

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



Bureau of Consumer Protection  
Division of Advertising Practices

August 19, 2010

Mr. George Searle, CEO  
Lime Wire LLC  
45 Howard St.  
New York, NY 10013

Re: Lime Wire LLC, FTC File No. 082-3046

Dear Mr. Searle:

The staff of the Federal Trade Commission has conducted an investigation of the LimeWire file-sharing application that put consumers' personal information in peril. As you know, users of some versions of LimeWire risk inadvertently sharing sensitive information stored on their computers. Consumers should not have to worry that one small mistake in configuring a software program such as LimeWire might expose their tax returns, credit reports, and college loan applications to millions of people. Identity thieves have used LimeWire to retrieve this information and injure consumers.<sup>1</sup> Ongoing research shows consumers continue to inadvertently share sensitive documents via peer-to-peer software, either through LimeWire or similar software applications.<sup>2</sup> It is imperative that distributors of such software act more responsibly and provide safeguards against inadvertent sharing.

During our investigation, we inquired whether Lime Wire LLC could force security upgrades for consumers who have installed legacy versions of LimeWire to help reduce these risks. Upon review of the matter, including non-public information submitted to the staff, we have determined not to recommend any further action by the Commission at this time. Among the factors we considered are Lime Wire's incorporation of safeguards against the inadvertent sharing of sensitive, personal documents into the user interface of more recent versions of its

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<sup>1</sup> Press Release, United States Attorney's Office - W.D. Wash., Seattle Man Who Used Peer-to-Peer File Sharing Software to Steal Personal Info Sentenced to Prison (Aug. 11, 2009), available at <http://www.justice.gov/usao/waw/press/2009/aug/wood.html>.

<sup>2</sup> Press Release, Federal Trade Commission, Widespread Data Breaches Uncovered by FTC Probe (Feb. 22, 2010), available at <http://www.ftc.gov/opa/2010/02/p2palert.shtm>.

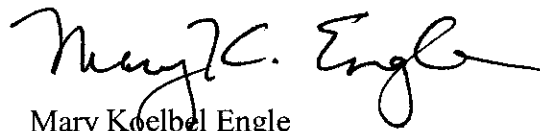
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software; our understanding that the attrition rate for legacy versions is substantial; the apparent inability of Lime Wire to force users to upgrade legacy versions of the software to more recent versions; and the possibility that users of some of the older versions of LimeWire may have been able to avoid disclosure of sensitive information.<sup>3</sup>

We remain concerned, however, about consumers who are still using insecure legacy versions and are therefore subject to a risk of inadvertent sharing of sensitive, personal information. We expect Lime Wire to continue to advise consumers to upgrade legacy versions of its software because of the potential safety benefits of doing so, and to participate in software industry efforts to inform consumers about how best to avoid the inadvertent sharing of sensitive documents. Based on that expectation, it appears that no further action by the FTC staff is warranted at this time and the investigation is closed.

This action is not to be construed as a determination that a violation of law did not occur. The Commission reserves the right to take such further action as the public interest may require.

Very truly yours,



Mary Koelbel Engle  
Associate Director

cc: Chul Pak, Esq.

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<sup>3</sup> See 15 U.S.C. § 45(n) (stating that an act or practice is not unfair unless, among other things, it causes “injury to consumers which is not reasonably avoidable by consumers themselves”).