### UNITED STATES OF AMERICA BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: Lina M. Khan, Chair Rebecca Kelly Slaughter

Alvaro M. Bedoya

In the Matter of

**DOCKET NO. 9389** 

Axon Enterprise, Inc. a corporation.

### COMPLAINT COUNSEL'S UNOPPOSED MOTION TO WITHDRAW THIS MATTER FROM ADJUDICATION

On January 3, 2020, the Federal Trade Commission ("Commission") issued an administrative complaint challenging Axon Enterprise, Inc.'s ("Axon") consummated acquisition of another body-worn camera supplier, VieVu, LLC. On that same day, Axon initiated a lawsuit in the United States District Court for the District of Arizona raising, in part, constitutional claims regarding the Commission's structure and administrative procedures. The district court dismissed Axon's complaint due to lack of subject matter jurisdiction, the United States Court of Appeals for the Ninth Circuit affirmed, and in April 2023, the Supreme Court reversed the decision of the Ninth Circuit and remanded the case to the district court. *See Axon Enterprise, Inc. v. Fed. Trade Comm'n., et al.,* 452 F.Supp.3d 882 (D. Az. 2020), *aff'd by* 986 F.3d 1173 (9th Cir. 2021), *rev'd by* 598 U.S. ----, 143 S. Ct. 890 (2023). Commencement of the administrative evidentiary hearing was stayed in October 2020 during Axon's appeals.

Following the Supreme Court's decision, the district court ordered the Commission to respond to Axon's complaint by June 9, 2023, and the parties jointly moved to stay the district court proceeding for a period of 60 days "to withdraw administrative Docket No. 9389 from Part

3 adjudication for a period of 60 days." Stipulation, *Axon*, 2:20-cv-00014-DWL, Dkt. No. 56 (D. Az. June 8, 2023) (Exhibit A). The district court entered an order staying the district court proceeding for 60 days. Order (text entry only), *Axon*, 2:20-cv-00014-DWL, Dkt. No. 57 (D. Az. June 9, 2023).

To allow for discussion regarding the proper resolution of this matter, Complaint Counsel moves that the Commission issue an order withdrawing this matter from adjudication in Part 3 of the Commission's Rules of Practice and suspending application of Rule 4.7 of the Commission's Rules of Practice, 16 C.F.R. § 4.7 for 60 days from the date of this filing. A draft of a proposed order granting the requested motion is attached.

Respondent Axon does not oppose this motion.

Dated: June 9, 2023 Respectfully submitted,

/s/ Nicole Lindquist
Nicole Lindquist
Peggy Bayer Femenella
Susan Musser
Bureau of Competition
Federal Trade Commission
400 7th Street, S.W.
Washington, D.C. 20024

Complaint Counsel

<sup>&</sup>lt;sup>1</sup> The Commission in the past, in light of events relevant to issues in a pending adjudicatory matter, has authorized filing of a "motion to withdraw this matter from adjudication for purposes of discussing resolution of this matter, in which event the Secretary shall issue an order withdrawing this matter from adjudication and the application of Commission Rule of Practice 4.7, 16 C.F.R. § 4.7, shall thereby be suspended." *In the Matter of New Balance Athletic Shoe, Inc.*, 120 F.T.C. 4, 1995 WL 17012636, \*\*1 (July 10, 1995); *see also In the Matter of Rambus Inc.*, F.T.C. Dkt. 9302, 2009 WL 725994 (March 6, 2009) (withdrawing a matter from adjudication).

# UNITED STATES OF AMERICA BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: Lina M. Khan, Chair Rebecca Kelly Slaughter Alvaro M. Bedoya		
In the Matter of		DOCKET NO. 9389
Axon Enterprise, Inc. a corporation.		
	[PROPOSE	DJ ORDER
Having considered (Adjudication, Complaint Com	*	Motion to Withdraw This Matter from reby granted. Accordingly,
of the FTC Rules of Practic considering the proper reso hearing and the Supreme C	te, 16 C.F.R. Part III for lution of this matter in ourt's recent decision, 143 S. Ct. 890 (20)	Freby withdrawn from adjudication under Part 3 For 60 days from June 9, 2023, for the purpose of an light of the multi-year stay of the evidentiary in <i>Axon Enterprise</i> , <i>Inc. v. Fed. Trade</i> 1223), and that the application of FTC Rule of d.
By the Commission		
ORDERED:		
		April Tabor Secretary
Date:	_	

## **EXHIBIT A**

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#### IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF ARIZONA

Axon Enterprise, Inc.,

NO. 2:20-cv-00014-PHX-DWL

Plaintiff,

v.

**STIPULATION** 

Federal Trade Commission, et al.,

Defendants.

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The Parties have met and conferred regarding the Supreme Court's ruling and remand in this matter and stipulate and agree as follows:

1. On or before June 9, 2023, the Parties will jointly request the Federal Trade Commission ("FTC" or "Commission") to withdraw administrative Docket No. 9389 from Part 3 adjudication for a period of 60 days.

2.	The Parties request that this Court vacate the June 9, 2023 deadline for the
	FTC to respond to Plaintiff Axon Enterprise, Inc.'s ("Axon") Complaint
	(Doc. 54) and pause further pleading in this case for the same 60-day
	period.

- 3. On or before August 11, 2023, the Parties shall file with this Court a joint status report and, if applicable, a stipulated schedule for pleading amendments and summary judgment briefing on Axon's constitutional claims.
- By agreement of the Parties, preliminary injunction briefing in this Court 4. will not be necessary if this case proceeds on Axon's constitutional claims.

A proposed order accompanies this stipulation.

Dated: June 8, 2023 Respectfully submitted,

> Brian M. Boynton Principal Deputy Assistant Attorney General

Christopher R. Hall Assistant Branch Director

/s/ Hannah M. Solomon-Strauss

Hannah Solomon-Strauss (NY 5693890)

Trial Attorney

**U.S. Department of Justice** 

Civil Division, Federal Programs Branch

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Attorneys for Defendants

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FEDERAL TRADE COMMISSION | OFFICE OF THE SECRETARY | FILED 06/09/2023 OSCAR NO 607857 | PAGE Page PLIGELIC

/s/ Pam Petersen (with permission) 1 Pamela B. Petersen 2 Arizona Bar No. 011512 3 Gayathiri Shanmuganatha Arizona Bar No. 030745 4 **Axon Enterprise, Inc.** 5 17800 N. 85<sup>th</sup> Street Scottsdale, AZ 85255-9603 6 Telephone: (623) 326-6016 7 Fax: (480) 905-2027 ppetersen@axon.com 8 gshanmuganatha@axon.com 9 Secondary: legal@axon.com 10 Attorneys for Plaintiff Axon Enterprise, Inc. 11 12 13 14 15 **CERTIFICATE OF SERVICE** 16 I hereby certify that on June 8, 2023, the foregoing was filed electronically 17 with the Clerk of Court to be served by operation of the Court's CM/ECF System 18 19 upon all counsel of record in the above-captioned case. 20 21 /s/ Hannah M. Solomon-Strauss 22 Hannah M. Solomon-Strauss 23 24 25 26 27 28

# IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF ARIZONA

Axon Enterprise, Inc.,	NO. 2:20-cv-00014-PHX-DWL
Plaintiff,	
v.	ORDER [PROPOSED]
Federal Trade Commission, et al.,	
Defendants.	
[PROPOSE	D] ORDER
•	ion, it is hereby ORDERED that this case is ther ORDERED that the parties shall submit
a joint status report not later than August 1	1, 2023, updating this Court on the status of
this case.	
Dated	
United S	States District Judge

#### CERTIFICATE OF SERVICE

I hereby certify that on June 9, 2023, I filed the foregoing document electronically using the FTC's E-Filing System, which will send notification of such filing to:

April Tabor Secretary Federal Trade Commission 600 Pennsylvania Ave., NW, Rm. H-113 Washington, DC 20580 ElectronicFilings@ftc.gov

The Honorable D. Michael Chappell Administrative Law Judge Federal Trade Commission 600 Pennsylvania Ave., NW, Rm. H-110 Washington, DC 20580

I also certify that I caused the foregoing document to be served via email to:

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Counsel for Respondent Axon Enterprises, Inc.

By: s/Susan Musser
Susan Musser

Counsel Supporting the Complaint