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5 **IN THE UNITED STATES DISTRICT COURT**
6 **FOR THE NORTHERN DISTRICT OF IOWA**
7 **WESTERN DIVISION**

8 UNITED STATES OF AMERICA,

9 Plaintiff,

10 v.

11 AMERICAN POP CORN COMPANY,
a corporation,

12 Defendant.

Civil Action No. _____

13 CONSENT DECREE AND ORDER
FOR CIVIL PENALTIES,
14 INJUNCTIVE, AND OTHER RELIEF

15 WHEREAS plaintiff, the United States of America, has commenced this action by filing
16 the Complaint herein; defendant has waived service of the Summons and Complaint; the parties
17 have been represented by the attorneys whose names appear hereafter; and the parties have
18 agreed to settlement of this action upon the following terms and conditions, without
19 adjudication of any issue of fact or law and without defendant admitting liability for any of the
20 jurisdictional fact , are true;

21 THEREFORE, on the joint motion of plaintiff and defendant, it is hereby ORDERED,
22 ADJUDGED, and DECREEDTj Tfollows:

23 1.

24 2. The Complaint states a claim upon which relief m0y be granted against the
25 c) and 1306(d) of the Children’s Online Privacy Protection Act
26 of 1998 (“COPPA”), 15 U.S.C. §§ 6501-6506, 6502(c), and 6505(d), and Sections 5(a)(1),
27 “FTC Act”), 15 U.S.C. §§
28

1 41-58, 45(a)(1), 45(m)(1)(A), 53(b), and 56(a).

2 **DEFINITIONS**

3 3. For the purposes of this Consent Decree, the term “Rule” means the Federal
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1 notice (1) within the privacy policy required to be posted on its website(s) by Section 312.4(b)
2 of the Rule, 16 C.F.R. § 312.4(b); (2) within the direct notice required to be sent to parents by
3 Section 312.4(c) of the Rule, 16 C.F.R. § 312.4(c); and (3) at each location on its website(s)
4 where personal information is collected, which states as follows in bold typeface:

5 **NOTICE: Visit www.ftc.gov/kidzprivacy for information from the Federal**
6 **Trade Commission about protecting children’s privacy online.**

7 Where the above notice is posted on a website or delivered via email or other electronic service,
8 it shall be in the form of a hyperlink to [20](#)

1 Trade Commission compliance guide entitled *How to Comply with the Children's Online*
2 *Privacy Protection Rule* (Nov. 1999) ("compliance guide") (attached hereto as "Appendix B")
3 to each of its current principals, officers, directors, and managers, and to all current employees,
4 agents, and representatives having responsibilities related to the operation of any website or
5 online service subject to this Consent Decree, and secure from each such person a signed
6 statement acknowledging receipt of a copy of this Consent Decree and the compliance guide,
7 and shall, within ten (10) days of complying with this paragraph, submit to the Commission a
8 signed statement setting forth the fact and manner of defendant's compliance, including the
9 name and title of each person to whom a copy of the Consent Decree and compliance guide has
10 been provided. For the purposes of complying with this Paragraph, defendant shall be
11 permitted to redact the dollar amount of the civil penalty (set forth in Paragraph 10 above) from
12 the copy of the Consent Decree provided to any such person.

13 15. For a period of five (5) years from the date of entry of this Consent Decree,
14 defendant, and its successors and assigns, shall provide a copy of this Consent Decree and the
15 compliance guide to each of its future principals, officers, directors, and managers, and to all
16 future employees, agents, and representatives having responsibilities related to the operation of
17 any website or online service subject to this Consent Decree, and secure from each such person
18 a signed and dated statement acknowledging receipt of a copy of this Consent Decree and the
19 compliance guide, within thirty (30) days after the person assumes such position or
20 responsibilities. Defendant shall maintain copies of the signed statements, as well as other
21 information regarding the fact and manner of its compliance, including the name and title of
22 each person to whom a copy of the Consent Decree and compliance guide has been provided
23 and, upon request, shall make the statements and other information available to the Federal
24 Trade Commission. For the purposes of complying with this Paragraph, defendant shall be
25 permitted to redact the dollar amount of the civil penalty (set forth in Paragraph 10 above) from
26 the copy of the Consent Decree provided to any such person.

27 16. Within sixty (60) days after entry of this Consent Decree, and at such other times
28 as the Federal Trade Commission may require, defendant, and its successors and assigns, shall

1 file with the Commission a written report, setting forth in detail the manner and form in which
2 it has complied and is complying with this Consent Decree. This report shall include but not be
3 limited to:

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1 Consent Decree shall be sent by certified mail to:

2 Regional Director
3 Western Region-San Francisco
4 Federal Trade Commission
5 901 Market Street, Suite 570
6 San Francisco, CA 94103
7 Attention: United States v. American Pop Corn Company

8 **CONTINUING JURISDICTION**

9 21. This Court shall retain jurisdiction of this matter for the purposes of enabling
10 any of the parties to this Consent Decree to apply to the Court at any time for such further
11 orders or directives as may be necessary or appropriate for the interpretation or modification of
12 this Consent Decree, for the enforcement of compliance therewith, or for the punishment of
13 violations thereof.

14 JUDGMENT IS THEREFORE ENTERED in favor of plaintiff and against defendant,
15 pursuant to all the terms and conditions recited above.

16 Dated this _____ day of _____, 2002.

17
18 _____
19 UNITED STATES DISTRICT JUDGE

20 The parties, by their counsel, hereby consent to the terms and conditions of the Consent
21 Decree as set forth above and consent to the entry thereof. Defendant waives any rights that
22 may arise under the Equal Access to Justice Act, 28 U.S.C. § 2412, concerning the
23 investigation and prosecution of this action.

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FOR THE UNITED STATES OF AMERICA:
ROBERT D. MCCALLUM, JR.
Assistant Attorney General

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FOR THE FEDERAL TRADE COMMISSION:

By:

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FOR THE DEFENDANT:

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By:

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