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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

UNITED STATES OF AMERICA,

Plaintiff,

v.

BURGERIM GROUP USA, INC.,

BURGERIM GROUP, INC.,

and

OREN LONI, individually and as an
officer of Burgerim Group USA, Inc.
and Burgerim Group, Inc.,

Defendants.

No. 2:22-CV-00825-DMG

**DEFAULT JUDGMENT AND
FINAL ORDER FOR
PERMANENT INJUNCTION AND
MONETARY JUDGMENTS FOR
CIVIL PENALTY AND
CONSUMER REDRESS**

1 Plaintiff the United States of America, acting upon notification and
2 authorization to the Attorney General, filed its Complaint for Permanent Injunction,
3 Monetary Judgments for Civil Penalties and Consumer Redress, and Other Relief
4 (“Complaint”), pursuant to Sections 5(a), 5(m)(1)(A), 13(b), 19, and 16(a)(1) of the
5 Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b), 57b, and 56(a)(1).
6 On July 14, 2022, upon application by the United States, the Clerk of the Court
7 entered default as to Burgerim Group USA, Inc. and Burgerim Group, Inc.
8 (collectively, “Entity Defendants”). [Doc. # 30.]

9 Plaintiff has applied for entry of a default judgment against Entity Defendants.
10 In light of Entity Defendants’ default, and after considering the pleadings, the Court
11 hereby GRANTS Plaintiff’s application, upon the terms set forth below.

12 **FINDINGS**

13 1. The Complaint charges that Entity Defendants participated in deceptive
14 acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, and the
15 Franchise Rule, 16 C.F.R 436 (“Franchise Rule”), in the sale and marketing of
16 Burgerim franchises.

17 2. The Complaint states claims upon which relief can be granted.

18 3. The activities of Entity Defendants, as alleged in the Complaint, are in
19 or affecting commerce, as “commerce” is defined in Section 4 of the FTC Act, 15
20 U.S.C. § 44.

21 4. The Court has jurisdiction over the subject matter of this case and has
22 jurisdiction over Entity Defendants. Venue in this district is proper.

23 5. The Clerk of the Court properly entered a default against Entity
24 Defendants on July 14, 2022.

25 6. The Court issued an Order granting Plaintiff’s Motion for Default
26 Judgment on January 19, 2024.

1 B. With respect to the sale of any franchise, business venture, business
2 opportunity, or other offer to earn income:

- 3 1. Any income, profits, or sales volume achieved by existing or past
4 purchasers or operators;
- 5 2. Any income, profits, or sales volume likely to be achieved;
- 6 3. The length of time in which a purchaser is likely to recoup the
7 purchase price or initial investment costs;
- 8 4. The number or identity of current or former purchasers;
- 9 5. The nature, scope, or amount of any training provided to any
10 purchaser;
- 11 6. The amount, nature or degree of assistance that will be provided;
12 and
- 13 7. Any other fact material to consumers.

14 **III. MONETARY JUDGMENTS FOR CIVIL PENALTY AND**
15 **CONSUMER REDRESS**

16 IT IS FURTHER ORDERED that:

17 A. Judgment in the amount of \$7,750,000 is entered in favor of Plaintiff
18 against Entity Defendants, jointly and severally, as a civil penalty. Entity Defendants
19 are ordered to pay Plaintiff by making a payment to the Treasurer of the United States
20 in the amount of \$7,750,000.

21 B. Judgment in the amount of \$48,476,689 is entered in favor of Plaintiff
22 against Entity Defendants, jointly and severally, for consumer redress. Entity
23 Defendants are ordered to pay Plaintiff by making payment to the Treasurer of the
24 United States in the amount of \$48,476,689.

25 C. Such payments must be made within seven (7) days of entry of this
26 Order by electronic fund transfer in accordance with instructions provided by
27 Plaintiff.
28

1 D. Entity Defendants acknowledge that their Taxpayer Identification
2 Number (Social Security Numbers or Employer Identification Numbers), which
3 Entity Defendants must submit to the FTC, may be used for collecting and reporting
4 on any delinquent amount arising out of this Order, in accordance with 31 U.S.C. §
5 7701.

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

17 **IV. ORDER ACKNOWLEDGMENTS**

18 IT IS FURTHER ORDERED that Entity Defendants obtain acknowledgments
19 of receipt of this Order:

20 A. Each Entity Defendant, within seven (7) days of entry of this Order,
21 must submit to the FTC an acknowledgment of receipt of this Order sworn under
22 penalty of perjury.

23 B. For 20 years after entry of this Order, Entity Defendants must deliver a
24 copy of this Order to: (1) all principals, officers, directors, and LLC managers and
25 members; (2) all employees having managerial responsibilities for conduct related
26 to the subject matter of the Order and all agents and representatives who participate
27 in conduct related to the subject matter of the Order; and (3) any business entity
28 resulting from any change in structure as set forth in the Section titled Compliance

1 Reporting. Delivery must occur within seven (7) days of entry of this Order for
2 current personnel. For all others, delivery must occur before they assume their
3 responsibilities.

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

7 **V. COMPLIANCE REPORTING**

8 IT IS FURTHER ORDERED that Entity Defendants shall make timely
9 submissions to the FTC:

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

12 1. Identify the primary physical, postal, and email address and
13 telephone number, as designated points of contact, that representatives of the
14 FTC and Plaintiff may use to communicate with that Entity Defendant;

15 2. Identify all of that Entity Defendant's businesses by all of their
16 names, telephone numbers, and physical, postal, email, and Internet addresses;

17 3. Describe the activities of each business, including the goods and
18 services offered, the means of advertising, marketing, and sales, and the
19 involvement of any other Defendant (which the Entity Defendant must
20 describe if known due to its own involvement);

21 4. Describe in detail whether and how that Entity Defendant is in
22 compliance with each Section of this Order; and

23 5. Provide a copy of each Order Acknowledgment obtained
24 pursuant to this Order, unless previously submitted to the FTC.

25 B. For 20 years after entry of this Order, each Entity Defendant must
26 submit a compliance notice, sworn under penalty of perjury, within 14 days of any
27 change in the following:

28 1. Any designated point of contact; or

1 C. Records of all consumer complaints and refund requests, whether
2 received directly or indirectly, such as through a third party, and any response;

3 D. All records necessary to demonstrate full compliance with each
4 provision of this Order, including all submissions to the FTC; and

5 E. A copy of each unique advertisement or other marketing material.

6 **VII. COMPLIANCE MONITORING**

7 IT IS FURTHER ORDERED that, for the purpose of monitoring Entity
8 Defendants' compliance with this Order and any failure to transfer any assets as
9 required by this Order:

10 A. Within 14 days of receipt of a written request from a representative of
11 the FTC or Plaintiff, each Entity Defendant must: submit additional compliance
12 reports or other requested information, which must be sworn under penalty of
13 perjury; appear for depositions; and produce documents for inspection and copying.
14 The FTC and Plaintiff are also authorized to obtain discovery, without further leave
15 of court, using any of the procedures prescribed by Federal Rules of Civil Procedure
16 29, 30 (including telephonic depositions), 31, 33, 34, 36, 45, and 69.

17 B. For matters concerning this Order, the FTC and Plaintiff are authorized
18 to communicate directly with each Entity Defendant. Entity Defendants must permit
19 representatives of the FTC and Plaintiff to interview any employee or other person
20 affiliated with any Defendant who has agreed to such an interview. The person
21 interviewed may have counsel present.

22 C. The FTC and Plaintiff may use all other lawful means, including
23 posing, through its representatives as consumers, suppliers, or other individuals or
24 entities, to Entity Defendants or any individual or entity affiliated with Entity
25 Defendants, without the necessity of identification or prior notice. Nothing in this
26 Order limits the FTC's lawful use of compulsory process, pursuant to Sections 9 and
27 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-1.
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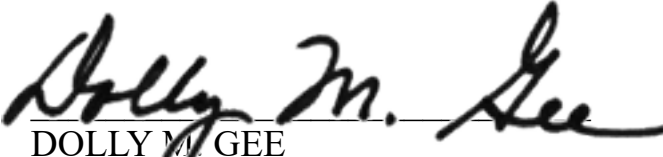
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VIII. RETENTION OF JURISDICTION

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

IT IS SO ORDERED.

DATED: January 19, 2024


DOLLY M. GEE
UNITED STATES DISTRICT JUDGE