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**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

UNITED STATES OF AMERICA,

Plaintiff,

v.

WILLIAMS-SONOMA, INC., a corporation,
d/b/a Williams Sonoma, Williams Sonoma Home,
Pottery Barn, Pottery Barn Kids, Pottery Barn
Teen, PBTeen, West Elm, Rejuvenation, Outward,
and Mark & Graham,

Defendant.

Case No. 3:24-cv-2396

**STIPULATED ORDER FOR
PERMANENT INJUNCTION,
CIVIL PENALTY JUDGMENT,
AND OTHER RELIEF**

STIPULATED ORDER FOR PERMANENT INJUNCTION, CIVIL PENALTY JUDGMENT, AND OTHER RELIEF

Case No. 3:24-cv-2396

1 Plaintiff, the United States of America, acting upon notification and referral to the
2 Attorney General by the Federal Trade Commission (“Commission” or “FTC”), filed its
3 Complaint for Permanent Injunction, Civil Penalty Judgment, and Other Relief (“Complaint”)
4 against Defendant Williams Sonoma, Inc. d/b/a Williams Sonoma, Williams Sonoma Home,
5 Pottery Barn, Pottery Barn Kids, Pottery Barn Teen, PBTeen, West Elm, Rejuvenation, Outward,
6 and Mark & Graham (“Williams Sonoma” or “Defendant”), pursuant to Sections 5(l) and
7 16(a)(1) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 45(l) and 56(a)(1).
8 Defendant has waived service of the summons and the Complaint. Plaintiff and Defendant
9 stipulate to the entry of this Stipulated Order for Permanent Injunction, Civil Penalty Judgment,
10 and Other Relief (“Order”) to resolve all matters in dispute in this action between them.

11 THEREFORE, IT IS ORDERED as follows:

12 **FINDINGS**

- 13 1. This Court has jurisdiction over this matter.
- 14 2. The Complaint charges that Defendant violated the FTC Decision and Order in
15 FTC Docket No. C-4724 (July 13, 2020), in connection with the making of false or deceptive
16 “Made in USA” or other U.S.-origin claims for wholly imported products or products containing
17 significant imported components.
- 18 3. Defendant admits the allegations in the Complaint are true.
- 19 4. Defendant waives any claim that it may have under the Equal Access to Justice
20 Act, 28 U.S.C. § 2412, concerning the prosecution of this action through the date of this Order,
21 and agrees to bear its own costs and attorney fees.
- 22 5. Defendant and Plaintiff waive all rights to appeal or otherwise challenge or
23 contest the validity of this Order.

24 **DEFINITIONS**

25 For the purpose of this Order, the following definitions apply:
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1 A. “**Clear(ly) and conspicuous(ly)**” means that a required disclosure is difficult to
2 miss (i.e., easily noticeable) and easily understandable by ordinary consumers, including in all of
3 the following ways:

4 1. In any communication that is solely visual or solely audible, the disclosure must
5 be made through the same means through which the communication is presented. In any
6 communication made through both visual and audible means, such as a television
7 advertisement, the disclosure must be presented simultaneously in both the visual and
8 audible portions of the communication even if the representation requiring the disclosure
9 is made in only one means.

10 2. A visual disclosure, by its size, contrast, location, the length of time it appears,
11 and other characteristics, must stand out from any accompanying text or other visual
12 elements so that it is easily noticed, read, and understood.

13 3. An audible disclosure, including by telephone or streaming video, must be
14 delivered in a volume, speed, and cadence sufficient for ordinary consumers to easily
15 hear and understand it.

16 4. In any communication using an interactive electronic medium, such as the
17 Internet or software, the disclosure must be unavoidable.

18 5. On a product label, the disclosure must be presented on the principal display
19 panel.

20 6. The disclosure must use diction and syntax understandable to ordinary consumers
21 and must appear in each language in which the representation that requires the disclosure
22 appears.

23 7. The disclosure must comply with these requirements in each medium through
24 which it is received, including all electronic devices and face-to-face communications.

25 8. The disclosure must not be contradicted or mitigated by, or inconsistent with,
26 anything else in the communication.

27 9. When the representation or sales practice targets a specific audience, such as
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1 children, the elderly, or the terminally ill, “ordinary consumers” includes reasonable
2 members of that group.

3 B. “**Defendant**” means Williams-Sonoma, Inc., also doing business as Williams
4 Sonoma, Williams Sonoma Home, Pottery Barn, Pottery Barn Kids, Pottery Barn Teen, PBTeen,
5 West Elm, Rejuvenation, Outward, and Mark & Graham, its successors and assigns, and any
6 joint ventures, subsidiaries, divisions, groups, and affiliates it controls, directly or indirectly.

7 C. “**Made in the United States**” means any representation, express or implied, that a
8 product or service, or a specified component thereof, is of U.S.-origin, including, but not limited
9 to, a representation that such product or service is “made,” “manufactured,” “built,” “produced,”
10 or “crafted” in the United States or in America, or any other U.S.-origin claim.

11 **ORDER**

12 **I.**

13 **PROHIBITION AGAINST MISREPRESENTATIONS**

14 **REGARDING MADE IN USA CLAIMS**

15 IT IS ORDERED that Defendant, Defendant’s officers, agents, employees, and attorneys,
16 and all other persons in active concert or participation with any of them, who receive actual
17 notice of this Order, whether acting directly or indirectly, in connection with promoting or
18 offering for sale any good or service are permanently restrained and enjoined from
19 misrepresenting or assisting others in misrepresenting, expressly or by implication, that a good or
20 service is Made in the United States unless:

21 A. The final assembly or processing of the good or service occurs in the United
22 States, all significant processing that goes into the good or service occurs in the United States,
23 and all or virtually all ingredients or components of the good or service are made and sourced in
24 the United States; or

25 B. A Clear and Conspicuous qualification appears immediately adjacent to the
26 representation that accurately conveys the extent to which the good or service contains foreign
27 parts, ingredients or components, and/or processing; or

28 STIPULATED ORDER FOR PERMANENT INJUNCTION, CIVIL PENALTY JUDGMENT, AND OTHER
RELIEF

Case No. 3:24-cv-2396

1 C. For a claim that a good is assembled in the United States, the good is last
2 substantially transformed in the United States, the good's principal assembly takes place in the
3 United States, and United States assembly operations are substantial.

4 **II.**

5 **PROHIBITION AGAINST MISLEADING OR**
6 **UNSUBSTANTIATED COUNTRY-OF-ORIGIN REPRESENTATIONS**

7 IT IS FURTHER ORDERED that Defendant, Defendant's officers, agents, employees,
8 and attorneys, and all other persons in active concert or participation with any of them, who
9 receive actual notice of this Order, whether acting directly or indirectly, in connection with
10 promoting or offering for sale any good or service, are permanently restrained and enjoined from
11 making any representation, expressly or by implication, regarding the country of origin of any
12 product or service unless the representation is non-misleading, including that, at the time such
13 representation is made, Defendant possesses and relies upon a reasonable basis for the
14 representation.

15 **III.**

16 **MONETARY JUDGMENT FOR CIVIL PENALTY**

17 IT IS FURTHER ORDERED that:

18 A. Judgment in the amount of \$3,175,387 is entered in favor of Plaintiff against the
19 Defendant as a civil penalty.

20 B. Defendant is ordered to pay to Plaintiff, by making payment to the Treasurer of
21 the United States, \$3,175,387, which, as Defendant stipulates, its undersigned counsel holds in
22 escrow for no purpose other than payment to Plaintiff. Such payment must be made within 7
23 days of entry of this Order by electronic fund transfer in accordance with instructions to be
24 provided by a representative of Plaintiff upon the entry of this Order.

25 **IV.**

26 **ADDITIONAL MONETARY PROVISIONS**

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28 STIPULATED ORDER FOR PERMANENT INJUNCTION, CIVIL PENALTY JUDGMENT, AND OTHER
RELIEF

1 IT IS FURTHER ORDERED that:

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

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

7 C. Defendant acknowledges that its Taxpayer Identification Numbers (Employer
8 Identification Numbers), which Defendant must submit to the Commission, may be used for
9 collecting and reporting on any delinquent amount arising out of this Order, in accordance with
10 31 U.S.C. §7701.

11 **V.**

12 **CERTIFICATIONS**

13 IT IS FURTHER ORDERED that, for 5 years after entry of this Order, within forty-five
14 (45) days following the anniversary date of the entry of this Order, Defendant shall provide the
15 Commission with its certification, signed under penalty of perjury, that: (1) Defendant has
16 established, implemented, and maintained controls sufficient to ensure compliance with the
17 requirements of this Order in all material respects; and (2) Defendant is not aware of any
18 material noncompliance with this Order that has not been corrected or disclosed to the
19 Commission.

20 **VI.**

21 **ORDER ACKNOWLEDGMENTS**

22 IT IS FURTHER ORDERED that Defendant obtain acknowledgments of receipt of this
23 Order:

24 A. Defendant, within 7 days of entry of this Order, must submit to the Commission
25 an acknowledgment of receipt of this Order sworn under penalty of perjury.

26 B. For 5 years after entry of this Order, Defendant must deliver a copy of this Order
27 to: (1) all principals, officers, directors, and LLC managers and members; (2) all employees
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1 having managerial responsibilities for conduct related to the subject matter of the Order and all
2 agents and representatives who participate in conduct related to the subject matter of the Order;
3 and (3) any business entity resulting from any change in structure as set forth in the Section titled
4 Compliance Reporting. Delivery must occur within 7 days of entry of this Order for current
5 personnel. For all others, delivery must occur before they assume their responsibilities.

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

9 VII.

10 COMPLIANCE REPORTING

11 IT IS FURTHER ORDERED that Defendant make timely submissions to the
12 Commission:

13 A. One year after entry of this Order, Defendant must submit a compliance report,
14 sworn under penalty of perjury. Defendant must: (a) identify the primary physical, postal, and
15 email address and telephone number, as designated points of contact, which representatives of
16 the Commission and Plaintiff may use to communicate with Defendant; (b) identify all of
17 Defendant's businesses by all of their names, telephone numbers, and physical, postal, email, and
18 Internet addresses; (c) describe the activities of each business, including the goods and services
19 offered, and the means of advertising, marketing, and sales; (d) describe in detail whether and
20 how Defendant is in compliance with each Section of this Order; and (e) provide a copy of each
21 Order Acknowledgment obtained pursuant to this Order, unless previously submitted to the
22 Commission.

23 B. For 20 years after entry of this Order, Defendant must submit a compliance
24 notice, sworn under penalty of perjury, within 14 days of any change in the following: (a) any
25 designated point of contact; or (b) the structure of Defendant or any entity that Defendant has
26 any ownership interest in or controls directly or indirectly that may affect compliance obligations
27 arising under this Order, including: creation, merger, sale, or dissolution of the entity or any
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1 subsidiary, parent, or affiliate that engages in any acts or practices subject to this Order.

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

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

10 E. Unless otherwise directed by a Commission representative in writing, all
11 submissions to the Commission pursuant to this Order must be emailed to DEbrief@ftc.gov or
12 sent by overnight courier (not the U.S. Postal Service) to: Associate Director for Enforcement,
13 Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW,
14 Washington, DC 20580. The subject line must begin: U.S. v. Williams-Sonoma, Inc.

15 **VIII.**

16 **RECORDKEEPING**

17 IT IS FURTHER ORDERED that Defendant must create certain records for 20 years
18 after entry of this Order, and retain each such record for 5 years. Specifically, for any business
19 that Defendant is a majority owner or controls directly or indirectly, Defendant must create and
20 retain the following records:

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

22 B. Personnel records showing, for each person providing services in relation to any
23 aspect of the Order, whether as an employee or otherwise, that person’s: name; addresses;
24 telephone numbers; job title or position; dates of service; and (if applicable) the reason for
25 termination;

26 C. Records of all consumer complaints and refund requests concerning the subject
27 matter of this Order, whether received directly or indirectly, such as through a third party, and
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1 any response; and

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

4 **IX.**

5 **COMPLIANCE MONITORING**

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

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

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

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

24 **X.**

25 **RETENTION OF JURISDICTION**

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

28 STIPULATED ORDER FOR PERMANENT INJUNCTION, CIVIL PENALTY JUDGMENT, AND OTHER
RELIEF

Case No. 3:24-cv-2396

1 **SO ORDERED** this 25th day of April, 2024 .

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5 UNITED STATES MAGISTRATE JUDGE
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1 **SO STIPULATED AND AGREED:**

2 **FOR PLAINTIFF THE UNITED STATES OF AMERICA:**

3 BRIAN M. BOYNTON
Principal Deputy Assistant Attorney General, Civil Division

4 ARUN G. RAO
5 Deputy Assistant Attorney General

6 AMANDA N. LISKAMM
7 Director, Consumer Protection Branch

8 LISA K. HSIAO
9 Senior Deputy Director

10 ZACHARY A. DIETERT
11 Assistant Director

12
13 /s/ Mary M. Englehart Date: 4/22/2024


14 MARY M. ENGLEHART
15 Senior Trial Attorney
16 Consumer Protection Branch
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FOR DEFENDANT:


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Date: January 26, 2024


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Date: Jan. 26, 2024

COUNSEL FOR WILLIAMS-SONOMA, INC.

DEFENDANT WILLIAMS-SONOMA, INC.


Laura Alber (Jan 26, 2024 13:55 PST)
LAURA ALBER, CEO
WILLIAMS-SONOMA, INC.

Date: Jan 26, 2024


JEFF HOWIE, CFO
WILLIAMS-SONOMA, INC.

Date: 1/25/24