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UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION

COMMISSIONERS: **Deborah Platt Majoras, Chairman**
Pamela Jones Harbour
Jon Leibowitz
William E. Kovacic
J. Thomas Rosch

In the Matter of	)	
	)	
DIRECTREVENUE LLC,	)	
a limited liability company,	)	
	)	
DIRECTREVENUE HOLDINGS LLC,	)	
a limited liability company,	)	
	)	
JOSHUA ABRAM,	)	
individually and	)	
as an officer and owner of the companies,	)	
	)	**DOCKET NO. C-**
DANIEL KAUFMAN,	)	
individually and	)	
as an officer and owner of the companies,	)	
	)	
ALAN MURRAY,	)	
individually and	)	
as an officer and owner of the companies, and	)	
	)	
RODNEY HOOK,	)	
individually and	)	
as an officer and owner of the companies.	)	
	)	

COMPLAINT

The Federal Trade Commission, having reason to believe that DirectRevenue LLC, a limited liability company, DirectRevenue Holdings LLC, a limited liability company, and Joshua Abram, Daniel Kaufman, Alan Murray, and Rodney Hook, individually and as officers and

owners of the companies ("respondents"), have 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 DirectRevenue LLC, is a Delaware limited liability company with its principal office or place of business at 107 Grand Street, New York, New York 10013.

2. Respondent DirectRevenue Holdings LLC, is a Delaware limited liability company with its principal office or place of business at 107 Grand Street, New York, New York 10013. DirectRevenue Holdings LLC is the 100% owner of DirectRevenue LLC.

3. Respondent Joshua Abram is an officer and owner of the corporate respondents. Individually or in concert with others, he formulates, directs, controls, or participates in the policies, acts, or practices of the companies, including the acts or practices alleged in this complaint.

4. Respondent Daniel Kaufman is an officer and owner of the corporate respondents. Individually or in concert with others, he formulates, directs, controls, or participates in the policies, acts, or practices of the companies, including the acts or practices alleged in this complaint.

5. Respondent Alan Murray is an officer and owner of the corporate respondents. Individually or in concert with others, he formulates, directs, controls, or participates in the policies, acts, or practices of the companies, including the acts or practices alleged in this complaint.

6. Respondent Rodney Hook is an officer and owner of the corporate respondents. Individually or in concert with others, he formulates, directs, controls, or participates in the policies, acts, or practices of the companies, including the acts or practices alleged in this complaint.

7. The acts and practices of respondents alleged in this complaint have been in or affecting commerce, as "commerce" is defined in Section 4 of the Federal Trade Commission Act.

8. Respondents have developed advertising software programs ("adware") that are or were distributed to consumers' computers under several names including Aurora, Ceres, A Better Internet, OfferOptomizer, Twaintec, and Best Offers.

9. When downloaded to and installed on consumers' computers, respondents' adware tracks and stores information regarding consumers' Internet use and displays pop-up, pop-under, and other forms of advertisements on consumers' computers based on such Internet use.

10. Respondents distribute their adware directly to consumers over the Internet on websites they own or control. Respondents also distribute their adware over the Internet through a network of third parties, known as affiliates. Respondents know or have known that their affiliates, in turn, retained a myriad of third party sub-affiliates to install respondents' adware on consumers' computers.

11. In numerous instances, respondents, either directly or through their affiliates and sub-affiliates, have distributed their adware to consumers over the Internet by causing it to be bundled with other free or paid software programs, including games, screen-savers, and various computer utility programs (hereinafter "lureware").

12. Often, the web pages offering the lureware did not disclose that, by installing the lureware, respondents' adware would also be installed on consumers' computers. In many instances, the only way for consumers to learn about the existence and effects of respondents' adware was to click through one or more hyperlinks to reach multi-page user agreements containing such information. These inconspicuous hyperlinks were located in a corner of the home pages offering the lureware and or in a modal box provided by the computer's operating system. Consumers were not required to click on any such hyperlink, or otherwise view the user agreement, in order to install the programs. Examples of this tactic include, but are not limited to, the following:

a. Bundling adware, without adequate notice, with lureware distributed directly to consumers over respondents' websites such as www.mypanicbutton.com (program purporting to enable consumers to mask their computer activity with a mouse click or a keystroke); www.abetterinternet.com (offering a program known as Atomic Clock that purports to synchronize consumers' computers with the U.S. Government Atomic Clock); www.stop-popup-ads-now.com (program purporting to "GET RID OF POPUP ADS NOW! FREE!"); and www.freephone.cc (program purporting to allow consumers to "talk for FREE" worldwide without receiving "annoying ads or pop-ups"). *See* Exhibits A-D.

b. Bundling adware, without adequate notice, with their own lureware distributed to consumers via an Active-X box entitled "Security Warning," which appears on third-party web sites such as www.iowrestling.com. *See* Exhibit E.

c. Bundling adware, without adequate notice, with lureware distributed to consumers by affiliates and sub-affiliates over the Internet, such as through affiliate-operated websites including www.kazanon.com (offering a purported file-share anonymizer) and www.fasterxp.com (promoting, as "100% spyware free," a program to block pop-ups and improve computer performance). *See* Exhibits F, G.

These installations forced consumers to receive numerous unwanted pop-up and other advertisements and usurped computer memory and other resources.

13. In numerous instances, respondents, through affiliates and sub-affiliates acting on behalf of and for the benefit of respondents, installed respondents' adware on consumers' computers entirely without notice or authorization. These installations forced consumers to receive numerous unwanted pop-up and other advertisements and usurped computer memory and other resources. For example, respondents' affiliate Standard Internet, through its sub-affiliate Seismic Entertainment Productions, Inc., installed respondents' adware through an executable file that exploited a vulnerability in Windows Media Player when consumers visited certain web sites. In addition to serving a substantial number of unwanted ads and usurping computer memory, this exploit caused serious failures to consumers' Windows Media Player application.

14. Respondents did not employ reasonable, appropriate measures to ensure that their affiliates and sub-affiliates obtained consumers' consent to install respondents' adware even after it should have been apparent that there was widespread failure among affiliates to obtain consumers' consent to installation. Respondents also failed to promptly discontinue relationships with those affiliates and sub-affiliates whom respondents learned had installed such adware without first obtaining consumers' consent.

15. Respondents made identifying, locating, and removing their adware extremely difficult for consumers by, in numerous instances, among other practices:

a. Failing to identify adequately the name or source of the adware in pop-up ads or other ads so as to enable consumers to locate the adware on their computers;

b. Storing the adware files in locations on consumers' hard drives that are rarely accessed by consumers, such as in the Windows operating systems folder that principally contains core systems software;

c. Writing the adware code in a manner ensuring that it will *not* be listed in the Windows Add/Remove utility in conjunction with the software with which it was originally bundled at installation;

d. Failing to list the adware in the Windows Add/Remove utility, which is a customary location for user-initiated uninstall of software programs;

e. Where the adware was listed in the Windows Add/Remove utility, listing it under names resembling core systems software or applications;

f. Contractually requiring that affiliates write their software code in a manner ensuring that it does *not* uninstall respondents' adware when consumers uninstall the software with which it was bundled at installation;

g. Installing technology on consumers' computers to reinstall the adware where it has been uninstalled by consumers through the Windows Add/Remove utility or deleted by consumers' anti-spyware or anti-adware programs; and/or

h. Where respondents provided an uninstall tool at separate web sites including www.mypctuneup.com and www.bestoffersnetwork.com\uninstall, requiring consumers to follow a ten-step procedure, including downloading additional software and deactivating all third-party firewalls, thereby exposing consumers' computers to security risks.

FTC ACT VIOLATIONS

Deceptive Failure to Disclose Adware

16. As described in Paragraphs 11 and 12, respondents, directly and through affiliates and sub-affiliates acting on behalf of and for the benefit of respondents, represented to consumers, expressly or by implication, that they would receive software programs either at no cost, or at the advertised cost. Respondents failed to disclose, or failed to disclose adequately, that such software is bundled with respondents' adware, which tracks and stores information regarding consumers' Internet use and displays pop-up and other forms of advertisements on consumers' computers based on such use. The installation of such adware would be material to consumers in their decision whether to install software offered by respondents or their affiliates or sub-affiliates. The failure to disclose or adequately disclose this fact, in light of the representations made, was, and is, a deceptive act or practice.

Unfair Installation of Adware

17. As described in Paragraph 13, respondents, through affiliates and sub-affiliates acting on behalf of and for the benefit of respondents, installed respondents' adware on consumers' computers entirely without notice or authorization. These practices caused consumers to receive unwanted pop-up and other advertisements and usurped their computers' memory and other resources. Consumers could not reasonably avoid this injury because respondents, through their affiliates and sub-affiliates, installed the adware on consumers' computers without their knowledge or authorization. Thus, respondents' practices have caused, or are likely to cause, substantial injury to consumers that is not reasonably avoidable by consumers themselves and not outweighed by benefits to consumers or competition. These acts and practices were, and are, unfair.

Unfair Uninstall Practices

18. As described in Paragraph 15, respondents failed to provide consumers with a reasonable and effective means to identify, locate, and remove respondents' adware from their computers. Consumers thus have had to spend substantial time and/or money to locate and remove this

adware from their computers. Consumers also were forced to disable various security software to uninstall respondents' adware, thereby exposing these computers to unnecessary security risks. Respondents' failure to provide a reasonable means to locate and remove their adware has caused, or is likely to cause, substantial injury to consumers that is not reasonably avoidable by consumers themselves and not outweighed by benefits to consumers or competition. These acts and practices were, and are, unfair.

19. The acts and practices 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 day of , 2007, has issued this complaint against respondents.

By the Commission.

Donald S. Clark
Secretary