

Complaint Exhibits

IN THE MATTER OF
WORLD INNOVATORS, INC.

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

Docket No. C-4282; File No. 092 3137
Filed, January 12, 2010 — Decision, January 12, 2010

This consent order addresses World Innovators, Inc., alleged false or misleading representations made to consumers concerning its participation in the Safe Harbor privacy framework agreed upon by the U.S. and the European Union. The complaint alleges that, since at least November 2001, World Innovators has set forth on its website privacy policies and statements about its practices, including statements that it is a current participant in the Safe Harbor when, in fact, from September 2004 until July 2009, World Innovators was not a current participant in the Safe Harbor. The proposed order prohibits World Innovators' representations about its membership in any privacy, security, or any other compliance program sponsored by the government or any other third party. It contains provisions designed to prevent World Innovators from engaging in the future in practices similar to those alleged in the complaint as well as reporting and compliance provisions.

Participants

For the *Commission*: *Molly Crawford and Katie Ratté.*

For the *Respondents*: appearing *pro se*.

COMPLAINT

The Federal Trade Commission, having reason to believe that World Innovators, Inc. ("respondent") has violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent World Innovators, Inc. ("World Innovators") is a Connecticut corporation with its principal office or place of

Analysis to Aid Public Comment

business at 22 Bacon Road, Roxbury, Connecticut 06783.

2. Respondent is a list broker that also sells marketing consulting services, including through its website (www.worldinnovators.com).

3. The acts and practices of respondent 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. Since at least November 2001, respondent has set forth on its website, www.worldinnovators.com, privacy policies and statements about its practices, including statements related to its participation in the Safe Harbor privacy framework agreed upon by the U.S. and the European Union (“U.S.-EU Safe Harbor Framework” or “Safe Harbor”).

U.S.-EU SAFE HARBOR FRAMEWORK

5. The U.S.-EU Safe Harbor Framework provides a method for U.S. companies to transfer personal data outside of Europe that is consistent with the requirements of the European Union Directive on Data Protection (“Directive”). Enacted in 1995, the Directive sets forth European Union (“EU”) requirements for privacy and the protection of personal data. Among other things, it requires EU Member States to implement legislation that prohibits the transfer of personal data outside the EU, with exceptions, unless the European Commission (“EC”) has made a determination that the recipient jurisdiction’s laws ensure the protection of such personal data. See Directive 95/46/EC of the European Parliament and of the Council (Oct. 24, 1995), *available at* <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31995L0046:EN:HTML>. This determination is commonly referred to as meeting the EU’s “adequacy” standard.

6. To satisfy the EU adequacy standard for certain commercial transfers, the U.S. Department of Commerce

Complaint Exhibits

("Commerce") and the EC negotiated the U.S.-EU Safe Harbor Framework, which went into effect in 2000. The Safe Harbor allows U.S. companies to transfer personal data lawfully from the EU. To join the Safe Harbor, a company must self-certify to Commerce that it complies with seven principles and related requirements that have been deemed to meet the EU's adequacy standard.

7. Companies under the jurisdiction of the U.S. Federal Trade Commission ("FTC"), as well as the U.S. Department of Transportation, are eligible to join the Safe Harbor. A company under the FTC's jurisdiction that self-certifies to the Safe Harbor principles but fails to implement them may be subject to an enforcement action based on the FTC's deception authority under Section 5 of the Federal Trade Commission Act.

8. Commerce maintains a public website, www.export.gov/safeharbor, where it posts the names of companies that have self-certified to the Safe Harbor. The listing of companies indicates whether their self-certification is "current" or "not current." Companies are required to re-certify every year in order to retain their status as "current" members of the Safe Harbor framework. According to the Safe Harbor website, "Organizations should notify the Department of Commerce if their representation to the Department is no longer valid. Failure to do so could constitute a misrepresentation." See Safe Harbor List, available at <http://web.ita.doc.gov/safeharbor/shlist.nsf/webPages/safe+harbor+list>.

VIOLATIONS OF SECTION 5 OF THE FTC ACT

9. In September 2001, respondent submitted to Commerce a self-certification to the Safe Harbor. Respondent renewed that self-certification in September 2002 and September 2003.

10. In September 2004, respondent did not renew its self-certification to the Safe Harbor, and Commerce updated

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respondent's status to "not current" on its public website. Until July 2009, respondent did not renew its self-certification to the Safe Harbor and was in "not current" status on Commerce's website. (Exhibit A, Declaration of Damon C. Greer).

11. Since at least November 2001 to the present, respondent has disseminated or caused to be disseminated privacy policies and statements on the www.worldinnovators.com website, including, but not limited to, the following statements:

World Innovators honors the privacy of its clients and visitors and will uphold the privacy policies set forth by the Direct Marketing Association and the Safe Harbor Principles as outlined by the U.S. Department of Commerce and the European Commissions [sic]...World Innovators is a member of the U.S. Department of Commerce Safe Harbor program.

Exhibit B, November 2001 Privacy Policy; Exhibit C, February 2005 Privacy Policy; Exhibit D, September 2006 Privacy Policy; Exhibit E, December 2008 Privacy Policy.

12. Through the means described in Paragraph 11, respondent represented, expressly or by implication, that it is a current participant in the Safe Harbor.

13. In truth and in fact, from September 2004 to July 2009, respondent was not a current participant in the Safe Harbor. Therefore, the representations set forth in Paragraph 11 were, and are, false or misleading.

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.

Complaint Exhibits

THEREFORE, the Federal Trade Commission this twelfth day of January, 2010, has issued this complaint against respondent.

By the Commission.

Decision and Order

EXHIBIT A**UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION**

In the Matter of
**WORLD INNOVATORS, INC.,
a corporation.**

DOCKET NO.**DECLARATION OF DAMON C. GREER**

I, Damon C. Greer, based upon my personal knowledge concerning matters to which I am competent to testify, hereby declare as follows:

1. I am the Associate Director for Electronic Commerce in the Office of Technology and Electronic Commerce at the U.S. Department of Commerce ("Commerce"), and I am the lead administrator of the U.S.-E.U. Safe Harbor Framework.
2. Commerce is not a party to the captioned matter.
3. Commerce is responsible for developing and overseeing the U.S.-EU Safe Harbor Framework ("Safe Harbor"), a voluntary program that provides U.S. companies with a method for receiving personal data lawfully from the European Union. To join the Safe Harbor, a company must self-certify to Commerce that it complies with a set of principles that have been deemed to meet the EU's adequacy standard.
4. As Associate Director, I am responsible for maintaining an accurate list of those companies that self-certify to Commerce that they comply with the Safe Harbor principles. As part of my responsibilities, I oversee a public website, www.export.gov/safeharbor, where I post the names of companies that have self-certified. The listing of companies indicates, among other things, whether their self-certification is "current" or "not current." Companies are required to re-certify every year on the anniversary of the date they first self-certified in order to retain their status as "current" members of the Safe Harbor framework.
5. In September 2001, World Innovators, Inc. ("World Innovators") submitted a self-certification to Commerce, which it renewed in September 2002 and September 2003. World Innovators' next self-certification was due in September 2004.

Complaint

EXHIBIT A (continued)

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6. World Innovators did not submit a self-certification by the September 2004 deadline. To date, I have not received any documents or information from World Innovators to renew its self-certification. World Innovators is in "not current" status on the Commerce website.

I declare under penalty of perjury under the Laws of the United States of America that the foregoing is true and correct. Executed this 9th day of June, 2009, in Washington, D.C.

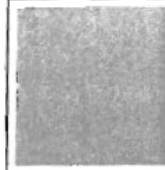


Damon C. Greer
Associate Director for Electronic Commerce
Office of Technology and Electronic Commerce
U.S. Department of Commerce

Complaint

EXHIBIT B

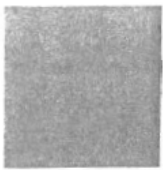
World Innovators, Inc. - Mailing List Managers, Mailing Lists Management & Consultation, Direct Resp... Page 1 of 1

MAILING LIST MANAGEMENT/CONSULTATION DIRECT RESPONSE MARKETING		
PRIVACY POLICY STATEMENT WORLD INNOVATORS, INCORPORATED		
       	World Innovators, Incorporated provides this web site as an informational source for its clients and prospective customers. World Innovators honors the privacy of its clients and visitors and will uphold the privacy policies set forth by the Direct Marketing Association and the Safe Harbor Principles as outlined by the U.S. Department of Commerce and the European Commissions. World Innovators certifies that as of May 30, 2001 it encourages its list management clients to comply with the Direct Marketing Association Privacy Policy. This policy provides effective guidelines for honoring and respecting the privacy by: 1. Honoring a customer's request not to be included on in-house lists used for solicitations. A name may be removed simply by contacting us to do so. 2. Providing customers with the ability to opt-out of data rental, sale or exchange. 3. Adhering to a customer's request to opt-out of having their information included as part of a data rental, sale or exchange. 4. Using one or more of the DMA Preference Services mail, telemarketing or e-mail to suppress names from campaigns for individuals who have requested not to be included in these solicitation efforts. Our web site does not recognize a caller or collect e-mail addresses of visitors to our web site. However, if information is requested, we will collect personal information such as name, company and address for future in-house marketing purposes. World Innovators promises to uphold the highest standard of data privacy and security as per the Direct Marketing Association and the World Innovators' Privacy Policy. World Innovators is a member of the U.S. Department of Commerce Safe Harbor program. Any questions or comments regarding the World Innovators Privacy Policy or the Safe Harbor program should be directed in writing to: Anne M. Peterson, President World Innovators, Incorporated 72 Park Street New Canaan, CT 06840 or apeterson@worldinnovators.com	
	© 2001 World Innovators, Inc. - Privacy Statement (203)986-0374 worldinnovators@worldinnovators.com	

Complaint

EXHIBIT C

World Innovators, Inc. - List Brokerage/Management, Mailing List Managers, Mailing Lists Manageme... Page 1 of 2

     	 22 Bacon Road, Roxbury, CT 06783 Phone: 860-210-8088 Fax: 860-210-7829
	LIST BROKERAGE/MANAGEMENT • DIRECT RESPONSE MARKETING

PRIVACY POLICY STATEMENT
WORLD INNOVATORS, INCORPORATED

World Innovators, Incorporated provides this web site as an informational source for its clients and prospective customers. World Innovators honors the privacy of its clients and visitors and will uphold the privacy policies set forth by the Direct Marketing Association and the Safe Harbor Principles as outlined by the U.S. Department of Commerce and the European Commissions.

World Innovators certifies that as of May 30, 2001 it encourages its list management clients to comply with the Direct Marketing Association Privacy Policy. This policy provides effective guidelines for honoring and respecting the privacy by:

1. Honoring a customer's request not to be included on in-house lists used for solicitations. A name may be removed simply by contacting us to do so.
2. Providing customers with the ability to opt-out of data rental, sale or exchange.
3. Adhering to a customer's request to opt-out of having their information included as part of a data rental, sale or exchange.
4. Using one or more of the DMA Preference Services (mail, telemarketing or e-mail) to suppress names from campaigns for individuals who have requested not to be included in these solicitation efforts.

Our web site does not recognize a caller or collect e-mail addresses of visitors to our web site. However, if information is requested, we will collect personal information such as name, company and address for future in-house marketing purposes.

World Innovators promises to uphold the highest standard of data privacy and security as per the Direct Marketing Association and the World Innovators' Privacy Policy.

World Innovators is a member of the U.S. Department of Commerce Safe Harbor program.

Any questions or comments regarding the World Innovators Privacy Policy or the Safe Harbor program should be directed in writing to:

Complaint

EXHIBIT C (continued)

World Innovators, Inc. - List Brokerage/Management, Mailing List Managers, Mailing Lists Manageme... Page 2 of 2



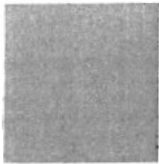
Anne M. Peterson, President
World Innovators, Incorporated
22 Bacon Road
Roxbury, CT 06783
or apeterson@worldinnovators.com



Complaint

EXHIBIT D

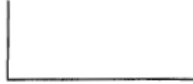
World Innovators, Inc. - List Brokerage/Management, Mailing List Managers, Mailing Lists Manage... Page 1 of 2

     	 22 Bacon Road, Roxbury, CT 06783 Phone: 860-210-8088 Fax: 860-210-7829 LIST BROKERAGE/MANAGEMENT - DIRECT RESPONSE MARKETING PRIVACY POLICY STATEMENT WORLD INNOVATORS, INCORPORATED World Innovators, Incorporated provides this web site as an informational source for its clients and prospective customers. World Innovators honors the privacy of its clients and visitors and will uphold the privacy policies set forth by the Direct Marketing Association and the Safe Harbor Principles as outlined by the U.S. Department of Commerce and the European Commissions. World Innovators certifies that as of May 30, 2001 it encourages its list management clients to comply with the Direct Marketing Association Privacy Policy. This policy provides effective guidelines for honoring and respecting the privacy by: 1. Honoring a customer's request not to be included on in-house lists used for solicitations. A name may be removed simply by contacting us to do so. 2. Providing customers with the ability to opt-out of data rental, sale or exchange. 3. Adhering to a customer's request to opt-out of having their information included as part of a data rental, sale or exchange. 4. Using one or more of the DMA Preference Services (mail, telemarketing or e-mail) to suppress names from campaigns for individuals who have requested not to be included in these solicitation efforts. Our web site does not recognize a caller or collect e-mail addresses of visitors to our web site. However, if information is requested, we will collect personal information such as name, company and address for future in-house marketing purposes World Innovators promises to uphold the highest standard of data privacy and security as per the Direct Marketing Association and the World Innovators' Privacy Policy. World Innovators is a member of the U.S. Department of Commerce Safe Harbor program. Any questions or comments regarding the World Innovators Privacy Policy or the Safe Harbor program should be directed in writing to:
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Complaint

EXHIBIT D (continued)

World Innovators, Inc. - List Brokerage/Management, Mailing List Managers, Mailing Lists Manageme... Page 2 of 2



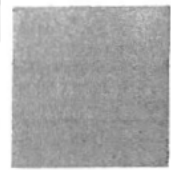
Anne M. Peterson, President
World Innovators, Incorporated
22 Bacon Road
Roxbury, CT 06783
or apeterson@worldinnovators.com



Complaint

EXHIBIT E

World Innovators, Inc. - List Brokerage/Management, Mailing List Managers, Mailing Lists Managemen... Page 1 of 2

     	 22 Bacon Road, Roxbury, CT 06783 Phone: 860-210-8088 Fax: 860-210-7829
	LIST BROKERAGE/MANAGEMENT - DIRECT RESPONSE MARKETING PRIVACY POLICY STATEMENT WORLD INNOVATORS, INCORPORATED World Innovators, Incorporated provides this web site as an informational source for its clients and prospective customers. World Innovators honors the privacy of its clients and visitors and will uphold the privacy policies set forth by the Direct Marketing Association and the Safe Harbor Principles as outlined by the U.S. Department of Commerce and the European Commissions. World Innovators certifies that as of May 30, 2001 it encourages its list management clients to comply with the Direct Marketing Association Privacy Policy. This policy provides effective guidelines for honoring and respecting the privacy by: 1. Honoring a customer's request not to be included on in-house lists used for solicitations. A name may be removed simply by contacting us to do so. 2. Providing customers with the ability to opt-out of data rental, sale or exchange. 3. Adhering to a customer's request to opt-out of having their information included as part of a data rental, sale or exchange. 4. Using one or more of the DMA Preference Services (mail, telemarketing or e-mail) to suppress names from campaigns for individuals who have requested not to be included in these solicitation efforts. Our web site does not recognize a caller or collect e-mail addresses of visitors to our web site. However, if information is requested, we will collect personal information such as name, company and address for future in-house marketing purposes. World Innovators promises to uphold the highest standard of data privacy and security as per the Direct Marketing Association and the World Innovators' Privacy Policy. World Innovators is a member of the U.S. Department of Commerce Safe Harbor program. Any questions or comments regarding the World Innovators Privacy Policy or the Safe Harbor program should be directed in writing to.

Complaint

EXHIBIT E (continued)

World Innovators, Inc. - List Brokerage/Management, Mailing List Managers, Mailing Lists Manageme... Page 2 of 2



Anne M. Peterson, President
World Innovators, Incorporated
22 Bacon Road
Roxbury, CT 06783
or apeterson@worldinnovators.com



Decision and Order

DECISION AND ORDER

The Federal Trade Commission, having initiated an investigation of certain acts and practices of the Respondent named in the caption hereof, and the Respondent 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 Respondent with violation of the Federal Trade Commission Act; and

The Respondent and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the Respondent 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 Respondent 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 Respondent has 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, and having duly considered the comment received from an interested person pursuant to Section 2.34 of its Rules, 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:

Decision and Order

1. Respondent World Innovators, Inc. is a Connecticut corporation with its principal office or place of business at 22 Bacon Road, Roxbury, Connecticut 06783.
2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the Respondent, and the proceeding is in the public interest.

ORDER**DEFINITIONS**

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

- A. Unless otherwise specified, “respondent” shall mean World Innovators, Inc. and its subsidiaries, divisions, affiliates, successors and assigns.
- B. “Commerce” shall mean as defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. § 44.

I.

IT IS ORDERED that respondent and its 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 respondent is a member of, adheres to, complies with, is certified by, is endorsed by, or otherwise participates in any privacy, security, or any other compliance program sponsored by the government or any other third party.

Decision and Order

II.

IT IS FURTHER ORDERED that respondent shall maintain and upon request make available to the Federal Trade Commission for inspection and copying, a print or electronic copy of, for a period of five (5) years from the date of preparation or dissemination, whichever is later, all documents relating to compliance with this order, including but not limited to:

- A. all advertisements, promotional materials, and any other statements containing any representations covered by this order, with all materials relied upon in disseminating the representation; and
- B. any documents, whether prepared by or on behalf of respondent, that calls into question respondent's compliance with this order.

III.

IT IS FURTHER ORDERED that respondent 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, and shall secure from each such person a signed and dated statement acknowledging receipt of the order. Respondent 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.

IV.

IT IS FURTHER ORDERED that respondent 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,

Decision and Order

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 respondent learns fewer 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.

V.

IT IS FURTHER ORDERED that respondent shall, within sixty (60) 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 it has complied with this order.

VI.

This order will terminate on January 12, 2030, or twenty (20) years from the most recent date that the United States or the 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

Decision and Order

- 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 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 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 PROPOSED CONSENT ORDERS
TO AID PUBLIC COMMENT**

The Federal Trade Commission (“FTC” or “Commission”) has accepted, subject to final approval, a consent agreement from World Innovators, Inc. (“World Innovators”).

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.

This matter concerns alleged false or misleading representations that World Innovators made to consumers concerning its participation in the Safe Harbor privacy framework (“Safe Harbor”) agreed upon by the U.S. and the European Union (“EU”). It is among the Commission’s first cases to challenge deceptive claims about the Safe Harbor. The Safe Harbor provides a mechanism for U.S. companies to transfer data outside the EU consistent with European law. To join the Safe Harbor, a company must self-certify to the U.S. Department of Commerce (“Commerce”) that it complies with seven principles and related requirements. Commerce maintains a public website, www.export.gov/safeharbor, where it posts the names of companies that have self-certified to the Safe Harbor. The listing of companies indicates whether their self-certification is “current” or “not current.” Companies are required to re-certify every year in order to retain their status as “current” members of the Safe Harbor framework.

World Innovators is a list broker that also sells marketing consulting services, including through its website (www.worldinnovators.com). According to the Commission’s complaint, since at least November 2001, World Innovators has set forth on its website privacy policies and statements about its

Analysis to Aid Public Comment

practices, including statements that it is a current participant in the Safe Harbor.

The Commission's complaint alleges that World Innovators falsely represented that it was a current participant in the Safe Harbor when, in fact, from September 2004 until July 2009, World Innovators was not a current participant in the Safe Harbor. Specifically, the Commission's complaint alleges that in September 2001, World Innovators submitted to Commerce a self-certification to the Safe Harbor and renewed that self-certification in September 2002 and September 2003. In September 2004, World Innovators did not renew its self-certification to the Safe Harbor, and Commerce updated its status to "not current" on its public website. World Innovators remained in "not current" status on Commerce's website until it submitted a new Safe Harbor self-certification in July 2009.

The proposed order applies to World Innovators' representations about its membership in any privacy, security, or any other compliance program sponsored by the government or any other third party. It contains provisions designed to prevent World Innovators from engaging in the future in practices similar to those alleged in the complaint.

Part I of the proposed order prohibits World Innovators from making misrepresentations about its membership in any privacy, security, or any other compliance program sponsored by the government or any other third party.

Parts II through VI of the proposed order are reporting and compliance provisions. Part II requires World Innovators to retain documents relating to its compliance with the order for a five-year period. Part III requires dissemination of the order now and in the future to persons with responsibilities relating to the subject matter of the order. Part IV ensures notification to the FTC of changes in corporate status. Part V mandates that World Innovators submit an initial compliance report to the FTC, and

Analysis to Aid Public Comment

make available to the FTC subsequent reports. Part VI is a provision “sunsetting” the order after twenty (20) years, with certain exceptions.

The purpose of the analysis is to facilitate public comment on the proposed order. 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

DIRECTORS DESK LLCCONSENT ORDER, ETC. IN REGARD TO ALLEGED VIOLATIONS OF
SEC. 5(A) OF THE FEDERAL TRADE COMMISSION ACT

Docket No. C-4281; File No. 092 3140
Filed, January 12, 2010 — Decision, January 12, 2010

This consent order addresses Directors Desk LLC's alleged false or misleading representations made to consumers concerning its participation in the Safe Harbor privacy framework agreed upon by the U.S. and the European Union. The Commission's complaint alleges that Directors Desk falsely represented that it was a current participant in the Safe Harbor when, in fact, from February 2008 until August 2009, Directors Desk was not a current participant in the Safe Harbor. The Commission's complaint alleges that in February 2007, Directors Desk submitted to Commerce a self-certification, which it did not renew in February 2008. Commerce then updated its status to "not current" on the Commerce public website. Directors Desk remained in "not current" status until it submitted a self-certification to Commerce in August 2009. The order prohibits Directors Desk from making representations about its membership in any privacy, security, or any other compliance program sponsored by the government or any other third party. It contains provisions designed to prevent Directors Desk from engaging in the future in practices similar to those alleged in the complaint, as well as reporting and compliance provisions.

Participants

For the *Commission*: *Molly Crawford and Katie Ratté.*

For the *Respondents*: *Chris Wolf, Esq., Hogan & Hartson .*

COMPLAINT

The Federal Trade Commission, having reason to believe that Directors Desk LLC ("respondent") has violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that this proceeding is in the public interest, alleges: