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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

FEDERAL TRADE COMMISSION;
and THE PEOPLE OF THE STATE
OF CALIFORNIA,

Plaintiffs,

v.

NGL LABS, LLC, a corporation; RAJ
VIR, individually and as an officer of
NGL LABS, LLC; and JOAO
FIGUEIREDO, individually and as an
officer of NGL LABS, LLC,

Defendants.

Case No. 2:24-cv-05753-JLS-PVC

1 Plaintiffs the Federal Trade Commission (“FTC” or “the Commission”) and
2 the People of the State of California, by and through the District Attorney of Los
3 Angeles County (collectively, “Plaintiffs”), filed their Complaint for Permanent
4 Injunction, Monetary Judgment, Civil Penalty Judgment, and Other Relief
5 (“Complaint”) pursuant to Sections 13(b) and 19 of the Federal Trade Commission
6 Act (“FTC Act”), 15 U.S.C. §§ 53(b) and 57b, the California Unfair Competition
7 Law (“UCL”), Bus. & Prof. Code § 17200 , and the California False
8 Advertising Law (“FAL”), Bus. & Prof. Code § 17500, . Defendants have
9 waived service of the summons and the Complaint. Plaintiffs and Defendants
10 stipulate to the entry of this Stipulated Order for Permanent Injunction, Monetary
11 Judgment, Civil Penalty Judgment, and Other Relief (“Order”) to resolve all
12 matters in dispute in this action between them. (Doc. 3.)
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4. Defendants waive any claim that they may have under the Equal Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action through the date of this Order, and agree to bear their own costs and attorney fees.

5. Defendants waive all rights to appeal or otherwise challenge or contest the validity of this Order.

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

A. “ ” means a Messaging App that includes a way to send and receive messages that do not reveal the identity of the sender.

B. “ ” means any third-party service where apps are purchased, downloaded or obtained, including, but not limited to, the Apple App Store and the B.

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audible portions of the communication even if the representation requiring the disclosure is made in 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, an app, or software, the disclosure must be unavoidable.

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- 1 1. Requesting, prompting, or encouraging a Child to submit Personal
- 2 Information online;
- 3 2. Enabling a Child to make Personal Information publicly available in
- 4 identifiable form. An Operator shall not be considered to have
- 5 Collected Personal Information under this paragraph if it takes
- 6 reasonable measures to delete all or virtually all Personal Information
- 7 from a child’s postings before they are made public and also to delete
- 8 such information from its record; or
- 9 3. Passive tracking of a Child online.

10 G. “ ” means NGL Labs, LLC and its successors
11 and assigns.

12 H. “ ” means all of the Individual Defendants and the
13 Corporate Defendant, individually, collectively, or in any combination.

14 I. “ ” means Raj Vir and Joao Figueiredo.

15 J. “ ” means any software application that can be
16 transmitted or downloaded to any computing device including any desktop
17 computer, laptop computer, smartphone, tablet, wearable, or sensor, or any
18 periphery of any portable computing device, and which allows a user of the
19 software application to send or receive messages.

20 K. “ ” means a provision of a contract under
21 which the consumer’s silence or failure to take affirmative action to reject a good
22 or service or to cancel the agreement is interpreted by the negative option seller or
23 provider as acceptance (or continuing acceptance) of the offer.

24 L. “ ” means that Users of a Covered Business are
25 asked age information in a neutral manner, making sure the data entry point (i)
26 allows Users to enter their age by month and year of birth accurately, (ii) does not
27 default to an age 18 or over, (iii) avoids encouraging Users to falsify age
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10. Information concerning the Child or the Parents of that Child that the Operator Collects online from the Child and combines with an identifier described in this definition.

R. “ ” means an individual at or over the age of 13 but under the age of 18.

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3. The amount (or range of costs) the consumer will be Charged, and, if applicable, the frequency of such Charges a consumer will incur unless the consumer timely takes steps to prevent or stop those Charges;

4. The date (or dates) each charge will be submitted for Charging;

B. Offering any good or service with a Negative Option Feature, without first disclosing Clearly and Conspicuously, and separate from the disclosures required by all the preceding sub-provisions of this Section:

1. The information necessary for the consumer to cancel the Negative Option Feature, including the simple mechanism to stop the Charges; and

2. Any material term related to the underlying good or service that is necessary to prevent deception, regardless of whether that term directly relates to the Negative Option Feature;

C. Representing directly or indirectly, expressly or by implication, that any good or service with a Negative Option Feature is being offered on a free, trial,

1 D. Charging without having notified the consumer, immediately after
2 agreement to the Negative Option Feature, of confirmation by app notification or
3 email. The notification or email subject line must begin: "Order Confirmation"
4 and the name of the good or service, and no additional information. The email or
5 notification must Clearly and Conspicuously disclose all the information required
6 by all the preceding sub-provisions of this Section and no marketing or other
7 extraneous information; and

8 E. Including, in any communication required by this Section any other
9 information that interferes with, detracts from, contradicts, or otherwise
10 undermines the ability of consumers to perceive and understand the disclosures.
11

12 IT IS FURTHER ORDERED that Defendants, Defendants' officers, agents,
13 employees, and attorneys, and all other persons in active concert or participation
14 with any of them, who receive actual notice of this Order, whether acting directly
15 or indirectly, in connection with promoting or offering for sale any good or service
16 with a Negative Option Feature, are permanently restrained and enjoined from
17 Charging or assisting others in Charging a consumer without express informed
18 consent. In obtaining express informed consent, Defendants must:

19 A. Obtain the consumer's unambiguously affirmative consent to the
20 Negative Option Feature offer separately from any other portion of the transaction,
21 and:

- 22 1. For a written offer (including over the internet, such as through an
23 app), obtain the required consent through a check box, signature, or
24 other substantially similar method, which the consumer must select or
25 sign to accept the Negative Option Feature;
- 26 2. For an oral consent, obtain unambiguous express oral confirmation
27 that the consumer: (a) consents to being Charged for the product or
28 service, including by providing, at a minimum, the last 4 digits of the

1 consumer's account number to be charged; (b) understands the
2 transaction includes the Negative Option Feature; and (c) understands
3 the specific steps that the consumer must take to prevent or stop
4 further Charges;

- 5 3. Present the consent request in a manner and format that is clear,
6 unambiguous, nondeceptive, and free of any information not directly
7 related to the consumer accepting the Negative Option Feature;
- 8 4. Not include any information that interferes with, detracts from,
9 contradicts, or otherwise undermines the ability of the consumer to
10 give or not give express informed consent to the Negative Option
11 Feature;
- 12 5. Obtain the consumer's unambiguously affirmative consent to the rest
13 of the transaction; and
- 14 6. Keep verification of the consumer's consent for at least 5 years after
15 the contract is terminated, including audio recording of any related
16 telephone calls in their entirety.

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18 IT IS FURTHER ORDERED that Defendants, Defendants' officers, agents,
19 employees, attorneys, and all other persons in active concert or participation with
20 any of them, who receive actual notice of this Order, whether acting directly or
21 indirectly, in connection with promoting or offering for sale any good or service
22 with a Negative Option Feature, are permanently restrained and enjoined from:

23 A. Failing to provide or require that a simple mechanism be provided to
24 the consumer to cancel to avoid being Charged, or Charged an increased amount,
25 for a good or service, and to immediately stop any subsequent or recurring Charge.
26 Such simple mechanism may be offered through a third-party App Store that
27 distributes the good or service on behalf of Defendants, their officers, their
28 employees, or their agents provided that all cancellation mechanisms must also:

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1 acting directly or indirectly, in connection with being an Operator of any Website
2 or Online Service Directed to Children or of any website or online service with
3 actual knowledge that it is Collecting or maintaining Personal Information from a
4 Child, are hereby permanently restrained and enjoined from:

5 A. Failing to make reasonable efforts, taking into account available
6 technology, to ensure that a Parent of a Child receives direct notice of the
7 Operator's practices with regard to the Collection, use, or disclosure of Personal
8 Information from Children, including notice of any material change in the
9 Collection, use, or disclosure practices to which the Parent has previously
10 consented, unless the COPPA Rule (attached as Appendix A to Doc. 3), provides
11 an exception to providing such notice;

12 B. Failing to post a prominent and clearly labeled link to an online notice
13 of the Operator's information practices with regard to Children, if any, on the
14 home or landing page or screen of its website or online service, and at each area of
15 the website or online service where Personal Information is Collected from
16 Children, unless the COPPA Rule (attached as Appendix A to Doc. 3), provides an
17 exception to providing such notice;

18 C. Failing to Obtain Verifiable Parental Consent before any Collection,
19 use, or Disclosure of Personal Information from Children, including consent to any
20 material change in the Collection, use, or Disclosure practices to which the Parent
21 has previously consented, unless the COPPA Rule (attached as Appendix A to
22 Doc. 3), provides an exception to Obtaining Verifiable Parental Consent;

23 D. Failing to Delete a Child's Personal Information at the request of a
24 Parent;

25 E. Retaining a Child's Personal Information for longer than is reasonably
26 necessary to fulfill the purpose for which the information was Collected; and
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28 F. Violating the COPPA Rule (attached as Appendix A to Doc. 3).

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8..2 444 DC /TT1 IT IS FURTHER ORDERED, that Defendants, Defendants 16 (CAF) Agents, (B) IIS 407, (5)

1 Los Angeles County District Attorney's Office pursuant to this Judgment shall be
2 sent or delivered to:

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1 requests in writing any information related to redress, Defendants must provide it,
2 in the form prescribed by the Commission, within 14 days.

3 B. Failing to submit a request to any third-party service utilized by
4 Defendants to Charge consumers, such as an App Store, that the third-party service
5 or App Store provide refunds to an identified group of customers requested by
6 the Commission to enable the Commission to efficiently administer consumer
7 redress. If a representative of the Commission requests in writing that Defendants
8 contact a third-party service or App Store to offer refunds to an identified group of
9 customers, Defendants must do so within 14 days of receiving the Commission's
10 request

11 C. Disclosing, using, or benefitting from customer information, including
12 the name, address, telephone number, email address, social security number,
13 Instagram usernames, Snapchat usernames, Twitter usernames, IP
14 addresses, or other identifying information, or any data that enables access to a
15 customer's account (including an App Store account, credit card, bank account, or
16 other financial account), that any Defendant obtained prior to entry of this Order in
17 connection with the NGL App or NGL Pro

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19 Provided, however, that customer information need not be disposed of, and
20 may be disclosed, to the extent requested by a government agency or required by
21 law, regulation, or court order.

22 **K I .**

23 IT IS FURTHER ORDERED that Defendants obtain acknowledgments of
24 receipt of this Order:

25 A. Each Defendant, within 10 days of entry of this Order, must submit to
26 the Commission an acknowledgment of receipt of this Order sworn under penalty
27 of perjury.

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1 B. For 5 years after entry of this Order, each Individual Defendant for
2 any business that such Defendant, individually or collectively with any other
3 Defendants, is the majority owner or controls directly or indirectly the
4 Corporate Defendant must deliver a copy of this Order (1) all principals,
5 officers, directors, and LLC managers and members; (2) all employees having
6 managerial responsibilities for conduct related to the subject matter of the Order
7 and all agents and representatives who participate in conduct related to the subject
8 matter of the Order; and (3) any business entity resulting from any change in
9 structure as set forth in the Section titled Compliance Reporting. Delivery must
10 occur within 10 days of entry of this Order for current personnel. For all others,
11 delivery must occur before they assume their responsibilities.

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

15
16 IT IS FURTHER ORDERED that Defendants make timely submissions to
17 the Commission:

18 A. 1 year after entry of this Order, each Defendant must submit a
19 compliance report, sworn under penalty of perjury:

- 20
21 1. Each Defendant must: (a) identify the primary physical, postal, and
22 email address and telephone number, as designated points of contact,
23 which representatives of plaintiffs may use to communicate with
24 Defendant; (b) identify all of that Defendant's businesses by all of
25 their names, telephone numbers, and physical, postal, email, and
26 Internet addresses; (c) describe the activities of each business,
27 including the goods and services offered, the means of advertising,
28 marketing, and sales, the terms of each Negative Option Feature (if

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1 (including telephonic depositions), 31, 33, 34, 36, 45, and provided that
2 Defendants, after attempting to resolve a dispute without court action and for good
3 cause shown, may file a motion with this Court seeking an order for one or more of
4 the protections set forth in Rule 26(c).

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

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

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

22 IT IS FURTHER ORDERED that this Court retains jurisdiction of this
23 matter for purposes of construction, modification, and enforcement of this Order.
24

25 SO ORDERED this 14th day of July, 2024.

26 
27 _____
28 HON. JOSEPHINE L. STATON—
UNITED STATES DISTRICT JUDGE