

UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION

<i>In the Matter of</i> TRUE ULTIMATE STANDARDS EVERYWHERE, INC., a corporation, d/b/a TRUSTe, Inc.)))))))))	AGREEMENT CONTAINING CONSENT ORDER DOCKET NO.
---	---	---

The Federal Trade Commission (“Commission”) has conducted an investigation of certain acts and practices of True Ultimate Standards Everywhere, Inc., a corporation d/b/a TRUSTe, Inc. (“TRUSTe” or “proposed Respondent”). Proposed Respondent, having been represented by counsel, is 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 True Ultimate Standards Everywhere, Inc., and counsel for the Federal Trade Commission that:

1. Proposed Respondent True Ultimate Standards Everywhere, Inc., also doing business as TRUSTe, Inc., is a privately-owned, Delaware corporation with its principal office or place of business at 835 Market Street, Suite 800, San Francisco, California 94103.
2. Proposed Respondent admits all the jurisdictional facts set forth in the draft complaint.
3. Proposed Respondent waives:
 - A. Any further procedural steps;
 - B. T

its complaint (in such form as the circumstances may require) and decision in disposition of the proceeding.

5. This agreement is for settlement purposes only and does not constitute an admission by proposed Respondent that the law has been violated as alleged in the draft complaint, or that the facts as alleged in the draft complaint, other than the jurisdictional facts, are true.
6. This agreement contemplates that, if it is accepted by the Commission, and if such acceptance is not subsequently withdrawn by the Commission pursuant to the provisions of Section 2.34 of the Commission's Rules, the Commission may, without further notice to proposed Respondent, (1) issue its complaint corresponding in form and substance with the attached draft complaint and its decision containing the following order in disposition of the proceeding, and (2) make information about it public. When so entered, the order shall have the same force and effect and may be altered, modified, or set aside in the same manner and within the same time provided by statute for other orders. The order shall become final upon service. Delivery of the complaint and the decision and order to proposed Respondent's addresses as stated in this agreement by any means specified in Section 4.4(a) of the Commission's Rules shall constitute service. Proposed Respondent waives any right it may have to any other manner of service. The complaint may be used in construing the terms of the order. No agreement, understanding, representation, or interpretation not contained in the order or the agreement shall be used to interpret or modify the order or the decision.

- C. A detailed explanation of the mechanisms used by Respondent to assess the continuing fitness of an existing participant in any COPPA safe harbor program for membership in the program; and
- D. Any additional steps Respondent undertook to comply with the requirements of 16 C.F.R. § 312.

Unless otherwise directed by a representative of the Commission, all statements required by this Part shall be sent by overnight courier (not the U.S. Postal Service) to the Associate Director of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, D.C. 20580, with the subject line *In the Matter of TRUSTe, Inc.*, FTC File No. 1323219. *Provided, however*, that in lieu of overnight courier, notices may be sent by first-class mail, but only if an electronic version of any such notice is contemporaneously sent to the Commission at Debrief@ftc.gov.

IV.

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 ten (10) years from the date of preparation:

- A. A detailed explanation of assessments Respondent conducted during the preceding reporting period to determine the fitness of new applicants to any COPPA safe harbor program for membership in the program;
- B. A detailed explanation, including the frequency, of assessments Respondent conducted during the preceding reporting period to determine the continuing fitness of an existing participant in any COPPA safe harbor program for membership in the program;
- C. Any documents related to consumer complaints, received in the preceding reporting period, alleging violations of any COPPA safe harbor program by Respondent or by participants in any COPPA safe harbor program;
- D. Any documents related to records of disciplinary actions taken in the preceding reporting period against participants in any COPPA safe harbor program; and
- E. Any documents related to approvals of COPPA safe harbor program participants' use of verifiable parental consent mechanism under 16 C.F.R. § 312.11(d)(1).

V.

IT IS FURTHER ORDERED that within five (5) days of the date of service of this order, Respondent shall pay \$200,000 to the United States Treasury as disgorgement, as follows:

VIII.

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, 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. Unless otherwise directed by a representative of the Commission, all notices required by this Part shall be sent by overnight courier (not the U.S. Postal Service) to the Associate Director of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, D.C. 20580, with the subject line *In the matter of True Ultimate Standards Everywhere, Inc.*, FTC File No. 1323219. *Provided, however,* that in lieu of overnight courier, notices may be sent by first-class mail, but only if an electronic version of any such notice is contemporaneously sent to the Commission at Debrief@ftc.gov.

IX.

IT IS FURTHER ORDERED that Respondent, within one hundred twenty (120) 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 compliance with this order. Within ten (10) days of receipt of written notice from a representative of the Commission, it shall submit an additional true and accurate written report.

X.

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:

- 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
- C. This order if such complaint is filed after the order has terminated pursuant to this Part.

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.

Signed this _____ day of _____, 2014.

**True Ultimate Standards Everywhere, Inc.
d/b/a TRUSTe, Inc.**

Dated: _____

By: _____
CHRIS BABEL, Chief Executive Officer
TRUSTe, Inc.

Dated: _____

By: _____
D. REED FREEMAN JR., Esq.
Morrison & Foerster, LLP
2000 Pennsylvania Ave., N.W., Suite 6000
Washington, DC 20006
Attorney for Respondent

FEDERAL TRADE COMMISSION

Dated: _____

By: _____
JAMIE E. HINE
Counsel for the Federal Trade Commission

By: _____
JESSICA LYON
Counsel for the Federal Trade Commission

APPROVED:

CHRISTOPHER OLSEN
Assistant Director
Division of Privacy and Identity Protection

MANEESHA MITHAL
Associate Director
Division of Privacy and Identity Protection

JESSICA L. RICH
Director
Bureau of Consumer Protection