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STATE OF WASHINGTON
KING COUNTY SUPERIOR COURT

STATE OF WASHINGTON,
Plaintiff,
v.
JAMES LANE, individually and as part
of his marital community,
Defendants.

06 ~~NO~~ **2 - 37084 - 8 SEA**

CONSENT DECREE
[CLERKS ACTION REQUIRED]

I. JUDGMENT SUMMARY

- 1.1. Judgment Creditor: State of Washington
- 1.2. Judgment Debtors: James F. Lane
- 1.3. Principal Judgment Amount:
 - a. Civil Penalties: \$10,000.00 (with \$5,000.00 suspended upon full compliance with this Consent Decree)
 - b. Restitution: See Section IV.
 - c. Costs and Attorneys' Fees: \$6,444.37
- 1.4. Total Judgment: \$16,444.37 (with \$5,000.00 suspended upon full compliance with this Consent Decree)
- 1.5. Attorney for Judgment Creditor: Katherine M. Tassi, Assistant Attorney General

COPY

1 Defendant further agrees that this Court shall retain jurisdiction of this action for the
2 purpose of implementing and enforcing the terms and conditions of the Consent Decree and for all
3 other purposes; and

4 The Court finding no just reason for delay;

5 NOW, THEREFORE, it is hereby ORDERED, ADJUDGED, AND DECREED as
6 follows:

7 II. GENERAL

8 2.1. Jurisdiction. This Court has jurisdiction of the subject matter of this action and of
9 the parties. Plaintiff's Complaint in this matter states claims upon which relief may be granted
10 under the provisions of the Consumer Protection Act, Chapter 19.86 RCW, and the Computer
11 Spyware Act, Chapter 19.270 RCW.

12 2.2. Defendant. For purposes of this Consent Decree the term "Defendant" where
13 not otherwise specified shall mean James F. Lane.

14 III. INJUNCTIONS

15 3.1. Application of Injunctions. The injunctive provisions of this Consent Decree shall
16 apply to Defendant, and Defendant's successors, assigns, officers, agents, servants, employees,
17 representatives, and all other persons or entities in active concert or participation with Defendant.

18 3.2. Notice. Defendant shall immediately inform all successors, assigns, transferees,
19 officers, agents, servants, employees, representatives, attorneys and all other persons or entities in
20 active concert or participation with Defendant in the Complaint of the terms and conditions of this
21 Consent Decree.

22 3.3. Injunctions. Defendant and all successors, assigns, transferees, officers, agents,
23 servants, employees, representatives, attorneys and all other persons or entities in active concert or
24 participation with Defendant are hereby permanently enjoined and restrained from directly or
25 indirectly engaging in the following acts or practices:
26

1 a) In the context of any advertising, marketing, or sale of, or offer for,
2 services or products, failing to provide an operable uninstall function for any of
3 your trial or promotional software that fully uninstalls the software from the
4 user's computer.

5 b) Misrepresenting, directly or by implication, in the context of any
6 advertising, marketing, or sale of, or offer for, services or products, the source
7 of an advertisement, e.g., misrepresenting that an advertisement is a Microsoft
8 Internet Explorer security alert message.

9 c) In the context of any advertising, marketing, or sale of, or offer for,
10 services or products, misrepresenting that security or privacy functions on a
11 consumer's computer are not working properly.

12 d) In the context of any advertising, marketing, or sale of, or offer for,
13 services or products, creating a false sense of urgency, exclusivity, or need for
14 available products or services in the context of any advertising of services or
15 products.

16 e) In the context of any advertising, marketing, or sale of, or offer for,
17 services or products, failing to identify clearly and conspicuously the cost of
18 any product or service.

19 f) In the context of any advertising, marketing, or sale of, or offer for,
20 services or products, using images or buttons that are typically associated with
21 the function of closing an advertisement or a browser window to perform any
22 other function, e.g., using an "x" button to redirect the user to another Web site.

23 g) Advertising or marketing any product or service owned or operated by
24 Defendant that violates any provision of this Consent Decree; nothing in this
25 Section III of the Decree shall prevent Defendant from publishing third-party
26 advertisements for third-party products or services on Web sites owned and

1 operated by Defendant, and Defendant shall not be responsible for ensuring that
2 the content of such advertisements or the quality of such products complies with
3 the injunctive provisions of this Decree.

4 h) Violating any provisions of the Unfair-Business Practices - Consumer
5 Protection Act, RCW 19.86.

6 i) Violating any provisions of the Computer Spyware Act, RCW 19.270.

7 IV. RESTITUTION

8 4.1. Pursuant to RCW 19.86.080, Defendant shall pay consumer restitution as
9 follows: Defendant shall provide full refunds to all verified Washington purchasers of
10 Quikshield who file refund requests with the Washington Office of the Attorney General within
11 45 days following entry of this Decree. Plaintiff will forward such refund requests to
12 Defendant. Within 60 days following entry of this Decree, Defendant shall provide to Plaintiff
13 a report reflecting Defendant's refunds to such consumers, including the consumer's name,
14 amount refunded, and date of refund.
15

16 V. CIVIL PENALTIES

17 5.1. Pursuant to RCW 19.86.140, Plaintiff shall have and recover, and Defendant shall
18 be liable for and shall pay, civil penalties of \$10,000.00. However, \$5,000.00 of the penalties are
19 suspended conditioned upon Defendant's full compliance with the terms of this Consent Decree.
20

21 5.2. Should Defendant fail to fully and timely comply with all terms of this Consent
22 Decree, he shall be deemed in default of this Consent Decree.

23 5.3. In a successful action to impose civil penalties, interest will accrue on the
24 unsuspending amount, beginning on the date the civil penalties are unsuspending, at a rate of: 12%
25 or 4 percentage points above the equivalent coupon yield (as published by the Federal Reserve) of
26 the average bill rate for 26 week Treasury bills as determined at the first bill market auction

1 conducted during the calendar month immediately preceding the revocation of the Civil Penalty
2 suspension, whichever is higher.

3 5.4. Payment owing under this provision shall be in the form of a valid check paid to
4 the order of the "Attorney General—State of Washington" and shall be due and owing upon
5 entry of this Decree.

6 Payment shall be sent to the Office of the Attorney General, Attention: Cynthia Lockridge,
7 Administrative Office Manager, 800 Fifth Avenue, Suite 2000, Seattle, Washington, 98104-
8 3188.

9 VI. ATTORNEY COSTS AND FEES

10 6.1. Pursuant to RCW 19.86.080, Plaintiff shall recover and Defendant shall pay the
11 costs and reasonable attorneys' fees incurred by the Plaintiff in pursuing this matter in the amount
12 of \$6,444.37.

13 6.2. In any successful action to enforce any part of this Consent Decree, Defendant will
14 pay the Attorney General its attorneys' fees and costs, including reasonable attorneys' fees as
15 provided by RCW 19.86.080.

16 6.3. Payment owing under this provision shall be in the form of a valid check paid to
17 the order of the "Attorney General—State of Washington" and shall be due and owing upon
18 entry of the Consent Decree. Payment shall be sent to the Office of the Attorney General,
19 Attention: Cynthia Lockridge, Administrative Office Manager, 800 Fifth Avenue, Suite 2000,
20 Seattle, Washington, 98104-3188.

21 VII. ENFORCEMENT

22 7.1. Violation of any of the injunctions contained in this Consent Decree shall subject
23 the Defendant to a civil penalty of up to \$25,000.00 per violation pursuant to RCW 19.86.140,
24 provided that the suspended civil penalties described in Paragraph 5.1 shall be instated upon the
25 proof of a first violation, and that any subsequent violations shall be subject to additional civil
26 penalties of up to \$25,000.00 per violation.

1 7.2. Violation of any of the terms of this Consent Decree shall constitute a violation of
2 the Consumer Protection Act, RCW 19.86.020.

3 7.3. This Consent Decree is entered pursuant to RCW 19.86.080. Jurisdiction is
4 retained for the purpose of enabling any party to this Consent Decree with or without the prior
5 consent of the other party to apply to the Court at any time for enforcement of compliance with
6 this Consent Decree, to punish violations thereof, or to modify or clarify this Consent Decree.

7 7.4. Representatives of the Office of the Attorney General shall be permitted to access,
8 inspect and/or copy all business records or documents under control of Defendants in order to
9 monitor compliance with this Consent Decree within 14 days of written request to Defendant,
10 provided that the inspection and copying shall be done in such a way as to avoid disruption of
11 Defendant's business activities. Failure to comply with this section will subject Defendant to a
12 minimum civil penalty of \$2,000 per day for each day beyond 14 days after the written request
13 that the Attorney General is prevented by Defendant from accessing all records as provided by
14 this paragraph.

15 7.5. Representatives of the Office of the Attorney General may be permitted to
16 question Defendant, or any officer, director, agent, or employee of any corporation affiliated with
17 Defendant in the form of a deposition, pursuant to the provisions and notice requirements of CR
18 30, in order to monitor compliance with this Consent Decree.

19 7.6. Nothing in this Consent Decree shall be construed as to limit or bar any other
20 governmental entity or consumer from pursuing other available remedies against Defendant.

21 7.7. Under no circumstances shall this Consent Decree or the name of the State of
22 Washington, the Office of the Attorney General, Consumer Protection Division, or any of their
23 employees or representatives be used by Defendant in connection with any selling, advertising, or
24 promotion of products or services, or as an endorsement or approval of Defendant's acts, practices
25 or conduct of business.

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VIII. DISMISSAL AND WAIVER OF CLAIMS

8.1 Upon entry of this Consent Decree, all claims in this matter not otherwise addressed by this Consent Decree are dismissed.

NOV 22 2006

DONE IN OPEN COURT this _____ day of _____, 2006.

ERIC R. WATSON

JUDGE/COURT COMMISSIONER

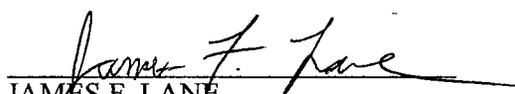
Approved for entry and presented by:

Approved for Entry, Notice of Presentation Waived:

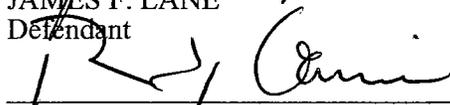
ROB MCKENNA
Attorney General



KATHERINE M. TASSI, WSBA #32908
Assistant Attorney General
Attorneys for Plaintiff
State of Washington



JAMES F. LANE
Defendant



RANDY GAINER, WSBA #11823
Davis Wright Tremaine LLP
Attorney for Defendant