UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

FEDERAL TRADE COMMISSION, Plaintiff, v. AMAZON.COM, INC., *et al.*, Defendants.	No. 2:23-cv-00932-JHC STIPULATED MOTION AND ORDER REGARDING RESIDUAL PAYOUTS OF CONSUMER REDRESS FUND NOTE ON MOTION CALENDAR: September 11, 2026

Plaintiff Federal Trade Commission ("Commission") and Defendants Amazon.com, Inc. ("Amazon"), Neil Lindsay, and Jamil Ghani (collectively, "Defendants") hereby notify the Court that the Parties have aligned on a process for distribution of the remaining of redress from the Consumer Fund created as part of the Stipulated Order for Permanent Injunction, Monetary Relief, Civil Penalty Judgment, and Other Relief (the "Order"), entered by the Court on September 25, 2025 (Dkt. 535). Based upon good cause defined herein, the Parties respectfully stipulate and jointly move the Court to enter this Proposed Order so that the remaining redress funds required to be paid out by Amazon under the Order can be distributed to consumers efficiently and expeditiously.

I. Relevant Order Requirements

The payment process established in the Order has three phases.

Phase 1 was the Automatic Pay Out, as defined in Order § X.A. During the Automatic Pay Out phase, Amazon issued Automatic Payments to Eligible Consumers "who enrolled in an Amazon Prime subscription through a Challenged Enrollment Flow, and who used no more than 3 Prime Benefits in any 12-month period following enrollment." Order § X.A.

Phase 2 was the Claims Process, as defined in Order § X.B. During the Claims Process phase, Amazon issued claims forms to Eligible Consumers that: (1) "Signed up for an Amazon Prime subscription for the United States market during the Relevant Time Period through a Challenged Enrollment Flow; or [] Unsuccessfully attempted to cancel their Amazon Prime subscription for the United States market by entering, but failing to complete, the online cancellation process or by inadvertently taking a Save Offer during the online cancellation process during the Relevant Time Period," Order, Definition I; and "(2) used no more than 10 Prime Benefits during any 12-month period of enrollment in Prime ('Claims Process Eligible Consumers')." Order, § X.B. Amazon then issued payment to "Claims Process Eligible Consumers who submit[ted] valid claims." *Id.* § X.B.4. The final date for consumers to submit claims forms was July 27, 2026.

Phase 3 is the payment of "additional rounds of automatic payments to Eligible Consumers" if "less than $1,000,000,000 in funds have been paid out from the Consumer Fund" after the completion of the Automatic Pay Out phase and the Claims Process phase. Order, § X.B.5. The Order establishes that "[t]hese additional payments will start with Claims Process Eligible Consumers who used no more than 4 Prime Benefits during a 12-month period. Each of those Claims Process Eligible Consumers will be refunded their Prime membership fees, capped at Fifty-One Dollars ($51). Amazon will continue to add groups to this automatic payout by adding one benefit to the threshold (for example, assuming that condition is met, the next group would be Claims Process Eligible Consumers who used no more than 5 Prime Benefits during a 12-month period), until $1,000,000,000 is paid out of the Consumer Fund." *Id.*

The Order does not specify how any remaining funds should be distributed to the extent that less than $1,000,000,000 in funds have been accepted.

II. Progress of Consumer Fund Distribution Process

As noted by the Independent Claims Supervisor's three reports, Amazon has timely completed the Consumer Fund Distribution Process requirements to date:

- By December 22, 2025, Amazon issued Automatic Payments via electronic payment methods (Venmo or PayPal) or mailed checks to Eligible Consumers identified in Amazon's business records and not subject to holdbacks "who enrolled in an Amazon Prime subscription through a Challenged Enrollment Flow, and who used no more than 3 Prime Benefits in any 12-month period following enrollment." Order X.A; *see* Dkt. 539 & 540 at 44 ("First Report"). As referenced in the Independent Claims Supervisor's First Report, Amazon initiated and released more than 12.5 million Automatic Payments to Eligible Consumers totaling over $406 million. First Report at 42-44. Amazon's available data reflected at the time of the First Report that 4,453,722 consumers had accepted the Automatic Payments, resulting in approximately $146 million in redress funds being successfully transferred to consumers. *Id.*
- By January 28, 2026, within 30 days of the conclusion of the Automatic Pay Out phase on December 29, 2025, Amazon issued notice and claims forms to Claims Process Eligible Consumers known at the time and for whom Amazon had sufficient contact information, as required by Order § X.B; *see* Dkt. 542 at 26-29, 39-40 ("Second Report"). By the time of the Independent Claims Supervisor's Second Report, Amazon had attempted Automatic Payments to 13,181,622 consumers. Second Report at 2. Moreover, a total of 6,553,852 consumers accepted payment—constituting approximately 2.1 million more than in the prior reporting period—

which resulted in an aggregate of approximately $223.3 million in successfully transferred funds by the time of the Second Report. *Id.*

- On June 23, 2026, Amazon issued payments to Claims Process Eligible Consumers identified in Amazon's business records as potentially meeting the eligibility criteria who had submitted valid claims as of March 21, 2026, several months ahead of the conclusion of the claims form submission process. *See* Dkt. 548 at 4-5, 8, 20, 28 ("Third Report").[1,2]
- In total, and as of September 9, 2026, the chart below shows the amount of money issued and the amount accepted.

Phase	Amount Issued	Amount Accepted
Automatic Pay Out	$429,566,794	$226,806,791
Claims Process Eligible	$415,640,896	$8,658,142
Total	**$845,207,690**	**$235,464,933**

III. Process for Final Distribution of Funds

As Amazon prepares to proceed to Phase 3, Amazon and the Commission have jointly agreed to a process that allows Amazon to pay the remaining redress funds required by the Order as efficiently and expeditiously as possible.

First, consistent with the printed-on void-by date, all payments that were issued before June 25, 2026, and not accepted by consumers as of September 15, 2026, will be voided and need not be reissued. Payments issued prior to June 25, 2026, largely consist of payments issued during the Automatic Pay Out phase and have now been outstanding for between eight and nine months. All payments will be outstanding for at least the 60-day period printed on the check before voiding.

[1] Subject to holdbacks for the reasons discussed in the Independent Claims Supervisor's Third Report, pg. 11-12.
[2] As referenced in the Independent Claims Supervisor's Third Report, as of June 14, 2026, nearly 2 million claim forms had been submitted, following the distribution of more than 11.6 million postcard notices and over 9.3 million emails notices to the more than 12.8 million consumers. Third Report at 2.

Second, by August 30, 2026, Amazon's Claims Administrator began issuing payments to:

- All Claims Process Eligible Consumers identified in Amazon's business records as potentially meeting the eligibility criteria who submitted approved claims forms, who submitted invalid claims forms, or who did not submit a claim form, as long as they have not already been issued a settlement payment and are not subject to a holdback.

Third, by October 1, 2026, Amazon's Claims Administrator will continue Phase 3 and begin issuing additional automatic payments to all Eligible Consumers identified in Amazon's business records as potentially meeting the eligibility criteria who used between 11 and no more than 20 Prime Benefits during any 12-month period of enrollment in Prime ("Escalation Eligible Consumers"), excluding any customers who were previously issued a payment from the Consumer Fund. This payment population consists of:

- Eligible Consumers who used more than 10 Prime Benefits, but no more than 20 Prime Benefits, in any 12-month period of enrollment in Prime.

The Order contemplates that Amazon will begin issuing additional payments to "Claims Process Eligible Consumers who used no more than 4 Prime Benefits during a 12-month period" and then will continue to add groups to this automatic payout by adding one benefit to the threshold. The Parties agree that issuing payments one benefit group at a time will extend the time for receiving payment to the later cohorts many months beyond the concluding date for the Consumer Fund Distribution Process (January 25, 2027) and will unnecessarily delay redress. Accordingly, the Parties agree that Amazon can escalate the process by issuing payments to these groups in aggregate batches of multiple benefit groups at once, rather than escalating one by one.

Fourth, Amazon's Claims Administrator will allow the Escalation Eligible Consumers at least 60 days to accept payments and will void all unaccepted payments by March 5, 2027. On or after March 5, 2027, any payments not yet accepted will be voided and need not be reissued.

Fifth, by the end of March 2027, Amazon will reconcile the Consumer Fund to determine the exact amount of payments accepted. In the event that less than $1,000,000,000 in payments has been accepted, Amazon will direct the Claims Administrator to issue *pro rata* payments to all Eligible Consumers who used no more than 20 benefits during any 12-month period of enrollment in Prime and who previously accepted a payment at any point during the Consumer Fund Distribution Process from the remaining funds up to $1,000,000,000 ("*Pro Rata* Recipients"). For the *pro rata* distribution, Amazon may issue aggregate payments of up to $149 per Eligible Consumer. The $149 cap for *pro rata* payments dovetails with the $51 cap set out in the Order for payments issued in the Automatic Pay Out, Claims Process, and Escalation phases such that no Eligible Consumer will receive more than $200 in total across all phases of the Settlement Program. The *pro rata* payments will begin by the end of April 2027.

Sixth, *pro rata* payments will be issued in the form previously accepted by the *Pro Rata* Recipients. *Pro Rata* Recipients will then be given at least 60 days to accept the issued payments, regardless of the form of delivery. At that point, all outstanding payments can be voided and not reissued.

Seventh, after the *pro rata* payment round concludes and any outstanding payments are voided, Amazon has the option to issue another round of payments to consumers or have the funds go to the U.S. Treasury as part of its civil penalty payment, until the $1,000,000,000 minimum is met.

Good cause exists for the Court to enter the Stipulated Order. The process outlined will facilitate issuing payments to Eligible Consumers on a significantly expedited timeline compared to what is currently outlined in the Order. Additionally, the Order is currently silent as to what happens in the event Phase 3 concludes and less than $1,000,000,000 has been accepted by consumers. The *pro rata* distribution is consistent with common claims administration practices where additional payout rounds are required to exhaust a Consumer Fund. Moreover, the pro rata distribution benefits consumers, as it allows Eligible Consumers who already accepted payments from prior rounds to receive additional funds. Finally, good cause exists to extend the pro rata payments beyond the $51 cap, as this allows all consumers to receive additional payment, notwithstanding any payment amount they have previously received, and is an equitable and fair way to distribute any remainder funds.

In light of the foregoing and subject to the Court's approval, the Parties stipulate and agree:

1. All payments that were issued before June 25, 2026, and not accepted by consumers as of September 15, 2026, will be voided on September 15, 2026 and need not be reissued.
2. By August 30, 2026, Amazon's Claims Administrator began issuing payments to all Claims Process Eligible Consumers identified in Amazon's business records as potentially meeting the eligibility criteria who submitted approved claims forms, who submitted invalid claims forms, or who did not submit a claim form, as long as they have not already been issued a settlement payment.
3. By October 1, 2026, Amazon's Claims Administrator will begin issuing payments to all Eligible Consumers identified in Amazon's business records as potentially meeting the eligibility criteria who used no more than 20 Prime Benefits during any 12-month period of enrollment in Prime ("Escalation Eligible Consumers"), excluding any customers who were previously issued a payment from the Consumer Fund. *See* Supra, Pg. 4, Lines 9:22.
4. Amazon's Claims Administrator will allow the Escalation Eligible Consumers until March 5, 2027, to accept issued payments. On or after March 5, 2027, any payments not yet accepted will be voided and need not be reissued.
5. By the end of March 2027, Amazon will reconcile the Consumer Fund to determine the exact amount of payments accepted. In the event that less than $1,000,000,000 in payments have been accepted, Amazon will direct the Claims Administrator to issue

pro rata payments to all Automatic Payment Consumers, Claims Process Eligible Consumers, and Escalation Eligible Consumers who previously accepted a payment at any point during the Consumer Fund Distribution Process from the remaining funds up to $1,000,000,000 ("*Pro Rata* Recipients"). For the *pro rata* distribution, Amazon may issue payments up to $149 per Eligible Consumer, such that the total amount of all payments issued to an Eligible Consumer throughout the Settlement Program will not exceed a cap of $200.

6. Amazon's Claims Administrator will begin issuing *pro rata* payments by the end of April 2027. Payments will be issued in the form previously accepted by the *Pro Rata* Recipients. *Pro Rata* Recipients will then be given at least 60 days to accept the issued payments, regardless of the form of delivery. At that point, all outstanding payments can be voided and need not be reissued.

7. After the *pro rata* payment round concludes and any outstanding payments are voided, in the event that fewer than $1,000,000,000 in payments have been accepted, Amazon has the option to issue additional payments to consumers or issue the funds to the U.S. Treasury as part of its civil penalty payment, until the $1,000,000,000 minimum is met.

8. This methodology is designed to maximize the amount of monetary relief accepted by Eligible Consumers consistent with the intent of the Order.

9. Section IX of the Order is amended to allow the Settlement Program and Consumer Fund Distribution Process to continue until September 10, 2027. Accordingly, Section XI.B of the Order is likewise extended to provide that the Claims Supervisor shall submit a final report to the Court, with copies to the Commission and Amazon, concerning Amazon's performance of its obligations under this Order by no later than October 15, 2027.

Based on the foregoing, the Parties respectfully request that the Court grant this stipulated motion through entry of the Proposed Order below.

IT IS SO STIPULATED.

DATED this 11th day of September, 2026.

I certify that this memorandum contains 2,371 words, in compliance with the Local Civil Rules.

By s/ *Jonathan Cohen*
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ORDER

IT IS SO ORDERED this 14th day of September, 2026.

John H. Chun
UNITED STATES DISTRICT JUDGE