

STATEMENT OF REASONS FOR SETTLEMENT

This statement accompanies the Stipulated Order for Permanent Injunction, Civil Penalty Judgment, and Other Relief (“Stipulated Order”) executed by defendant Easy Healthcare Corporation. (“Defendant”) in settlement of an action brought to recover civil penalties and equitable relief for engaging in acts or practices in violation of the Federal Trade Commission Act (“FTC Act”) and the Commission’s Health Breach Notification Rule (“HBNR”), 16 C.F.R. § 318. The Stipulated Order imposes a \$100,000 civil penalty judgment, and provides for robust injunctive relief.

Pursuant to Section 5(m)(3) of the Federal Trade Commission Act, as amended (15 U.S.C. § 45(m)(3)), the Commission hereby sets forth its reasons for settlement by entry of the Stipulated Order:

On the basis of the allegations contained in the attached Complaint for Permanent Injunction, Civil Penalty Judgment, and Other Relief (“Complaint”), and the factors set forth in Section 5(m)(1)(C) of the FTC Act, 15 U.S.C. § 45(m)(1)(C), the Commission believes that the \$100,000 civil penalty and the injunctive relief constitutes an appropriate settlement. The civil penalty judgment, coupled with provisions enjoining Defendant from further violations of the FTC Act and the HBNR, banning Defendant’s sharing of certain types of information, and requiring that Defendant implement a comprehensive privacy and information security compliance program and obtain assessments of that program, are effective means to ensure Defendant’s future compliance and to deter others who might violate these laws. Additionally, with the entry of such a Stipulated Order, the time and expense of litigation will be avoided.

For the foregoing reasons, the Commission believes that the settlement by entry of the attached Stipulated Order with Defendant is justified and well within the public interest.