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8
9 UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
10 SAN FRANCISCO DIVISION

11 FEDERAL TRADE COMMISSION,

12 Plaintiff,

13 v.

14 BEAM FINANCIAL INC., and

15 YINAN DU,

16 Defendants.
17

Case Number: 3:20-cv-08119-AGT

**[PROPOSED] STIPULATED
ORDER FOR PERMANENT
INJUNCTION AND MONETARY
JUDGMENT**

18
19 Plaintiff, the Federal Trade Commission (“Commission” or “FTC”), filed its
20 Complaint for Permanent Injunction and Other Equitable Relief (“Complaint”), for
21 a permanent injunction and other equitable relief in this matter, pursuant to
22 Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C.
23 § 53(b). The Commission and Defendants stipulate to the entry of this Stipulated
24

1 Order for Permanent Injunction and Monetary Judgment (“Order”) to resolve all
2 matters in dispute in this action between them.

3 THEREFORE, IT IS ORDERED as follows:

4 **FINDINGS**

5 1. This Court has jurisdiction over this matter.

6 2. The Complaint charges that Defendants participated in deceptive acts
7 or practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, by
8 advertising a mobile banking application (the “Beam app”) with representations
9 that consumers will have “24/7” access to their money, will have access to their
10 money with “NO LOCKUP,” will have their withdrawn money returned to them in
11 five or fewer business days, and will receive substantial interest rates, including
12 base interest rates on their deposits of at least 0.2% or 1.0%.

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

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

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

1 **DEFINITIONS**

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

3 A. **“Defendants”** means the Individual Defendant and the Corporate
4 Defendant, individually, collectively, or in any combination.

5 B. **“Corporate Defendant”** means Beam Financial Inc. and its
6 successors and assigns.

7 C. **“Covered Consumers”** means all consumers with Beam mobile
8 banking application accounts, whether such accounts are open or closed.

9 D. **“Individual Defendant”** means Yinan Du, a/k/a Aaron Du.

10 **ORDER**

11 **I. BAN**

12 IT IS ORDERED that Defendants are permanently restrained and enjoined
13 from advertising, marketing, promoting, offering, or distributing, or assisting in the
14 advertising, marketing, promoting, offering, or distributing of any product or
15 service that can be used to deposit, store, or withdraw funds.

16 **II. PROHIBITION AGAINST MISREPRESENTATIONS**

17 IT IS FURTHER ORDERED that Defendants, Defendants’ officers, agents,
18 employees, and attorneys, and all other persons in active concert or participation
19 with any of them, who receive actual notice of this Order, whether acting directly
20 or indirectly, in connection with advertising, marketing, promoting, offering, or
21 distributing any financial product or service are permanently restrained and
22 enjoined from:

23 A. making any misrepresentation, expressly or by implication, about

24 1. consumers’ access to funds, including that:

- i. consumers will have access to, or be able to withdraw, their funds “24/7” or “any time”;
 - ii. consumers will have access to their funds with “no lockup”;
 - ii. consumers will be able to “easily” have funds returned to them;
- and
- iv. funds that consumers request for withdrawal will be or are likely to be returned to the consumer within a specified time period.

2. any interest rate, rate or return, or compensation, including any minimum interest rate, rate of return, or compensation; or

3. any fact material to consumers concerning such financial product or service, such as: the total costs; any material restrictions, limitations, or conditions; or any material aspect of its performance, efficacy, nature, or central characteristics.

B. making any representation, expressly or by implication, about the performance, efficacy, nature, or central characteristics of such financial product or service, unless the representation is non-misleading, and, at the time such representation is made, Defendants possess and rely upon competent and reliable evidence that is sufficient in quality and quantity to substantiate that the representation is true.

III. MONETARY PROVISIONS

IT IS FURTHER ORDERED that:

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

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

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

10 D. Defendants acknowledge that their Taxpayer Identification Numbers (Social
11 Security Numbers or Employer Identification Numbers), which Defendants must
12 submit to the Commission, may be used for collecting and reporting on any
13 delinquent amount arising out of this Order, in accordance with 31 U.S.C. §7701.

14 IV. MONETARY RELIEF

15 IT IS FURTHER ORDERED that Defendants must provide full refunds of
16 the amounts held by or on behalf of Defendants for Covered Consumers (the “Full
17 Refund Amount”), which consisted of at least \$2.6 million on November 15, 2020,
18 as follows:

19 A. Defendants must, within 20 days after the date of this Order, identify and
20 fully refund, by transfer of funds or by check, all amounts due to Covered
21 Consumers not fully refunded prior to the date of this Order.

22 B. Defendants must report on all refunds to Covered Consumers, whether made
23 prior to or subsequent to the date of entry of this Order, under penalty of perjury:
24

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