

**UNITED STATES OF AMERICA  
BEFORE THE FEDERAL TRADE COMMISSION**

**In the Matter of**

**CREAXION CORPORATION, a corporation,**

**MARK PETTIT, individually and as an officer of  
Creaxion Corporation,**

**INSIDE PUBLICATIONS, LLC OF GEORGIA, a  
limited liability company, and**

**CHRISTOPHER KOROTKY, individually and as a  
member of Inside Publications, LLC of Georgia.**

**FILE NOS. 172-3066  
NO**

The Federal Trade Commission (“Commission”) has conducted an investigation of certain acts and practices of Creaxion Corporation, Mark Pettit, Inside Publications, LLC of Georgia, and Christopher Korotky. The Commission’s Bureau of Consumer Protection (“BCP”) has prepared a draft of an administrative Complaint (“draft Complaint”). BCP and Proposed Respondents Creaxion Corporation and Mark Pettit (together, for purposes of this document, “Proposed Respondents”) enter into this Agreement Containing Consent Order (“Consent Agreement”) to resolve the allegations in the attached draft Complaint through a proposed Decision and Order Against Respondents Creaxion Corporation and Mark Pettit to present to the Commission, which is

3. Proposed Respondents waive:
  - a. Any further procedural steps;
  - b.



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**COMMISSIONERS:**

The Commission considered the matter and determined that it had reason to believe that Respondents have violated the Federal Trade Commission Act, and that a Complaint should issue stating its charges in that respect. The Commission accepted the executed Consent Agreement and placed it on the public record for a period of 30 days for the receipt and consideration of public comments. The Commission duly considered any comments received from interested persons pursuant to Section 2.34 of its Rules, 16 C.F.R. § 2.34. Now, in further conformity with the procedure prescribed in Rule 2.34, the Commission issues its Complaint, makes the following Findings, and issues the following Order against Creaxion Corporation and Mark Pettit:

### **Findings**

1. The Respondents are:
  - a. Respondent Creaxion Corporation, a Delaware corporation with its principal office or place of business at 1080 Peachtree Street NE, Suite 1810, Atlanta, Georgia 30309.
  - b. Respondent Mark Pettit, the Chief Executive Officer of Creaxion Corporation. Individually or in concert with others, he controlled, or had the authority to control, or participated in, the acts and practices alleged in the Complaint. His principal office or place of business is the same as that of Creaxion Corporation.
2. The Commission has jurisdiction over the subject matter of this proceeding and over the Respondents, and the proceeding is in the public interest.

### **ORDER**

#### **Definitions**

For purposes of this Order, the following definitions apply:

- A. “Clearly and conspicuously” means that a required disclosure is difficult to miss (i.e., easily noticeable) and easily understandable by ordinary consumers, including in all of the following ways:
  1. In any communication that is solely visual or solely audible, the disclosure must be made through the same means through which the communication is presented. In any communication made through both visual and audible means, such as a television advertisement, the disclosure must be presented simultaneously in both the visual and audible portions of the communication even if the representation requiring the disclosure (“triggering representation”) is made through only one means.
  2. A visual disclosure, by its size, contrast, location, the length of time it appears, and other characteristics, must stand out from any accompanying text or other visual elements so that it is easily noticed, read, and understood.

3. An audible disclosure, including by telephone or streaming video, must be delivered in a volume, speed, and cadence sufficient for ordinary consumers to easily hear and understand it.
  4. In any communication using an interactive electronic medium, such as the Internet or software, the disclosure must be unavoidable.
  5. On a product label, the disclosure must be presented on the principal display panel.
  6. The disclosure must use diction and syntax understandable to ordinary consumers and must appear in each language in which the triggering representation appears.
  7. The disclosure must comply with these requirements in each medium through which it is received, including all electronic devices and face-to-face communications.
  8. The disclosure must not be contradicted or mitigated by, or inconsistent with, anything else in the communication.
  9. When the representation or sales practice targets a specific audience, such as children, the elderly, or the terminally ill, “ordinary consumers” includes reasonable members of that group.
- B. “Close proximity” means that the disclosure is very near the triggering representation. For example, a disclosure made through a hyperlink, pop-up, interstitial, or other similar technique is not in close proximity to the triggering representation.
- C. “Including” means including but not limited to.
- D. “Respondents” means Creaxion Corporation and Mark Pettit, individually or collectively.
1. “Corporate Respondent” means Creaxion Corporation, a corporation, and its successors and assigns.
  2. “Individual Respondent” means Mark Pettit.
- E. “Unexpected material connection” means any relationship that might materially affect the weight or credibility of a testimonial or endorsement and that would not reasonably be expected by consumers.

## **Provisions**

### **I. Prohibited Misrepresentations – Endorsements**

**IT IS ORDERED** that Respondents, and Respondents’ 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 the

manufacturing, labeling, advertising, promotion, offering for sale, sale, or distribution of any product or service are prohibited from making, or assisting others in making, any misrepresentation, expressly or by implication, about the status of any endorser or person providing a review of the product or service, including a misrepresentation that the endorser or reviewer is an independent user or ordinary consumer of the product or service.

## **II. Required Disclosures – Endorsements**

**IT IS FURTHER ORDERED** that Respondents, and Respondents’ 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 the advertising, promotion, offering for sale, or sale of any product or service are prohibited from making, or assisting others in making, any representation, expressly or by implication, about any consumer or other endorser of such product or service without disclosing, clearly and conspicuously, and in close proximity to that representation, any unexpected material connection between such endorser and (1) any Respondent or (2) any other individual or entity affiliated with the product or service.

## **III. Prohibited Misrepresentations – Deceptively Formatted Advertising**

**IT IS FURTHER ORDERED** that Respondents, and Respondents’ 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 the advertising, promotion, offering for sale, or sale of any product or service are prohibited

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ensure compliance with Provisions I and II of this Order. The system shall include, at a minimum, monitoring and reviewing the endorsers' print, radio, television, online or digital advertisement or communication;

C. Immediately terminating and ceasing payment to any endorser with a material connection to any Respondent or any other individual or entity affiliated with the product or service who Respondents reasonably conclude:

1. Has misrepresented, in any manner, their independence or impartiality; or
2. Has failed to disclose, clearly and conspicuously, and in close proximity to the endorsement, an unexpected material connection between such endorser and any Respondent or any other individual or entity affiliated with the product or service.

*Provided, however,* that Respondents may provide an endorser with notice of failure to adequately disclose and an opportunity to cure the disclosure prior to terminating the endorsement relationship if Respondents reasonably conclude that the failure to adequately disclose was inadvertent. Respondents shall inform any endorser to whom they have provided a notice of a failure to adequately disclose an unexpected material connection that any subsequent failure to adequately disclose will result in immediate termination; and

D. Creating reports showing the results of the monitoring required by this Provision.

#### **V. Acknowledgments of the Order**

**IT IS FURTHER ORDERED** that Respondents obtain acknowledgments of receipt of this Order:

A. Each Respondent, within 10 days after the effective date

## **VI. Compliance Reports and Notices**

**IT IS FURTHER ORDERED** that Respondents make timely submissions to the Commission:

- A. Sixty days after the issuance date of this Order, each Respondent must submit a compliance report, sworn under penalty of perjury, in which:



### **VIII. Compliance Monitoring**

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

- A. Within 10 days of receipt of a written request from a representative of the Commission, each Respondent must: submit additional compliance reports or other requested information, which must be sworn under penalty of perjury, and produce records for inspection and copying.
- B. For matters concerning this Order, representatives of the Commission are authorized to communicate directly with each Respondent. Respondents must permit representatives

upheld on appeal, then the Order will terminate according to this Provision as though the complaint had never been filed, except that the Order will not terminate between the date such complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

By the Commission.

Donald S. Clark  
Secretary

SEAL:  
ISSUED: