

**UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION**

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

In the Matter of:

**Network Solutions, LLC, a limited
liability company.**

Docket No. C-4527

DECISION AND ORDER

The Federal Trade Commission, having initiated an investigation of certain acts and practices of the Respondent named in the caption hereof, and Respondent having been furnished thereafter with a copy of a draft complaint that the Bureau of Consumer Protection proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge Respondent with a violation of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 45 *et seq*; and

Respondent, its attorney, and counsel for the Commission having thereafter executed an Agreement Containing Consent Order (“Consent Agreement”), which includes: a statement by Respondent that it neither admits nor denies any of the allegations in the draft complaint, except as specifically stated in the Consent Agreement, and, only for purposes of this action, admits the facts necessary to establish jurisdiction, as well as waivers and other provisions as required by the Commission’s Rules; and

The Commission having thereafter considered the matter and having determined that it has reason to believe that Respondent has violated the FTC Act, and that a complaint should issue stating its charges in that respect, and having thereupon accepted the executed Consent Agreement and placed such Consent Agreement on the public record for a period of thirty (30) days for the receipt and consideration of public comments, now in further conformity with the procedure prescribed in Commission Rule 2.34, 16 C.F.R. § 2.34, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Network Solutions, LLC (“Network Solutions”) is a Delaware limited liability company with its principal office or place of business at 12808 Gran Bay Parkway West, Jacksonville, Florida 32258.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of Respondent, and the proceeding is in the public interest.

ORDER

Definitions

1. “Clearly and Conspicuously” means:
 - a) In textual communications, the disclosure must be in a noticeable type, size, and location, using language and syntax comprehensible to an ordinary consumer;
 - b) In communications disseminated orally or through audible means, the disclosure must be delivered in a volume, cadence, language, and syntax sufficient for an ordinary consumer to hear and comprehend them;
 - c) In communications disseminated through video means: (i) written disclosures must be in a form consistent with definition 1(a), above, and appear on the screen for a duration sufficient for an ordinary consumer to read and comprehend them, and be in the same language as the predominant language that is used in the communication; and (ii) audio disclosures must be consistent with definition 1(b), above; and
 - d) The disclosure cannot be combined with other text or information that is unrelated or immaterial to the subject matter of the disclosure; no other representation(s) may be contrary to, inconsistent with, or in mitigation of, the disclosure.

2. “Commerce” has the meaning defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. § 44.

3. Unless otherwise specified, “**respondent**” means Network Solutions, LLC, a limited liability company, and its successors and assigns.

4. “**Web hosting**” means a service offered for sale or sold by respondent primarily designed to allow respondent’s customers to make webpages available on the World Wide Web by storing customers’ webpage information, including programming code, images, and videos, on web servers owned or leased by respondent, and providing the technology and Internet connectivity required to serve webpages on the Internet. “**Web hosting**” does not refer to products for which storage of customers’ webpage information is incidental to the product being marketed, such as email delivery services or online directory listings.

I.

IT IS ORDERED THAT respondent, and its officers, agents, representatives, and employees, directly or through any corporation, subsidiary, division, or other device, in connection with the advertising, promotion, offering for sale, or sale of web hosting, in or affecting commerce, shall not, in any manner:

A. Fail to disclose, clearly and conspicuously, before obtaining a customer’s billing information, the material terms of any applicable money back guarantee, including but not limited to the existence and amount of any service charges or other fees applicable to any such money back guarantee; or

B. Fail to refund the full purchase price paid for web hosting in conjunction with a money back guarantee, in response to a request that complies with the terms of such a money back guarantee; provided, however, that service charges or other fees may be excluded from refunds made pursuant to a money-back guarantee if the fact of the exclusion of such fees is disclosed clearly and conspicuously and in close proximity to the money-back guarantee.

II.

IT IS FURTHER ORDERED THAT respondent, and its officers, agents, representatives, and employees, directly or through any corporation, subsidiary, division, or other device, in connection with the advertising, promotion, offering for sale, or sale of web hosting, in or affecting commerce, shall not misrepresent, in any manner, expressly or by implication:

A. Material terms of any refund or cancellation policy or applicable money back guarantee; or

B. Any other material fact concerning web hosting, such as any material restrictions, limitations, or conditions, or any other material aspect of the performance, efficacy, nature, or central characteristics of respondent’s web hosting.

III.

IT IS FURTHER ORDERED THAT respondent shall, for five (5) years after the date of issuance of this order, maintain and upon request make available to the Federal Trade Commission business records demonstrating its compliance with the terms and provisions of this order, including but not limited to:

- A. Accounting records showing the revenues from and refunds paid for web hosting sold in conjunction with a money back guarantee;
- B. Records of all written customer complaints concerning money back guarantees for web hosting, whether received directly or indirectly, such as through a third party, and any response;
- C. Records necessary to demonstrate full compliance with each provision of this order, including all submissions to the Commission; and
- D. A copy of each unique advertisement concerning money back guarantees for web hosting.

IV.

IT IS FURTHER ORDERED THAT, for three (3) years after service of this order, respondent shall deliver a written or electronic copy of this order to all officers, directors, LLC managers and members, and to all employees, agents, and representatives having responsibilities with respect to money back guarantees for web hosting, and shall secure from each such person a signed and dated statement acknowledging receipt of the order, with any electronic signatures complying with the requirements of the E-Sign Act, 15 U.S.C. § 7001 *et seq.* Respondent shall deliver this order to current personnel within thirty (30) days after the date of service of this order, and to future personnel within thirty (30) days after the person assumes such position or responsibilities. For any business entity resulting from a change in structure set forth in Section V of this order, delivery shall be within at least thirty (30) days after the change in structure.

V.

IT IS FURTHER ORDERED THAT respondent shall notify the Commission at least thirty (30) days prior to any change in the corporation that may affect compliance obligations arising under this order, including a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor entity; 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 business or

corporate name or address. Provided, however, that, with respect to any proposed change in the corporation about which respondent learns less 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 emailed to debrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to: Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The subject line must begin: *In re Network Solutions, LLC, File No. 1323084.*

VI.

IT IS FURTHER ORDERED THAT respondent, within sixty (60) 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 own compliance with this order. Within ten (10) business days of receipt of written notice from an authorized representative of the Commission, respondent shall submit additional true and accurate written reports.

VII.

This order will terminate on May 28, 2035, or twenty (20) years from the most recent date that the United States or the Federal Trade 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 less 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.

Provided, further, that if such complaint is dismissed or a federal court rules that the respondent did not violate any provision of the order, and the dismissal or ruling is either not appealed or upheld on appeal, then the order will terminate according to this Part as though the complaint had never been filed, except that the order will not terminate between the date such 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.

By the Commission.

Donald S. Clark
Secretary

SEAL:

ISSUED: May 28, 2015