
11 name, Endorsement, depiction, or illustration, any representation that such  
12 product:  
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- 14
- 15 A. Serves as a replacement for a traditional blood pressure cuff;
  - 16 B. Measures blood pressure;
  - 17 C. Measures blood pressure as accurately as a traditional blood pressure cuff;
  - 18 or
  - 19 D. Measures blood pressure with a specified degree of accuracy,
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1 **II. PROHIBITED REPRESENTATIONS:**  
 2 **OTHER HEALTH-RELATED CLAIMS**

3 **IT IS FURTHER ORDERED** that Defendants, Defendants’ officers,  
 4 agents, employees, and attorneys, and all other Persons in active concert or  
 5 participation with any of them, who receive actual notice of this Order, whether  
 6 acting directly or indirectly, in connection with the manufacturing, labeling,  
 7 advertising, promotion, offering for sale, sale, or distribution of any Device, are  
 8 permanently restrained and enjoined from making, or assisting others in making,  
 9 expressly or by implication, including through the use of a product or program  
 10 name, Endorsement, depiction, or illustration, any representation, other than  
 11 representations covered under Section I of this Order, about the health benefits or  
 12 health efficacy of any Device, unless the representation is non-misleading, and, at  
 13 the time of making such representation, Defendants possess and rely upon  
 14 competent and reliable scientific evidence that is sufficient in quality and quantity  
 15 based on standards generally accepted in the relevant scientific fields, when  
 16 considered in light of the entire body of relevant and reliable scientific evidence,  
 17 to substantiate that the representation is true.

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 23 For purposes of this Section, competent and reliable scientific evidence  
 24 means tests, analyses, research, or studies (1) that have been conducted and

1 evaluated in an objective manner by qualified experts; (2) that are generally  
2 accepted by qualified experts to yield accurate and reliable results; and (3) that are  
3 randomized, double-blind, and placebo-controlled human clinical testing of the  
4 Device, when qualified experts would generally require such human clinical  
5 testing to substantiate that the representation is true. In addition, when such tests  
6 or studies are human clinical tests or studies, all underlying or supporting data and  
7 documents generally accepted by experts in the field as relevant to an assessment  
8 of such testing as set forth in the Section entitled “Preservation of Records  
9 Relating to Competent and Reliable Human Clinical Tests or Studies” must be  
10 available for inspection and production to the Commission.  
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### 12 **III. DECEPTIVE USE OF ENDORSEMENTS**

13 **IT IS FURTHER ORDERED** that Defendants, Defendants’ officers,  
14 agents, employees, and attorneys, and all other Persons in active concert or  
15 participation with any of them, who receive actual notice of this Order, whether  
16 acting directly or indirectly, in connection with the manufacturing, labeling,  
17 advertising, promotion, offering for sale, sale, or distribution of any Device, must  
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1 B. All documents referring or relating to recruitment; randomization;  
2 instructions, including oral instructions, to participants; and participant  
3 compliance;  
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5 C. Documents sufficient to identify all test participants, including any  
6 participants who did not complete the test, and all communications with any  
7 participants relating to the test; all raw data collected from participants enrolled in  
8 the test, including any participants who did not complete the test; source  
9 documents for such data; any data dictionaries; and any case report forms;  
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11 D. All documents referring or relating to any statistical analysis of any test  
12 data, including, but not limited to, any pretest analysis, intent-to-treat analysis, or  
13 between-group analysis performed on any test data; and  
14

15 E. All documents referring or relating to the sponsorship of the test, including  
16 all contracts and communications between any sponsor and the test's researchers.  
17

18 *Provided, however,* the preceding preservation requirement shall not apply  
19 to a Reliably Reported test, unless the test was conducted, controlled, or  
20 sponsored, in whole or in part by: (1) any Defendant; (2) any Defendant's  
21 officers, agents, representatives, or employees; (3) any other Person or entity in  
22 active concert or participation with any Defendant; (4) any Person or entity  
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1 affiliated with or acting on behalf of any Defendant; (5) any supplier of any  
2 ingredient contained in the product at issue to any of the foregoing or to the  
3 product's manufacturer; or (6) the supplier or manufacturer of such product.  
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5 For any test conducted, controlled, or sponsored, in whole or in part, by  
6 Defendants, Defendants must establish and maintain reasonable procedures to  
7 protect the confidentiality, security, and integrity of any personal information  
8 collected from or about participants. These procedures shall be documented in  
9 writing and shall contain administrative, technical, and physical safeguards  
10 appropriate to Corporate Defendant's size and complexity, the nature and scope of  
11 Defendants' activities, and the sensitivity of the personal information collected  
12 from or about the participants.  
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## 15 **V. MONETARY JUDGMENT AND SUSPENSION**

16 **IT IS FURTHER ORDERED** that:

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18 A. Judgment in the amount of Five Hundred Ninety-Five Thousand, Nine  
19 Hundred Forty-Five Dollars and Twenty-Seven Cents (\$595,945.27) is entered in  
20 favor of the Commission against Defendants, jointly and severally, as equitable  
21 monetary relief.  
22

23 B. The judgment is suspended subject to the Subsections below.  
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1 C. The Commission’s agreement to the suspension of the judgment is  
2 expressly premised upon the truthfulness, accuracy, and completeness of  
3 Defendants’ sworn financial statements and related documents (collectively,  
4 “financial representations”) submitted to the Commission, namely:  
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- 6 1. the Financial Statement of Individual Defendant Ryan Archdeacon,  
7 signed on June 23, 2016, including the attachments;
- 8 2. the Financial Statement of Corporate Defendant Aura Labs, Inc.,  
9 signed on June 20, 2016, including the attachments.  
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11  
12 D. The suspension of the judgment will be lifted as to any Defendant if, upon  
13 motion by the Commission, the Court finds that Defendant failed to disclose any  
14 material asset, materially misstated the value of any asset, or made any other  
15 material misstatement or omission in the financial representations identified  
16 above.  
17

18 E. If the suspension of the judgment is lifted, the judgment becomes  
19 immediately due as to that Defendant in the amount specified in Subsection A  
20 above (which the parties stipulate only for purposes of this Section represents the  
21 consumer injury alleged in the Compla  
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1 pursuant to this Section, plus interest computed from the date of entry of this  
2 Order.  
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1 J. All money paid to the Commission pursuant to this Order may be deposited  
2 into a fund administered by the Commission or its designee to be used for  
3 equitable relief, including consumer redress and any attendant expenses for the  
4 administration of any redress fund. If a representative of the Commission  
5 decides that direct redress to consumers is wholly or partially impracticable or  
6 money remains after redress is completed, the Commission may apply any  
7 remaining money for such other equitable relief (including consumer information  
8 remedies) as it determines to be reasonably related to Defendants' practices  
9 alleged in the Complaint. Any money not used for such equitable relief is to be  
10 deposited to the U.S. Treasury as disgorgement. Defendants have no right to  
11 challenge any actions the Commission or its representatives may take pursuant to  
12 this Subsection.  
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## 17 VI. CUSTOMER INFORMATION

18 **IT IS FURTHER ORDERED** that Defendants, Defendants' officers,  
19 agents, employees, and attorneys, and all other Persons in active concert or  
20 participation with any of them, who receive actual notice of this Order, whether  
21 acting directly or indirectly, are permanently restrained and enjoined from failing  
22 to provide sufficient customer information to enable the Commission to efficiently  
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1 administer consumer redress. Defendants represent that they have provided this  
2 redress information to the Commission. If a representative of the Commission  
3 requests in writing any information related to redress, Defendants must provide it,  
4 in the form prescribed by the Commission, within 14 days.  
5

6 **VII. ORDER ACKNOWLEDGMENTS**

7 **IT IS FURTHER ORDERED** that Defendants obtain acknowledgments of  
8 receipt of this Order:  
9

10 A. Each Defendant, within 7 days of entry of this Order, must submit to the  
11 Commission an acknowledgment of receipt of this Order sworn under penalty of  
12 perjury.  
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14 B. For 5 years after entry of this Order, Individual Defendant, for any business  
15 that Individual Defendant, individually or collectively with Corporate Defendant,  
16 is the majority owner or controls directly or indirectly, and Corporate Defendant,  
17 must deliver a copy of this Order to: (1) all principals, officers, directors, and  
18 LLC managers and members; (2) all employees, agents, and representatives who  
19 participate in conduct related to the subject matter of this Order; and (3) any  
20 business entity resulting from any change in structure as set forth in the Section  
21 titled "Compliance Reporting." Delivery must occur within 7 days of entry of  
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1 this Order for current personnel. For all others, delivery must occur within 10  
2 days after they assume their responsibilities.

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

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8 **VIII. COMPLIANCE REPORTING**

1 involvement of any other Defendant (which Individual Defendant must  
2 describe if he knew or should know due to his own involvement);

3  
4 (d) describe in detail whether and how that Defendant is in compliance with  
5 each Section of this Order; and (e) provide a copy of each Order  
6 Acknowledgment obtained pursuant to this Order, unless previously  
7 submitted to the Commission.  
8

9 2. Additionally, Individual Defendant must: (a) identify all telephone  
10 numbers and all physical, postal, email and Internet addresses, including all  
11 residences; (b) identify all business activities, including any business for  
12 which such Defendant performs services, whether as an employee or  
13 otherwise, and any entity in which such Defendant has any ownership  
14 interest; and (c) describe in detail such Defendant's involvement in each  
15 such business, including title, role, responsibilities, participation, authority,  
16 control, and any ownership.  
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20 B. For 10 years after entry of this Order, each Defendant must submit a  
21 compliance notice, sworn under penalty of perjury, within 14 days of any change  
22 in the following:  
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1 28 U.S.C. § 1746, such as by concluding: “I declare under penalty of perjury  
2 under the laws of the United States of America that the foregoing is true and  
3 correct. Executed on: \_\_\_\_\_” and supplying the date, signatory’s full name,  
4 title (if applicable), and signature.  
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1 B. personnel records showing, for each Person providing services, whether as  
2 an employee or otherwise, that Person's: name; addresses; telephone numbers;  
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4 job title or position; dates of service; and (if applicable) the reason for  
5 termination;

6 C. records of all complaints and refund requests, whether received directly or  
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1 court, using any of the procedures prescribed by Federal Rules of Civil Procedure  
2 29, 30 (including telephonic depositions), 31, 33, 34, 36, 45, and 69 provided that  
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4 Defendants, after attempting to resolve a dispute without court action and for good  
5 cause shown, may file a motion with this Court seeking an order for one or more  
6 of the protections set forth in Rule 26(c).

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8 B. For matters concerning this Order, the Commission is authorized to  
9 communicate directly with each Defendant. Defendant must permit  
10 representatives of the Commission to interview any employee or other Person  
11 affiliated with any Defendant who has agreed to such an interview. The Person  
12 interviewed may have counsel present.

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

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22 D. Upon written request from a representative of the Commission, any  
23 consumer reporting agency must furnish consumer reports concerning Individual  
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1 Defendant, pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C.  
2 § 1681(b)(a)(1).  
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4 **XI. RETENTION OF JURISDICTION**

5 **IT IS FURTHER ORDERED**  
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