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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. 2:23-CV-9824

**[PROPOSED] 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”),

1 and California Business & Professions Code § 17500, *et seq* (“the California
2 False Advertising Law”).

3 Plaintiffs and Defendant have agreed to entry of this Stipulated Order for
4 Permanent Injunction, Monetary Judgment, and Other Relief (“Order” or
5 “Judgment”) (lodged concurrently with this Stipulation) to resolve all claims
6 against Defendant in this action.

7 **THEREFORE, IT IS ORDERED** as follows:

8
9 **FINDINGS**

10 1. This Court has jurisdiction over this matter.

11 2. The Complaint charges that Defendant participated in deceptive acts
12 or practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, the
13 California Unfair Competition Law, and the California False Advertising Law, in
14 connection with the advertising, marketing, and sale to consumers of DNA
15 Information testing for ancestry and health-related traits and conditions.

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

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

22 5. Defendant waives all rights to appeal or otherwise challenge or
23 contest the validity of this Order.

24 6. Oleh Mulyar, aka Alex Mulyar (“Mulyar”), Defendant’s current
25 principal executive officer, consents to the jurisdiction of this Court for purposes
26 of this Stipulation and Order and agrees to be bound by the terms of this
27 Judgment.
28

1 3. Obtaining consent through a user interface that has the substantial
2 effect of subverting or impairing user autonomy, decision-making, or choice.

3 B. **“Billing Information”** means any data that enables any person to access a
4 consumer’s account, such as a credit card, debit card, checking, savings, share or
5 similar account, utility bill, or mortgage loan account.

6 C. **“Charge(s),” “Charged,” or “Charging”** means any attempt to collect
7 money or other consideration from a consumer, including, but not limited to,
8 causing Billing Information to be submitted for payment, including against the
9 consumer’s credit card, debit card, bank account, telephone bill, or other account.

10 D. **“Clear(ly) and Conspicuous(ly)”** means that a required disclosure is
11 difficult to miss (i.e., easily noticeable) and easily understandable by ordinary
12 consumers, including in all of the following ways:

13 1. In any communication that is solely visual or solely audible, the
14 disclosure must be made through the same means through which the
15 communication is presented. In any communication made through both visual
16 and audible means, such as a television advertisement, the disclosure must be
17 presented simultaneously in both the visual and audible portions of the
18 communication even if the representation requiring the disclosure is made in
19 only one means.

20 2. A visual disclosure, by its size, contrast, location, the length of time
21 it appears, and other characteristics, must stand out from any accompanying
22 text or other visual elements so that it is easily noticed, read, and understood.

23 3. An audible disclosure, including by telephone or streaming video,
24 must be delivered in a volume, speed, and cadence sufficient for ordinary
25 consumers to easily hear and understand it.
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1 4. In any communication using an interactive electronic medium,
2 such as the Internet or software, the disclosure must be unavoidable.

3 5. The disclosure must use diction and syntax understandable to
4 ordinary consumers and must appear in each language in which the
5 representation that requires the disclosure appears.

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

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

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

14 E. **“Close Proximity”** means that the disclosure is very near the
15 triggering representation. For example, a disclosure made through a
16 hyperlink, pop-up, interstitial, or other similar technique is not in close
17 proximity to the triggering representation.

18 F. **“Collateral”** means the industrial/commercial property in El
19 Segundo, California (Parcel ID AIN 4135018005).

20 G. **“Covered Information”** means information from or about an
21 individual consumer, including: (1) a first and last name; (2) a physical
22 address; (3) an email address or other online contact information, such as
23 instant messaging user identifier or a screen name; (4) a telephone number;
24 (5) a financial account number; (6) credit or debit card information; (7)
25 DNA Information; (8) a persistent identifier, such as a customer number
26 held in a “cookie,” a static Internet Protocol (“IP”) address, a mobile device
27
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1 ID, processor serial number, user ID, or any other persistent identifier that
2 can be used to recognize a user over time and/or across different devices,
3 websites, or online services; or (9) any information combined with any of
4 (1) through (8) above.

5 H. **“CRI Principal Executive Officer”** means Oleh Mulyar, aka Alex
6 Mulyar, and refers to both his role as the principal executive officer of
7 Defendant and his individual capacity where applicable.

8 I. **“Data Product”** means any models or algorithms developed in
9 whole or in part using DNA Information that Defendant collected from any
10 individual consumer.

11 J. **“Defendant”** means **CRI Genetics, LLC**, also doing business as
12 **OmniPGX**, and its successors and assigns.

13 K. **“DNA Information”** means biological DNA samples and/or any
14 individually identifiable information derived from an individual consumer’s
15 biological DNA sample, such as through genomic, molecular, and
16 computational analyses (*e.g.*, by genotyping and whole or partial genome
17 sequencing).

18 L. **“Material Connection”** means any relationship that materially
19 affects the weight or credibility of any endorsement and that would not be
20 reasonably expected by consumers.

21 M. **“Refund Policy”** means Defendant’s refund policy attached hereto
22 as **Attachment C**.

23
24 **ORDER**

25
26 **I. PROHIBITION AGAINST MISREPRESENTATIONS,**
27 **INCLUDING FALSE AND/OR UNSUBSTANTIATED CLAIMS**
28 **REGARDING DNA INFORMATION TESTING PRODUCTS**
AND SERVICES AND DATA PRODUCTS

1 **IT IS ORDERED** that Defendant, Defendant’s officers, agents,
2 employees, and attorneys, and all other persons in active concert or
3 participation with any of them, who receive actual notice of this Order,
4 whether acting directly or indirectly, in connection with the advertising,
5 promotion, offering for sale, or sale of any DNA Information testing
6 product or service are permanently restrained and enjoined from:
7

8 A. Making any misrepresentation, expressly or by implication:

9 1. That Defendant’s DNA Information testing product or service:

- 10 a. is more accurate or detailed than competitors’ DNA
11 Information testing products or services;
12 b. will show the geographic location of a consumers’ ancestors
13 with a 90 percent or higher accuracy rate;
14 c. will show exactly where consumers’ ancestors came from or
15 exactly when or where they arrived; or

16 2. That a patent has been obtained for any tool, software,
17 algorithm, Data Product, or product or service related to DNA
18 Information testing.

19 B. Making any representation, expressly or by implication, about the
20 superiority, accuracy, efficacy, performance, or level of detail of any DNA
21 Information testing product or service, unless the representation is non-
22 misleading, and, at the time such representation is made, Defendant
23 possesses and relies upon competent and reliable scientific evidence that is
24 sufficient in quality and quantity based on standards generally accepted in
25 the relevant scientific fields, when considered in light of the entire body of
26 relevant and scientific evidence, to substantiate that the representation is
27 true.
28

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 are
8 permanently restrained and enjoined from making, or assisting others in
9 making, any misrepresentation, expressly or by implication:

10 A. Regarding the objectivity or impartiality of any content, including
11 any endorsement, review, rating, ranking, or star ratings of any entity
12 offering those products or services;

13 B. Regarding the influence of compensation on any content, including
14 any endorsement, review, rating, ranking or star ratings of any entity
15 offering those products or services;

16 C. Regarding any Material Connection between Defendant and any
17 website, social media site, individual, or entity offering or affiliated with a
18 product or service;

19 D. That any endorsement of a product, service, or entity is (1) a truthful
20 endorsement, or (2) by an actual or impartial user of the product, service, or
21 entity; or

22 E. Through the use of any endorsement of a product, service, or entity.
23

24 **III. REQUIRED DISCLOSURE OF MATERIAL CONNECTIONS**

25 **IT IS FURTHER ORDERED** that Defendant, Defendant’s officers,
26 agents, employees, and attorneys, and all other persons in active concert or
27 participation with any of them, who receive actual notice of this Order,
28

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

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 and services occur;

4 D. Whether any products or services are available only for a short
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; or

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 total cost the consumer will be
25 Charged, the products 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.
28

1 **VI. REQUIRED DISCLOSURES RELATING TO WEBSITE**
2 **BILLING**

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 are
8 permanently restrained and enjoined from making any representation,
9 expressly or by implication, regarding consumers’ ability to confirm, edit,
10 or delete products and services selected before Charges for such products
11 and services occur, without disclosing, Clearly and Conspicuously, and in
12 Close Proximity to the representation,

- 13 A. When orders for products and services are final or complete; and
14 B. When Charges will occur.
15

16 **VII. NOTICE AND AFFIRMATIVE EXPRESS CONSENT**

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 prior to using DNA Information collected from an individual consumer,
21 must:
22

- 23 A. Clearly and Conspicuously disclose to the consumer from whom
24 Defendant has collected DNA Information, separate and apart from any
25 “privacy policy,” “terms of use” page, or other similar document, all
26 purposes for which Defendant will use, and to the extent applicable, share,
27 the DNA Information; and
28

1 B. Obtain the Affirmative Express Consent of the consumer from
2 whom Defendant collected the DNA Information.

3
4 **VIII. COMPLIANCE WITH CALIFORNIA LAW**

5 **IT IS FURTHER ORDERED** that Defendant, Defendant's officers,
6 agents, employees, and attorneys, CRI Principal Executive Officer and all
7 other persons in active concert or participation with any of them, who
8 receive actual notice of this Order, whether acting directly or indirectly, in
9 connection with the advertising, promotion, offering for sale, or sale of any
10 DNA Information testing product or service are permanently restrained and
11 be enjoined from violating, causing others to violate, or assisting others in
12 violating any provision of the following:

13 A. California Business & Professions Code §17500 *et seq.* (California
14 False Advertising Law), including by making any false or misleading
15 statements;
16

17 B. California Business & Professions Code §17200 *et seq.* (California
18 Unfair Competition Law), including by violating the California False
19 Advertising Law;

20 C. California Civil Code, § 1770 *et seq.* (California Consumers Legal
21 Remedies Act), including by representing that their goods or services are of
22 a particular standard, quality, or grade, when they are of another or
23 advertising goods or services with intent not to sell them as advertised;

24 D. California Civil Code, § 56.18 *et seq.* (California Genetic
25 Information Privacy Act), including by failing to provide notice and/or
26 obtain express consent related to use and disclosure of genetic testing data;
27 and
28

1 E. California Civil Code, § 1798.100 *et seq.*, and California Code of
2 Regulations, tit. 11, § 7000 *et seq.* (California Consumer Privacy Act),
3 including by failing to offer and/or process California consumers’ rights to
4 opt-out of sale or sharing of personal information, failing to require opt-in
5 for minors and/or their parents of sale or sharing of personal information, or
6 failing to limit the use and disclosure of sensitive personal information.
7

8 **IX. NOTICE TO PURCHASERS**

9
10 **IT IS FURTHER ORDERED** that within 30 days of entry of this
11 Order, Defendant shall send by electronic mail an exact copy of the notice
12 attached as **Attachment A**, showing the date of the mailing, to any
13 consumer who purchased a DNA Information testing product or service
14 from January 2017 through May 2021.
15

16 **X. COMPLIANCE WITH REFUND POLICY**

17 **IT IS FURTHER ORDERED** that:

18 A. Defendant shall post a copy of the Refund Policy on its website under
19 any Frequently Asked Questions or appropriate location likely to be found
20 by consumers.

21 B. Defendant shall issue refunds according to the Refund Policy.

22 C. Defendant shall issue refunds in response to refund requests it
23 received from 2019 through 2022 but did not grant due to lack of consumer
24 information, if it receives information sufficient to provide the refund.
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1 **XI. MANDATED DELETION OF CERTAIN**
2 **COVERED INFORMATION**

3 **IT IS FURTHER ORDERED** that Defendant, Defendant’s
4 officers, agents, employees, and attorneys, and all other persons in active
5 concert or participation with any of them, who receive actual notice of this
6 Order, must:

7 A. Delete or destroy all Covered Information collected by Defendant
8 from all consumers who purchased Defendant’s DNA Information testing
9 products or services, who received a full refund of the purchase price on or
10 before the date of entry of this Order, and who request such deletion or
11 destruction. Defendant must notify all such consumers within 14 days of
12 the date of entry of this Order by providing the notice in **Attachment B** and
13 must delete or destroy the Covered Information within 14 days of a
14 consumer’s request. Within 365 days after the date of entry of this Order,
15 Defendant must submit a written statement to the Commission and
16 California, sworn under penalty of perjury, confirming the deletion or
17 destruction and any exceptions.
18

19 B. Delete or destroy all Covered Information collected by Defendant
20 from any consumer who purchases Defendant’s DNA Information testing
21 products or services who is entitled to a full refund of the purchase price
22 after the date of entry of this Order, and who requests such deletion or
23 destruction. Defendant must Clearly and Conspicuously disclose
24 consumers’ right to delete or destroy their Covered Information, including
25 the steps needed to request such deletion or destruction and obtain written
26 confirmation.

27 *Provided, however,* that any Covered Information that Defendant is
28 otherwise required to delete or destroy pursuant to this provision may be

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 A. Within 30 days of entry of this Order, Defendant, and separately the
13 CRI Principal Executive Officer, must submit to Plaintiffs an
14 acknowledgment of receipt of this Order sworn under penalty of perjury.

15 B. For 5 years after entry of this Order, Defendant, and the CRI
16 Principal Executive Officer for any business that he, individually or
17 collectively, is the majority owner or controls directly or indirectly, must
18 deliver a copy of this Order to: (1) all principals, officers, directors, and
19 LLC managers and members; (2) all employees and agents having
20 managerial responsibilities for conduct related to the subject matter of the
21 Order and all agents and representatives who participate in conduct related
22 to the subject matter of the Order; and (3) any business entity resulting from
23 any change in structure as set forth in the Section titled Compliance
24 Reporting. Delivery must occur within 30 days of entry of this Order for
25 current personnel. For all others, delivery must occur before they assume
26 their responsibilities.

27
28 C. From each individual or entity to which a copy of this Order was

1 delivered, Defendant or the CRI Principal Executive Officer must obtain,
2 within 30 days of delivery, a signed and dated acknowledgment of receipt
3 of this Order.

4 **XIII. COMPLIANCE REPORTING**

5 **IT IS FURTHER ORDERED** that Defendant and the CRI Principal
6 Executive Officer make timely submissions to the Plaintiffs:
7

8 A. One year after entry of this Order, the CRI Principal Executive
9 Officer must submit a compliance report, sworn under penalty of perjury,
10 and separately, Defendant, must submit a compliance report, sworn under
11 penalty of perjury:

12 1. Defendant must: (a) identify the primary physical, postal, and
13 email address and telephone number, as designated points of contact,
14 which representatives of Plaintiffs may use to communicate with
15 Defendant; (b) identify all businesses owned or controlled by Defendant
16 by all of their names, telephone numbers, and physical, postal, email,
17 and Internet addresses; (c) describe the activities of each business,
18 including the goods and services offered, the means of advertising,
19 marketing, and sales, and the involvement, if any, of the CRI Principal
20 Executive Officer (which the CRI Principal Executive Officer must
21 describe if he knows or should know due to his own involvement); (d)
22 describe in detail whether and how Defendant is in compliance with
23 each Section of this Order; and (e) provide a copy of each Order
24 Acknowledgment obtained pursuant to this Order, unless previously
25 submitted to the Plaintiffs.
26

27 2. Additionally, the CRI Principal Executive Officer must: (a)
28 identify all telephone numbers and all physical, postal, email and Internet

1 addresses, including all residences; (b) identify all business activities,
2 including any business for which the CRI Principal Executive Officer
3 performs services whether as an employee or otherwise and any entity in
4 which the CRI Principal Executive Officer has any ownership interest;
5 and (c) describe in detail the CRI Principal Executive Officer's
6 involvement in each such business, including title, role, responsibilities,
7 participation, authority, control, and any ownership.

8 B. For 10 years after entry of this Order, Defendant must submit a
9 compliance notice, sworn under penalty of perjury, within 30 days of any
10 change in: (a) any designated point of contact; or (b) the structure of
11 Defendant or any entity that Defendant has any ownership interest in or
12 controls directly or indirectly that may affect compliance obligations arising
13 under this Order, including: creation, merger, sale, or dissolution of the
14 entity or any subsidiary, parent, or affiliate that engages in any acts or
15 practices subject to this Order.
16

17 C. Additionally, for five years, the CRI Principal Executive Officer
18 must submit a compliance notice, sworn under penalty of perjury, within 30
19 days of any change in: (a) name, including aliases or fictitious name, or
20 residence address; (b) title or role in any business activity, including any
21 business for which he performs services whether as an employee or
22 otherwise and any entity in which he has any ownership interest, and
23 identify the name, physical address, and any Internet address of the business
24 or entity; or (c) ownership interest in the Collateral, security interest in the
25 Collateral, or any other issue that may impact California's interest in or
26 ability to liquidate the Collateral; *provided, however* that the CRI Principal
27 Executive Officer may cease reporting any further changes related to
28

1 subpart(c) upon full payment of the civil penalties provided under Section
2 XVI.

3 D. Until all civil penalties are paid, Defendant, and the CRI Principal
4 Executive Officer must submit to the Plaintiffs notice of the filing of any
5 bankruptcy petition, insolvency proceeding, or similar proceeding by or
6 against Defendant or the CRI Principal Executive Officer respectively,
7 within 30 days of its filing.

8 E. Any submission to the Plaintiffs required by this Order to be sworn
9 under penalty of perjury must be true and accurate and comply with 28
10 U.S.C. § 1746, such as by concluding: “I declare under penalty of perjury
11 under the laws of the United States of America, and under the laws of the
12 State of California, that the foregoing is true and correct. Executed on:
13 _____” and supplying the date, signatory’s full name, title (if applicable),
14 and signature.
15

16 F. Unless otherwise directed by a Commission representative in writing,
17 all submissions to the Commission pursuant to this Order must be emailed
18 to DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal
19 Service) to: Associate Director for Enforcement, Bureau of Consumer
20 Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW,
21 Washington, DC 20580. The subject line must begin: FTC v. CRI
22 Genetics, LLC, Matter No. 2123005.

23 G. Unless otherwise directed by a representative from the Office of the
24 California Attorney General in writing, all submissions to California
25 pursuant to this Order must be emailed to mike.osgood@doj.ca.gov (cc to
26 privacy@doj.ca.gov) **and** sent by overnight courier (not the U.S. Postal
27 Service) to: Senior Assistant Attorney General, Consumer Protection
28

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

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
14 managerial responsibilities related to this Order, whether as an employee or
15 otherwise, that person's: name; addresses; telephone numbers; job title or
16 position; dates of service; and (if applicable) the reason for termination;

17 C. Records of all consumer complaints and refund requests, whether
18 received directly or indirectly, such as through a third party, and any
19 response;
20

21 D. All records of any market, behavioral, or psychological research, or
22 user, customer, or usability testing, including any A/B or multivariate
23 testing, copy testing, surveys, focus groups, interviews, clickstream
24 analysis, eye or mouse tracking studies, heat maps, or session replays or
25 recordings concerning the subject matter of this Order;

26 E. All records necessary to demonstrate full compliance with each
27 provision of this Order, including all submissions to any of the Plaintiffs;
28 and

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 also
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 the 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
9 California Government Code § 11180, *et seq.*

10 **XVI. MONETARY PROVISIONS**

11 **IT IS FURTHER ORDERED** that:

12 A. Judgment in the amount of Seven Hundred Thousand Dollars
13 (\$700,000) is entered in favor of California against Defendant and the CRI
14 Principal Executive Officer jointly and severally, as civil penalties. The
15 payment shall be allocated and used in accordance with California Business
16 & Professions Code, §§ 17206 and 17536. This civil penalty is a non-
17 dischargeable debt under 11 U.S.C. § 523(a)(7) because it is a fine or
18 penalty payable to and for the benefit of a governmental unit and is not
19 compensation for actual pecuniary loss.

20 B. Defendant and the CRI Principal Executive Officer shall take no
21 deduction, capital loss, write-off, or any other tax benefit on any federal or
22 state tax return, amended tax return, IRS Form 1045, or any other tax filing,
23 for payments toward satisfaction of this Judgment. Defendant and the CRI
24 Principal Executive Officer shall cooperate in the filing of any tax forms
25 required by state or federal law.
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1 C. This civil penalty shall be deemed satisfied and extinguished if
2 Defendant and the CRI Principal Executive Officer timely pay a settlement
3 sum totaling \$700,000.00 as follows:

4 1. Within 30 days from entry of the Judgment, Defendant and/or the
5 CRI Principal Executive Officer make a payment totaling \$175,000.00
6 to California; and

7 2. Within one year from entry of the Judgment, and every one-year
8 anniversary thereafter, Defendant and/or the CRI Principal Executive
9 Officer makes a further payment totaling \$175,000.00, until the full civil
10 penalty is paid.

11 D. Defendant and the CRI Principal Executive Officer agree that
12 California may secure the payments specified in Section XVI.C (“Deferred
13 Payments”) with a lien against any real commercial property owned,
14 whether in whole or part, directly or indirectly, by the owners of Defendant
15 or the CRI Principal Executive Officer. Defendant and the CRI Principal
16 Executive Officer represent that they have the right and authority to grant
17 California the security interests in the Collateral and that such Collateral is
18 believed by them to have adequate equity to satisfy the remaining balance
19 of the unpaid penalties. Defendant and the CRI Principal Executive
20 Officer, at their expense, shall provide California the security interests in
21 the Collateral including, but not limited to, cooperating with and taking all
22 steps necessary to perfect and protect California’s secured interest in the
23 Collateral, and signing and delivering all necessary instruments to
24 California. In the event that Defendant and/or the CRI Principal Executive
25 Officer fail to provide the security interest in the Collateral by within 90
26 days of entry of this Order, the entire outstanding balance of the Judgment,
27 including interest at the legal rate accruing on the unpaid amount as of the
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1 date of entry of this Judgment, shall be immediately due and payable to
2 California. Should Defendant and/or the CRI Principal Executive Officer
3 timely make all the required payments specified in Section XVI.C,
4 California agrees to take all necessary action to remove the liens on the
5 Collateral and provide Defendant and the CRI Principal Executive Officer
6 with an executed notice and acknowledgment of satisfaction of judgment
7 within 30 days of receipt of final payment.

8 E. In the event any Deferred Payment is not made by the due date, the
9 entire outstanding balance of the Judgment, including interest at the legal
10 rate accruing on the unpaid amount as of the date of entry of this Judgment,
11 shall be immediately due and payable to California, and the CRI Principal
12 Executive Officer consents to entry of an order in this case appointing an
13 equity receiver to take possession of and liquidate the Collateral.
14

15 **XVII. RIGHT TO REOPEN AS TO MONETARY JUDGMENT**

16 **IT IS FURTHER ORDERED** that:

17 A. Plaintiffs' agreement to, and the Court's entry of, this Order is
18 expressly premised upon the truthfulness, accuracy, and completeness of
19 the representations Defendant, the CRI Principal Executive Officer and
20 their counsel provided to Plaintiffs regarding Defendant's and the CRI
21 Principal Executive Officer's financial condition and refunds issued by
22 Defendant. Plaintiffs materially relied upon these representations regarding
23 Defendant's and the CRI Principal Executive Officer's financial condition
24 and refunds issued by Defendant in negotiating and agreeing to the terms of
25 this Judgment.
26

27 B. If, upon motion, this Court finds that Defendant or the CRI Principal
28 Executive Officer intentionally made a material misrepresentation or

1 omitted material information in the representations provided by Defendant
2 and the CRI Principal Executive Officer, or on their behalf by counsel,
3 regarding Defendant's 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.
11

12 **XVIII. PROHIBITED PRACTICES BY RELATED BUSINESSES**

13
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 VII enjoining
16 certain acts with respect to Defendant shall also apply to the CRI Principal
17 Executive Officer and to any other business where he 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.
28

XIX. RETENTION OF JURISDICTION

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

SO ORDERED this ___ day of _____, 2023.

UNITED STATES DISTRICT JUDGE

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

**IMPORTANT NOTICE ABOUT COURT SETTLEMENT
REGARDING CRI GENETICS, LLC DNA ANCESTRY TEST KITS**
[content of letter, 16-point font]

Dear [Recipient]:

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

Please note that the FTC and the California Attorney General didn’t allege that CRI has failed to safeguard your DNA information or that the information in the ancestry report you received is inaccurate.

You can read more about the settlement here [link to FTC press release].

ATTACHMENT B

[On CRI Genetics, LLC Letterhead]
[From CRI Genetics, LLC email address]

IMPORTANT NOTICE ABOUT YOUR DNA INFORMATION
[content of letter, 16-point font]

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

Please note that the FTC and the California Attorney General didn’t allege that CRI has failed to safeguard your DNA information or that information in the ancestry report that you received is inaccurate.

You can read more about the settlement here [link to FTC press release].

CRI has agreed to delete or destroy your personal and DNA information upon your request, in accordance with the terms of the settlement. To request deletion or destruction of this information, [fill in the opt-in instructions]. Please also note that once CRI deletes your information, you will no longer be able to access your purchased reports.

ATTACHMENT C

8-Week Efficiency Guarantee

At CRI Genetics, we value your time and trust in our services. The lab process of examining DNA can be very time-consuming, especially if there are several customer samples to process at once. With this in mind, we're proud to offer a unique "8-Week Efficiency Guarantee" designed to provide you with your genetic reports promptly. Here's what it means for you:

Your 8-week countdown starts not from the time of purchase, but from the moment our lab receives your DNA sample. Every DNA sample received is subject to a quality control inspection. This is to ensure there is enough viable DNA in the sample to process. If any issues arise during the quality control inspection, we'll send you a replacement DNA test kit at no extra cost. The 8-week countdown will then restart when the lab receives your new sample.

In rare occasions, your DNA sample may pass quality inspection, but a small handful of reports may still show up as "inconclusive results." If this happens with your results, you will be eligible for a prorated refund of the reports missing from your order. Similarly, if an add-on (individually purchased) report such as Y-DNA has inconclusive results, you will be refunded for that add-on. Your satisfaction is vital to us, and we're committed to ensuring you get the insights you're looking for.

In the rare scenario where we're unable to deliver any of your results within 8 weeks from when we receive your sample, we promise a full refund. If only a fraction of your reports are unavailable, we'll adjust your refund proportionally, ensuring fairness and transparency.

Our "Efficiency Guarantee" is our commitment to you for timely, reliable genetic insights.

Unused Kits Sales

Stated Policy: To qualify for a refund, you must notify us within (90) days after your order is placed. We must confirm that your samples have not been shipped to our laboratory.

1 **Used Kits Sales**

2 Stated Policy: If your kit has been delivered to the laboratory, and you receive
3 your results within the 8 week efficiency guarantee you may not be eligible for a
4 refund.

5 **Report Subscription**

6 Stated Policy: Initial Subscription refunds: You have up to 30 days after your
7 initial order purchase of your subscription to refund your orders.

8 Renewal Subscription Refunds: You have up to 7 days after your renewal
9 subscriptions to refund your orders. If you cancel your subscription renewal after 7
10 days, you will retain access to your services for the remainder of the subscription
but will not be eligible for a refund.

11 **Report Credits**

12 Stated Policy: Credits purchases are not refundable unless reports purchased
13 have an inconclusive result.

14 Please contact customer care at USA 1-800-571-9216, UK +44-800-368-8243 to
15 process your
16 refund inquiry.