

1 DELILAH VINZON, Cal. Bar No. 222681  
 2 dvinzon@ftc.gov  
 3 ROBERT J. QUIGLEY, Cal. Bar No. 302879  
 4 rquigley@ftc.gov  
 5 Federal Trade Commission  
 6 10990 Wilshire Blvd., Suite 400  
 7 Los Angeles, CA 90024  
 8 Tel: (310) 824-4300; Fax: (310) 824-4380

9 Attorneys for FEDERAL TRADE COMMISSION

10 UNITED STATES DISTRICT COURT  
 11 DISTRICT OF NEVADA

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13 FEDERAL TRADE COMMISSION, )

Case No. 2:23-cv-1412

14 Plaintiff, )

15 STIPULATION AND [PROPOSED]  
 16 ORDER FOR PERMANENT  
 17 INJUNCTION, MONETARY  
 18 JUDGMENT, AND OTHER RELIEF

16 v. )

17 HEY DUDE INC., a corporation, )

18 Defendant. )

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 25 )  
 26 Plaintiff, the Federal Trade Commission (“Commission” or “FTC”), filed its  
 27 Complaint for Permanent Injunction, Monetary Relief, and Other Relief  
 28 (“Complaint”), for a permanent injunction, monetary relief, and other relief in this

1 matter, pursuant to Sections 5(a), 13(b), and 19 of the Federal Trade Commission  
2 Act (“FTC Act”), 15 U.S.C. §§ 45(a), 53(b), and 57b. The Commission and  
3 Defendant stipulate to the entry of the Stipulated Order for Permanent Injunction,  
4 Monetary Judgment, and Other Relief (“Order”) to resolve all matters in dispute in  
5 this action between them.

6 THEREFORE, IT IS ORDERED as follows:  
7

8 **FINDINGS**

9 1. This Court has jurisdiction over this matter.

10 2. The Complaint charges that Defendant participated in deceptive or  
11 unfair acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45,  
12 and of the Commission’s Trade Regulation Rule Concerning the Sale of Mail,  
13 Internet or Telephone Order Merchandise (the “Rule”), 16 C.F.R. Part 435, by  
14 failing to offer consumers, clearly and conspicuously and without prior demand, an  
15 option to consent to a delay in shipment or to cancel an order and receive a prompt  
16 refund when Defendant failed to ship properly completed orders for merchandise  
17 within the timeframe required by the Rule, and failing to deem an order cancelled  
18 and make a prompt refund as required by the Rule.

19 3. The Complaint also charges that Defendant participated in deceptive  
20 and unfair acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C.  
21 § 45, by misrepresenting that the product reviews on the Hey Dude Shoes website  
22 accurately reflected the views of all purchasers who submitted reviews of the  
23 products when, in fact, Defendant was suppressing negative reviews.

24 4. Defendant neither admits nor denies any of the allegations in the  
25 Complaint, except as specifically stated in this Order. Only for purposes of this  
26 action, Defendant admits the facts necessary to establish jurisdiction.  
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1           5.     The disclosure must use diction and syntax understandable to  
2           ordinary consumers and must appear in each language in which the  
3           representation that requires the disclosure appears.

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

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

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

12          B.     “Defendant” means Defendant, Hey Dude Inc., formerly known as  
13          Happy One, LLC, on its own behalf and as successor-in-interest to Lucky Top,  
14          Inc., which formerly operated under the d/b/a Hey Dude Shoes USA, and its  
15          successors and assigns.

16          C.     “Mail, Internet or Telephone Order Sale” means any sale in which the  
17          buyer has ordered merchandise from Defendant by mail, via the Internet, or by  
18          Telephone, regardless of the method of payment or the method used to solicit the  
19          order. Exceptions:

- 20               1.     Subscriptions, such as magazine sales, ordered for serial  
21               delivery, after the initial Shipment is made in compliance with this  
22               Order;
- 23               2.     Orders of seeds and growing plants;
- 24               3.     Orders made on a collect-on-delivery (C.O.D.) basis; and
- 25               4.     Transactions that the Defendant can demonstrate are governed  
26               by the Commission’s Trade Regulation Rule entitled “Use of  
27               Prenotification Negative Option Plans,” 16 C.F.R. Part 425.  
28

1 D. "Prompt," in the context of a Refund, means a Refund sent by any  
2 means at least as fast and reliable as first class mail within 7 days of the date on  
3 which the buyer's right to refund vests under the provisions of this Order.  
4 Provided, however, that where Defendant cannot provide a Refund by the same  
5 method payment was tendered, Prompt Refund means a Refund sent in the form of  
6 cash, check, or money order, by any means at least as fast and reliable as first class  
7 mail, within 7 days of the date on which Defendant discovers Defendant cannot  
8 provide a Refund by the same method as payment was tendered.

9 E. "Receipt of a Properly Completed Order" means, where the buyer  
10 tenders full or partial payment in the proper amount in the form of cash, check or  
11 money order; authorization from the buyer to charge an existing charge account; or  
12 other payment methods, the time at which Defendant receives both said payment  
13 and an order from the buyer containing all of the information needed by Defendant  
14 to process and ship the order. Provided, however, that where Defendant receives  
15 notice that a payment by means other than cash or credit as tendered by the buyer  
16 has been dishonored or that the buyer does not qualify for a credit sale, Receipt of  
17 a Properly Completed Order means the time at which: (1) Defendant receives  
18 notice that a payment by means other than cash or credit in the proper amount  
19 tendered by the buyer has been honored; (2) The buyer tenders cash in the proper  
20 amount; or (3) Defendant receives notice that the buyer qualifies for a credit sale.

21 F. "Refund" means:

- 22 1. Where the buyer tendered full payment for the unshipped  
23 merchandise in the form of cash, check, or money order, a return of  
24 the amount tendered in the form of cash, check, or money order sent  
25 to the buyer;
- 26 2. Where there is a credit sale:
  - 27 a) And Defendant is a creditor, a copy of a credit  
28 memorandum or the like or an account statement sent to the

1 buyer reflecting the removal or absence of any remaining  
2 charge incurred as a result of the sale from the buyer's account;

3 b) And a third party is the creditor, an appropriate credit  
4 memorandum or the like sent to the third party creditor which  
5 will remove the charge from the buyer's account and a copy of  
6 the credit memorandum or the like sent to the buyer that  
7 includes the date that Defendant sent the credit memorandum or  
8 the like to the third party creditor and the amount of the charge  
9 to be removed, or a statement from Defendant acknowledging  
10 the cancellation of the order and representing that it has not  
11 taken any action regarding the order which will result in a  
12 charge to the buyer's account with the third party;

13 c) And the buyer tendered partial payment for the  
14 unshipped merchandise in the form of cash, check, or money  
15 order, a return of the amount tendered in the form of cash,  
16 check, or money order sent to the buyer.

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

20 a) Instructions sent to the entity that transferred payment to  
21 Defendant instructing that entity to return to the buyer the  
22 amount tendered in the form tendered and a statement sent to  
23 the buyer setting forth the instructions sent to the entity,  
24 including the date of the instructions and the amount to be  
25 returned to the buyer;

26 b) A return of the amount tendered in the form of cash,  
27 check, or money order sent to the buyer; or  
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1 c) A statement from Defendant sent to the buyer  
2 acknowledging the cancellation of the order and representing  
3 that Defendant has not taken any action regarding the order  
4 which will access any of the buyer’s funds.

5 G. “Shipment” means the act by which the merchandise is physically  
6 placed in the possession of the carrier.

7 H. “Telephone” refers to any direct or indirect use of the telephone to  
8 order merchandise, regardless of whether the telephone is activated by, or the  
9 language used is that of human beings, machines, or both.

10 I. “Time of Solicitation” of an order means that time when Defendant  
11 has: (1) Mailed or otherwise disseminated the solicitation to a prospective  
12 purchaser; (2) Made arrangements for an advertisement containing the solicitation  
13 to appear in a newspaper, magazine or the like or on radio or television which  
14 cannot be changed or cancelled without incurring substantial expense; or (3) Made  
15 arrangements for the printing of a catalog, brochure or the like which cannot be  
16 changed without incurring substantial expense, in which the solicitation in question  
17 forms an insubstantial part.

18 **ORDER**

19 **I. INJUNCTION CONCERNING MAIL, INTERNET, OR**  
20 **TELEPHONE MERCHANDISE ORDERS**

21 IT IS ORDERED that Defendant, Defendant’s officers, agents, employees,  
22 and all other persons in active concert or participation with any of them, who  
23 receive actual notice of this Order, whether acting directly or indirectly, in  
24 connection with Mail, Internet, or Telephone Order Sales are permanently  
25 restrained and enjoined from:  
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A. The following:

(with regard to the original Shipment date:)

1. Soliciting any order for the sale of merchandise unless, at the Time of Solicitation, Defendant has a reasonable basis to expect that it will be able to ship any ordered merchandise to the buyer by that original Shipment date, which is either:

i) Within that time Clearly and Conspicuously stated in any such solicitation; or

ii) If no time is Clearly and Conspicuously stated, within 30 days after Receipt of a Properly Completed Order from the buyer.

(with regard to any revised Shipment date:)

2. Providing any buyer with any revised shipping date, unless, at the time the representation is made, Defendant has a reasonable basis for making such representation.

3. Informing any buyer that Defendant is unable to make any representation regarding the length of any delay unless:

i) Defendant has a reasonable basis for so informing the buyer; and

ii) Defendant informs the buyer of the reason or reasons for the delay.

B. In relation to delays:

(with regard to any first notice of inability to ship:)

1. Where Defendant is unable to ship merchandise by the original Shipment date, failing to offer to the buyer, Clearly and Conspicuously and without prior demand, an option either to consent to a delay in shipping or to cancel the buyer's order and receive a Prompt Refund. Said offer must be made within a reasonable time



1 after Defendant first becomes aware of an inability to ship within the  
2 original Shipment date, but in no event later than the original  
3 Shipment date.

4 i) Any offer to the buyer of such an option must fully  
5 inform the buyer regarding the buyer's right to cancel the order  
6 and to obtain a Prompt Refund and provide a first definite  
7 revised shipping date, but where Defendant lacks a reasonable  
8 basis for providing such a first definite revised shipping date  
9 the notice must inform the buyer that Defendant is unable to  
10 make any representation regarding the length of the delay.

11 ii) Where Defendant has provided a first definite revised  
12 shipping date which is no more than 30 days later than the  
13 original Shipment date, the offer of said option must expressly  
14 inform the buyer that, unless Defendant receives, prior to  
15 Shipment and prior to the expiration of the first definite revised  
16 shipping date, a response from the buyer rejecting the delay and  
17 cancelling the order, the buyer will be deemed to have  
18 consented to a delayed Shipment on or before the first definite  
19 revised shipping date.

20 iii) Where Defendant has provided a first definite revised  
21 shipping date which is more than 30 days later than the original  
22 Shipment date or where Defendant is unable to provide a  
23 definite revised shipping date and therefore inform the buyer  
24 that Defendant is unable to make any representation regarding  
25 the definite length of the delay, the offer of said option must  
26 also expressly inform the buyer that the buyer's order will  
27 automatically be deemed to have been cancelled unless:  
28

1 (A) Defendant has shipped the merchandise within 30  
2 days of the original Shipment date, and has received no  
3 cancellation prior to Shipment; or

4 (B) Defendant has received from the buyer within 30  
5 days of said applicable time, a response specifically  
6 consenting to said shipping delay. Where Defendant  
7 informs the buyer that it is unable to make any  
8 representation regarding the length of the delay, the  
9 buyer must be expressly informed that, should the buyer  
10 consent to an indefinite delay, the buyer will have a  
11 continuing right to cancel the buyer's order at any time  
12 after the original Shipment date and receive a Prompt  
13 Refund by so notifying Defendant prior to actual  
14 Shipment.

15 iv) Nothing in this Subsection shall prohibit Defendant from  
16 furnishing a definite revised shipping date pursuant to (B)(1)(i)  
17 of this Section, and requesting, simultaneously with or at the  
18 offer of an option pursuant to (B)(1) of this Section, the buyer's  
19 express consent to a further unanticipated delay beyond the  
20 definite revised shipping date in the form of a response from the  
21 buyer specifically consenting to said further delay. Provided,  
22 however, that where Defendant solicits consent to an  
23 unanticipated indefinite delay the solicitation shall expressly  
24 inform the buyer that, should the buyer so consent to an  
25 indefinite delay, the buyer shall have a continuing right to  
26 cancel the buyer's order at any time after the definite revised  
27 shipping date by so notifying Defendant prior to actual  
28 Shipment.

1            (with regard to any further notice of inability to ship:)

2            2.        Where Defendant is unable to ship merchandise on or before  
3            the first definite revised shipping date, failing to offer to the buyer,  
4            Clearly and Conspicuously and without prior demand, a renewed  
5            option either to consent to a further delay or to cancel the order and to  
6            receive a Prompt Refund. Said offer must be made within a  
7            reasonable time after Defendant becomes aware of the inability to ship  
8            before the said definite revised shipping date, but in no event later  
9            than the expiration of the definite revised shipping date.

10            Provided, however, that where Defendant previously has  
11            obtained the buyer's express consent to an unanticipated delay until a  
12            specific date beyond the definite revised shipping date, pursuant to  
13            (B)(1)(iv) of this Section or to a further delay until a specific date  
14            beyond the definite revised shipping date pursuant to (B)(2) of this  
15            Section, that date to which the buyer has expressly consented  
16            supersedes the definite revised shipping date for purposes of (B)(2) of  
17            this Section.

18            i)        Any offer to the buyer of said renewed option must  
19            provide the buyer with a new definite revised shipping date, but  
20            where Defendant lacks a reasonable basis for providing a new  
21            definite revised shipping date, the notice must inform the buyer  
22            that Defendant is unable to make any representation regarding  
23            the length of the further delay.

24            ii)        The offer of a renewed option must expressly inform the  
25            buyer that, unless Defendant receives, prior to the expiration of  
26            the old definite revised shipping date or any date superseding  
27            the old definite revised shipping date, notification from the  
28            buyer specifically consenting to the further delay, the buyer will

1 be deemed to have rejected any further delay, and to have  
2 cancelled the order if Defendant is in fact unable to ship prior to  
3 the expiration of the old definite revised shipping date or any  
4 date superseding the old definite revised shipping date.

5 Provided, however, that where Defendant offers the  
6 buyer the option to consent to an indefinite delay, the offer  
7 must expressly inform the buyer that, should the buyer so  
8 consent to an indefinite delay, the buyer has a continuing right  
9 to cancel the buyer's order at any time and receive a Prompt  
10 Refund after the old definite revised shipping date or any date  
11 superseding the old definite revised shipping date.

12 iii) Subsection (B)(2) does not apply to any situation where  
13 Defendant, pursuant to (B)(1)(iv) of this Section, has previously  
14 obtained consent from the buyer to an indefinite extension  
15 beyond the first revised shipping date.

16 3. Wherever a buyer has the right to exercise any option under this  
17 provision or to cancel an order by so notifying Defendant prior to  
18 Shipment, failing to furnish the buyer with an adequate mechanism at  
19 the Defendant's expense, to exercise such option or to notify the  
20 Defendant regarding cancellation.

21 4. Nothing in this Section prevents Defendant, where it is unable  
22 to make Shipment within the original Shipment date or within a delay  
23 period consented to by the buyer, from deciding to consider the order  
24 cancelled and providing the buyer with notice of said decision within  
25 a reasonable time after becoming aware of said inability to ship, and  
26 with a Prompt Refund.

1 C. (with regard to failure to cancel:)

2 Failing to treat an order as cancelled and to make a Prompt Refund to the  
3 buyer whenever:

4 1. Defendant receives, prior to Shipment, notification from the  
5 buyer cancelling the order pursuant to any option, renewed option or  
6 continuing option under this Order;

7 2. Defendant has, pursuant to (B)(1)(iii), provided the buyer with  
8 a first definite revised shipping date which is more than 30 days later  
9 than the original Shipment date, or has notified the buyer that it is  
10 unable to make any representation regarding the length of the delay,  
11 and Defendant:

12 i) Has not shipped the merchandise within 30 days of the  
13 original Shipment date, and

14 ii) Has not received the buyer's express consent to said  
15 shipping delay within said 30 days;

16 3. Defendant is unable to ship within the applicable time set forth  
17 in (B)(2) of this Section, and has not received, within the said  
18 applicable time, the buyer's consent to the further delay;

19 4. Defendant has notified the buyer of an inability to make  
20 Shipment and has indicated the decision not to ship the merchandise;

21 5. Defendant fails to offer any option prescribed in this Section  
22 and have not shipped the merchandise within the original Shipment  
23 date; or

24 6. Defendant has provided the buyer with a first definite revised  
25 shipping date of 30 days or less than the original Shipment date, and  
26 Defendant has not shipped the merchandise or received the buyer's  
27 consent to a further delay by the first definite revised shipping date.  
28

1 D. (with regard to compliance:)

2 In any action brought by the FTC alleging a violation of this Order, the  
3 failure of Defendant to have records or other documentary proof establishing its  
4 use of systems and procedures which assure, in the ordinary course of business, the  
5 Shipment of merchandise within any applicable time set forth in this Section and  
6 compliance with any other requirement of this Section will create a rebuttable  
7 presumption that Defendant failed to comply with said requirement.

8 **II. INJUNCTION TO PREVENT CERTAIN MERCHANDISE**  
9 **ORDER PRACTICES**

10 IT IS FURTHER ORDERED that Defendant, Defendant's officers, agents,  
11 employees, and all other persons in active concert or participation with any of  
12 them, who receive notice of this Order, whether acting directly or indirectly, in  
13 connection with Mail, Internet, or Telephone Order Sales, are permanently  
14 restrained and enjoined from:

15 A. Making any representation, expressly or by implication, that the  
16 merchandise will be shipped faster than 30 days, without disclosing, Clearly and  
17 Conspicuously, and before payment, the date by which or number of days in which  
18 the merchandise will be shipped or received;

19 B. Failing to provide, and to Clearly and Conspicuously disclose, an  
20 adequate mechanism for the buyer to cancel any merchandise not received by such  
21 date or time period disclosed. The mechanism must not be difficult, confusing, or  
22 time consuming;

23 C. Where Defendant must offer a Prompt Refund, offering anything  
24 other than a Prompt Refund such as a gift card; and

25 D. Misrepresenting or assisting others in misrepresenting, expressly or by  
26 implication:

27 1. The date, time period, or speed by which the merchandise will  
28 be shipped or received;



1 content that is inappropriate with respect to race, gender, sexuality, or ethnicity,  
2 (iii) the personal information or likeness of another person; (iv) trade secrets or  
3 privileged or confidential commercial or financial information, so long as the  
4 criteria for withholding reviews are applied uniformly to all reviews submitted to  
5 such website; and (b) are not required to offer the opportunity to submit reviews  
6 for any or every product offered for sale on such website.

#### 7 **V. MONETARY JUDGMENT**

8 IT IS FURTHER ORDERED that:

9 A. Judgment in the amount of One Million Nine Hundred Fifty-Three  
10 Thousand Nine Hundred Sixty-Seven Dollars and Eight Cents (\$1,953,967.08) is  
11 entered in favor of the Commission against Defendant as monetary relief.

12 B. Defendant is ordered to pay to the Commission One Million Nine  
13 Hundred Fifty-Three Thousand Nine Hundred Sixty-Seven Dollars and Eight  
14 Cents (\$1,953,967.08), which, as Defendant stipulates, its undersigned counsel  
15 holds in escrow for no purpose other than payment to the Commission. Such  
16 payment must be made within 7 days of entry of this Order by electronic fund  
17 transfer in accordance with instructions previously provided by a representative of  
18 the Commission.

#### 19 **VI. ADDITIONAL MONETARY PROVISIONS**

20 IT IS FURTHER ORDERED that:

21 A. Defendant relinquishes dominion and all legal and equitable right,  
22 title, and interest in all assets transferred pursuant to this Order and may not seek  
23 the return of any assets.

24 B. The facts alleged in the Complaint will be taken as true, without  
25 further proof, in any subsequent civil litigation by or on behalf of the Commission,  
26 including in a proceeding to enforce its rights to any payment or monetary  
27 judgment pursuant to this Order, such as a nondischargeability complaint in any  
28 bankruptcy case.



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

5 D. Defendant acknowledges that its Taxpayer Identification Numbers or  
6 Employer Identification Numbers, which Defendant previously submitted to the  
7 Commission, may be used for collecting and reporting on any delinquent amount  
8 arising out of this Order, in accordance with 31 U.S.C. § 7701.

9 E. All money received by the Commission pursuant to this Order may be  
10 deposited into a fund administered by the Commission or its designee to be used  
11 for consumer relief, such as redress and any attendant expenses for the  
12 administration of any redress fund. If a representative of the Commission decides  
13 that direct redress to consumers is wholly or partially impracticable or money  
14 remains after such redress is completed, the Commission may apply any remaining  
15 money for such related relief (including consumer information remedies) as it  
16 determines to be reasonably related to Defendant's practices alleged in the  
17 Complaint. Any money not used for relief is to be deposited to the U.S. Treasury.  
18 Defendant has no right to challenge any actions the Commission or its  
19 representatives may take pursuant to this Subsection.

## 20 VII. CUSTOMER INFORMATION

21 A. IT IS FURTHER ORDERED that Defendant, Defendant's officers,  
22 agents, employees and attorneys and all other persons in active concert or  
23 participation with any of them who receive notice of this Order, are permanently  
24 restrained and enjoined from directly or indirectly failing to provide sufficient  
25 customer information to enable the Commission to efficiently administer consumer  
26 redress. If a representative of the Commission requests in writing any information  
27 related to redress, Defendant must provide it, in the form prescribed by the  
28 Commission, within 14 days.

## VIII. ORDER ACKNOWLEDGMENTS

IT IS FURTHER ORDERED that Defendant obtain acknowledgments of receipt of this Order:

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

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

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

## IX. COMPLIANCE REPORTING

IT IS FURTHER ORDERED that Defendant make timely submissions to the Commission:

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

1. Defendant must: (a) identify the primary physical, postal, and email address and telephone number, as designated points of contact, which representatives of the Commission may use to communicate with Defendant; (b) identify all of Defendant's businesses by all of their names, telephone numbers, and physical, postal, email, and Internet addresses; (c) describe the activities of each business,

1 including the goods and services offered, the means of advertising,  
2 marketing, and sales, and whether these businesses involve Mail,  
3 Internet or Telephone Order Sales; (d) describe in detail whether and  
4 how Defendant is in compliance with each Section of this Order; and  
5 (e) provide a copy of each Order Acknowledgment obtained pursuant  
6 to this Order, unless previously submitted to the Commission.

7 B. For 10 years after entry of this Order, Defendant must submit a  
8 compliance notice, sworn under penalty of perjury, within 14 days of any change  
9 in the following:

10 1. Defendant must report any change in: (a) any designated point  
11 of contact; or (b) the structure of Defendant or any entity that  
12 Defendant has any ownership interest in or controls directly or  
13 indirectly that may affect compliance obligations arising under this  
14 Order, including: creation, merger, sale, or dissolution of the entity or  
15 any subsidiary, parent, or affiliate that engages in any acts or practices  
16 subject to this Order.

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

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

26 E. Unless otherwise directed by a Commission representative in writing,  
27 all submissions to the Commission pursuant to this Order must be emailed to  
28 DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to:

1 Associate Director for Enforcement, Bureau of Consumer Protection, Federal  
2 Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The  
3 subject line must begin: FTC v. Hey Dude Inc., Matter No. 2123082.

#### 4 **X. RECORDKEEPING**

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

8 A. accounting records showing the revenues from all goods or services  
9 sold;

10 B. personnel records showing, for each person providing services,  
11 whether as an employee or otherwise, that person's: name; addresses; telephone  
12 numbers; job title or position; dates of service; and (if applicable) the reason for  
13 termination;

14 C. records of all consumer complaints and requests for Refunds or  
15 reimbursement concerning the subject matter of this Order, whether received  
16 directly or indirectly, such as through a third party, and any response;

17 D. all records necessary to demonstrate full compliance with each  
18 provision of this Order, including all submissions to the Commission; and

19 E. a copy of each unique advertisement or other marketing material  
20 making any representation concerning the shipping speed and Refunds of  
21 purchased merchandise.

#### 22 **XI. COMPLIANCE MONITORING**

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

26 A. Within 14 days of receipt of a written request from a representative of  
27 the Commission, Defendant must: submit additional compliance reports or other  
28 requested information, which must be sworn under penalty of perjury; appear for

1 depositions; and produce documents for inspection and copying. The Commission  
2 is also authorized to obtain discovery, without further leave of court, using any of  
3 the procedures prescribed by Federal Rules of Civil Procedure 29, 30 (including  
4 telephonic depositions), 31, 33, 34, 36, 45, and 69.

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

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

16 **XII. RETENTION OF JURISDICTION**

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

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20 **SO ORDERED, this \_\_\_\_ day of \_\_\_\_\_, 2023.**

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\_\_\_\_\_  
UNITED STATES DISTRICT JUDGE

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1 **SO STIPULATED AND AGREED:**

2  
3 **FOR FEDERAL TRADE COMMISSION:**

4 

Date: \_\_\_\_\_

5 \_\_\_\_\_  
6 DELILAH VINZON, Cal. Bar No. 222681

dvinzon@ftc.gov

7 ROBERT J. QUIGLEY, Cal. Bar No. 302879

rquigley@ftc.gov

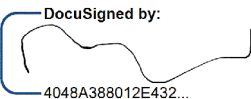
8 Federal Trade Commission

9 10990 Wilshire Blvd., Suite 400

10 Los Angeles, CA 90024

11 Tel: (310) 824-4300; Fax: (310) 824-4380

12 **FOR DEFENDANT:**

13   
14 \_\_\_\_\_  
4048A388012E432...

Date: 6/28/2023

15 RICHARD BLACKSHAW

16 President

17 Hey Dude Inc.

18 **FOR DEFENDANT:**

19 

Date: 6/28/2023

20 AMY RALPH MUDGE, ESQ.

amudge@bakerlaw.com

21 JOHN FERRY, ESQ.

22 jferry@bakerlaw.com

23 MICHAEL INGRAM, ESQ.

24 mingram@bakerlaw.com

25 Baker & Hostetler LLP

26 Washington Square, Suite 1100

27 1050 Connecticut Avenue, N.W.

28 Washington, DC 20036

Telephone 202-861-1500

Facsimile 202-861-1783