

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

FEDERAL TRADE COMMISSION,
Plaintiff,

v.

KEYVIEW LABS, INC.,
BRAIN RESEARCH LABS, LLC,
20/20 BRAIN POWER PARTNERS, LLC,
20/20 BRAIN POWER FOUNDERS, LLC,
MEDHEALTH DIRECT, INC.,
GEORGE REYNOLDS, a/k/a Josh
Reynolds and Joshua Reynolds, and
JOHN ARNOLD,
Defendants.

Docket No.: 8:15-cv-1047

**STIPULATED FINAL
JUDGMENT AND ORDER
FOR PERMANENT
INJUNCTION AND OTHER
EQUITABLE RELIEF AS TO
BRAIN RESEARCH LABS,
LLC, 20/20 BRAIN POWER
PARTNERS, LLC, 20/20
BRAIN POWER FOUNDERS,
LLC, MEDHEALTH DIRECT,
INC., GEORGE REYNOLDS,
a/k/a Josh Reynolds and Joshua
Reynolds, and JOHN ARNOLD**

1 Plaintiff, the Federal Trade Commission (“Commission” or “FTC”), filed its
2 Complaint in this matter, pursuant to Section 13(b) of the Federal Trade
3 Commission Act (“FTC Act”), 15 U.S.C. § 53(b). The Commission and
4 Defendants Brain Research Labs, LLC, 20/20 Brain Power Partners, LLC, 20/20
5 Brain Power Founders, LLC, MedHealth Direct, Inc., George Reynolds, also
6 known as Josh Reynolds and Joshua Reynolds, and John Arnold (collectively,
7 “BRL Defendants”), agreed in the Stipulation to Enter Final Judgment and Order
8 For Permanent Injunction and Other Equitable Relief (“Order”) to entry of this
9 Order, and requested that the Court enter the same to resolve all matters in dispute
10 in this action between them.

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

12 **FINDINGS**

- 13 1. This Court has jurisdiction over this matter.
- 14 2. The Complaint charges that Defendants participated in deceptive acts
15 or practices and false advertisements in violation in violation of Sections 5 and 12
16 of the FTC Act, 15 U.S.C. §§ 45(a) and 52, in connection with the labeling,
17 advertising, marketing, distribution, and sale of Procera AVH, a dietary
18 supplement.
- 19 3. BRL Defendants neither admit nor deny any of the allegations in the
20 Complaint, except as specifically stated in this Order. Only for purposes of this
21 action, BRL Defendants admit the facts necessary to establish jurisdiction.
- 22 4. BRL Defendants waive any claim that they may have under the Equal
23 Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action
24 through the date of this Order, and agree to bear their own costs and attorney fees.
- 25 5. BRL Defendants waive all rights to appeal or otherwise challenge or
26 contest the validity of this Order. This action and the relief awarded herein are in
27 addition to, and not in lieu of, other remedies as may be provided by law.
- 28

1 5. “Covered Product” means any dietary supplement, food, or drug,
2 including, but not limited to, Procera AVH.

3 6. “Endorsement” means as defined in 16 C.F.R. § 255.0(b).

4 7. “Essentially Equivalent Product” means a product that contains the
5 identical ingredients, except for inactive ingredients (e.g., binders, colors, fillers,
6 excipients), in the same form and dosage, and with the same route of
7 administration (e.g., orally, sublingually), as the Covered Product; provided that
8 the Covered Product may contain additional ingredients if reliable scientific
9 evidence generally accepted by experts in the relevant field indicates that the
10 amount and combination of additional ingredients is unlikely to impede or inhibit
11 the effectiveness of the ingredients in the Essentially Equivalent Product.

12 8. “Food” and “drug” mean as defined in Section 15 of the FTC Act, 15
13 U.S.C. § 55.

14 9. “Individual Defendants” means George Reynolds, also known as Josh
15 Reynolds and Joshua Reynolds, and John Arnold.

16 10. “Person” means a natural person, an organization, or other legal
17 entity, including a corporation, partnership, sole proprietorship, limited liability
18 company, association, cooperative, or any other group or combination acting as an
19 entity.

20 11. “Reliably Reported,” for a human clinical test or study (“test”), means
21 a report of the test has been published in a peer-reviewed journal, and such
22 published report provides sufficient information about the test for experts in the
23 relevant field to assess the reliability of the results.

24 12. The term “including” in this Order means “including without
25 limitation.”

I.

**PROHIBITED REPRESENTATIONS: MEMORY AND COGNITIVE
FUNCTION CLAIMS**

IT IS ORDERED that BRL Defendants, their officers, agents, and employees, 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 the manufacturing, labeling, advertising, promotion, offering for sale, sale, or distribution of any Covered Product are hereby permanently restrained and enjoined from making, or assisting others in making, expressly or by implication, including through the use of a product or program name, endorsement, depiction, or illustration, any representation that such product:

A. Improves or restores memory, mental clarity, focus, concentration, mood, or other cognitive or mental function; or

B. Stops or reverses memory loss, or cognitive or mental decline; unless the representation is non-misleading and, at the time of making such representation, BRL Defendants possess and rely upon competent and reliable scientific evidence to substantiate that the representation is true. For purposes of this Section, competent and reliable scientific evidence shall consist of human clinical testing of the Covered Product or of an Essentially Equivalent Product that is sufficient in quality and quantity, based on standards generally accepted by experts in memory or cognitive function, when considered in light of the entire body of relevant and reliable scientific evidence, to substantiate that the representation is true. Such testing shall be randomized, double-blind, and placebo-controlled, and be conducted by researchers qualified by training and experience to conduct such testing. In addition, all underlying or supporting data and documents generally accepted by experts in memory or cognitive function as relevant to an assessment of such testing as described in the Section entitled Preservation of Records Relating to Competent and Reliable Human Clinical Tests

1 or Studies must be available for inspection and production to the Commission.
2 BRL Defendants shall have the burden of proving that a product satisfies the
3 definition of an Essentially Equivalent Product.

4 **II.**

5 **PROHIBITED REPRESENTATIONS: OTHER HEALTH-RELATED**
6 **CLAIMS**

7 **IT IS FURTHER ORDERED** that BRL Defendants, their officers, agents,
8 and employees, and all other persons in active concert or participation with any of
9 them, who receive actual notice of this Order, whether acting directly or indirectly,
10 in connection with the manufacturing, labeling, advertising, promotion, offering
11 for sale, sale, or distribution of any Covered Product, are permanently restrained
12 and enjoined from making, or assisting others in making, directly or by
13 implication, including through the use of a product or program name, endorsement,
14 depiction, or illustration, any representation, other than representations covered
15 under Section I of this Order, about the health benefits, performance, or efficacy of
16 any Covered Product, including, but not limited to, any representation that any
17 Covered Product prevents memory decline or other cognitive or mental decline,
18 unless the representation is non-misleading, and, at the time of making such
19 representation, BRL Defendants possess and rely upon competent and reliable
20 scientific evidence that is sufficient in quality and quantity based on standards
21 generally accepted in the relevant scientific fields, when considered in light of the
22 entire body of relevant and reliable scientific evidence, to substantiate that the
23 representation is true.

24 For purposes of this Section, competent and reliable scientific evidence
25 means tests, analyses, research, or studies (1) that have been conducted and
26 evaluated in an objective manner by qualified persons; (2) that are generally
27 accepted in the profession to yield accurate and reliable results; and (3) as to
28 which, when they are human clinical tests or studies, all underlying or supporting

1 data and documents generally accepted by experts in the field as relevant to an
2 assessment of such testing as set forth in Section III of this Order are available for
3 inspection and production to the Commission.

4 **III.**

5 **PRESERVATION OF RECORDS RELATING TO COMPETENT AND**
6 **RELIABLE HUMAN CLINICAL TESTS OR STUDIES**

7 **IT IS FURTHER ORDERED** that, with regard to any human clinical test
8 or study (“test”) upon which BRL Defendants rely to substantiate any claim
9 covered by this Order, BRL Defendants shall secure and preserve all underlying or
10 supporting data and documents generally accepted by experts in the field as
11 relevant to an assessment of the test, including, but not necessarily limited to:

12 A. All protocols and protocol amendments, reports, articles, write-ups, or
13 other accounts of the results of the test, and drafts of such documents reviewed by
14 the test sponsor or any other person not employed by the research entity;

15 B. All documents referring or relating to recruitment; randomization;
16 instructions, including oral instructions, to participants; and participant
17 compliance;

18 C. Documents sufficient to identify all test participants, including any
19 participants who did not complete the test, and all communications with any
20 participants relating to the test; all raw data collected from participants enrolled in
21 the test, including any participants who did not complete the test; source
22 documents for such data; any data dictionaries; and any case report forms;

23 D. All documents referring or relating to any statistical analysis of any
24 test data, including, but not limited to, any pretest analysis, intent-to-treat analysis,
25 or between-group analysis performed on any test data; and

26 E. All documents referring or relating to the sponsorship of the test,
27 including all communications and contracts, between any sponsor and the test’s
28 researchers.

1 B. That the benefits of such product are scientifically proven.

2 **V.**

3 **FDA APPROVED CLAIMS**

4 **IT IS FURTHER ORDERED** that nothing in this Order shall prohibit BRL
5 Defendants from:

6 A. Making any representation for any drug that is permitted in labeling
7 for such drug under any tentative or final monograph promulgated by the Food and
8 Drug Administration, or under any new drug application approved by the Food and
9 Drug Administration; and

10 B. Making any representation for any product that is specifically
11 permitted in labeling for such product by regulations promulgated by the Food and
12 Drug Administration pursuant to the Nutrition Labeling and Education Act of 1990
13 or permitted under Sections 303-304 of the Food and Drug Administration
14 Modernization Act of 1997.

15 **VI.**

16 **PROHIBITED REPRESENTATIONS ABOUT THE EXPERTISE OF**
17 **ENDORSERS**

18 **IT IS FURTHER ORDERED** that BRL Defendants, their officers, agents,
19 and employees, and all other persons in active concert or participation with any of
20 them, who receive actual notice of this Order, whether acting directly or indirectly,
21 in connection with the manufacturing, labeling, advertising, promotion, offering
22 for sale, sale, or distribution of any Covered Product are permanently restrained
23 and enjoined from misrepresenting, or assisting others in misrepresenting, in any
24 manner, expressly or by implication, including through the use of any product or
25 program name, endorsement, depiction, or illustration, that any person is an expert
26 with respect to the endorsement message provided by that person.

1 **VII.**

2 **PROHIBITED REPRESENTATIONS AS AN EXPERT ENDORSER**

3 **IT IS FURTHER ORDERED** that Defendant Reynolds, his agents, and
4 employees, and all other persons in active concert or participation with him, who
5 receive actual notice of this Order, whether acting directly or indirectly, in
6 connection with the manufacturing, labeling, advertising, promotion, offering for
7 sale, sale, or distribution of any Covered Product are permanently restrained and
8 enjoined from making, directly or by implication, any representations as an expert
9 endorser, including, but not limited to, the representations covered by Sections I,
10 II, and IV, above, unless he possesses the represented expertise and he possesses
11 and relies upon:

12 A. Competent and reliable scientific evidence required for the particular
13 representation, as set forth in Sections I, II, and IV, above; and

14 B. An actual exercise of the represented expertise, in the form of an
15 evaluation or test of such product conducted and evaluated in an objective manner
16 and which is generally accepted in the relevant profession to yield accurate and
17 reliable results.

18 **VIII.**

19 **MONETARY JUDGMENT**

20 **IT IS FURTHER ORDERED** that:

21 A. Judgment in the amount of NINETY-ONE MILLION Dollars
22 (\$91,000,000) is entered in favor of the Commission against Defendants Brain
23 Research Labs, LLC, 20/20 Brain Power Partners, LLC, 20/20 Brain Power
24 Founders, LLC, MedHealth Direct, Inc., George Reynolds a/k/a Josh Reynolds and
25 Joshua Reynolds, and John Arnold, jointly and severally, as equitable monetary
26 relief.

27 B. In partial satisfaction of the judgment, One Million Four Hundred
28 Thousand Dollars (\$1,400,000) currently held in escrow funds under the Escrow

1 Agreement dated April 14, 2014 between KeyView Labs, Inc. and Brain Research
2 Labs, LLC, and Escrow Agent Blalock Walters P.A. (“Blalock Escrow
3 Agreement”) and under the Escrow Agreement dated December 28, 2012 between
4 KeyView Labs, Inc., Brain Research Labs, LLC, and Escrow Agent Trenam,
5 Kemker, Scharf, Barkin, Frye, O’Neill, and Mullis (“TK Escrow Agreement”)
6 shall be used as follows:

7 1. Within seven days of entry of this Order, BRL Defendants shall
8 pay to the Commission One Million Dollars (\$1,000,000) or provide written notice
9 to Escrow Agent Blalock Walters P.A. directing that all Escrow Funds in the
10 Blalock Escrow Agreement shall be immediately paid to the Commission, as
11 provided for in Article 1 of the Blalock Escrow Agreement. Such payment shall be
12 made by electronic fund transfer in accordance with instructions previously
13 provided by a representative of the Commission.

14 2. Subject to Subparagraph VIII.B.3, below, the remaining Four
15 Hundred Thousand Dollars (\$400,000) shall be reserved exclusively for payment
16 to the Office of the District Attorney Santa Cruz County, Santa Cruz, California
17 (“Santa Cruz”) pursuant to any judgment that is entered in *People of the State of*
18 *California v. Brain Research Labs, LLC and Joshua Reynolds a/k/a George*
19 *Reynolds*.

20 3. If, for any reason, such payment is not made within seven days
21 of entry of this Order to Santa Cruz pursuant to *People of the State of California v.*
22 *Brain Research Labs, LLC and Joshua Reynolds a/k/a George Reynolds*,
23 BRL Defendants shall, within 15 days of entry of this Order, pay the Commission
24 Four Hundred Thousand Dollars (\$400,000) or provide written notice to Escrow
25 Agent Trenam, Kemker, Scharf, Barkin, Frye, O’Neill, and Mullis that all Escrow
26 Funds under the TK Escrow Agreement shall be immediately paid to the
27 Commission, as provided for in Article 1 of the TK Escrow Agreement. Such
28

1 payment shall be made by electronic fund transfer in accordance with instructions
2 previously provided by a representative of the Commission.

3 C. Upon completion of Section VIII. B, the remainder of the monetary
4 judgment is suspended, subject to Section VIII. D, below.

5 D. The Commission's agreement to the suspension of part of the
6 judgment is expressly premised upon the truthfulness, accuracy, and completeness
7 of BRL Defendants' sworn financial statements and related documents
8 (collectively "financial attestations") submitted to the Commission, namely:

9 1. the Financial Statement of Individual Defendant John Arnold,
10 signed on June 13, 2014 [bates numbered JA-FIN-0001 through JA-FIN-0136];

11 2. the additional financial documentation for Defendant Arnold
12 produced to Commission counsel on September 15, 2014 [bates numbered JA-FIN-
13 137 through 178]; on September 16, 2014 [bates numbered JA-FIN-179 through
14 579]; and September 23, 2014 [bates numbered JA-FIN-179 through 196];

15 3. the Financial Statement of Individual Defendant George a/k/a
16 Josh and Joshua Reynolds, signed on June 13, 2014 [bates numbered JR-FIN-0001
17 through JR-FIN-0079 and JR-FIN-0001 as corrected];

18 4. the additional financial documentation for Defendant Reynolds
19 produced to Commission counsel on September 16, 2014 [bates numbered JR-FIN-
20 0080 through 0270, bates numbered BN-FIN-0001 through 0157, and bates
21 numbered J&B-FIN-001 through 0111] and on September 23, 2014 [bates
22 numbered JR-FIN-271 through 287 and bates numbered J&B-FIN-0112 through
23 117];

24 5. the Financial Statement of Corporate Defendant Brain Research
25 Labs, LLC, signed on June 4, 2014 [bates numbered BRL-FIN-0001 through BRL-
26 FIN-275, with corrected pages BRL-FIN-0001 through BRL-FIN-0015 produced
27 to Commission counsel on August 7, 2014];

28 6. the additional financial documentation for Defendant Brain

1 Research Labs, LLC produced to Commission counsel on August 13, 2014 [bates
2 numbered BRL-FIN-0276 though BRL-FIN-0324];

3 7. the Financial Statement of Corporate Defendant MedHealth
4 Direct, Inc., signed on August 4, 2014 [bates numbered MHD-FIN-0001 through
5 MHD-FIN-0086];

6 8. the additional financial documentation for Defendant
7 MedHealth Direct, Inc. produced to Commission counsel on August 18, 2014
8 [bates numbered MHD-FIN-0087 through MHD-FIN-0110], on September 15,
9 2014 [bates numbered MHD-FIN-0111 through 152] and on September 23, 2014
10 [bates numbered MHD-FIN-0153 through 158];

11 9. the Financial Statement of Corporate Defendant 20/20 Brain
12 Power Founders, LLC, signed on August 4, 2014 [bates numbered BPF-FIN-0001
13 through BPF-FIN-0269];

14 10. the Financial Statement of Corporate Defendant 20/20 Brain
15 Power Partners, LLC, signed on August 4, 2014 [bates numbered BPP-FIN-0001
16 through BPP-FIN-790]; and

17 11. the additional financial documentation for 20/20 Brain Power
18 Partners, LLC produced to Commission counsel on August 18, 2014 [bates
19 numbered BPP-FIN-791 through BPP-FIN-848].

20 12. the Escrow Agreement, dated April 14, 2014, between
21 KeyView Labs, Inc. and Brain Research Labs, LLC, and Escrow Agent Blalock
22 Walters P.A. (“Blalock Escrow Agreement”); and

23 13. the Escrow Agreement, dated December 28, 2012, between
24 KeyView Labs, Inc., Brain Research Labs, LLC, and Escrow Agent Trenam,
25 Kemker, Scharf, Barkin, Frye, O’Neill, and Mullis (“TK Escrow Agreement”).

26 E. The suspension of judgment will be lifted as to any BRL Defendant if,
27 upon motion by the Commission, the Court finds that the Defendant failed to
28 disclose any material asset, materially misstated the value of any asset, or made

1 any other material misstatement or omission in the financial attestations identified
2 above.

3 F. If the suspension is lifted, the judgment becomes immediately due as
4 to that Defendant in the amount specified in Subsection A, above, less any
5 payment previously made pursuant to this Section plus interest computed from the
6 date of entry of this Order.

7 G. BRL Defendants relinquish dominion and all legal and equitable right,
8 title, and interest in all assets transferred pursuant to this Order and may not seek
9 the return of any assets.

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

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

19 J. BRL Defendants acknowledge that their Taxpayer Identification
20 Numbers (Social Security Numbers or Employer Identification Numbers), which
21 BRL Defendants must submit to the Commission, may be used for collecting and
22 reporting on any delinquent amount arising out of this Order, in accordance with
23 31 U.S.C. § 7701.

24 K. All money paid to the Commission or released from Escrow pursuant
25 to this Order may be deposited into a fund administered by the Commission or its
26 designee to be used for equitable relief, including consumer redress and any
27 attendant expenses for the administration of any redress fund. If a representative
28 of the Commission decides that direct redress to consumers is wholly or partially

1 impracticable or money remains after redress is completed, the Commission may
2 apply any remaining money for such other equitable relief (including consumer
3 information remedies) as it determines to be reasonably related to BRL
4 Defendants' practices alleged in the Complaint. Any money not used for such
5 equitable relief is to be deposited to the U.S. Treasury as disgorgement. BRL
6 Defendants have no right to challenge any actions the Commission or its
7 representatives may take pursuant to this Subsection.

8 **IX.**

9 **COOPERATION WITH PLAINTIFF**

10 **IT IS FURTHER ORDERED** that BRL Defendants must fully cooperate
11 with the Commission in this case and in any investigation related to or associated
12 with the transactions or occurrences that are the subject of the Commission's
13 Complaint. BRL Defendants must provide truthful and complete information,
14 evidence, and testimony. BRL Defendants acknowledge, understand, and agree
15 that such cooperation shall include, but not be limited to, the following:

16 A. Causing its officers, employees, representatives, or agents to appear
17 for interviews as may reasonably be requested by a Commission representative;

18 B. Responding to all reasonable inquiries by a Commission
19 representative;

20 C. Providing all documents, records, or other tangible evidence
21 reasonably requested by a Commission representative;

22 D. Providing truthful declarations, affidavits, certifications, and written
23 testimony that may be reasonably requested by the Commission;

24 E. Causing its officers, employees, representatives, or agents to appear
25 and provide truthful testimony at any trial, deposition, or other proceeding without
26 the service of a subpoena; and

27 F. Releasing any current or former employees, representatives, or agents
28 from any confidentiality or other agreements that might limit their ability to appear

1 for interviews, provide truthful declarations, affidavits, certifications, and written
2 testimony, or appear and provide truthful testimony at any trial, deposition, or
3 other proceeding.

4 **X.**

5 **CUSTOMER INFORMATION**

6 **IT IS FURTHER ORDERED** that BRL Defendants, their officers, agents,
7 employees, and all other persons in active concert or participation with any of
8 them, who receive actual notice of this Order, are permanently restrained and
9 enjoined from directly or indirectly:

10 A. Failing to provide sufficient customer information to enable the
11 Commission to efficiently administer consumer redress. If a representative of the
12 Commission requests in writing any information related to redress, BRL
13 Defendants must provide it, in the form prescribed by the Commission, within 14
14 days.

15 B. Disclosing, using, or benefiting from customer information, including
16 the name, address, telephone number, email address, social security number, other
17 identifying information, or any data that enables access to a customer's account
18 (including a credit card, bank account, or other financial account), that any BRL
19 Defendant obtained prior to entry of this Order in connection with the sale of
20 Procera AVH; and

21 C. Failing to destroy such customer information in all forms in their
22 possession, custody, or control within 30 days after receipt of written direction to
23 do so from a representative of the Commission.

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

1 **XI.**

2 **ORDER ACKNOWLEDGMENTS**

3 **IT IS FURTHER ORDERED** that BRL Defendants obtain
4 acknowledgments of receipt of this Order:

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

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

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

21 **XII.**

22 **COMPLIANCE REPORTING**

23 **IT IS FURTHER ORDERED** that BRL Defendants make timely
24 submissions to the Commission:

25 A. One hundred and eighty (180) days after entry of this Order, each
26 BRL Defendant must submit a compliance report, sworn under penalty of perjury.

27 1. Each BRL Defendant must: (a) identify the primary physical,
28 postal, and email address and telephone number, as designated points of contact,

1 which representatives of the Commission may use to communicate with such
2 Defendant; (b) identify all of that Defendant's businesses by all of their names,
3 telephone numbers, and physical, postal, email, and Internet addresses; (c) describe
4 the activities of each business, including the products and services offered, the
5 means of advertising, marketing, and sales, and the involvement of any other
6 Defendant (which Individual Defendants must describe if they know or should
7 know due to their own involvement); (d) describe in detail whether and how that
8 Defendant is in compliance with each Section of this Order; and (e) provide a copy
9 of each Order Acknowledgment obtained pursuant to this Order, unless previously
10 submitted to the Commission.

11 2. Additionally, each Individual Defendant must: (a) identify all
12 telephone numbers and all physical, postal, email and Internet addresses, including
13 all residences; (b) identify all business activities, including any business for which
14 such Defendant performs services whether as an employee or otherwise and any
15 entity in which such Defendant has any ownership interest; and (c) describe in
16 detail such Defendant's involvement in each such business, including title, role,
17 responsibilities, participation, authority, control, and any ownership.

18 B. For ten (10) years after entry of this Order, each BRL Defendant must
19 submit a compliance notice, sworn under penalty of perjury, within 14 days of any
20 change in the following:

21 1. Each BRL Defendant must report any change in: (a) any
22 designated point of contact; or (b) the structure of any Corporate Defendant or any
23 entity that such BRL Defendant has any ownership interest in or controls directly
24 or indirectly that may affect compliance obligations arising under this Order,
25 including: the creation, merger, sale, or dissolution of the entity or any subsidiary,
26 parent, or affiliate that engages in any acts or practices subject to this Order.

27 2. Additionally, each Individual Defendant must report any
28 change in: (a) name, including aliases or fictitious name, or residence address; or

1 (b) title or role in any business activity, including any business for which such
2 Defendant performs services, whether as an employee or otherwise, and any entity
3 that such Defendant controls directly or indirectly, and identify the name, physical
4 address, and any Internet address of the business or entity.

5 C. Each BRL Defendant must submit to the Commission notice of the
6 filing of any bankruptcy petition, insolvency proceeding, or any similar proceeding
7 by or against such Defendant within 14 days of its filing.

8 D. Any submission to the Commission required by this Order to be
9 sworn 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 under
11 the laws of the United States of America that the foregoing is true and correct.
12 Executed on: _____” and supplying the date, signatory’s full name, title (if
13 applicable), and signature.

14 E. Unless otherwise directed by a Commission representative in writing,
15 all submissions to the Commission pursuant to this Order must be emailed to
16 DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to:
17 Associate Director for Enforcement, Bureau of Consumer Protection, Federal
18 Trade Commission, 600 Pennsylvania Avenue NW, Washington, D.C. 20580. The
19 subject line must begin: *FTC v. Brain Research Labs, LLC, et al.*

20 **XIII.**

21 **RECORDKEEPING PROVISIONS**

22 **IT IS FURTHER ORDERED** that BRL Defendants must create certain
23 records for 20 years after entry of the Order, and retain each such record for five
24 years. Specifically, each Corporate Defendant and each Individual Defendant for
25 any business that such Individual Defendant, individually or collectively with any
26 other Defendants, is a majority owner or controls directly or indirectly, must create
27 and retain the following records:
28

1 affiliated with any Defendant who has agreed to such an interview. The person
2 interviewed may have counsel present.

3 C. The Commission may use all other lawful means, including posing,
4 through its representatives, as consumers, suppliers, or other individuals or entities,
5 to Defendants or any individual or entity affiliated with Defendants, without the
6 necessity of identification or prior notice. Nothing in this Order limits the
7 Commission's lawful use of compulsory process, pursuant to Sections 9 and 20 of
8 the FTC Act, 15 U.S.C. §§ 49, 57b-1.

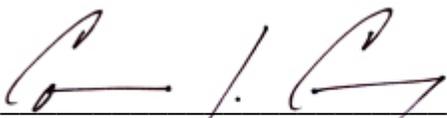
9 **XV.**

10 **RETENTION OF JURISDICTION**

11 **IT IS FURTHER ORDERED** that this Court shall retain jurisdiction of
12 this matter for purposes of construction, modification, and enforcement of this
13 Order.

14 **SO ORDERED:**

15
16 **DATED July 09, 2015**

17 
18 _____
19 **UNITED STATES DISTRICT JUDGE**
20
21
22
23
24
25
26
27
28