

1 (“ROSCA”), 15 U.S.C. § 8404. The Commission and Defendant stipulate to the
2 entry of this Stipulated Order for Permanent Injunction and Monetary Judgment
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STIPULATED FINAL ORDER

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Information to be submitted for payment, including against the consumer's credit

STIPULATED FINAL ORDER

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C. That a good or service is offered on a “free,” “trial,” “sample,”

1 5. A description of the good or service;

2 6. Any Charge or cost for which the consumer is responsible in
3 connection with the cancellation of an order, any service or the return of any good;
4 and

5 7. The simple cancellation mechanism to stop any recurring
6 Charges, as required by Section IV of this Order.

7 C. Failing to send the consumer:

8 1. Immediately after the consumer's submission of an online
9 order, written confirmation of the transaction by email. The email must Clearly
10 and Conspicuously disclose all the information required by Subsection B, and
11 contain a subject line reading "Order Confirmation" along with the name of the
12 good or service, which may read, "Welcome to ABCmouse! Order confirmation,"
13 and no additional information; or

14 2. Within 2 days after receipt of the consumer's order by mail or
15 telephone, a written confirmation of the transaction, either by email or first class
16 mail. The email or letter must Clearly and Conspicuously disclose all the
17 information required by Subsection B. The subject line of the email must Clearly
18 and Conspicuously state "Order Confirmation" along with the name of the good or
19 service, and nothing else. The outside of the envelope must Clearly and
20 Conspicuously state "Order Confirmation" along with the name of the product or
21 service, and no additional information other than the consumer's address, the
22 Defendant's return address, and postage.

23 III. OBTAINING EXPRESS INFORMED CONSENT
24 FOR A NEGATIVE OPTION

25 IT IS FURTHER ORDERED that Defendant, Defendant's officers, agents,
26 employees, and attorneys, and all other persons in active concert or participation
27 with any of them, who receive actual notice of this Order, whether acting directly
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STIPULATED FINAL ORDER

1 providing, at a minimum, the last 4 digits of the consumer's account number to be
2 Charged, b) understands that the transaction includes a Negative Option Feature,
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1 can easily use to cancel the product or service and to immediately stop all further
2 Charges.

3 C. For consumers who entered into the agreement to purchase a good or
4 service including a Negative Option Feature through an oral offer and acceptance,
5 Defendant must maintain a telephone number and a postal address that consumers
6 can easily use to cancel the product or service and to immediately stop all further
7 Charges. Defendant must assure that all calls to this telephone number are
8 answered during normal business hours and that mail to the postal address is read
9 regularly.

10 V. MONETARY JUDGMENT

11 A. Judgment in the amount of Ten Million Dollars (\$10,000,000) is
12 entered in favor of the Commission against Defendant, as equitable monetary
13 relief.

14 B. Defendant is ordered to pay the Commission Ten Million Dollars
15 (\$10,000,000), which as Defendant stipulates, its undersigned counsel holds in
16 escrow for no purpose other than payment to the Commission. Such payment must
17 be made within 7 days of entry of this Order by electronic fund transfer in
18 accordance with instructions previously provided by a representative of the
19 Commission.

20 C. Defendant relinquishes dominion and all legal and equitable right,
21 title, and interest in all assets transferred pursuant to this Order and may not seek
22 the return of any assets.

23 D. The facts alleged in the Complaint will be taken as true, without
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STIPULATED FINAL ORDER

1 2. identify all of Defendant's businesses by all of their names,
2 telephone numbers, and physical, postal, email, and Internet addresses;

3 3. describe the activities of each business, including the goods and
4 services offered, the means of advertising, marketing, and sales;

5 4. describe in detail whether and how Defendant is in compliance
6 with each Section of this Order; and

7 5. provide a copy of each Order Acknowledgment obtained
8 pursuant to this Order, unless previously submitted to the Commission.
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10 B. For 20 years after entry of this Order, Defendant must submit a
11 compliance notice, sworn under penalty of perjury, within 14 days of any change
12 in the following:

13 1. any designated point of contact; or

14 2. the structure of Defendant or any entity that Defendant has any
15 ownership interest in or controls directly or indirectly that may affect compliance
16 obligations arising under this Order, including: creation, merger, sale, or
17 dissolution of the entity or any subsidiary, parent, or affiliate that engages in any
18 acts or practices subject to this Order.

19 C. Defendant must submit to the Commission notice of the filing of any
20 bankruptcy petition, insolvency proceeding, or similar proceeding by or against
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1 E. Unless otherwise directed by a Commission representative in writing,
2 all submissions to the Commission pursuant to this Order must be emailed to
3 DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to:
4 Associate Director for Enforcement, Bureau of Consumer Protection, Federal
5 Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The
6 subject line must begin with: FTC v. Age Of Learning, Inc. FTC Matter No. 1723186.
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8 IX. RECORDKEEPING

9 IT IS FURTHER ORDERED that Defendant must create certain records
10 for 20 years after entry of the Order, and retain each such record for 5 years.
11 Specifically, Defendant must create and retain the following records:

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

14 B. Personnel records showing, for each person providing services,
15 whether as an employee or otherwise, that person's: name; addresses; telephone
16 numbers; job title or position; dates of service; and (if applicable) the reason for
17 termination;
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1 requested information, which must be sworn under penalty of perjury; appear for
2 depositions; and produce documents for inspection and copying. The Commission
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STIPULATED FINAL ORDER

1 SO STIPULATED AND AGREED:

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3 FEDERAL TRADE COMMISSION

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6 Date: 6 H S W H P E H U

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7 Joannie T. Wei
8 Federal Trade Commission, Midwest Region
9 230 South Dearborn Street, Suite 3030
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16 Attorneys for Plaintiff Federal Trade Commission

17 FOR DEFENDANT:

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19 Date: August 10, 2020

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Date: August 10, 2020

Shannon Castellani
General Counsel and Senior Vice President of Compliance, Age of Learning, Inc.

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