

**Analysis of Proposed Consent Order to Aid Public Comment
In the Matter of Md7, LLC, File No. 1723172**

The Federal Trade Commission (“FTC” or “Commission”) has accepted, subject to final approval, a consent agreement applicable to Md7, LLC (“Md7”).

The proposed consent order has been placed on the public record for thirty (30) days for receipt of comments by interested persons. Comments received during this period will become part of the public record. After thirty days, the Commission will again review the agreement and the comments received, and will decide whether it should withdraw from the agreement and take appropriate action or make final the agreement's proposed order.

This matter concerns alleged false or misleading representations that Md7 made to consumers concerning its participation in the EU-U.S. Privacy Shield framework agreed upon by the U.S. and the European Union (“EU”). The EU-U.S. Privacy Shield framework allows U.S. companies to transfer data outside the EU consistent with EU law. To join the EU-U.S. Privacy Shield framework, a company must self-certify to the U.S. Department of Commerce (“Commerce”) that it complies with a set of principles and related requirements that have been deemed by the European Commission as providing “adequate” privacy protection. These principles include notice; choice; accountability for onward transfer; security; data integrity and purpose limitation; access; and recourse, enforcement, and liability. Commerce maintains a public website, <https://www.privacyshield.gov/list>, where it posts the names of companies that have self-certified to the EU-U.S. Privacy Shield framework. The listing of companies indicates whether their self-certification is current. Companies are required to re-certify every year in order to retain their status as current members of the EU-U.S. Privacy Shield framework.

Md7 assists wireless operators in managing real estate-related issues. According to the Commission’s complaint, Md7 has set forth on its website, www.md7.com/privacy-policy/, privacy policies and statements about its practices, including statements related to its participation in the EU-U.S. Privacy Shield framework.

The Commission’s complaint alleges that Md7 falsely represented that it was certified to participate in the EU-U.S. Privacy Shield framework when, in fact, Md7 never completed the necessary steps to finalize its application and thus, was not certified to participate in the EU-U.S. Privacy Shield framework.

Part I of the proposed order prohibits Md7 from making misrepresentations about its membership in any privacy or security program sponsored by the government or any other self-regulatory or standard-setting organization, including, but not limited to, the EU-U.S. Privacy Shield framework.

Parts II through VI of the proposed order are reporting and compliance provisions. Part II requires acknowledgement of the order and dissemination of the order now and in the future to persons with responsibilities relating to the subject matter of the order. Part III ensures notification to the FTC of changes in corporate status and mandates that Md7 submit an initial compliance report to the FTC. Part IV requires Md7 to retain documents relating to its compliance with the order for a five-year period.

Part V mandates that Md7 make available to the FTC information or subsequent compliance reports, as requested. Part VI is a provision “sunsetting” the order after twenty (20) years, with certain exceptions.

The purpose of this analysis is to facilitate public comment on the proposed order. It is not intended to constitute an official interpretation of the proposed complaint or order or to modify the order’s terms in any way.