

Complaint

IN THE MATTER OF

BONZI SOFTWARE, INC.CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATIONS OF
SEC. 5 OF THE FEDERAL TRADE COMMISSION ACT*Docket C-4126; File No. 0423016**Complaint, October 7, 2004--Decision, October 7, 2004*

This consent order, among other things, prohibits Respondents Bonzi Software, Inc., Joe Bonzi, and Jay Bonzi from misrepresenting the extent to which their product InternetALERT -- or any other software product or service that is marketed as enhancing security -- will reduce the risk of unauthorized access into a computer. The order also prohibits the respondents from misrepresenting the extent which any such product or service will maintain, protect, or provide security features that will enhance the security or privacy of any computer -- or any data that is stored in a computer, including personally identifiable information -- and from misrepresenting the performance, benefits, or efficacy of any computer software product or service that is marketed as enhancing security or privacy. In addition, the order requires the respondents to pay refunds to current InternetALERT subscribers who opt to cancel their subscriptions.

Participants

For the Commission: *Laura M. Sullivan, Dean C. Forbes, Thomas B. Pahl, Mary K. Engle, and Hajime Hadeishi.*

For the Respondents: *Saro Rizzo, and Barry J. Reingold, Perkins Coie, LLP.*

COMPLAINT

The Federal Trade Commission, having reason to believe that Bonzi Software, Inc., a corporation, and Joe Bonzi and Jay Bonzi, individually and as officers of said corporation ("respondents"), have violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that this proceeding is in the public interest, alleges:

Complaint

1. Respondent Bonzi Software, Inc., a Delaware corporation, is a privately owned company with its principal office and place of business located at 3000 Broad Street, Suite 115, San Luis Obispo, California 93401.

Respondents Joe Bonzi and Jay Bonzi are the founders, owners, and officers of the corporate respondent. Individually, or in concert with others, they formulate, direct, and control the acts and practices of the corporate respondent, including the acts and practices alleged in this complaint.

2. The acts and practices of respondents as alleged in this complaint have been in or affecting commerce, as “commerce” is defined in Section 4 of the Federal Trade Commission Act.

3. Respondents develop, advertise, sell, license, and distribute various software products, including “InternetALERT.” InternetALERT is software that monitors Internet traffic entering a consumer’s computer and provides alerts when an attacker attempts to access the computer from the Internet without the consumer’s knowledge or permission. InternetALERT is offered for sale, sold, distributed, and licensed by respondents primarily through respondents’ Web site www.bonzi.com at the price of \$49 for a one-year subscription.

4. Respondents promote InternetALERT software on the Internet through banner, button, and pop-up ads, which, when clicked, transfer consumers to one of several Web pages advertising the software. These click-through Web pages, or landing pages, link to the respondents’ Web site www.bonzi.com, where consumers can download InternetALERT from the Internet. Respondents also promote the software during the software’s installation process.

5. Respondents have disseminated, or have caused to be disseminated, banner, button, and pop-up advertisements for the InternetALERT software, including, but not limited to, those attached as Exhibits A through C:

Complaint

Exhibit A

Exhibit A, button ad located at www.mallbusters.com/internet_alert.htm (as of July 3, 2003).

Exhibit B

Exhibit B, banner ad located at www.myconsumerguide.com/internet_alert.htm (as of May 5, 2003).

Complaint

Exhibit C



Exhibit C, pop-up ad located at
www.bonzi.com/internetalert/ia99.asp (as of April 1, 2003).

6. Respondents have disseminated, or have caused to be disseminated, Web pages, including, but not limited to, that attached as Exhibit D, containing, among others, the following statements:

Exhibit D

InternetALERT
Protect Your PC from Internet Attackers!

Your Computer's Data Is At Risk! (SEE BELOW.)

Your computer's address is: [IP Address]. Every time you connect to the Internet, send e-mail, or submit any private information to a web site, you broadcast your computer's unique IP Address over the Internet. With this IP address, someone can immediately begin trying to break into your computer without you even knowing it! Until now, there has been no way of telling if this has happened or any way of stopping it! Well not anymore!

YOUR COMPUTER'S ADDRESS IS: [IP Address]

What Can Happen To Me?

Steal Your Credit Card & Personal Information!

Read Your E-Mail!

Complaint

Plant a Virus or Worm!

Steal Online Banking Information!

Delete files from your computer!

InternetALERT is an absolute ‘MUST’ for anyone connecting to the Internet! It will notify you if someone is breaking into your computer, stop them dead in their tracks, and even build a visual map showing you the Attacker’s ISP (Internet Service Provider) location! You can now connect to the Internet with the comfort and security of knowing that no one from the Internet can access your computer without your knowledge or permission!

* * *

InternetALERT is easy-to-use! Once installed, you can go about your work without a worry. It runs silently in the background protecting you. Every time you turn on your computer, **InternetALERT** starts working automatically, only leaping into action when suspicious connection attempts are made to your computer.

* * *

**Download & Protect Yourself Against Internet Attackers Now
- \$49 (1 Year Subscription)**

For a limited time, you may now download and start protecting yourself against Internet Attackers for only \$49 per year!

* * *

You're now minutes away from protecting yourself!”

Exhibit D: Web pages advertising InternetALERT entitled “Protect Yourself From Internet Intruders!,” located at www.deals-and-links.com/internetalert.htm (as of July 3, 2003).

Complaint

See also www.bonzi.com/internetalert/ia99.asp (as of April 29, 2003); www.bonzi.com/defaultbody.htm; www.internet-alert-pc-protection.com/index.asp?Campaign=2000 (as of July 3, 2003).

7. Respondents have disseminated, or have caused to be disseminated, various statements on their Web site www.bonzi.com during the InternetALERT software's download process, and through a message alert during the software's uninstall process, including, but not limited to, those shown in Exhibits E and F:

Exhibit E

InternetALERT® Download

Make Your Computer Safe & Secure In 5 Minutes . . .

* * *

You're now minutes away from protecting your system against malicious attackers! Simply complete the secure form below and then press the 'Protect' button. You will be granted **immediate access** to the full version of Internet**ALERT** and in minutes make your computer safe and secure against Internet attackers!

* * *

Protect My System Against Attackers – Download Now!"

Exhibit E: Form entitled "InternetALERT Secure Order Form" that initiates the download process for InternetALERT software, located at <https://secure.bonzi.com/secure/securedownloadia9sub.asp> (as of July 3, 2003).

Complaint

Exhibit F**InternetAlert - WARNING**

WARNING: Your (sic) are about to Disable InternetAlert. Your computer will no longer be protected against outside harmful attacks. Are you sure you want to disable InternetAlert?

[Yes] [No]”

Exhibit F: Message displayed during the uninstall process for the InternetALERT software (as of July 3, 2003).

8. Data enter and exit a computer connected to the Internet by using gateways known as communications ports. These ports enable a computer to establish connections to other computers and to exchange data and are used to handle common network services, such as Web browser or email client services. Ports that are being used are “open” and “listening” for communications, for different periods of time, depending on the type of service they are handling at the time. Internet attackers seek to identify which ports are open on a computer through “port scanning” or other techniques, and may be able to enter a computer from the Internet by using one of a computer’s open ports.

9. InternetALERT monitors and provides alerts to consumers on certain communications ports concerning attempts to gain unauthorized access into computers. Prior to October 2003, InternetALERT automatically monitored up to eleven communications ports. Since October 2003, it has automatically monitored up to twenty-one communications ports. Consumers also may be able to manually select additional ports for monitoring by InternetALERT.

10. If an automatically selected port or manually selected port is closed at the time that InternetALERT is installed, the software will open the closed port to monitor it and provide alerts.

Complaint

11. If an automatically selected port or manually selected port is open at the time that InternetALERT is installed, InternetALERT will not monitor it.

12. Through the means described in Paragraphs 5 through 7, respondents have represented, expressly or by implication, that InternetALERT significantly reduces the risk of unauthorized access into computers and the data stored in them.

13. In truth and in fact, InternetALERT does not significantly reduce the risk of unauthorized access into computers and the data stored in them. InternetALERT does not significantly reduce the risk of unauthorized access into computers because it provides only limited protection against intrusion into computers, as described in Paragraphs 9 through 11 above. Moreover, InternetALERT does not provide other security features that can significantly reduce the risk to data stored in computers, such as features that prevent personally identifiable information stored in a computer from being sent over the Internet without a consumer's knowledge or consent, or that provide computer virus protection.

14. The acts and practices of respondents as alleged in this complaint constitute unfair or deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act.

THEREFORE, the Federal Trade Commission this seventh day of October, 2004, has issued this complaint against respondents.

EXHIBIT A

[Shopping Online](#)[Shop By Department](#)[Internet Alert Download](#)[Internet Alert News](#)[Internet Alert Sale?
Get MallBusters News!](#)[Enter Email and Go!](#)[Go](#)

Internet Alert

Internet Alert! Internet Alert Intruder Protection - Download Internet Alert! Internet Alert protects you from hackers and attackers. Without Internet Alert - Your Computer's Data Is At Risk! Once you sign on to Internet Alert you'll see how easy someone can grab your IP Address.

Without Internet Alert -- Every time you connect to the Internet, send e-mail, or submit any private information to a web site, you broadcast your computer's unique IP Address over the Internet. Internet Alert is a must is you spend time online!

Without Internet Alert, people can get access to your computer while you're online! What can people do with your computer information? Steal Your Credit Card & Personal Information!; Read Your E-Mail!; Plant a Virus or Worm!; Steal Online Banking Information!; Delete files from your computer!; and worse.

Internet Alert is easy-to-use! Once you download Internet Alert, you can go about your work without a worry. Internet Alert runs silently in the background protecting you. Every time you turn on your computer, Internet Alert starts working automatically, only leaping into action when suspicious connection attempts are made to your computer.

[Click Here To Test Your PC Security With Internet Alert!](#)

[Shopping Mall Home](#) | [About](#) | [Privacy](#) | [Contact](#)[Shopping Mall Store Directory](#) | [Free Gift Reminder Service](#) | [Email This Page To a Friend](#)

EXHIBIT B



Search

Welcome | Special Offers
[Home](#) | [About MyConsumerGuide](#) | [Privacy Policy](#)

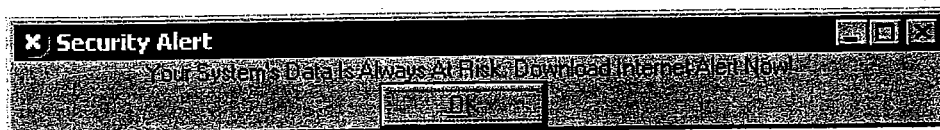
- Arts & Collectibles
- Automotive
- Baby & Kids
- Beauty
- Books & Magazines
- Clothing & Shoes
- Computer & Software
- Consumer Electronics
- Education
- Financial Services
- Flowers & Gifts
- Food & Beverages
- Hardware & Tools
- Health & Wellness
- Home & Garden
- Internet & Online
- Insurance
- Jewelry & Watches
- Kitchen & Housewares
- Movies & Music
- Office & Business
- Pet Supplies
- Sporting Goods
- Telecommunications
- Toys & Games
- Travel

InternetALERT - Download & Protect Yourself Against Internet Attackers Now!

Protect yourself from hackers and trouble makers for just \$49! (1 Year Subscription)

[Internet Alert - Click here to go!](#)

InternetALERT is a "must-have" for anyone on the Internet! With InternetALERT you will know when someone is breaking into your computer. The downloadable program even gives you a visual map showing you the attacker's ISP (Internet Service Provider) location! With InternetALERT you can connect to the Internet with the comfort and security of knowing that no one from the Internet can access your computer without your knowledge or permission!



MyConsumerGuide Says:

InternetALERT is an affordable solution to hackers messing with your computer files. We think \$49 for a year's service is worth the price to protect your private information from internet intruders. We hear about fraud taking place on the computer more and more these days. We think InternetALERT provides an answer to the problem that's more common than most of us would like to believe!

Site Ease of Use: Once you click on our links, information on InternetALERT instantly appears. The program itself is easy-to-use. Every time you turn on your computer, InternetALERT starts working automatically, only notifying you when suspicious connection attempts are made to your computer.

Third Party Reviews:

Customer Testimonials:

"So far my computer system has been attacked twice, and InternetALERT has picked up on it. Both times I was able to notify the offending companies to shut down the hackers. I am VERY impressed with this software package, and will continue to look at your company for new and exciting products. Keep up the great work!" - Frank Leibly - MMR Software

"Thanks for such a great program! InternetALERT detected and disabled before any

[Email this page](#)

[Rate This Merchant](#)

Site Ease of Use



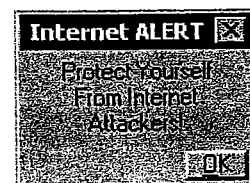
Customer Service



Overall Value



[Our Bestsellers](#)



Subscribe today and we'll keep you informed on the latest secret sales and special promotion offered by online merchants. We cover nearly all the major name Internet stores. Subscribing is easy. Simply add your email address to the box below. We keep all email address in house, and never give them to any third party! **Subscribe now, save later!**

Email Address:



Internet Alert - Click here to go!

harm was done. I had been hacked once before I got Internet Alert and it took weeks to get things back to normal. This time your program caught the hacker! I'm so impressed I'm going to put your link on my "cool links page" and maybe get you some business." - Mari Hetfield - NH.

"Since I downloaded InternetALERT my machine has had an attempted hack, twice. Since I have had the program less than 4 days, I wonder how many times my machine has been hacked in the past. I not only knew of the STOPPED attack, but was able to notify the right person to stop the attacker. It would be foolish for anyone who is on the internet, not to have their machine protected with your system. Please keep up the good work. It is awful there are so many bad people in the world, but wonderful that people like you, take a great part in protecting people everywhere. Thanks so much!" - Ron Combs - Very satisfied customer!

"I could not believe how many people were trying to get into my system!" - Carly Sutton

More Company Details:

What InternetALERT Says:

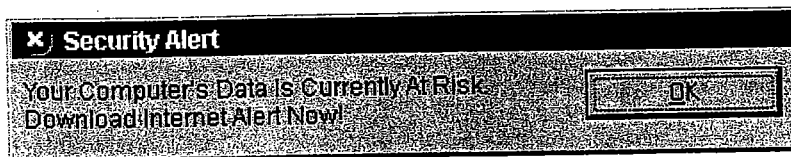
"Every time you connect to the Internet, send e-mail, or submit any private information to a web site, you broadcast your computer's unique IP Address over the Internet. With this IP address, someone can immediately begin trying to break into your computer without you even knowing it! Until now, there has been no way of telling if this has happened or any way of stopping it! Well not anymore!

InternetALERT is more than just protection against Internet Intruder's, it allows you to track down your Intruder's ISP (Internet Service Provider) contact information and report the attack. This allows you to contact the Intruder's ISP and make them aware that someone on their network has tried to attack your computer. In most cases, they have the power to find out who the Intruder is and prevent any future attacks. With the InternetALERT built in 'Attack Log', you can know the date, time, IP Address, and Port Number used by the Intruder in the attack.

For a limited time, you may now download and start protecting yourself against Internet Attackers for only \$49 per year! Your InternetALERT Subscription includes:

- 1 Full Year of Protection
- 7 day a week technical support
- Future Developments - FREE!

You're now minutes away from protecting yourself!



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EXHIBIT C

EXHIBIT D

INTERNET ALERT

Protect Your PC from Internet Attackers!

Your Computer's Data Is At Risk!

Every time you connect to the Internet, send e-mail, or submit any private information to a web site, you broadcast your computer's unique IP Address over the Internet. With this IP address, someone can immediately begin trying to break into your computer without you even knowing it! Until now, there has been no way of telling if this has happened or any way of stopping it! Well not anymore!

What Can Happen To Me?

- Steal Your Credit Card & Personal Information!
- Read Your E-Mail!
- Plant a Virus or Worm!
- Steal Online Banking Information!
- Delete files from your computer!

InternetALERT is an absolute "MUST" for anyone connecting to the Internet! It will notify you if someone is breaking into your computer, stop them dead in their tracks, and even build a visual map showing you the Attacker's ISP (Internet Service Provider) location! You can now connect to the Internet with the comfort and security of knowing that no one from the Internet can access your computer without your knowledge or permission!

It's Easy...



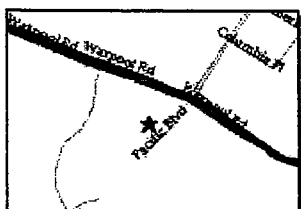
InternetALERT is easy-to-use! Once installed, you can go about your work without a worry. It runs silently in the background protecting you. Every time you turn on your computer, InternetALERT starts working automatically, only leaping into action when suspicious connection attempts are made to your computer.

Locate Attackers Even When You're Gone...

InternetALERT is more than just protection against Internet Intruder's, it allows you to track down your Intruder's ISP (Internet Service Provider) contact information and report the attack. This allows you to contact the Intruder's ISP and make them aware that someone on their network has tried to attack your computer. In most cases, they have the power to find out who the Intruder is and prevent any future attacks. With the InternetALERT built in 'Attack Log', you can know the date, time, IP Address, and Port Number used by the Intruder in the attack.

Date	Time	IP Address	Port	Protocol	Service
Friday Apr 03 1999	10:54:12 AM	25	002.006.37.78		
Friday Apr 03 1999	10:55:13 AM	79	002.006.37.78		
Friday Apr 03 1999	10:56:43 AM	443	002.006.37.78		
Friday Apr 03 1999	10:58:04 AM	80	002.006.37.78		

Map Attacker's ISP Location:



InternetALERT can actually track down and give you a visual map of your Intruder's ISP location, allowing you to see where your attacker came from! This allows you to see where in the world your attacker is located. NOTE: This is a map of the ISP (Internet Service Provider) that the attacker is using to get their Internet access.

Download & Protect Yourself Against Internet Attackers Now - \$49 (1 Year Subscription.)

System Requirements:

- 8MB of RAM, 5MB of Free Disk Space.
- Windows 95, 98, 2000, NT, ME, XP

[Click here to get your InternetALERT](#)



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EXHIBIT E



Internet**ALERT**® Security Service

Make Your Computer Safe & Secure In 5 Minutes...

Your Internet**ALERT** Subscription includes:

- 1 Full Year of Protection
- 7 day a week technical support
- Future Developments - FREE!

You're now minutes away from protecting your system against malicious attackers! Simply complete the secure form below and then press the 'Protect' button. You will be granted **immediate access** to the full version of Internet**ALERT** and in minutes make your computer safe and secure against Internet attackers!



To continue, please enter your billing information below. All fields are required.

First Name:

Last Name:

Credit Card Number:

Card Number only, No spaces or dashes.

Card Expiration Date: 01 / 05

Month / Year

Cardholder's Name:

Exactly as it appears on your credit card

Card Verification Number:

CVV2/CVC2 number, 3 or 4 digits, See Examples —>>

Billing Street Address:

Address that appears on your credit card statement

Billing Zip/Postal Code:

Zip/Postal code that appears on your credit card statement

E-Mail Address:

Please supply a valid, current Email Address

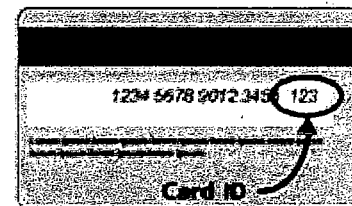
Total: \$49.00 (annual fee)

Summary:

Special Pricing is guaranteed through the end of 7/3/2003. Please Note: For uninterrupted service at the end of your subscription, you'll be automatically renewed at your current discounted rate (billed to the credit card we have on file). If you wish, you may change your automatic renewal status at anytime.

[Download Now](#)

Locating the CVV2/CVC2 number on your



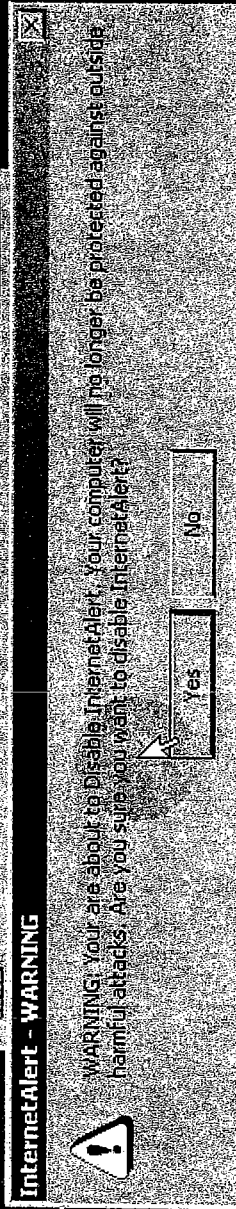
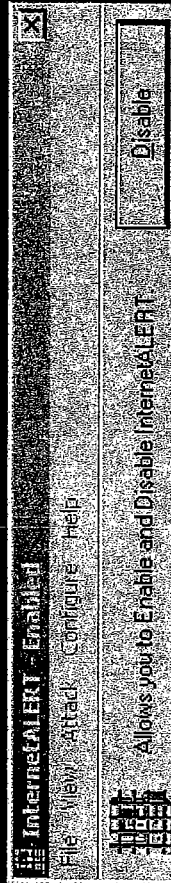
Visa, MC, Discover: 3 digits on back of card



American Express: 4 digits on front of card

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EXHIBIT F



Decision and Order

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Consumer Protection proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act; and

The respondents, their attorneys, and counsel for the Federal Trade Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by the respondents that the law has been violated as alleged in such complaint, or that the facts as alleged in such complaint, other than jurisdictional facts, are true and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Act, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days for the receipt and consideration of public comments, now in further conformity with the procedure prescribed in Section 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings and enters the following order:

1. Respondent Bonzi Software, Inc. is a privately held Delaware corporation with its principal office and place of business located at 3000 Broad Street, Suite 115, San Luis Obispo, California 93401.

Decision and Order

2. Respondents Joe Bonzi and Jay Bonzi are owners and officers of Bonzi Software, Inc., and formulate, direct, and control the acts and practices of the corporation.

3. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

DEFINITIONS

For purposes of this order, the following definitions shall apply:

1. “Personally identifiable information” or “personal information” shall mean individually identifiable information from or about an individual consumer including, but not limited to: (a) a first and last name; (b) a home or other physical address, including street name and name of city or town; (c) an email address or other online contact information, such as an instant messaging user identifier or a screen name that reveals an individual’s email address; (d) a telephone number; (e) a social security number; (f) an Internet Protocol (“IP”) address or host name that identifies an individual; (g) a persistent identifier, such as a customer number held in a “cookie” or processor serial number, that is combined with other available data that identifies an individual; or (h) or any information that is combined with (a) through (g) above.

2. Unless otherwise specified, “respondents” shall mean Bonzi Software, Inc., its successors and assigns and its officers, agents, representatives, and employees, and Joe Bonzi and Jay Bonzi.

3. “Commerce” shall mean as defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. § 44.

Decision and Order

I.

IT IS ORDERED that respondents, directly or through any corporation, subsidiary, division, or other device, in connection with the manufacturing, packaging, labeling, advertising, promotion, offering for sale, sale, or distribution of InternetALERT or any other computer software product or service that is marketed as enhancing security, in or affecting commerce, shall not misrepresent:

- A. the extent to which any such product or service will reduce the risk of unauthorized access into such computer, or any such similar system; or
- B. the extent to which any such product or service will maintain, protect, or provide security features that will enhance the security or privacy of any such computer (or any such similar system) or any data, that is stored in a computer, or any similar system, including personally identifiable information.

II.

IT IS FURTHER ORDERED that respondents, directly or through any corporation, subsidiary, division, or other device, in connection with the manufacturing, packaging, labeling, advertising, promotion, offering for sale, sale, or distribution of any computer software product or service that is marketed as enhancing the security or privacy of any computer or similar system, in or affecting commerce, shall not misrepresent the performance, benefits, or efficacy of any such software product or service.

III.

IT IS FURTHER ORDERED that respondents shall provide refunds as follows:

Decision and Order

- A. Respondents shall send, within seven (7) days from the date of service of this order, to the last known e-mail address of each current subscriber of the InternetALERT software product exact copies of the “Refund Notification Message,” with the subject line “Important Refund Notice Concerning Your InternetALERT Subscription,” attached hereto as Attachment A. Respondents shall not include with Attachment A any other information, nor shall any other material be transmitted with Attachment A. Respondents shall give subscribers who receive Attachment A pursuant to this Part sixty (60) days to respond.
- B. Respondents shall use all reasonable commercially available means to obtain updated e-mail addresses for any returned e-mails within fifteen (15) days of receipt of such returned e-mail and shall resend Attachment A within seven (7) days of obtaining a new e-mail address for the recipient. Respondents shall not include with Attachment A any other information, nor shall any other material be transmitted with Attachment A. Respondents shall give subscribers who receive a resent Attachment A pursuant to this Part sixty (60) days to respond.
- C. Respondents shall post within seven (7) days of service of the order and, continuing for sixty (60) days maintain, on the Bonzi Software homepage, www.bonzi.com, a hyperlink to a notice in the form and format as Attachment A. Such hyperlink shall be clear and conspicuous, labeled “InternetALERT Refund Notice,” and lead directly to the notice on the click-through electronic page or other display screen or panel. Respondents shall give current subscribers who receive notice of the refund through the Bonzi Software homepage, www.bonzi.com, the opportunity to respond within sixty (60) days from the date of posting the notice required by this Part.

Decision and Order

- D. Within seven (7) days of receiving a request for a refund, respondents shall provide current subscribers who cancel and uninstall the InternetALERT software product either (a) a check drawn on U.S. funds; or (b) a credit card refund for an amount representing the unused portion of their InternetALERT subscription calculated as of the date of acceptance of this order by the Commission for public comment. For current subscribers who request a refund by check, respondents shall mail refunds by first class mail to the physical address provided by the subscriber or, if no address is provided, to the subscriber's last known physical address.

IV.

IT IS FURTHER ORDERED that respondents shall, within seven (7) days after the date of service of this order, send by e-mail exact copies of the order to any retailer, affiliate, or other third party that advertises, promotes, offers for sale, sells, or distributes the software product InternetALERT pursuant to an agreement with respondents.

V.

IT IS FURTHER ORDERED that respondents shall, for a period of five (5) years after the last date of dissemination of any representation covered by this order, maintain and upon request make available to the Federal Trade Commission for inspection and copying:

- A. All advertisements and promotional materials containing the representation;
- B. All materials that were relied upon in disseminating the representation; and
- C. All tests, reports, studies, surveys, demonstrations, or other evidence in their possession or control that contradict,

Decision and Order

qualify, or call into question the representation, or the basis relied upon for the representation, including complaints and other communications with consumers or with governmental or consumer protection organizations.

VI.

IT IS FURTHER ORDERED that respondents shall deliver a copy of this order to all current and future principals, officers, directors, and managers, and to all current and future employees, agents, and representatives having responsibilities relating to the subject matter of this order. Respondents shall deliver this order to such current personnel within thirty (30) days after the date of service of this order, and to such future personnel within thirty (30) days after the person assumes such position or responsibilities.

VII.

IT IS FURTHER ORDERED that respondent Bonzi Software, Inc., and its successors and assigns, shall notify the Commission at least thirty (30) days prior to any change in the corporation that may affect compliance obligations arising under this order, including, but not limited to, a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor corporation; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this order; the proposed filing of a bankruptcy petition; or a change in the corporate name or address. Provided, however, that, with respect to any proposed change in the corporation about which respondent learns less than thirty (30) days prior to the date such action is to take place, respondent shall notify the Commission as soon as is practicable after obtaining such knowledge. All notices required by this Part shall be sent by certified mail to the Associate Director, Division of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, Washington, D.C. 20580.

Decision and Order

VIII.

IT IS FURTHER ORDERED that respondents Joe Bonzi and Jay Bonzi for a period of ten (10) years after the date of entry of this order shall notify the Commission of: (1) the discontinuance of their current business or employment; and, (2) their affiliation with any new business or employment. The notice shall include respondents' new businesses names, addresses, and telephone numbers and a description of the nature of the business or employment and the respondents' duties and responsibilities. All notices required by this Part shall be sent by certified mail to the Associate Director, Division of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, Washington, D.C. 20580.

IX.

IT IS FURTHER ORDERED that respondents shall within one hundred and twenty (120) days after service of this order, and at such other times as the Federal Trade Commission may require, file with the Commission a report, in writing, setting forth in detail the manner and form in which they have complied with this order. As part of this compliance report, respondents shall describe the consumer redress program conducted pursuant to Part III of this order. This description shall include sample copies of notifications provided to subscribers pursuant to Part III of this order and separate lists identifying (a) the name, e-mail, and physical address, and refund amount for each subscriber who was a current subscriber as of the date of service of this order; and (b) the total number of current subscribers to whom e-mail notices were sent pursuant to Part III of this order.

X.

This order will terminate on October 7, 2024, or twenty (20) years from the most recent date that the United States or the Federal Trade Commission files a complaint (with or without an accompanying consent decree) in federal court alleging any

Decision and Order

violation of the order, whichever comes later; provided, however, that the filing of such a complaint will not affect the duration of:

- A. Any Part in this order that terminates in less than twenty (20) years;
- B. This order's application to any respondent that is not named as a defendant in such complaint; and
- C. This order if such complaint is filed after the order has terminated pursuant to this Part.

Provided, further, that if such complaint is dismissed or a federal court rules that the respondents did not violate any provision of the order, and the dismissal or ruling is either not appealed or upheld on appeal, then the order will terminate according to this Part as though the complaint had never been filed, except that the order will not terminate between the date such complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

Decision and Order

ATTACHMENT A**E-MAIL NOTIFICATION TO CURRENT SUBSCRIBERS
OF INTERNETALERT**

SUBJECT LINE: Important Refund Notice Concerning Your
InternetALERT Subscription

Dear [Recipient's name]:

You may be eligible to receive a partial refund from Bonzi Software, Inc. for your InternetALERT subscription.

Bonzi recently settled a dispute with the Federal Trade Commission concerning its advertisements for the InternetALERT software product. The FTC charged that InternetALERT does not significantly reduce the risk of unauthorized access into computers and the information that is stored in them because it provides only limited protection against intrusion into computers. As part of the settlement, Bonzi agreed to offer to current subscribers who cancel their InternetALERT subscriptions a refund for the amount representing the unused portion of their subscriptions.

In settling the case, Bonzi has not admitted any wrongdoing or violation of law. Nonetheless, to resolve this matter, we have agreed to discontinue making the challenged claims in the complaint and offer refunds to current subscribers.

To cancel and obtain a refund, you must respond to this e-mail by **[date 60 days from receipt of e-mail]** with a request that your InternetALERT subscription be cancelled. Bonzi will automatically credit the amount of the refund to the credit card that you used to pay for your InternetALERT subscription. If this credit card is no longer active or was renewed since you paid for your InternetALERT subscription, include with your cancellation request a mailing address to which a refund check may be sent.

Decision and Order

For more information about the FTC's settlement with Bonzi and protecting your computer, visit the web site [**Link to FTC's press release**].

Analysis

Analysis of Proposed Consent Order to Aid Public Comment

The Federal Trade Commission has accepted, subject to final approval, an agreement containing a consent order from Bonzi Software, Inc., Joe Bonzi, and Jay Bonzi (“respondents”).

The proposed consent order has been placed on the public record for thirty (30) days for receipt of comments by interested persons. Comments received during this period will become part of the public record. After thirty (30) days, the Commission will again review the agreement and the comments received, and will decide whether it should withdraw from the agreement or make final the agreement’s proposed order.

This matter involves the advertising and promotion of Bonzi InternetALERT software. According to the FTC complaint, the respondents represented that Internet ALERT significantly reduces the risk of unauthorized access into computers and the data stored in them. The FTC alleges that in fact InternetALERT does not significantly reduce this risk.

The proposed consent order contains provisions designed to prevent the respondents from engaging in similar acts and practices in the future.

Part I.A. of the order prohibits the respondents from misrepresenting the extent to which InternetALERT or any other software product or service that is marketed as enhancing security will reduce the risk of unauthorized access into a computer. Part I.B. also prohibits the respondents from misrepresenting the extent which any such product or service will maintain, protect, or provide security features that will enhance the security or privacy of any computer, or any data that is stored in a computer, including personally identifiable information.

Analysis

Part II prohibits the respondents from making any misrepresentations concerning the performance, benefits, or efficacy of any computer software product or service that is marketed as enhancing security or privacy.

Part III of the order requires respondents to pay refunds to current InternetALERT subscribers who opt to cancel their subscriptions. Subscribers who cancel their subscriptions will receive from the respondents a refund that represents the unused portion of their InternetALERT subscription.

Part IV of the proposed order would require respondents to notify their retailers, affiliates, and similar third parties that advertise, promote, or sell InternetALERT to discontinue making any of the claims prohibited by the order.

Parts V through IX of the order require respondents to keep copies of relevant advertisements and materials substantiating the claims made in the advertisements; to provide copies of the order to certain of their current and future personnel; to notify the Commission of changes in corporate structure; and to file compliance reports with the Commission. Part X provides that the order will terminate after twenty (20) years under certain circumstances.

The purpose of this analysis is to facilitate public comment on the proposed order, and it is not intended to constitute an official interpretation of the agreement and proposed order or to modify in any way their terms.

Complaint

IN THE MATTER OF

GENERAL ELECTRIC COMPANYCONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATIONS OF
SEC. 7 OF THE CLAYTON ACT AND SEC. 5 OF THE FEDERAL TRADE
COMMISSION ACT*Docket C-4119; File No. 0410106**Complaint, September 9, 2004--Decision, October 25, 2004*

This consent order, among other things, requires Respondent General Electric Company -- a diversified technology and services company -- to divest the nondestructive testing business of InVision -- a leading supplier of explosive detection systems to the United States Government for civil aviation security -- within six months. An accompanying Order to Hold Separate and Maintain Assets requires the respondent to preserve the business as a viable, competitive, and ongoing operation until the divestiture is achieved, and to ensure that no material confidential information is exchanged between General Electric and the business.

Participants

For the Commission: *Sean G. Dillon, Stephanie A. Parks, Robert R. Pickett, Michael R. Moiseyev, Daniel P. Ducore, John Yun, Jeffrey H. Fischer and Mark Frankena.*

For the Respondent: *Jonathan Gleklen, Arnold & Porter.*

COMPLAINT

Pursuant to the Federal Trade Commission Act and the Clayton Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission ("Commission"), having reason to believe that Respondent General Electric Company ("GE"), a corporation subject to the jurisdiction of the Commission, has agreed to acquire InVision Technologies ("InVision"), a corporation subject to the jurisdiction of the Commission, in violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the Federal Trade Commission Act ("FTC Act"), as amended, 15 U.S.C. § 45, and it appearing to the Commission that a proceeding in respect thereof would be in the