1	BENJAMEN C. MIZER	
	Principal Deputy Assistant Attorney General,	Civil Division
2	JONATHAN F. OLIN	
	Deputy Assistant Attorney General	
3	MICHAEL S. BLUME	
	Director, Consumer Protection Branch	
4	ANDREW E. CLARK	
	Assistant Director, Consumer Protection Bran	ich
5	Jacqueline Blaesi-Freed	
	jacqueline.m.blaesi-freed@usdoj.gov	
6	United States Department of Justice	
	Consumer Protection Branch, Civil Division	
7	P.O. Box 386	
	Washington, DC 20044	
8	Telephone (202) 353-2809	
	Facsimile (202) 514-8742	
9		
	Attorneys for Plaintiff	
10	United States of America	
11	UNITED STATES DIS	TRICT COURT
	CENTRAL DISTRICT C	F CALIFORNIA
12	EASTERN DIV	VISION
	UNITED STATES OF AMERICA,	
13		
	Plaintiff,	
14		
	v.	Case No. 5:15-cv-2569
15		
	RETRO DREAMER, a corporation, and	COMPLAINT FOR CIVIL
16		PENALTIES, PERMANENT
	CRAIG E. SHARPE and GAVIN S.	INJUNCTION, AND OTHER
17	BOWMAN,	EQUITABLE RELIEF
	individually and as officers of	
18	RETRO DREAMER,	
19	Defendants.	
20		•

1	Plaintiff, the United States of America, acting upon notification and
2	authorization to the Attorney General by the Federal Trade Commission ("FTC" or
3	"Commission") for its Complaint alleges:
4	1. Plaintiff brings this action under Sections 1303(c) and 1306(d) of the
5	Children's Online Privacy Protection Act of 1998 ("COPPA"), 15 U.S.C. §§
6	6502(c) and 6505(d), and Sections 5(a)(1), 5(m)(l)(A), 13(b), and 16(a) of the
7	Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 45(a)(1), 45(m)(1)(A),
8	53(b), and 56(a) to obtain monetary civil penalties, a permanent injunction, and
9	other equitable relief for Defendants' violations of the Commission's Children's
10	Online Privacy Protection Rule ("Rule" or "COPPA Rule"), 16 C.F.R. Part 312,

and Section 5 of the FTC Act.

JURISDICTION AND VENUE

- 2. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1337(a), 1345 and 1355, and 15 U.S.C. §§ 45(m)(1)(A), 53(b), 56(a), and 57b.
- 3. Venue is proper in this district under 28 U.S.C. §§ 1391(b)-(c), 1395(a), and 15 U.S.C. § 53(b).

DEFENDANTS

4. Defendant Retro Dreamer, is a California corporation with its principal place of business in Upland, California. Retro Dreamer transacts or has

- transacted business in this district and throughout the United States. At all times material to this Complaint, acting alone or in concert with others, Retro Dreamer has advertised, marketed, distributed, or sold mobile applications ("apps") to consumers throughout the United States.
- 5. Defendant Craig E. Sharpe is President of Retro Dreamer. At all times material to this Complaint, acting alone or in concert with others, he has formulated, directed, controlled, had the authority to control, or participated in the acts or practices of Retro Dreamer, including the acts or practices set forth in this Complaint. Defendant Sharpe, in connection with the matters alleged herein, transacts or has transacted business in this district and throughout the United States.
- 6. Defendant Gavin S. Bowman is Vice-President of Retro Dreamer. At all times material to this Complaint, acting alone or in concert with others, he has formulated, directed, controlled, had the authority to control, or participated in the acts or practices of Retro Dreamer, including the acts or practices set forth in this Complaint. Defendant Bowman, in connection with the matters alleged herein, transacts or has transacted business in this district and throughout the United States.

COMMERCE

7. At all times material to this Complaint, Defendants have maintained a substantial course of trade in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

THE CHILDREN'S ONLINE PRIVACY PROTECTION RULE

- 8. Congress enacted COPPA in 1998 to protect the safety and privacy of children online by prohibiting the unauthorized or unnecessary collection of children's personal information online by operators of Internet websites or online services. COPPA directed the Federal Trade Commission to promulgate a rule implementing COPPA. The Commission promulgated the COPPA Rule, 16 C.F.R. Part 312, on November 3, 1999 under Section 1303(b) of COPPA, 15 U.S.C. § 6502(b), and Section 553 of the Administrative Procedure Act, 5 U.S.C. § 553. The Rule went into effect in April 2000. The Commission promulgated revisions to the Rule that went into effect on July 1, 2013.
- 9. The Rule applies to any operator of a commercial website or online service directed to children that collects, uses, and/or discloses personal information from children, or on whose behalf such information is collected or maintained, and to any operator of a commercial website or online service that has actual knowledge that it collects, uses, and/or discloses personal information from children. Under the Rule, personal information is "collected or maintained on

- 10. The Rule requires operators to give notice to parents and obtain their verifiable consent before collecting children's "personal information" online. 16 C.F.R. §§ 312.4 and 312.5. The definition of "Personal Information" includes a "persistent identifier that can be used to recognize a user over time and across different Web sites or online services," subject to certain exceptions not at issue in this case. 16 C.F.R. § 312.2.
- 11. Among other things, the Rule requires that an operator meet specific requirements prior to using or disclosing personal information, including, but not limited to:
 - a. Posting a privacy policy on its website or online service providing clear, understandable, and complete notice of its information practices, including what information the website operator collects from children online, how it uses such information, its disclosure practices for such information, and other specific disclosures set forth in the Rule;
 - b. Providing clear, understandable, and complete notice of its
 information practices, including specific disclosures, directly to parents; and

c. Obtaining verifiable consent prior to collecting, using, and/or disclosing personal information from children.

DEFINITIONS

12. For purposes of this Complaint, the terms "child," "collects," "collection," "Commission," "disclosure," "Internet," "operator," "parent," "personal information," "obtaining verifiable consent," "third party," and "website or online service directed to children," are defined as those terms are defined in Section 312.2 of the Rule, 16 C.F.R. § 312.2.

DEFENDANTS' BUSINESS PRACTICES

- 13. Since at least 2012, Defendants have offered a number of mobile apps for download from Apple's App Store, Google Play, and the Amazon App store. The apps include apps that are directed to children, such Ice Cream Jump, Happy Pudding Jump, Ice Cream Drop, Sneezies, Wash the Dishes, Cat Basket, and Tappy Pop ("kids' apps"). (*See* Exhibit A, copies of several kids' apps' initial screens.) The apps send and/or receive information over the Internet, and thus are online services pursuant to COPPA. Some apps are free to download and play, while others are paid apps. Revenues are generated through the sale of certain apps, in-app advertising, and in-app purchases.
 - 14. Defendants are "operators" as defined by the Rule, 16 C.F.R. § 312.2.

- 15. Ice Cream Jump, which has been available since 2012, is an app in which users play an endless jumping game, where users guide the cartoon ice cream scoop character through a colorful setting, moving as high as possible by tilting the device from side to side and collecting gold as they advance. The description of the app in Google Play states, "Meet a happy Ice Cream Scoop who dreams of soaring through the skies. Help our friendly dessert reach new heights in this action packed game." Users can make in-app purchases to play with different colored ice cream scoop characters and to dress up the ice cream scoop character. (*See* Exhibit B.) An app marketed as Ice Cream Jump for Kids with the character in the same endless jumping game was also available in Apple's App Store. (*See* Exhibit C.)
- 16. Happy Pudding Jump, which has been available since 2013, is an app in which users play an endless jumping game, where users guide the cartoon pudding character through a colorful setting, moving as high as possible by tilting the device from side to side and collecting gold as they advance. The description of the app in Apple's App Store states, "Happy Pudding is on the move! Help our friendly pudding reach new heights in this action packed adventure." (*See* Exhibit D.) Users can make in-app purchases for different colored pudding characters and to dress up the pudding character.

- 17. Ice Cream Drop, which has been available since 2012, is an app in which users play an endless falling game, where users guide the cartoon ice cream scoop character down through platforms by tilting the device from side to side and collecting gold as they go. (*See* Exhibit E.) Users can make in-app purchases for different colored ice cream scoop characters.
- 18. Sneezies, which has been available since 2012, is an app in which users engage in simple play by tapping the colorful cartoon Sneezies characters floating on the screen to make them sneeze and burst out of their bubbles. The description of the app in Apple's App Store states, "Sneezies is an overload of cuteness!" (*See* Exhibit F.)
- 19. Wash the Dishes, which has been available since 2012, is an app in which users engage in simple play by scrubbing smiling dirty cartoon dishes to make them clean. The description of the app in Apple's App Store states, "[t]hese are cute happy dishes, they don't want to be dirty." (*See* Exhibit G.)
- 20. Cat Basket, which has been available since 2014, is an app in which users collect falling cartoon cats in a basket, while blocking falling dogs. The description of the app in the Apple's App store states it is "[e]ndless cute, crazy fun." (*See* Exhibit H.) An app marketed as Cat Basket for Kids with the same characters and play is available in Apple's App Store. (*See* Exhibit I.)

- 21. Tappy Pop, which has been available since 2014, is an app in which users engage in simple play by tapping on falling colorful cartoon Sneezies characters in order to make them sneeze and burst out of their bubbles. The description of the app in the Apple's App store reads, "Achoo! Try this fast and frantic new Sneezies game." (See Exhibit J.) An app marketed as Tappy Pop for Kids with the same characters and play is available in Apple's App Store. (See Exhibit K.)
- 22. Pursuant to Section 312.2 of the Rule, the determination of whether an app is directed to children depends on factors such as the subject matter, visual content, language, and use of animated characters or child-oriented activities and incentives. An assessment of these factors demonstrates that Retro Dreamer's kids' apps are directed to children under the age of 13. For example, Retro Dreamer's kids' apps contain brightly colored, animated characters including ice cream scoops, pudding, cats, and cartoon characters. (See e.g. Exhibit L, examples from Ice Cream Jump and Happy Pudding Jump). Their subject matter, which includes washing smiley, cheerful dishes, collecting cats, moving ice cream, and causing cartoons to sneeze, would be highly appealing to children. (See e.g. Exhibit M, examples from Wash the Dishes, Cat Basket, and Sneezies.) In addition, as described above in Paragraphs 15-21 and as shown in Exhibits B-K,

- the language used to describe the apps in the app stores is simple and would be appealing to a child under age 13.
- 23. Through the kids' apps, Defendants allowed third-party advertising networks to collect personal information in the form of persistent identifiers, in order to serve targeted advertising on the app based on users' activity over time and across sites. Defendants did not inform these third-party advertising networks that the apps are directed to children and did not instruct or contractually require the advertising networks to refrain from targeted advertising. Nor did Defendants provide the required notices or obtain the required parental consent described in Paragraph 11.
- 24. Defendants were aware of the existence of COPPA, the July 2013 COPPA Rule change, and that certain of its apps appeared to be child-directed to at least one ad network. Defendants received notice that the Rule changed in July 2013 from a third-party ad network in November 2013, when the network asked Defendants to identify its child-directed apps. In response, Defendants suggested the ad network stop serving Defendants' apps ads. In June 2014, the network informed Defendants it believed that certain apps submitted to the network for ads were directed to children under the age of 13, including Ice Cream Jump, Ice Cream Drop, Cat Basket, Sneezies, Tappy Pop, and Wash the Dishes, and therefore those apps would be excluded from the ad network. Although this ad network did

1	not serve ads to	Defendants' apps, Defendants have continued to allow other ad
2	networks to col	lect personal information in the form of persistent identifiers, in
3	order to serve ta	argeted advertising in Defendants' kids' apps.
4	VIOLATION	OF THE CHILDREN'S ONLINE PRIVACY PROTECTION
5		RULE
6		Count I
7	25. De	fendants operate online services directed to children, including
8	through the kids	s' apps, which collect personal information from children under ag
9	13.	
10	26. In	numerous instances since July 1, 2013, in connection with the acts
11	and practices de	escribed above, personal information from children younger than
12	age 13 was coll	ected on behalf of Defendants in violation of the Rule. Defendants
13	thus violated the	e Rule by:
14	a.	Failing to provide notice on Defendants' online services of the
15		information they collect, or is collected on their behalf, online
16		from children, how such information is used, and their
17		disclosure practices, among other required content, in violation
18		of Section 312.4(d) of the Rule, 16 C.F.R. § 312.4(d);
19	b.	Failing to provide direct notice to parents of the information
20		Defendants collect, or information that has been collected on

Defendants' behalf, online from children, how such information

2	is used, and their disclosure practices for such information,
3	among other required content, in violation of Section 312.4(b)
4	of the Rule, 16 C.F.R. § 312.4(b); and
5	c. Failing to obtain verifiable parental consent before any
6	collection or use of personal information from children, in
7	violation of Section 312.5(a)(1) of the Rule, 16 C.F.R. §
8	312.5(a)(1).
9	Therefore, Defendants have violated the Rule, 16 C.F.R. Part 312.
10	27. Pursuant to Section 1303(c) of COPPA, 15 U.S.C. § 6502(c), and
11	Section
12	18(d)(3) of the FTC Act, 15 U.S.C. § 57a(d)(3), a violation of the Rule constitutes
13	an unfair or deceptive act or practice in or affecting commerce, in violation of
14	Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).
15	THIS COURT'S POWER TO GRANT RELIEF
16	28. Defendants violated the Rule as described above with the knowledge
17	required by Section 5(m)(1)(A) of the FTC Act, 15 U.S.C. § 45(m)(1)(A).
18	29. Each collection, use, or disclosure of a child's personal information in
19	which Defendants violated the Rule in one or more of the ways described above
20	constitutes a separate violation for which Plaintiff seeks monetary civil penalties.

30. Section 5(m)(1)(A) of the FTC Act, 15 U.S.C. § 45(m)(1)(A), as modified by Section 4 of the Federal Civil Penalties Inflation Adjustment Act of 1990, 28 U.S.C. § 2461 and Section 1.98(d) of the FTC's Rules of Practice, 16 C.F.R. § 1.98(d), authorizes this Court to award monetary civil penalties of not more than \$16,000 for each violation of the Rule on or after February 10, 2009.

31. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant injunctive and such other relief as the Court may deem appropriate to halt and redress violations of any provision of law enforced by the FTC. The Court, in

PRAYER FOR RELIEF

the exercise of its equitable jurisdiction, may award ancillary relief to prevent and

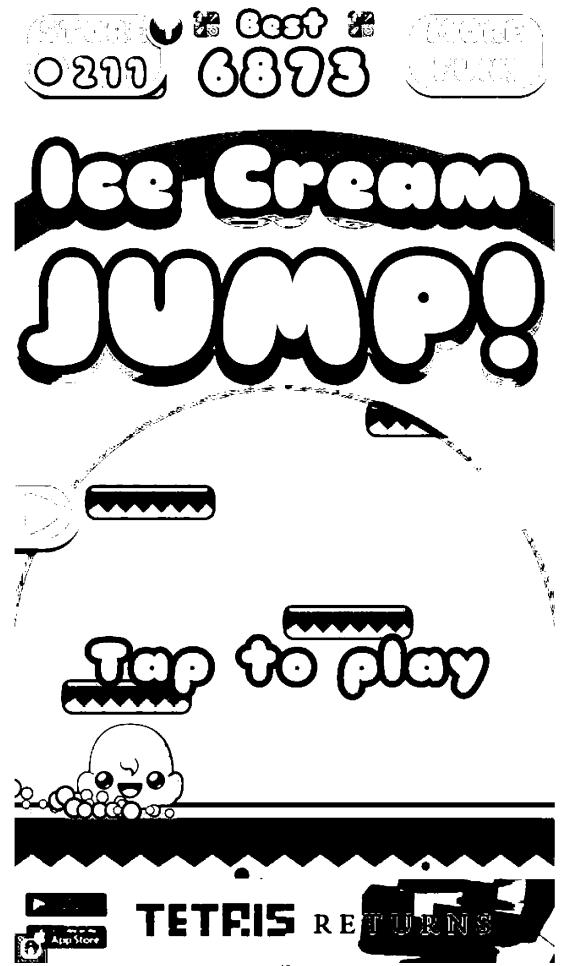
remedy any violation of any provision of law enforced by the FTC.

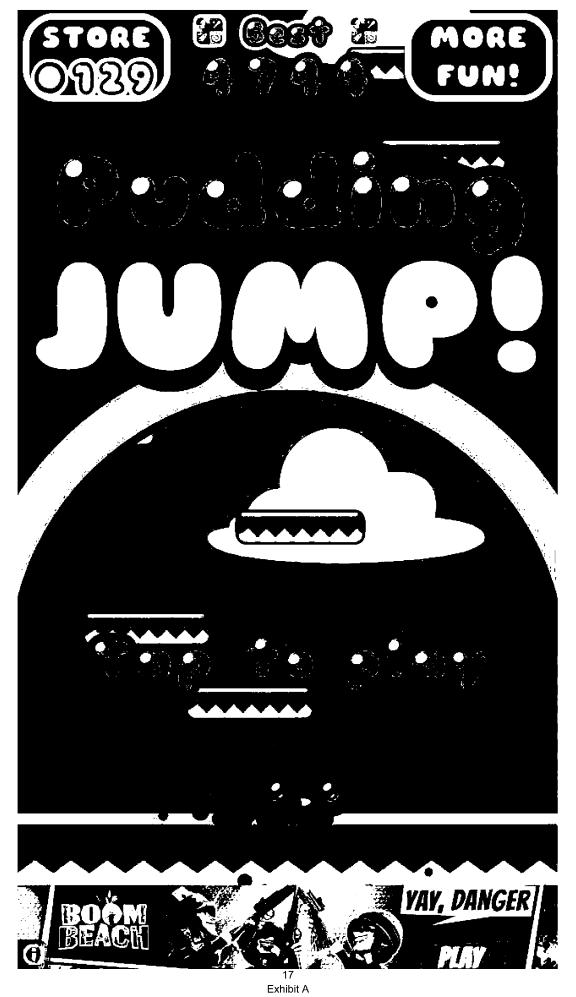
Wherefore, Plaintiff United States of America, pursuant to Sections 5(a)(1), 5(m)(1)(A), 13(b), and 16(a) of the FTC Act, 15 U.S.C. §§ 45(a)(1), 45(m)(1)(A), 53(b), and 56(a) and the Court's own equitable powers, requests that the Court:

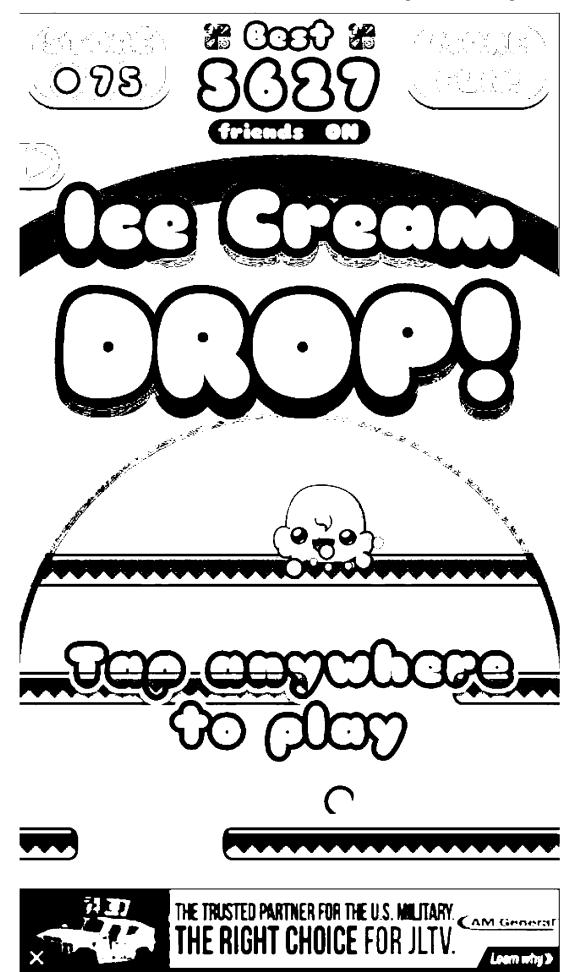
- A. Enter a permanent injunction to prevent future violations of the FTC Act and the Rule by Defendants;
- B. Award Plaintiff monetary civil penalties from Defendants for each violation of the Rule alleged in this Complaint; and
- C. Award other and additional relief the Court may determine to be just and proper.

1		Respectfully submitted,
2		
3	Dated: December 17, 2015	
4	FOR THE FEDERAL TRADE COMMISSION:	FOR PLAINTIFF THE UNITED STATES OF AMERICA:
5	COMMISSION.	THE UNITED STATES OF AMERICA.
6	MANEESHA MITHAL Associate Director Division of Privacy and Identity	BENJAMEN C. MIZER Principal Deputy Assistant Attorney General Civil Division
7	Division of Privacy and Identity Protection	CIVII DIVISIOII
		JOHNATHAN F. OLIN
8	MARK EICHORN Assistant Director	Deputy Assistant Attorney General
9	Division of Privacy and Identity Protection	MICHAEL S. BLUME Director
10	Tottedion	Consumer Protection Branch
	MEGAN COX	
11	Attorney	ANDREW E. CLARK
12	Division of Privacy and Identity Protection	Assistant Director
12	Federal Trade Commission	/s/ Jacqueline Blaesi-Freed
13	600 Pennsylvania Avenue, N.W.	Jacqueline Blaesi-Freed
	(202) 326-2282	Trial Attorney, Kansas Bar No. 25455
14	GOD A WAN	Consumer Protection Branch
15	CORA HAN	U.S. Department of Justice P.O. Box 386
15	Attorney Division of Privacy and Identity	Washington, DC 20044
16	Protection	(202) 353-2809
	Federal Trade Commission	
17	600 Pennsylvania Avenue NW	
18	Washington, DC 20580 (202) 326- 2441	
19	(202) 326-3062	
20		

Exhibit A







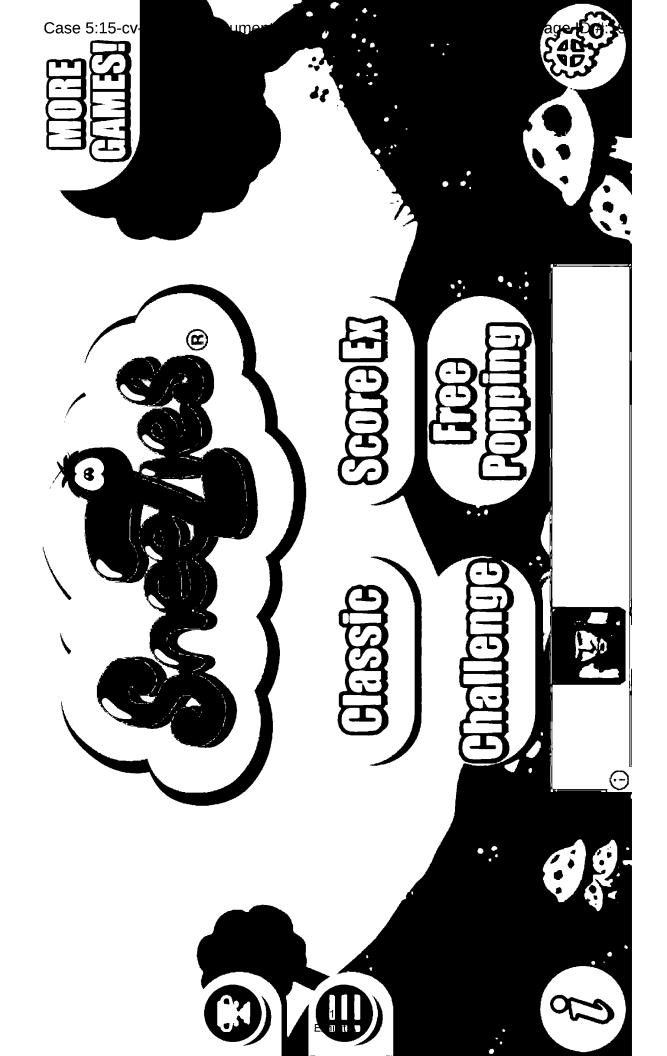










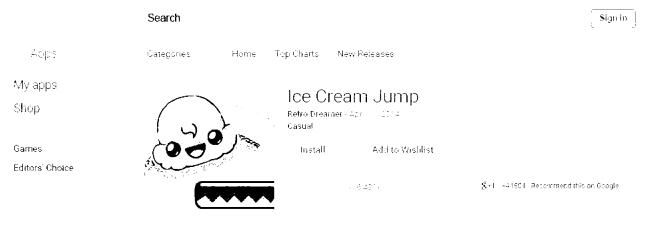


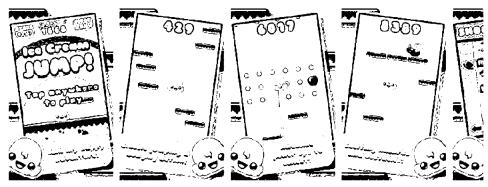






Exhibit B





Description

Meet a happy loe-Cream Scoop who dreams of soaring through the skies.

Help our friendly dessert reach new heights in this action packed game.

Bounce from platform to platform, dodge the mean flies, and grab everything you can to get the highest score.

Great fun to play with friends, who can go the highest in ice Cream Jump.



What's New

v1.13. New Characters, New Hats, New Accessories, and New Backgrounds!

Additional information

Exhibit C

iPad

Ice Cream Jump for Kids

Retro Dreamer >

Game Center 🙎 Details Ratings and Reviews Related





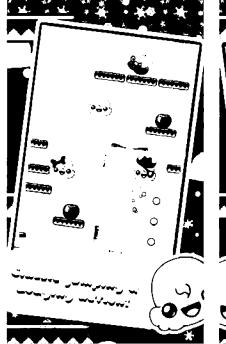
Rating: 4+ Made for Ages 6-8

LINK\$

Privacy Policy Developer Website

Retro Dreamer 2014







Description

This is a special version of ice Cream Jump designed to be as child friendly as possible. There are no in-app purchases, no ads, and no links to leave the app. Last simple jumping ice cream fun.

more

What's New in Version 1.13.1 Posted Sep 23, 2014

OS8 Maintenance fixes

show all versions

Information

| The content of the co

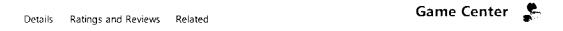
Contracts About Benefit

Exhibit D

iPad

Happy Pudding Jump

Retro Dreamer >







Rating: 4+ TOP IN-APP PURCHASES

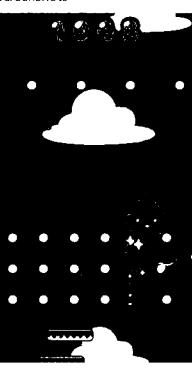
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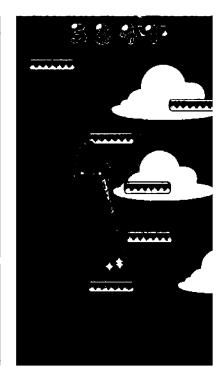
l.	A Cup of Gold	\$0.99
2.	A Bowl of Gold	54 99
3.	A Pint of Gold	\$9.99
Z_{i_1}	Remove Ads!	\$0.99

LINKS

Privacy Policy Developer Website

Retro Dreamer 2014





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Description

Happy Pudding is on the move!

Help our friendly pudding reach new heights in this action packed adventure.

Bounce from platform to platform, dodge the mean flies, grab everything you can to get the highest score....

more

What's New in Version 1.2.2 posted Sep 25, 2014

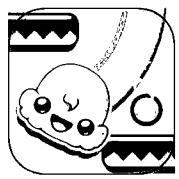
ICS8 Maintenance & Fixes

show all versions

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Exhibit E

App Store > Games > Retro Dreamer



Get ✓

Offers Ie - App Purchases

This applies designed for both iPhone and iPad

 $y = y_1 \Rightarrow y_2 \Rightarrow (16)$

Rating: 4+ TOP IN-APP PURCHASES

1. Remove Ads! \$1.99

LINKS

Privacy Policy Developer Website

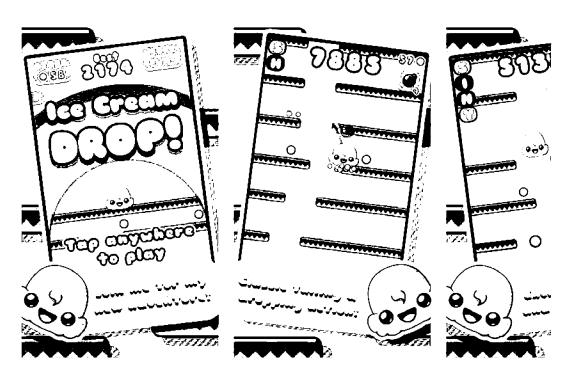
Retro Dreamer 2014

Ice Cream Drop

Retro Dreamer >

Details Ratings and Reviews Related Game Center

Screenshots iPad



Description

Drop safety between the platforms to fall down deeper and deeper

Our friends from Ice Cream Jump are back! You still have to dodge the mean files, but this time you have a huge range of power ups to help you fight back.

What's New in Version 1.4.1 Posted Apr 14, 2015

Multiple bug/crash fixes, recommended update

show all versions

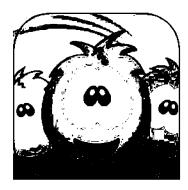
Information

To the control of the

Continues Alac Benegli

Exhibit F

App Store > Games > Retro Dreamer





LINKS

License Agreement Privacy Policy Developer Website

Resro Dreamer

Sneezies *

Retro Dreamer >

Details Ratings and Reviews Related Game Center

iPhone Screenshots





Description

Sneezies is an overload of cuteness!

Grap a cup of teal sit back in your favorite plush chair, and enjoy the soothing relaxed gameplay featuring fantastic graphics and sweet melodies

more

What's New in Version 2.4 Posted Oct 1 2014

'OS8 Compatibility/Fixes

show all versions

Information

Selier Retro Dreamer
Category Games
Updated Oct 1, 2014
Version 2.4
Size 18.3 M3
Rating Rated 4+
Family Sharing Yes

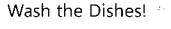
Compatibility Requires iOS 5.1.1 or later. Compatible with iPhone, iPad, and iPod touch. This app is optimized for

iPhone 5.

Customers Also Bought

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Exhibit G



Retro Dreamer >

Details Ratings and Reviews Related

Screenshots

\$0.99 Buy

This applies designed for both Phone and Pad

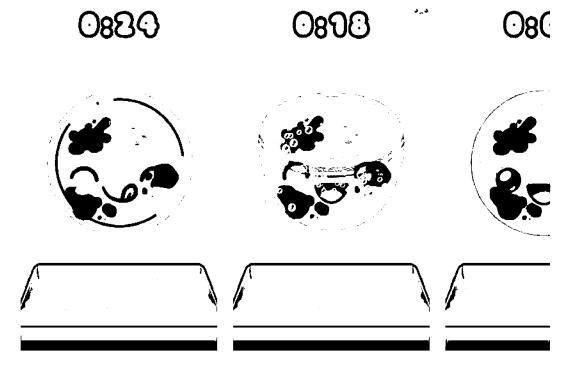
Rating: 4+

Made for Ages 5 and Under

LINK\$

Privacy Policy Developer Website

Retro Oreamer



Description

Everyone will want to wash these dishes.

These are cute happy dishes, they don't want to be dirty.

Rub the screen with your finger to clean the dishes. Clean them faster for the highest score!...

more

What's New in Version 1.1 Posted Sep 23, 2014

OS8 Maintenance Fixes

show all versions

Customers Also Bounds

Exhibit H



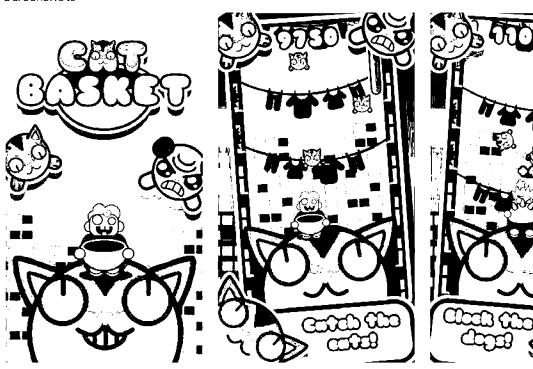
Retro Dreamer >





Privacy Policy Developer Website

" Retro Dreamer 2014



Description

Catch as many cats as you can in your basket. Help the big cat climb to new heights. Endless cute, crazy fun.

What's New in Version 1.0.3 Posted Sep 18, 2014

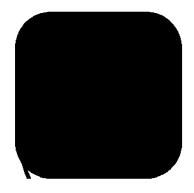
IOS8 Fixes

show all versions

Information

Exhibit I

App Store > Games > Retro Dreamer



\$0.99 Buy

This applies designed for both Phone and Pad

Rating: 9+

Made for Ages 9-33

LINK\$

Privacy Policy Developer Website

Retro Oreamer 2014



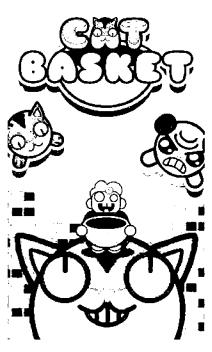
Retro Dreamer >

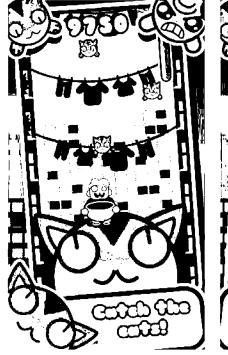
Details Ratings and Reviews Related Game Center 🙎

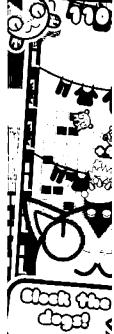




iPad







Description

Launch Special Price!

This version of Cat Basket is intended to be as child friendly as possible, with no advertising, in app purchases, or links to leave the application.

more

What's New in Version 1.0.3 Posted Sep 23, 2014

CS8 Exes

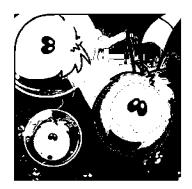
show all versions

Continues Abortonique

Exhibit J

iPad

App Store > Games > Retro Dreamer



Get

This applies designed for both Phone and Pad

Rating: 4+

LINKS

Privacy Policy Developer Website

Retro Dreamer 2014

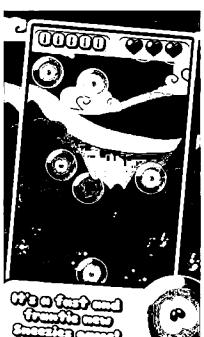
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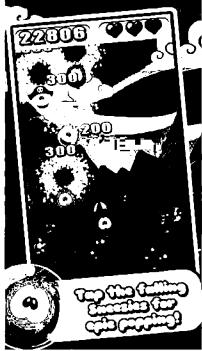
Retro Dreamer >

Details Ratings and Reviews Related Game Center 🙎









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Description

Achool Try this fast and frantic new Sneezies game. Simply tap the falling sneezies to create epic chain reactions. Try not to miss any.

What's New in Version 1.1.1 Posted Mar 23, 2019

Maintenance update

show all versions

Information

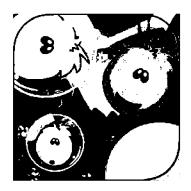
Seller Retro Dreamer

Customers Abo Bought

Exhibit K

iPad

App Store > Games > Retro Dreamer



\$0.99 Buy

This applies designed for both Phone and Pad

Rating: 4+

Made for Ages 5 and Under

LINK\$

Privacy Policy Developer Website

Retro Oreamer 2014

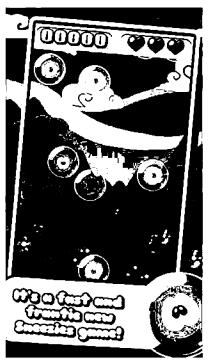
Tappy Pop for Kids

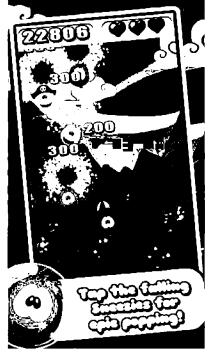
Retro Dreamer >

Details Ratings and Reviews Related Game Center 🙎











Description

Achool Try this fast and frantic new Speczies game. Simply tap the falling speczies to create epic chain reactions. Try

This version of Tappy Pop is intended to be as child friendly as possible, with no advertising, in-app purchases, or links to leave the application....

more

What's New in Version 1.2 Passed Oct 5 2014

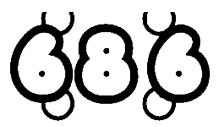
Fixed multi-touch input on iPads.

show all versions

Curitimises About Bounday

Exhibit L























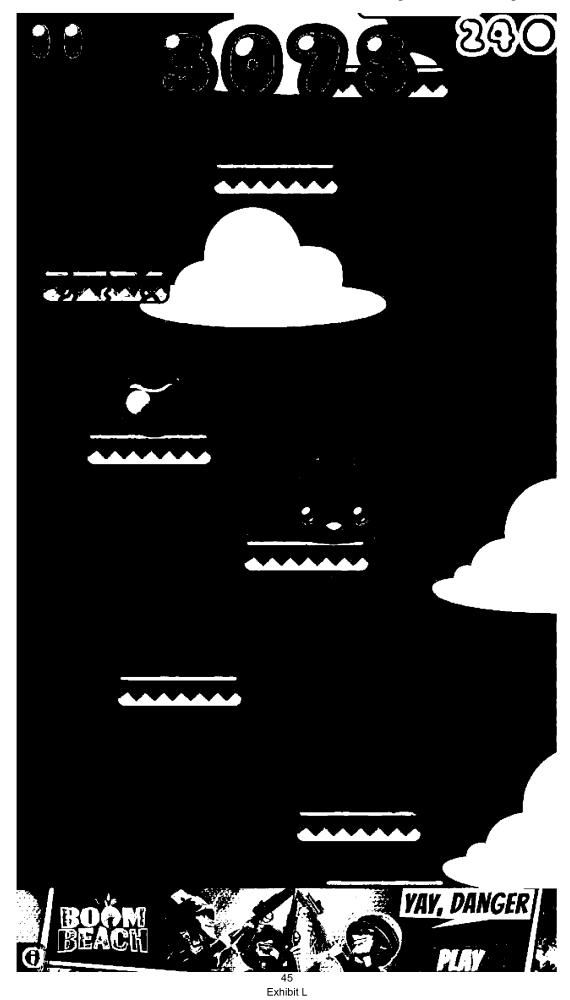


Exhibit M

