



UNITED STATES OF AMERICA  
Federal Trade Commission  
WASHINGTON, D.C. 20580

Office of the Secretary

September 6, 2018

Kristen Cole  
State of Texas

*Re: In the Matter of BLU Products, Inc. and Samuel Ohev-Zion, File No. 1723025*

Dear Ms. Cole:

Thank you for your comment regarding the Federal Trade Commission’s proposed consent agreement in the above-entitled proceeding involving BLU Products, Inc. (“BLU”) and Samuel Ohev-Zion (collectively “Respondents”). Your comment expresses concern about the privacy of personal information on your BLU devices.

The Commission is committed to protecting consumer privacy and believes the proposed order offers substantial protections to users of BLU devices. In part, the complaint in this matter alleges that software on BLU devices transmitted personal information about consumers to its service provider, based in China, without consumers’ knowledge and consent, despite promises by Respondents that they would keep such information secure and private. This personal information included, among other things, the full contents of text messages, real-time location information, call and text message logs, and contact lists. According to the complaint, the software was able to collect consumers’ sensitive personal information due to Respondents’ failure to implement appropriate security procedures to oversee the security practices of their service providers.

The proposed order protects consumers’ online privacy and security by prohibiting Respondents from misrepresenting the extent to which they protect the privacy and security of personal information. In addition, the proposed order prohibits Respondents from collecting or disclosing *any* covered information<sup>1</sup> from consumers unless Respondents first obtain consumers’ affirmative express consent. Further, BLU must establish a comprehensive security program that addresses security risks associated with new and existing mobile devices and protects consumers’ personal information. In addition, BLU will be subject to third-party assessments of its security program every two years for twenty years. For additional information about the FTC’s settlement, including suggestions on how to evaluate the privacy and security features of a mobile device, please visit the Commission’s consumer blog at:  
<https://www.consumer.ftc.gov/blog/2018/04/mobile-phone-maker-misled-people-privacy-security>.

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<sup>1</sup> The proposed order defines “covered information” to include geolocation information and the content of text messages, audio conversations, photographs, or video communications.

We believe these provisions ensure that consumers' privacy and security are protected going forward. If Respondents violate the Commission's final order, they would be liable for civil penalties, pursuant to Section 5(l) of the FTC Act, 15 U.S.C. § 45(l). As is the case with all Commission orders, Commission staff will closely monitor Respondents' conduct to determine whether any violations occur.

The Commission has placed your comment on the public record pursuant to rule 4.9(b)(6)(ii) of the Commission's Rules of Practice, 16 C.F.R. §4.9(b)(6)(ii). Having considered all the facts of this case and all of the comments submitted in response to the proposed order, the Commission has now determined that the public interest would best be served by issuing the Decision and Order in final form without any modifications. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>. The Commission thanks you again for your comment.

By direction of the Commission.

Donald S. Clark  
Secretary



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September 6, 2018

Deanne Garrett  
State of Texas

*Re: In the Matter of BLU Products, Inc. and Samuel Ohev-Zion, File No. 1723025*

Dear Ms. Garrett:

Thank you for your comment regarding the Federal Trade Commission's proposed consent agreement in the above-entitled proceeding involving BLU Products, Inc. ("BLU") and Samuel Ohev-Zion (collectively "Respondents"). Your comment indicates that you purchased a BLU device through EBay and could not get service on your BLU device.

The Commission's complaint and proposed settlement with Respondents is about the privacy and security of BLU devices and does not reach issues related to the quality of your BLU device or its service. In part, the complaint in this matter alleges that software on BLU devices transmitted personal information about consumers to its service provider, based in China, without consumers' knowledge and consent, despite promises by Respondents that they would keep such information secure and private. This personal information included, among other things, the full contents of text messages, real-time location information, call and text message logs, and contact lists. The complaint further alleges that the software was able to collect consumers' sensitive personal information due to Respondents' failure to implement appropriate security procedures to oversee the security practices of their service providers.

The proposed order protects consumers' online privacy and security by prohibiting Respondents from misrepresenting the extent to which they protect the privacy and security of personal information. In addition, the proposed order prohibits Respondents from collecting or disclosing *any* covered information<sup>1</sup> from consumers unless Respondents first obtain consumers' affirmative express consent. Further, BLU must establish a comprehensive security program that addresses security risks associated with new and existing mobile devices and protects consumers' personal information. In addition, BLU will be subject to third-party assessments of its security program every two years for twenty years. For additional information about the FTC's settlement, including suggestions on how to evaluate the privacy and security features of a mobile device, please visit the Commission's consumer blog at:  
<https://www.consumer.ftc.gov/blog/2018/04/mobile-phone-maker-misled-people-privacy-security>.

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In response to your comment, we have filed your complaint in the Commission's secure online complaint database. This database enables law enforcement agencies to identify questionable business practices that may lead to investigations, to evaluate the need for consumer education, and to make policy recommendations. Your letter has been added to our database for that purpose. Further, you may contact BLU customer support regarding the service of your BLU device at 877-602-8762.

The Commission has placed your comment on the public record pursuant to rule 4.9(b)(6)(ii) of the Commission's Rules of Practice, 16 C.F.R. §4.9(b)(6)(ii). Having considered all the facts of this case and all of the comments submitted in response to the proposed order, the Commission has now determined that the public interest would best be served by issuing the Decision and Order in final form without any modifications. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>. The Commission thanks you again for your comment.

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September 6, 2018

Craig Hansen  
State of California

*Re: In the Matter of BLU Products, Inc. and Samuel Ohev-Zion, File No. 1723025*

Dear Mr. Hansen:

Thank you for your comment regarding the Federal Trade Commission’s proposed consent agreement in the above-entitled proceeding involving BLU Products, Inc. (“BLU”) and Samuel Ohev-Zion (collectively “Respondents”). Your comment expresses concern about the sufficiency of relief under the proposed order, including whether consumers should receive compensation and whether BLU should have been required to remove software from its devices that resulted in the transmission of consumers’ personal information without their knowledge and consent.

The Commission is committed to protecting consumer privacy and believes the proposed order offers substantial protections to users of BLU devices. In part, the complaint in this matter alleges that software on BLU devices transmitted personal information about consumers to its service provider, based in China, without consumers’ knowledge and consent, despite promises by Respondents that they would keep such information secure and private. This personal information included, among other things, the full contents of text messages, real-time location information, call and text message logs, and contact lists. The complaint further alleges that the software was able to collect consumers’ sensitive personal information due to Respondents’ failure to implement appropriate security procedures to oversee the security practices of their service providers.

The Commission also recognizes the importance of obtaining relief that sufficiently addresses the conduct alleged in the complaint. While the proposed order does not include consumer restitution, it does contain relief that ensures that Respondents will take reasonable steps to ensure the privacy and security of consumers’ devices and the personal information on those devices. For example, the proposed order prohibits Respondents from misrepresenting the extent to which they protect the privacy and security of personal information. It also prohibits Respondents from collecting or disclosing *any* covered information<sup>1</sup> from consumers unless Respondents first obtain consumers’ affirmative express consent. Further, BLU must establish a comprehensive security program that addresses security risks associated with new and existing

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<sup>1</sup> The proposed order defines “covered information” to include geolocation information and the content of text messages, audio conversations, photographs, or video communications.

mobile devices and protects consumers' personal information. In addition, BLU will be subject to third-party assessments of its security program every two years for twenty years. For additional information about the FTC's settlement, including suggestions on how to evaluate the privacy and security features of a mobile device, please visit the Commission's consumer blog at: <https://www.consumer.ftc.gov/blog/2018/04/mobile-phone-maker-misled-people-privacy-security>.

We believe these provisions ensure that consumers' privacy and security are protected going forward and are sufficient to resolve this matter. In terms of your concern about the protection of BLU phones going forward, as the complaint notes, BLU has stated that it did update the software on its phones to cease collection of text messages, call logs, and contacts. If BLU's representations to this effect are untrue or if BLU otherwise violates this order, the Commission can seek civil penalties in the amount of \$41,484 per violation, while the order is in effect. *See* Section 5(l) of the FTC Act, 15 U.S.C. § 45(l). As is the case with all Commission orders, Commission staff will closely monitor Respondents' conduct to determine whether any violations occur.

The Commission has placed your comment on the public record pursuant to rule 4.9(b)(6)(ii) of the Commission's Rules of Practice, 16 C.F.R. §4.9(b)(6)(ii). Having considered all the facts of this case and all of the comments submitted in response to the proposed order, the Commission has now determined that the public interest would best be served by issuing the Decision and Order in final form without any modifications. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>. The Commission thanks you again for your comment.

By direction of the Commission.

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September 6, 2018

M Martin  
State of Arkansas

*Re: In the Matter of BLU Products, Inc. and Samuel Ohev-Zion, File No. 1723025*

Thank you for your comment regarding the Federal Trade Commission's proposed consent agreement in the above-entitled proceeding involving BLU Products, Inc. ("BLU") and Samuel Ohev-Zion (collectively "Respondents"). Your comment expresses concern about your privacy.

The Commission is committed to protecting consumer privacy and believes the proposed order offers substantial protections to users of BLU devices. In part, the complaint in this matter alleges that software on BLU devices transmitted personal information about consumers to its service provider, based in China, without consumers' knowledge and consent, despite promises by Respondents that they would keep such information secure and private. This personal information included, among other things, the full contents of text messages, real-time location information, call and text message logs, and contact lists. According to the complaint, the software was able to collect consumers' sensitive personal information due to Respondents' failure to implement appropriate security procedures to oversee the security practices of their service providers.

The proposed order protects consumers' online privacy and security by prohibiting Respondents from misrepresenting the extent to which they protect the privacy and security of personal information. In addition, the proposed order prohibits Respondents from collecting or disclosing *any* covered information<sup>1</sup> from consumers unless Respondents first obtain consumers' affirmative express consent. Further, BLU must establish a comprehensive security program that addresses security risks associated with new and existing mobile devices and protects consumers' personal information. In addition, BLU will be subject to third-party assessments of its security program every two years for twenty years. For additional information about the FTC's settlement, including tips on how to evaluate the privacy and security features of a mobile device, please visit the Commission's consumer blog at:

<https://www.consumer.ftc.gov/blog/2018/04/mobile-phone-maker-misled-people-privacy-security>.

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We believe these provisions ensure that consumers' privacy and security are protected going forward. If Respondents violate the Commission's final order, they would be liable for civil penalties, pursuant to Section 5(l) of the FTC Act, 15 U.S.C. § 45(l). As is the case with all Commission orders, Commission staff will closely monitor Respondents' conduct to determine whether any violations occur.

The Commission has placed your comment on the public record pursuant to rule 4.9(b)(6)(ii) of the Commission's Rules of Practice, 16 C.F.R. §4.9(b)(6)(ii). Having considered all the facts of this case and all of the comments submitted in response to the proposed order, the Commission has now determined that the public interest would best be served by issuing the Decision and Order in final form without any modifications. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>. The Commission thanks you again for your comment.

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September 6, 2018

Audrey McIver  
State of Florida

*Re: In the Matter of BLU Products, Inc. and Samuel Ohev-Zion, File No. 1723025*

Dear Ms. McIver:

Thank you for your comment regarding the Federal Trade Commission’s proposed consent agreement in the above-entitled proceeding involving BLU Products, Inc. (“BLU”) and Samuel Ohev-Zion (collectively “Respondents”). Your comment expresses concern about the privacy and security of personal information on your mobile device.

The Commission is committed to protecting consumer privacy and believes the proposed order offers substantial protections to users of BLU devices. In part, the complaint in this matter alleges that software on BLU devices transmitted personal information about consumers to its service provider, based in China, without consumers’ knowledge and consent, despite promises by Respondents that they would keep such information secure and private. This personal information included, among other things, the full contents of text messages, real-time location information, call and text message logs, and contact lists. According to the complaint, the software was able to collect consumers’ sensitive personal information due to Respondents’ failure to implement appropriate security procedures to oversee the security practices of their service providers.

The proposed order protects consumers’ online privacy and security by prohibiting Respondents from misrepresenting the extent to which they protect the privacy and security of personal information. In addition, the proposed order prohibits Respondents from collecting or disclosing *any* covered information<sup>1</sup> from consumers unless Respondents first obtain consumers’ affirmative express consent. Further, BLU must establish a comprehensive security program that addresses security risks associated with new and existing mobile devices and protects consumers’ personal information. In addition, BLU will be subject to third-party assessments of its security program every two years for twenty years. For additional information about the FTC’s settlement, including suggestions on how to evaluate the privacy and security features of a mobile device, please visit the Commission’s consumer blog at:  
<https://www.consumer.ftc.gov/blog/2018/04/mobile-phone-maker-misled-people-privacy-security>.

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<sup>1</sup> The proposed order defines “covered information” to include geolocation information and the content of text messages, audio conversations, photographs, or video communications.

We believe these provisions ensure that consumers' privacy and security are protected going forward. If Respondents violate the Commission's final order, they would be liable for civil penalties, pursuant to Section 5(l) of the FTC Act, 15 U.S.C. § 45(l). As is the case with all Commission orders, Commission staff will closely monitor Respondents' conduct to determine whether any violations occur.

The Commission has placed your comment on the public record pursuant to rule 4.9(b)(6)(ii) of the Commission's Rules of Practice, 16 C.F.R. §4.9(b)(6)(ii). Having considered all the facts of this case and all of the comments submitted in response to the proposed order, the Commission has now determined that the public interest would best be served by issuing the Decision and Order in final form without any modifications. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>. The Commission thanks you again for your comment.

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Secretary



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WASHINGTON, D.C. 20580

Office of the Secretary

September 6, 2018

Stephen  
State of North Carolina

*Re: In the Matter of BLU Products, Inc. and Samuel Ohev-Zion, File No. 1723025*

Thank you for your comment regarding the Federal Trade Commission's proposed consent agreement in the above-entitled proceeding involving BLU Products, Inc. ("BLU") and Samuel Ohev-Zion (collectively "Respondents"). Your comment expresses concern about the privacy and security of personal information and the sufficiency of relief granted under the proposed consent agreement. Specifically, you suggest that BLU should be subject to yearly assessments of its data security program over a ten-year period.

The Commission is committed to protecting consumer privacy and believes the proposed order offers substantial protections to users of BLU devices. In part, the complaint in this matter alleges that software on BLU devices transmitted personal information about consumers to its service provider, based in China, without consumers' knowledge and consent, despite promises by Respondents that they would keep such information secure and private. This personal information included, among other things, the full contents of text messages, real-time location information, call and text message logs, and contact lists. According to the complaint, the software was able to collect consumers' sensitive personal information due to Respondents' failure to implement appropriate security procedures to oversee the security practices of their service providers.

The proposed order contains strong relief that sufficiently addresses the conduct alleged in the complaint. Specifically, under the proposed order, BLU must establish a comprehensive security program that addresses security risks associated with new and existing mobile devices and protects consumers' personal information. In addition, BLU will be subject to third-party assessments of its security program every two years for twenty years. The Commission believes the duration of the proposed order and the frequency of the data security assessments will protect consumers now and well into the future. The proposed order further protects consumers by prohibiting Respondents from misrepresenting the extent to which they protect the privacy and security of personal information. The proposed order also prohibits Respondents from collecting or disclosing *any* covered information<sup>1</sup> from consumers unless Respondents first obtain consumers' affirmative express consent. For additional information about the FTC's settlement, including suggestions on how to evaluate the privacy and security features of a mobile device,

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please visit the Commission's consumer blog at:

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We believe these provisions ensure that consumers' privacy and security are protected going forward. If Respondents violate the Commission's final order, they would be liable for civil penalties, pursuant to Section 5(l) of the FTC Act, 15 U.S.C. § 45(l). As is the case with all Commission orders, Commission staff will closely monitor Respondents' conduct to determine whether any violations occur.

The Commission has placed your comment on the public record pursuant to rule 4.9(b)(6)(ii) of the Commission's Rules of Practice, 16 C.F.R. §4.9(b)(6)(ii). Having considered all the facts of this case and all of the comments submitted in response to the proposed order, the Commission has now determined that the public interest would best be served by issuing the Decision and Order in final form without any modifications. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>. The Commission thanks you again for your comment.

By direction of the Commission.

Donald S. Clark  
Secretary