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UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

FEDERAL TRADE COMMISSION, Plaintiff, v. SHEIN DISTRIBUTION CORPORATION, SHEIN US SERVICES LLC, SHEIN TECHNOLOGY LLC, Defendants.	Case No. 2:26-CV-13701 [PROPOSED] STIPULATED ORDER FOR PERMANENT INJUNCTION, MONETARY JUDGMENT, AND OTHER RELIEF

Plaintiff, the Federal Trade Commission ("Commission" or "FTC"), filed its Complaint for Permanent Injunction, Monetary Judgment, and Other Relief ("Complaint"), for a permanent injunction, monetary relief, and other relief in this matter, pursuant to Sections 13(b) and (19) of the Federal Trade Commission Act ("FTC Act") 15 U.S.C. 53(b) & 57b, the Mail, Internet, or Telephone Order Merchandise Rule ("MITOR"), 16 C.F.R. Part 435, and the Rule on the Use of Consumer Reviews and Testimonials ("Reviews and Testimonials Rule"), 16 C.F.R. Part 465. The Commission and Defendants stipulate to the entry of this Stipulated Order For Permanent Injunction, Monetary Judgment, And Other Relief ("Order") to resolve all matters in dispute in this action between them.

THEREFORE, IT IS ORDERED as follows:

FINDINGS

1. This Court has jurisdiction over this matter.

2. The Complaint charges that Defendants participated in deceptive and unfair acts or practices in violation of MITOR, 16 C.F.R. Part 435, Section 5 of the FTC Act, 15 U.S.C. § 45, and the Reviews and Testimonials Rule, 16 C.F.R. Part 465, including by failing to offer consumers, clearly and conspicuously and without prior demand, an option to consent to a delay in shipment or to cancel an order and receive a prompt refund when Defendants failed to ship properly completed orders for merchandise within the timeframe required by MITOR and failing to deem an order cancelled and make a prompt refund as required by MITOR; providing unfair customer service; making unsubstantiated statements about evoluSHEIN products and the traceability of the cotton in its products; and using deceptive consumer review practices.

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

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

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

DEFINITIONS

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

A. "**Clear(ly) and conspicuous(ly)**" means that a required disclosure is easily noticeable (i.e., difficult to miss) and easily understandable by reasonable consumers, including in all of the following ways:

1. In any communication that is solely visual or solely audible, the disclosure must be made through the same means through which the communication is presented. In any communication made through both visual and audible means, such as a television advertisement, the disclosure must be presented simultaneously in both the visual and audible portions of the communication even if the representation requiring the disclosure is made in only one means.
2. A visual disclosure, by its size, contrast, location, the length of time it appears, and other characteristics, must stand out from any accompanying text or other visual elements so that it is easily noticed, read, and understood.
3. An audible disclosure, including by telephone or streaming video, must be delivered in a volume, speed, and cadence sufficient for reasonable consumers to easily hear and understand it.

4. In any communication using an interactive electronic medium, such as the Internet or software, the disclosure must be unavoidable.
5. The disclosure must use diction and syntax understandable to reasonable consumers and must appear in each language in which the representation that requires the disclosure appears.
6. The disclosure must comply with these requirements in each medium through which it is received, including all electronic devices and face-to-face communications.
7. The disclosure must not be contradicted or mitigated by, or inconsistent with, anything else in the communication.
8. When the representation or sales practice targets a specific audience, such as children, the elderly, or the terminally ill, "reasonable consumers" includes members of that group.

B. "**Defendants**" means all of the Defendants (SHEIN Distribution Corporation and its predecessors, successors, and assigns; SHEIN US Services LLC and its predecessors, successors, and assigns; and SHEIN Technology LLC and its predecessors, successors, and assigns), individually, collectively, or in any combination, to the extent they sell to buyers in the United States via a SHEIN-branded channel.

C. **"Mail, Internet, or Telephone Order Sale"** means any sale in which a buyer in the United States has ordered merchandise from Defendants via a SHEIN-branded channel by mail, via the Internet, or by telephone, regardless of the method of payment or the method used to solicit the order. Exceptions:

1. Subscriptions, such as magazine sales, ordered for serial delivery, after the initial Shipment is made in compliance with this Order;

2. Orders of seeds and growing plants;
3. Orders made on a collect-on-delivery (C.O.D.) basis; and
4. Transactions that Defendants can demonstrate are governed by the Commission's Trade Regulation Rule entitled "Use of Prenotification Negative Option Plans," 16 C.F.R. Part 425.

D. "Prompt Refund," means:

1. Where a refund is made pursuant to paragraph F(1), F(2)(b), F(2)(c), or F(3) of this Definitions section, a refund sent by any means at least as fast and reliable as first class mail within seven (7) working days of the date on which the buyer's right to refund vests under the provisions of this part. Provided, however, that where the seller cannot provide a refund by the same method payment was tendered, prompt refund shall mean a refund sent in the form of cash, check, or money order, by any means at least as fast and reliable as first class mail, within seven (7) working days of the date on which the seller discovers it cannot provide a refund by the same method as payment was tendered;
2. Where a refund is made pursuant to paragraph F(2)(a) of this Definitions section, a refund sent by any means at least as fast and reliable as first class mail within one (1) billing cycle from the date on which the buyer's right to refund vests under the provisions of this part.

E. **"Receipt of a Properly Completed Order"** means, where the buyer tenders full or partial payment in the proper amount in the form of cash, check, or money order; authorization from the buyer to charge an existing charge account; or other payment methods, the time at which Defendants receive both said payment

and an order from the buyer containing all of the information needed by Defendants to process and ship the order. Provided, however, that where Defendants receive notice that a payment by means other than cash or credit as tendered by the buyer has been dishonored or that the buyer does not qualify for a credit sale, Receipt of a Properly Completed Order means the time at which: (1) Defendants receive notice that a payment by means other than cash or credit in the proper amount tendered by the buyer has been honored; (2) The buyer tenders cash in the proper amount; or (3) Defendants receive notice that the buyer qualifies for a credit sale.

F. **"Refund"** means:

1. Where the buyer tendered full payment for the unshipped merchandise in the form of cash, check, or money order, a return of the amount tendered in the form of cash, check, or money order sent to the buyer;
2. Where there is a credit sale:

   a. And a Defendant is the creditor, a copy of a credit memorandum or the like or an account statement sent to the buyer reflecting the removal or absence of any remaining charge incurred as a result of the sale from the buyer's account;

   b. And a third party is the creditor, an appropriate credit memorandum or the like sent to the third-party creditor which will remove the charge from the buyer's account and a copy of the credit memorandum or the like sent to the buyer that includes the date that Defendants sent the credit memorandum or the like to the third-party creditor and the amount of the charge to be removed, or a statement from Defendants acknowledging the cancellation of the order and representing

that Defendants have not taken any action regarding the order which will result in a charge to the buyer's account with the third party;

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

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

a. Instructions sent to the entity that transferred payment to Defendants instructing that entity to return to the buyer the amount tendered in the form tendered and a statement sent to the buyer setting forth the instructions sent to the entity, including the date of the instructions and the amount to be returned to the buyer;

b. A return of the amount tendered in the form of cash, check, or money order sent to the buyer; or

c. A statement from Defendants sent to the buyer acknowledging the cancellation of the order and representing that Defendants have not taken any action regarding the order which will access any of the buyer's funds.

G. "SHEIN-branded channel" means any website, mobile application, platform, or digital presence controlled by Defendants and that operates under the name SHEIN or any variation of SHEIN, through which SHEIN products are advertised, marketed, offered for sale, sold, shipped, or supported to U.S.

consumers or for which consumer reviews are collected, displayed, or managed for U.S. consumers.

H. "**Shipment**" means the act by which the merchandise is physically placed in the possession of the carrier.

I. **"Time of Solicitation"** of an order means that time when Defendants have: (1) mailed or otherwise disseminated the solicitation to a prospective purchaser; (2) made arrangements for an advertisement containing the solicitation to appear in a newspaper, magazine, or the like or on radio or television which cannot be changed or canceled without incurring substantial expense; or (3) made arrangements for the printing of a catalog, brochure, or the like which cannot be changed without incurring substantial expense, in which the solicitation in question forms an insubstantial part.

ORDER

I. INJUNCTION CONCERNING MAIL, INTERNET, OR TELEPHONE MERCHANDISE ORDERS

IT IS ORDERED that Defendants, Defendants' officers, agents, employees, and attorneys, 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 Mail, Internet, or Telephone Order Sales, are permanently restrained and enjoined from:

(with regard to the original Shipment date):

A. The following:

1. Soliciting any order for the sale of merchandise to be ordered by the buyer through the mail, via the Internet, or by the telephone unless, at the Time of Solicitation, Defendants have a reasonable basis

to expect that they 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. Provided, however, where, at the time the merchandise is ordered the buyer applies to the seller for credit to pay for the merchandise in whole or in part, the seller shall have fifty (50) days, rather than thirty (30) days, to perform the actions required in this paragraph (A)(1)(ii).

(with regard to any revised Shipment date):

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

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

i.) Defendants have a reasonable basis for so informing the buyer; and

ii.) Defendants inform the buyer of the reason or reasons for the delay.

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

B. In relation to delays:

1. Where Defendants are 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 after Defendants first become aware of an inability to ship within the original Shipment date, but in no event later than the original Shipment date.

i.) Any offer to the buyer of such an option must fully inform the buyer regarding the buyer's right to cancel the order and to obtain a Prompt Refund and provide a first definite revised shipping date, but where Defendants lack a reasonable basis for providing such a first definite revised shipping date the notice must inform the buyer that Defendants are unable to make any representation regarding the length of the delay.

ii.) Where Defendants have provided a first definite revised shipping date which is no more than 30 days later than the original Shipment date, the offer of said option must expressly inform the buyer that, unless Defendants receive, prior to Shipment and prior to the expiration of the first definite revised shipping date, a response from the buyer rejecting the delay and cancelling the order, the buyer will be deemed to have consented to a delayed Shipment on or before the first definite revised shipping date.

iii.) Where Defendants have provided a first definite revised shipping date which is more than 30 days later than the original Shipment date or where Defendants are unable to provide a definite revised shipping date and therefore inform the buyer that Defendants are unable to make any representation regarding the definite length of the delay, the offer of said option must also expressly inform the buyer that the buyer's

order will automatically be deemed to have been cancelled unless:

(A) Defendants have shipped the merchandise within 30 days of the original Shipment date, and have received no cancellation prior to Shipment; or

(B) Defendants have received from the buyer within 30 days of said applicable time, a response specifically consenting to said shipping delay. Where Defendants inform the buyer that it is unable to make any representation regarding the length of the delay, the buyer must be expressly informed that, should the buyer consent to an indefinite delay, the buyer will have a continuing right to cancel the buyer's order at any time after the original Shipment date by so notifying Defendants prior to actual Shipment.

iv.) Nothing in this Subsection shall prohibit Defendants from furnishing a definite revised shipping date pursuant to (B)(1)(i) of this Section, and requesting, simultaneously with or at any time subsequent to the offer of an option pursuant to (B)(1) of this Section, the buyer's express consent to a further unanticipated delay beyond the definite revised shipping date in the form of a response from the buyer specifically consenting to said further delay. Provided, however, that where Defendants solicit consent to an unanticipated indefinite delay, the solicitation shall expressly inform the buyer that, should the buyer so consent to an indefinite delay, the buyer shall have a continuing right to cancel the buyer's order at any time after the

definite revised shipping date by so notifying Defendants prior to actual Shipment.

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

2. Where Defendants are unable to ship merchandise on or before the first definite revised shipping date, failing to offer to the buyer, Clearly and Conspicuously and without prior demand, a renewed option either to consent to a further delay or to cancel the order and to receive a Prompt Refund. Said offer must be made within a reasonable time after Defendants become aware of the inability to ship before the said definite revised shipping date, but in no event later than the expiration of the definite revised shipping date. Provided, however, that where Defendants previously have obtained the buyer's express consent to an unanticipated delay until a specific date beyond the definite revised shipping date, pursuant to (B)(1)(iv) of this Section or to a further delay until a specific date beyond the definite revised shipping date pursuant to (B)(2) of this Section, that date to which the buyer has expressly consented supersedes the definite revised shipping date for purposes of (B)(2) of this Section.

i.) Any offer to the buyer of said renewed option must provide the buyer with a new definite revised shipping date, but where Defendants lack a reasonable basis for providing a new definite revised shipping date, the notice must inform the buyer that Defendants are unable to make any representation regarding the length of the further delay.

ii.) The offer of a renewed option must expressly inform the buyer that, unless Defendants receive, prior to the expiration of the old definite revised shipping date or any date superseding

the old definite revised shipping date, notification from the buyer specifically consenting to the further delay, the buyer will be deemed to have rejected any further delay, and to have cancelled the order if Defendants are in fact unable to ship prior to the expiration of the old definite revised shipping date or any date superseding the old definite revised shipping date. Provided, however, that where Defendants offer the buyer the option to consent to an indefinite delay, the offer must expressly inform the buyer that, should the buyer so consent to an indefinite delay, the buyer has a continuing right to cancel the buyer's order at any time and receive a Prompt Refund after the old definite revised shipping date or any date superseding the old definite revised shipping date.

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

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

4. Nothing in this Section prevents Defendants, where they are unable to make Shipment within the original Shipment date or within a delay period consented to by the buyer, from deciding to consider the order cancelled and providing the buyer with notice of said

decision within a reasonable time after becoming aware of said inability to ship, and with a Prompt Refund.

(with regard to failure to cancel):

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

1. Defendants receive, prior to Shipment, notification from the buyer cancelling the order pursuant to any option, renewed option or continuing option under this Order;

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

i.) Have not shipped the merchandise within 30 days of the original Shipment date, and

ii.) Have not received the buyer's express consent to said shipping delay within said 30 days;

3. Defendants are unable to ship within the applicable time set forth in (B)(2) of this Section, and have not received, within the said applicable time, the buyer's consent to the further delay;

4. Defendants have notified the buyer of an inability to make Shipment and have indicated the decision not to ship the merchandise; or

5. Defendants fail to offer any option prescribed in this Section and have not shipped the merchandise within the original Shipment date.

(with regard to compliance):

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

II. INJUNCTION CONCERNING CERTAIN MERCHANDISE ORDER PRACTICES

IT IS FURTHER ORDERED that Defendants, Defendants' officers, agents, employees, and attorneys, 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 Mail, Internet, or Telephone Order Sales, are permanently restrained and enjoined from:

A. Failing to provide, and to Clearly and Conspicuously disclose, an adequate mechanism for the buyer to cancel and obtain a refund for any merchandise not Shipped by such Shipping date or time period Clearly and Conspicuously disclosed. The mechanism must not be difficult, confusing, or time consuming; or

B. Misrepresenting or assisting others in misrepresenting, expressly or by implication:

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

2. The length of, or reason for, any Shipping delay;

3. Any material aspect of any Refund, return, or cancellation policy; or

4. Any other fact material to consumers, including merchandise availability, order processing or fulfilment status, or any other material aspect of shipping or delivery.

III. INJUNCTION CONCERNING CERTAIN CUSTOMER SERVICE PRACTICES

IT IS FURTHER ORDERED that Defendants, Defendants' officers, agents, employees, and attorneys, 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 advertising, promotion, offering for sale, or sale of any product, are permanently restrained and enjoined from:

A. Failing to provide a simple mechanism by which a consumer can contact Defendants regarding customer service matters, including, at a minimum, through both written (e.g., email or chat) and verbal (e.g., telephone) communication methods, and Clearly and Conspicuously posting all contact information;

B. Failing to reasonably respond to any customer service ticket, complaint, dispute, or any other request from a consumer within a commercially reasonable amount of time;

C. Closing any resolved customer service ticket, complaint, dispute, or any other request from a consumer to the Defendants, without first communicating to the consumer that the issue has been resolved by Defendants, allowing the consumer one week to respond to reject or otherwise contest that the issue was resolved, and documenting and retaining the reason for closure and any consumer response; provided that nothing in this Section shall require Defendants to delay, alter, or refrain from implementing procedures that are legally required to comply with applicable privacy, data security, fraud prevention, cybersecurity, or other legal obligations; or

D. Requiring consumers to contact a shipper, bank, payment processor, or any other third party to resolve any complaint, dispute, or any other request related to the shipment or delivery of a product a consumer ordered via the Defendants, except where consumer contact with such a third party is necessary to resolve the issue. Defendants shall not refer a consumer to a third party for resolution when Defendants are contractually responsible for resolving the issue.

IV. INJUNCTION CONCERNING SUPPLIERS AND MATERIALS CLAIMS

IT IS FURTHER ORDERED that Defendants, Defendants' officers, agents, employees, and attorneys, 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 product, are permanently restrained and enjoined from:

A. Making any representation, expressly or by implication, related to audits of suppliers or manufacturers of any product sold through a SHEIN-branded channel, unless the representation is non-misleading, including that, at the time such representation is made, Defendants possess and rely upon a reasonable basis for the representation; or

B. Making any representation, expressly or by implication, that Defendants can trace any cotton input of products to any specific factory, facility, mill, manufacturing facility, country, or region unless that representation is non-misleading, including that, at the time such representation is made, Defendants possess and rely upon a reasonable basis for the representation.

V. INJUNCTION CONCERNING PRODUCT REVIEW REPRESENTATIONS

IT IS FURTHER ORDERED that Defendants, Defendants' officers, agents, employees, and attorneys, 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 advertising, promotion, offering for sale, sale, or customer review of any product, are permanently restrained and enjoined from making any misrepresentation, expressly or by implication, about product reviews or endorsements of the product, including any misrepresentation:

A. That product reviews on Defendants' website and app accurately reflect the views of all purchasers who submitted reviews of Defendants' products on the website or app;

B. That product reviews or endorsements of any products are unedited;

C. That product reviews or endorsements of any products are presented regardless of the endorser's opinion or rating; or

D. About how product reviews factor into any composite or overall rating of a product.

VI. INJUNCTION CONCERNING DISPLAY OF PRODUCT REVIEWS

IT IS FURTHER ORDERED that Defendants, Defendants' officers, agents, employees, and attorneys, 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 advertising, promotion, offering for sale, sale, or customer review of any product, are permanently restrained and enjoined from representing that websites and apps display all reviews and then failing to display, on each of their websites and apps displaying product reviews, all reviews related to products currently offered for sale that are or were submitted by consumers to

such website or app and were withheld, removed, or otherwise suppressed from display based upon their ratings, negative sentiment, or relationship to a returned product. Provided, however, that Defendant is not required to display reviews based on criteria for withholding reviews that are applied equally to all reviews submitted without regard to sentiment, when: (a) the review contains (i) trade secrets or privileged or confidential commercial or financial information, (ii) the personal information or likeness of another individual, (iii) content that is clearly false or misleading, (iv) defamatory, harassing, abusive, obscene, vulgar, or sexually explicit content, (v) content that is discriminatory with respect to race, gender, sexuality, ethnicity, national origin, religion, or another intrinsic characteristic; (b) Defendants reasonably believe the review is fake; or (c) the review is wholly unrelated to the products or services offered by or available at the website or app.

VII. INJUNCTION CONCERNING PRODUCT REVIEW POLICIES

IT IS FURTHER ORDERED that Defendants, Defendants' officers, agents, employees, and attorneys, 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 advertising, promotion, offering for sale, sale, or customer review of any product, are permanently restrained and enjoined from taking any actions that have the effect of distorting or otherwise misrepresenting what consumers think of the product, including:

A. Generally prohibiting consumers from leaving reviews for returned items;

B. Removing or preventing the posting of negative or lower-rated reviews because of their sentiment; or

C. Failing to follow the same protocol for any customer review prior to posting the review, regardless of the sentiment of the review.

VIII. DATA RETENTION

IT IS FURTHER ORDERED that Defendants must, for each consumer review removed, except where otherwise required or prohibited by applicable law, create and maintain records identifying:

A. A copy of the review that was removed;

B. Date and time of removal; and

C. Method of removal (e.g., automated or manual).

IX. MONETARY JUDGMENT

IT IS FURTHER ORDERED that:

A. Judgment in the amount of One-Hundred Million Dollars ($100,000,000) is entered in favor of the Commission against Defendants, jointly and severally, as monetary relief.

B. Defendants are ordered to pay the Commission, $100,000,000, which, as Defendants stipulate, their undersigned counsel holds in escrow for no purpose other than payment to the Commission. Such payment must be made within 30 days of entry of this Order by electronic fund transfer in accordance with instructions to be provided by a representative of the Commission upon the Court's issuance of this Order.

C. All money received by the Commission pursuant to Section IX of this Order ("Monetary Judgment") may be deposited into a fund administered by the Commission or its designee to be used for consumer relief, such as redress and any attendant expenses for the administration of any redress fund. If a representative of the Commission decides that direct redress to consumers is wholly or partially impracticable or money remains after such redress is completed, the Commission may apply any remaining money for such related relief (including consumer

information remedies) as it determines to be reasonably related to the allegations in the Complaint. Any money not used for relief is to be deposited to the U.S. Treasury. Defendants have no right to challenge any actions the Commission or its representatives may take pursuant to this Subsection.

X. ADDITIONAL MONETARY PROVISIONS

IT IS FURTHER ORDERED that:

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

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

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

D. Each Defendant acknowledges that Defendant's Employer Identification Number, Social Security Number, or other Taxpayer Identification Number ("TIN"), including all TINs that Defendants previously provided, may be used by the Commission for reporting and other lawful purposes, including collecting on any delinquent amount arising out of this Order in accordance with 31 U.S.C. §7701.

XI. CUSTOMER INFORMATION

IT IS FURTHER ORDERED that Defendants, Defendants' officers, agents, employees, and attorneys, and all other persons in active concert or participation

with any of them, who receive actual notice of this Order, are permanently restrained and enjoined from directly or indirectly failing to provide sufficient U.S. customer information to enable the Commission to efficiently administer consumer redress, provided that such information is maintained by Defendants. If a representative of the Commission requests in writing any information related to redress, Defendant must provide it, in the form prescribed by the Commission, within 30 days.

XII. ORDER ACKNOWLEDGEMENTS

IT IS FURTHER ORDERED that Defendants obtain acknowledgements of receipt of this Order:

A. Each Defendant, within 14 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 5 years after entry of this Order, each Defendant must deliver a copy of this Order to: (1) all principals, officers, directors, and LLC managers and members; (2) all employees having managerial responsibilities for conduct related to the subject matter of the Order and all agents and representatives who participate in conduct related to the subject matter of the 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 14 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 a Defendant delivered a copy of this Order, that Defendant must obtain, within 60 days, a signed and dated acknowledgment of receipt of this Order.

XIII. COMPLIANCE REPORTING

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

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

1. Each 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 that Defendant's businesses by all of their names, telephone numbers, and physical, postal, email, and Internet addresses; (c) describe the activities of each business, including the goods and services offered, the means of advertising, marketing, and sales, and the involvement of any other Defendant; (d) describe in detail whether and how that Defendant is in compliance with each Section of this Order; and (e) provide a copy of each Order Acknowledgment obtained pursuant to this Order, unless previously submitted to the Commission.

B. For 6 years after entry of this Order, each Defendant must submit a compliance notice, sworn under penalty of perjury, within 30 days of any change in the following:

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

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

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

E. Unless otherwise directed by a Commission representative in writing, all submissions to the Commission pursuant to this Order must be emailed to DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to: Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The subject line must begin: FTC v. SHEIN Distribution Corporation, et al., Matter No. 2323082.

XIV. RECORDKEEPING

IT IS FURTHER ORDERED that Defendants must create certain records for 6 years after entry of the Order, and retain each such record for 5 years, except where otherwise required or prohibited by applicable law. Specifically, each Defendant must create and retain the following records:

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

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

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

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

E. a copy of each unique advertisement or other marketing material concerning shipping, audits of any supplier or manufacturer, or the geographic source of any material or fabric used in a product; and

F. All policies, programs, and standard operating procedures regarding review removal and their effective dates.

XV. COMPLIANCE MONITORING

IT IS FURTHER ORDERED that, for 15 years after entry of the Order, for the purpose of monitoring Defendants' compliance with this Order, including any failure to transfer any assets as required by this Order:

A. Within 30 days of receipt of a written request from a representative of the Commission, each Defendant must: submit additional compliance reports or other requested information, which must be sworn under penalty of perjury; appear for depositions; and produce documents for inspection and copying. The Commission is also authorized to obtain discovery, without further leave of court, using any of the procedures prescribed by Federal Rules of Civil Procedure 29, 30 (including depositions by remote means), 31, 33, 34, 36, 45, and 69, provided that Defendant, after attempting to resolve a dispute without court action and for good cause shown, may file a motion with this Court seeking an order for one or more of the protections set forth in Rule 26(c).

B. For matters concerning this Order, the Commission is authorized to communicate directly with each Defendant. Defendant must permit representatives

of the Commission to interview any employee or other person affiliated with any Defendant who has agreed to such an interview. The person interviewed may have counsel present.

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

XVI. RETENTION OF JURISDICTION

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

SO ORDERED this __day of _____, 202__.

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UNITED STATES DISTRICT JUDGE