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UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION

COMMISSIONERS: **Edith Ramirez, Chairwoman**
Julie Brill
Maureen K. Ohlhausen
Joshua D. Wright

In the Matter of	)	
GOLDENSHORES TECHNOLOGIES, LLC, **a limited liability company, and**	)	**DOCKET NO.**
ERIK M. GEIDL, **individually and as the managing member of the limited liability company.**	)	

COMPLAINT

The Federal Trade Commission, having reason to believe that Goldenshores Technologies, LLC, a limited liability company, and Erik M. Geidl, individually and as the managing member of the limited liability company ("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 Goldenshores Technologies, LLC, is a Delaware limited liability company with its principal office or place of business at 1205 Ponderosa Drive, Moscow, ID 83843.

2. Respondent Erik M. Geidl is the managing member of the limited liability company. Individually or in concert with others, he formulates, directs, or controls the policies, acts, or practices of the company, including the acts or practices alleged in this complaint. His principal office or place of business is the same as that of Goldenshores Technologies, LLC.

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

Brightest Flashlight Free Application

4. Since at least February 2011, respondents have advertised and distributed products to the public, including the "Brightest Flashlight Free" mobile application ("Brightest Flashlight App") developed for Google's Android operating system. Consumers have downloaded the Brightest Flashlight App from a variety of sources, including the Google Play application store. As of May 2013, the Google Play application store ranked the Brightest Flashlight App as one of the top free applications available for download. Users have downloaded the Brightest Flashlight App tens of millions of times via Google Play.

5. The Brightest Flashlight App purportedly works by activating all lights on a mobile device, including, where available, the device's LED camera flash and screen to provide outward-facing illumination. While running, however, the application also transmits, or allows the transmission of, data from the mobile device to various third parties, including advertising networks. The types of data transmitted include, among other things, the device's precise geolocation along with persistent device identifiers that can be used to track a user's location over time.

6. Respondents have disseminated or have caused to be disseminated application promotion pages ("app promotion pages") for the Brightest Flashlight App in Google Play, including but not limited to the attached Exhibit A. The app promotion pages provide a description of the application. (*See* Exhibit A, screens 1 to 3) This description does not make any statements relating to the collection or use of data from users' mobile devices. The app promotion pages also include the general "permission" statements that appear for all Android applications. (*See* Exhibit A, screens 12 to 30)

7. Android "permissions" provide notice to consumers regarding what sensitive information (*e.g.*, location information) or sensitive device functionality (*e.g.*, the ability to take photos with the device's camera) an application may access. The permissions, however, do not explain whether the application shares any information with third parties.

Respondents' Privacy Policy

8. Consumers may view respondents' Privacy Policy by clicking on a Privacy Policy link on the Brightest Flashlight app promotion pages in Google Play. (See Exhibit A, screen 9) The Privacy Policy also is available at respondents' website, www.goldenshorestechnologies.com.

9. Respondents have disseminated or have caused to be disseminated respondents' Privacy Policy, including but not limited to the attached Exhibit B. Their Privacy Policy contains the following statements concerning the collection and use of device data:

> Consent to Use of Data. Goldenshores Technologies and its subsidiaries and agents may collect, maintain, process and use diagnostic, technical and related information, including but not limited to information about your computer, system and application software, and peripherals, that is gathered periodically to facilitate the provision of software updates, product support and other services to you (if

> any) related to the Goldenshores Technologies Software, and to verify compliance with the terms of the License. Goldenshores Technologies may use this information, as long as it is in a form that does not personally identify you, to improve our products or to provide services or technologies to you.
>
> (Exhibit B-1, Privacy Policy)

Following this summary, the Privacy Policy provides the contents of the Brightest Flashlight end user license agreement ("EULA"), described below.

10. Respondents' Privacy Policy does not disclose or adequately disclose to consumers that the Brightest Flashlight App transmits or allows the transmission of device data, including precise geolocation along with persistent device identifiers, to third parties, including advertising networks.

Respondents' End-User License Agreement Document

11. After installing the Brightest Flashlight App, the application presents users with a Brightest Flashlight EULA, including but not limited to the attached Exhibit C. The Brightest Flashlight EULA instructs consumers to:

> [R]ead this software license agreement ("license") carefully before using the Goldenshores Technologies Software. By using the Goldenshores Technologies software, you are agreeing to be bound by the terms of this license. If you do not agree to the terms of this license, do not install and/or use the software.
>
> (Exhibit C, screens 4-5)

The Brightest Flashlight EULA also represents that users must "Accept" or "Refuse" the EULA by selecting the appropriate button. (Exhibit C) Those buttons appear at the bottom of each screen displaying the EULA.

12. The Brightest Flashlight EULA reiterates respondents' Privacy Policy, including the following statements relating to the collection and use of device data:

> 3. Consent to Use of Data. You agree that Goldenshores Technologies and its subsidiaries and agents may collect, maintain, process and use diagnostic, technical and related information, including but not limited to information about your computer, system and application software, and peripherals, that is gathered periodically to facilitate the provision of software updates, product support and other services to you (if any) related to the Goldenshores Technologies Software, and to verify compliance with the terms of this License. Goldenshores Technologies may use this information, as long as it is in a form that does not

personally identify you, to improve our products or to provide services or technologies to you.

(Exhibit C, screens 14-15)

13. As described in Paragraph 12, the Brightest Flashlight EULA does not disclose or adequately disclose to consumers that the Brightest Flashlight App transmits or allows the transmission of device data, including precise geolocation along with persistent device identifiers, to third parties, including advertising networks.

14. While the "Refuse" button, described in Paragraph 11, appears to give consumers the option to refuse the terms of the Brightest Flashlight EULA, including the terms relating to the collection and use of device data, that choice is illusory. Based upon the statements made in the EULA, as described in Paragraphs 11 and 12, consumers would not expect the application to operate on their mobile devices, including collecting and using their device data, until after they have accepted the terms of the EULA. In fact, while consumers are viewing the Brightest Flashlight EULA, the application transmits or causes the transmission of their device data, including the device's precise geolocation and persistent identifier, even before they accept or refuse the terms of the EULA.

COUNT I

15. Through the means described in Paragraphs 9 and 12, respondents represented, expressly or by implication, that respondents may periodically collect, maintain, process, and use information from users' mobile devices to provide software updates, product support, and other services to users related to the Brightest Flashlight App, and to verify users' compliance with respondents' EULA. In numerous instances, in which respondents have made such representations, respondents have failed to disclose or failed to adequately disclose that, when users run the Brightest Flashlight App, the application transmits, or allows the transmission of, their devices' precise geolocation along with persistent device identifiers to various third parties, including third party advertising networks. These facts would be material to users in their decision to install the application. The failure to disclose, or adequately disclose, these facts, in light of the representation made, was, and is, a deceptive practice.

COUNT II

16. Through the means described in Paragraphs 11 and 12, respondents represented, expressly or by implication, that consumers have the option to refuse the terms of the Brightest Flashlight EULA, including those relating to the collection and use of device data, and thereby prevent the Brightest Flashlight App from ever collecting or using their device's data.

17. In truth and in fact, consumers cannot prevent the Brightest Flashlight App from ever collecting or using their device's data. Regardless of whether consumers accept or refuse the terms of the EULA, the Brightest Flashlight App transmits, or causes the transmission of, device

data as soon as the consumer launches the application and before they have chosen to accept or refuse the terms of the Brightest Flashlight EULA. Therefore, the representation set forth in Paragraph 16 was, and is, false or misleading.

18. The acts and practices of respondents as 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 , 2013, has issued this complaint against respondents.

By the Commission.

Donald S. Clark
Secretary

SEAL: