



Office of the Secretary

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

March 7, 2007

Mr. Ari Schwartz  
Ms. Alissa Cooper  
Center for Democracy & Technology  
1634 I Street, N.W., Suite 1100  
Washington, D.C. 20006

**Re: Zango, Inc., f/k/a 180solutions, Inc., Keith Smith, and Daniel Todd  
FTC Matter No. 0523130**

Dear Mr. Schwartz and Ms. Cooper:

Thank you for the November 20, 2006 comment and November 30, 2006 comment addendum submitted on behalf of the Center for Democracy and Technology (CDT) regarding the above-referenced matter. Your comment and addendum have been placed on the public record pursuant to Section 2.34 of the Commission's Rules of Practice, 16 C.F.R. § 2.34, and were given serious consideration by the Commission.

CDT's November 20, 2006 comment commends the proposed consent with Zango as a landmark settlement that sends a strong message to the software industry and that will have a positive impact on consumers. CDT, however, raises concerns regarding future enforcement of the proposed order. Specifically, CDT contends that Zango has failed to meet the standards in Section VI of the agreement because CDT has identified 39 recent ads that purportedly were displayed without identifying the program that caused the display of the ad and without providing a link to uninstallation instructions as required by the agreement. Given the foregoing concerns, CDT encourages the FTC to closely monitor Zango's compliance.

On November 30, 2006, CDT submitted a comment addendum in response to the staff's request for the underlying source information for all 39 purportedly unlabeled ads. In the introduction to the comment addendum, CDT acknowledges that Zango may have correctly labeled the ads but that the labeling may have been lost in redirection from the original ad browser window to a subsequent browser window.

The Commission recognizes that it will need to be vigilant regarding Zango's conduct once the proposed order becomes final. Indeed, the proposed order itself requires Zango to promptly and completely investigate consumer complaints. The Commission encourages organizations such as CDT to keep the staff apprised of any possible order violations.

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You also request that the Commission require Zango to retract certain statements about its prior compliance with the terms of the proposed consent order. Because Zango did not mischaracterize the terms of the proposed consent order, the Commission does not believe requiring a retraction is necessary.

After considering your comments, the Commission has determined that the public interest would best be served by issuing the Decision and Order in final form without modification. Respondents will be required to file compliance reports with the Commission, and will be subject to potentially large civil penalties if they violate the Order.

Thank you again for your comments. The Commission is aided in its analysis by hearing from a variety of sources in its work, and we appreciate your interest in this matter.

By direction of the Commission.

Donald S. Clark  
Secretary