

Complaint

IN THE MATTER OF

NETWORK SOLUTIONS, LLCCONSENT ORDER, ETC. IN REGARD TO ALLEGED VIOLATIONS OF
SEC. 5(A) OF THE FEDERAL TRADE COMMISSION ACT*Docket No. C-4527; File No. 132 3084**Complaint, May 28, 2015 – Decision, May 28, 2015*

This consent order resolves concerns that Network Solutions, LLC misled purchasers of its web hosting services by falsely promising a full refund if canceled within 30 days. Network Solutions is a domain name registrar and web-hosting provider offering web-hosting packages. The complaint alleges that the company advertised a “30-Day Money Back Guarantee” on its website but did not adequately disclose that it would withhold up to 30 percent of the purchase price. The complaint further alleges that Network Solutions’ offer of a 30-day money back guarantee combined with its failure to disclose the cancellation fee amounted to a deceptive act or practice under Section 5 of the FTC Act. The consent order requires Networks Solutions to clearly disclose the terms of any money back guarantee applicable to web services. Additionally, the order requires the company to refund the full purchase price of any web hosting service sold with a money back guarantee, in response to a request that complies with the terms of that guarantee, unless any applicable fees are disclosed clearly.

Participants

For the *Commission*: *James Evans and Shameka Walker.*

For the *Respondent*: *Dee Bansal, M. Howard Morse, and Sarah K. Swain, Cooley LLP.*

COMPLAINT

The Federal Trade Commission, having reason to believe that Network Solutions, LLC, a limited liability company (“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 is a Delaware limited liability company with its principal office or place of business at 12808 Gran Bay Parkway West, Jacksonville, Florida 32258.

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2. Respondent has advertised, offered for sale, and sold web hosting services.

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

Respondent’s Business Practices

4. Respondent’s web hosting services allow Respondent’s customers to make webpages available on the World Wide Web by storing customers’ webpage information, including programming code, images, and videos, on web servers owned or leased by Respondent, and providing the technology and Internet connectivity required to serve webpages on the Internet.

5. Respondent sells web hosting services in monthly, annual, or multi-year terms. Respondent offers new annual and multi-year web hosting terms with a free domain name registration for the term of the web hosting agreement.

6. Respondent sells web hosting services in packages that offer different services for different prices. For example, Respondent charges \$120 for one year of “Essential Web Hosting;” \$160 for one year of “Professional Web Hosting,” which includes more services than Essential Web Hosting; and \$350 for one year of “Premium Web Hosting,” which includes more services than Professional Web Hosting.

7. Since approximately 2008, Respondent has offered a thirty-day money back guarantee (the “Guarantee”) with its web hosting services.

8. Respondent has disseminated or has caused to be disseminated advertisements for the Guarantee, including but not necessarily limited to the icon pictured in Figure 1, which states: “30 Day Money Back Guarantee.”



Figure 1—Guarantee icon.

9. If Respondent’s customers purchase a new annual or multi-year web hosting package,

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register the included domain name of the same term, and subsequently cancel their web hosting services within thirty days of purchase under the Guarantee, Respondent withholds a cancellation fee from their refund based on the number of years of web hosting purchased, and customers retain the included domain name. Respondent's cancellation fees are listed in Table 1.

<u>Package</u>	<u>Cancellation Fee</u>	
	<u>since Apr. 29, 2011</u>	<u>before Apr. 29, 2011</u>
<u>1 year</u>	<u>\$34.99</u>	<u>\$29.95</u>
<u>2 years</u>	<u>\$69.98</u>	<u>\$49.90</u>
<u>3 years</u>	<u>\$104.97</u>	<u>\$59.85</u>
<u>5 years</u>	<u>\$114.95</u>	<u>\$47.75</u>
<u>10 years</u>	<u>\$179.90</u>	<u>\$99.50</u>

Table 1—Network Solutions cancellation fees.

10. The cancellation fee may be a substantial portion of a customer's purchase price. For example, a customer that purchases one year of "Essential Web Hosting" pays Respondent \$120 for web hosting services. If that customer registers the included domain name and then cancels his or her web hosting services within thirty days, Respondent will withhold \$34.99 from his or her refund—almost 30% of the purchase price.

11. Respondent did not disclose the cancellation fee in its advertisements for the Guarantee or on webpages that advertised the Guarantee.

12. At the bottom of webpages advertising the Guarantee, Respondent noted, sometimes in a font considerably smaller than other text on the webpage: "* See Terms and Conditions for," followed by several hyperlinks, including one that reads: "30-Day Money Back Guarantee." Respondent did not disclose the existence of the cancellation fee in these notes. Respondent sometimes placed the hyperlink in blue text against a black background. The placement, wording, size, and color of these hyperlinks made it unlikely that customers would notice them, as in Figure 2.

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The screenshot displays a webpage for Network Solutions. At the top, under the heading "Hosting Features and Benefits", there is a list of four features: "Unlimited bandwidth with massive storage, 300GB", "Easy to use Website Builder and 9500+ templates", "Dozens of apps including WordPress, Drupal™ and Joomla™", and "99.99% uptime guarantee and 24/7 live customer support". To the right of this list are two circular icons: one with a checkmark and the text "30 DAY MONEY BACK GUARANTEE", and another with the text "30 DAY". Below this section, a text line reads "Our huge library of open source apps and programming languages includes:". This is followed by a row of logos for WordPress, Drupal, Joomla!, php, Ruby, python, perl, MySQL, and RAILS. At the bottom of the main content area, there is a large blue banner that says "Fast and Reliable Hosting for \$2.99*" and a button that says "Get Hosting Now Best Price Guaranteed". At the very bottom, in small text, it says "* See Terms and Conditions for [Free noWebAddress™](#), [30-Day Money Back Guarantee](#) and [Uptime Reliability](#)".

Figure 2—example of Network Solutions webpage with the Guarantee icon and hyperlinks to the disclosures at the bottom.

13. If customers clicked on the small “30-Day Money Back Guarantee” hyperlink, they were taken to a new pop-up webpage (the “Disclosure Webpage”). On the Disclosure Webpage, Respondent has called the Guarantee a “30-Day Limited Money Back Guarantee.” The word “limited” did not appear in some advertisements for the Guarantee. The Disclosure Webpage noted the existence of the cancellation fee, referring to it as a “processing fee.”

14. As described in Paragraphs 11–13, disclosure of the cancellation fee is not clear and conspicuous.

COUNT I

DECEPTIVE FAILURE TO DISCLOSE CANCELLATION FEE

15. In connection with the advertising, promotion, offering for sale or sale of web hosting services, Respondent has represented, directly or indirectly, expressly or by implication, that if Respondent’s customers cancel web hosting services within thirty days of purchase, they will receive a full refund of their money.

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16. In instances in which Respondent has made the representation set forth in Paragraph 15, Respondent has failed to disclose adequately that it withholds part of the refund from customers who: (1) purchase an annual or multi-year web hosting package, (2) register the included domain name, and (3) cancel within thirty days. This fact would be material to consumers in deciding whether to purchase web hosting services from Respondent.

17. Respondent's failure to disclose adequately the material information described in Paragraph 16, in light of the representation described in Paragraph 15, is a deceptive act or practice.

VIOLATIONS OF SECTION 5

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

THEREFORE, the Federal Trade Commission this twenty-eighth day of May, 2015, has issued this Complaint against Respondent.

By the Commission.

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 Respondent having been furnished thereafter with a copy of a draft complaint that the Bureau of Consumer Protection proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge Respondent with a violation of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 45 *et seq*; and

Respondent, its attorney, and counsel for the Commission having thereafter executed an Agreement Containing Consent Order (“Consent Agreement”), which includes: a statement by Respondent that it neither admits nor denies any of the allegations in the draft complaint, except as specifically stated in the Consent Agreement, and, only for purposes of this action, admits the facts necessary to establish jurisdiction, as well as waivers and other provisions as required by the Commission’s Rules; and

The Commission having thereafter considered the matter and having determined that it has reason to believe that Respondent has violated the FTC Act, and that a complaint should issue stating its charges in that respect, and having thereupon accepted the executed Consent Agreement and placed such Consent 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 Commission Rule 2.34, 16 C.F.R. § 2.34, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Network Solutions, LLC (“Network Solutions”) is a Delaware limited liability company with its principal office or place of business at 12808 Gran Bay Parkway West, Jacksonville, Florida 32258.
2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of Respondent, and the proceeding is in the public interest.

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ORDER**DEFINITIONS**

1. “Clearly and Conspicuously” means:
 - a. In textual communications, the disclosure must be in a noticeable type, size, and location, using language and syntax comprehensible to an ordinary consumer;
 - b. In communications disseminated orally or through audible means, the disclosure must be delivered in a volume, cadence, language, and syntax sufficient for an ordinary consumer to hear and comprehend them;
 - c. In communications disseminated through video means: (i) written disclosures must be in a form consistent with definition 1(a), above, and appear on the screen for a duration sufficient for an ordinary consumer to read and comprehend them, and be in the same language as the predominant language that is used in the communication; and (ii) audio disclosures must be consistent with definition 1(b), above; and
 - d. The disclosure cannot be combined with other text or information that is unrelated or immaterial to the subject matter of the disclosure; no other representation(s) may be contrary to, inconsistent with, or in mitigation of, the disclosure.
2. “Commerce” has the meaning defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. § 44.
3. Unless otherwise specified, “respondent” means Network Solutions, LLC, a limited liability company, and its successors and assigns.
4. “Web hosting” means a service offered for sale or sold by respondent primarily designed to allow respondent’s customers to make webpages available

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on the World Wide Web by storing customers' webpage information, including programming code, images, and videos, on web servers owned or leased by respondent, and providing the technology and Internet connectivity required to serve webpages on the Internet. "Web hosting" does not refer to products for which storage of customers' webpage information is incidental to the product being marketed, such as email delivery services or online directory listings.

I.

IT IS ORDERED that respondent, and its officers, agents, representatives, and employees, directly or through any corporation, subsidiary, division, or other device, in connection with the advertising, promotion, offering for sale, or sale of web hosting, in or affecting commerce, shall not, in any manner:

- A. Fail to disclose, clearly and conspicuously, before obtaining a customer's billing information, the material terms of any applicable money back guarantee, including but not limited to the existence and amount of any service charges or other fees applicable to any such money back guarantee; or
- B. Fail to refund the full purchase price paid for web hosting in conjunction with a money back guarantee, in response to a request that complies with the terms of such a money back guarantee; *provided, however*, that service charges or other fees may be excluded from refunds made pursuant to a money-back guarantee if the fact of the exclusion of such fees is disclosed clearly and conspicuously and in close proximity to the money-back guarantee.

II.

IT IS FURTHER ORDERED that respondent, and its officers, agents, representatives, and employees, directly or through any corporation, subsidiary, division, or other device, in connection with the advertising, promotion, offering for sale, or

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sale of web hosting, in or affecting commerce, shall not misrepresent, in any manner, expressly or by implication:

- A. Material terms of any refund or cancellation policy or applicable money back guarantee; or
- B. Any other material fact concerning web hosting, such as any material restrictions, limitations, or conditions, or any other material aspect of the performance, efficacy, nature, or central characteristics of respondent's web hosting.

III.

IT IS FURTHER ORDERED that respondent shall, for five (5) years after the date of issuance of this order, maintain and upon request make available to the Federal Trade Commission business records demonstrating its compliance with the terms and provisions of this order, including but not limited to:

- A. Accounting records showing the revenues from and refunds paid for web hosting sold in conjunction with a money back guarantee;
- B. Records of all written customer complaints concerning money back guarantees for web hosting, whether received directly or indirectly, such as through a third party, and any response;
- C. Records necessary to demonstrate full compliance with each provision of this order, including all submissions to the Commission; and
- D. A copy of each unique advertisement concerning money back guarantees for web hosting.

IV.

IT IS FURTHER ORDERED that, for three (3) years after service of this order, respondent shall deliver a written or electronic copy of this order to all officers, directors, LLC managers and members, and to all employees, agents, and representatives having responsibilities with respect to money back

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guarantees for web hosting, and shall secure from each such person a signed and dated statement acknowledging receipt of the order, with any electronic signatures complying with the requirements of the E-Sign Act, 15 U.S.C. § 7001 *et seq.* Respondent shall deliver this order to current personnel within thirty (30) days after the date of service of this order, and to future personnel within thirty (30) days after the person assumes such position or responsibilities. For any business entity resulting from a change in structure set forth in Section V of this order, delivery shall be within at least thirty (30) days after the change in structure.

V.

IT IS FURTHER ORDERED that respondent shall notify the Commission at least thirty (30) days prior to any change in the corporation that may affect compliance obligations arising under this order, including a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor entity; 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 business or corporate name or address. *Provided, however,* that, with respect to any proposed change in the corporation about which respondent learns less than thirty (30) days prior to the date such action is to take place, respondent shall notify the Commission as soon as is practicable after obtaining such knowledge. Unless otherwise directed by a representative of the Commission, all notices required by this Part shall be emailed to debrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to: Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The subject line must begin: In re Network Solutions, LLC, File No. 1323084.

VI.

IT IS FURTHER ORDERED that respondent, within sixty (60) days after the date of service of this order, shall file with the Commission a true and accurate report, in writing, setting forth in detail the manner and form of its own compliance with this order. Within ten (10) business days of receipt of written notice from an

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authorized representative of the Commission, respondent shall submit additional true and accurate written reports.

VII.

This order will terminate on May 28, 2035, or twenty (20) years from the most recent date that the United States or the Federal Trade Commission files a complaint (with or without an accompanying consent decree) in federal court alleging any violation of the order, whichever comes later; *provided, however*, that the filing of such a complaint will not affect the duration of:

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

Provided, further, that if such complaint is dismissed or a federal court rules that the 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 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 (“Commission”) has accepted, subject to final approval, an agreement containing a consent order from Network Solutions, LLC (“Network Solutions”). The Commission has placed the proposed Order on the public record for thirty days for receipt of comments by interested persons. Comments received during this period will become part of the public record. After thirty 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.

Network Solutions advertises and sells web hosting services. The company’s web hosting services allow customers to make webpages available on the internet by storing their webpage information, including programming code, images, and videos, on web servers owned or leased by Network Solutions, and by providing the technology and internet connectivity required to serve the webpages on the internet. Network Solutions has sold its web hosting services subject to a thirty-day money back guarantee. It has advertised that guarantee on its website.

The Commission’s proposed Complaint alleges that Network Solutions failed to disclose adequately that its web hosting thirty-day money back guarantee could be subject to a cancellation fee. This cancellation fee was sometimes a substantial portion of the purchase price. Network Solutions did not disclose the cancellation fee on its webpages advertising the guarantee. Instead, at the bottom of those webpages, Network Solutions included a hyperlink to “Terms and Conditions” for the guarantee. This link often appeared in smaller print than the rest of the webpage and sometimes also appeared in blue text against a black background. The link opened a pop-up window that disclosed the existence of the cancellation fee. The Commission’s proposed Complaint alleges that, coupled with the triggering representation that it offers a thirty-day money back guarantee, Network Solutions’ failure to disclose adequately the cancellation fee is a deceptive act or practice under Section 5 of the FTC Act.

Analysis to Aid Public Comment

The proposed Order contains provisions designed to prevent Network Solutions from engaging in the same or similar acts or practices in the future. Section I of the proposed Order requires Network Solutions to clearly and conspicuously disclose the material terms of any money back guarantees applicable to web hosting services, including the existence and amount of any fee applicable to money-back guarantees. It also requires Network Solutions to refund the full purchase price of web hosting sold under a money back guarantee, in response to a request that complies with the terms of that guarantee, unless any applicable fees are disclosed clearly and conspicuously. Section II of the proposed Order broadly prohibits misrepresentations with regard to refund or cancellation policies or any other material fact concerning the web hosting services that Network Solutions offers or sells. Sections III through VI of the proposed Order are standard reporting and compliance provisions that allow the Commission to better monitor Network Solutions' ongoing compliance with the Order. Under Section VII, the Order will expire in twenty years, with certain exceptions.

The purpose of this analysis is to aid public comment on the proposed Order. It is not intended to constitute an official interpretation of the Complaint or proposed Order, or to modify in any way the proposed Order's terms.

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IN THE MATTER OF

**FINANCE SELECT, INC. D/B/A FAST CASH
TITLE PAWN**CONSENT ORDER, ETC. IN REGARD TO ALLEGED VIOLATIONS OF
SEC. 5(A) OF THE FEDERAL TRADE COMMISSION ACT

*Docket No. C-4528; File No. 132 3262
Complaint, June 2, 2015 – Decision, June 2, 2015*

This consent order addresses allegations that Finance Select, Inc. (“Fast Cash”) failed to disclose important conditions and financing information about its title loans. The complaint alleges that Fast Cash advertised, both online and in print, zero percent interest rates for a 30-day car title loans without disclosing important loan conditions or the increased finance charge imposed after the 30-day introductory period ended. Specifically, Fast Cash failed to disclose that, unless a loan was paid in full in 30 days, the zero percent offer did not apply, and a borrower would have to pay a finance charge for the initial 30 days of the loan in addition to any finance charges incurred going forward. These high finance charges would add up quickly, with a consumer paying hundreds or thousands of dollars in fees or forfeiting the vehicle. Under the consent order, Fast Cash is barred from failing to disclose all the qualifying terms associated with obtaining a loan at its advertised rate and what the finance charge will be after an introductory period ends; and from misrepresenting any material terms of its loan agreements.

Participants

For the *Commission*: *Peter Lamberton and Helen Wong.*

For the *Respondent*: *James Kaminski, Hughes & Bentzen.*

COMPLAINT

The Federal Trade Commission, having reason to believe that Finance Select, Inc., a Georgia corporation (“Respondent”), has violated the provisions of the Federal Trade Commission Act (“FTC Act”), and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent Finance Select, Inc., is a Georgia corporation with its principal place of business at 432 Newnan Rd, Carrollton, GA, 30117. Respondent operates from five different locations in the state of Georgia and two locations in the state of Alabama.