

STATE OF VERMONT  
WASHINGTON COUNTY

FILED  
2010 MAR 16 P 3:09  
ORDER

STATE OF VERMONT )

Plaintiff, )

-vs- )

LIFELOCK, INC., )  
a Delaware Corporation, )

Defendant )

Washington Superior Court

Docket No. 107-3-10

WVCV

**FINAL JUDGMENT AND CONSENT DECREE**

Plaintiff, State of Vermont, by Attorney General William H. Sorrell, has filed a Complaint for a permanent injunction and other relief in this matter pursuant to the Vermont Consumer Fraud Act, 9 V.S.A. §§ 2451 *et seq.*, alleging Defendant, LifeLock, Inc., committed violations of the Act.

Plaintiff and LifeLock, Inc., have agreed to the Court's entry of this Final Judgment and Consent Decree without trial or adjudication of any issue of fact or law or finding of wrongdoing or liability of any kind. LifeLock denies the allegations of the Complaint and denies having violated the Consumer Fraud Act.

Office of the  
ATTORNEY  
GENERAL  
Montpelier,  
Vermont 05609

## PREAMBLE

The Attorneys General (collectively, the “Attorneys General,” and the “AGs”) of the states of Alaska, Arizona, California, Delaware, Florida, Hawaii<sup>1</sup>, Idaho, Illinois, Indiana, Iowa, Kentucky, Maine, Maryland, Massachusetts, Michigan, Missouri, Mississippi, Montana, Nebraska, Nevada, New Mexico, New York, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee<sup>2</sup>, Texas, Vermont, Virginia, Washington, and West Virginia (collectively, the “Participating States”)<sup>3</sup> conducted an investigation under the State Consumer Protection Laws regarding Defendant’s identity theft protection services; and

Defendant is willing to enter into a Final Judgment and Consent Decree (the “Judgment” or “Order”) regarding the marketing, advertising, and offering for sale of its identity theft protection services in order to resolve the AGs’ investigation under the State Consumer Protection Laws and arrive at a complete and total settlement and resolution of any disagreement as to the matters addressed in this Judgment and thereby avoid unnecessary expense, inconvenience, and uncertainty.

## PARTIES

The State of Vermont (hereinafter “the State”) is the plaintiff in this case. The State, by and through Attorney General William H. Sorrell, is charged, *inter alia*, with the enforcement of Vermont’s Consumer Fraud Act, 9 V.S.A. §§ 2451 *et seq.*

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<sup>1</sup> With regard to Hawaii, Hawaii is represented by its Office of Consumer Protection, an agency which is not part of the state Attorney General’s Office, but which is statutorily authorized to represent the State of Hawaii in consumer protection actions.

<sup>2</sup> With regard to Tennessee, Tennessee is represented by its Office of the Tennessee Attorney General on behalf of the Tennessee Division of Consumer Affairs of the Department of Commerce and Insurance.

<sup>3</sup> Hereafter, when the entire group is referred to as the “Participating States” or “Attorneys General,” such designation as it pertains to Hawaii refers to the Executive Director of the State of Hawaii Office of Consumer Protection.

LifeLock, Inc. (hereinafter "Defendant") is a corporation formed under the laws of the State of Delaware, with its principal place of business at 60 E Rio Salado Parkway, Suite 400, Tempe, AZ 85281. As used herein, any reference to "LifeLock" or "Defendant" shall mean LifeLock, Inc., including all of its officers, directors, affiliates, subsidiaries and divisions, predecessors, successors and assigns doing business in the United States.

### COMMERCE

Defendant, at all times relevant hereto, engaged in commerce affecting consumers within the meaning of the Consumer Fraud Act, 9 V.S.A. §§ 2451a, 2453, in the State of Vermont, including, but not limited to, Washington County.

### **IT IS HEREBY ORDERED that:**

### DEFINITIONS

For purposes of this Judgment, the following definitions shall apply:

1. "State Consumer Protection Laws" shall mean the consumer protection laws<sup>4</sup> under which the Attorneys General have conducted the investigation.

<sup>4</sup>ALASKA – Alaska Unfair Trade Practices and Consumer Protection Act, AS 45.40.471, *et seq.*; ARIZONA – Arizona Consumer Fraud Act, A.R.S. § 44-1521 *et seq.*; CALIFORNIA – Bus. & Prof Code §§ 17200 *et seq.* and 17500 *et seq.*; DELAWARE - Delaware Consumer Fraud Act, DEL. CODE ANN. tit. 6. §§2511 to 2527; FLORIDA – Florida Deceptive and Unfair Trade Practices Act, Chapter 501, Part II, Florida Statutes, §501.201 *et seq.*; HAWAII - Hawaii Rev. Stat. §480-2; IDAHO – Consumer Protection Act, Idaho Code §§ 48-601 *et seq.*; ILLINOIS – Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/2 *et seq.*; INDIANA - Deceptive Consumer Sales Act, Ind. Code Ann. §§ 24-5-0.5-1 to 24-5-0.5-12; IOWA - Consumer Fraud Act, Iowa Code § 714.16; KENTUCKY - Consumer Protection Act, KRS 367.110 *et seq.*; MAINE - Maine Unfair Trade Practices Act, 5 M.R.S. §§ 205-A *et seq.*; MARYLAND - Maryland Consumer Protection Act, Md. Code Ann., Com. Law §13-101, *et seq.*; MASSACHUSETTS - Mass. Gen. Laws c. 93A, §§ 2 and 4; MICHIGAN - Michigan Consumer Protection Act, MCL §445.901 *et seq.*; MISSISSIPPI – Miss. Code Ann. §75-24-1 *et seq.*; MISSOURI - MO ST §407.010 to 407.145; MONTANA – Mont. Code Ann. § 30-14-101 *et seq.*; NEBRASKA - Nebraska Consumer Protection Act, Neb. Rev. Stat. §§ 59-1601 *et seq.*, Uniform Deceptive Trade Practices Act, Neb. Rev. Stat. §§ 87-301; NEVADA – Nevada Deceptive Trade Practices Act, Nevada Revised Statutes 598.0903 *et seq.*; NEW JERSEY – Consumer Fraud Act, N.J.S.A. 56:8-1 *et seq.*; NEW MEXICO - New Mexico Unfair Practices Act, NMSA 57-12-1 *et seq.*; NEW YORK - N.Y. Gen. Bus. Law §§ 349 & 350 and Executive Law § 63(12); NORTH CAROLINA – North Carolina Unfair and Deceptive Trade Practices Act, N.C.G.S. 75-1,1, *et seq.*; NORTH DAKOTA - N.D.C.C. §§ 51-15-01 *et seq.*; OHIO - Ohio Consumer Sales Practices Act, R.C. 1345.01, *et seq.*; OREGON - Oregon Unlawful Trade Practices Act, ORS 646.605 *et seq.*; PENNSYLVANIA - Pennsylvania Unfair Trade Practices and Consumer Protection Law, 73 P.S. 201-1 *et seq.*; SOUTH CAROLINA – South Carolina Unfair Trade Practices Act, S C

## INJUNCTIVE PROVISIONS

### I. Representations Concerning the Defendant's Service

2. Defendant, directly or through any corporation, partnership, subsidiary, division, trade name, device, affiliate, or other entity, and their officers, agents, servants, employees, and all persons and entities in active concert or participation with them who receive actual notice of this Judgment, by personal service or otherwise, is hereby permanently restrained and enjoined from:

1. in connection with the advertising, distribution, promoting, offering for sale, or sale of any product, service, or program intended for the purpose of preventing, mitigating, or recovering from any form of identity theft as defined in 13 V.S.A. § 2030 and 18 U.S.C. § 1028, misrepresenting in any manner, expressly or by implication:

- a) that such product, service, or program provides complete protection against all forms of identity theft by making customers' personal information useless to identity thieves;
- b) that such product, service, or program prevents unauthorized changes to customers' address information;
- c) that such product, service, or program constantly monitors activity on each of its customers' consumer reports;

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Code Ann. Sections 39-5-10, *et seq.*, SOUTH DAKOTA – South Dakota Deceptive Trade Practices and Consumer Protection, SD ST 37-24-1, 37-24-6, 37-24-23, 37-24-31, 22-41-10; TENNESSEE – Tennessee Consumer Protection Act, Tenn. Code Ann. Section 47-18-101 *et seq.*; TEXAS – Texas Deceptive Trade Practices and Consumer Protection Act, Tex. Bus. And Com. Code 17.41, *et seq.*; VERMONT – Consumer Fraud Act, 9 V.S.A. §§ 2451 *et seq.*; VIRGINIA – Virginia Consumer Protection Act, Section 59.1-196 *et seq.*; WASHINGTON – Washington Consumer Protection Act, RCW §§ 19.86 *et seq.*; WEST VIRGINIA – W. Va. Code § 46A-1-101 *et seq.*

- d) that such product, service, or program ensures that a customer will always receive a phone call from a potential creditor before a new credit account is opened in the customer's name;
- e) the means, methods, procedures, effects, effectiveness, coverage, or scope of such product, service, or program;
- f) the risk of identity theft to consumers;
- g) whether a particular consumer has become or is likely to become a victim of identity theft; and/or
- h) the opinions, beliefs, findings, or experiences of an individual or group of consumers related in any way to any such product, service, or program.

Such products, services, or programs include, but are not limited to, the placement of fraud alerts on behalf of consumers, searching the Internet for consumers' personal data, monitoring commercial transactions for consumers' personal data, identity theft protection for minors, and guarantees of any such products, services, or programs.

## **II. Defendant's Mandatory Arbitration Provisions**

3. The terms and conditions of Defendant's service, or any customer or member agreement, shall not require customers, including current and former customers, to submit to arbitration in a state other than the state of the customer's residence.

### **GENERAL PROVISIONS**

4. The Parties have agreed to resolve the issues raised by the marketing, advertising, and offering for sale of Defendant's identity theft protection services under the State Consumer Protection Laws by entering into this Judgment. Defendant is entering into

this Judgment solely for the purpose of settlement and nothing contained herein may be taken as or construed to be an admission or concession of any violation of law or regulation, or of any other matter of fact or law, or of any liability or wrongdoing, all of which Defendant expressly denies. Defendant does not admit any violation of the State Consumer Protection Laws, and does not admit any wrongdoing that was or could have been alleged by any Attorney General before the date of the Judgment under those laws.

5. This Judgment is made without trial or adjudication of any issue of fact or law or finding of wrongdoing or liability of any kind. Except to the extent required by law, it is the intent of the Parties that this Judgment shall not be admissible in any other matter, including, but not limited to, any investigation or litigation, or bind Defendant in any respect other than in connection with the enforcement of this Judgment.

6. This Judgment constitutes a complete settlement and release by the Participating States of all civil claims against Defendant, and its successors, employees, officers, directors and assigns, with respect to the marketing, advertising, and offering for sale its identity theft protection services, which were or could have been asserted prior to the date this Judgment is entered by the Participating States under the State Consumer Protection Laws cited in footnote 4 of this Judgment.

7. This Judgment shall be governed by the laws of the Participating States and is subject to court approval in those Participating States whose procedures require court approval. By entering into this Judgment, Defendant and the Attorneys General agree to all such court approvals, provided that there are no modifications to the terms of this Judgment without the express written consent of Defendant and the Attorneys General. This Judgment does not constitute an admission by Defendant of any Participating State's jurisdiction over it

other than with respect to this Judgment, and does not alter any Participating State's jurisdiction over it.

8. Defendant represents that it has fully read and understood this Judgment, it understands the legal consequences involved in signing this Judgment, and there are no other representations or agreements between Defendant and the Attorneys General not stated in writing herein.

9. Defendant represents and warrants that it is represented by legal counsel, that it is fully advised of its legal rights in this matter and that the person signing below is fully authorized to act on its behalf.

10. This Judgment shall bind Defendant and shall be binding on any and all of its successors, employees, officers, directors, and assigns.

11. Defendant shall provide a copy of this Judgment and an accurate summary of the material terms of this Judgment to its senior executive officers who have managerial responsibility for the matters subject to this Judgment. Upon written request, Defendant will provide the Attorneys General with proof it has completed this process within 30 days of the request.

12. This Judgment contains the entire agreement between Defendant and the Attorneys General. Except as otherwise provided herein, this Judgment shall be modified as to any Participating State and/or Defendant only by a written instrument signed by or on behalf of the Attorney General of that Participating State and signed by or on behalf of Defendant. Defendant understands that in some Participating States court approval of any modification will be necessary. Defendant and the Attorneys General for such Participating States agree to use their best efforts to obtain such court approval.

13. Neither Defendant nor anyone acting on its behalf shall state or imply or cause to be stated or implied that a Participating State, an Attorney General, or any governmental unit of a Participating State has approved, sanctioned, or authorized any practice, act, advertising material, or conduct of Defendant.

14. Nothing in this Judgment shall be construed as a waiver of or limitation on Defendant's right to defend itself from or to make agreements in any private individual or class action, state, or federal claim, suit or proceeding relating to the existence, subject matter or terms of this Judgment.

15. Nothing in this Judgment shall be construed to affect or deprive any private right of action that any consumer, person, entity, or by any local, state, federal or other governmental entity, may hold against Defendant, except as otherwise provided by law.

16. The titles and headers to each section of this Judgment are for convenience purposes only and are not intended by Defendant or the Attorneys General to lend meaning to the actual terms of this Judgment.

17. Nothing in this Judgment shall limit an Attorney General's right to obtain information, documents, or testimony from Defendant pursuant to any state or federal law or regulation.

18. If any clause, provision or section of this Judgment shall, for any reason, be held illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall not affect any other clause, provision or section of this Judgment, and this Judgment shall be construed and enforced as if such illegal, invalid or unenforceable clause, section or provision had not been contained herein.

19. Nothing in this Judgment shall be construed as relieving Defendant of its obligation to comply with all state and federal laws and regulations, nor shall any of the terms of this Judgment be deemed to grant Defendant permission to engage in any acts or practices prohibited by such laws and regulations.

20. Any failure by any party to this Judgment to insist upon the strict performance by any other party of any of the provisions of this Judgment shall not be deemed a waiver of any of the provisions of this Judgment, and such party, notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of any and all of the provisions of this Judgment and the imposition of any applicable penalties, including but not limited to contempt, civil penalties and/or the payment of attorneys fees to the State.

21. Time shall be of the essence with respect to each provision of this Judgment that requires action to be taken by Defendant within a stated time period or upon a specified date.

22. This Judgment sets forth the entire agreement between the parties, and there are no representations, agreements, arrangements, or understandings, oral or written, between the parties relating to the subject matter of this Judgment which are not fully expressed herein or attached hereto.

23. Defendant has provided the Attorneys General with certain documents, advertisements, and contracts. Defendant acknowledges and agrees that providing these documents to the Attorneys General in no way constitutes the AGs' pre-approval, review for compliance with state or federal law, or with this Judgment, or a release of any issues relating to such documents.

24. Defendant agrees that this Judgment does not entitle Defendant to seek or to obtain attorneys' fees as a prevailing party under any statute, regulation or rule, and

Defendant further waives any rights to attorneys' fees that may arise under such statute, regulation or rule.

25. Defendant further agrees to execute and deliver all authorizations, documents and instruments which are necessary to carry out the terms and conditions of this Judgment.

26. This document may be executed in any number of counterparts and by different signatories on separate counterparts, each of which shall constitute an original counterpart hereof and all of which together shall constitute one and the same document. One or more counterparts of this Judgment may be delivered by facsimile or electronic transmission with the intent that it or they shall constitute an original counterpart thereof.

27. This Judgment is conditioned upon the prior approval of the Federal Trade Commission of the FTC's *Stipulated Final Judgment and Order for Permanent Injunction and Other Equitable Relief*.

### **Jurisdiction**

28. Jurisdiction of this Court over the subject matter and over the Defendant for the purpose of entering into and enforcing this Judgment is admitted. Jurisdiction is retained by this Court for the purpose of enabling the State to apply to this Court for such further orders and directions as may be necessary or appropriate for the construction, modification or execution of this Judgment, including the enforcement of compliance therewith and penalties for violation thereof.

### **Compliance**

29. Defendant shall develop and implement compliance procedures reasonably designed to ensure compliance by Defendant with the obligations contained in this Judgment. With respect to its agents, Defendant shall (a) notify its agents of the relevant provisions of

this Judgment; (b) ensure that all advertisements provided by Defendant to its agents for their use in the marketing and sale of Defendant's identity theft protection services are in conformity with the terms of this Judgment; and (c) not direct its agents to take any action or implement any practice that is in contravention of this Judgment.

**Payment to the States**

30. Defendant shall pay one million dollars (\$1,000,000) to the Participating States. Defendant represents that its undersigned counsel holds these funds in escrow for no purpose other than payment to the states. Such individual payment shall be made to each Participating State (in a specified amount and based on a payment allocation provided to Defendant by Participating States) within 21 days from the date that state enters its Judgment in court. These funds shall be paid to each Participating State by electronic fund transfer in accordance with instructions previously provided to Defendant by Participating States.

31. Said payment may be used by the Participating States for attorney's fees and other costs of investigation and litigation, or to be placed in, or applied to, the consumer protection enforcement fund, including future consumer protection enforcement, consumer education, litigation or local consumer aid fund or revolving fund; used to defray the costs of the inquiry leading hereto; or used for any other purposes permitted by State law, at the sole discretion of each respective Attorney General.

**Restitution**

32. The States will be participating in the joint FTC and Participating States' Eleven Million Dollar (\$11,000,000) consumer redress program outlined in the FTC's *Stipulated Final Judgment and Order for Permanent Injunction and Other Equitable Relief*.

**Modification of Certain Operational Provisions**

33. Prior to filing a motion with the Court seeking a modification of this Judgment, Defendant shall send a written request for modification to the Attorney General of Illinois on behalf of the Participating States along with a detailed explanation of the reason and need for any requested modification. The Participating States shall give such petition reasonable consideration and shall respond to Defendant within 90 days of receiving such request. At the conclusion of this 90 day period, Defendant reserves all rights to pursue any legal or equitable remedies that may be available to it.

**Notification to State**

34. For five (5) years following execution of this Judgment, Defendant shall notify the Attorney General, c/o Sarah London, Vermont Attorney General's Office, Public Protection Division, 109 State Street, Montpelier, VT, 05609-1001, in writing at least thirty (30) days prior to the effective date of any proposed changes in its corporate structure, such as dissolution, assignment, or sale resulting in the emergence of a successor corporation or firm, the creation or dissolution or subsidiaries, or any other changes in Defendant's status that may impact in any way compliance with obligations arising out of this Judgment.

35. Any notices required to be sent to the State or the Defendant by this Judgment shall be sent by United States mail, certified mail return receipt requested or other nationally recognized courier service that provides for tracking services and identification of the person signing for the document. The documents shall be sent to the following addresses:

Office of the  
ATTORNEY  
GENERAL  
Montpelier,  
Vermont 05609

For the Attorney General of the State of Vermont, William H. Sorrell:

Sarah London  
Vermont Attorney General's Office  
Public Protection Division  
109 State Street  
Montpelier, VT 05609-1001

For the Defendant:

Clarissa Cerda, General Counsel  
LifeLock  
60 East Rio Salado Pkwy  
Tempe, AZ 85281

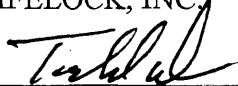
Copy to: Robert Sherman  
Greenberg Traurig  
One International Place  
Boston, MA 02110

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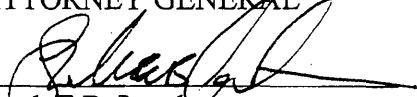
**Stipulation**

Defendant acknowledges receipt of and voluntarily agrees to the terms of this Consent Decree and waives any formal service requirements of the Complaint, Consent Decree, and Final Judgment.

DATED at Tempe, Arizona, this \_\_\_ day of \_\_\_\_\_ 2010.

LIFELOCK, INC.  
By:   
Todd Davis  
CEO  
LifeLock  
60 East Rio Salado Pkwy  
Tempe, AZ 85281

DATED at Montpelier, Vermont, this 9<sup>th</sup> day of March 2010.

STATE OF VERMONT  
WILLIAM H. SORRELL  
ATTORNEY GENERAL  
By:   
Sarah E.B. London  
Assistant Attorney General  
Public Protection Division  
Vermont Attorney General's Office  
109 State Street  
Montpelier, Vermont 05609-1001  
802-828-5479

Office of the  
ATTORNEY  
GENERAL  
Montpelier,  
Vermont 05609

**DECREE, ORDER AND FINAL JUDGMENT**

This Consent Decree is accepted and entered as a Decree, Order and Final Judgment of  
this Court in the matter of: *State of Vermont v. LifeLock, Inc.*, Docket  
No. 167-3-10 Wncv.

SO ORDERED.

DATED at Montpelier, Vermont this 15 day of March 2010.



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Washington Superior Court Judge  
Geoffrey W. Crawford