



Office of the Secretary

UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

March 7, 2007

Mr. Eric Howes
Director of Malware Research
Sunbelt Software
33 N. Garden Avenue
Suite 1200
Clearwater, FL 33755

**Re: Zango, Inc., f/k/a 180solutions, Inc., Keith Smith, and Daniel Todd
FTC Matter No. 0523130**

Dear Mr. Howes:

Thank you for the comments you submitted on behalf of yourself and Ben Edelman, dated

The December 4, 2006 Additional Comments

You submitted your December 4 “additional comments” because “other disturbing Zango installations have come to light.” Specifically, the additional comment refers to a recent incident where a worm exploit caused a phishing attack on the MySpace.com website that directed users to a website containing pornographic videos – some of which required an installation of Zango adware to view.

Your additional comments recognize that consumers were provided proper notice and consent before Zango’s adware was installed, but contend that the proposed order is insufficient because the conduct of unrelated third parties – regardless of whether Zango had knowledge or control of the conduct – is not covered by the proposed order. Accordingly, your comments propose that the consent order should be revised to address any materially deceptive conduct that leads to a Zango installation.

As you have characterized it, the third-party conduct that ultimately led to the above-referenced installations is potentially unfair or deceptive. The proposed consent order with Zango, however, remedies the Commission’s allegations that Zango caused its software to be downloaded on consumers’ computers without adequate notice and consent and remedies Zango’s previous unfair uninstallation practices, which are the principal problems the staff identified in its investigation. Accordingly, the proposed order appropriately addresses the conduct the Commission challenged and fences in reasonably related conduct. It is not intended to cover every *potential* violation of Section 5 by Zango. The Commission retains the ability to bring a *de novo* Section 5 action, for example, if it determines that Zango is engaging or participating with its distributors in conduct that deceives consumers into downloading Zango’s software notwithstanding the notice and consent required by this Order.

After considering your comments, the Commission has determined that the public interest would best be served by issuing the Decision and Order in final form without modification. Respondents will be required to file compliance reports with the Commission, and will be subject to potentially large civil penalties if they violate the Order.

Thank you again for your comments. The Commission is aided in its analysis by hearing from a variety of sources in its work, and we appreciate your interest in this matter.

By direction of the Commission.

Donald S. Clark
Secretary