



Office of the Secretary

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

June 26, 2007

Mr. Ari Schwartz
Ms. Alissa Cooper
Center for Democracy & Technology
1634 I Street, NW Suite 1100
Washington, DC 20006

Re: *In the Matter of DirectRevenue LLC, DirectRevenue Holdings LLC,
Joshua Abram, Daniel Kaufman, Alan Murray, and Rodney Hook
FTC File No. 052 3131, Docket No. C-4194*

Dear Mr. Schwartz and Ms. Cooper:

Thank you for the comment you submitted on March 20, 2007, regarding the above-referenced matter. Your comment was placed on the public record pursuant to Section 2.34 of the Commission's Rules of Practice, 16 C.F.R. § 2.34, and was given serious consideration by the Commission.

Your comment commends the conduct prohibitions of the proposed consent order, but also indicates your belief that the \$1.5 million disgorgement amount to be paid in connection with this settlement is insufficient to address the harm caused by DirectRevenue and deter future software offerings from DirectRevenue or other entities. While the Commission is not at liberty to disclose the specifics of its analysis, you should know that we considered several factors in determining whether to accept the \$1.5 million disgorgement payment. In addition to our analysis of the respondents' income and profits during the relevant time period, which was partly based on confidential information provided to the staff, the Commission also considered the strong, comprehensive injunctive relief provided by the proposed settlement, the Commission's potential litigation risks, the ongoing state court litigation challenging DirectRevenue's same business practices, and the current improvements made to the company's business practices. In the Commission's opinion, the benefits of this far-reaching settlement, including its \$1.5 million disgorgement payment, outweigh the need to engage in costly and uncertain litigation to seek additional monetary relief.

Your comment also notes that DirectRevenue has substantially scaled back its business to the point where it is no longer possible to download DirectRevenue software directly from the company's websites. As a result, you are concerned that the Respondents are not under the threat of civil penalties or other repercussions for violating the Order. There may be a number of reasons why DirectRevenue and the individual Respondents have scaled back or ceased their business operations. The primary goal of the Commission consent orders, including the instant Order, is to deter future unlawful conduct by the Respondents and other entities engaged in similar

practices. We do not believe that the facts you describe suggest that the amount of disgorgement required by the DirectRevenue Order is insufficient; instead, they may suggest that the Order is appropriately helping to deter unlawful conduct.

After considering your comment, the Commission has determined that the public interest would best be served by issuing the Decision and Order in final form without modification. The individual and corporate 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 comment. The Commission is aided in its analysis by hearing from a variety of sources, and we appreciate your interest in this matter.

By direction of the Commission, Commissioner Leibowitz dissenting.

Donald S. Clark
Secretary