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UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

	)	Case No. 8:24-CV-1
UNITED STATES OF AMERICA,	)	
	)	[Proposed]
Plaintiff,	)	STIPULATED ORDER FOR
	)	PERMANENT INJUNCTION, CIVIL
v.	)	PENALTY JUDGMENT, AND
	)	OTHER RELIEF
RESPONSE TREE LLC, a	)	
California corporation; and	)	
	)	
DEREK THOMAS DOHERTY,	)	
individually and as an officer of	)	
RESPONSE TREE LLC,	)	
	)	
Defendants.	)	
	)	

Plaintiff, the United States of America, acting upon notification and authorization to the Attorney General by the Federal Trade Commission (“Commission” or “FTC”), filed its Complaint for Permanent Injunction, Civil Penalties, and Other Relief (“Complaint”) pursuant to Sections 5(a), 5(m)(1)(A), 13(b), 16(a), and 19 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C.

1 §§ 45(a), 45(m)(1)(A), 53(b), 56(a), and 57b; the Telemarketing and Consumer  
2 Fraud and Abuse Prevention Act (“Telemarketing Act”), 15 U.S.C. § 6105; and the  
3 FTC’s Telemarketing Sales Rule (the “TSR”), as amended, 16 C.F.R. Part 310.  
4 Defendants have waived service of the summons and the Complaint. Plaintiff and  
5 Defendants, Response Tree LLC and Derek Thomas Doherty, stipulate to the entry  
6 of a Stipulated Order for Permanent Injunction, Civil Penalty Judgment, and Other  
7 Relief (“Stipulated Order”) to resolve all matters in dispute in this action between  
8 them.

9 THEREFORE, IT IS ORDERED as follows:

10 **I. FINDINGS**

11 1. This Court has jurisdiction over this matter.

12 2. The Complaint charges that Defendants participated in deceptive acts  
13 or practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, and the  
14 Telemarketing Sales Rule (the “TSR” or “Rule”), as amended, 16 C.F.R. Part 310,  
15 in connection with a deceptive lead generation business resulting in millions of  
16 unlawful telemarketing calls.

17 3. Defendants neither admit nor deny any of the allegations in the  
18 Complaint, except as specifically stated in this Order. Only for purposes of this  
19 action, Defendants admit the facts necessary to establish jurisdiction.

20 4. Defendants waive any claim that they may have under the Equal  
21 Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action  
22 through the date of this Order, and agree to bear their own costs and attorney fees.

23 5. Defendants and Plaintiff waive all rights to appeal or otherwise  
24 challenge or contest the validity of this Order.

25 **II. DEFINITIONS**

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

27 A. **“Covered Information”** means information from or about an  
28

1 individual consumer, including (a) first and last name; (b) a home or other physical  
2 address, including street name, name of a city or town, or zip code; (c) an email  
3 address or other online contact information, such as a social media username; (d) a  
4 telephone number, including mobile number; (e) gender; (f) age or date of birth;  
5 (g) response to any survey or multiple-choice question about circumstances  
6 specific to the consumer, such as education level, employment status, or household  
7 debt; (h) biometric information; or (i) any information combined with any of (a)  
8 through (h).

9       B.     **“Defendants”** means the Corporate Defendant and Individual  
10 Defendant, individually, collectively, or in any combination.

11           1.     **“Corporate Defendant”** means Response Tree LLC and its  
12 successors and assigns.

13           2.     **“Individual Defendant”** means Derek Thomas Doherty.

14       C.     **“Lead Generation”** means (a) using marketing techniques to identify  
15 or attract prospective customers’ interest in a third party’s product or service; (b)  
16 obtaining, or assisting others in obtaining, Covered Information of prospective  
17 customers for a third party’s product or service; or (c) providing any such Covered  
18 Information of prospective customers to a third party.

19       D.     **“National Do Not Call Registry”** means the National Do Not Call  
20 Registry, which is the “do-not-call” registry maintained by the Commission  
21 pursuant to 16 C.F.R. § 310.4(b)(1)(iii)(B).

22       E.     **“Outbound Telephone Call”** means a telephone call initiated by a  
23 Telemarketer to induce the purchase of goods or services or to solicit a charitable  
24 contribution.

25       F.     **“Person”** or **“Persons”** includes a natural person, an organization, or  
26 other legal entity, including a corporation, partnership, sole proprietorship, limited  
27 liability company, association, cooperative, or any other group or combination  
28 acting as an entity.



1 any consumer's Covered Information to any Person, in connection with Lead  
2 Generation.

3 **VI. MONETARY JUDGMENT FOR CIVIL PENALTY AND**  
4 **SUSPENSION**

5 IT IS FURTHER ORDERED that:

6 A. Judgment in the amount of Seven Million Dollars (\$7,000,000) is  
7 entered in favor of Plaintiff against Defendants, jointly and severally, as a civil  
8 penalty.

9 B. Defendants are ordered to pay to Plaintiff, by making payment to the  
10 Treasurer of the United States, Seven Million Dollars (\$7,000,000). This judgment  
11 is suspended subject to the Subsections below.

12 C. Plaintiff's agreement to the suspension of the judgment is expressly  
13 premised upon the truthfulness, accuracy, and completeness of Defendants' sworn  
14 financial statements and related documents (collectively, "financial  
15 representations") submitted to the Commission, namely:

- 16 1. The Financial Statement of Corporate Defendant Response Tree  
17 LLC signed on July 11, 2023 by Derek Thomas Doherty;
- 18 2. The Financial Statement of Individual Defendant Derek Thomas  
19 Doherty signed on July 11, 2023, including attachments;
- 20 3. The monthly statements for Corporate Defendant Response Tree  
21 LLC's bank account at J.P. Morgan Chase, N.A. for account  
22 ending in -3237 for the period July 15, 2020 to January 30, 2023;
- 23 4. The monthly statements for Corporate Defendant Response Tree  
24 LLC's bank account at J.P. Morgan Chase, N.A. for account  
25 ending in -3252 for the period November 3, 2020 to March 8,  
26 2022; and
- 27 5. The Declaration of Derek Thomas Doherty signed on August 30,  
28 2023.

1 D. The suspension of the judgment will be lifted as to any Defendant if,  
2 upon motion by Plaintiff, the Court finds that Defendant failed to disclose any  
3 material asset, materially misstated the value of any asset, or made any other  
4 material misstatement or omission in the financial representations identified above.

5 E. If the suspension of the judgment is lifted, the judgment becomes  
6 immediately due as to that Defendant in the amount specified in Subsection A  
7 above (which the parties stipulate only for purposes of this Section represents the  
8 amount of the civil penalty for the violations alleged in the Complaint), plus  
9 interest computed from the date of entry of this Order.

#### 10 **VII. ADDITIONAL MONETARY PROVISIONS**

11 IT IS FURTHER ORDERED that:

12 A. Defendants relinquish dominion and all legal and equitable right, title,  
13 and interest in all assets transferred pursuant to this Order and may not seek the  
14 return of any assets.

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

19 C. Defendants agree that the judgment represents a civil penalty owed to  
20 the government of the United States, is not compensation for actual pecuniary loss,  
21 and, therefore, as to the Individual Defendant, it is not subject to discharge under  
22 the Bankruptcy Code pursuant to 11 U.S.C. § 523(a)(7).

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

#### 27 **VIII. CUSTOMER INFORMATION**

28 IT IS FURTHER ORDERED that Defendants, Defendants' officers, agents,

1 employees, and attorneys, and all other Persons in active concert or participation  
2 with any of them, who receive actual notice of this Order, are permanently  
3 restrained and enjoined from directly or indirectly:

4 A. Within 30 days after the effective date of this Order, failing to destroy  
5 Covered Information in all forms, including the name, address, phone number,  
6 email address, gender, age, date of birth, any survey question responses, and any  
7 information derived from Covered Information, including aggregate, anonymized  
8 data, that are in any Defendant's possession, custody, or control and was obtained  
9 prior to the date on which all Defendants have signed this Order, *provided*,  
10 *however*, that a customer's information need not be deleted to the extent:

- 11 1. Requested by a government agency; or
- 12 2. Required by law, regulation, court order, contractual  
13 obligations requiring Defendants to maintain records on behalf of  
14 entities that buy Covered Information to document compliance with  
15 federal or state laws or regulations applicable to Telemarketing or  
16 email marketing, or legal process, including as required by rules  
17 applicable to safeguarding of evidence in pending or anticipated  
18 litigation.

19 B. For any Covered Information not deleted pursuant to Subsection A of  
20 this Section, selling, transferring, or disclosing such information to any Person;

21 C. Within 60 days after the effective date of this Order, failing to:

- 22 1. Identify each Person who has accessed, received, or acquired a  
23 consumer's Covered Information from any Defendant prior to the date  
24 on which all Defendants signed this Order;
- 25 2. Identify what types of Covered Information were disclosed to  
26 each Person identified in Subsection C(1) of this Section; or
- 27 3. Submit a list of the information identified in Subsections C(1)  
28 and C(2) of this Section and a description of the methodologies used

1 to identify that information to Debrief@ftc.gov or sent by overnight  
2 courier (not the U.S. Postal Service) to: Associate Director of  
3 Enforcement, Bureau of Consumer Protection, Federal Trade  
4 Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580.  
5 The subject line must begin: “FTC v. Response Tree LLC, Matter No.  
6 2123087”;

7 D. Within 90 days after the effective date of this Order, failing to:

8 1. Provide a copy of the Complaint and Order to all Persons  
9 identified under Subsection C(1) of this Section;

10 2. Notify each such Person in writing that the Federal Trade  
11 Commission alleges that Defendants disclosed Covered Information  
12 of consumers to them in a manner that was unfair or deceptive and in  
13 violation of the FTC Act and TSR;

14 3. Instruct each such Person in writing that Covered Information  
15 accessed, received, or acquired from Defendants prior to the effective  
16 date of this Order:

17 a. Shall not be used for Telemarketing;

18 b. To the extent such Person has not yet used the  
19 Covered Information for Telemarketing, must be  
20 destroyed; and

21 c. To the extent such Person has used the Covered  
22 Information for Telemarketing, may be retained by  
23 such Person for the sole purpose of attempting to  
24 comply with state and federal recordkeeping  
25 requirements applicable to Telemarketing;

26 where such instruction shall include a list of the Covered Information  
27 identified in Subsection C(2) of this Section and demand written  
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1 confirmation that the Person has complied with the requirements of  
2 Subsection D(3) of this Section;

3 4. Provide a copy of the instructions sent under Subsection D(3)  
4 of this Section to Debrief@ftc.gov or sent by overnight courier (not  
5 the U.S. Postal Service) to: Associate Director for Enforcement,  
6 Bureau of Consumer Protection, Federal Trade Commission, 600  
7 Pennsylvania Avenue NW, Washington, DC 20580. The subject line  
8 must begin: “FTC v. Response Tree LLC, Matter No. 2123087”; or

9 5. Provide, within 5 days of receipt, each written confirmation  
10 under Subsection D(3) of this Section to DEbrief@ftc.gov or sent by  
11 overnight courier (not the U.S. Postal Service) to: Associate Director  
12 for Enforcement, Bureau of Consumer Protection, Federal Trade  
13 Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580.  
14 The subject line must begin: “FTC v. Response Tree LLC, Matter No.  
15 2123087.”

#### 16 **IX. COOPERATION**

17 IT IS FURTHER ORDERED that Defendants must fully cooperate with  
18 representatives of Plaintiff and the Commission in this case and in any  
19 investigation related to or associated with the transactions or the occurrences that  
20 are the subject of the Complaint. Defendants must provide truthful and complete  
21 information, evidence, and testimony. Individual Defendant must appear and  
22 Corporate Defendant “must cause Corporate Defendant’s officers, employees,  
23 representatives, or agents to appear” for interviews, discovery, hearings, trials, and  
24 any other proceedings that a Plaintiff or Commission representative may  
25 reasonably request upon 5 days written notice, or other reasonable notice, at such  
26 places and times as a Plaintiff or Commission representative may designate,  
27 without the service of a subpoena.  
28



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

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

20 B. For 20 years after entry of this Order, each Defendant must submit a  
21 compliance notice, sworn under penalty of perjury, within 14 days of any change  
22 in the following:

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

3 2. Additionally, Individual Defendant must report any change in:  
4 (a) name, including aliases or fictitious name, or residence address; or  
5 (b) title or role in any business activity, including any business for  
6 which such Defendant performs services whether as an employee or  
7 otherwise and any entity in which such Defendant has any ownership  
8 interest, and identify the name, physical address, and any Internet  
9 address of the business or entity.

10 C. Each Defendant must submit to the Commission notice of the filing of  
11 any bankruptcy petition, insolvency proceeding, or similar proceeding by or  
12 against such Defendant within 14 days of its filing.

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

19 E. Unless otherwise directed by a Commission representative in writing,  
20 all submissions to the Commission pursuant to this Order must be emailed to  
21 [Debrief@ftc.gov](mailto:Debrief@ftc.gov) or sent by overnight courier (not the U.S. Postal Service) to:  
22 Associate Director for Enforcement, Bureau of Consumer Protection, Federal  
23 Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The  
24 subject line must begin: “FTC v. Response Tree LLC, Matter No. 2123087”.

## 25 XII. RECORDKEEPING

26 IT IS FURTHER ORDERED that Defendants must create certain records for  
27 20 years after entry of the Order, and retain each such record for 5 years.  
28 Specifically, Corporate Defendant and Individual Defendant for any business that

1 such Defendant, individually or collectively with any other Defendant, is a  
2 majority owner or controls directly or indirectly, must create and retain the  
3 following records:

4 A. Accounting records showing the revenues from all goods or services  
5 sold;

6 B. Personnel records showing, for each person providing services,  
7 whether as an employee or otherwise, that person's: name; addresses; telephone  
8 numbers; job title or position; dates of service; and (if applicable) the reason for  
9 termination;

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

12 D. All written confirmations obtained under Subsection VIII(D)(3);

13 E. All records of any market, behavioral, or psychological research, or  
14 user, customer, or usability testing, including any A/B or multivariate testing, copy  
15 testing, surveys, focus groups, interviews, clickstream analysis, eye or mouse  
16 tracking studies, heat maps, or session replays or recordings concerning the subject  
17 matter of this Order; and

18 F. All records necessary to demonstrate full compliance with each  
19 provision of this Order, including all submissions to the Commission.

### 20 **XIII. COMPLIANCE MONITORING**

21 IT IS FURTHER ORDERED that, for the purposes of monitoring  
22 Defendants' compliance with this Order:

23 A. Within 14 days of receipt of a written request from a representative of  
24 the Commission or Plaintiff, each Defendant must: submit additional compliance  
25 reports or other requested information, which must be sworn under penalty of  
26 perjury; appear for depositions; and produce documents for inspection and  
27 copying. The Commission and Plaintiff are also authorized to obtain discovery,  
28 without further leave of court, using any of the procedures prescribed by Federal

1 Rules of Civil Procedure 29, 30 (including telephonic depositions), 31, 33, 34, 36,  
2 45, and 69.

3 B. For matters concerning this Order, the Commission and Plaintiff are  
4 authorized to communicate directly with each Defendant. Defendant must permit  
5 representatives of the Commission and Plaintiff to interview any employee or other  
6 person affiliated with any Defendant who has agreed to such an interview. The  
7 person interviewed may have counsel present.

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

14 D. Upon written request from a representative of the Commission or  
15 Plaintiff, any consumer reporting agency must furnish consumer reports  
16 concerning Individual Defendant, pursuant to Section 604(1) of the Fair Credit  
17 Reporting Act, 15 U.S.C. §1681b(a)(1).

18 **XIV. RETENTION OF JURISDICTION**

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

21  
22 **PURSUANT TO STIPLATION, IT IS SO ORDERED.**

23  
24 Date: \_\_\_\_\_

\_\_\_\_\_  
25 Hon.  
26 United States District Judge  
27 Central District of California  
28