

Complaint

IN THE MATTER OF

**GENICA CORPORATION,
AND
COMPGEEKS.COM
D/B/A COMPUTER GEEKS DISCOUNT OUTLET
AND
GEEKS.COM,**

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATIONS
OF SEC. 5 OF THE FEDERAL TRADE COMMISSION ACT

*Docket No. C-4252; File No. 082 3113
Complaint, March 16, 2009 – Decision, March 16, 2009*

This consent order addresses Genica’s representations about the security they provided for sensitive information provided to them by consumers. The Commission’s complaint alleges that respondents represented that they implemented reasonable and appropriate security measures to protect the privacy and confidentiality of personal information. The complaint further alleges that since at least January 2007 and continuing through at least June 2007, hackers repeatedly exploited vulnerabilities by using SQL injection attacks on the www.geeks.com website and web application and found personal information of hundreds of customers, including credit card numbers, expiration dates, and security codes, stored on respondents’ network which they exported over the internet to outside computers. The order prohibits respondents from misrepresenting the extent to which respondents maintain and protect the privacy, confidentiality, or integrity of any personal information collected from or about consumers and requires respondents to establish and maintain a comprehensive information security program that is reasonably designed to protect the security, confidentiality, and integrity of personal information collected from or about consumers.

COMPLAINT

The Federal Trade Commission, having reason to believe that Genica Corporation and Compgeeks.com also doing business as Computer Geeks Discount Outlet and geeks.com (“respondents”) have violated the provisions of the Federal Trade Commission Act,

Complaint

and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent Genica Corporation (“Genica”) is a Delaware corporation with its principal office or place of business at 1890 Ord Way, Oceanside, California 92056.

2. Respondent Compgeeks.com also doing business as Computer Geeks Discount Outlet and geeks.com (“Compgeeks.com”) is a California corporation with its principal office or place of business at 1890 Ord Way, Oceanside, California 92056. Compgeeks.com is a wholly-owned subsidiary of Genica, and Genica controlled the acts and practices of Compgeeks.com at issue in this complaint.

3. 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.

4. Respondents are in the business of selling computer systems, peripherals, and consumer electronics to consumers over the internet, including through a website (www.geeks.com) operated by respondent Compgeeks.com.

5. Respondents operate a computer network that consumers use, in conjunction with the www.geeks.com website and web application, to obtain information and to buy their products.

6. In selling products through the www.geeks.com website, respondents routinely collect sensitive information from consumers to obtain authorization for credit card purchases, including a first and last name, address, e-mail address, telephone number, credit card number, credit card expiration date, and credit card security code (hereinafter “personal information”). Personal information collected at the website is sent to computers on respondents’ computer network, reformatted, and sent to outside computer networks for payment authorization. Until at least December 2007,

Complaint

respondents stored information in clear, readable text on the network on a computer accessible through the www.geeks.com website.

7. Since at least October 2001, respondents have disseminated or caused to be disseminated privacy policies and statements on the www.geeks.com website, including, but not limited to, the following statements regarding the privacy and confidentiality of the consumer information they collect:

The objective of the safeguarding personal information principle is to assure you that we actively protect your privacy using a variety of security and controls. We use secure technology, privacy protection controls and restrictions on employee access in order to safeguard your personal information. We use state of the art technology (e.g., Secure Socket Layer, or SSL) encryption to keep customer personal information as secure as possible. We have also put in place privacy protection control systems designed to ensure that personal Customer data remains safe and private. (Exhibit A, current privacy policy effective 2007, and Exhibit B, former privacy policy effective between 2001 and 2007)

8. Until at least December 2007, respondents engaged in a number of practices that, taken together, failed to provide reasonable and appropriate security for the personal information stored on their network. Among other things, respondents: (1) stored personal information in clear, readable text; (2) did not adequately assess the vulnerability of their web application and network to commonly known or reasonably foreseeable attacks, such as “Structured Query Language” (“SQL”) injection attacks; (3) did not implement simple, free or low-cost, and readily available defenses to such attacks; (4) did not use readily available security measures to monitor and control connections between computers on the network and from the network to the internet; and (5) failed to employ reasonable

Complaint

measures to detect and prevent unauthorized access to personal information, such as by logging or employing an intrusion detection system.

9. Since at least January 2007 and continuing through at least June 2007, hackers repeatedly exploited the failures set forth in Paragraph 8 by using SQL injection attacks on the www.geeks.com website and web application. Through these attacks, the hackers found personal information stored on respondents' network and exported the information of hundreds of customers, including credit card numbers, expiration dates, and security codes, over the internet to outside computers.

10. Respondents became aware of the breach in December 2007, at which time they took steps to prevent further unauthorized access and to notify law enforcement and affected consumers.

11. Through the means described in Paragraph 7, respondents represented, expressly or by implication, that they implemented reasonable and appropriate measures to protect personal information against unauthorized access.

12. In truth and in fact, respondents did not implement reasonable and appropriate measures to protect personal information against unauthorized access. Therefore, the representation set forth in Paragraph 11 was, and is, false or misleading.

13. The acts and practices of respondents as alleged in this complaint constitute 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 sixteenth day of March, 2009, has issued this complaint against respondents.

By the Commission.

Complaint

Exhibit A

Geeks.com#privacy

Page 1 of 5



**COMPUTER
GEEKS.COM**

Subtotal: \$0.00 Items In Cart: 0 View Cart Contact Us My Account

Customer Service | Tech Support | Tech Tips | Volume Discounts | Gift Certificates | About Us | Site Map



NEW ARRIVALS



TVs



Notebooks



MP3 & iPod



Digital Cameras



Networking



Electronics



PayPal

NO PAYMENTS FOR 90 DAYS on orders over \$50

Go Get Email Discounts and SAVE! Enter Email Here Subscribe

SEARCH

McAfee SECURE
TESTED DAILY 23 SEP

SALES AND RETURNS POLICIES

Systems

- Desktop Computers
- Laptops / Notebooks
- PDAs

Hardware

- Bags / Cases / Backpacks
- Cables
- Cases
- CD-ROM / CD-RW / CD Burners
- Cell Phones
- Clearance
- Computer Power Supplies
- Consumer Electronics
- Controllers / Adapters
- Cutting Fans
- CPUs / Processors
- Digital Cameras
- DVD Drives / DVD Burners
- External Drive Cases
- Flash Memory / Card Readers
- Computer Gadgets
- Gaming
- GPS
- Hard Drives
- Joysticks
- Keyboards
- Media (CDR, DVD)
- Mouse - Optical / Trackball
- Memory / System Memory
- Modems
- Monitors / LCDs
- Motherboards
- MP3 / MP4 Players / iPod
- Networking
- Power Protection
- Printers
- Removable Storage
- Scanners
- Sound Cards
- Speakers / Microphones
- Televisions
- Toys (For All Ages)
- USB Flash Drives

Sales and Return Policies:

- All sales are final. Return of non-defective product within the first 30 days from date of purchase are subject to a 15% Return Fee.
- Sales Tax will be charged on all orders delivered to an address in California (CA)
- Damaged items or missing parts / accessories not as advertised must be reported within 7 business days of receipt of product.
- Shipping fees and/or Return shipping costs are not refundable and are the sole responsibility of the customer.
- Only defective product returns will be accepted after 30 days for repair or replacement only.
- Due to the dynamic nature of the Internet, computer and electronics related prices, may change at any time without notice. Geeks.com does not offer price protection.
- Products sold with a Manufacturer or Direct Warranty must be returned directly to the product manufacturer for repair or replacement. For these items, the warranty policy from the product manufacturer explicitly requires that any returns, repairs etc. be requested and processed directly by the consumer (or "end-user") of the item.
- Due to licensing and copyright laws, we do not accept returns on software once a package has been opened. Defective software will be exchanged for the same title only.
- To return a product you must obtain a Return Merchandise Authorization (RMA) number. Geeks.com will not accept returns without prior authorization.
- RMA numbers are valid for 30 days. RMA numbers will not be extended and will be closed upon expiration. You must contact Geeks.com to obtain another RMA number.
- Once the RMA has been issued you will receive an email explaining what to expect during the return process. It is highly recommended that you use the non-prepaid address label provided on the lower portion of the RMA email sent out upon generation. If the return is a multiple box shipment the RMA number must be marked on all packages returned. All packages returned must have the RMA number displayed in large bold letters on the outside of the box.
- Unauthorized or Unmarked returns will not be honored and may be refused upon receipt and/or shipped back at the customer's expense.
- Shipments that are refused without authorization, or that are returned due to an invalid address, are subject to a 15% Return Fee plus any applicable handling fees.
- All product(s) must be return as originally received to include original packaging, manuals, documentation, and all bundled accessories. Returns must be packaged appropriately as to minimize any unnecessary damage during transport. Product(s) damaged during shipment will invalidate both the warranty and RMA and will be returned to the customer at the customer's expense.
- All Warranty Exchange replacements are subject to product availability. If an exact replacement is not available upon testing Geeks.com will substitute the product(s) with a similar, suitable, or upgraded product(s) of equal or greater value within 7 to 10 business days. If none of these options are available Geeks.com will credit the customer's account based upon current market value of the received product(s).
- Other than Gift Certificates, credits expire 6 months after the date they are issued.
- Geeks.com will not be responsible or held liable for any incidental or consequential damages arising from the use or misuse of any product(s) it sells including products with a net total cost of \$0.00.
- Per product descriptions, compatibility can be reasonably assured in most cases but can never be guaranteed; a product that is incompatible in a specific hardware/software environment is not therefore inherently "defective".
- Geeks.com reserves the right to refuse service to anyone.
- Return Policies subject to change without prior notice. Customer should review these policies prior to making purchase.

Complaint

Geeks.com#privacy

Page 2 of 5

* Video Cards * Video Cameras & Web Cams * VoIP / Telephone Devices Software * Software / Books	* Geeks.com strives to be as accurate as possible in our content and pricing. In the event a product is listed with an error in pricing or incorrect content, Geeks.com shall have the right to refuse or cancel any order whether or not the order has been confirmed and credit card charged. In the event that a credit card has already been charged and an order subsequently canceled, Geeks.com will issue a refund to the credit card account in the amount of the charge.
SPECIAL PROGRAMS ◊ Reseller Sales ◊ Educational Sales ◊ Government Sales ◊ Affiliate Program	Customer Pickup ("Will Call") Policies: Please visit: http://www.geeks.com/customerpickup.asp
GEEK FEEDBACK Can't find that item you're looking for? Please let us know what we should bring in stock. Type Feedback Here Submit	Privacy Policies: Date Last Updated: September 4, 2007 INTRODUCTION Geeks.com is committed to protecting the privacy of our Visitors and Customers. Our privacy policy governs our use of private Visitor information and other information about our Visitors and Customers. Purpose Geeks.com believes that our online Visitors and Customers need to be provided clear and prominent notice regarding what personal information is being collected about them, how it will be used, whether or not it will be disclosed, and if so, to whom. Many entities have examined the issue of privacy and developed guidelines for establishing reasonable policies. We believe that by addressing these issues, we will fulfill the goals of fair information use supported by the U.S. government and a variety of industry groups: www.truste.org www.privacyalliance.org www.ftc.gov www.the-dma.org The Glossary of Terms at the end of this Policy defines words with specific meaning as used in these guidelines. Privacy Guidelines: Navigational Data/Tracking. * Computer Geeks collects navigational data about where individual site visitors come from, exit to, and go while on our website. We do not disclose this information to third parties, except for those with whom we have contracted to analyze and safeguard the data on our behalf. * We may use web browser "cookies" to track progress through our Web site, but the cookies will not be used to collect or store individually identifiable information nor be linked to other information that allows us to identify any specific individual. However, we may use cookies with individual identifiers to support visitor enhancements such as site personalization or other eCommerce features such as product recommendations and your shopping cart. Information Sharing/Disclosure. * We do not share navigational data with outside companies, except with those with whom we have contracted to analyze and safeguard the data on our behalf. * To offer our products and services in the best way possible, Geeks.com contracts with third party service partners. These partners provide us with data collection, storage, analysis and reporting services and are restricted from using your information in any way other than to help us make our site and services more useful to you and our other visitors. If you would like to opt-out of having your personal information collected by the company with whom we have contracted, please click here. * We do not disclose individual names or customer contact information (such as telephone numbers, email address, or various personal identification numbers), to any third party without your prior consent, except as required by law, or as needed to fulfill an order or deliver a product that a customer has ordered. Service partners will abide by Geeks.com's privacy policies. Additionally, we may share information with law enforcement agencies or other companies assisting us in fraud prevention or investigations. In support of maintaining a safe and secure environment for credit card purchases, it is essential to our customers that we use credit card and other billing account numbers only for the fulfillment of purchases or other

<http://www.geeks.com/policies.asp>

9/23/2008

Complaint

transactions initiated by our Customers. We do not use credit card or other billing account numbers in other ways without your prior consent.

- We do not release to third parties specific customer account information except to comply with valid legal process or in reasonable efforts to fulfill a transaction initiated by our Customers.
- We provide Customers with the opportunity to update or correct contact and billing information.

We provide to our customers a means to update and ensure the accuracy of their online contact and billing information. For security reasons, we will not disclose the original information directly to the customer, but rather provide a means to reenter changes to the information on record.

Online Purchases.

The objective of the online purchases principle is to protect the information about customer transactions and other online uses from misuse and unauthorized disclosure.

- We may use information about the kinds of products you buy from us to make other marketing offers to you, unless you tell us not to, or to personalize your visits to our Web site. We do not give out this purchase data to others except as specified below:
- We do not give out information about what individual customers purchase, except to complete the transactions or to comply with valid legal process. However, pursuant to specific contracts, we may be required provide third-parties with listings of specific groups of customers who have made purchases. Generally, this data will be aggregated and not individually identifiable, but this may not be true in all cases.
- When we facilitate a transaction which is to be fulfilled by an outside party, we will not use the specific, individually identifiable transaction information collected from a customer for purposes other than fulfilling the transaction without your prior consent.

Choice.

We give you choices about how we use your personal information.

The objective of the choice principle is to allow customers to opt-out of future marketing offers.

- We give you choices about how the information that you provide may be used to make marketing offers to you. We provide you with a means to easily remove your contact information (like your email address) from marketing lists at any point in the future. Should you wish to be removed from our 100% opt-in Email subscribers list, [click here](#).
- We do not sell or rent customer contact information to unaffiliated third parties for marketing purposes without your prior consent.

Safeguarding Personal Information.

The objective of the safeguarding personal information principle is to assure you that we actively protect your privacy using a variety of security and controls. We use secure technology, privacy protection controls and restrictions on employee access in order to safeguard your personal information.

- We use state of the art technology (e.g., Secure Socket Layer, or SSL) encryption to keep customer personal information as secure as possible. We have also put in place privacy protection control systems designed to ensure that personal Customer data remains safe and private. To learn more about SSL data encryption and how it helps to secure you personal information, [click here](#).
- We allow only authorized employees access to personal information and ensure that the access is limited by need.
- We require companies contracted as agents to adhere to confidentiality agreements to ensure that Customer information remains safe and secure.
- We require employees to acknowledge that they understand and will comply with our privacy policy. We subject employees who violate the privacy policy to disciplinary action.
- **Safe Shopping Guarantee:** We guarantee that every online transaction you make will be 100% safe. Under the **Fair Credit Billing Act**, your bank cannot hold you liable for more than \$50.00 of fraudulent charges. In the event of unauthorized use of your credit card, you must notify your credit card provider in accordance with its reporting rules and procedures.

Notice.

We will keep you informed, clearly and prominently on this page, about what we do with your personal information, and we will advise you here if we change our policy. The objective of the notice principle is to ensure that you are aware of and understand how we protect your privacy.

- We explain to visitors and customers how their information is used by providing this written privacy policy for our visitors and customers.
- We notify customers of our privacy policy during registration when they make a purchase.
- We provide written notice of policy changes through prominent and ongoing disclosure.
- We provide a means for Visitors and Customers to ask questions about, voice concerns about, or report violations of the privacy policy.

Complaint

Geeks.com/privacy

Page 4 of 5

If you have questions or concerns about our privacy policy, or to report a suspected violation of our privacy policy, you may contact us by the following means:

Email: privacy@geeks.com

OR

Attn: Privacy
Geeks.com
1890 Old Way
Oceanside, CA 92056

GLOSSARY OF TERMS

Account Information: Information pertaining to and supporting the management of a customer's account, including but not limited to account numbers and other account identification, promotion information, registration/cancellation information, and preferences and profiles.

Aggregate: Information considered as a whole or in groups. Compiled information that does not disclose individual identity.

Billing Information: Customer generated information specific to a customer's billing and payment methods and history, including but not limited to bills, payment and billing statements, credit card number, credit card expiration date, checking account number, debit card number, and credit card type.

Choice: Providing customers options about how their information can be used, such as opt-outs of email marketing offers.

Collection: Requesting, recording, or generating information. The automatic or manual collection or receipt of customer information from a customer or other party.

Contact Information: Information to support contacting customers, including but not limited to name, mailing address, telephone numbers, email addresses, and fax numbers.

Cookie: A collection of data that gets entered into the memory of Web browsers by some Web sites. This data contains the domain, path, lifetime, and values of variables that are set by the Web site. Cookies may be "permanently" or temporarily stored as small text files on your computer's hard drive.

Customer: Someone who has registered with us for the purpose of making a purchase or who has made a purchase from us in the past. Generally, we store much more information regarding Customers, including but not limited to Contact Information, Account Information, and Individually Identifiable Information. Customers are different from Visitors.

Disclosure: The release of information to unaffiliated third parties. Disclosure does not include release to those agents and vendors who are covered by appropriate non-disclosure and confidentiality agreements or release of information for the purpose of complying with valid legal process, to protect the rights or property of Computer Geeks, or for emergencies. If you initiate contact with a third party with regard to us, we may disclose your communication with us or other relevant information to that same third party.

Individually Identifiable Information: Any information which can be used to identify a specific individual in particular by reference to an identification number or to one or more factors specific to the individual's physical, physiological, mental, economic, cultural status, or social affiliations.

Marketing: Promotions provided by us. May be through direct mail, email, pop-ups, banner and/or other online advertisements.

Navigational Information: Information about what visitors or customers do online and where they go, including but not limited to recency of visit to specific online areas, frequency of visit to specific online areas, and pathing information.

Need to Access: The need to have access to information, including private customer information, for the fulfillment of an official corporate duty.

Notice: Indications to visitors and customers about policies and practices in effect.

Personal Information: Individual information about a customer that is specific to that customer. Personal information includes but is not limited to anything collected about a customer on an individual level and any information volunteered by the customer, such as a personal profile or preferences.

Registration Information: Customer created, personalized information used to customize services and content, and/or to fulfill transactions.

Private Communications: Communications that are intended to be contained among a defined set of participants, such as Email. Message board postings and public room conversations are not considered private communications.

Private Information: Private information includes all information about a customer that the customer has not made publicly available.

Complaint

Geeks.com#privacy

Page 5 of 5

Public Information: Public information includes all online information about a customer that a customer has made publicly available.

Publicly Available Consumer Data: Information acquired from consumer marketing and reporting organizations and other publicly available sources.

Transactional Information: Purchase information, including but not limited to date of purchase, source of purchase, recency of purchase, frequency of purchase, dollar amount of purchase, type of product or product category purchased, means of purchase, type of credit card used, other uses of online commerce.

Use: Processing, transmitting, transforming, or otherwise handling information. Includes promotional, advertising, and marketing use.

Visitor: A Visitor to our Web site. Visitors are different from Customers.
(All Customers are Visitors, but not all Visitors are Customers.)



[About Us](#) | [Affiliate Program](#) | [Contact Us](#) | [Customer Service](#) | [Gift Certificates](#) | [Site Map](#) | [Tech Support](#) | [Tech Tips](#) | [Volume Discounts](#)

© Copyright 1996-2008 Geeks.com™ All Rights Reserved

Concerned about your personal information? [View Privacy Policies](#)



Exhibit B

Page 1 of 7

9/23/2008

Complaint

Geeks.com

Page 2 of 7

[Motherboards](#)
[MP3 / MP4 Players / iPod](#)
[Networking](#)
[Power Protection](#)
[Power Supplies](#)
[Printers](#)
[Removable Storage](#)
[Scanners](#)
[Sound Cards](#)
[Speakers / Microphones](#)
[Televisions](#)
[Toys \(For All Ages\)](#)
[USB Flash Drives](#)
[Video Cards](#)
[Video Cameras & Web Cams](#)
[VoIP / Telephone Devices](#)
[Software](#)
[Software / Books](#)



[Reseller Sales](#)
[Educational Sales](#)
[Government Sales](#)
[Affiliate Program](#)



Can't find that item you're looking for? Please let us know what we should bring in stock.

Type Feedback Here

- * All Warranty Exchange replacements are subject to product availability. If an exact replacement is not available upon testing Geeks.com will substitute the product(s) with a similar, suitable, or upgraded product(s) of equal or greater value within 7 to 10 business days. If none of these options are available Geeks.com will credit the customer's account based upon current market value of the received product(s).
- * Other than Gift Certificates, credits expire 6 months after the date they are issued.
- * Geeks.com will not be responsible or held liable for any incidental or consequential damages arising from the use or misuse of any product(s) it sells.
- * Per product descriptions, compatibility can be reasonably assured in most cases but can never be guaranteed; a product that is incompatible in a specific hardware/software environment is not therefore automatically "defective".
- * Geeks.com reserves the right to refuse service to anyone.
- * Return Policies subject to change without prior notice. Customer should review these return policies prior to making purchase.

Customer Pickup ("Will Call") Policies:

Please visit:

<http://web.archive.org/web/20070418191125/http://www.geeks.com/customerpickup.asp>

Privacy Policies: (Last Update: 4 September 2003)

INTRODUCTION

Geeks.com is committed to protecting the privacy of our Visitors and Customers. Our privacy policy governs our use of private Visitor information and other information about our Visitors and Customers. Geeks.com complies with the America Online (AOL) Certified Merchant privacy policy.

Purpose

Geeks.com believes that our online Visitors and Customers need to be provided clear and prominent notice regarding what personal information is being collected about them, how it will be used, whether or not it will be disclosed, and if so, to whom.

Many entities have examined the issue of privacy and developed guidelines for establishing reasonable policies. We believe that by addressing these issues, we will fulfill the goals of fair information use supported by the U.S. government and a variety of industry groups:

<http://web.archive.org/web/20070418191125/http://www.truste.org/>
<http://web.archive.org/web/20070418191125/http://www.privacyalliance.org/>
<http://web.archive.org/web/20070418191125/http://www.ftc.gov/>
<http://web.archive.org/web/20070418191125/http://www.the-dma.org/>

The Glossary of Terms at the end of this Policy defines words with specific meaning as used in these guidelines.

Privacy Guidelines:

Navigational Data/Tracking.

•

Complaint

Geeks.com

Page 3 of 7

Computer Geeks collects navigational data about where individual site visitors come from, exit to, and go while on our website. We do not disclose this information to third parties, except for those with whom we have contracted to analyze and safeguard the data on our behalf.

- We may use web browser "cookies" to track progress through our Web site, but the cookies will not be used to collect or store individually identifiable information not be linked to other information that allows us to identify any specific individual. However, we may use cookies with individual identifiers to support visitor enhancements such as site personalization or other eCommerce features such as product recommendations and your shopping cart.

Information Sharing/Disclosure.

- We do not share navigational data with outside companies, except with those with whom we have contracted to analyze and safeguard the data on our behalf.
- To offer our products and services in the best way possible, Computer Geeks contracts with third party service partners. These partners provide us with data collection, storage, analysis and reporting services and are restricted from using your information in any way other than to help us make our site and services more useful to you and our other visitors. If you would like to opt-out of having your personal information collected by the company with whom we have contracted, please [click here](#).
- We do not disclose individual names or customer contact information (such as telephone numbers, email address, or various personal identification numbers), to any third party without your prior consent, except as required by law, or as needed to fulfill an order or deliver a product that a customer has ordered.

Service partners will abide by Computer Geeks' privacy policies.

Additionally, we may share information with law enforcement agencies or other companies assisting us in fraud prevention or investigations.

In support of maintaining a safe and secure environment for credit card purchases, it is essential to our customers that we use credit card and other billing account numbers only for the fulfillment of purchases or other transactions initiated by our Customers. We do not use credit card or other billing account numbers in other ways without your prior consent.

- We do not release to third parties specific customer account information except to comply with valid legal process or in reasonable efforts to fulfill a transaction initiated by our Customers.
- We provide Customers with the opportunity to update or correct contact and billing information.

We provide to our customers a means to update and ensure the accuracy of their online contact and billing information. For security reasons, we will not disclose the original information directly to the customer, but rather provide a means to reenter changes to the information on record.

Online Purchases.

The objective of the online purchases principle is to protect the information about customer transactions and other online uses from misuse and unauthorized disclosure.

- We may use information about the kinds of products you buy from us to make other marketing offers to you, unless you tell us not to, or to personalize your visits to our Web site. We do not give out this purchase data to others except as specified below:
- We do not give out information about what individual customers purchase, except to

Complaint

Geeks.com

Page 4 of 7

complete the transactions or to comply with valid legal process. However, pursuant to specific contracts, we may be required provide third-parties with listings of specific groups of customers who have made purchases. Generally, this data will be aggregated and not individually identifiable, but this may not be true in all cases.

- * When we facilitate a transaction which is to be fulfilled by an outside party, we will not use the specific, individually identifiable transaction information collected from a customer for purposes other than fulfilling the transaction without your prior consent.

Choice.

We give you choices about how we use your personal information.

The objective of the choice principle is to allow customers to opt-out of future marketing offers.

- * We give you choices about how the information that you provide may be used to make marketing offers to you. We provide you with a means to easily remove your contact information (like your email address) from marketing lists at any point in the future. Should you wish to be removed from our 100% opt-in Email subscribers list, [click here](#).
- * We do not sell or rent customer contact information to unaffiliated third parties for marketing purposes without your prior consent.

Safeguarding Personal Information.

The objective of the safeguarding personal information principle is to assure you that we actively protect your privacy using a variety of security and controls. We use secure technology, privacy protection controls and restrictions on employee access in order to safeguard your personal information.

- * We use state of the art technology (i.e., Secure Socket Layer, or SSL) encryption to keep customer personal information as secure as possible. We have also put in place privacy protection control systems designed to ensure that personal Customer data remains safe and private. To learn more about SSL data encryption and how it helps to secure you personal information, [click here](#).
- * We allow only authorized employees access to personal information and ensure that the access is limited by need.
- * We require companies contracted as agents to adhere to confidentiality agreements to ensure that Customer information remains safe and secure.
- * We require employees to acknowledge that they understand and will comply with our privacy policy. We subject employees who violate the privacy policy to disciplinary action.
- * **Safe Shopping Guarantee:** We guarantee that every online transaction you make will be 100% safe. Under the **Fair Credit Billing Act**, your bank cannot hold you liable for more than \$50.00 of fraudulent charges. In the event of unauthorized use of your credit card, you must notify your credit card provider in accordance with its reporting rules and procedures.

Notice.

We will keep you informed, clearly and prominently on this page, about what we do with your personal information, and we will advise you here if we change our policy. The objective of the notice principle is to ensure that you are aware of and understand how we protect your privacy.

- * We explain to visitors and customers how their information is used by providing this written privacy policy for our visitors and customers.

Complaint

Geeks.com

Page 5 of 7

- * We notify customers of our privacy policy during registration when they make a purchase.
- * We provide written notice of policy changes through prominent and ongoing disclosure.
- * We provide a means for Visitors and Customers to ask questions about, voice concerns about, or report violations of the privacy policy.

If you have questions or concerns about our privacy policy, or to report a suspected violation of our privacy policy, you may contact us by the following means:

Email: privacy@geeks.com

OR

Attn: Privacy
Geeks.com
1890 Ord Way
Oceanside, CA 92056

GLOSSARY OF TERMS

Account Information: Information pertaining to and supporting the management of a customer's account, including but not limited to account numbers and other account identification, promotion information, registration/cancellation information, and preferences and profiles.

Aggregate: Information considered as a whole or in groups. Compiled information that does not disclose individual identity.

Billing Information: Customer generated information specific to a customer's billing and payment methods and history, including but not limited to bills, payment and billing statements, credit card number, credit card expiration date, checking account number, debit card number, and credit card type.

Choice: Providing customers options about how their information can be used, such as opt-outs of email marketing offers.

Collection: Requesting, recording, or generating information. The automatic or manual collection or receipt of customer information from a customer or other party.

Contact Information: Information to support contacting customers, including but not limited to name, mailing address, telephone numbers, email addresses, and fax numbers.

Cookie: A collection of data that gets entered into the memory of Web browsers by some Web sites. This data contains the domain, path, lifetime, and values of variables that are set by the Web site. Cookies may be "permanently" or temporarily stored as small text files on your computer's hard drive.

Customer: Someone who has registered with us for the purpose of making a purchase or who has made a purchase from us in the past. Generally, we store much more information regarding Customers, including but not limited to Contact Information, Account Information, and Individually Identifiable Information. Customers are different from Visitors.

Disclosure: The release of information to unaffiliated third parties. Disclosure does not include release to those agents and vendors who are covered by appropriate non-disclosure

Complaint

Geeks.com

Page 6 of 7

and confidentiality agreements or release of information for the purpose of complying with valid legal process, to protect the rights or property of Computer Geeks, or for emergencies. If you initiate contact with a third party with regard to us, we may disclose your communication with us or other relevant information to that same third party.

Individually Identifiable Information: Any information which can be used to identify a specific individual in particular by reference to an identification number or to one or more factors specific to the individual's physical, physiological, mental, economic, cultural status, or social affiliations.

Marketing: Promotions provided by us. May be through direct mail, email, pop-ups, banner and/or other online advertisements.

Navigational Information: Information about what visitors or customers do online and where they go, including but not limited to recency of visit to specific online areas, frequency of visit to specific online areas, and pathing information.

Need to Access: The need to have access to information, including private customer information, for the fulfillment of an official corporate duty.

Notice: Indications to visitors and customers about policies and practices in effect.

Personal Information: Individual information about a customer that is specific to that customer. Personal information includes but is not limited to anything collected about a customer on an individual level and any information volunteered by the customer, such as a personal profile or preferences.

Registration Information: Customer created, personalized information used to customize services and content, and/or to fulfill transactions.

Private Communications: Communications that are intended to be contained among a defined set of participants, such as e-mail. Message board postings and public room conversations are not considered private communications.

Private Information: Private information includes all information about a customer that the customer has not made publicly available.

Public Information: Public information includes all online information about a customer that a customer has made publicly available.

Publicly Available Consumer Data: Information acquired from consumer marketing and reporting organizations and other publicly available sources.

Transactional Information: Purchase information, including but not limited to date of purchase, source of purchase, recency of purchase, frequency of purchase, dollar amount of purchase, type of product or product category purchased, means of purchase, type of credit card used, other uses of online commerce.

Use: Processing, transmitting, transforming, or otherwise handling information. Includes promotional, advertising, and marketing use.

Visitor: A Visitor to our Web site. Visitors are different from Customers.
(All Customers are Visitors, but not all Visitors are Customers.)

Update Information:

When we did it: 4 September 2003

What we did: Moved this Privacy Policy information to the policies.asp page

Complaint

Geeks.com

Page 7 of 7

Why we did it: To remove Sales, Return, and Privacy Policy information from the "About Us" page and make it easier to find.

© Copyright 1996-2007 Geeks.com™ All Rights Reserved

Concerned about your personal information? [View Privacy Policies](#)

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, would charge the Respondents with violation of the Federal Trade Commission Act; and

The Respondents and counsel for the 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 complaint, a statement that the signing of the 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 any of 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 Federal Trade Commission Act, and that a 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, 16 C.F.R. § 2.34, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Genica Corporation ("Genica") is a Delaware corporation with its principal office or place of business at 1890 Ord Way, Oceanside, California 92056.

2. Respondent Compgeeks.com also doing business as Computer Geeks Discount Outlet and Geeks.com

Decision and Order

(“Compgeeks.com”) is a California corporation with its principal office or place of business at 1890 Ord Way, Oceanside, California 92056. Compgeeks.com is a wholly-owned subsidiary of Genica.

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; (d) a telephone number; (e) a Social Security number; (f) a driver’s license or other state-issued identification number; (g) credit or debit card information, including card number, expiration date, and security code; (h) 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 consumer; or (i) any information that is combined with any of (a) through (h) above.
2. Unless otherwise specified, “respondents” shall mean Genica, Compgeeks.com, and their subsidiaries, divisions, affiliates, successors and assigns .
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 and their officers, agents, representatives, and employees, directly or through any corporation, subsidiary, division, website, or other device, in connection with the advertising, marketing, promotion, offering for sale, or sale of any product or service, in or affecting commerce, shall not misrepresent in any manner, expressly or by implication, the extent to which respondents maintain and protect the privacy, confidentiality, or integrity of any personal information collected from or about consumers.

II.

IT IS FURTHER ORDERED that respondents and their officers, agents, representatives, and employees, directly or through any corporation, subsidiary, division, website, or other device, shall, no later than the date of service of this order, establish and implement, and thereafter maintain, a comprehensive information security program that is reasonably designed to protect the security, confidentiality, and integrity of personal information collected from or about consumers. Such program, the content and implementation of which must be fully documented in writing, shall contain administrative, technical, and physical safeguards appropriate to respondents' size and complexity, the nature and scope of respondents' activities, and the sensitivity of the personal information collected from or about consumers, including:

- A. the designation of an employee or employees to coordinate and be accountable for the information security program;
- B. the identification of material internal and external risks to the security, confidentiality, and integrity of personal information that could result in the unauthorized disclosure, misuse, loss, alteration, destruction, or other compromise of such information, and assessment of the sufficiency of any safeguards in place to control these risks. At a minimum, this risk assessment should include consideration of risks in each

Decision and Order

area of relevant operation, including, but not limited to, (1) employee training and management, (2) information systems, including network and software design, information processing, storage, transmission, and disposal, and (3) prevention, detection, and response to attacks, intrusions, or other systems failure;

- C. the design and implementation of reasonable safeguards to control the risks identified through risk assessment, and regular testing or monitoring of the effectiveness of the safeguards' key controls, systems, and procedures;
- D. the development and use of reasonable steps to retain service providers capable of appropriately safeguarding personal information they receive from respondents and requiring service providers by contract to implement and maintain appropriate safeguards; and
- E. the evaluation and adjustment of respondents' information security program in light of the results of the testing and monitoring required by subpart C, any material changes to respondents' operations or business arrangements, or any other circumstances that respondents know or have reason to know may have a material impact on the effectiveness of their information security program.

III.

IT IS FURTHER ORDERED that, in connection with the online advertising, marketing, promotion, offering for sale, or sale of any product or service to consumers, in or affecting commerce, respondents, and their officers, agents, representatives, and employees, shall obtain initial and biennial assessments and reports ("Assessments") from a qualified, objective, independent third-party professional, who uses procedures and standards generally accepted in the profession. The reporting period for the Assessments shall cover: (1) the first one hundred eighty (180) days after service of the order for the initial Assessment; and (2) each two (2) year period

Decision and Order

thereafter for ten (10) years after service of the order for the biennial Assessments. Each Assessment shall:

- A. set forth the specific administrative, technical, and physical safeguards that respondents have implemented and maintained during the reporting period to comply with Part II of this order;
- B. explain how such safeguards are appropriate to respondents' size and complexity, the nature and scope of respondents' activities, and the sensitivity of the personal information collected from or about consumers;
- C. explain how the safeguards that have been implemented meet or exceed the protections required by Part II of this order; and
- D. certify that respondents' security program is operating with sufficient effectiveness to provide reasonable assurance that the security, confidentiality, and integrity of personal information is protected and has so operated throughout the reporting period.

Each Assessment shall be prepared and completed within sixty (60) days after the end of the reporting period to which the Assessment applies by: a person qualified as a Certified Information System Security Professional (CISSP) or as a Certified Information Systems Auditor (CISA); a person holding Global Information Assurance Certification (GIAC) from the SysAdmin, Audit, Network, Security (SANS) Institute; or a similarly qualified person or organization approved by the Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, Washington, D.C. 20580.

Respondents shall provide the initial Assessment to the Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, Washington, D.C. 20580, within ten (10) days after the Assessment has been prepared. All subsequent biennial

Decision and Order

Assessments shall be retained by respondents until the order is terminated and provided to the Associate Director of Enforcement within ten (10) days of request.

IV.

IT IS FURTHER ORDERED that respondents shall maintain and upon request make available to the Federal Trade Commission for inspection and copying, a print or electronic copy of:

- A. for a period of three (3) years after the date of preparation of each Assessment required under Part III of this order, all materials relied upon to prepare the Assessment, whether prepared by or on behalf of the respondents, including but not limited to all plans, reports, studies, reviews, audits, audit trails, policies, training materials, and assessments, and any other materials relating to respondents' compliance with Parts II and III of this order, for the compliance period covered by such Assessment;
- B. unless covered by IV.A, for a period of five (5) years from the date of preparation or dissemination, whichever is later, all other documents relating to compliance with this order, including but not limited to:
 - 1. all advertisements and promotional materials containing any representations covered by this order, with all materials relied upon in disseminating the representation; and
 - 2. any documents, whether prepared by or on behalf of respondents, that call into question respondents' compliance with this order.

V.

IT IS FURTHER ORDERED that respondents shall deliver a copy of this order to all current and future principals, officers,

Decision and Order

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 service of this order, and to such future personnel within thirty (30) days after the person assumes such position or responsibilities.

VI.

IT IS FURTHER ORDERED that respondents shall notify the Commission at least thirty (30) days prior to any change in the corporation(s) 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(s) about which respondents learn fewer than thirty (30) days prior to the date such action is to take place, respondents 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.

VII.

IT IS FURTHER ORDERED that respondents shall, within one hundred eighty (180) days after service of this order, and at such other times as the 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.

VIII.

This order will terminate on March 16, 2029, or twenty (20) years from the most recent date that the United States or the

Decision and Order

Commission files a complaint (with or without an accompanying consent decree) in federal court alleging any 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 fewer 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 respondent(s) did not violate any provision of the order, and the dismissal or ruling is either not appealed or upheld on appeal, then the order as to such respondent(s) 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.

By the Commission.

Analysis to Aid Public Comment

**ANALYSIS OF CONSENT ORDER TO AID PUBLIC
COMMENT**

The Federal Trade Commission has accepted, subject to final approval, a consent agreement from Genica Corporation (“Genica”) and Compgeeks.com, also doing business as Computer Geeks Discount Outlet and Geeks.com (“Compgeeks.com”).

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 and take appropriate action or make final the agreement’s proposed order.

Genica and its wholly-owned subsidiary, Compgeeks.com, (collectively “respondents”) sell computer systems, peripherals, and consumer electronics to consumers over the internet, including through a website (www.geeks.com) operated by Compgeeks.com. Respondents operate a computer network that consumers use, in conjunction with the www.geeks.com website and web application, to obtain information and to buy their products. In selling products through the www.geeks.com website, respondents routinely collect sensitive information from consumers to obtain authorization for credit card purchases, including a first and last name, address, e-mail address, telephone number, credit card number, credit card expiration date, and credit card security code (hereinafter “personal information”). This information is particularly sensitive, because it can be used to facilitate payment card fraud and other consumer harm. This matter concerns alleged false or misleading representations respondents made about the security they provided for this information.

The Commission’s complaint alleges that respondents represented that they implemented reasonable and appropriate security measures to protect the privacy and confidentiality of personal information. The complaint alleges that this representation

Analysis to Aid Public Comment

was false because respondents engaged in a number of practices that, taken together, failed to provide reasonable and appropriate security for sensitive personal information stored on their network. Among other things, respondents allegedly: (1) stored personal information in clear, readable text; (2) did not adequately assess the vulnerability of their web application and network to commonly known or reasonably foreseeable attacks, such as “Structured Query Language” (“SQL”) injection attacks; (3) did not implement simple, free or low-cost, and readily available defenses to such attacks; (4) did not use readily available security measures to monitor and control connections between computers on the network and from the network to the internet; and (5) failed to employ reasonable measures to detect and prevent unauthorized access to personal information, such as by logging or employing an intrusion detection system.

The complaint further alleges that since at least January 2007 and continuing through at least June 2007, hackers repeatedly exploited these vulnerabilities by using SQL injection attacks on the www.geeks.com website and web application. Through these attacks, the hackers allegedly found personal information stored on respondents’ network and exported the information of hundreds of customers, including credit card numbers, expiration dates, and security codes, over the internet to outside computers.

The proposed order applies to personal information respondents collect from or about consumers. It contains provisions designed to prevent respondents from engaging in the future in practices similar to those alleged in the complaint.

Part I of the proposed order prohibits respondents, in connection with the advertising, marketing, promotion, offering for sale, or sale of any product or service, from misrepresenting the extent to which respondents maintain and protect the privacy, confidentiality, or integrity of any personal information collected from or about consumers.

Analysis to Aid Public Comment

Part II of the proposed order requires respondents to establish and maintain a comprehensive information security program that is reasonably designed to protect the security, confidentiality, and integrity of personal information collected from or about consumers. The written security program must contain administrative, technical, and physical safeguards appropriate to respondents' size and complexity, the nature and scope of respondents' activities, and the sensitivity of the personal information collected from or about consumers. Specifically the order requires respondents to:

- \$ Designate an employee or employees to coordinate and be accountable for the information security program;
- \$ Identify material internal and external risks to the security, confidentiality, and integrity of personal information that could result in the unauthorized disclosure, misuse, loss, alteration, destruction, or other compromise of such information, and assess the sufficiency of any safeguards in place to control these risks;
- \$ Design and implement reasonable safeguards to control the risks identified through risk assessment, and regularly test or monitor the effectiveness of the safeguards' key controls, systems, and procedures;
- \$ Develop and use reasonable steps to retain service providers capable of appropriately safeguarding personal information they receive from respondents and requiring service providers by contract to implement and maintain appropriate safeguards; and
- \$ Evaluate and adjust respondents' information security program in light of the results of the testing and monitoring, any material changes to respondents' operations or business arrangements, or any other circumstances that respondents know or have reason to know may have a material impact on the effectiveness of their information security program.

Analysis to Aid Public Comment

Part III of the proposed order requires that respondents, in connection with the online advertising, marketing, promotion, offering for sale, or sale of any product or service to consumers, obtain within 180 days, and on a biennial bases thereafter for a period of ten (10) years, an assessment and report from a qualified, objective, independent third-party professional, certifying, among other things, that respondents have in place a security program that provides protections that meet or exceed the protections required by Part II of the proposed order; and (2) respondents' security program is operating with sufficient effectiveness to provide reasonable assurance that the security, confidentiality, and integrity of consumers' personal information is protected.

Parts IV through VIII of the proposed order are reporting and compliance provisions. Part IV requires respondents to retain documents relating to their compliance with the order. For most records, the order requires that the documents be retained for a five-year period. For the third-party assessments and supporting documents, respondents must retain the documents for a period of three years after the date that each assessment is prepared. Part V requires dissemination of the order now and in the future to persons with responsibilities relating to the subject matter of the order. Part VI ensures notification to the FTC of changes in corporate status. Part VII mandates that respondents submit an initial compliance report to the FTC, and make available to the FTC subsequent reports. Part VIII is a provision "sunsetting" the order after twenty (20) years, with certain exceptions.

The purpose of the analysis is to aid public comment on the proposed order. It is not intended to constitute an official interpretation of the proposed order or to modify its terms in any way.

Complaint

IN THE MATTER OF

THE DOW CHEMICAL 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-4243; File No. 081 0214**Complaint, January 23, 2009 – Decision, March 31, 2009*

This consent order addresses the acquisition of Rohm & Haas Company by respondent Dow Chemical Company. Both companies manufacture, market, and sell acrylic monomers and acrylic polymers. The order requires Dow to divest to a Commission-approved buyer significant portions of its acrylic monomer, acrylic latex polymer, and hollow sphere particle businesses and to license to the acquirer certain intellectual property related to the production of the products in these businesses. The order requires Dow to continue to provide certain input products to the acquirer and to provide transition services for a short period of time to accomplish the transition of the divested assets. The order requires that Dow continue to provide site services to the acquirer in connection with the acrylic polymer production assets located in St. Charles, Louisiana, where the acquirer will operate a business unit that is located on the grounds of a larger Dow facility. In addition, Dow is required to supply hollow sphere particles and acrylic latex polymer for traffic paint to the acquirer at its manufacturing cost, until such time as the acquirer is able to develop its own manufacturing. Dow is also required to institute procedures to ensure that the other businesses it acquired from Rohm & Haas do not have access directly or indirectly to competitively sensitive non-public information regarding the divested assets. and is prohibited from using any such competitively sensitive non-public information it already has in an anticompetitive manner. The order gives the Commission the power to appoint an interim monitor to ensure that Dow expeditiously complies with all of its obligations and performs all of its responsibilities. If Dow fails to sell the divested assets within the specified period of time, the order allows for the appointment of a Divestiture Trustee to divest the assets. To ensure that the Commission remains informed about the status of the proposed divestitures and the transfers of assets, the order requires Dow to file reports with the Commission periodically until the divestitures and transfers are accomplished.