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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

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

Plaintiffs,

vs.

CRI GENETICS, LLC, a limited
liability company, also doing business
as OMNIPGX,

Defendant.

Case No. & 9

> 3 5 2 3 2 6 (STIPULATED ORDER
FOR PERMANENT INJUNCTION,
MONETARY JUDGMENT FOR CIVIL
PENALTY, AND OTHER RELIEF

Plaintiffs, the Federal Trade Commission (“Commission” or “FTC”) and
The People of the State of California, by Attorney General Rob Bonta
 (“California” or “The People”) filed their Complaint for Permanent Injunctive
 Monetary, and Other Relief (“Complaint”), for a permanent injunction, monetary
 judgment, and other relief in this matter, pursuant to Section 13(b) of the Federal
 Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b), California Business &
 Professions Code, § 17200, et seq. (the California Unfair Competition Law”),

and California Business & Professions Code § 17500, et seq. the California

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1 7. Defendant represents that in accordance with its policy at the time
2 that provided a no questions---

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1 II. PROHIBITION AGAINST MISREPRESENTATIONS
2 CONCERNING ENDORSEMENTS

3 IT IS FURTHER ORDERED that Defendant, Defendant's officers,
4 agents, employees, and attorneys, and all other persons in active concert or
5 participation with any of them, who receive actual notice of this Order,
6 whether acting directly or indirectly, in connection with the advertising,
7 promotion, offering for sale, or sale of any product or service
8 permanently restrained and enjoined from (a) -3 0P859u (g)-1.1 (,9 (c)4 [(a)3.9 (2o)3.9

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1 whether acting directly or indirectly, in connection with the advertising,
2 promotion, offering for sale, or sale of any product or service
3 permanently restrained and enjoined from making, or assisting others in
4 making, any representation, expressly or by implication:

5 A. That Defendant's content is a source of information for products and
6 services (1) without disclosing, Clearly and Conspicuously, and in Close
7 Proximity to the representation, the influence of any compensation on any
8 such content or any other Material Connection between Defendant and any
9 individual or entity affiliated with any such product or service (2) unless
10 the representation is not otherwise misleading; or

11 B. Regarding any consumer or other endorser or a product, service, or
12 entity, (1) without disclosing, Clearly and Conspicuously, and in Close
13 Proximity to the representation, any Material Connection between such
14 endorser and Defendant or any other individual or entity offering or
15 affiliated with the product or service, and (2) unless the representation is not
16 otherwise misleading.

17
18 **IV. PROHIBITION AGAINST MISREPRESENTATIONS**
19 **IN WEBSITE BILLING PROCESS**

20
21 IT IS FURTHER ORDERED that Defendant's officers,
22 agents, employees, and attorneys, and all other persons in active concert or
23 participation with any of them, who receive actual notice of this Order,
24 whether acting directly or indirectly, in connection with the advertising,
25 promotion, offering for sale, or sale of any product or service
26 permanently restrained and enjoined from making any representation,
27 expressly or by implication, regarding:

28 A. When orders for products and services are final or complete

1 B. When Charges occur

2 C. Consumers' ability to confirm, edit, or delete products and services
3 selected before Charges for such products or services occur;

4 D. Whether any products or services are available only ~~for a~~
5 period of time or in a limited quantity;

6 E. Whether any products or services are special rewards or other offers
7 only made available to individual consumers or a limited number of
8 consumers;

9 F. The number or percentage of consumers that select to purchase any
10 specific products or services;

11 G. Whether taking any action during the billing process will
12 significantly interfere with the ordering process or result in multiple
13 Charges.

14
15 V. USE OF CONSUMER BILLING INFORMATION TO OBTAIN
16 PAYMENT

17 IT IS FURTHER ORDERED that Defendant, Defendant's officers,
18 agents, employees, and attorneys, and all other persons in active concert or
19 participation with any of them, who receive actual notice of this Order,
20 whether acting directly or indirectly, in connection with the advertising,
21 promotion, or offering for sale, or sale ~~of~~ any product or service are
22 permanently restrained and enjoined from using Billing Information to
23 obtain payment from a consumer, until Defendant ~~has~~ clearly and
24 Conspicuously disclosed to the consumer ~~the~~ the total cost the consumer will be
25 Charged, the product or services for which the consumer will be Charged,
26 and how the consumer can withdraw consent to that Charge before Billing
27 Information is used to obtain payment
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1 B. Obtain the Affirmative Express Consent of the consumer from
2 whom Defendant collected the DNA Information.

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4 VIII. COMPLIANCE WITH CALIFORNIA LAW

5 IT IS FURTHER ORDERED that Defendant, Defendant officers,
6 agents, employees, and attorneys, CRI Principal Executive Office all
7 other persons in active concert or participation with any of them, who
8 receive actual notice of this Order,
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XI. MANDATED DELETION OF CERTAIN
COVERED INFORMATION

IT IS FURTHER ORDERED that Defendant, Defendant'
officers, agents, employees, and attorneys, and all other persons in active
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1 retained, and may be disclosed, as requested by a government agency or
2 otherwise required by law, regulation, court order, or other legal obligation,
3 including as required by rules applicable to safeguarding of evidence in
4 pending litigation. In each report required by the Order, Defendant must
5 describe in detail the information that Defendant excepted and the specific
6 legal obligation that precludes Defendant from deleting or destroying such
7 information.

8 XII. ORDER ACKNOWLEDGEMENTS

9
10 IT IS FURTHER ORDERED that Defendant obtains
11 acknowledgments of receipt of this Order:

12 ^ Within 30 days of entry of this Order, Defendant and separately the
13 CRI Principal Executive Officer must submit to Plaintiffs

1 addresses, including all residences; (b) identify all business activities,
2 including any business for which the CRI Principal is a 5p(hi)5.3Tc 2.69 ()]on,ny;4 (nyc (s.1

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1 Section, Office of the Attorney General, California Department of Justice,
2 455 Golden Gate Avenue, Suite 11000, San Francisco, California, 94102.
3 The subject line must begin: FTC v. CRI Genetics, LLC, Matter No.
4 SF2021402346.

5 XIV. RECORDKEEPING

6
7 IT IS FURTHER ORDERED that Defendant must create certain
8 records for 0 years after entry of the Order and retain each such record for
9 5 years. Specifically, Defendant must create and retain the following
10 records:

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

13 B. Personnel records sufficient to show for each person having
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1 F. A copy of each unique advertisement or other marketing material.

2 G. In addition, the CRI Principal Executive Officer, for any business
3 that he, individually or collectively is a majority owner or controls directly
4 or indirectly, must create the records identified in Section XIV(A)-(F) for 5
5 years after entry of the Order and retain each such record for 5 years.
6

7 XV. COMPLIANCE MONITORING

8 IT IS FURTHER ORDERED that, for the purpose of monitoring
9 Defendant and the CRI Principal Executive Officer's compliance with this
10 Order:
11

12 A. Within 30 days of receipt of a written request from a representative
13 of the Plaintiffs, Defendant and the CRI Principal Executive Officer must:
14 submit additional compliance reports or other requested information, which
15 must be sworn under penalty of perjury; appear for depositions; and
16 produce documents for inspection and copying. The Plaintiffs are
17 authorized to obtain discovery, without further leave of court, using any of
18 the procedures prescribed by Federal Rules of Civil Procedure 29, 30
19 (including telephonic depositions), 31, 33, 34, 36, 45, and 69.

20 B. For matters concerning this Order, Plaintiffs are authorized to
21 communicate directly with Defendant and the CRI Principal Executive
22 Officer. Defendant must permit representatives of Plaintiffs to interview
23 any employee or other person affiliated with CRI Principal Executive
24 Officer or Defendant who has agreed to such an interview. The person
25 interviewed may have counsel present.
26

27 C. Plaintiffs may use all other lawful means, including posing, through
28 their representatives as consumers, suppliers, or other individuals or

1 entities, to Defendant, the CRI Principal Executive Officer or any
2 individual or entity affiliated with Defendant or the CRI Principal
3 Executive Officer, without the necessity of identification or prior notice.
4 Nothing in this Order limits the Commission's lawful use of compulsory
5 process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49,
6 57b-1.

7 D. Nothing in this Judgment limits the California Attorney General's
8 otherwise lawful use of compulsory process, including pursuant to
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1 omitted material information in the representations provided by Defendant
 2 and the CRI Principal Executive Officer, or on the behalf by counsel,
 3 regarding Defendant or the CRI Principal Executive Officer's financial
 4 condition or refunds issued by Defendant, then the monetary judgment shall
 5 become immediately due and payable to California, without notice to
 6 Defendant or the CRI Principal Executive Officer, in the amount of
 7 \$700,000.00 plus interest at the legal rate from the entry date of this
 8 Judgment, less any payments made to California. If California has filed a
 9 Notice of and acknowledgement of Satisfaction of Judgment it shall
 10 immediately and automatically be vacated and set aside.
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12 XVIII . PROHIBITED PRACTICES BY RELATED BUSINESSES

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 14 IT IS FURTHER ORDERED that, for a period of 5 years following
 15 the entry of this Order, the prohibitions in Sections I through VI enjoining
 16 certain acts with respect to Defendant shall also apply to the CRI Principal
 17 Executive Officer and any other business where individually or
 18 collectively is a majority owner, has direct or indirect control, and/or is the
 19 principal executive officer of such other business. During the 5 year period
 20 following the entry of this Order, any violation of those sections by any
 21 business for which the CRI Principal Executive Officer is individually or
 22 collectively a majority owner, and/or is a principal executive officer shall
 23 be deemed violations of this Order by the CRI Principal Executive Officer
 24 and shall also be deemed unlawful business practices under California
 25 Business & Professions Code § 17200, et seq, to the extent the CRI
 26 Principal Executive Officer knew of or should have known of those
 27 violations.
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XIX. RETENTION OF JURISDICTION

IT IS FURTHER ORDERED that this Court retains jurisdiction of

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2 ATTACHMENT A
3 [On CRI Genetics, LLC Letterhead]
4 [From CRI Genetics, LLC email address]

5 IMPORTANT NOTICE ABOUT COURT SETTLEMENT
6 REGARDING CRI GENETICS, LLC DNA ANCESTRY TEST KITS
7 [content of letter, 10 point font]

8 Dear [Recipient]:

9 Our records indicate that you had previously purchased a DNA testing product
10 or service from CRI Genetics, LLC (“CRI”). The Federal Trade Commission
11 (“FTC”) and the California Attorney General have settled claims against CRI
12 alleging that, among other things, CRI claimed that its DNA ancestry testing is the
13 most accurate and detailed DNA ancestry testing available on the market, without
14 having adequate evidence to support that claim when CRI made it. CRI has agreed
15 not to make that claim in the future without adequate support for it.

16
17 Please note that the FTC and the California Attorney General didn’t allege that CRI
18 has failed to safeguard your DNA information or that the information in the ancestry
19 report you received is inaccurate.
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22 You can read more about the settlement here [link to FTC press release].
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ATTACHMENT C

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8-Week Efficiency Guarantee

At CRI Genetics, we value your time and trust in our services. The process of examining DNA can be

1 **Used Kits Sales**

2 **Stated Policy: If your kit has been delivered to the laboratory, and you receive**

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