

Complaint

IN THE MATTER OF

**GENNEX MEDIA LLC,
AND
AKIL KURJI**CONSENT ORDER, ETC. IN REGARD TO ALLEGED VIOLATIONS OF SECTION 5 OF THE FEDERAL
TRADE COMMISSION ACT

*Docket No. C-4741; File No. 202 3122
Complaint, April 9, 2021 – Decision, April 9, 2021*

This consent order addresses Gennex Media LLC’s use of “Made in USA” claims to advertise and sell customizable promotional products to consumers. The complaint alleges that respondents violated of Section 5(a) of the Federal Trade Commission Act by representing that the customizable promotional products they offer are all or virtually all made in the United States. The consent order prohibits Respondents from making U.S.-origin claims for their products unless either: (1) the final assembly or processing of the product occurs in the United States, all significant processing that goes into the product occurs in the United States, and all or virtually all ingredients or components of the product are made and sourced in the United States; (2) a clear and conspicuous qualification appears immediately adjacent to the representation that accurately conveys the extent to which the product contains foreign parts, ingredients or components, and/or processing; or (3) for a claim that a product is assembled in the United States, the product is last substantially transformed in the United States, the product’s principal assembly takes place in the United States, and United States assembly operations are substantial.

Participants

For the *Commission*: Julia Solomon Ensor.

For the *Respondents*: Erica Lai, Melissa H. Maxman, and Andrew Pecoraro, Cohen & Gresser LLP.

COMPLAINT

The Federal Trade Commission, having reason to believe that Gennex Media LLC, a limited liability company also d/b/a Brandnex, BrandStrong, PMGOA, and Promotional Manufacturing Group of America, and Akil Kurji, individually and as an officer of Gennex Media LLC (collectively, “Respondents”), have violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent Gennex Media LLC (“Gennex”), also doing business as Brandnex, BrandStrong, PMGOA, and Promotional Manufacturing Group of America, is a Texas limited liability company with its principal office or place of business at 4771 Sweetwater Blvd. #241, Sugar Land, TX 77479.

2. Respondent Akil Kurji (“Kurji”) is Gennex’s sole officer and shareholder. Individually or in concert with others, he controlled or had the authority to control, or

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participated in the acts and practices of Gennex, including the acts and practices alleged in this complaint. His principal office or place of business is the same as that of Gennex.

3. At all times material to this Complaint, Kurji has been responsible for Gennex's ongoing operations. Kurji's responsibilities include, but are not limited to: creating content for the Brandnexus.com website; approving changes to the Brandnexus.com website; creating content for social media posts; approving all social media content; and creating and approving content for YouTube.

4. At all times material to this Complaint, Kurji was responsible for the contracts between Gennex and its suppliers, including overseas suppliers.

5. The acts and practices of Respondents alleged in this Complaint have been in or affecting commerce, as "commerce" is defined in Section 4 of the Federal Trade Commission Act.

6. Since at least 2012, Respondents have advertised, offered for sale, sold, and distributed customizable promotional products to consumers, including, but not limited to, wristbands, lanyards, temporary tattoos, and buttons.

7. Respondents have sold their promotional products on their websites including, but not limited to, brandnexus.com and pmgoa.com, as well as on third-party sales platforms such as amazon.com.

8. Respondents have disseminated or have caused to be disseminated advertisements and promotional materials for customizable promotional products, including but not necessarily limited to the attached Exhibits A through D. These materials contain the following statements and depictions:

a. "Made in USA"



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(Exhibit A, Brandnex website)

b. “MADE IN USA”



(Exhibit B, Brandnex Price List)

c. “Made in USA” and “USA MADE.”



(Exhibit C, Brandnex Facebook Header)

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d. “. . . MANUFACTURED RIGHT HERE IN AMERICA!”



(Exhibit D, Brandnex YouTube Video).

9. In numerous instances, including, but not limited to, the promotional materials referenced in Paragraph 8, Respondents have represented, expressly or by implication, that their customizable promotional products are all or virtually all made in the United States.

10. In fact, in numerous of these instances, Respondents' customizable promotional products are wholly imported from China.

11. In some cases, Respondents' products ship directly from Chinese manufacturers to consumers, without even passing through a U.S. facility controlled by Respondents.

12. Therefore, Respondents' express or implied representations that their customizable promotional products are all or virtually all made in the United States deceive consumers.

13. Despite knowing that, in numerous instances, Respondents' customizable promotional products are wholly imported from China, Kurji formulated or approved the promotional materials referenced in Paragraph 8.

Count I**False or Unsubstantiated Representation – Made in USA**

14. In connection with the advertising, promotion, offering for sale, or sale of customizable promotional products, Respondents have represented, directly or indirectly, expressly or by implication, that such products, including the materials and subcomponents used to make such products, are all or virtually all made in the United States.

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15. In fact, in numerous instances, Respondents' customizable promotional products are wholly imported or incorporate significant imported materials or subcomponents. Therefore, the representation set forth in paragraph 14 is false or misleading, or was not substantiated at the time the representation was made.

Violations of Section 5

16. The acts and practices of Respondents as alleged in this complaint constitute unfair or deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act.

THEREFORE, the Federal Trade Commission this 9th day of April, 2021, has issued this Complaint against Respondents.

By the Commission.

Complaint

Exhibit A

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Exhibit A

FEDERAL TRADE COMMISSION DECISIONS
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Exhibit B

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SUPPORT USA JOBS. WE DO! **MADE IN USA**
OVER 100 EMPLOYEES AND THEY ARE ALL AMERICAN

DEBOSSD WHISTBANDS
Order Now

Our Debossed whistbands are similar to the famous yellow Liveness whistbands. Your message is engraved in the silicone whistband. Our whistbands are made from 100% Silicone. Customized Silicone whistbands are better than any other.

Quantity	Regular Price Per Band	95% OFF Discounted Price	PROMOTION ENDS TODAY!
1-4	\$2.00	\$0.28	N/A
5-4	\$4.00	2.18	N/A
5-8	\$8.00	1.27	N/A
10-19	\$12.00	1.49	N/A
20-49	\$16.00	1.21	N/A
50-99	\$20.00	0.83	Free 100 Silicone Whistbands
100-199	\$24.00	0.45	Free 100 Silicone Whistbands
200-299	\$28.00	0.21	Free 100 Silicone Whistbands
300-499	\$32.00	0.28	Free 100 Silicone Whistbands
500-999	\$36.00	0.19	Free 100 Silicone Whistbands
1000-1999	\$40.00	0.13	Free 100 Silicone Whistbands
2000-2999	\$44.00	0.14	Free 100 Silicone Whistbands
3000-4999	\$48.00	0.14	Free 100 Silicone Whistbands
5000-9999	\$52.00	0.13	Free 100 Silicone Whistbands
10000-19999	\$56.00	0.10	Free 100 Silicone Whistbands
20000-49999	\$60.00	0.07	Free 100 Silicone Whistbands
50000-99999	\$64.00	0.06	Free 100 Silicone Whistbands

SCREEN PRINTED WHISTBANDS
Order Now

Our screen print whistbands are one of our top sellers. Your message and/or logo will stand out from the rest of the marketing options we offer. Our printing technology allows us to print with incredible detail at the highest quality manufacturing standards and the lowest prices you can find in the market.

Quantity	Regular Price Per Band	95% OFF Discounted Price	PROMOTION ENDS TODAY!
1-4	\$2.00	\$0.27	N/A
5-4	\$4.00	2.28	N/A
5-8	\$8.00	2.22	N/A
10-19	\$12.00	2.22	N/A
20-49	\$16.00	1.23	N/A
50-99	\$20.00	0.88	N/A
100-199	\$24.00	0.28	Free 100 Silicone Whistbands
200-299	\$28.00	0.28	Free 100 Silicone Whistbands
300-499	\$32.00	0.28	Free 100 Silicone Whistbands
500-999	\$36.00	0.28	Free 100 Silicone Whistbands
1000-1999	\$40.00	0.13	Free 100 Silicone Whistbands
2000-2999	\$44.00	0.13	Free 100 Silicone Whistbands
3000-4999	\$48.00	0.09	Free 100 Silicone Whistbands
5000-9999	\$52.00	0.07	Free 100 Silicone Whistbands

INK INJECTED/COLOR FILLED WHISTBANDS
Order Now

INK Injected Whistbands also known as Color Filled whistbands are simply debossed silicone whistbands with a color ink injected into the engraved letters. If you want the extra WOW factor this silicone whistband is for you.

Quantity	Regular Price Per Band	95% OFF Discounted Price	PROMOTION ENDS TODAY!
1-4	\$2.00	\$0.29	N/A
5-4	\$4.00	4.28	N/A
5-8	\$8.00	2.25	N/A
10-19	\$12.00	2.28	N/A
20-49	\$16.00	2.25	N/A
50-99	\$20.00	1.53	N/A
100-199	\$24.00	0.97	Free 100 Silicone Whistbands
200-299	\$28.00	0.68	Free 100 Silicone Whistbands
300-499	\$32.00	0.48	Free 100 Silicone Whistbands
500-999	\$36.00	0.22	Free 100 Silicone Whistbands
1000-1999	\$40.00	0.28	Free 100 Silicone Whistbands
2000-2999	\$44.00	0.14	Free 100 Silicone Whistbands
3000-4999	\$48.00	0.13	Free 100 Silicone Whistbands
5000-9999	\$52.00	0.09	Free 100 Silicone Whistbands

EMBOSSD WHISTBANDS
Order Now

Embossed Silicone Rubber Whistbands are used to add an extra edge to their silicone whistband. The words and/or logos on the embossed whistbands are raised from the whistband. This is the opposite effect of the Debossed rubber whistbands. The words are not engraved but are raised from the surface of the custom silicone whistband.

Quantity	Regular Price Per Band	95% OFF Discounted Price	PROMOTION ENDS TODAY!
1-4	\$2.00	\$0.28	N/A
5-4	\$4.00	1.73	N/A
5-8	\$8.00	1.68	N/A
10-19	\$12.00	2.23	N/A
20-49	\$16.00	0.48	Free 100 Silicone Whistbands
50-99	\$20.00	0.28	Free 100 Silicone Whistbands
100-199	\$24.00	0.26	Free 100 Silicone Whistbands
200-299	\$28.00	0.23	Free 100 Silicone Whistbands
300-499	\$32.00	0.14	Free 100 Silicone Whistbands
500-999	\$36.00	0.13	Free 100 Silicone Whistbands
1000-1999	\$40.00	0.10	Free 100 Silicone Whistbands
2000-2999	\$44.00	0.13	Free 100 Silicone Whistbands
3000-4999	\$48.00	0.10	Free 100 Silicone Whistbands
5000-9999	\$52.00	0.06	Free 100 Silicone Whistbands

COLOR COATED WHISTBANDS
Order Now

Quantity	Regular Price Per Band	95% OFF Discounted Price	PROMOTION ENDS TODAY!
1-4	\$2.00	\$0.22	N/A
5-4	\$4.00	4.47	N/A
10-19	\$8.00	3.48	N/A

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1 INCH DEBOSSED WRISTBANDS

Order Now



Being the pioneer behind the Color Coat (Silk Layer) silicone wristbands in the industry, our R&D team designed this type of silicone bracelet for our clients that needed the extra edge on their message really stands out.

1 inch Debossed wristbands are similar to the Livestrong wristbands. Your message is engraved in the silicone wristband. Our wristbands are made from 100% Silicone. Custom Silicone wristbands are Latex Free and child safe.

Quantity	Regular Price Per Band	50% OFF Discounted Price	PROMOTION ENDS TODAY!
1-4	25.85	12.94	N/A
5-9	65.05	32.54	N/A
10-19	6.00	3.00	N/A
20-49	2.33	1.17	N/A
50-99	0.65	0.33	N/A
100-199	0.45	0.23	Free 100 Silicone Wristbands
200-299	0.45	0.23	Free 100 Silicone Wristbands
300-499	0.45	0.23	Free 100 Silicone Wristbands
500-999	0.45	0.23	Free 100 Silicone Wristbands
1000-1999	0.45	0.23	Free 100 Silicone Wristbands
2000-4999	0.45	0.23	Free 100 Silicone Wristbands
5000-9999	0.45	0.23	Free 100 Silicone Wristbands
10000-99999	0.45	0.23	Free 100 Silicone Wristbands

1 INCH SCREEN PRINTED WRISTBANDS

Order Now



Our 1 inch screen print wristbands are one of our best sellers. Your message and/or Logo will stand out from the rest of the imprinting options we offer. Our printing technology allows us to print with intricate detail at the highest quality manufacturing standards and the lowest prices you can find in the market.

Quantity	Regular Price Per Band	50% OFF Discounted Price	PROMOTION ENDS TODAY!
1-4	26.35	13.18	N/A
5-9	65.05	32.54	N/A
10-19	6.00	3.00	N/A
20-49	2.33	1.17	N/A
50-99	0.65	0.33	N/A
100-199	0.45	0.23	Free 100 Silicone Wristbands
200-299	0.45	0.23	Free 100 Silicone Wristbands
300-499	0.45	0.23	Free 100 Silicone Wristbands
500-999	0.45	0.23	Free 100 Silicone Wristbands
1000-1999	0.45	0.23	Free 100 Silicone Wristbands
2000-4999	0.45	0.23	Free 100 Silicone Wristbands
5000-9999	0.45	0.23	Free 100 Silicone Wristbands
10000-99999	0.45	0.23	Free 100 Silicone Wristbands

1 INCH INK INJECTED WRISTBANDS

Order Now



Our 1 inch Ink Injected Wristbands also known as Color Filled wristbands are simply debossed silicone wristbands with a color ink injected into the engraved letters. If you want the extra WOW factor this silicone wristband is for you.

Quantity	Regular Price Per Band	50% OFF Discounted Price	PROMOTION ENDS TODAY!
1-4	25.85	12.94	N/A
5-9	65.05	32.54	N/A
10-19	6.00	3.00	N/A
20-49	2.33	1.17	N/A
50-99	0.65	0.33	N/A
100-199	0.45	0.23	Free 100 Silicone Wristbands
200-299	0.45	0.23	Free 100 Silicone Wristbands
300-499	0.45	0.23	Free 100 Silicone Wristbands
500-999	0.45	0.23	Free 100 Silicone Wristbands
1000-1999	0.45	0.23	Free 100 Silicone Wristbands
2000-4999	0.45	0.23	Free 100 Silicone Wristbands
5000-9999	0.45	0.23	Free 100 Silicone Wristbands
10000-99999	0.45	0.23	Free 100 Silicone Wristbands

1 INCH EMBOSSED WRISTBANDS

Order Now



Our 1 inch Embossed Silicone Rubber Wristbands are used to add an extra edge to their silicone wristband. The words and/or logos on the embossed wristbands are raised from the wristband. This is the opposite effect of the debossed rubber bracelets. The words are not engraved but are raised from the surface of the custom silicone wristband.

Quantity	Regular Price Per Band	50% OFF Discounted Price	PROMOTION ENDS TODAY!
1-4	65.05	32.54	N/A
5-9	65.05	32.54	N/A
10-19	35.05	17.54	N/A
20-49	6.00	3.00	N/A
50-99	2.00	1.00	N/A
100-199	1.00	0.50	Free 100 Silicone Wristbands
200-299	0.75	0.38	Free 100 Silicone Wristbands
300-499	0.65	0.33	Free 100 Silicone Wristbands
500-999	0.60	0.30	Free 100 Silicone Wristbands
1000-1999	0.55	0.28	Free 100 Silicone Wristbands
2000-4999	0.50	0.25	Free 100 Silicone Wristbands
5000-9999	0.45	0.23	Free 100 Silicone Wristbands
10000-19999	0.40	0.20	Free 100 Silicone Wristbands
20000-99999	0.35	0.18	Free 100 Silicone Wristbands
100000-999999	0.30	0.15	Free 100 Silicone Wristbands

A \$10 shipping / handling fee applies to 100 Free Wristbands with Full Inch Wristbands order or \$10 shipping / handling fee applies to 100 Free Wristbands with One Inch Wristbands order. Valid with Standard Production and Regular Shipping only. The Free Wristbands must have identical size and messages (including font and coloring). Additional colors, options and non-silicone cost extra. Offer valid while supplies last. * Please note that pricing reflects orders that are all one size, adult or youth. An additional \$45.00 applies to orders which combine both sizes.

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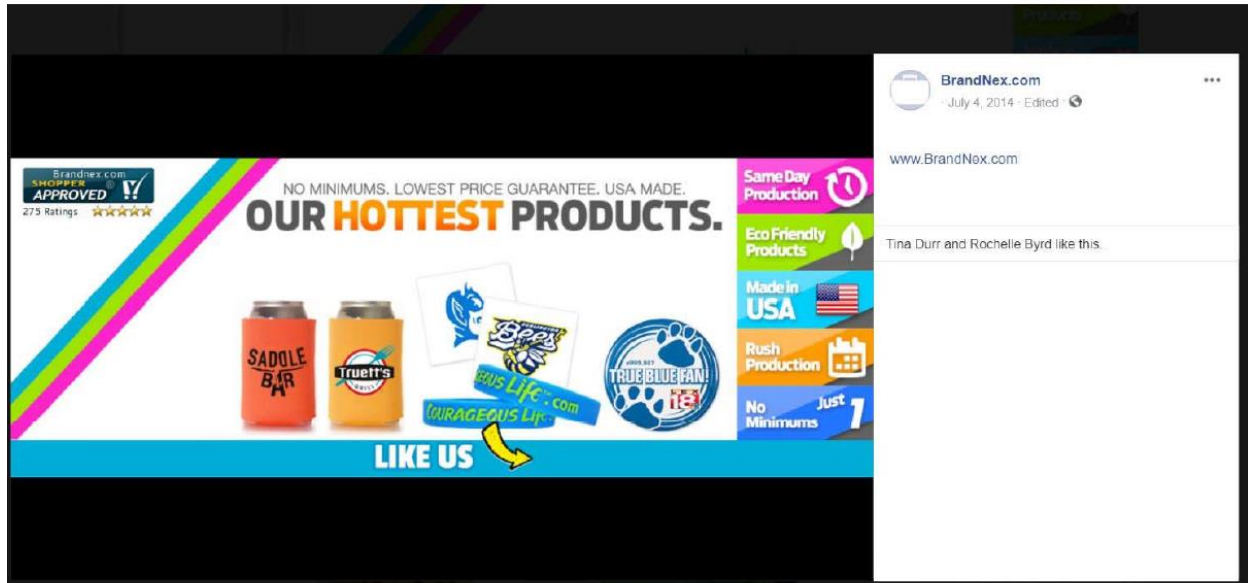
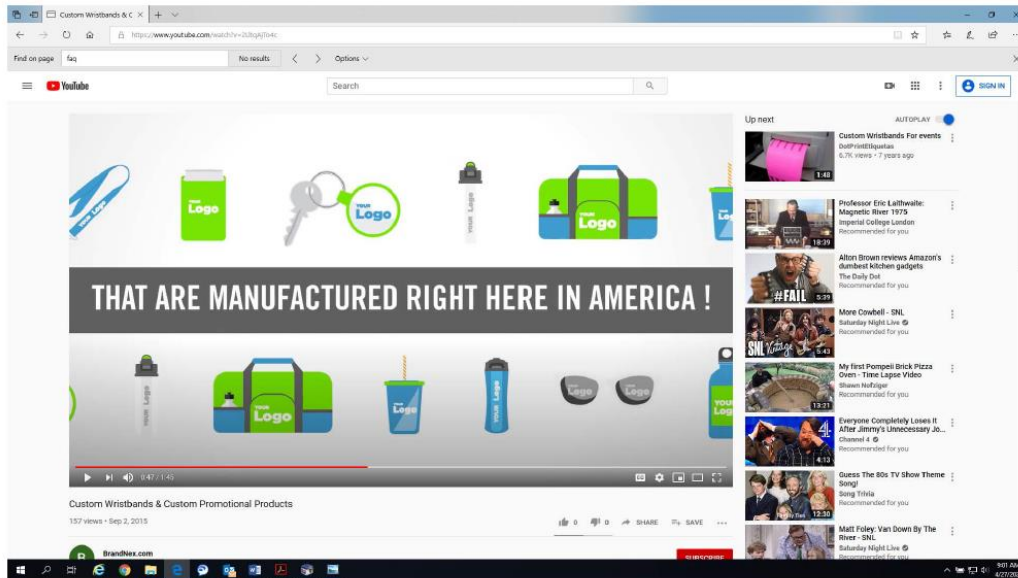
Exhibit C

Exhibit C

Decision and Order

Exhibit D**DECISION**

The Federal Trade Commission ("Commission") initiated an investigation of certain acts and practices of the Respondents named in the caption. The Commission's Bureau of Consumer Protection ("BCP") prepared and furnished to Respondents a draft Complaint. BCP proposed to present the draft Complaint to the Commission for its consideration. If issued by the Commission, the draft Complaint would charge the Respondents with violations of the Federal Trade Commission Act.

Respondents and BCP thereafter executed an Agreement Containing Consent Order ("Consent Agreement"). The Consent Agreement includes: 1) statements by Respondents that they neither admit nor deny any of the allegations in the Complaint, except as specifically stated

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in this Decision and Order, and that only for purposes of this action, they admit the facts necessary to establish jurisdiction; and 2) waivers and other provisions as required by the Commission's Rules.

The Commission considered the matter and determined that it had reason to believe that Respondents have violated the Federal Trade Commission Act, and that a Complaint should issue stating its charges in that respect. The Commission accepted the executed Consent Agreement and placed it on the public record for a period of 30 days for the receipt and consideration of public comments. The Commission duly considered any comments received from interested persons pursuant to Section 2.34 of its Rules, 16 C.F.R. § 2.34. Now, in further

conformity with the procedure prescribed in Rule 2.34, the Commission issues its Complaint, makes the following Findings, and issues the following Order:

Findings

1. The Respondents are:
 - a. Respondent Gennex Media LLC ("Gennex"), also doing business as Brandnex, BrandStrong, PMGOA, and Promotional Manufacturing Group of America, a Texas limited liability company with its principal office or place of business at 4771 Sweetwater Blvd. #241, Sugar Land, TX 77479.
 - b. Respondent Akil Kurji, Corporate Respondent Gennex's sole officer and shareholder. Individually or in concert with others, he formulates, directs, or controls Gennex's policies, acts, or practices. His principal office or place of business is the same as that of Gennex.
2. The Commission has jurisdiction over the subject matter of this proceeding and over the Respondents, and the proceeding is in the public interest.

ORDER**Definitions**

For purposes of this Order, the following definitions apply:

- A. **"Clear(ly) and conspicuous(ly)"** means that a required disclosure is difficult to miss (i.e., easily noticeable) and easily understandable by ordinary 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

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communication even if the representation requiring the disclosure (“triggering representation”) is made through 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 ordinary 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. On a product label, the disclosure must be presented on the principal display panel.
 6. The disclosure must use diction and syntax understandable to ordinary consumers and must appear in each language in which the triggering representation appears.
 7. The disclosure must comply with these requirements in each medium through which it is received, including all electronic devices and face-to-face communications.
 8. The disclosure must not be contradicted or mitigated by, or inconsistent with, anything else in the communication.
 9. When the representation or sales practice targets a specific audience, such as children, the elderly, or the terminally ill, “ordinary consumers” includes reasonable members of that group.
- B. **“Made in the United States”** means any representation, express or implied, that a product or service, or a specified component thereof, is of U.S.-origin, including, but not limited to, a representation that such product or service is “made,” “manufactured,” “built,” “produced,” or “crafted” in the United States or in America, or any other U.S.- origin claim.
- C. **“Respondents”** means the Corporate Respondent and the Individual Respondent, individually, collectively, or in any combination.
1. **“Corporate Respondent”** means Gennex Media LLC, a limited liability company also doing business as Brandnex, BrandStrong, PMGOA, and Promotional Manufacturing Group of America, and its successors and assigns.

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2. **“Individual Respondent”** means Akil Kurji.

Provisions**I.****Prohibited Misrepresentations Regarding U.S.-Origin Claims**

IT IS ORDERED that Respondents, and Respondents’ 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 customizable promotional product, or any other product or service, must not make any representation, expressly or by implication, that a product or service is Made in the United States unless:

- A. The final assembly or processing of the product occurs in the United States, all significant processing that goes into the product occurs in the United States, and all or virtually all ingredients or components of the product are made and sourced in the United States; or
- B. A Clear and Conspicuous qualification appears immediately adjacent to the representation that accurately conveys the extent to which the product contains foreign parts, ingredients or components, and/or processing; or
- C. For a claim that a product is assembled in the United States, the product is last substantially transformed in the United States, the product’s principal assembly takes place in the United States, and United States assembly operations are substantial.

II.**Prohibited Misleading and Unsubstantiated Country-of-Origin Representations**

IT IS FURTHER ORDERED that Respondents, and Respondents’ 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 customizable promotional product, or any other product or service, must not make any representation, expressly or by implication, regarding the country of origin of any product or service unless the representation is non-misleading, including that, at the time such representation is made, Respondents possess and rely upon a reasonable basis for the representation.

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III.**Monetary Relief IT IS FURTHER ORDERED that:**

- A. Respondents must pay to the Commission \$146,249.24, which Respondents stipulate their undersigned counsel holds in escrow for no purpose other than payment to the Commission.
- B. Such payment must be made within 8 days of the effective date of this Order by electronic fund transfer in accordance with instructions provided by a representative of the Commission.

IV.**Additional Monetary Provisions****IT IS FURTHER ORDERED that:**

- A. Respondents 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 to enforce its rights to any payment 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 or on behalf of 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. All money paid to the Commission pursuant to this Order may be deposited into a fund administered by the Commission or its designee to be used for relief, including consumer 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 redress is completed, the Commission may apply any remaining money for such other relief (including consumer information remedies) as it determines to be reasonably related to Respondents' practices alleged in the Complaint. Any money not used is to be deposited to the U.S. Treasury. Respondents have no right to challenge any activities pursuant to this Provision.
- E. In the event of default on any obligation to make payment under this Order, interest, computed as if pursuant to 28 U.S.C. § 1961(a), shall accrue from the date of default to the date of payment. In the event such default continues for 10 days beyond the date that payment is due, the entire amount will immediately become due and payable.

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- F. Each day of nonpayment is a violation through continuing failure to obey or neglect to obey a final order of the Commission and thus will be deemed a separate offense and violation for which a civil penalty shall accrue.
- G. Respondents acknowledge that their Taxpayer Identification Numbers (Social Security or Employer Identification Numbers) may be used for collecting and reporting on any delinquent amount arising out of this Order, in accordance with 31 U.S.C. § 7701.

V.**Customer Information**

IT IS FURTHER ORDERED that Respondents must directly or indirectly 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, Respondents must provide it, in the form prescribed by the Commission representative, within 14 days.

VI.**Acknowledgments of the Order**

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

- A. Each Respondent, within 10 days after the effective date of this Order, must submit to the Commission an acknowledgment of receipt of this Order, sworn under penalty of perjury.
- B. Individual Respondent, for any business that such Respondent, individually or collectively with the Corporate Respondent, is the majority owner or controls directly or indirectly, and Corporate Respondent, 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 Provision titled Compliance Reports and Notices. Delivery must occur within 10 days after the effective date 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 Respondent delivered a copy of this Order, that Respondent must obtain, within 30 days, a signed and dated acknowledgment of receipt of this Order.

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VII.**Compliance Reports and Notices**

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

- A. One year after the issuance date of this Order, each Respondent must submit a compliance report, sworn under penalty of perjury, in which:
 - 1. Each Respondent 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 Respondent; (b) identify all of that Respondent'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 Respondent (which Individual Respondent must describe if he knows or should know due to his own involvement); (d) describe in detail whether and how that Respondent is in compliance with each Provision of this Order, including a discussion of all of the changes the Respondent made to comply with the Order; and (e) provide a copy of each Acknowledgment of the Order obtained pursuant to this Order, unless previously submitted to the Commission.
 - 2. Additionally, Individual Respondent must: (a) identify all his telephone numbers and all his physical, postal, email and Internet addresses, including all residences; (b) identify all his business activities, including any business for which he performs services, whether as an employee or otherwise, and any entity in which such Respondent has any ownership interest; and (c) describe in detail such Respondent's involvement in each such business activity, including title, role, responsibilities, participation, authority, control, and any ownership.
- B. Each Respondent must submit a compliance notice, sworn under penalty of perjury, within 14 days of any change in the following:
 - 1. Each Respondent must submit notice of any change in: (a) any designated point of contact; or (b) the structure of the Corporate Respondent or any entity that Respondent 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.
 - 2. Additionally, the Individual Respondent must submit notice of any change in: (a) name, including alias or fictitious name, or residence address; or (b)

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title or role in any business activity, including (i) any business for which such Respondent performs services, whether as an employee or otherwise and (ii) any entity in which such Respondent has any ownership interest and over which Respondent has direct or indirect control. For each such business activity, also identify its name, physical address, and any Internet address.

- C. Each Respondent must submit notice of the filing of any bankruptcy petition, insolvency proceeding, or similar proceeding by or against such Respondent 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: In re Gennex Media LLC.

VIII.**Recordkeeping**

IT IS FURTHER ORDERED that Respondents must create certain records and retain each such record for 5 years, unless otherwise specified below. Specifically, Corporate Respondent and Individual Respondent for any business that such Respondent, individually or collectively with the other Respondent, is a majority owner or controls directly or indirectly, must create and retain the following records:

- A. Accounting records showing the revenues from all goods or services sold, the costs incurred in generating those revenues, and resulting net profit or loss;
- B. Personnel records showing, for each person providing services in relation to any aspect of the Order, 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 and refund requests, whether received directly or indirectly, such as through a third party, and any response;

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- 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 making a representation subject to this Order; and
- F. For 5 years from the date of the last dissemination of any representation covered by this Order, all materials that were relied upon in making the representation.

IX.**Compliance Monitoring**

IT IS FURTHER ORDERED that, for the purpose of monitoring Respondents' compliance with this Order:

- A. Within 10 days of receipt of a written request from a representative of the Commission, each Respondent must: submit additional compliance reports or other requested information, which must be sworn under penalty of perjury, and produce records for inspection and copying.
- B. For matters concerning this Order, representatives of the Commission are authorized to communicate directly with each Respondent. Respondents must permit representatives of the Commission to interview anyone affiliated with any Respondent who has agreed to such an interview. The interviewee 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 Respondents or any individual or entity affiliated with Respondents, 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.
- D. Upon written request from a representative of the Commission, any consumer reporting agency must furnish consumer reports concerning Individual Respondent, pursuant to Section 604(2) of the Fair Credit Reporting Act, 15 U.S.C. § 1681b(a)(2).

X.**Order Effective Dates**

IT IS FURTHER ORDERED that this Order is final and effective upon the date of its publication on the Commission's website (ftc.gov) as a final order. This Order will terminate 20 years from the date of its issuance (which date may be stated at the end of this Order, near the Commission's seal), or 20 years from the most recent date that the United States or the Commission files a complaint (with or without an accompanying settlement) in federal court

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alleging any violation of this Order, whichever comes later; *provided, however*, that the filing of such a complaint will not affect the duration of:

- A. Any Provision in this Order that terminates in less than 20 years;
- B. This Order's application to any Respondent that is not named as a defendant in such complaint; and
- C. This Order if such complaint is filed after the Order has terminated pursuant to this Provision.

Provided, further, that if such complaint is dismissed or a federal court rules that the Respondent did not violate any provision of the Order, and the dismissal or ruling is either not appealed or upheld on appeal, then the Order will terminate according to this Provision as though the complaint had never been filed, except that the Order will not terminate between the date such complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

By the Commission.

ANALYSIS OF CONSENT ORDER TO AID PUBLIC COMMENT

The Federal Trade Commission ("FTC" or "Commission") has accepted, subject to final approval, an agreement containing a consent order from Gennex Media LLC and Akil Kurji ("Respondents").

The proposed consent order has been placed on the public record for thirty (30) days for receipt of comments by interested persons. Comments received during this period will become part of the public record. After thirty (30) days, the Commission will again review the agreement and the comments received, and will decide whether it should withdraw from the agreement or make final the agreement's proposed order.

This matter involves Respondents' use of "Made in USA" claims to advertise and sell customizable promotional products to consumers. According to the FTC's complaint, Respondents represented that the customizable promotional products they offer are all or virtually all made in the United States. In fact, in numerous instances, Respondents' customizable promotional products are wholly imported from China. Indeed, in some instances the products ship directly to consumers from China without passing through Respondents' U.S. facility. According to the complaint, Kurji, Gennex's sole officer and shareholder, formulated or approved marketing materials with U.S.-origin claims despite knowing numerous products

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advertised are imported. Based on the foregoing, the complaint alleges that Respondents engaged in deceptive acts or practices in violation of Section 5(a) of the FTC Act.

The proposed consent order contains provisions designed to prevent Respondents from engaging in similar acts and practices in the future. Consistent with the FTC's Enforcement Policy Statement on U.S. Origin Claims, Part I prohibits Respondents from making U.S.-origin claims for their products unless either: (1) the final assembly or processing of the product occurs in the United States, all significant processing that goes into the product occurs in the United States, and all or virtually all ingredients or components of the product are made and sourced in the United States; (2) a clear and conspicuous qualification appears immediately adjacent to the representation that accurately conveys the extent to which the product contains foreign parts, ingredients or components, and/or processing; or (3) for a claim that a product is assembled in the United States, the product is last substantially transformed in the United States, the product's principal assembly takes place in the United States, and United States assembly operations are substantial.

Part II prohibits Respondents from making any country-of-origin claim about a product or service unless the claim is true, not misleading, and Respondents have a reasonable basis substantiating the representation.

Parts III through V are monetary provisions. Part III imposes a judgment of \$146,249.24. Part IV includes additional monetary provisions relating to collections. Part V requires Respondents to provide sufficient customer information to enable the Commission to administer consumer redress, if appropriate.

Parts VI through IX are reporting and compliance provisions. Part VI requires Respondents to acknowledge receipt of the order, to provide a copy of the order to certain current and future principals, officers, directors, and employees, and to obtain an acknowledgement from each such person that they have received a copy of the order. Part VII requires Respondents to file a compliance report within one year after the order becomes final and to notify the Commission within 14 days of certain changes that would affect compliance with the order. Part VIII requires Respondents to maintain certain records, including records necessary to demonstrate compliance with the order. Part IX requires Respondents to submit additional compliance reports when requested by the Commission and to permit the Commission or its representatives to interview Respondents' personnel.

Finally, Part X is a "sunset" provision terminating the order after twenty (20) years, with certain exceptions.

The purpose of this analysis is to aid public comment on the proposed order. It is not intended to constitute an official interpretation of the proposed order or to modify its terms in any way.

Complaint

IN THE MATTER OF

EVERALBUM, INC.
D/B/A
EVER AND PARAVISION

CONSENT ORDER, ETC. IN REGARD TO ALLEGED VIOLATIONS OF SECTION 5 OF THE FEDERAL
TRADE COMMISSION ACT

Docket No. C-4743; File No. 192 3172
Complaint, May 6, 2021 – Decision, May 6, 2021

This consent order addresses Everalbum, Inc.’s use of the Ever mobile app, called “Friends” to develop facial recognition technology. The complaint alleges that Everalbum violated Section 5(a) of the Federal Trade Commission Act by misrepresenting the company’s practices with respect to Ever users’ content and that, in four instances, Everalbum used images it extracted from Ever users’ photos in the development of face recognition technology. The consent order requires Respondent to delete (A) photos and videos of Ever app Users who requested deactivation of their accounts, (B) face recognition data that it created without obtaining Users’ affirmative express consent, and (C) models and algorithms it developed in whole or in part using images from Users’ photos. The consent order also prohibits Respondent from making misrepresentations related to the collection, use, disclosure, maintenance, or deletion of Covered Information (as defined in the order); consumers’ ability to control any of these actions; the extent to which Everalbum accesses or permits access to Covered Information; the extent, purpose, and duration of Everalbum’s retention of Covered Information after consumers deactivate their accounts; or the extent to which Everalbum otherwise protects the privacy, security, availability, confidentiality, or integrity of any Covered Information.

Participants

For the *Commission*: James Trilling and Robin Wetherill.

For the *Respondents*: Michelle Kisloff, Lance Murashige, and Harriet Pearson, of Hogan Lovells US LLP.

COMPLAINT

The Federal Trade Commission, having reason to believe that Everalbum, Inc., a corporation (“Respondent”), has violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent Everalbum, Inc. (“Everalbum”), also doing business as Ever and Paravision, is a Delaware corporation with its principal office or place of business at 1160 Gorgas Ave., San Francisco, California 94129.

2. The acts and practices of Respondent alleged in this Complaint have been in or affecting commerce, as “commerce” is defined in Section 4 of the Federal Trade Commission Act.