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10 UNITED STATES DISTRICT COURT
 11 CENTRAL DISTRICT OF CALIFORNIA

)	Case No. 2:24-cv-10329
FEDERAL TRADE)	
COMMISSION,)	
Plaintiff,)	[PROPOSED] STIPULATED ORDER
v.)	FOR PERMANENT INJUNCTION,
1661, INC., dba GOAT,)	MONETARY JUDGMENT, AND
a corporation,)	OTHER RELIEF
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

1 (“FTC Act”), 15 U.S.C. §§ 53(b) and 57b. Defendant has waived service of the
2 summons and the Complaint. The Commission and Defendant stipulate to the entry
3 of the Stipulated Order for Permanent Injunction, Monetary Judgment, and Other
4 Relief (“Order”) to resolve all matters in dispute in this action between them.

5 THEREFORE, IT IS ORDERED as follows:

6 **FINDINGS**

7 1. This Court has jurisdiction over this matter.

8 2. The Complaint charges that Defendant participated in deceptive and
9 unfair acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, by
10 (i) misrepresenting the protections and relief available in the event that a consumer
11 receives a Deficient Product; and (ii) failing to implement customer service practices
12 to support the assurances made to consumers regarding Deficient Products.

13 3. The Complaint also charges that Defendant participated in deceptive or
14 unfair acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, and
15 of the Commission’s Trade Regulation Rule Concerning the Sale of Mail, Internet, or
16 Telephone Order Merchandise (the “Rule”), 16 C.F.R. Part 435, by, among other
17 things, failing to ship merchandise within the timeframe required by the Rule.

18 4. Defendant neither admits nor denies any of the allegations in the
19 Complaint, except as specifically stated in this Order. Only for purposes of this
20 action, Defendant admits the facts necessary to establish jurisdiction.

21 5. Defendant waives any claim that it may have under the Equal Access to
22 Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action through the
23 date of this Order, and agrees to bear its own costs and attorney fees.

24 6. Defendant and the Commission waive all rights to appeal or otherwise
25 challenge or contest the validity of this Order.

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DEFINITIONS

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

A. “Applicable Time Period” means the time stated in Defendant’s solicitation or within 30 days of Receipt of a Properly Completed Order if no time is stated in the solicitation.

B. “Clearly and Conspicuously” means that a required disclosure is easily noticeable (i.e., difficult to miss) 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 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 or software, the disclosure must be unavoidable.
5. The disclosure must use diction and syntax understandable to ordinary consumers and must appear in each language in which the representation that requires the disclosure appears.

1 6. The disclosure must comply with these requirements in each
2 medium through which it is received, including all electronic devices
3 and face-to-face communications.

4 7. The disclosure must not be contradicted or mitigated by, or
5 inconsistent with, anything else in the communication.

6 8. When the representation or sales practice targets a specific
7 audience, such as children, the elderly, or the terminally ill, “ordinary
8 consumers” includes members of that group.

9 C. “Deficient Products” means products that are received by consumers and
10 are incorrect, incomplete, or do not otherwise match the descriptions, images, and
11 representations on Defendant’s website or app. Deficient Products include products
12 deemed ineligible for return under Defendant’s ordinary return policies, such as
13 products listed as used or final sale, unless such products are Clearly and
14 Conspicuously excluded from Defendant’s representations related to Deficient
15 Products.

16 D. “Defendant” means 1661, Inc. dba GOAT and its successors and assigns.

17 E. “Eligible Customer” means any consumer who placed an order for
18 merchandise with Defendant and paid for Instant (Standard) or Next Day shipping,
19 where the merchandise was neither shipped within the represented period of time nor
20 delivered within the represented period of time, and who has not already been fully
21 compensated for purported late shipment or delivery of that order.

22 F. “Eligible Shipping Claim” means the amount paid by an Eligible
23 Customer for Instant (Standard) or Next Day shipping, where the merchandise was
24 neither shipped within the represented period of time nor delivered within the
25 represented period of time, where the customer has not already been fully
26 compensated for purported late shipment or delivery of that order.

27 G. “Mail, Internet, or Telephone Order Sale” means any sale in which the
28 buyer has ordered merchandise from Defendant by mail, via the Internet, or by

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.

22 K. "Receipt of a Properly Completed Order" means, where the buyer
23 tenders full or partial payment in the proper amount in the form of cash, check, or
24 money order; authorization from the buyer to charge an existing charge account; or
25 other payment methods, the time at which Defendant receives both said payment and
26 an order from the buyer containing all of the information needed by Defendant to
27 process and Ship the order. Provided, however, that where Defendant receives notice
28 that a payment by means other than cash or credit as tendered by the buyer has been

1 dishonored or that the buyer does not qualify for a credit sale, Receipt of a Properly
2 Completed Order means the time at which: (1) Defendant receives notice that a
3 payment by means other than cash or credit in the proper amount tendered by the
4 buyer has been honored; (2) the buyer tenders cash in the proper amount; or (3)
5 Defendant receives notice that the buyer qualifies for a credit sale.

6 L. “Refund” means:

7 1. Where the buyer tendered full payment for the unshipped
8 merchandise in the form of cash, check, or money order, a return of the
9 amount tendered in the form of cash, check, or money order sent to the
10 buyer;

11 2. Where there is a credit sale:

12 a. And Defendant is the creditor, a copy of a credit
13 memorandum or the like or an account statement sent to the buyer
14 reflecting the removal or absence of any remaining charge
15 incurred as a result of the sale from the buyer’s account;

16 b. And a third party is the creditor, an appropriate credit
17 memorandum or the like sent to the third-party creditor which will
18 remove the charge from the buyer’s account and a copy of the
19 credit memorandum or the like sent to the buyer that includes the
20 date that Defendant sent the credit memorandum or the like to the
21 third-party creditor and the amount of the charge to be removed,
22 or a statement from Defendant acknowledging the cancellation of
23 the order and representing that Defendant has not taken any action
24 regarding the order which will result in a charge to the buyer’s
25 account with the third party;

26 c. And the buyer tendered partial payment for the unshipped
27 merchandise in the form of cash, check, or money order, a return
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1 of the amount tendered in the form of cash, check, or money order
2 sent to the buyer.

3 3. Where the buyer tendered payment for the unshipped merchandise
4 by any means other than those enumerated in (1) or (2) of this definition:

5 a. Instructions sent to the entity that transferred payment to
6 Defendant instructing that entity to return to the buyer the amount
7 tendered in the form tendered and a statement sent to the buyer
8 setting forth the instructions sent to the entity, including the date
9 of the instructions and the amount to be returned to the buyer;

10 b. A return of the amount tendered in the form of cash, check,
11 or money order sent to the buyer; or

12 c. A statement from Defendant sent to the buyer
13 acknowledging the cancellation of the order and representing that
14 Defendant has not taken any action regarding the order which will
15 access any of the buyer's funds.

16 M. "Ship," or any variation thereof, including "Shipment" or "Shipping,"
17 means the act by which the merchandise is physically placed in the possession of the
18 carrier.

19 N. "Telephone" refers to any direct or indirect use of the telephone to order
20 merchandise, regardless of whether the telephone is activated by, or the language
21 used is that of human beings, machines, or both.

22 O. "Time of Solicitation" of an order means that time when Defendant has:
23 (1) mailed or otherwise disseminated the solicitation to a prospective purchaser;
24 (2) made arrangements for an advertisement containing the solicitation to appear in a
25 newspaper, magazine, or the like or on radio or television which cannot be changed
26 or canceled without incurring substantial expense; or (3) made arrangements for the
27 printing of a catalog, brochure, or the like which cannot be changed without incurring
28 substantial expense, in which the solicitation in question forms an insubstantial part.

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ORDER

I. INJUNCTION CONCERNING MAIL, INTERNET, OR TELEPHONE MERCHANDISE ORDERS

IT IS ORDERED that Defendant, Defendant’s 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 Mail, Internet, or Telephone Order Sales, are permanently restrained and enjoined from:

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

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

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

D. Failing to provide buyers with the Option either to consent to the delay in Shipping or to cancel the order and receive a Prompt Refund where Defendant cannot Ship the ordered goods within the Applicable Time Period. Said Option must be provided within a reasonable time after Defendant becomes aware of its inability to Ship within the Applicable Time Period, but in no event later than the Applicable Time Period.

- 1. Provided however, that any such Option must either:
 - a. provide a definite revised Shipping date; or
 - b. where Defendant lacks a reasonable basis for providing a definite revised Shipping date, inform the buyer that:

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- i. Defendant is unable to make any representation regarding the length of the delay; and
- ii. the reason(s) for the delay.

2. Where Defendant has provided a definite revised Shipping date, pursuant to Section I.D.1.a that is more than 30 days later than the Applicable Time Period, Defendant must also Clearly and Conspicuously inform the buyer that the buyer’s order will automatically be deemed to have been canceled unless:

- a. Defendant has Shipped the merchandise within the Applicable Time Period, and Defendant has received no cancellation request prior to Shipment; or
- b. The buyer has specifically consented to said Shipping delay within the Applicable Time Period.

3. Where Defendant has informed the buyer that it cannot make any representation regarding the length of the delay pursuant to Section I.D.1.b, Defendant must also Clearly and Conspicuously inform the buyer that the buyer’s order will automatically be deemed to have been canceled unless:

- a. Defendant has Shipped the merchandise within 30 days of the Applicable Time Period, and Defendant has received no cancellation request prior to Shipment; or
- b. the buyer has specifically consented to said Shipping delay within 30 days of the Applicable Time Period. Provided however, Defendant must also expressly inform the buyer that the buyer will have a continuing right to cancel the order at any time after the Applicable Time Period.

E. Where the buyer has consented to a definite revised Shipping date pursuant to Section I.D, and Defendant becomes aware it is unable to Ship ordered

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.

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

3 **IV. INJUNCTION CONCERNING CERTAIN**
4 **CUSTOMER SERVICE PRACTICES**

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

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

11 1. Having a system in which requests, claims, inquiries, or any other
12 consumer communication related to Protected Products are:

13 i) Distinguished by Defendant from other requests, claims, or
14 inquiries; and

15 ii) Excepted from automated responses that deny relief under
16 Defendant’s ordinary return policies, including for return requests
17 outside of any stated time period for returns or for used or final
18 sale products, unless the denial of such relief is consistent with
19 Defendant’s Clear and Conspicuous policies regarding Protected
20 Products; and

21 2. Having a simple mechanism for the buyer to request relief for
22 Protected Products and obtain a resolution within a commercially
23 reasonable time.

24 3. Offering consumers the Option to return Protected Products and
25 receive a refund consistent with Defendant’s Clear and Conspicuous
26 policies regarding Protected Products, as soon as commercially
27 reasonably possible, where consumers provide photos or otherwise
28 reasonably establish that they received Protected Products. Where

1 consumers opt for a return and refund, such offer may be subject to
2 Defendant's review of the returned product and determination that it is a
3 Protected Product, so long as (i) the offer Clearly and Conspicuously
4 states that the return is subject to such determination and (ii) Defendant
5 does not unreasonably deny such determination.

6 B. Denying requests to return or provide refunds or credit related to
7 Deficient Products or Protected Products, based on:

- 8 1. the fact that the product was purchased as a used or final sale
9 product; or
- 10 2. the timing of consumer's request,

11 unless a policy of denying such requests is stated Clearly and Conspicuously
12 wherever Defendant makes representations about its respective policies regarding
13 Deficient Products or Protected Products; and

14 C. Misrepresenting, expressly or by implication:

- 15 1. The reason for denying a request to return or provide a Refund
16 related to Deficient Products or Protected Products;
- 17 2. Whether a form of relief is available;
- 18 3. Any material aspect of any credit, refund, return, or cancellation
19 policy; or
- 20 4. Any other material fact concerning requests related to Deficient
21 Products or Protected Products.

22 V. MONETARY JUDGMENT

23 IT IS FURTHER ORDERED that:

24 A. Judgment in the amount of Two Million Thirteen Thousand Five
25 Hundred Twenty-Seven Dollars (\$2,013,527) is entered in favor of the Commission
26 against Defendant, jointly and severally, as monetary relief.

27 B. Defendant is ordered to pay the Commission, 60 days from the entry
28 date of this Court Order, the amount of Two Million Thirteen Thousand Five

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 VII 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 other than securing redress of Eligible
8 Shipping Claims to Eligible Customers in accordance with this Court Order, with
9 payment of the undistributed remainder, if any, to the Commission.

10 C. The agreement governing the escrow fund must provide that: (1) the
11 escrow account is established for the purposes of securing redress of Eligible
12 Shipping Claims to Eligible Customers and reimbursing Defendant for amounts that
13 it has reimbursed directly to Eligible Customers pursuant to this Court Order; (2)
14 Defendant may only withdraw funds from the escrow account equal to amounts it has
15 successfully reimbursed to Eligible Customers; (3) the escrow account transfers all
16 remaining funds (less any amounts Defendant reimbursed to Eligible Customers and
17 for which Defendant has not already received reimbursement from the escrow
18 account), including any interest that has accrued in the escrow account, to the
19 Commission at the end of the redress period, which runs for 60 days after the entry
20 date of this Court Order; and (4) as many Eligible Customers as practicable receive
21 reimbursement. If an agreement governing an escrow account funded pursuant to
22 this Subsection ceases to comply with any of the criteria set forth in this Subsection
23 V.D, or such escrow account ceases to be administered in compliance with all of the
24 criteria stated above, Defendant must immediately pay the escrowed amount directly
25 to the Commission.

26 D. No other amounts will be credited, offset against, or reimbursed or
27 deducted from the amount to be reimbursed to Eligible Customers or to be paid to the
28 Commission pursuant to Subsection V.B. above, including: (1) amounts paid by
29 Defendant for the administration or implementation of the redress program; (2)

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. The facts alleged in the Complaint will be taken as true, without further
10 proof, in any subsequent civil litigation by or on behalf of the Commission, including
11 in a proceeding to enforce its rights to any payment or monetary judgment pursuant to
12 this Order.

13 C. The facts alleged in the Complaint establish all elements necessary to
14 sustain an action by the Commission pursuant to Section 523(a)(2)(A) of the
15 Bankruptcy Code, 11 U.S.C. § 523(a)(2)(A), and this Order will have collateral
16 estoppel effect for such purposes.

17 D. Defendant acknowledges that its Employer Identification Number or
18 other Taxpayer Identification Number (“TIN”), including all TINs that Defendant
19 previously provided, may be used for reporting and other lawful purposes, including
20 collecting on any delinquent amount arising out of this Order in accordance with 31
21 U.S.C. § 7701.

22 E. All money received by the Commission pursuant to this Order may be
23 deposited into a fund administered by the Commission or its designee to be used for
24 consumer relief, such as redress and any attendant expenses for the administration of
25 any redress fund. If a representative of the Commission decides that direct redress to
26 consumers is wholly or partially impracticable or money remains after such redress is
27 completed, the Commission may apply any remaining money for such related relief
28 (including consumer information remedies) as it determines to be reasonably related
to Defendant’s practices alleged in the Complaint. Any money not used for relief is

1 to be deposited to the U.S. Treasury as a civil penalty. Defendant has 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 it has 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
23 negotiated by the Eligible Customers. Defendant must notify and provide
24 reimbursement to identified Eligible Customers with an Eligible Shipping Claim
within 30 days after the entry date of this Court Order.

25 1. Defendant may attempt to reimburse each Eligible Customer
26 electronically, transmitting the full amount of any Eligible Shipping
27 Claim directly to the Eligible Customer's last known valid financial
28 account on file with Defendant, including by effectuating a reverse

1 charge on the Eligible Customer’s credit card or other financial account.
2 For avoidance of doubt, credit to the Eligible Customer’s GOAT account
3 or other transmission that restricts the Eligible Customer’s access to the
4 full amount of the Eligible Shipping Claim is not permitted.

5 2. For each electronic reimbursement, Defendant must cause a notice
6 to be sent to that Eligible Customer’s last known email address at least 3
7 days before the reimbursement is transmitted. Such notices must be in
8 the form shown in **Attachment A**, or in such form approved in writing
9 by the Commission or its designee, and the subject line shall read
10 “Important: Notice of Refund from GOAT.” If the emailed notice is
11 returned as undeliverable or is otherwise not successfully delivered,
12 Defendant must mail or cause the notice to be mailed to the Eligible
13 Customer’s last known mailing address.

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

16 4. The mailing or emailing of notices must not include any
17 information not specified in this Order, including any enclosures or any
18 written statement, illustration, or deception that promotes the sale of a
19 good or service or is designed to increase consumer interest in a brand,
20 good, or service.

21 C. Defendant’s notices must include an email address dedicated to
22 responding to redress inquires. Defendant must respond promptly and accurately to
23 inquiries about redress, including: (1) whether a consumer is an Eligible Customer or
24 has an Eligible Shipping Claim; (2) and if so, the redress required by this Order and
25 steps taken to redress that customer. Defendant must not sell or attempt to sell any
26 good or service through the redress program, including in response to consumer
27 inquiries relating to redress eligibility.

28 D. Defendant must report on its notification and redress program under
penalty of perjury:

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

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

15 3. If a representative of the Commission requests any information
16 regarding the redress program, including but not limited to underlying
17 customer reimbursement data, Defendant must submit it within 14 days
18 of the request.

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

22 **VIII. CUSTOMER INFORMATION**

23 IT IS FURTHER ORDERED that Defendant, Defendant's officers, agents,
24 employees, and attorneys, and all other persons in active concert or participation with
25 any of them, who receive actual notice of this Order, are permanently restrained and
26 enjoined from directly or indirectly failing to provide sufficient customer information
27 to enable the Commission to efficiently administer consumer redress. If a
28 representative of the Commission requests in writing any information related to

1 redress, Defendant must provide it, in the form prescribed by the Commission, within
2 14 days.

3 **IX. ORDER ACKNOWLEDGMENTS**

4 IT IS FURTHER ORDERED that Defendant obtains acknowledgments of
5 receipt of this Order:

6 A. Defendant, within 7 days of entry of this Order, must submit to the
7 Commission an acknowledgment of receipt of this Order sworn under penalty of
8 perjury.

9 B. For 3 years after entry of this Order, Defendant must deliver a copy of
10 this Order to: (1) all principals, officers, directors, and LLC managers and members;
11 (2) all employees having managerial responsibilities for conduct related to the subject
12 matter of the Order and all agents and representatives who participate in conduct
13 related to the subject matter of the Order; and (3) any business entity resulting from
14 any change in structure as set forth in the Section titled Compliance Reporting.
15 Delivery must occur within 7 days of entry of this Order for current personnel. For
16 all others, delivery must occur before they assume their responsibilities.

17 C. From each individual or entity to which Defendant delivered a copy of
18 this Order, Defendant must obtain, within 30 days, a signed and dated
19 acknowledgment of receipt of this Order.

20 **X. COMPLIANCE REPORTING**

21 IT IS FURTHER ORDERED that Defendant makes timely submissions to the
22 Commission:

23 A. One year after entry of this Order, Defendant must submit a compliance
24 report, sworn under penalty of perjury:

25 i Defendant must: (a) identify the primary physical, postal, and
26 email addresses and telephone number, as designated points of
27 contact, which representatives of the Commission may use to
28 communicate with Defendant; (b) identify all of Defendant's

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

9 B. For 10 years after entry of this Order, Defendant must submit a
10 compliance notice, sworn under penalty of perjury, within 14 days of any change in
11 the following: (a) any designated point of contact; or (b) the structure of Defendant or
12 any entity that Defendant has any ownership interest in or controls directly or
13 indirectly that may affect compliance obligations arising under this Order, including:
14 creation, merger, sale, or dissolution of the entity or any subsidiary, parent, or
15 affiliate that engages in any acts or practices subject to this Order.

16 C. Defendant must submit to the Commission notice of the filing of any
17 bankruptcy petition, insolvency proceeding, or similar proceeding by or against
18 Defendant within 14 days of its filing.

19 D. Any submission to the Commission required by this Order to be sworn
20 under penalty of perjury must be true and accurate and comply with 28 U.S.C. §
21 1746, such as by concluding: “I declare under penalty of perjury under the laws of
22 the United States of America that the foregoing is true and correct. Executed on:
23 _____” and supplying the date, signatory’s full name, title (if applicable), and
24 signature.

25 E. Unless otherwise directed by a Commission representative in writing, all
26 submissions to the Commission pursuant to this Order must be emailed to
27 DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to:
28 Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade

1 Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The subject
2 line must begin: FTC v. 1661, Inc. d/b/a GOAT.

3 **XI. RECORDKEEPING**

4 IT IS FURTHER ORDERED that Defendant must create certain records for 10
5 years after entry of the Order, and retain each such record for 5 years. Specifically,
6 Defendant, in connection with Mail, Internet, or Telephone Order Sales, or customer
7 requests related to Deficient Products or Protected Products, must create and retain
8 the following records:

- 9 A. accounting records showing the revenues from all goods or services
10 sold;
- 11 B. personnel records showing, for each person providing services related to
12 the subject matter of the Order, whether as an employee or otherwise, that person's:
13 name; addresses; telephone numbers; job title or position; dates of service; and (if
14 applicable) the reason for termination;
- 15 C. records of all consumer complaints and refund requests concerning the
16 subject matter of this Order, whether received directly or indirectly, such as through a
17 third party, and any responses or related communications;
- 18 D. all records necessary to demonstrate full compliance with each provision
19 of this Order, including all submissions to the Commission; and
- 20 E. a copy of each unique advertisement or other marketing material
21 disseminated by Defendant related to shipping, refunds, returns of merchandise, or
22 buyer protection.

23 **XII. COMPLIANCE MONITORING**

24 IT IS FURTHER ORDERED that, for the purpose of monitoring Defendant's
25 compliance with this Order, including any failure to transfer any assets as required by
26 this Order:

- 27 A. Within 14 days of receipt of a written request from a representative of
28 the Commission, Defendant must: submit additional compliance reports or other

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 are 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, 57b-1.

17 **XIII. 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.

20

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

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United States District Judge

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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 late 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] or email us at [to be determined@goat.com].

Thank you,

GOAT