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**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA**

UNITED STATES OF AMERICA,

Plaintiff,

v.

BIGMAILBOX.COM, INC.,
a corporation, and

NOLAN QUAN,
individually and as an officer of the
corporation,

Defendants.

Civil Action No. 01-605-A

CONSENT DECREE AND ORDER
FOR CIVIL PENALTIES,
INJUNCTIVE, AND OTHER RELIEF

WHEREAS plaintiff, the United States of America, has commenced this action by filing the Complaint herein; defendants have waived service of the Summons and Complaint; the parties have been represented by the attorneys whose names appear hereafter; and the parties have agreed to settlement of this action upon the following terms and conditions, without adjudication of any issue of fact or law and without defendants admitting liability for any of the matters alleged in the Complaint;

THEREFORE, on the joint motion of plaintiff and defendants, it is hereby ORDERED, ADJUDGED, and DECREED as follows:

1. This Court has jurisdiction over the subject matter and of the parties.
2. The Complaint states a claim upon which relief may be granted against the defendants under Sections 1303(c) and 1306(d) of the Children’s Online Privacy Protection Act of 1998 (“COPPA”), 15 U.S.C. §§ 6501-6506, 6502(c), and 6505(d), and Sections 5(a)(1), 5(m)(1)(A), 13(b), and 16(a) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 41-58, 45(a)(1), 45(m)(1)(A), 53(b), and 56(a).

DEFINITIONS

3. For the purposes of this Consent Decree, the term “Rule” means the Federal Trade Commission's Children’s Online Privacy Protection Rule, 16 C.F.R. Part 312, or as the Rule may hereafter be amended.

4. For purposes of this Consent Decree, the terms “child,” “collects,” “collection,” “Commission,” “delete,” “disclosure,” “Internet,” “online contact information,” “operator,” “parent,” “person,” “personal information,” “third party,” “verifiable consent,” 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.

5. Unless otherwise specified, “defendants” shall mean Bigmailbox.com, Inc. and its officers; Nolan Quan, individually and as an officer of the corporation; and each of the above’s successors and assigns, agents, representatives, and employees.

INJUNCTION

6. Defendants, their successors and assigns, and their officers, agents, servants, employees and attorneys, and all persons in active concert or participation with any one or more of them who receive actual notice of this Consent Decree by personal service or otherwise, are hereby enjoined from violating, directly or through any corporation, subsidiary, division, website, or other device, any provision of the Rule as promulgated and as it may be modified in the future. A copy of the current Rule is attached hereto as “Appendix A” and incorporated herein as if fully set forth verbatim.

7. Defendants, their successors and assigns, and their officers, agents, servants, employees and attorneys, and all persons in active concert or participation with any one or more of them who receive actual notice of this Consent Decree by personal service or otherwise, are hereby enjoined, in connection with the operation of any website or other online service, from making any misrepresentation in the website's privacy policy or elsewhere about the website's collection, use or disclosure of children’s personal information, or about the website's procedures to maintain the confidentiality, security, or integrity of children’s personal information.

CONSUMER EDUCATION REMEDY

8. For a period of five (5) years from the date of entry of this Consent Decree, defendants, and their successors and assigns, in connection with the operation of any website or online service directed in whole or in part to children, shall place a clear and conspicuous notice (1) within the privacy policy required to be posted on their website(s) by Section 312.4(b) of the Rule, 16 C.F.R.

CONSENT DECREE AND O

- b. a copy of each different privacy notice for www.bigmailbox.com and for any other of defendants' websites or online services subject to the Rule;
- c. a statement setting forth in detail each place where the privacy notice is located on www.bigmailbox.com and on any other of defendants' websites or online services subject to the Rule, and a copy of each different screen or page on which the website collects personal information;
- d. a copy of each different privacy notice to parents;
- e. a statement setting forth in detail when and how notices to parents are provided;
- f. a statement setting forth in detail the methods used to obtain verifiable parental consent prior to any collection, use, and/or disclosure of personal information from children;
- g. a statement setting forth in detail the means provided for parents to review the personal information collected from their children and to refuse to permit its further use or maintenance;
- h. a statement setting forth in detail why each type of information collected is reasonably necessary for the provision of the particular related activity; and

- i. a statement setting forth in detail the procedures used to protect the confidentiality, security, and integrity of personal information collected from children.

16. For a period of five years from the date of entry of this Consent Decree, defendants, and their successors and assigns, shall maintain and make available to the Federal Trade Commission for inspection and copying within seven (7) days of the date of receipt of a written request, a print or electronic copy in HTML format of all documents demonstrating compliance with the terms and

16.

CONSENT D

20. All reports, submissions, and notices required by Paragraphs 12 - 19 of this Consent

Decree shall be sent by certified mail to:

Associate Director, Division of Advertising Practices
Bureau of Consumer Protection
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580
Attention: United States v. Bigmailbox, Inc., et al.

CONTINUING JURISDICTION

21. This Court shall retain jurisdiction of this matter for the purposes of enabling any of the parties to this Consent Decree to apply to the Court at any time for such further orders or directives as may be necessary or appropriate for the interpretation or modification of this Consent Decree, for the enforcement of compliance therewith, or for the punishment of violations thereof.

JUDGMENT IS THEREFORE ENTERED in favor of plaintiff and against defendants, pursuant to all the terms and conditions recited above.

Dated this _____ day of _____, 2001.

UNITED STATES DISTRICT JUDGE

CONSENT DECREE AND ORDER FOR CIVIL PENALTIES, I

FOR THE FEDERAL TRADE COMMISSION:

By: _____
MAMIE KRESSES

FOR THE DEFENDANTS:

BIGMAILBOX.COM, INC.

By: _____

NOLAN QUAN

President

Bigmailbox.com, Inc.

1200 West 7th Street, Suite L1-100

Los Angeles, California 90017

NOLAN QUAN, individually and as an officer of
Bigmailbox.com, Inc.

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By: _____

LEWIS ROSE

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Members of the Firm