

1 DELILAH VINZON, Cal. Bar No. 222681
 2 dvinzon@ftc.gov
 3 MATTHEW FINE, Cal. Bar No300808
 4 mfine@ftc.gov
 5 Federal Trade Commission
 6 10990 Wilshire Blvd., Suite 400
 7 Los Angeles, CA 90024
 8 Tel: (310) 8244300 Fax: (310) 824-4380
 9 Attorneysfor Federal Trade Commission

10 UNITED STATES DISTRICT COURT
 11 CENTRAL DISTRICT OF CALIFORNIA

)	Case No.	F Y
FEDERAL TRADE)		
COMMISSION,)		
)	[PROPOSED] STIPULATED ORDER	
Plaintiff,)	FOR PERMANENT INJUNCTION,	
)	MONETARY JUDGMENT, AND	
v.)	OTHER RELIEF	
)		
1661,INC., dba GOAT,)		
a corporation)		
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Defendant.)		
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25 Plaintiff, the Federal Trade Commission (“Commission” or “FTC”), filed its
 26 Complaint for Permanent Injunction, Monetary Relief, and Other Relief
 27 (“Complaint”) for a permanent injunction, monetary relief, and other relief in this
 28 matter, pursuant to Sections 13(b) and 19 of the Federal Trade Commission Act

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6. The disclosure must comply with (b)(7)(C) and (b)(7)(D) of the Freedom of Information Act. The disclosure must also comply with (b)(7)(F) of the Freedom of Information Act.

1 Telephone, regardless of the method of payment or the method used to solicit the
2 order. Exceptions:

- 3 1. Subscriptions, such as magazine sales, ordered for serial delivery,
4 after the initial Shipment is made in compliance with this Order;
- 5 2. Orders of seeds and growing plants;
- 6 3. Orders made on a collect-on-delivery (C.O.D.) basis; and
- 7 4. Transactions that Defendant can demonstrate are governed by the
8 Commission's Trade Regulation Rule entitled "Use of Prenotification
9 Negative Option Plans," 16 C.F.R. Part 425.

10 H. "Option" means an offer made Clearly and Conspicuously and without
11 prior demand.

12 I. "Prompt," in the context of a Refund, means a Refund sent by any means
13 at least as fast and reliable as first class mail within 7 working days of the date on
14 which the buyer's right to refund vests under the provisions of this Order. Provided,
15 however, that where Defendant cannot provide a Refund by the same method
16 payment was tendered, Prompt Refund means a Refund sent in the form of cash,
17 check, or money order, by any means at least as fast and reliable as first class mail,
18 within 7 working days of the date on which Defendant discovers Defendant cannot
19 provide a Refund by the same method as payment was tendered.

20 J. "Protected Products" means products for which Defendant offers special
21 protections beyond those offered in its ordinary return policies.

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1 **ORDER**

2 **I. INJUNCTION CONCERNING MAIL, INTERNET, OR**
3 **TELEPHONE MERCHANDISE ORDERS**

4 IT IS ORDERED that Defendant, Defendant's officers, agents, employees, and
5 attorneys, and all other persons in active concert or participation with any of them,
6 who receive actual notice of this Order, whether acting directly or indirectly, in
7 connection with Mail, Internet, or Telephone Order Sales, are permanently restrained
8 and enjoined from:

9 A. Representing, without a reasonable basis, that Defendant will: (1) Ship
10 ordered goods within the time stated in Defendant's solicitation; or (2) Ship ordered
11 goods by any revised Shipping date provided to buyers.

12 B. Where the order solicitation does not Clearly and Conspicuously state a
13 Shipping time, soliciting any order for the sale of merchandise without having a
14 reasonable basis to expect that the goods will Ship within 30 days after Receipt of a
15 Properly Completed Order.

16 C. Informing buyers that it is unable to make any representation regarding
17 the length of any Shipping delay unless Defendant has a reasonable basis for so
18 informing buyers.

19 D. Failing to provide buyers with the Option either to consent to the delay
20 in Shipping or to cancel the order and receive a Prompt Refund where Defendant
21 cannot Ship the ordered goods within the Applicable Time Period. Said Option must
22 be provided within a reasonable time after Defendant becomes aware of its inability
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- i. Defendant is unable to make any representation regarding the length of the delay; and

1 goods by that date, failing to provide a renewed Option either to consent to a further
2 delay or to cancel the order and receive a Prompt Refund. Said Option must be made
3 within a reasonable time after Defendant first becomes aware of its inability to Ship
4 before the said definite revised Shipping date, but in no event later than the expiration
5 of the definite revised Shipping date.

- 6 1. Provided however, that any such Option must provide a new
7 definite revised Shipping date, unless Defendant lacks a
8 reasonable basis for doing so.
- 9 2. In such event, Defendant must also provide the notices required by
10 Section I.D.1.b and Section I.D.3 of this Order.

11 F. Failing to cancel any order and provide the buyer with a Prompt Refund:

- 12 1. When Defendant has received a cancellation and Refund request
13 from the buyer pursuant to Section I of this Order;
- 14 2. Under the circumstances prescribed in Section I.D.2 and I.D.3;
- 15 3. When Defendant fails to provide the Option required by Section
16 I.D. and has not Shipped the merchandise within the Applicable
17 Time Period; or
- 18 4. When Defendant notifies the buyer that it has decided not to Ship
19 the merchandise.

20 In any action brought alleging a violation of this Order, the failure of
21 Defendant to have records or other documentary proof establishing its use of systems
22 and procedures which assure, in the ordinary course of business, the Shipment of
23 merchandise within any applicable time set forth in this Section and compliance with
24 any other requirement of this Section will create a rebuttable presumption that
25 Defendant failed to comply with said requirement.

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II. INJUNCTION CONCERNING CERTAIN MERCHANDISE
ORDER PRACTICES

IT IS FURTHER ORDERED that Defendant, Defendant officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive notice of this Order, whether acting directly or indirectly, in connection with Mail, Internet, or Telephone Order Sales, are permanently restrained and enjoined from assisting others in, expressly or by implication, misrepresenting

A. The date or speed by which the merchandise will be Shipped or received; A. The date or speed by which the merchandise will be Shipped or received.

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2. Distinguish such requests, claims, and inquiries from those unrelated to whether a received product is a Deficient Product.

IV. INJUNCTION CONCERNING CERTAIN CUSTOMER SERVICE PRACTICES

IT IS FURTHER ORDERED that Defendant, Defendant officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive notice of this Order, whether acting directly or indirectly, are permanently restrained and enjoined from:

A. Making any representation, expressly or by implication, Defendant will provide special protection for Protected Products, without:

- 1. Having a system in which requests, claims, inquiries, or any other consumer communication related to Protected Products are:
 - i) Distinguished by Defendant from other requests, claims, inquiries; and
 - ii) Excepted from automated responses that deny relief under Defendant's ordinary return policies including for return requests outside of any stated time period for returns or for used or final sale products, unless the denial of such relief is consistent with Defendant's Clear and Conspicuous policies regarding Protected Products; and
- 2. Having a simple mechanism for the buyer to request relief for Protected Products and obtain a resolution within a commeeh 34.1 (ut)8.6

1 Hundred Twenty-Seven Dollars (\$2,013,527), less any amount of money that
2 Defendant has successfully reimbursed and transferred to Eligible Customers for
3 Eligible Shipping Claims pursuant to Section 11 of this Court Order, plus any
4 interest accrued since the entry date of this Court Order on monies held in escrow
5 pursuant this Court Order. Defendant stipulates that it has placed in escrow with a
6 third-party escrow agent two Million Thirteen Thousand Five Hundred Twenty-
7 Seven Dollars (\$2,013,527), for no purpose (\$2

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1 amounts paid by Defendant on reimbursement checks negotiated more than a year
2 from the entry date of this Order; or (3) goods or services provided by Defendant to
3 Eligible Customers.

4 VI. ADDITIONAL MONETARY PROVISIONS

5 IT IS FURTHER ORDERED that:

6 A. Defendant relinquishes dominion and all legal and equitable right, title,
7 and interest in all assets transferred pursuant to this Order and may not seek the return
8 of any assets.

9 B.

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1 to be deposited to the U.S. Treasury as a civil penalty. Defendants have no right to
2 challenge any actions the Commission or its representatives may take pursuant to this
3 Subsection.

4 VII . NOTICES AND REIMBURSEMENTS TO CUSTOMERS

5 IT IS FURTHER ORDERED that Defendant must notify and reimburse
6 Eligible Shipping Claims to Eligible Customers as set forth below:

7 A. Defendant must identify all Eligible Customers with an Eligible
8 Shipping Claim as soon as possible.

9 1. Such Eligible Customers, and their contact information, must be
10 identified to the extent such information is in Defendant's possession,
11 custody or control, such as from third parties, including Defendant's
12 payment processor(s) and information received from customers
13 themselves.

14 2. Such Eligible Customers include those identified at any time,
15 including after the redress period, which runs for 60 days after the entry
16 date of this Order.

17 B. Defendant must notify and reimburse the full amount of any Eligible
18 Shipping Claim to each Eligible Customer. Defendant will not access the escrow
19 fund to provide such reimbursements, but may withdraw funds from the escrow fund
20 equal to amounts that have successfully reimbursed to Eligible Customers through
21 reverse charges made to the Eligible Customers' financial accounts (e.g., bank
22 accounts, credit cards, PayPal accounts, etc.) and through checks sent to and
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charge on the Eligible Customer's credit card or other financial account. For avoidance of doubt, credit to the Eligible Customer's GOAT account or other transmission that restricts the Eligible Customer's access to the full amount of the Eligible Shipping Claim is not permitted.

2. For each electronic reimbursement, Defendant must cause a notice to be sent to that Eligible Customer's last known email address at least 30 days before the reimbursement is transmitted. Such notices must be in the form shown in Attachment A or in such form approved in writing by the Commission or its designee, and the subject line shall read "Important: Notice of Refund from GOAT." If the emailed notice is returned as undeliverable or is otherwise not successfully delivered, Defendant must mail or cause the notice to be mailed to the Eligible Customer's last known mailing address.

3. Defendant shall not void any Eligible Shipping Claim unless and until the Eligible Customer has received an electronic reimbursement.

4. The mailing or emailing of notices must not include any

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1. Defendant must submit a first report ~~45~~ days after the entry date of this Order, summarizing its compliance as of that date and reporting the following totals and corresponding dollar amounts: (1) Eligible Customers and Eligible Shipping Claims identified; (2) reimbursements sent electronically (including through reverse charges to credit cards and other financial accounts); and (3) Eligible Customers who have not been reimbursed for Eligible Shipping Claims.

2. Defendant also must submit an additional report within 15 days following the first report, summarizing its compliance as of that ~~date~~ reporting the totals and corresponding dollar amounts referenced above in Section VII.D.1, in addition to (1) contact information and amount of unpaid Eligible Shipping Claims for Eligible Customers who have not been reimbursed for Eligible Shipping Claims, and (2) the amount paid to the Commission at the end of the redress period.

3. If a representative of the Commission requests any information regarding the redress program, including but not limited to underlying customer reimbursement data, Defendant must submit it ~~within~~ days of the request.

E. The dollar amount in Subsection B of this Order shall become immediately due and payable to the Commission if Defendant fails to timely comply with the requirements of Section VII of this Order.

VIII . CUSTOMER INFORMATION

IT IS FURTHER ORDERED that Defendant, Defendant 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, are permanently restrained and enjoined from directly or indirectly failing to provide sufficient customer information to enable the Commission to efficiently administer consumer redress. If a representative of the Commission requests in writing any information related to

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businesses by all of their names, telephone numbers, and physical
postal, email, and Internet addresses; (c) describe the activities of
each business, including the goods and services offered, the means
of advertising, marketing, and sales; (d) describe in detail whether
and how Defendant is in compliance with each Section of this
Order; and (e) provide a copy of each Order Acknowledgment
obtained pursuant to this Order, unless previously submitted to the
Commission.

B. For 10

1 requested information, which must be sworn under penalty of perjury; appear for
2 depositions; and produce documents for inspection and copying. The Commission
3 are also authorized to obtain discovery, without further leave of court, using any of
4 the procedures prescribed by Federal Rules of Civil Procedure 29, 30 (including
5 depositions by remote means), 31, 33, 34, 36, 45, and 69.

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

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

17 XII . RETENTION OF JURISDICTION

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

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21 SO ORDERED, this ____ day of _____, 2024.

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United States District Judge

ATTACHMENT A

[Email Subject Line]

You're Getting a Refund from GOAT

[Email Body]

You placed an order with GOAT between [date] and [date] and paid for expedited shipping. Your product shipped late. The Federal Trade Commission filed a lawsuit against us addressing expedited shipping and we settled the case.

We're going to refund you for the expedited shipping cost you paid. Within the next three business days, we'll send that money to the original form of payment you used.

If you have questions about your refund, you can visit [goat.com/to-be-determined](https://www.goat.com/to-be-determined) or email us at to-be-determined@goat.com.

Thank you,

GOAT