



Office of the Secretary

United States of America
FEDERAL TRADE COMMISSION
Washington, D.C. 20580

April 11, 2013

Tim Kelly
Commonwealth of Pennsylvania

*Re: In the Matter of DesignerWare, LLC,
In the Matter of Timothy Kelly and Ronald P. Koller
File No. 112 3151, Docket Nos. C-4390 and C-4391*

Dear Mr. Kelly:

Thank you for your comment regarding the Federal Trade Commission's consent agreements in the above-entitled proceeding. The Commission has placed your comment on the public record pursuant to Rule 4.9(b)(6)(ii) of the Commission's Rules of Practice, 16 C.F.R. § 4.9(b)(6)(ii), and has given it serious consideration.

Your comment suggests that the proposed consent orders with DesignerWare, LLC ("DesignerWare"), has with Tw3(3Tj ()Tj youc All the below were reported as "stolen." DesignerWare did not "know about how all its licensees used the Detective Mode" and its aim "it would not make sense for them to use the software" to monitor licensees were late on their payments.

Now, the Commission conducted a thorough investigation of this matter, DesignerWare's licensees used Detective Mode. The complaint against DesignerWare is based on the Commission's reason to believe that the company engaged in deceptive practices in violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 57. The complaint alleges that DesignerWare did not monitor its collection of or limit access to Detective Mode data, which included sensitive consumer information such as credit cards, Social Security numbers, and financial account numbers. The complaint also alleges that DesignerWare used webcams to take photos of individuals engaged in personal activities within the presumed homes of its licensees. The complaint further alleges that, in numerous instances, RTOs and Detective Mode used the program where consumers were late in making payments and the stores had no reason to believe that the computers had been stolen. As a result, DesignerWare did not – and, in fact, could not – ensure that Detective Mode could not be used to locate stolen computers.

The Commission believes the proposed orders strike an appropriate balance between