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17 UNITED STATES DISTRICT COURT
18 NORTHERN DISTRICT OF CALIFORNIA

19 SAN JOSE DIVISION

20
21 UNITED STATES OF AMERICA,

22 Plaintiff,
23 vs.

24 UNIXIZ, Inc., a corporation doing business
as i-Dressup.com, and

25 ZHIJUN LIU and XICHEN ZHANG,
individually and as officers of UNIXIZ,
26 Inc.

27 Defendants.

Case No. 5:19-cv-2222

**[Proposed] STIPULATED ORDER FOR
CIVIL PENALTIES, PERMANENT
INJUNCTION, AND OTHER RELIEF**

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Plaintiff, the United States of America, acting upon notification and behalf of the
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2WKHU (TXLWDEOH) in this matter, pursuant to Section 13(b) 16(a)(1) of
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have waived service of the summons and the Complaint. Plaintiff and Defendants stipulate to
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to resolve all matters in dispute in this action between them.

THEREFORE, IT IS ORDERED as follows:

FINDINGS

1. This Court has jurisdiction over this matter.
2. The Complaint charges that Defendants violated COPPA and the FTC Act by failing to include information required by COPPA in its privacy policy; failing to provide sufficient direct notice of their information practices to parents; failing to obtain verifiable parental consent; and failing to delete online contact information of a parent after having failed to obtain consent
3. Defendants neither admit nor deny any of the allegations in this Complaint.

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commercial purposes involving commerce among the several States, or with one
more foreign nations; in any territory of the United States or in the District of Columbia,
or between any such territory and another such territory or any State or foreign nation; or
between the District of Columbia and any State, territory, or foreign nation.

L. Except for purposes of Part IX of this Order, § D U H Q W ' L Q F O X G H V D O H J D O J

M. § 3 H U V R Q S any individual, partnership, corporation, trust, estate, cooperative,
association, or other entity.

N. § 3 H U V R Q D O

a. Does not collect Personal Information from any visitor prior to collecting age information; and

b. Prevents the collection, use, or disclosure of Personal Information from visitors who identify themselves as under age 13 without first complying with the notice and parental consent provisions of 16 C.F.R. Part 312

4. A Web site or online service shall not be deemed directed to children solely because it refers or links to a commercial Web site or online service directed to Children by using information location tools, including a directory, index, reference, pointer, or hypertext link.

ORDER

I. INJUNCTION CONCERNING THE COLLECTION OF PERSONAL INFORMATION

IT IS ORDERED that all persons, including 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 being an Operator of any Website Or Online Service Directed To Children or of any Web site or online service with actual knowledge that collecting or maintaining Personal Information from a Child, are hereby permanently restrained and enjoined from violating the

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A. Failing to provide sufficient notice on Website or online services of the Personal Information it Collects, or is Collected on their behalf, online from Children, how it uses such information, its Disclosure practices, and all other required content

B. Failing to provide sufficient direct notice Parents of the Personal Information Defendants Collect, or Personal Information that has been CROOHFWHG RQ HIHQGD

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1 III. ADDITIONAL MONETARY PROVISIONS

2 IT IS FURTHER ORDERED that:

- 3 A. Defendants relinquish dominion and all legal and equitable right, title, and interest in all
4 assets transferred pursuant to this Order and may not seek the return of any assets.
- 5 B. The facts alleged in the Complaint will be taken as true, without further proof, in any
6 subsequent civil litigation by or on behalf of the Commission, including in a proceeding
7 to enforce its rights to any payment or monetary judgement pursuant to this Order.
- 8 C. Defendants agree that the judgment represents a civil penalty owed to the government of
9 the United States, is not compensation for actual pecuniary loss, and, therefore, as to the
10 Individual Defendants, it is not subject to discharge under the Bankruptcy Code pursuant
11 to 11 U.S.C. §23(a)(7).
- 12 D. Defendants acknowledge that their Taxpayer Identification Numbers, which Defendants
13 must submit to the Commission, may be used for collecting and reporting on any
14 delinquent amount arising out of this Order, in accordance with 31 U.S.C. §7701.

15 IV. MANDATED INFORMATION SECURITY PROGRAM

16 IT IS FURTHER ORDERED that each Covered Business shall not transfer, sell, share,
17 collect, maintain, or store Covered Information unless it establishes and implements, and
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1 Business has implemented and maintained Provision V of this Order titled Mandated
2 Information Security Program; (2) assessment of the effectiveness of the implementation and
3 maintenance of subprovisions V.A-H; or (3) identification of any gaps or weaknesses in the
4 Information Security Program.

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6 VII. ANNUAL CERTIFICATION

7 IT IS FURTHER ORDERED that in connection with compliance with Provision V of
8 this Order titled Mandated Information Security Program, Defendants shall:

- 9 A. One year after the issuance date of this Order, and each year thereafter for a period of ten
10 (10) years, provide the Commission with a certification from a senior corporate manager,
11 or, if no such senior corporate manager exists, a senior officer of each Covered Business
12 responsible for each & R Y H U H G Information Security Program that: (1) each
13 Covered Business has established, implemented, and maintained the requirements of this
14 Order; (2) each Covered Business is not aware of any material noncompliance that has
15 not been (a) corrected or (b) disclosed to the Commission; and (3) includes a brief
16 description of any Covered Incident. The certification must be based on the personal
17 knowledge of the senior corporate manager, senior officer, or subject matter experts upon
18 whom the senior corporate manager or senior officer reasonably relies in making the
19 certification.
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21 B. Unless otherwise directed by a Commission representative, submit all annual
22 certifications to the Commission pursuant to this Order via email to FTCbrief@ftc.gov or
23 by overnight courier (not the U.S. Postal Service) to Associate Director for Enforcement,
24 Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue
25 NW, Washington, DC 20580. The subject line must begin with FTC v. Unixiz, Inc
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Defendant 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 the Commission notice of the filing of any bankruptcy petition, insolvency proceeding, or similar proceeding by or against such Defendant within fourteen (14) days of its filing.

D. Any submission to the Commission 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

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E. Unless otherwise directed by a Commission 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. Unixiz, Inc.

X. RECORDKEEPING

IT IS FURTHER ORDERED that Defendants must create certain records (or) 10 years after entry of the Order, and retain each such record (five) 5 years. Specifically, Corporate Defendants in connection with any Website or online service and each Individual Defendant for any business that such Defendant, individually or collectively with any other Defendants, is a majority owner or controls directly or indirectly, must create and retain the following records:

A. accounting records showing the revenues from all goods or services sold

1 of the procedures prescribed by Federal Rules of Civil Procedure 29, 30 (including
2 telephonic depositions), 31, 33, 34, 36, 45, and 69.

3 B. For matters concerning this Order, the Commission and Plaintiff are authorized to
4 communicate directly with each Defendant. Defendant must permit representatives of the
5 Commission and Plaintiff to interview any employee or other Person affiliated with any
6 Defendant who has agreed to such an interview. The Person interviewed may have
7 counsel present.
8

9 C. The Commission and Plaintiff may use all other lawful means, including posing, through
10 its representatives as consumers, suppliers, or other individuals or entities, to Defendants
11 or any individual or entity affiliated with Defendants, without the necessity of
12

13 of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49,
14 57b-1.
15

16 D. Upon written request from a representative of the Commission or Plaintiff , any consumer
17 reporting agency must furnish consumer reports concerning Individual Defendants,
18 pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C. §1681b(a)(1).
19

20 **XII.**
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FOR INTERNAL USE ONLY


