

July 8, 2004

Mr. Jerry Berman
The Center for Democracy & Technology
1634 Eye Street NW, Suite 1100
Washington, DC 20006

Dear Mr. Berman,

I would like to thank you and your organization for the invaluable consumer service you are providing by working to improve industry's understanding of consumer privacy and marketing issues. We truly appreciate the Center for Democracy and Technology's willingness to provide constructive guidance and help us define practical approaches to create a valuable and positive experience for consumers.

As you are aware, 180solutions provides advertising software that software developers include with versions of their application in order to pay for the development of that software. Users as a result are able to receive free software in exchange for being presented with advertising. Those software developers, or as we refer to them, distributors, often use a network of third party affiliate Web sites to promote the download of their applications.

When we provide our advertising software to our distributors, we require all of them to obtain full and proper user consent prior to the execution and installation of their and our applications. In addition, we have always provided an easy to identify method of uninstalling our software and a dedicated customer support staff available to assist any user who does not find our software valuable.

As we have become aware, not all Web sites that promote free applications do so in an honest and straightforward manner. As we discussed with the CDT, 180solutions is very concerned with the problem of deceptive practices those companies may use to promote the installation and use of downloadable applications.

As a result of discussions with the CDT and within our company, we earlier this year instituted a number of changes in our agreements and practices:

- **Instituted a Distributor Code of Conduct**
180solutions instituted the enclosed Distributor Code of Conduct to clearly identify the responsibility of software developers who include our advertising software to not only conduct their business in a manner which provides consumers notice and control, but also to ensure that their third party affiliate Web sites also promote the download of their applications in a manner which provides consumers this same level of notice and control or face severe financial penalties.

- **Conducted a third party audit of our distributors and their third party affiliate Web sites**

To verify that all of 180solutions' distributors were complying with our contract and Distributor Code of Conduct, we hired Veritest, a nationally-recognized software testing organization to test direct and third party affiliate distribution partners. 180solutions will continue to do audits going forward on a regular basis to ensure continued compliance by our distributors.

- **Simplified the uninstall process for our advertising software**

In response to user feedback to our technical support staff, we simplified the process to uninstall our software. Though our software has always been removable directly through the standard uninstall method available through Microsoft Windows operating system, we redesigned the process to make it easier and faster to uninstall, reducing the amount of steps required by more than half. As a result, our technical support inquiries have dropped by 90 percent.

Additionally, based on user feedback, we have stopped the practice of using ActiveX advertisements and have focused on alternative methods to promote our distributors and our software.

Despite our best intentions and actions to ensure that all of our distributors and their affiliates comply with our Code of Conduct, we have recently learned through one of our distributors that one of their affiliates had used deceptive practices to download the 180search assistant, a version of our advertising software. In this instance, it appears that Aztec Marketing, through their Web site Ilookup.com, exploited a security hole in Microsoft's Internet Explorer to install our software along with others without our knowledge and consent and most importantly, without users' knowledge and consent.

180solutions does not condone this activity in any form and we emphatically condemn the deceptive acts of Aztec Marketing. Since this is a clear breach of contract, as well as a clear violation of our Distributor Code of Conduct, we have initiated a lawsuit as called for in our Code of Conduct.

As a result of this finding, 180solutions has committed to improve our technology to prevent this from happening again. We will build into our software the means to confirm the intent of users to install our application in addition to the distributor's application, as well as tools to contact potentially afflicted users of compromised distribution channels and enhancements which will enable us to proactively detect fraudulent distributors. Of course, we will continue to aggressively enforce our Distributor Code of Conduct including litigating when necessary.

We write to you because of your work within this industry to develop best practices and because of your efforts to identify and enforce against practices that threaten the privacy of consumers. We would like to collaborate with you and your organization in order to curb abuses in online marketing so that all consumers' experiences are positive. We appreciate your leadership in this area and look forward to continuing to work with you to stop negative practices and toward creating best practices for this growing industry.

Sincerely,

Keith Smith
CEO, Founder

enclosed: Distributor Code of Conduct

cc: Mr. Ari Schwartz, CDT

180solutions, Inc
Distribution Code of Conduct Agreement

This Code of Conduct Agreement ("Agreement") is entered into as of _____, by and between 180solutions, Inc., a Washington corporation (**180solutions**), and _____ a _____ corporation (**Distributor**). This Agreement shall append any existing agreements between the two parties.

As detailed in the Distribution Agreement Distributor has with 180solutions, Distributor agrees to notify users about the installation of 180search Assistant before installing the application on the end user's computer and to give such end user an effective method of avoiding installation. 180solutions reserves the right to approve final wording of this notification and to require periodic changes as necessitated by changes to 180search Assistant or for other business reasons. Each installation of 180search Assistant by Distributor must include and be subject to 180solutions End User License Agreement (EULA), and Distributor must obtain the informed consent from the end user to such EULA prior to installation.

Distributor is responsible for the actions of their partners and affiliates and will ensure that appropriate messaging and EULA acceptance precedes every installation that is credited to their account. If the Distributor discovers a partner or affiliate is in violation of these requirements the Distributor agrees to call such action to the attention of 180solutions and to immediately terminate distribution with that partner or affiliate. If 180solutions discovers independently that the Distributor, their partner or affiliate has failed to provide appropriate notification and EULA acceptance, in 180solutions' sole discretion, 180solutions may withhold payment for the current month's installations, terminate the distribution agreement or any other agreements between the parties, with cause, and take legal action against the Distributor, their partner, or affiliate to recover damages. The foregoing shall in no way limit the legal or equitable rights or remedies available to 180solutions in connection with a violation of the above requirements, or otherwise.

180solutions, Inc.

Distributor

By: _____
Name: Stan Monlux
Title: Director, Business Development
Date: _____
Address: _____
3600 136th Place SE
Bellevue, Washington
98006
Fax: 425-279-1199 _____

By: _____
Name: _____
Title: _____
Date: _____
Address: _____

Fax: _____