

**UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION**

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<i>Life is good</i> )	<b>AGREEMENT CONTAINING</b>
<b>LIFE IS GOOD, INC.,</b> )	<b>CONSENT ORDER</b>
<b>a corporation,</b> )	
<b>and</b> )	<b>FILE NO: 072 3046</b>
<b>LIFE IS GOOD RETAIL, INC.,</b> )	
<b>a corporation.</b> )	

The Federal Trade Commission has conducted an investigation of certain acts and practices of Life is good, Inc. and its wholly-owned subsidiary, Life is good Retail, Inc. (“proposed respondents”). Proposed respondents, having been represented by counsel, are willing to enter into an agreement containing a consent order resolving the allegations contained in the attached draft complaint. Therefore,

**IT IS HEREBY AGREED** by and between Life is good, Inc., Life is good Retail, Inc., and counsel for the Federal Trade Commission that:

1. Proposed respondent Life is good, Inc., is a Massachusetts corporation with its principal office or place of business at 283-285 Newbury Street, Boston, Massachusetts 02115.
2. Proposed respondent Life is good Retail, Inc., is a Delaware corporation with its principal office or place of business at 283-285 Newbury Street, Boston, Massachusetts 02115. Life is good Retail, Inc., is a wholly-owned subsidiary of Life is good, Inc.
3. Proposed respondents admit all the jurisdictional facts set forth in the draft complaint.
4. Proposed respondents waive:
  - A. any further procedural steps;
  - B. the requirement that the Commission’s decision contain a statement of findings of fact and conclusions of law; and

- C. all rights to seek judicial review or otherwise to challenge or contest the validity of the order entered pursuant to this agreement.
5. This agreement shall not become part of the public record of the proceeding unless and until it is accepted by the Commission. If this agreement is accepted by the Commission, it, together with the draft complaint, will be placed on the public record for a period of thirty (30) days and information about it publicly released. The Commission thereafter may either withdraw its acceptance of this agreement and so notify proposed respondents, in which event it will take such action as it may consider appropriate, or issue and serve its complaint (in such form as the circumstances may require) and decision in disposition of the proceeding.

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 that reveals an individual’s email address; (d) a telephone number; (e) a Social Security number; (f) credit or debit card information, including card number, expiration date, and security code; (g) 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 (h) any information that is combined with any of (a) through (g) above.
2. Unless otherwise specified, “respondents” shall mean Life is good, Inc., Life is good Retail, Inc., and their successors and assigns, officers, agents, representatives, subsidiaries, affiliates, and employees.
3. “Commerce” shall mean as defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. § 44.

I.

**IT IS ORDERED** that respondents, directly or through any corporation, subsidiary, division, or other device, in connection with the collection of personally identifiable information from or about consumers, 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, directly or through any corporation, subsidiary, division, 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, 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

- 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 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, requiring service providers by contract to implement and maintain appropriate safeguards, and monitoring their safeguarding of personal information; and

- 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

order, for the compliance period covered by such Assessment. Respondent shall provide such documents to the Associate Director of Enforcement within ten (10) days of request.

V.

**IT IS FURTHER ORDERED** that respondents 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. 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 and their successors and assigns 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 and their successors and assigns shall, within one hundred and 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 twenty (20) years from the date of its issuance, 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:



Signed this \_\_\_\_\_ day of November, 2007.

LIFE IS GOOD, INC.  
LIFE IS GOOD RETAIL, INC.

By: \_\_\_\_\_  
ALBERT JACOBS  
President

By: \_\_\_\_\_  
JOHN BANSE  
General Counsel

FEDERAL TRADE COMMISSION

By: \_\_\_\_\_  
LAURA BERGER  
KRISTIN KRAUSE COHEN  
Counsel for the Federal Trade Commission

APPROVED:

\_\_\_\_\_  
JOEL WINSTON  
Associate Director  
Division of Privacy and Identity Protection

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LYDIA B. PARNES  
Director  
Bureau of Consumer Protection