UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

FEDERAL TRADE COMMISSION, Plaintiff, v. 5967 VENTURES, LLC, a limited liability company, also d/b/a Humboldt Merchant Services, Defendant.	Case No. 2:26-cv-13303

STIPULATED ORDER FOR PERMANENT INJUNCTION AND OTHER RELIEF

Plaintiff, the Federal Trade Commission ("Commission" or "FTC"), filed its Complaint for Permanent Injunction and Other Relief ("Complaint"), for a permanent injunction and other relief in this matter, pursuant to Section 13(b) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 53(b). The Commission and Defendant stipulate to the entry of this Stipulated Order for Permanent Injunction and Other Relief ("Order") to resolve all matters in dispute in this action between them, including a potential administrative action pursuant to 16 C.F.R. Part 3, followed by a potential federal court action pursuant to Section 19(a)(2) of the FTC Act, 15 U.S.C § 57b(a)(2).

THEREFORE, IT IS ORDERED as follows:

FINDINGS

1. This Court has jurisdiction over this matter.

2. The Complaint charges that Defendant participated in unfair acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, in opening and maintaining payment processing accounts for merchants that were shell companies or engaged in fraud.

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

4. Defendant waives any claim that it 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 agrees to bear its own costs and attorney fees.

5. Defendant waives 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. "**Acquirer**" means a business organization, Financial Institution, or an agent of a business organization or Financial Institution that has authority from an organization that operates or licenses a credit card system (e.g., Visa, Mastercard, American Express, Discover) to authorize Merchants to accept, transmit, or process payment by credit card through the credit card system for money, products or services, or anything else of value.

B. "**Chargeback**" means a procedure whereby an issuing bank or other Financial Institution charges all or part of an amount of a Person's credit or debit card transaction back to the Acquirer or other Financial Institution.

C. "**Chargeback Rate**" means the proportion (expressed as a percentage) of Chargebacks out of the total number of attempted credit or debit card sales transactions.

D. "**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, older adults, or the terminally ill, “reasonable consumers” includes members of that group.

E. "**Client**" means any Person (a) who obtains, directly or indirectly, from the Defendant a Merchant Account or (b) to whom Defendant provides any Payment Processing services.

F. "**Covered Client**" means any Client who (1) processes only E-Commerce Transactions, and (2) (a) offers to sell, sells, promotes, or markets any goods or services with a Negative Option Feature; or (b) has no previous credit card processing history; or (c) is a legal entity that was organized within a year of the date of submitting an application for a Merchant Account to Defendant.

G. "**Credit Card Laundering**" means: (a) presenting or depositing into, or causing or allowing another to present or deposit into, the credit or debit card system for payment, a Credit Card Sales Draft generated by a transaction that is not the result of a credit or debit card transaction between the cardholder and the Merchant; (b) employing, soliciting, or otherwise causing or allowing a Merchant, or an employee, representative, or agent of a Merchant, to present to or deposit into the credit or debit card system for payment, a Credit Card Sales Draft generated by a transaction that is not the result of a credit or debit card transaction between the cardholder and the Merchant; (c) obtaining access to the credit or debit card system through the use of a business relationship or an affiliation with a Merchant, when such access is not authorized by the Merchant Account agreement or the applicable credit or debit card system; or (d) presenting or depositing into, or causing or allowing another to present or deposit into, the credit or debit card system for payment, a Credit Card Sales Draft generated by a transaction that is the result of a credit or debit card transaction between the cardholder and the Merchant, through a Merchant Account that is held in the name of a Sponsored Merchant that is not the Merchant.

H. "**Credit Card Sales Draft**" means any record or evidence of a credit or debit card transaction.

I. "**Defendant**" means 5967 Ventures, LLC, d/b/a Humboldt Merchant Services, and its successors and assigns.

J. **"E-Commerce Transaction"** means a credit or debit transaction whereby a Person's credit or debit is used for a sale transaction on an Internet website or mobile application.

K. "**Financial Institution**" means any institution the business of which is engaging in financial activities as described in section 4(k) of the Bank Holding Company Act of 1956 (12 U.S.C. § 1843(k)). An institution that is significantly engaged in financial activities is a Financial Institution.

L. "**Fraud Monitoring or Risk Monitoring Program**" means any program established by a credit card association (e.g., Visa, Mastercard, American Express, Discover), Acquirer, Financial Institution, or operator of a payment system to monitor or detect potentially fraudulent, illegal, or unauthorized Merchant transactions and activity. Such programs include any program established to monitor Chargebacks or Chargeback Rates (e.g., the Visa Dispute Monitoring Program), reasons provided for Chargeback transactions, fraudulent or unauthorized transactions (e.g., Mastercard's Global Merchant Audit Program ("GMAP"), Visa Fraud Monitoring Program), and Merchants classified or defined by Visa as high risk or "High-Brand Risk" Merchants (however titled), as periodically revised or updated from time to time.

M. "**Independent Sales Organization**" or "**ISO**" means any Person that (1) enters into an agreement or contract with a Payment Processor, Acquirer, or Financial Institution to sell or market Payment Processing services to a Merchant; (2) matches, arranges for, or refers Merchants to a Payment Processor or Acquirer for Payment Processing services, or that matches, arranges for, or refers a Payment Processor or Acquirer to Merchants for Payment Processing services; or (3) is registered as an ISO or merchant service provider ("MSP") with Visa, Mastercard, or any credit card association.

N. "**Merchant**" means any Person engaged in, or attempting to engage in, the sale or marketing of any goods or services or a charitable contribution. The term "Merchant" does not include a Payment Facilitator, but does include a Sponsored Merchant.

O. "**Merchant Account**" means any account with an Acquirer or other Financial Institution, service provider, Payment Processor, ISO, Payment Facilitator, or other entity that enables an individual, a business, or other organization to accept payments of any kind.

P. "**Negative Option Feature**" means, in an offer or agreement to sell or provide any product or service, a provision under which the consumer's silence or failure to take an affirmative action to reject products or services or to cancel the agreement is interpreted by the Client, seller, or Merchant as acceptance of the offer. Offers or agreements with Negative Option Features include but are not limited to (a) free or introductory price trial offers in which the consumer receives a product or service for free or at a nominal or introductory price for an initial period and will incur an obligation to pay or pay a greater amount for the product or service if he or she does not take affirmative action to cancel, reject, or return the product or service before the end of that period; (b) continuity plans in which, subsequent to the consumer's agreement to the plan, the seller or provider automatically ships products to a consumer unless the consumer notifies the seller or provider within a certain time not to ship the products; and (c) automatic renewal plans in which the seller or provider automatically renews the agreement and charges the consumer unless the consumer cancels before the renewal.

Q. "**Payment Facilitator**" means an entity that is registered with a credit card system by an Acquirer to facilitate transactions on behalf of Sponsored Merchants.

R. "**Payment Gateway**" means the transmission of consumer payment data between a payment portal (such as a website, mobile phone, card reading terminal, kiosk, or interactive voice response service) and a Payment Processor for the purpose of authorizing the transaction.

S. "**Payment Processing**" means providing a Person, directly or indirectly, with the means used to charge or debit accounts through the use of any payment mechanism, including, but not limited to, credit, debit, prepaid, or stored value cards. Whether accomplished through the use of software or otherwise, Payment Processing includes, among other things: (a) reviewing and approving Merchant applications for Payment Processing services; (b) transmitting sales transaction data or providing the means to transmit sales transaction data from Merchants to Acquirers, Payment Processors, ISOs, or other Financial Institutions; (c) clearing, settling, or distributing proceeds of sales transactions from Acquirers or Financial Institutions to Merchants; (d) processing Chargebacks; or (e) signing a merchant acceptance agreement on behalf of an Acquirer, or receiving settlement of transaction proceeds from an Acquirer, on behalf of a Sponsored Merchant. Provided, however, that a Person does not provide Payment Processing services to a Client where such Person provides to that Client only Payment Gateway services.

T. "**Person**" means any natural person, organization, or legal entity, including a corporation, limited liability company, partnership, proprietorship, association, cooperative, government or governmental subdivision or agency, or any other group or combination acting as an entity.

U. "**Principal Verification Call**" means a phone or video call with a Person who is a principal or control person of a Client or prospective Client during which questions are asked to determine (1) the identity of the Person, (2) the Person's relationship to the Client or prospective Client, including but not limited to whether the Person is a principal of, controls, or has a twenty-five percent (25%) or greater ownership interest in the Client or prospective Client; (3) the Person's understanding and description of the Client's or prospective Client's business, including the goods or services that will be marketed and sold, the billing practices that will be used (specifically including whether any Negative Option Feature will be used), and whether any operations will be run by third parties, and (4) the identities of any other Persons who are principals of, control, or have a twenty-five percent (25%) or greater ownership interest in the Client or prospective Client.

V. "**Sales Agent**" means a Person that matches, arranges, or refers Clients or prospective Clients to a Payment Processor or ISO for Payment Processing, but does not hold contractual liability in the event of losses related to the Payment Processing activities conducted by or on behalf of Clients. As such, a Sales Agent may be involved in recommending a particular Payment Processor or ISO to a prospective Client, forwarding to the Payment Processor or ISO a prospective Client's or Client's Merchant application, or negotiating rates and fees charged by a Payment Processor or ISO, but a Sales Agent may not be involved in any Payment Processing and may not act as an ISO.

W. "**Straw Company**" means an entity with no operations, nominal operations, or all operations provided by a third party that is used for Credit Card Laundering, hiding the identity or activities of control persons or beneficial owners, or engaging in fraud.

X. "**Sponsored Merchant**" means any Person or entity to whom a Payment Facilitator agrees to provide Payment Processing services.

ORDER

I. PROHIBITION ON CREDIT CARD LAUNDERING

IT IS ORDERED that Defendant, Defendant's officers, agents, and employees, and all other Persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, are each permanently restrained and enjoined from Credit Card Laundering, and from assisting others engaged in Credit Card Laundering, whether directly or through an intermediary.

II. PROHIBITIONS RELATED TO MERCHANT ACCOUNTS

IT IS FURTHER ORDERED that Defendant, Defendant's officers, agents, and employees, and all other Persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, are permanently restrained and enjoined from:

A. Providing Payment Processing, and from assisting others engaged in Payment Processing, whether directly or through an intermediary, for any Person:

(1) That is a Covered Client that only has business locations or mailing addresses that are a UPS store, a FedEx store, or any

other third-party mailbox or mail-forwarding provider, a PO box, the office of a registered agent, or a virtual office;

(2) That is a Straw Company;

(3) That is listed on the Mastercard Member Alert to Control High-Risk Merchants ("MATCH") list for any of the following reasons: excessive chargebacks or fraud, fraud conviction, laundering, identification as a Questionable Merchant per the Mastercard Questionable Merchant Audit Program, merchant collusion, illegal transactions, or identity theft; or

(4) That previously has been named as a defendant in a publicly available complaint, settlement, or assurance of voluntary compliance involving the Commission, another federal law enforcement agency, or a state attorney general in a case or matter involving consumer fraud, or unfair, deceptive or abusive practices, including, but not limited to, Section 5 of the FTC Act, 15 U.S.C. § 45, or a violation of any other state or federal consumer protection law or regulation.

B. Making, or assisting others in making, directly or by implication, any false or misleading statement, or providing any false or misleading information, in order to obtain Payment Processing services, including but not limited to false or misleading statements or information about the geographic location, name, identity, corporate form, business type, or merchant category code of the Merchant; and

C. Engaging in, or assisting another Person that is engaged in, any tactics to avoid any Fraud Monitoring or Risk Monitoring Program, including but not limited to:

1. Balancing or distributing sales transaction volume or sales transaction activity among multiple Merchant Accounts or merchant billing descriptors to avoid a Fraud Monitoring or Risk Monitoring Program;

2. Opening multiple Merchant Accounts in the names of other companies for the same underlying Merchant, in order to conceal the Merchant's true identity; and

3. Misrepresenting whether a Merchant is or is not using a Negative Option Feature.

III. SCREENING OF PROSPECTIVE COVERED CLIENTS

IT IS FURTHER ORDERED that Defendant, Defendant's officers, agents, and employees, and all other Persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, are permanently restrained and enjoined from Payment Processing or acting as an ISO or Sales Agent for any prospective Covered Client unless there has been a reasonable screening of the prospective Covered Client by trained personnel to determine whether the prospective Covered Client's business practices are, or are likely to be, deceptive or unfair within the meaning of Section 5 of the FTC Act. Such reasonable screening shall include but not be limited to:

A. Establishing and maintaining written policies and procedures for screening prospective Clients to verify the identification of all Merchants who, if they were to become Clients, would be Covered Clients;

B. Where Defendant receives information indicating that a prospective Client is or may be a Covered Client, requesting from each such prospective Covered Client:

1. A description of the nature of the prospective Covered Client's business, including the nature of the goods and services for which the prospective Covered Client seeks Payment Processing services;

2. Representative examples of all forms of available advertising and marketing that are or will be used by or on behalf of the Covered Client (including but not limited to affiliate or direct marketing campaigns);

3. The URLs of all websites that are or will be used by or on behalf of the Covered Client to market the goods and services for which the prospective Covered Client seeks Payment Processing services, including all websites presented to consumers during any advertising or marketing campaigns or during any purchase or transaction flow;

4. The name of (a) control Person(s) of the entity; (b) Person(s) with a twenty-five percent (25%) or greater ownership interest in the entity; and (c) any corporate names, business names, trade names, fictitious names, DBAs, or aliases under which such Persons have conducted business;

5. Each physical address at which the prospective Covered Client has conducted business in the past year or will conduct the business(es) identified pursuant to subsection (1) of this Section III, as well as all addresses of any third-party mailbox or

mail-forwarding providers (for example, a UPS or FedEx store), PO box, office of a registered agent, or virtual office utilized in addition to that physical address;

6. The name and address of every Acquirer and Payment Processor used by the prospective Covered Client during the preceding 12 months, and whether the Covered Client is still using their services, or has been terminated or has a contract that was not renewed, and the reasons for the termination or non-renewal;

7. The prior six (6) months of Payment Processing statements, if available, or, if prior processing occurred but statements are not available, a written explanation of why such statements are not available; and

8. The prospective Covered Client's past Chargeback Rate for the preceding six (6) months, if such information is not available from the statements collected in Section III(B)(7) of this Order; and

9. Information regarding whether the prospective Covered Client or any of the Person(s) or entities identified in

response to Section III(B)(4) of this Order have ever been (a) placed in any Fraud Monitoring or Risk Monitoring Program; (b) terminated by a Payment Processor, Acquirer, Financial Institution, or operator of a payment system due to fraud, Credit Card Laundering, or excessively high Chargeback Rates; or (c) the subject of a complaint filed by or an Assurance of Voluntary Compliance or any other similar agreement or settlement obtained by the Commission or any other state or federal law enforcement agency; and

C. Taking reasonable steps to assess the accuracy of the information provided pursuant to Section III(B) of this Order, including but not limited to reviewing the Internet websites used by the prospective Covered Client to market its goods or services; reviewing Internet search results related to the prospective Covered Client, its controlling Person(s), and Person(s) with a majority ownership interest in the entity; reviewing online consumer complaints relating to the prospective Covered Client; reviewing copies of monthly Payment Processing statements obtained from the Covered Client; obtaining and reviewing a representative sample of current marketing materials for each good or service related to the offer for which Defendant would provide the prospective Covered Client with Payment Processing, ISO, or Sales Agent services (or in the case of a Covered Client that refuses to produce requested materials, refusing to provide Payment Processing or to act as an ISO or Sales Agent for the prospective Covered Client); conducting Principal Verification Calls of a principal or control person of the Covered Client, where the Covered Client has no previous credit card processing history or is a legal entity that was organized within a year of the date of submitting an application for a Merchant Account, and documenting the questions and answers of each such Principal Verification Call. The purpose of such steps is to determine whether the prospective Covered Client is engaged in any of the following acts or practices, in which case Defendant shall not provide Payment Processing or act as an ISO or Sales Agent for the prospective Covered Client:

1. Failing to Clearly and Conspicuously disclose all products and services that are sold in conjunction with the offered product or service, and the total cost to purchase, receive, or use, any products or services that are the subject of the sales offer;

2. Misrepresenting any material aspect of the performance, efficacy, nature, or central characteristics of goods or services that are the subject of the sales offer;

3. Failing to Clearly and Conspicuously disclose all material terms and conditions of an offer;

4. Misrepresenting, expressly or by implication, any material aspect of the prospective Covered Client's refund, cancellation, exchange, or repurchase policies;

5. Causing billing information to be submitted for payment without the customer's express authorization; or

6. Engaging in, or allowing or assisting others engaged in, Credit Card Laundering.

IV. MONITORING OF COVERED CLIENTS

IT IS FURTHER ORDERED that Defendant, Defendant's officers, agents, and employees, and all other Persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with Payment Processing or acting as an ISO or Sales Agent, are permanently restrained and enjoined from:

A. Failing to monitor the sales activity of all current Clients whose accounts were opened within twelve (12) months of the effective date of this Order to identify Clients that are Covered Clients requiring additional screening pursuant to Section III of this Order, and for all newly designated Covered Clients, failing to complete the reasonable screening process described in Section III of the Order within ninety (90) days after the effective date of this Order;

B. Failing to monitor each Covered Client's transactions to determine whether the Covered Client is engaged in practices that are deceptive or unfair in violation of Section 5 of the FTC Act. Such monitoring shall include, but not be limited to:

1. Regularly reviewing Covered Clients' Internet websites from an IP address that is not associated with Defendant, which review may be conducted by using third-party monitoring tools and crawlers, and saving copies of such websites;

2. Regularly reviewing each Covered Client's Chargeback Rates and reasons provided for these Chargebacks, as well as examining any unusual or suspect transaction patterns, values, and volume;

3. Regularly reviewing consumer complaints related to requests for Chargebacks and complaints found on publicly available consumer complaint mediums (e.g., online consumer complaint boards), or received from any third party, including Financial Institutions, credit card associations, Better Business Bureaus, and operators of payment systems; and

4. Regularly reviewing Internet search results related to the Covered Client; and

C. Failing to monitor each Covered Client's transactions to detect indicia that the Covered Client is engaged in Credit Card Laundering, tactics to conceal its true identity, or tactics to evade any Fraud Monitoring or Risk Monitoring Program. Such indicia include:

1. Unusual or suspicious transactions, patterns, trends, values, and volume;

2. Opening and closing multiple Merchant Accounts for the same underlying Merchant under different business names, for no apparent legitimate business or lawful purpose;

3. Payment Processing of transactions through Merchant Accounts for time periods of less than three months, or

during alternating months, for no apparent legitimate business or lawful purpose;

4. Distributing sales transaction volume across multiple Merchant Accounts of any payment system, to the extent Defendant has access to any such payment system or has notice of such information; and

5. Using an incorrect Merchant Category Code (MCC);

D. Failing to calculate and update at least on a monthly basis for each Covered Client the Chargeback Rate. For any Covered Client with multiple processing accounts, the calculation of the Chargeback Rate shall be made for each of the Covered Client's individual processing accounts, and in the aggregate for each Covered Client;

E. Failing to immediately initiate a reasonable investigation of any Covered Client who, in two of the past six months, had a monthly Chargeback Rate in excess of one percent (1.0%) and more than fifty (50) Chargebacks in a month. A reasonable investigation includes, but is not limited to:

1. Re-evaluating and updating the accuracy of information gathered in compliance with Section III of this Order and any other advertising of the Covered Client;

2. Confirming that the Covered Client obtains required consumer authorizations for the transactions;

3. Reviewing consumer complaints received and reasons provided for Chargeback transactions;

4. Reviewing from an IP address that is not associated with Defendant the Internet websites used by the Covered Client to market its goods and services;

5. Searching publicly available third-party sources for legal actions taken by the Commission or other state or federal law enforcement agencies against the Covered Client, including any assurances of voluntary compliance or settlements; and

6. Conducting "test" shopping to determine the Covered Client's sales practices, where possible;

F. Failing to stop processing sales transactions and close all processing accounts for any Covered Client investigated pursuant to Subsection E, above, within 60 days of commencing the investigation, unless Defendant drafts a written report establishing facts that clearly demonstrate that the Covered Client's business practices related to the offer(s) for which Defendant provides Payment Processing are not deceptive or unfair in violation of Section 5 of the FTC Act; and

G. Failing to stop processing sales transactions and close all processing accounts as soon as practicable and in no more than five (5) business days for any Covered Client that Defendant knows or should know is engaged in tactics to avoid Fraud Monitoring or Risk Monitoring Programs, including, but not limited to using Shell Companies or straw signers (including straw or nominee owners, officers, or managers) to obtain Merchant Accounts, balancing or distributing sales transaction volume or sales transaction activity among multiple Merchant Accounts or Merchant billing descriptors, splitting a single sales transaction into multiple smaller transactions, or causing sham sales transactions, including sales transactions by a Merchant to itself.

V. MONITORING OF SALES AGENTS

IT IS FURTHER ORDERED that Defendant, Defendant's officers, agents, and employees, and all other Persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with Payment Processing or acting as an ISO or Sales Agent, are permanently restrained and enjoined from Payment Processing for Clients referred by a Sales Agent if the Sales Agent, or any of its principals that control, or have a twenty-five (25%) or greater ownership interest in, the Sales Agent, (1) has been listed on the Mastercard Member Alert to Control High-Risk Merchants ("MATCH") list; (2) is found based on the results of a criminal background check to have convictions for fraud, theft, dishonesty, money laundering, or other financial crimes within the past ten (10) years; or (3) is identified on the Specially Designated Nationals and Blocked Persons List maintained by the U.S. Department of the Treasury's Office of Foreign Assets Control.

VI. SALES AGENT OVERSIGHT PROGRAM

IT IS FURTHER ORDERED that Defendant, Defendant's officers, agents, and employees, and all other Persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with Payment Processing or acting as an ISO or Sales Agent, must maintain an oversight program for all Sales Agents (the "Sales Agent Oversight Program"). To satisfy this requirement, Defendant must, at a minimum:

A. Monitor and review for each Sales Agent, on a monthly basis, key risk metrics for the Payment Processing activity of all Covered Clients that are referred by the Sales Agent, including but not limited to monthly and annual sales, Chargeback, fraud, refund, authorization, and decline counts, amounts, and rates of such Covered Clients;

B. Assess whether Covered Clients in each Sales Agent's portfolio present indicia of unfair or deceptive acts or practices, tactics to avoid Fraud Monitoring or Risk Monitoring Programs, or Credit Card Laundering;

C. Immediately terminate, as soon as practicable, and in no more than five (5) business days any Sales Agent who referred Covered Clients and, based on the result of Defendant's review and assessment, has: (1) provided false information or false documents to obtain Payment Processing from Defendant for any Covered Client that the Sales Agent knew or should have known were false; (2) referred Covered Clients to Defendant that the Sales Agent knew or should have known were concealing their true identities, or were Straw Companies, or were engaged in or have been engaged in deceptive or unfair sales practices; or (3) referred Covered Clients to Defendant that the Sales Agent knew or should have known were engaged in Credit Card Laundering or any tactics to evade any Fraud Monitoring or Risk Monitoring program;

D. For any Sales Agent whose referred Covered Clients' aggregate Payment Processing activity in any month reflects (i) a monthly Chargeback Rate that exceeds 0.75%, or (ii) more than 25% of the accounts closed that month being closed for fraud reasons, including for unacceptable level of risk, excessive chargebacks, or retro MATCH, Defendant shall promptly (1) conduct a reasonable investigation of the cause of the elevated Chargeback Rate and count, and/or Sales Agent risk closure rate; (2) require the Sales Agent to disclose in writing the identity of each sub-agent or referral partner that had referred one or more of the Covered Clients that were included in the monthly Chargeback or risk closure calculations, and if the Sales Agent fails to make that disclosure, stop accepting referrals from the Sales Agent; (3) stop processing and settling sales transactions and close Merchant Accounts of any Covered Clients that the investigation indicated are reasonably likely to have engaged in unfair or deceptive acts or practices, tactics to avoid Fraud

Monitoring or Risk Monitoring Programs, or Credit Card Laundering, (4) promptly remediate any deficiencies in underwriting or monitoring practices relating, causing, or contributing to the elevated Chargeback Rate and count, and/or Sales Agent risk closure rate; and (5) generate a written report documenting the monthly Payment Processing activity that required Defendant to satisfy the requirements of this paragraph, the actions taken to satisfy (1) – (4), and the conclusions of the investigation of the cause of the elevated Chargeback Rate and count, and/or Sales Agent risk closure rate, including whether there was evidence that Covered Clients were engaged in unfair or deceptive acts or practices, tactics to avoid Fraud Monitoring or Risk Monitoring Programs, or Credit Card Laundering;

E. Designate qualified employees to coordinate, oversee, and be responsible for the Sales Agent Oversight Program, and whose responsibilities shall include providing the following to Defendant's chief officers on at least a quarterly basis: written reports on the status of the Sales Agent Oversight Program and copies of all written reports generated under subsection D of this Section.

VII. MONETARY JUDGMENT

IT IS FURTHER ORDERED that:

A. Judgment in the amount of Twelve Million Dollars ($12,000,000) is entered in favor of the Commission against Defendant as monetary relief.

B. Defendant is ordered to pay to the Commission Twelve Million Dollars ($12,000,000), which, as Defendant stipulates, its undersigned counsel holds in escrow for no purpose other than payment to the Commission. Such payment must be made within 7 days of entry of this Order by electronic fund transfer in accordance with instructions previously provided by a representative of the Commission.

C. Defendant relinquishes 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.

D. 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 to enforce its rights to any payment or monetary judgment pursuant to this Order, such as a nondischargeability complaint in any bankruptcy case.

E. 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.

F. Defendant acknowledges that Defendant's Employer Identification Number or other Taxpayer Identification Number ("TIN"), including all TINs that Defendant 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.

G. All money received by the Commission pursuant to this Order 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 Defendant's practices alleged in the Complaint. Any money not used for relief is to be deposited to the U.S. Treasury. Defendant has no right to challenge any actions the Commission or its representatives may take pursuant to this Subsection.

VIII. CUSTOMER INFORMATION

IT IS FURTHER ORDERED that Defendant, Defendant's officers, agents, and employees, 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 customer information to enable the Commission to efficiently administer consumer redress. 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 14 days.

IX. 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 5 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 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; (3) employees of any subsidiary, parent, or affiliate entity of Defendant who have managerial responsibilities over the conduct related to the subject matter of the Order; and (4) 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, Defendant must obtain, within 30 days, a signed and dated acknowledgment of receipt of this Order.

X. 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, which 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, including the goods and services offered, and the means of advertising, marketing, and sales; (d) describe in detail whether and how 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 five (5) years after entry of this Order, Defendant must submit a compliance notice, sworn under penalty of perjury, within 14 days of any change in the following: (a) any designated point of contact; or (b) the structure of the 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. Defendant must submit to the Commission notice of the filing of any bankruptcy petition, insolvency proceeding, or similar proceeding by or against 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. 5967 Ventures, LLC, Matter No. 1923164.

XI. RECORDKEEPING

IT IS FURTHER ORDERED that Defendant must create certain records for 10 years after entry of the Order, and retain each such record for 5 years. Specifically, Defendant, in connection with Payment Processing, 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, 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, including Chargeback requests and Chargeback dispute documentation, and consumer refund requests, whether received directly or indirectly, such as through a third party, and any response;

D. records of all Covered Client files and transactions, including Merchant applications, underwriting documents, screening and monitoring records, investigation records and reports, bank verification records, and documentation concerning processed transactions and Chargebacks; and

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

XII. COMPLIANCE MONITORING

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

A. Within 14 days of receipt of a written request from a representative of the Commission, 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.

B. For matters concerning this Order, the Commission is authorized to communicate directly with Defendant. Defendant must permit representatives of the Commission to interview any employee or other person affiliated with 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 Defendant or any individual or entity affiliated with Defendant, 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.

XIII. 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 11th day of Septembers, 2026.

/s/ Susan K. DeClercq
SUSAN K. DeCLERCQ
United States District Judge

SO STIPULATED AND AGREED:

FOR PLAINTIFF:

FEDERAL TRADE COMMISSION

/s/ Darren H Lubetzky Date: September 8, 2026

Darren H. Lubetzky
Vikram Jagadish
Christopher Y. Miller
Attorneys
Federal Trade Commission
Northeast Regional Office
One Bowling Green, Suite 318
New York, NY 10004
Tel: (212) 607-2829
Email:
dlubetzky@ftc.gov
vjagadish@ftc.gov
cmiller@ftc.gov

FOR DEFENDANT:

/s/ Ellen T. Berge Date: March 10, 2026

Leonard L. Gordon
Venable, LLP
151 West 42nd Street
New York, NY 10036
212-370-6252
llgordon@venable.com

Ellen Traupman Berge
Venable, LLP
600 Massachusetts Avenue, NW
Washington, DC 20001
202-344-4704
etberge@venable.com

Michael J. Bresnick
Venable, LLP
600 Massachusetts Avenue, NW
Washington, DC 20001
202-344-4583
mjbresnick@venable.com

Counsel for Defendant 5967 Ventures, LLC

5967 VENTURES, LLC

/s/ Marc A. Garner Date: March 10, 2026
Marc A. Gardner, Manager,
as an Officer of 5967 Ventures, LLC